



Update



A Message From The General Manager/CEO

By Dan Laws

“Rio Grande Electric Cooperative is not for sale.”

I have said this many times through this forum and many others; but there would not be electric energy available throughout most of Rio Grande Electric’s service territory, even today, were it not for the cooperative business model. The cooperative business model provides the framework for individuals to come together and provide a service, or goods, that they are not currently receiving, or, are not receiving at competitive prices. Electric cooperatives were born during the 1930’s, as part of FDR’s New Deal.

The concept was accompanied by low cost loan funds from the Federal Government. In addition, the Federal Government created the business structure and construction standards still in use today.

Some of you know I worked in the for-profit business sector, oil and gas production to be exact, before coming to work for Rio Grande. While working in the oil and gas fields of Texas, I wanted to develop pole line construction standards. Rather than try to reinvent the wheel, I began by looking to see if it had already been invented. It came as no surprise that it had been invented many times. There were lots of standards out there, but were any of them suitable for my company’s needs? After reviewing various sets of standards, it was clear there was one standard that eclipsed the others; those developed by the Federal Government for use by rural electric cooperatives. So, Texaco adopted them as its own construction standard.

I tell this story simply to say, although many like to criticize our government, this is program that has really worked. It is also one of the few Federal programs that has actually made money for the government. Oh, there are those that take shots at the program from time to time. There are even some that say it has outlived its usefulness, but that simply is not true. Don’t take my word for it, look around. Who is out there building infrastructure in your area? Until 1975, anyone could have built to you to meet your needs, but no one did! Why? It wasn’t profitable. Still, today, Rio Grande serves many areas that are not cost-effective to serve, however, that’s not a problem, because we are not driven by profit...we are driven by your needs.

For that reason, the Rio Grande board of directors passed a resolution that simply says Rio Grande Electric Cooperative is not for sale. Now, before you jump to any conclusions, no one is offering to buy the Cooperative. Quite the opposite, I would suggest, is the case. Folks would run from the idea. So, why did we approve a “Not for Sale” resolution, then? We did it for legal reasons, but just as importantly, we did to make an important statement. We, I and the board of directors, believe unequivocally that the cooperative business model has served the members of Rio Grande better than any other could have and better than any would in the future. We are equally confident that the introduction of a different business model would only increase costs and reduce service and reliability.

You can view the resolution in its entirety on line at www.riogrande.coop.

October is National Cooperative Month in America. It’s a time set aside to recognize the contributions this business model has brought to the American way of life. There is no better example of its benefits than the electric cooperatives of America. Rio Grande Electric Cooperative, Inc. proudly stands shoulder to shoulder with them. Oh, and by the way, the resolution did one other thing...it made clear our commitment to you, the member-owner.



**Psst. . .
Have you heard?**

A BIG announcement will be made at the Annual Meeting.