



Update



January, 2009



A Message From The General Manager/CEO

By Dan Laws

“Aren’t you glad Congress has no control over a sunrise?”

Here we are at the outset of a new year. Every January, it is customary in America to consider our future, discuss new beginnings, new attitudes and new goals. I have noticed, however, that the New Year never really feels any different than the year that just passed. I have often thought it would be helpful if crossing the demarcation between December 31 and January 1 was more dramatic in some way.

Oh, it’s not that we don’t try to make it more eventful. We will have parties and watch the clock so that we can give a celebratory cheer at midnight. Unfortunately, it is all too contrived for my liking. I want it to feel new without my having to force the feelings. Perhaps changing old habits or setting new goals for our lives would be easier if entering the New Year felt...well...new!

When I put on a new pair of pants—they feel new and I feel different. The same is true when I put on a new shirt. In fact, wearing a new shirt can be very eventful when I have inadvertently left one of the myriad of pins, used to hold new shirts together in the package. A new haircut feels new, a new car feels new, a new place looks and feels new, but the New Year always feels the same as the old year to me. Maybe, instead of celebrating New Year’s, we should celebrate “Old Year Continued”.

Yet, there is something to be said for things that never change—never feel new. Relationships should never change unless it is to become more of what it has been in the past. Aren’t you glad Congress has no control over a sunrise—the closest they can come is messing with daylight savings time. They cannot legislate a sunset, a full moon or snowfall.

Of significant importance are the tried and true institutions that we depend on never changing. We count on the church always being there. Public schools are institutions we depend on, and although they receive a lot of criticism, they are trustworthy institutions. Our government with all of its flaws is still the greatest in the world, and whether we will admit it or not, we take comfort in knowing its there. Hopefully, for you as Rio Grande member, you take comfort in knowing we are here, safeguarding your energy supply, making sure it is available when you turn on the light switch.

Here at Rio Grande we will continue, in 2009, to be the institution on which you have come to depend. We will continue to grow and improve. New technology will help us work smarter. All of us realize the world around has changed. Our economy, for all of us born after WWII, is different than we have ever seen it. Energy prices have skyrocketed and it is possible, perhaps even likely, that things will never be as they were. Nevertheless, we are committed to you and to finding ways to bring you affordable energy. Have a Happy and Prosperous New Year!



Happy New Year!

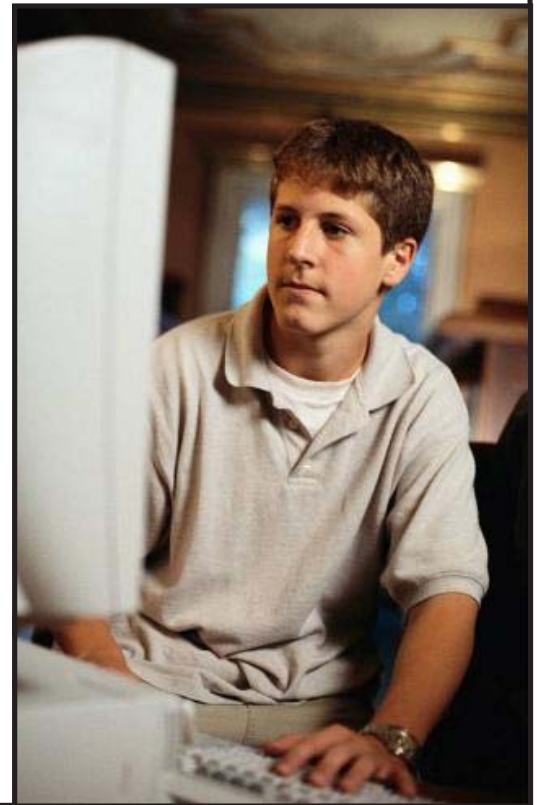
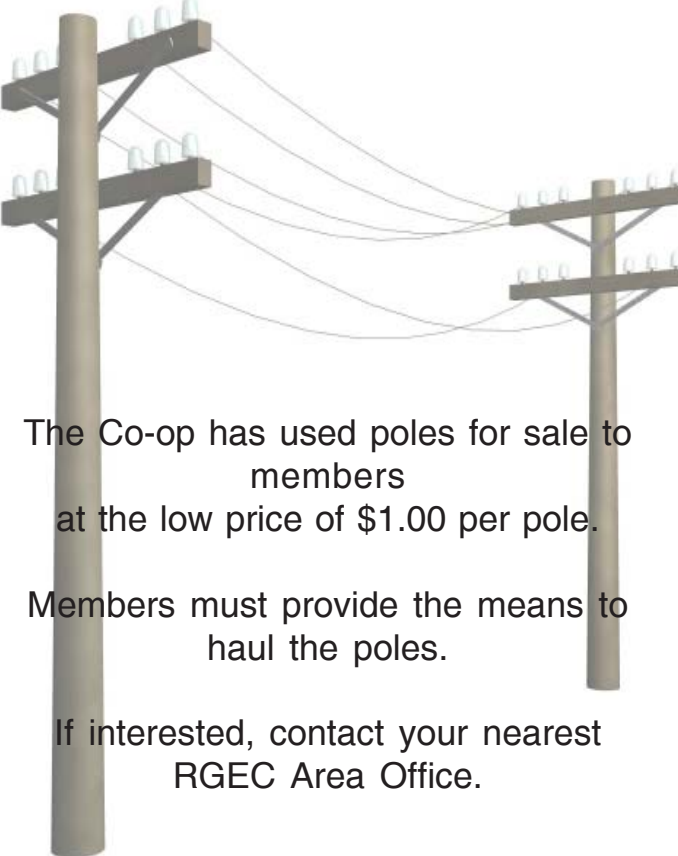
2009 RGEC Student Essay Contest

Eligible students ages 14-18 could win a new computer system, if selected as the winning entrant(s) in the 2009 RGEC Essay Contest. To be eligible, a student's parent or legal guardian must be a bona fide member of Rio Grande Electric Cooperative (RGEC). This means they must have an electric account in their name with the Co-op. Renters who reimburse landlords for their electrical usage are not members of RGEC.

Entrants must submit an original essay on "The Cooperative Advantage" in Microsoft Word format on CD, containing no more than 700 words nor less than 500 words. Essays should be Times New Roman 12 point type font, in MLA format. A sample is posted on the RGEC website. The essay should describe how and why the cooperative business model is preferable. (Word count will be according to Microsoft Word.) In addition, a completed entry form should also be contained on the CD. Forms are available on the RGEC website, www.riogrande.coop. Clearly label CD with entrant's name, grade, and school. Entries must be received by mail in the Cooperative's Brackettville office by 5:00 P.M. April 15, 2009. The address is RGEC Essay Contest, P.O. Box 1509, Brackettville, Texas 78832. Entries must not be given to RGEC employees nor board members to turn in, or they will be immediately disqualified.

Information packets containing complete rules and entry forms are being distributed to schools throughout RGEC's service territory this month. Students may obtain the entry information from the schools, online at www.riogrande.coop, at any RGEC area office, or by calling 1-800-749-1509, ext. 1182, and requesting a packet by mail.

Approximate value of computer and accompanying peripheral devices is \$2,500.

The Co-op has used poles for sale to members at the low price of \$1.00 per pole. Members must provide the means to haul the poles. If interested, contact your nearest RGEC Area Office.

RGEC Office Closure Dates, 2009

January 1	New Year's Day
February 16/17	Presidents' Day
May 25	Memorial Day
July 3	Independence Day
September 7	Labor Day
November 26-27	Thanksgiving Holidays
December 24-25	Christmas Holidays

You can always reach a "real person" in case of outage or emergency by calling **1-800-749-1509!** Remember to have your account and meter numbers handy when calling.

If you need another refrigerator magnet containing a place to record your account and meter numbers, stop by any RGEC Area Office and pick one up!

Celebrating Dedication: RGEC Employee Service Awards

Each year, RGEC recognizes employees who have reached special milestones in their careers with the Co-op. Those honored during the November, 2008 Service Awards include:

- 25 years: Delia Sanchez, Customer Service Representative II, Dell City
- 15 Years: Steve Wright, Area Operations Manager, Fort Stockton
- 15 Years: Fred Cervantez, 1st Class Lineman, Carrizo Springs
- 10 Years: Susanna Castillo, Accounting Clerk I, Brackettville
- 10 Years: Gilbert Villarreal, 1st Class Lineman, Brackettville
- 5 Years: Mike Wells, Office Supervisor, El Paso
- 5 Years: Mando Hernandez, 1st Class Lineman, El Paso

The average tenure of RGEC employees is 6.3 years, and the average age is 43.

RGEC provides employees with ongoing training, health and disability insurance, a 401K and a Retirement Security Plan. At RGEC, we strive to hire and retain top-notch employees to insure our members have the best of the best!



Steve Wright and Delia Sanchez



Fred Cervantez, Susanna Castillo, and Gilbert Villarreal



RGEC GM/CEO Dan Laws presented Mando Hernandez with his 5-year service award.



RGEC GM/CEO Dan Laws congratulated Mike Wells on his 5-year service award.



New Identity Theft Prevention Program Implemented

Beginning this year, cooperatives and other utilities will be required to establish identity theft prevention programs in order to comply with the new Federal Trade Commission (FTC) "Red Flags" rule. A red flag is a pattern, practice or activity that indicates the possible existence of identity theft. According to FTC statistics, fraud associated with telephone and utility accounts is the second most prevalent form of fraud from identity theft.

Rio Grande has formulated, in accordance with FTC guidelines, a set of procedures and practices to protect our members from identity theft. These procedures are already approved by the board of directors and many of them were implemented in 2008, well ahead of the May 1, 2009 FTC timeline.

Someone whose name and identifying numbers are not listed as a joint account holder or authorized account representative will not be provided with any information about RGEC accounts. This is for the protection of RGEC members. Spouses, partners, adult children of parents who are RGEC members, etc. may find this disconcerting. In order to avoid frustration, RGEC accounts should be converted to joint accounts or have a designated representative authorized. Social Security numbers will be required for all accounts.

"We are looking at this as an opportunity to improve security and prevent the theft of our members' personal information," said Assistant to the GM/CEO Theresa Quiroz. "It is an excellent opportunity for members to update their contact information, as well. As we become more and more dependent on cell phones and email these days, we need these numbers and addresses in order to contact members. The new "Red Flags Rule" will also mean a few changes in the way we function within the office structure, but it will improve security and safeguard our members, so it is all worthwhile," Quiroz concluded.

To update your account information, contact your local RGEC Area Office, or call 1-800-749-1509.



Attention Commercial Builders: DOE Develops Benchmark Models to Improve Building Energy Simulations

The Department of Energy (DOE), in conjunction with three of its national laboratories, has developed and made available commercial building benchmark models for building professionals to use when analyzing whole-building energy performance across the commercial building stock. The commercial benchmarks are available for DOE's EnergyPlus simulation software. The models provide a consistent baseline of comparison and improve the value of computer-generated energy simulations.

DOE's Building Technologies Program, working with DOE's Pacific Northwest National Laboratory, Lawrence Berkeley National Laboratory, and National Renewable Energy Laboratory, developed models for 16 commercial building types in 16 locations representing all U.S. climate zones. These 16 building types represent approximately 70% of commercial buildings in the United States.

Users can download the benchmarks by building type or location at the Commercial Building Benchmark Models Web page. Each benchmark building is comprised of:

- An EnergyPlus input file (.idf)
- An HTML file showing the results from the EnergyPlus simulation (.html)
- A scorecard summarizing the inputs and results for each location (.pdfs)
- Appropriate weather data file for EnergyPlus (.epw).

EnergyPlus is DOE's fully integrated building, HVAC, and renewables simulation program that allows builders and architects to analyze low-energy technologies in commercial and residential building simulations.

For more information on this and other energy efficient building techniques and conservation tips, visit the U.S. Department of Energy's Energy Efficiency and Renewable Energy web site at www.eere.energy.gov.

Start The New Year Safely

In the event of a fire, properly installed and maintained smoke alarms will provide an early warning alarm to your household. This alarm could save your own life and those of your loved ones by providing the chance to escape.

They are a very important means of preventing house and apartment fire fatalities by providing an early warning signal — so you and your family can escape. Smoke alarms are one of the best safety devices you can buy and install to protect yourself, your family, and your home.

There are many different brands of smoke alarms available on the market but they fall under two basic types: ionization and photoelectric. Ionization alarms sound more quickly when a flaming, fast moving fire occurs. Photoelectric alarms are quicker at sensing smoldering, smoky fires. There are also combination smoke alarms that combine ionization and photoelectric into one unit, called dual sensor smoke alarms. Because both ionization and photoelectric smoke alarms are better at detecting distinctly different yet potentially fatal fires, and because homeowners cannot predict what type of fire might start in a home, the United States Fire Administration recommends the installation of both ionization and photoelectric or dual sensor smoke alarms.



In addition to the basic types of alarms, there are alarms made to meet the needs of people with hearing disabilities. These alarms may use strobe lights that flash and/or vibrate to assist in alerting those who are unable to hear standard smoke alarms when they sound.

Install smoke alarms on every level of your home, including the basement. Many fatal fires begin late at night or in the early morning. For extra safety, install smoke alarms both inside and outside sleeping areas. Since smoke and many deadly gases rise, installing your smoke alarms at the proper level will provide you with the earliest warning possible. Always follow the manufacturer's installation instructions.

Many hardware, home supply, or general merchandise stores carry smoke alarms. If unsure where to buy one, call your local fire department (on a nonemergency telephone number) and they will provide you with some suggestions. Some fire departments offer smoke alarms for little or no cost.

If your smoke alarms are hard wired, you will need to have a qualified electrician do the initial installation or install replacements. For battery powered smoke alarms, all you will need for installation is a screw driver. Some brands are self adhesive and will easily stick to the wall or ceiling where they are placed. For all smoke alarm installations, be sure you follow the manufacturer's instructions because there are differences between the various brands. If you are uncomfortable standing on a ladder, ask a relative or friend for help. Some fire departments will install a smoke alarm in your home for you. Call your local fire department (on a non-emergency telephone number) if you have problems installing a smoke alarm.

If you have a smoke alarm with batteries: In standard type battery powered smoke alarms, the batteries need to be replaced at least once per year and the whole unit should be replaced every 8-10 years. Smoke Alarms powered by long-lasting batteries are intended to have the entire unit replaced according to manufacturer's instructions, when the batteries are no longer charged. In hard-wired, battery back up smoke alarms, the batteries need to be checked monthly, and replaced at least once per year. The entire unit should be replaced every 8-10 years.

What if the alarm goes off while I'm cooking? Then it's doing its job. Do not disable your smoke alarm if it alarms due to cooking or other non-fire causes. You may not remember to put the batteries back in the alarm after cooking. Instead, clear the air by waving a towel near the alarm, leaving the batteries in place. The alarm may need to be moved to a new location. Some of the newer models have a "hush" button that silences nuisance alarms.

Most alarms installed today have a life span of about 8-10 years. After this time, the entire unit should be replaced. It is a good idea to write the date of purchase with a marker on the inside of your alarm so you will know when to replace it. Some of the newer alarms already have the purchase date written inside. In any event, always follow the manufacturer's instructions for replacement.

The U.S. Fire Administration would like to remind you of some important fire safety and prevention information.

- Plan and practice escape plans several times a year.
- Make sure your whole family knows when and how to call emergency telephone numbers.
- Obtain and learn how to use a fire extinguisher.
- Install carbon monoxide detectors.
- Consider installing residential fire sprinklers in your home.

The Myth of “Black Box” Energy Savers

RGEC is often asked about a mysterious energy-saving product being marketed on the internet, and in some hardware stores in the areas we serve. The product claims to be able to reduce energy usage by up to 25%. Rio Grande has investigated the claims of these products before, because we don't like seeing our members duped into buying anything which is of little or no value to them. But, because some of our members are skeptical and think the Co-op just doesn't want them to buy these energy saving magic boxes, we are providing some additional information from an article by Greg Stark, provided courtesy of the Rural Electricity Research Council.



The sales pitch says connecting this small gray box next to your breaker panel will save you money on your home energy bill for years to come and protect your home from power surges as well. The (*name of product*) is a small gray box that fits neatly next to your breaker panel, saves you money year after year and protects the entire home.

The product claims to lower electric bills by up to 25% and prolong the life of appliances. It also claims vague “positive environmental implications.”

The unit retails for \$299.95 plus shipping and handling, and the seller will gladly take your online order using your credit card.

What is this mysterious contraption about which our members repeatedly ask? In reality, the only components contained in “the box” are a surge suppressor and a capacitor.

In most cases, what is inside these black boxes are legitimate components that do exactly what is claimed, but they will not save any money for customers except under the most rare circumstances or utility rate structures. To help RGEC members, we will use excerpts from an article by the Rural Electric Research Council to explain the most common of these devices being marketed on the Internet or through dealers.

The first group of products claim to help any customer save money by improving power factor. As a general rule, larger commercial and industrial customers are charged penalties if their measured power factor falls below certain thresholds. Historically, the correction strategy is to identify the offending motors and other circuits in the facility, and add a power factor correction capacitor. The function of the capacitor is to store and discharge energy. This supplements the needed Reactive Power for the motor or other device, so the utility does not have to supply it.

Today's electronic controls allow for groups of capacitors inside a “black box” to be energized and de-energized as needed. These products can more closely track power factor at the facility and keep it corrected to near 100% (Power Factor of 1.0). Some marketers of these devices claim this close control of Power Factor offers big savings for consumers on their electric bills, versus traditional correction strategies. In truth, this would only occur under a few stringent rate structures. For most Power Factor tariffs, there is no need to correct all the way to 100%, so little additional money can be saved.

Also, for residential or small commercial customers, the chances of benefiting from these devices is even more remote. This is because Power Factor is ignored for smaller customers, which typically have few motors or other devices requiring Reactive Power. Therefore, while such a device may reduce the amount of Reactive Power consumed from the grid (which benefits the power supplier) it does nothing to reduce costs for smaller consumers, because this is not a component of their utility bill.

Surge Suppressors that Save Energy? With computers and other sensitive appliances in every household, protecting these products from electrical disturbances has become a competitive business. As energy costs rise, adding a claim that such products can also save 20% on your energy bill is a tempting approach -- but it's simply not true.

First, to keep the terminology straight, these devices are correctly referred to as Transient Voltage Surge Suppressors (TVSS). The role of the TVSS is to take transient (short-term) electrical spikes and send them away from the sensitive electronics it protects. Most lower-cost TVSS devices divert the transient by turning it into heat within the unit, which dissipates over time.

So how can a TVSS save energy? The answer is simple, it can't. Therefore, the manufacturer must either add something else to the TVSS, or conjure up fine print on the guarantee that makes it nearly impossible to collect on the guarantee.

Companies that offer energy-savings “guarantees” for their TVSSs invariably rely on the many variables that affect a customer's monthly electricity use. If the bill happens to go down, this is their “demonstrated” savings. If energy consumption goes up and the customer wants a refund, the vendor points to the fine print on the guarantee.

RGEC extends special thanks to Richard Hiatt, P.E., President/Executive Manager of the Rural Electricity Resource Council for use of the article, which was reproduced in part here.

Understanding Your RGEC Energy Charges

As of the November, 2008 billing for bills dated December 4, RGEC's regular residential rate for 1,000 kilowatt hours (kWh) -- including Availability Charge (\$17/mo. ÷ 1,000 kWh) and Power Cost Adjustment, or PCA, (\$0.0600/kWh) equaled \$0.17401/kWh. This is a reduction in the PCA from the previous billing period, when it was \$0.06500. The reduction was due to the long-awaited decrease in the price of fuels used in the generation of electricity.

RGEC's rates continue to be very competitive. In the deregulated Texas marketplace, pricing ranges by area, and may be a fixed or variable rate. There may be contracts of up to 24 months required to get a given rate, and some have exorbitant cancellation fees to extract oneself from a disagreeable arrangement with an electric provider. Some of these providers offer low introductory rates for a few months before increasing the rate. The rates for the Brackettville and Carrizo Springs operations areas ranged from 10.8 - 19.4 cents per kilowatt hour. For both the Alpine and Fort Stockton areas, the range is 10.6 - 18.3 cents per kilowatt hour. RGEC is the only electric provider for the areas in and around the Dell City area. Rio Grande's rate classes are the same for all members on a particular rate, regardless of where they live, unlike for-profit utilities.

Detail of Electric Charges			
Energy Charge	1076 kWh @	\$0.09701	\$104.38
Energy Power Cost Adj	1076 kWh @	\$0.06000	\$64.56
Availability Charge	1 service @	\$17.00	\$17.00
Total Electric Charges - Meter			\$185.94
Total This Service			\$185.94

As is often the case, when the price of the fuels used to generate electricity rises, for-profit electric energy providers go before the Public Utility Commission to request a rate increase. (RGEC is not under the control of the PUC).

These requests are almost certainly approved. Rio Grande's rates have not risen in over sixteen

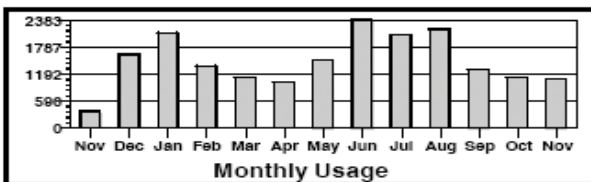
(16) years, but when fuel prices rise, the Power Cost Adjustment (PCA) increases to cover the actual cost of fuel. As a not-for-profit electric utility, RGEC does not factor in a profit margin. The kilowatt hours cost you what they cost us.

When generation fuel prices fall, as they thankfully have recently, RGEC's PCA factor is reflective. For-profit providers which have increased rates during high fuel price times may or may not eventually reduce their approved rates. One thing is certain -- For-Profit providers will ALWAYS factor in a substantial profit margin.

There are sometimes questions about what your "Availability Charge" is. Since your electricity is charged at the actual price without any markup, (Rate + PCA), the Availability Charge is the portion from which employee salaries, transformers, poles, insulators, trucks, and all other expenses RGEC incurs in the process of making your electricity *available* -- must come.

Thus, the term "Availability Charge". The Availability Charge applies even if you do not use a single kilowatt hour of energy in a particular month, because the lines, poles, transformers, substations, and employees are still working to make sure the energy is *available* to you at the flip of a switch.

Detail of Electric Charges			
Energy Charge	1076 kWh @	\$0.09701	\$104.38
Energy Power Cost Adj	1076 kWh @	\$0.06000	\$64.56
Availability Charge	1 service @	\$17.00	\$17.00
Total Electric Charges - Meter			\$185.94
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Period	Daily kWh	Cost/kWh	Daily Cost
This Year	34	\$0.1728	\$5.81
Last Year	53	\$0.1349	\$7.10

Additionally, to keep a handle on your electric bills, check the Monthly Usage comparison feature on your bill. You will be able to see the number of kWh used during the same time period for the previous year, as well as the price for that time period. By knowing what your daily usage is, you may be able to better calculate areas where energy savings can be achieved.

If you think your electric usage is higher than normal, check the number of days in the billing period. Sometimes, because of billing schedules, there may be an additional day or two included. In the case of the bill below, you can see that the number of days was 32.

Service Description:							Rate: Residential
Meter	From	To	Days	Begin Rdg	End Rdg	Usage	Multiplier
	10/20/2008	11/21/2008	32	98884	99960	1076	1

If you ever have a question about something on your RGEC bill, please call us. We will be glad to help you understand the charges, your electric usage, and any other portion of your bill which may not be clear to you. Just call your local RGEC Area Office or 1-800-749-1509 during regular business hours and ask to speak with a Customer Service Representative.



BOARD ACTION

RIO GRANDE ELECTRIC COOPERATIVE, INC.

November 19, 2008

A Meeting of the Rio Grande Electric Cooperative, Inc. Board of Directors was called to order at the area office in Fort Stockton, Pecos County, Texas at 8:01 a.m. November 19, 2008. The following directors were present for the meeting: Frank Archuleta, Jimmy Ballew, Mark Daugherty, James Evrage, Stephen Haynes, Donald Herschap, Rowdy Holmsley, Larry Jones, Kimball Miller, Henry Mills, III, Margarita Nelson, Bill White, and Cindy Whitehead. Also present for the meeting were General Manager/CEO Daniel G. Laws and Executive Assistant to GM/CEO Theresa Quiroz.

Approved	October 11, 2008 Board Minutes
Heard	Financial Reports
Selected	2008/2009 Standing Committees
Approved	Employee Christmas Bonuses, as Presented
Approved	Banking Resolution Authorizing Certain Employees and Directors to sign Checks on behalf of the Cooperative
Approved	Resolution Authorizing Certain Officers and Managers to sign RUS Form 675 – Certificate of Authority
Heard	2008 Budget Presented by Director of Accounting and Finance Shawn Stanley
Discussed	Wholesale Power Supply Status/Negotiations
Heard	General Manager/CEO Report
Heard	Committee Reports
Approved	Director Expenses
Approved	August & September New/Revoked Memberships
Reviewed	Check Register and Arrears Report
Adjourned	2:03 p.m.

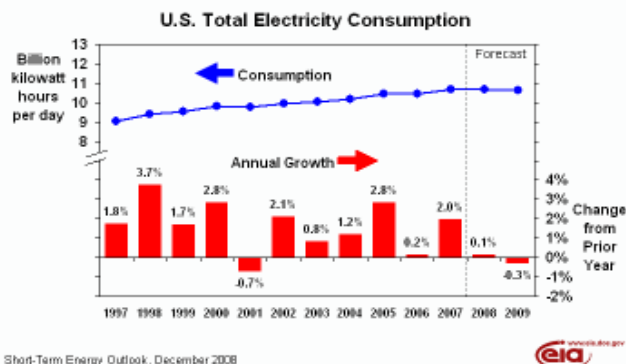
Note: The summary above is provided so that members can follow the activities of the board, and is not intended to be exhaustive. Should you wish to know more details on a particular item or items, please contact the director for your district or the General Manager/CEO's office.

What's Ahead for Electric Energy?

From December 9, 2008 release Energy Information Administration Short-Term Energy Outlook:

Consumption. Total electricity consumption during 2008 is projected to be flat at about 2007 levels, as slight growth in the commercial and industrial sectors is balanced by decline in the residential sector, primarily as a result of milder summer temperatures (U.S. Total Electricity Consumption). Total electricity consumption is expected to decline in 2009 due to the slow growth in new housing construction and reduced demand in the industrial sector.

Prices. Spot prices for power generation fuels continue to decline from their peak summer levels. Residential electricity prices are expected to rise by 6 percent this year and by 5 percent in 2009.



BOARD OF DIRECTORS



*Jimmy Ballew, President P.O. Box 559 Brackettville, TX 78832	District 3 830-563-2869 (H)
*William White, Vice Pres. HCR 3, 253 Packsaddle Circle Del Rio, TX 78840	District 4A 830-775-5053 (H)
*Margarita Nelson, Secretary HC2 Box 53 Carrizo Springs, TX 78831	District 1 830-876-3223 (H)
*Larry W. Jones, Treasurer 8587 Fm 2691 Carrizo Springs, TX 78834	District 2 830-374-9774 (H)
*Frank Archuleta P.O. Box 221 Dell City, TX 79737	District 9 915-964-2464 (H)
*Mark Daugherty P.O. Box 744 Alpine, TX 79831	District 7 432-345-2604 (H)
*James Evrage P.O. Box 531 Dell City, TX 79837	District 9 505-963-2340 (H)
*Stephen Haynes P.O. Box 1088 Rocksprings, TX 78880	District 4 830-395-2283 (H)
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Rowdy Holmsley P.O. Box 221 Sheffield, TX 79781	District 6 432-836-4350 (H)
*Kimball Miller P.O. Box 2153 Fort Davis, TX 79734	District 7 432-249-0449 (H)
*Henry Mills, III 406 Canyon Creek Drive Del Rio, TX 78840	District 5 830-775-5629 (H)
*Cindy Whitehead P.O. Box 1559 Brackettville, TX 78832	District 3A 830-563-9751 (H)
Dan Laws, General Manager/CEO P.O. Box 240 Brackettville, TX 78832	830-563-2444 (W) 830-563-9717 (H)

* Credentialed Cooperative Director