



Rio Grande Electric Cooperative, Inc.

Update



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A Message From The General Manager/CEO

By Dan Laws

80 Years Of Rural Electrification

It's hard to conceive of the progress that has been made as a result of an executive order signed by FDR eighty years ago. In those days, you had lights to the city limits and darkness beyond. Children on farms and ranches did homework by kerosene lanterns or fire light, while their classmates in town had electric energy to light their homes. When farm and ranch children got home from school, they had arduous chores that had to be performed, because there was no electric energy fuel labor-saving devices like washing machines, wood splitters, milking machines, and the list goes on.

With the help of three notable Texans, President Roosevelt came to understand the significance of extending electric energy in rural areas across the country. Sam Rayburn, Lyndon Johnson, and John Nance Garner provided the insight and leadership to make rural electrification a reality in the most remote corners of America. President Roosevelt took action by creating the Rural Electrification Administration (REA). Today the agency is known as the Rural Utilities Service (RUS). RUS still reports to the Secretary of Agriculture and has its budget set by the President and Congress.

So, if there was electricity in town, why had it not spread to rural communities? Well, the answer lies in the nature of Investor Owned Utilities. They are for-profit companies, and while there is nothing wrong with making a profit, they are unlikely to invest in something that does not produce a profit. Such was the case for ranches and farms across rural America. There just wasn't any profit in serving these small burghs. Using the not-for-profit cooperative business model was the perfect solution. Still today, not-for-profit electric cooperatives operate independent of the profit paradigm. Instead, investments are made on a cost sharing basis among members with member need being the sole driving factor.

So why does Rio Grande Electric Cooperative serve where it serves? Because at the time we began serving the areas we serve, no one else would. They wouldn't because it would not be profitable. Beyond the obvious, I personally believe, that like clean air and water, electric energy is too essential to our way of life to be in the hands of those who buy and sell for profit. You might say, "Well Dan, it seems to be working fine today". To which I would respond, "Yes, without a challenge to profits it works fine, but let there be a risk of losing profits and you will see the present becoming very similar to the past." Where there is no profit, there is no electric energy.

Rio Grande Electric Cooperative is, and always will be, a not-for-profit electric energy provider. We are and will be a trusted partner in your endeavors. Our loyalties are not split as with Investor-owned utilities that owe a duty to shareholders and consumers, our shareholders and consumers are one and the same. No divided loyalty, and no question about what is best. What's good for our owners is good for our consumers. It makes our decisions simple. I hope as you read this, just a little bit of pride swells within you. Proud to be a member and proud to know that you bring electric energy to yourself through your elected board of directors and employees. We truly are your Home Team Advantage.