

CEO's Report

By Roger Andrade



The year 2018 came and went in a blink of an eye. The Cooperative experienced many challenges throughout the year, but rest assured that the employees of the Cooperative were up to the task and were able to come together to overcome those challenges. Early last year, I decided that advising the board of how busy we have stayed was a moot point, as it was quite evident that busy is the new norm. During 2018, we concluded two very important cases at the Public Utility Commission of Texas (PUC), which saw the Cooperative defending against very real threats. One was service area encroachment by a neighboring utility. The second threat was a significant one,

as it would have had a negative impact for cooperatives and municipalities throughout the state. The threat came by way of an oil & gas entity seeking permission from the PUC to allow them to serve their load by extending lines from a neighboring utility into RGEC's service territory. The Cooperative was successful in that defense, and that success was achieved by the cooperation among cooperatives, which included Texas Electric Cooperatives (TEC) and South Texas Electric Cooperative (STEC) intervening in the procedure and supporting RGEC.

Construction in Co-op country was a constant theme throughout our service territory. From actively rebuilding our aged lines, to extending lines for new members, and upgrading lines to serve large loads, the Cooperative stayed busy throughout 2018. Major strides were made in our construction process and our ability to deliver safe, reliable, and reasonably priced power to our members. We were able to upgrade various substations, and build new substations. Two new substations commissioned in 2018, while others received various upgrades, from snake and raptor protection to modernizing our feeder bays. The Cooperative also revamped its rate structure in order to fairly collect the revenue required to deliver energy to our members. The military bases at Fort Bliss and Laughlin AFB did not stay behind in the level of work at those bases. During 2018, we successfully concluded re-determination of our LAFB Contract, with Fort Bliss following suit into this year. Projects and upgrades were also completed at each base in order to support the overall military missions.

The above are some examples of the challenges and activities the Cooperative faced throughout the year. It is with powerful strides that success is achieved; and our success is defined by the professionalism, the dedication, and the exemplary work ethic exhibited by the employees of the Cooperative. They take pride in doing what they do, because they know we are here to serve the members of RGEC. Needless to say, the continued and outstanding work ethic of our field crews both Operations and Technical Services, significantly contribute to keeping the lights on, which is a measure of our success. I could not be more proud of the individuals that work at the Cooperative, they truly believe in the cooperative way and we share a common loyalty to the membership of the Cooperative. In the following pages, you will hear from those individuals heading the departments that make up the Cooperative, details of various projects and challenges we overcame last year. These individuals have my complete confidence in the work they do for the membership, and you can be proud of all they contribute to the Cooperative, I know I am! Please enjoy reading the next few pages and become a bit more acquainted with the activities the Cooperative sees throughout the year, as well as the individuals leading the pack and getting things done!

About This Report

"Powerful Steps" was selected as the theme of the 2018 Annual Report because management felt it epitomizes the actions of the year. Huge strides were made in every department, all of which serve to make the Co-op stronger and more powerful for you, our member-owners.

"Never look down to test the ground before taking your next step; only he who keeps his eye fixed on the far horizon will find the right road." -- Dag Hammarskjold