



Update



February 2009



A Message From The General Manager/CEO

By Dan Laws

“ . . .eventually, we will have to raise rates.”

I recently had a member ask if Rio Grande was going to have to raise rates due to the current economic crisis we are experiencing in America. My short answer was—probably. Think about it. . .everything we buy has gone up. Milk, gasoline, propane, dinner at a restaurant; you name it and the price has risen. So, it only makes sense that Rio Grande’s rates will need to go up at some point. We do not have specific plans to raise rates at this point, but probably somewhere out there in the future we will have to follow suit with everything else that’s gone up.

You’ve heard me say this before, but we have raised rates only two times since 1987. Taken together, the two rate increases totaled less than 10%. I hope you get the significance of that particular statistic. There is nothing you buy, that provides anywhere near the value of electric energy, that hasn’t gone up far more than Rio Grande’s rates since 1987! You may be saying, “Now, Dan you’re not being completely truthful; I know I paid more for electric energy in 2008 than I did in prior years.” You, of course, are correct, but not because we raised rates.

You note that your energy bill from Rio Grande includes a Power Cost Adjustment (PCA) that is multiplied times the number of kWhs you consume in a particular month. That factor increases and decreases with the market. If the energy we purchase increases, then the PCA factor increases. If the price of energy we buy goes down, then the PCA goes down. We have no control over the market, but must pass those fees along to our consumers. As you know, there is no mark up in the energy we sell to you; we pass it on at exactly the price we pay for it.

Our track record speaks for itself. We have increased wages to a competitive level. We have increased reliability and improved facilities while holding the line on rates. We have done so by ferreting out inefficiencies and developing economies of scale. We have employed new technology, which allows us to work smarter. And, we have held fast to the notion that we must expand our core business. The driving force behind all we have accomplished has been our commitment to you, the member owner. We are unwavering in our dedication and undaunted in our effort to find new efficiencies.

The Seven Cooperative Principles are not only a lighthouse, but a light of introspection which we turn to with regularity. We search for ways we can accomplish more with less. Even so, eventually, we will have to raise rates. You can rest assured it will not be done until it is absolutely necessary. Our board of directors and staff work tirelessly to insure that you receive electric energy at the lowest possible cost, consistent with sound business principles. That’s something we can all live with.

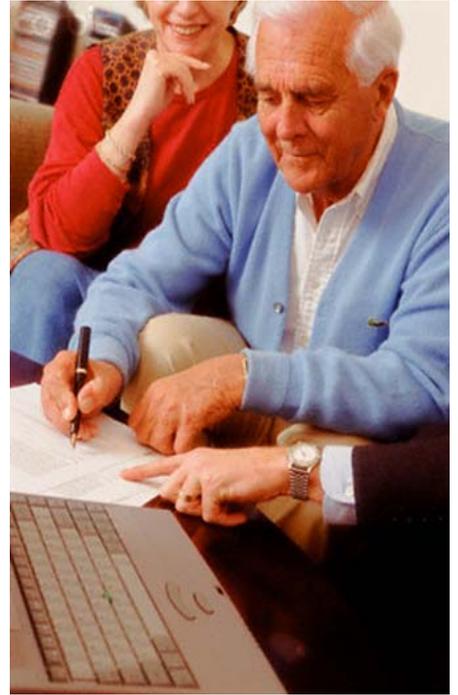
New Rules Affect Critical Care Members, Too

New Federal regulations are changing the way Rio Grande handles situations regarding personal information, including the exchange of information on those who utilize electrically-powered medical equipment.

It is more important than ever for those who are charged with the care of elderly, ill, or disabled Co-op members to be joint account-holders or authorized representatives of the account.

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 are required for all accounts, and all representatives of these accounts.

Contact your local RGEC Area Office to convert your account to a joint account, or to add a designated representative.



The Co-op has used poles for sale at the low price of \$1.00 per transaction.

Members must provide the means to load and haul the poles.

Please be advised that the poles are very heavy, with individual poles weighing from 600-800 lbs.

RGEC Personnel Will Not Load Poles.

If interested, contact your nearest RGEC Area Office.*

*** Pending Availability -- May not be available at all RGEC locations. Call before you drive!**

Inserts in the February 2009 RGEC billing statement:

- Member Involvement Survey
- Vehicle Bid Brochure

Check out the great Member Discounts on the Links Menu at: www.riogrande.coop



What is a Critical Care Member?

Rio Grande Electric Cooperative maintains a list of those requiring electrical power to operate specialized life-sustaining medical equipment. We call it the Critical Care or Life Support Registry, and it is important that you provide us with current information at least annually, or whenever your condition or contact information changes. The form on the following page should be completed by you and your doctor, and returned to RGEC, if you are one who requires such medical equipment.

Please note that, depending on weather conditions or the extent of damage to the electric system, accurate restoration times may be difficult to predict. We'll do our best to give you all available information that will help you make decisions. Still, the possibility exists that some customers could be without power for an extended period. Everyone, but especially those dependant on medical equipment, should plan ahead for such situations. Back up generators, extra batteries, flashlights, non-electric telephones

and cellular telephones are just a few items to consider.

Before our crews interrupt electric service in your neighborhood to safely perform scheduled maintenance to our system, we will make every effort to inform you about the planned outage. This applies to all members who will be affected by any scheduled power interruptions. In order for us to do so, it is important that you provide us with current telephone (including cellular) numbers. This applies to all members -- not only those in the Co-op's Critical Care Registry. When time permits, RGEC may also notify the public of planned interruptions through local or area newspapers.

Important reminders

Anyone who requires the use of medical equipment should have an alternate source of electric power on hand, such as a battery backup system, and should consider investing in a portable emergency generator. It is important to follow all safety guidelines when installing or operating a portable generator. RGEC does not provide generators for customers during outages. It is your responsibility to plan for and acquire a generator, if needed.

When the power goes out, cordless phones usually will not work. However, corded landline telephones should continue to operate normally. If you have a cell phone, you should keep it fully charged. Remember to program the Co-op's telephone number in your phone's directory for easy access. All members should keep meter/account numbers handy for quick reference in the event of an outage. RGEC provides refrigerator magnets which contain spaces for recording meter and account numbers. If you have misplaced yours, please call and we will provide you with another one.

If you or a family member relies on life support equipment at home, we recommend that you contact your local emergency management office, ambulance service, sheriff's or police department to see if they would want to have that information for their records. That way, in the event of a power outage requiring someone in your home to be evacuated to another location, the emergency responders will have advance information about the type of medical support needed for the transfer.

What the experts say

The Middle Rio Grande Area Agency on Aging, based in Carrizo Springs, serves nine of RGEC's eighteen counties in Texas, and provides information on a variety of services available to seniors. The Agency's director, Conrad Longoria, says he advises clients to be proactive in their own care. "They have to be prepared in case of emergency situations -- their lives depend on it. Once they receive their (medical) equipment, they are very much on their own," Longoria said. He is not aware of any situations in which Medicare has or would provide backup power supplies for electrically-powered medical equipment. Longoria also counsels those with electrically-powered medical equipment to have contingency plans in case of any power outage or natural disaster, stating that authorities are still learning from situations which arose during Hurricane Ike, when it hit the Texas Gulf Coast. Backup batteries, emergency generators, extra oxygen, a supply of fresh water and non-perishable food items are but a few of the things to consider **before** an emergency situation arises.

For information in your specific area, call 2-1-1.

Working hard to serve you better

Unavoidable power outages do happen, despite the investment of millions of dollars each year to strengthen and maintain the electric system. Sudden severe storms, vehicular accident damage, tree limbs, animal contact, equipment failure, or other problems can interfere with your electric service and disrupt the flow of power to individual locations or to entire areas.

The Co-op has emergency response plans in place and is ready at all times to begin restoring service as swiftly and safely as conditions allow. But, our members must also do their part to prepare for the eventuality of a power outage, for their own health, comfort, and safety.



**Rio Grande Electric Cooperative
Critical Care Medical Form**

Electric Account Number: _____ Meter # _____

Name of Account Holder: _____

Name of Critical Care Person: _____

Relationship to Account Holder: Self Spouse Parent Child Renter

Other, please specify _____

Contact Information: Please include both day and evening numbers.

Telephone number(s) of Account Holder: _____

Telephone number(s) of Critical Care Person or live-in caregiver, if different than Account Holder: _____

To be completed by physician – Please type

Description of patient's medical condition: _____

Critical medical equipment at the residence requiring electric power for operation: _____

Name of Physician: _____

Name of Medical Facility at which Physician Practices: _____

Physician's mailing address: _____

Physician's Phone Number: _____

Note To Physician: With regard to planned power outages, Rio Grande Electric Cooperative (RGEN) will attempt to contact your patient requiring electrically-powered medical equipment in advance so that they can make arrangements for transport to another location, if necessary. However, because of the wide variety of circumstances under which (unplanned) power outages occur, RGEN cannot guarantee restoration time. If your patient has critically important medical equipment that requires electric power for operation, they should have a back-up source of power available at their residence.

Signature of Licensed Medical Doctor

Date Signed

Member Involvement Survey

The 2009 Member Involvement Survey will be included in this month's billing statement. This allows us ample time to review each survey and compile the information before area Member Advisory Committees meet in the spring. The Member Advisory Committees select members from those who indicate their willingness to serve on the Member Involvement Survey.

As an added incentive, one member who returns a completed survey will receive a credit of \$100 on their account. This is done by conducting a drawing from among all completed surveys received.

For those who may be unfamiliar with the Member Involvement Survey, it is your chance to tell us at what level you would like to be involved in the management of the Co-op. As a member-owned organization, it is both your right, and your responsibility to participate in the management of the cooperative. The survey serves as a tool to find out which individuals are willing to do so.

Included on the survey are sections for the following: Advisory Committee, Nominating Committee, and Board of Directors.



Opportunities To Serve

To serve on the **Advisory Committee** for your area, one of your fellow members, whose term is expiring (3 years), must select you as their replacement. To qualify, you need only have an active membership and be willing to give up a few hours of your time twice a year. The purpose of the

Advisory Committee is to create a forum in which the directors, management, and members may discuss problems and concerns that affect the membership at large.

Nominating Committees are selected each year by the board of directors. The purpose of the committee is to select qualified candidates to place on the ballot for vacancies or expiring terms on the board. To qualify, you must have an active membership and be a resident in the director district for which nominations are sought. Nominating Committees meet once a year, review the director district membership list, select nominees, obtain an affidavit of eligibility from each nominee and report the results to management.

Members of the board of directors are selected by majority vote of the membership and serve 3-year terms. To qualify, candidates must have a residence in the director district for which a nomination is sought, and must be free of any conflict of interest. (A complete list of qualifications can be found in the RGEC bylaws, available at www.riogrande.coop) To serve, a member must be willing to meet on the 3rd Wednesday of each month, alternating between Brackettville and Fort Stockton, Texas. If elected, a director must be willing to spend the time needed to review and become familiar with RGEC's operations. This includes bylaws, policies, tariffs, and applicable corporate law, as well as materials sent out periodically by management. In addition to the aforementioned, you, along with fellow directors, would be called upon to make decisions regarding policy and other issues as they relate to the director's fiduciary responsibility.



To help you remember to complete and return your RGEC Member Involvement Survey, RGEC will conduct a drawing from among all the completed surveys returned.

The lucky member whose survey is drawn will receive a \$100 credit to his or her RGEC account.

Surveys must be returned to RGEC by March 6, 2009, in order to be eligible for the drawing.

Your participation in the Cooperative is very important!

RGEC relies on those like you to represent the interests and concerns of the membership. It's what makes democratic governance of the Co-op work, and sets cooperatives apart!

Return completed survey forms to:
RGEC Member Involvement Survey
P.O. Box 1509
Brackettville, TX 78832

(Please remember to include your name on the form)

Incomplete survey forms will not be included in the drawing.



Prepare For A Possible Weather Emergency

(As recommended by the USDA Food Safety and Inspection Service)

Those who live in Rio Grande Country know the only thing about the weather you can count on is the fact that it is unpredictable. Being prepared for a weather emergency means being prepared for flash floods, high winds, ice, snow, dust storms and heat waves. Nope, living in Rio Grande Country certainly isn't boring where the weather is concerned, but you can prepare now to protect your family's food supply in the event of an emergency.

The United States Department of Agriculture's Food Safety and Inspection Service says, "We practice basic safe food handling in our daily lives, but obtaining and storing food safely becomes more challenging during a power outage or natural disasters such as hurricanes and floods."

Recommended steps to follow to prepare for a possible weather emergency:

1. Keep an appliance thermometer in the refrigerator and freezer. An appliance thermometer will indicate the temperature in the refrigerator and freezer in case of a power outage and help determine the safety of food.
2. Make sure the freezer is at 0 degrees Fahrenheit or below, and the refrigerator is at 40 degrees Fahrenheit or below.
3. Freeze containers of water for ice to help keep food cold in the freezer, refrigerator, or coolers after the power is out.
4. Freeze refrigerated items such as leftovers, milk, and fresh meat and poultry that you may not need immediately. This helps keep them at a safe temperature longer.
5. Plan ahead and know where dry ice and block ice can be purchased.
6. Store food on shelves that will be safely out of the way of contaminated water in case of flooding.
7. Have coolers on hand to keep refrigerator food cold if the power will be out for more than 4 hours. Purchase or make ice cubes and store in the freezer for use in the refrigerator or in a cooler. Freeze gel packs ahead of time for use in coolers.
8. Group food together in the freezer. This helps the food stay cold longer.

Appliance Thermometers



Appliance thermometers are not expensive, but they are invaluable! Making a minimal investment of between \$5.00-\$10.00 (available at discount and home improvement stores) will give you peace of mind when it comes to food safety. This handy little tool will help you know in an outage when more ice should be added to maintain safe food temperatures and, when the outage is over, if foods are safe to eat.

If you don't already have one, put this on your "Must Have" list!

A full freezer will hold the temperature for approximately 48 hours if the doors remain closed, or for 24 hours if it is only half full.

If you maintain large refrigerated or frozen food supplies, you may wish to protect your investment by purchasing a portable emergency generator.

The size of the generator should be appropriate to the combined wattages of the appliances you intend to operate from it.



STEPS TO FOLLOW DURING AND AFTER THE WEATHER EMERGENCY:

- Never taste a food to determine its safety!
- Keep the refrigerator and freezer doors closed as much as possible to maintain the cold temperature.
- The refrigerator will keep food safely cold for about 4 hours if it is unopened. A full freezer will hold the temperature for approximately 48 hours (24 hours if it is half full and the door remains closed).
- Food may be safely refrozen if it still contains ice crystals or is at 40 °F or below.
- Obtain block ice or dry ice to keep your refrigerator and freezer as cold as possible if the power is going to be out for a prolonged period of time. Fifty pounds of dry ice should hold an 18-cubic-foot full freezer for 2 days.
- If the power has been out for several days, then check the temperature of the freezer with an appliance thermometer or food thermometer. If the food still contains ice crystals or is at 40 °F or below, the food is safe.
- If a thermometer has not been kept in the freezer, then check each package of food to determine its safety. If the food still contains ice crystals, the food is safe.
- Discard refrigerated perishable food such as meat, poultry, fish, soft cheeses, milk, eggs, leftovers, and deli items after 4 hours without power.
- **When in Doubt, Throw it Out!**



BOARD ACTION

RIO GRANDE ELECTRIC COOPERATIVE, INC.

December 17, 2008

A meeting of the Rio Grande Electric Cooperative, Inc. Board of Directors was called to order at the Headquarters office in Kinney County, Texas, at 8:03 a.m. December 17, 2008. The following directors were present for the meeting: Frank Archuleta, Jimmy Ballew, James Evrage, Kimball Miller, Henry Mills, Mark Daugherty, Stephen Haynes, Donald Herschap, Rowdy Holmsley, Larry Jones, Margarita Nelson, Bill White, and Cindy Whitehead. Also present for the meeting were General Manager/CEO Daniel G. Laws and Executive Assistant to the GM/CEO Theresa Quiroz.

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| Approved | November 21, 2008 Board Minutes, as Corrected |
| Heard | Financial Reports |
| Approved | Ten-Year Financial Forecast |
| Approved | 2009 Budget |
| Approved | 2009 Salary Administration Plan |
| Approved | 2008 Write-off of Bad Debts, as Presented |
| Discussed | Wholesale Power Supply Status/Negotiations |
| Approved | Authorization to Execute First Amendment to Letter of Credit Application and Agreement with NRUCFC for the CAB Project |
| Heard | General Manager/CEO Report |
| Heard | Committee Reports |
| Approved | General Manager/CEO & Director Expenses |
| Approved | October New/Revoked Memberships |
| Reviewed | Check Register and Arrears Report |
| Adjourned | 2:15 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.

Energy Hog TVs

LCD TVs are bad enough; they use an average of 43 percent more electricity than the old cathode ray tube models.

But for real energy gluttony, the plasma screens take the undisputed first-place award, burning up three times as much electricity as a picture-tube model.

-- www.consumeraffairs.com



BOARD OF DIRECTORS



- *Jimmy Ballew, President District 3
P.O. Box 559
Brackettville, TX 78832 830-563-2869 (H)
- *William White, Vice Pres. District 4A
HCR 3, 253 Packsaddle Circle
Del Rio, TX 78840 830-775-5053 (H)
- *Margarita Nelson, Secretary District 1
HC2 Box 53
Carrizo Springs, TX 78831 830-876-3223 (H)
- *Larry W. Jones, Treasurer District 2
8587 Fm 2691
Carrizo Springs, TX 78834 830-374-9774 (H)
- *Frank Archuleta District 9
P.O. Box 221
Dell City, TX 79737 915-964-2464 (H)
- *Mark Daugherty District 7
P.O. Box 744
Alpine, TX 79831 432-345-2604 (H)
- *James Evrage District 9
P.O. Box 531
Dell City, TX 79837 505-963-2340 (H)
- *Stephen Haynes District 4
P.O. Box 1088
Rocksprings, TX 78880 830-395-2283 (H)
- R. Donald Herschap District 8
P.O. Box 1751
Fort Stockton, TX 79735 432-336-7867 (H)
- Rowdy Holmsley District 6
P.O. Box 221
Sheffield, TX 79781 432-836-4350 (H)
- *Kimball Miller District 7
P.O. Box 2153
Fort Davis, TX 79734 432-249-0449 (H)
- *Henry Mills, III District 5
406 Canyon Creek Drive
Del Rio, TX 78840 830-775-5629 (H)
- *Cindy Whitehead District 3A
P.O. Box 1559
Brackettville, TX 78832 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