



Rio Grande Electric Cooperative, Inc.

Update

2009 Annual Report Edition



April 2010



General Manager/CEO Annual Report

Dan Laws

“2009 was truly a banner year. . .”

Lightning strikes twice at Rio Grande! That's the theme we have chosen for this year's annual report. 2009 was truly a banner year in many respects. As you read the reports of our management staff, I am sure you will be as proud as I am of their accomplishments. Winning the Laughlin Air Force Base privatization contract is the genesis of our theme, because as most of you know, it is our second privatization contract this century. However, it is not the only milestone we reached by the close of 2009.

One of the more noteworthy milestones was the completion of the CAB (Combat Air Brigade) project. This project was completed well ahead of schedule and essentially entailed the construction of a distribution infrastructure for a city of 30,000, which is the number of troops that will be served by this infrastructure. The total cost of construction was almost \$18,000,000 and represents the largest single construction project ever undertaken by Rio Grande. You will be interested to know we partnered with Llano Utilities, whose majority owner is CoServ, an electric cooperative like Rio Grande located in North Texas to complete this project.

The ending of 2009 also marks my twentieth anniversary as general manager of Rio Grande Electric Cooperative. I have seen many things change during that time. Some changes were too long in coming and some I wish had never changed. Some of the technical advances we are making now came too slow for my liking. Because of the vastness of our service area, coming up with good communication solutions delayed this much needed progress. As a result of retirements and, unfortunately, death, I have watched some very competent, caring individuals leave the Cooperative. It is, as they say, one of those bittersweet things. On the one hand, I am happy they are moving on to new adventures; on the other, I miss them, the camaraderie and their abilities.

As we look forward, there are many challenges ahead. We have made a lot of technological advances, but there more to come. Some of these will have a direct impact on you in a tangible way. Others will not be as noticeable. Our aim will be to reduce outages, which, although improved, are still too many and too long. We only have one goal...your best interest as it relates to the services you depend on Rio Grande to provide.

I want to personally thank our board of directors for their honesty, integrity and genuine interest in the membership's needs. I am so thankful for the employees we have. I have never worked with a better group of people in my life. There is an old expression in the cooperative world that says, "When things are at their worst, we are at our best". That statement is never truer than when it is applied to the men and women of Rio Grande. I hope you can catch a sense of their commitment as you read through these pages. I also believe you will sense at least some of the pride I feel when I speak of them.



New rates are in effect and will be reflected on the May 5 bill.