

Press ReleaseContact:
For Immediate Release
December 17, 2007

Ronald Kennedy
Carroll County REMC
765-564-2057

Monumental Opportunity Faces Carroll and White County REMC's

Tom Flora Carroll County REMC President of the Board, informed cooperative members of a monumental opportunity for the rural electric business. In a letter to all members dated December 10th, Flora said, "At our respective November board meetings, Carroll County REMC and White County REMC Boards of Directors voted unanimously to propose consolidation of the two electric cooperatives into one unified entity.

Flora cited rising costs as the impetus that prompted discussion between the neighboring cooperatives. Nationally, rural cooperatives face rising wholesale power costs, rising costs of fuel to generate the electricity, rising material costs and interest rates. "As a not-for-profit cooperative, we need to spread costs over every kilowatt-hour we sell," said Flora. "Carroll and White County REMC's Boards agree that consolidation will significantly expand the kilowatt-hour base to combat rising operating costs."

"With our proximity to Monticello, White County REMC's headquarters, our boards began informal discussions earlier in 2007 on how the cooperatives could coordinate working together to share costs," continued Flora. "Those talks opened our eyes to the cost savings possibilities a consolidation would ensure."

The REMC's boards contracted with an independent third-party financial expert to conduct a financial forecast. All cooperative departments at both REMC's were analyzed. "It was a very thorough process considering every facet of our operations," said Flora. "The forecast revealed favorable results and a positive outlook for consolidation. "There were no red flags raised from the financial forecast," said Flora. "Both cooperatives agreed to proceed with the opportunity-at-hand."

In early November, the boards attended a three-day strategic planning session facilitated by a well-respected electric cooperative expert. "Following the strategic planning session, each board voted unanimously to proceed with the consolidation process."

Another major factor in the consolidation discussion included an announcement by Carroll County REMC's CEO Ron Kennedy that he plans to retire in January 2009. This announcement coupled with potential cost savings and streamlining of services makes the consolidation process timely.

The course of consolidation will include legal and financial work and eventually a vote by both REMC's memberships at respective June Annual Meetings. Both boards pledge that no employee or board member will lose their job as a result of the proposed consolidation. Any downsizing of personnel will occur through natural attrition. Also, the Delphi and Monticello headquarters will remain open. "Being locally accessible to our members is at the very heart of our being an electric cooperative," said Flora. "We will not lose accessibility through consolidation."

"Carroll and White Counties have a rich tradition of working well as neighbors," said Flora. "We strongly believe creating one powerful connection will benefit our members and secure our collective future in an ever-changing global economy."