



# Rural Electrification

*A Brief History*

GEORGIA'S ELECTRIC  
MEMBERSHIP CORPORATION

# Rural Electrification

## A BRIEF HISTORY OF RURAL ELECTRIFICATION IN AMERICA

Most folks think the history of rural electrification started with the REA in the 1930s. In truth, the story began nearly half a century earlier in Manhattan! In 1882, in the heart of New York City, Thomas A. Edison constructed the first central station electric system. Life in the cities was changed forever.

But it was a different story in the countryside.

### Farmers...Left in the Dark

The vast majority of farmers and their families living outside cities were literally “left in the dark.” Power companies determined that they could not afford to build miles of electric lines to serve just a handful of customers in the country. And rural Americans couldn’t afford to pay to have the lines run to them. The result was that as late as the mid-1930s, only one in ten rural homes enjoyed electric service.

### Roosevelt Turns on Lights

The stock market crash of 1929 plunged America into an economic depression the likes of which the nation had never seen. President Franklin Roosevelt urged Congress to pass a number of “New Deal” programs designed to stimulate the economy and ease the country’s economic woes. When the Emergency Relief Appropriation Act was signed into law on April 8, 1935, one of the eight categories of projects eligible for funding was rural electrification.

President Roosevelt signed an order on May 11, 1935 creating the Rural Electrification Administration. The primary function of the REA was to provide loans to power companies that would use the new funds to extend lines into rural America. Unfortunately, only a few companies applied for these funds.

### 1936 Brings Birth of REA

In 1936, the Rural Electrification Act was signed. Thus was the customer-owned electric co-op born. The Act made the REA the chief lending agency for ten years, and made nonprofit organizations such as cooperatives the main target of its funds.

### **“...the next greatest thing...”**

The story is told of the farmer who- when the lights went on at his farm for the first time – declared, “The greatest thing on earth is to have the love of God in your heart, and the next greatest thing is to have electricity in your home.”

Today, there are about 1,000 rural electric cooperatives in the United States, and virtually every American has electric service.

### **34 Million People Receive Co-op Power**

Every day in America, 34 million people obtain electricity from consumer-owned electric cooperatives. They can be found in 2,600 of the more than 3,100 counties in the U.S., Puerto Rico and American Samoa. These systems own and operate more than half of the electric distribution lines in America, providing electricity to more than 13 million homes, farms, businesses, schools, churches, irrigation systems and other users. Their assets now exceed \$70 billion.

### **Co-ops Constantly Changing**

Through a history that now covers more than 65 years, the co-ops have been constantly changing – adapting to their markets and innovating to meet the needs of their customer-owners. Satisfied customers enabled them to grow rapidly, eventually spreading to every corner of the nation.

Though many are called “rural,” electric cooperatives are not limited to farmers and rural communities. Indeed, nearly eight of every ten families served by electric co-ops aren’t directly involved in agricultural pursuits.

But all have one goal: to provide their customers with better service at lower prices.



### **Cooperating Co-ops Support Georgia**

Throughout their long history, Georgia’s EMCs have worked with the other utilities to strengthen their common ability to serve customers. The EMCs have done much of the leading

along the way, including the building of distribution lines that now reach into 73 percent of Georgia's land area.

In 1974, the EMCs formed Oglethorpe Power Corporation, a generation and transmission cooperative, to assure the delivery of electricity to parts of the State not served by Georgia Power.

In 1975, the EMCs came to the financial aid of Georgia Power with an infusion of \$513 million. Demand for electricity was soaring and the cooperatives stepped in to help shoulder the burden of building new generating units.

EMCs became involved in Plant Vogtle, a nuclear generating facility, when Georgia Power Company again found itself in financial difficulty, and again turned to the EMCs for assistance.

By 1987, the EMC investment in Plant Vogtle had grown to \$2.9 billion. Without the financial help of the EMCs, Georgia Power would likely have been forced to shut down construction, leaving an expensive bill for its customers and shareholders to pay.

Our action in coming to the aid of Georgia Power in the '70s and '80s enabled Georgia Power to realize lower interest costs in building Plant Vogtle. All utilities involved shared in the savings that resulted from the ability of the electric co-ops to borrow at low rates.

Overcoming all the obstacles encountered in building Plant Vogtle is an excellent example of how our electric utilities have always taken a "one Georgia" view of electricity supply.

Bringing Plant Vogtle on line was clearly in the best interest of all Georgians and has enabled the entire State to reap huge economic benefits.

### **Nearly Half of Georgia's Population Served by EMCs Today**

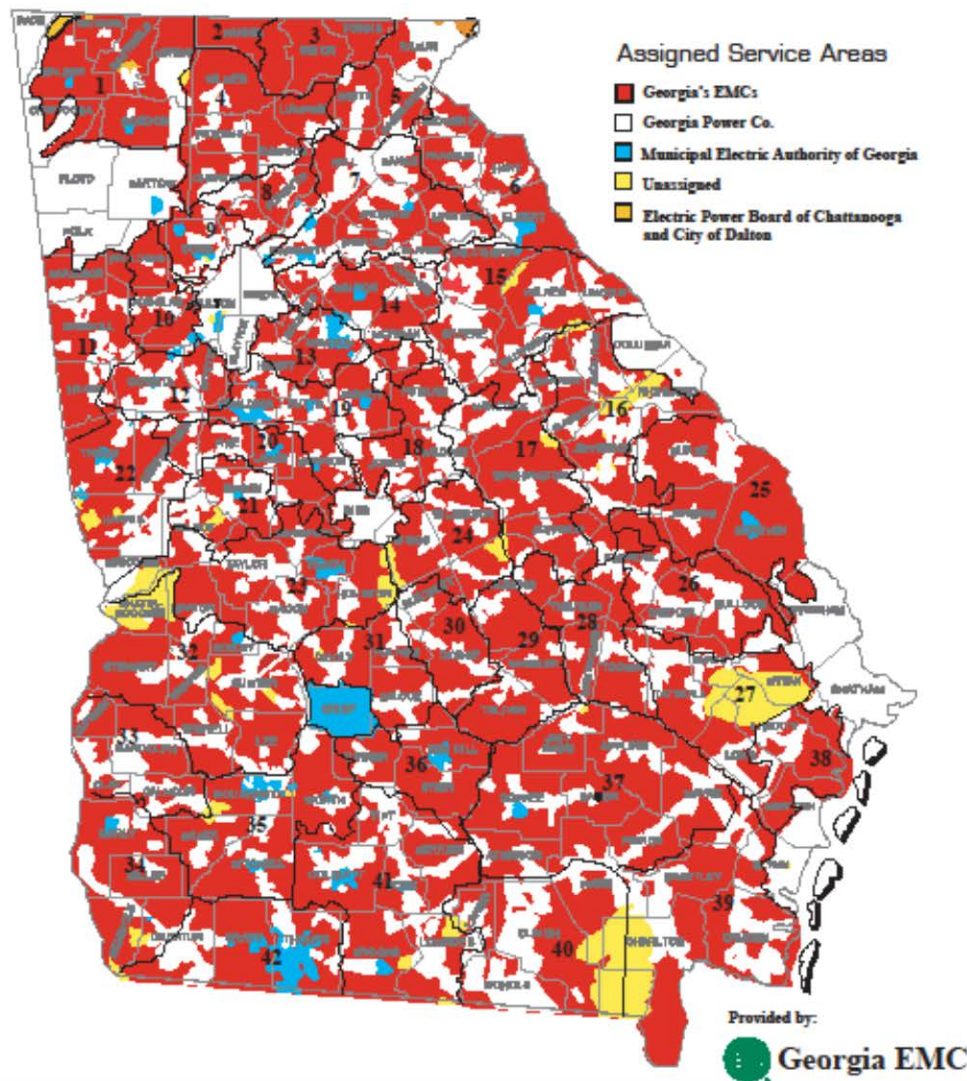
In Georgia, the 42 Electric membership cooperatives serve 3.7 million residents and over 75,000 commercial and industrial customers.

As a result of more than six decades of dedicated effort to improve the quality of life in rural America, many electric co-ops enjoy a value to their communities that goes beyond their ability to simply provide reliable light and heat. Communities depend on them for their economic development initiatives, their civic leadership, and their commitment to local job creation.

Georgia's electric co-ops are proud to be considered essential corporate participants in our state's responsible growth and development.



# Georgia's Electric Suppliers



## Georgia's EMCs (from north to south)

- |                    |                     |                     |                   |                     |                |
|--------------------|---------------------|---------------------|-------------------|---------------------|----------------|
| 1. North Georgia   | 8. Sawnee           | 15. Rayle           | 22. Diverse Power | 29. Little Ocmulgee | 36. Irwin      |
| 2. Tri-State       | 9. Cobb             | 16. Jefferson       | 23. Flint         | 30. Ocmulgee        | 37. Satilla    |
| 3. Blue Ridge Mtn. | 10. GreyStone       | 17. Washington      | 24. Oconee        | 31. Middle Georgia  | 38. Coastal    |
| 4. Amicalola       | 11. Carroll         | 18. Tri-County      | 25. Planters      | 32. Sumter          | 39. Okefenokee |
| 5. Habersham       | 12. Coweta-Fayette  | 19. Central Georgia | 26. Excelsior     | 33. Pataula         | 40. Slash Pine |
| 6. Hart            | 13. Snapping Shoals | 20. Southern Rivers | 27. Canoochee     | 34. Three Notch     | 41. Colquitt   |
| 7. Jackson         | 14. Walton          | 21. Upson           | 28. Altamaha      | 35. Mitchell        | 42. Grady      |