

## PIONEER ELECTRIC COOPERATIVE

Pioneer Electric Cooperative serves a sparse, mostly disadvantaged area in central Alabama. In 2002, several Pioneer customers grew disgruntled over the rising costs of their electric bills. This customer base eventually grew to become the Rural Electric Member Action Committee (REMAC).

Soon, Pioneer, which had enjoyed high member satisfaction since its inception, was under siege.

The group accused Pioneer's board of mismanagement and the cooperative with unfair customer policies. Soon, REMAC organized group meetings, conducted an effective negative media campaign and watched as their membership blossomed. As part of their strategy, three of their members filed a lawsuit charging Pioneer with mismanagement of funds.

Pioneer attributed the increase to rising fuel prices and the growing cost of providing services to an extensive rural area. Despite that explanation, REMAC began to strengthen in support against Pioneer. Their persistent allegations found momentum and customer mistrust festered. REMAC ultimately publicly held the Board of Trustees responsible and claimed the entire infrastructure needed to be usurped. They demanded that all nine board positions be recalled on the upcoming ballot.

With our guidance, the co-op was happy to oblige.

### STRATEGY

When retained, the following strategies were developed:

- Secure a referendum allowing all members the opportunity to vote, regardless of physical attendance at annual meetings.
- Highlight the benefits provided by an electric cooperative, as well as the disadvantages of purchasing power from a mega, private electric provider. This was designed to prevent a small minority of members from taking over the cooperative.
- Raise a positive image of Pioneer amongst its membership.
- Institute a grass roots organization to offset and confront false accusations made by the dissenting group.
- Use various media outlets to create a more accurate perception of the challenges Pioneer faced.
- Solidify the structure of the organization and help restore the members' trust.

### PROGRAM

Pioneer's service area is spread over multiple counties. Typically, voting participation consisted of a small minority of eligible members. Strategy's first initiative was to pass a referendum to allow mail-in balloting. Our firm designed the necessary mailing materials and developed incentives to entice high member

response. Strategy utilized multiple media outlets to further promote voting participation.

The referendum to provide every member an option to vote passed easily.

Strategy also realized it had to revive positive opinions of the co-op by its members. A second action group, Friends of Pioneer (FOP), was established that supported the co-op. Their basic fear was that REMAC would sell their cooperative if it gained control of the leadership. Strategy helped FOP offset REMAC's efforts and focus attention on better education of customers and improving an understanding of current energy issues. The support group addressed accusations from REMAC through public meetings and an aggressive media campaign.

Initial surveys showed the majority of co-op members were in favor of REMAC and supported that group's members seeking election on the Pioneer's board. Through education efforts and consistent broadcast and print advertising, Strategy succeeded in stemming the revolt.

## **RESULTS**

Because of Strategy's efforts to educate the co-op members and confront the accusations made by REMAC, Pioneer was able to reverse the election's outcome. All nine existing board members won re-election.