

PRECorp News

DECEMBER 2019

PRECorp returning member Capital Credits in December

In late December, the capital credit retirement “refund” will be processed. This process returns a portion of the money members paid for electric usage during chosen years. Some Powder River Energy members will receive a credit on their bill or a check in the mail as a result.

All members are apprised of their cooperative capital credit allocation on their bill statements each August. The PRECorp Board of Directors reviews the financial condition of the cooperative and can approve a retirement of a portion of accrued capital credits, based on the financial well-being of the cooperative.

This year’s capital credit retirement is for electricity used during 1984, 1985, 1986 and part of 1987. Any member who had service with PRECorp in one or more of those years, will receive a percentage of the capital credit retirement.

The Board also approved the retirement of all capital credits of less than \$20 to all inactive members. In all,

PRECorp members will receive approximately \$13.5 million through retirement of capital credits.

Some members did not leave forwarding addresses. Unless they are claimed within three years, those funds will revert back to the cooperative and can be retained as equity or be used for for the benefit of the membership.

As in past years, PRECorp will not issue checks for under \$5. The retired amount will remain on the member’s account and will be refunded once it reaches \$5.

Capital credits are a major benefit of being a member of an electric cooperative and are a reflection of one of the seven cooperative principles: Member Economic Participation. At the close of each fiscal year, all revenue received in excess of expenses for that year are allocated to each member as a capital contribution based on patronage contributed through power purchases.

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MIKE EASLEY,
CEO

Our Vision:

We will be pioneers of excellence in the Cooperative Network while delivering extraordinary value to our members, embracing a visionary outlook, leveraging accelerating technologies, empowering our team and engaging our membership.

Our Purpose:

Positively influencing and improving lives for those we serve by providing reliable energy and services while paving the way for access and affordability.

Our Moonshot:

Drive down costs so that the first megawatt hour of energy usage is at or near zero by 2050.

Merry Christmas and Happy New Year! And thanks for joining me for my first CEO Straight Talk for 2020. I began writing this column shortly after I came to PRECorp in 2000, and over the years many of you have told me you are regular readers of this article and that it is helpful in understanding what is going on at PRECorp. When I write this article, I imagine myself speaking directly to you about things of importance at PRECorp.

Five years ago, we started another channel of communication between you and me. This is the quarterly Telephone Town Hall meeting, and just last year, we began using Facebook Live to broadcast and record the Telephone Town Hall meeting.

Our most recent Town Hall meeting was in November 2019, and it was one of the best Town Halls we have had.

The big topic for that meeting was our recently filed General Rate Case (GRC). In the GRC, we are asking the commission to approve a \$7.03 million rate increase beginning in September of 2020. This is a 4.23% average rate increase, but the amount of the increase varies by customer class and varies by the costs required to serve that particular class. The average residential member will see an \$11.23 increase in their monthly bill.

The residential class will be picking up \$2.06 million of the entire \$7.03 million increase.

We understand that nobody wants or likes to see costs go up, and it would be easy to interpret this increase as a negative outlook for PRECorp and for 2020. In my opinion nothing could be farther from the truth.

This rate increase is something that I have been talking about for quite some time, and it was a topic mentioned in my Annual Meeting reports for the past couple of years. The PRECorp team members are strategic thinkers who plan for the future, and our forecasts have indicated a rate increase was needed, several years before it was implemented.

What really makes me proud is the amount of work the PRECorp team did to mitigate the amount of the rate increase. We have been in a continual mode of adjusting the size of our team as well as our spending to minimize the impacts to you.

One of the things we have not cut is the quality of our service. Our crews have done an amazing job in becoming even more efficient as they go about maintaining our 11,342 miles of line, approximately 200,000 poles, and 45 substations throughout our 15,660 square miles of service territory.

This drive to become even more efficient occurs in all parts of the organization, and the team is simply doing more with less and serving you better. Of course, there are times when we do make mistakes, and there are some parts of the system that seem to perform worse than others due to age or localized weather events.

Sometimes we even “shoot ourselves in the foot” like we did in November when we made automated reminder calls about the Town Hall after 8 p.m. and late into the night and early morning. I am so sorry that happened, but we learned from this mistake, like we do on all our mistakes, and we fix it, get better at it, and move on.

This ability to keep focused and to stay positive is, quite frankly, one of PRECorp’s biggest strengths. It is going to be something that we all need to be doing in 2020. This year will have its challenges and its opportunities. In the bigger picture, our State will be challenged by many fiscal pressures. Many of the factors that have impacted, and will continue to impact PRECorp, are impacting Wyoming.

Staying focused, remaining positive, and taking care of business is something you can expect out of PRECorp now and into the future. We are focused on our mission of service, our vision, and Moonshot goal.

Mike

General Rate Case information update

Powder River Energy is seeking a rate adjustment in a general rate case with the Wyoming Public Service Commission (PSC).

Changes affect residential and industrial classes. The cooperative is also changing the basic charge in order to capture fixed costs being lost due to declining sales, and to bring the basic charge closer to cost of service.

PRECorp is also filing to reintegrate much of the Coal Bed Methane (CBM) classes into General Service and Large Power classes in acknowledgement of less dedicated use of system investments by CBM members.

The filing requests PSC approval and implementation in September 2020. The following are the rate impacts in the Residential and General Service classes for 2020 planning:

- The Residential basic charge increases \$1.50 per month to \$27, and residential rates increase an average of 8.87%. The total rate per kWh will increase from \$0.086428 to \$0.094708.

- The General Service basic charge will increase \$5 per month, to \$40 for single-phase, and \$45 for three-phase. General Service rates will increase an average of 8.86%. The total rate per kWh will increase from \$0.085053 to \$0.091608.

Member meetings available

Members who would like to meet in-person with PRECorp staff can do so at one of three public availability sessions. Dates and times are as follows:

- **Tuesday, February 18:** 4:30 p.m., Gillette PRECorp office
- **Tuesday, March 17:** 4:30 p.m., Sheridan PRECorp office
- **Tuesday, April 21:** 4:30 p.m., Sundance PRECorp office

More information on the web

Go to www.precorp.coop/2020-rate-case for complete documentation in the case file, rate calculators to predict what your bill would be based on your usage, and a portal for asking questions.

Are there any bill assistance programs available?

Members who anticipate problems making ends meet with their electric bill, should contact PRECorp to discuss options as soon as possible. There are some alternatives our member service representatives can discuss that might alleviate some stress. Call 1-800-442-3630 to start the conversation.

LIEAP/WAP

The Low Income Energy Assistance Program (LIEAP) is administered by the Wyoming Department of Family Services (DFS). The purpose of the LIEAP program is to help low and fixed income families and individuals pay their heating bills during the winter months. Priority is given to households that include elderly (age 60+), disabled, and/or young children (age 6 and under).

Seasonal LIEAP benefits must be applied to a household's main heat source (the fuel your heat system uses to heat the home; not the power source needed to turn on the furnace). LIEAP is federally funded through a

block grant administered by the U.S. Department of Health and Human Services.

Anyone applying for LIEAP is also applying for the Weatherization Assistance Program (WAP). If an applicant has received WAP assistance in a prior year, this should be noted on the application.

If an applicant needs assistance with utility deposits, propane tank sets, disconnect or shut-off notices, or are out of propane, heating oil, wood, pellets, or coal, a request for assistance can be made on the application.

Applications can be filled out anytime through February 29, 2020. To download an application or for more information go to www.lieapwyo.org, or call 1-800-246-4221.

Application forms, informational brochures, and a listing of assistance agencies are available at PRECorp offices in Gillette, Sheridan, and Sundance. **Please note, applications cannot be turned in to PRECorp offices.**

Making outages less painful

By Tim Velder, PRECorp Marketing Communications

For PRECorp members in rural northeast Wyoming, natural causes of power outages such as weather, are common. Some interruptions are short, some are long, but overall, outages last about three hours per year per member.

One question members should ask BEFORE the lights unexpectedly go out is: "What if the power is off through the night?"

During a power outage, safely restoring electricity to our members is the highest priority, and PRECorp crews will respond anytime to get the lights back on.

Outages frequently last less than a few hours. However, severe damage to power lines and distribution systems may take days to repair, especially if treacherous weather con-

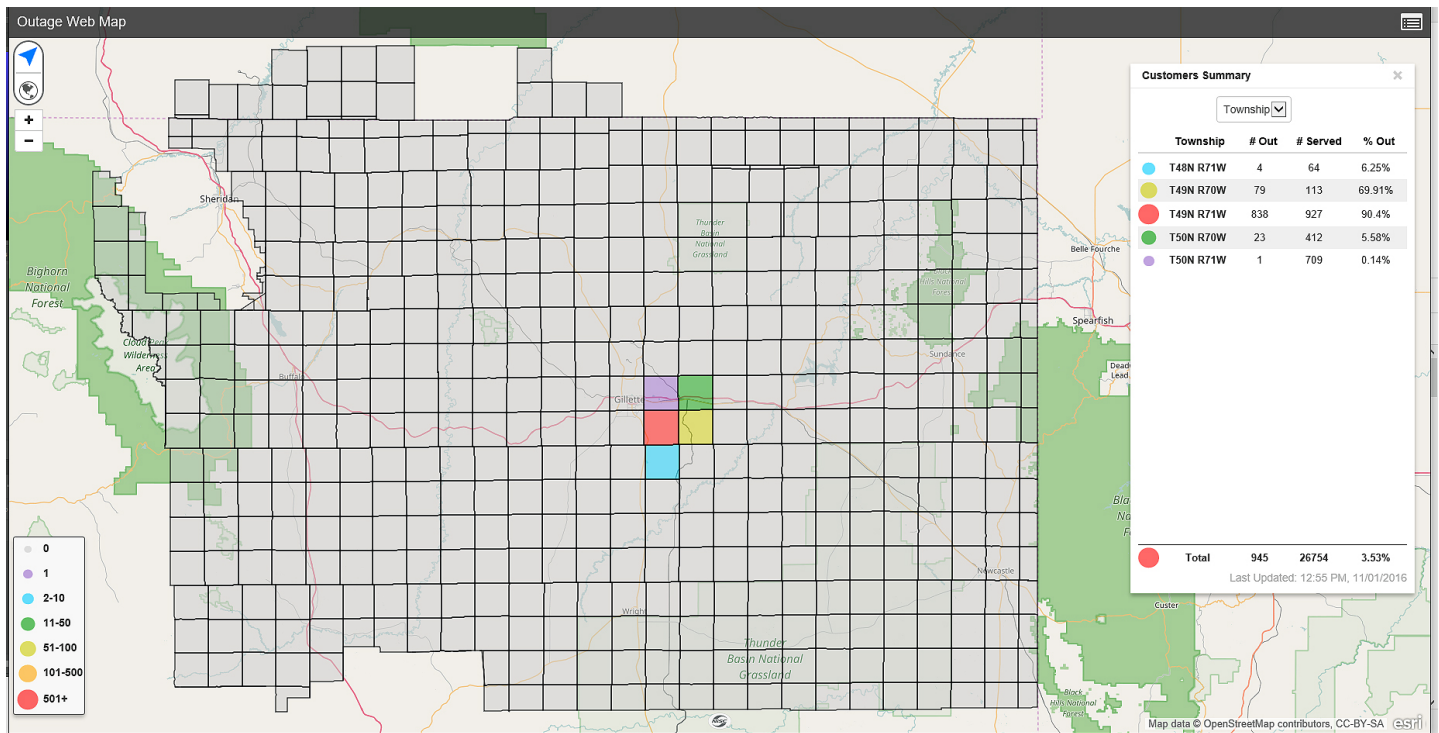
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Winter outage survival notes:

- Have batteries for flashlights ready.
- Keep a supply of one to two gallons of bottled water per person, per day.
- Set aside non-perishable foods to last three to seven days.
- Inventory a seven-day supply of prescription medications.
- Fuel up your automobile. Gas pumps might not work in an outage.
- Charge the mobile devices before the storm hits and use them sparingly.
- Be aware of the dangers of carbon monoxide with generators.
- Get help if you are short on supplies.

Track PRECorp power outages on mobile:

Follow the restoration progress online at www.precorp.coop and click on the **Outages** button on the left side of the screen. You can read updates during major outages, connect to SmartHub, Twitter and Facebook for information, and view a live map showing outage densities in sections of the PRECorp service territory. **The example below** shows how outage locations are color-coded based on the estimated number of consumers who are involved in the outage.



Outages... from page 4.

ditions persist. PRECorp emphasizes the importance of being prepared for dangerous winter storms and the



* SmartHub app users can track and report outages by tapping "Outage Map" on the opening menu.

Follow us on Facebook!

For outages affecting 250 meters or more, PRECorp will make every effort to post updates on the restoration to Facebook and Twitter.



power outages they may cause.

Prepare ahead of time to have adequate supplies and know how to safely emerge from a winter storm emergency. This is particularly important for families with special needs.

- When severe weather is forecast, decide ahead of time whether you are prepared to be out of power for at least three days. If you, your family members, and even livestock are not prepared, make necessary arrangements for a move to a location that will not be impacted by the storm.
- If you have a power outage, check with your neighbors to see if they have power. If they do, chances are you only have a tripped breaker. Take time now to get familiar with your home power panel.
- If your neighbors are out, call 1-888-391-6220 and relay any outage or trouble information you might have. Dispatch personnel are on duty 24 hours a day, 365 days a year.

- Your service address and meter number are printed at the top of Page 2 of your bill, and is also located on the face of the meter itself. The dispatcher will ask for this information.
- If you have more than one account, the dispatcher will need all of your meter numbers to determine which account is affected by the outage.
- Please let the dispatcher know the level of urgency of the outage. Our dispatcher will then take that information and contact a line crew about the problem so work can begin to restore the power. Our linemen do work in the middle of the night when necessary.
- At present, using the phone to report trouble is the only way we can be absolutely sure that you will receive an immediate response - especially at night or on weekends. Do not use e-mail to report an outage. *
- Stay at least 30 feet away from downed power lines. Stepping in the direction of a downed power line exposes you to the risk of deadly voltages.
- Storms can damage power infrastructure without causing an outage. Ice and wind, combined with debris from trees or buildings, can create post-storm hazards. Inspect your property for damaged poles, lines, meters, or transformers.
- Contact PRECorp to report hazards. Crews can be dispatched to remove trees from lines, repair broken meters, poles, or lines. Do not attempt to handle these problems yourself. You could be electrocuted.

Energy Efficiency Tip of the Month

Laundry Tip: Dry towels and heavier cottons separately from lighter clothing. You'll spend less time drying the lighter-weight items.

Source: energy.gov



AMI deployment update

Powder River Energy has begun a new phase of implementation of the cooperative's long-term metering strategy. In November, PRECorp technicians began deployment of the new meters for integration into the Advanced Metering Infrastructure (AMI) system.

This system comes with an improved solid-state meter and a two-way communication network that not only remotely receives readings like our current meter system, but can transmit signals to the cooperative when it is experiencing a problem, like when there's been a power outage.

The project is being phased in from the eastern part of the service territory to the west. The installation of communications relays precedes the meter installation. The AMI meters are put to the test for response capability to data requests and how they send information on their own throughout the deployment phase. Some of the two-way feedback is for voltage readings, and verification and notification of

a member's power outage. The system is designed to ultimately save the cooperative and its members money by avoiding an unwarranted trouble call when a breaker has tripped or by allowing members to notify the cooperative of a verified outage, often within seconds.

Once fully deployed, it will also enable the cooperative the ability to monitor line voltages and make real-time adjustments as well as save time in receiving early indication of potential system disturbances or needed corrections to power quality.

As the project progresses, full AMI deployment will march across PRECorp's 10,000 miles of distribution lines served by 57 substations through 2020.

PRECorp will notify members in advance when AMI work is being done on their property or with their meter. Anyone with questions is encouraged to call PRECorp at 1-800-442-3630.

PRECorp photo

An AMI relay is attached to a PRECorp power distribution pole. These relays will become a common sight on PRECorp poles in the coming months.

Capital Credits...

from page 1.

The total amount in a member's capital credit account represents the value of ownership in the cooperative. This value or capital contribution is returned to the membership over time in the form of capital credits.

Since 2011, PRECorp has provided the opportunity for members to help build the Foundation's giving to non-profit organizations in northeast Wyoming. To date, the membership has generously donated more than \$61,000 of their earned capital credits to the Foundation.

If you would like to donate retired or future capital credits, please contact PRECorp for a donation form.

Please direct any questions or concerns about capital credits to PRECorp Member Service Representatives at 1-800-442-3630.

Did You Know?

Powder River Energy has retired \$62.6 million to consumer-members since 2004 - \$13.5 million in 2019 alone.

Because electric cooperatives operate at cost, any excess revenues (called margins) are allocated and retired to consumer-members in the form of capital credits.

\$13.5
Million in
2019

\$62.6
Million since
2004





Basin Electric Annual Meeting

Photo by Tim Velder/PRECorp

PRECorp Directors and Executive Staff attend the November Basin Electric Annual Meeting in Bismarck, N.D. Pictured clockwise from left are Deputy GM Brian Mills, VP of Member Service Jeff Bumgarner, Directors Jim Baumgartner, Mike Lohse, Philip Habeck, Gerry Geis, and Alison Gee; and PRECorp CEO Mike Easley. Basin, a generation and transmission cooperative, is PRECorp's wholesale power supplier with member cooperatives in nine states from North Dakota to New Mexico. Approximately 900 electric cooperative representatives attended.

PRECorp Foundation makes holiday donations to local charities totaling \$10K

In keeping with its annual Holiday giving program, the Powder River Energy Foundation recently donated a total of \$10,000 to charitable organizations in the five-county area of northeast Wyoming.

"The Foundation's mission is to demonstrate our commitment to individuals and nonprofit or charitable organizations in northeast Wyoming by lending a helping hand that will improve their quality of life or service to their community," said Foundation Executive Director Jeff Bumgarner.

The grants will go directly toward the Holiday Season work of local charities in helping families in need at this time of year.

Organizations receiving grants include:

- Moorcroft Interfaith Community for food baskets
- Hulett Holiday Baskets
- Sundance Community Christmas Baskets
- Sheridan Hub on Smith
- Sheridan Shop with a Cop
- Campbell County Council of Community Services
- Gillette Salvation Army
- Kaycee All Souls Church Food Pantry
- Buffalo Bread of Life Food Pantry
- Newcastle Ministerial Association Christmas appeal
- Home Loving Care of Weston County

Deadline reminders for 2020 scholarships

Powder River Energy Corporation facilitates many scholarships for eligible high school and post-secondary students from northeast Wyoming.

To apply for any of the scholarships, students must satisfy the required criteria and complete the scholarship application. Updated 2020 scholarship information is available online at: www.precorp.coop/student-scholarships.

Descriptions and deadlines for some of the scholarships follow:

Basin Electric Scholarship - \$1,000

The filing deadline for the Basin Electric Power Scholarship is January 31, 2020.

Swanda Scholarship - \$2,500

To a Crook County High School senior planning to enroll in agricultural or animal science studies at a university or vocational/technical school in Wyoming, North Dakota, or South Dakota. Seniors at Sundance High School receive preference this year on the program's rotating schedule. However, all seniors from Crook County are encouraged to apply.

The filing deadline for the Swanda Scholarship is February 28, 2020.

Powder River Energy Corporation/Foundation Scholarship - \$1,500

To qualifying seniors and post-secondary students from 14 high schools and up to 5 at-large students in its service territory. Applicant's parents or legal guardians must be active PRECorp members.

The deadline for Powder River Energy Corporation Scholarship is February 28, 2020.

Barb and Bill Geis Memorial Scholarship - \$400 to \$1,000

To qualifying seniors from Coal Country FFA or Gillette FFA in Campbell County, who are pursuing careers benefitting the agriculture industry. The deadline for Barb and Bill Geis Memorial Scholarship is March 2, 2020.

PRECorp Lineman Scholarship - \$3,000 and up

The PRECorp Lineman Scholarship is available to qualifying applicants who plan to attend an approved lineworker training program. Awards begin at \$3,000, but can be more.

There is no filing deadline and applications are accepted year-round.

No January PRECorp News

Because there is no WREN magazine published in January, there will be no January PRECorp News mailed to members. For up-to-date member information, read the Power Lines in your January bill, go to www.PRECorp.coop, or stay tuned to Facebook, Twitter, and SmartHub for updates on happenings in your cooperative.

Please note our Holiday office closures

Powder River Energy Corporation offices will be closed for these upcoming holiday observances:

Christmas – Tuesday and Wednesday, December 24 and 25

New Year's Day – Wednesday, January 1, 2020

President's Day – Monday, February 17, 2020 (All-employee meeting)

To report an outage call 1-888-391-6220.

Regular business: 1-800-442-3630

www.precorp.coop

Powder River Energy Corporation is an equal opportunity provider and employer.

