



A Touchstone Energy® Cooperative

# PRECorp News

DECEMBER 2024

## PRECorp returning \$12 million in Capital Credit 'dividend' retirement

Powder River Energy Corporation (PRECorp) this month is issuing a capital credit retirement or "refund" of about \$12 million. This retirement returns a portion of the money members paid for electric usage during select years. Some Powder River Energy members will receive a credit on their bill or a check in the mail.

This year's PRECorp capital credit retirement is related to capital contributions generated during 2001. Any member who had service with PRECorp in 2001 will receive a percentage of the PRECorp capital credit retirement of \$3.5 million.

PRECorp's wholesale power supplier Basin Electric has retired \$8.5 million, which will be returned to those who were cooperative members in 2006 through 2008.

Since its inception, PRECorp has retired well over \$140 million to its members.

Capital credits are a major benefit of being a member of an electric cooperative and reflect 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 is allocated to each member as a capital contribution based on annual power purchased.

A key part of PRECorp's enduring value is reflected in capital credit retirements. Members are apprised of their cooperative capital credit "allocation" on their billing statements each August. This allocated capital credit is retained and used to provide for the ongoing operation of the cooperative until the total allocation is retired.

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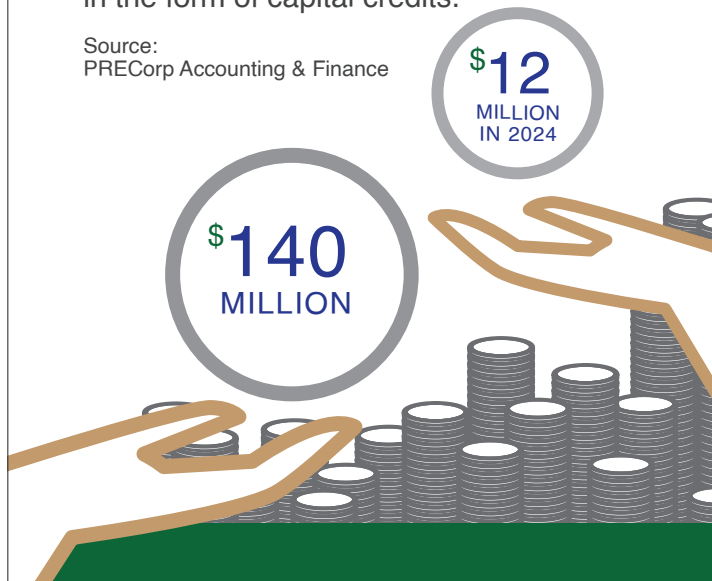
### Did You Know?

Powder River Energy has retired more than \$140 million to members – nearly \$12 million in 2024 alone. Because electric co-ops operate at cost, any excess revenues (called margins) are allocated and retired to members in the form of capital credits.

Source: PRECorp Accounting & Finance

\$12 MILLION IN 2024

\$140 MILLION



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**BRIAN MILLS,**  
CEO

With all the different “changes” that we have been sharing with you the past few months, there is an idea that I see people raise their eyebrows when they hear me say it. In fact, those in the state legislature even give it a quick twitch when we bring it up in terms of legislation that could impact PRECorp. Those words... “Member-owned, not-for-profit.” What does that really mean?

Many times, I find myself referring back to when our cooperative began, and I will do it again to help give perspective on what “member-owned, not-for-profit” means. Generating, transmitting, and distributing electricity is a very costly endeavor.

The early ranchers, farmers, town folk, industry could not individually afford to build generation, and the infrastructure needed to serve themselves electricity. Thus, a cooperative was born. The idea that if we all pool our resources and leverage economies of scale in generating and transmitting electricity, it gives us the best chance of having what we now consider a necessity for life, electricity in our homes and places of business.

So, a structure for accountability was established where a Board of Directors would look after the cooperative on behalf of all the participating members. Back then, the early Board of Directors set off to secure generation, transmission, and distribution resources to get electricity for every member. But in doing so, the participating members were sure to instruct the cooperative that in times when the member paid more than what was needed to get electricity to their homes or places of business, that the cooperative would return the unused portion back to the member.

This was not going to be a money-making business for any one special person or group of shareholders; this was simply a break-even effort on behalf of the members, a way to do it as affordably as possible.

The cooperative ownership model flourished and the ability of a cooperative to then work with other cooperatives grew so that generation and transmis-

sion was collectively owned by many participating cooperatives and the economies of scale continued to stretch the original member’s dollar. Each tier of the model having a not-for-profit structure and accountability placed around them provided for a pure motivation centered around the member-owner at the “end of the line.”

So that is what “member-owned, not-for-profit” means. You have essentially hired a team of 125 people to manage your electrical distribution system that has been built over the course of 80 years of work to serve stock wells to coal mines and has amassed over 16,000 miles of line, over 50 substations, and nearly 27,000 meters. You have commissioned us to operate this cooperative in the most efficient and cost-effective manner possible. And again, if there is any left over, it is returned to you.

The reality is, not one member could have constructed generation and built infrastructure as economically on their own, at least not to the quality and reliability we have come to rely on. It simply takes all of us to serve all of us...and keeping the member-owner as our sole focus of service is... powerful. No pun intended.

So, having shared the importance of a member-owned, not for profit, there is no better time to say it continues to work as designed. The PRECorp Board of Directors have announced that they will retire \$3.5M in capital credits back to the membership. On top of that...Basin has announced they will be retiring \$8.5M to PRECorp membership as well. Learn more about this year’s distributions in this issue of the WREN.

Remember, capital credit retirements are simply a testament to the ability to operate each cooperative in the most cost effective and efficient manner possible...all to benefit the member-owner that paid the rate initially. It is a “circle of life” that keeps the cooperative viable and the member-owner served.

On behalf of the entire PRECorp Team, thank you for letting us serve you. It is our honor.

Merry Christmas and Happy New Year to all!

# Know your PRECorp Board of Directors:

**BIG HORN**  
Mike Helvey

**POWDER RIVER**

**SHERIDAN**  
Sheridan ★  
Clearmont ★  
Arvada ★  
Jim Baumgartner

**CAMPBELL**  
Buffalo ★  
Gillette ★  
Jim Purdy

**JOHNSON**  
Kaycee ★  
Mike Lohse

**CROOK**  
Hulett ★  
Sundance ★  
Moorcroft ★  
Upton ★  
Ty Miller

**WESTON**  
Newcastle ★  
Clay Branscom

The PRECorp Board of Directors are pictured at the right. Members who would like to email the director in their respective county may do so through our website at [www.precorp.coop/board-directors](http://www.precorp.coop/board-directors)

## Benefits of an ENERGY AUDIT

Evaluate overall home efficiency and opportunities for savings

Assess major appliances and heating/cooling system

Identify potential safety issues with home wiring and ventilation

Raise property value with audit recommendations

# Capital Credits... from page 1.

Annually, the PRECorp Board of Directors reviews the financial condition of the cooperative and may approve a retirement of a portion of allocated capital credits.

“For 80 years, our cooperative model has centered on our membership and the enduring value we create through this relationship,” said PRECorp Board President Jim Purdy. “We work to provide our members with an A-plus experience, great rates, and a trusted energy partnership. Returning these dividends to the membership is a key part of our cooperative way.”

Members who do not have a valid address on file with PRECorp will still receive their retirement, but it will be posted as “unclaimed” on their account. A member may claim capital credit “refunds” by providing proof of legal interest.


Unless they are claimed within three years, the unclaimed funds will be returned to the cooperative for the general benefit of the membership in the form of education scholarships, community grants, and other member related

benefits. Capital Credit retirement awards of less than \$50 will be applied directly as a credit to the member’s monthly bill.

Retirement amounts of \$50 or more will be mailed to the members through a check. Inactive members with less than \$20 total unretired capital credits will receive their entire capital credit allocation amount – regardless of year earned - as part of this retirement.


Since 2011, PRECorp has provided the opportunity for members to help non-profit organizations in northeast Wyoming. To date, several members have generously donated their capital credits to the Powder River Energy Foundation, which has supported local charities in PRECorp’s service territory with more than \$2.5 million in direct donations since its founding in 2007. A letter and donation form are enclosed with each mailed capital credit check.

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

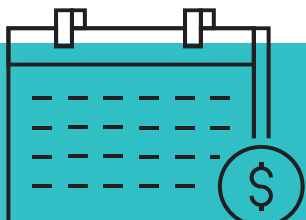


## HOW CAPITAL CREDITS WORK

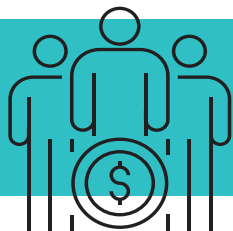
**Electric co-ops are not-for-profit and operate at cost. Capital credits are a financial benefit of co-op membership.**




- 1.** Members pay their electric bills, and we track their business with us each month.



- 2.** The co-op pays operating expenses throughout the year and allocates any leftover operating revenue as capital credits.



- 3.** When financial conditions permit, the co-op board votes to retire (pay) capital credits to the members.



- 4.** We send members their share of capital credits as a bill credit or check.