

79th Annual Meeting is Saturday, August 24

Powder River Energy will hold its 79th Annual Meeting at Upton Elementary-Middle School, Saturday, August 24. Co-operative members will cast ballots for three director seats that are up for election this year.

See candidate profiles and the mail-in ballot on the back cover of the WREN magazine.

On **Saturday, August 24**, the Annual Meeting will open at 7 a.m. with member registration, FREE wellness blood draws and screenings (see page 8), and voting (see back cover of

the magazine). Attendees may take home a variety of gifts including a 2025 PRECorp calendar, and a walking/yard stick (below). Attendees can also partake in morning booth demonstrations from PRECorp, Rare Element Resources, Basin Electric and more; a free noon lunch, and be eligible for door prizes including 4-H/FFA beef.

The meeting will run from 10:30 a.m. to noon, followed by lunch and the drawing for the Lineman Scholarship raffle prizes (see bottom right).



Official Notice:

Notice is hereby given that the 2024 Annual Membership Meeting of Powder River Energy Corporation will be held at 10:30 a.m. (Mountain Time) on Saturday, August 24, 2024, at Upton Elementary-Middle School.

The order of business at the annual meeting shall be as follows:

1. Report as to the number of members who are present, voted by mail and by proxy, in order to determine the presence of a quorum.
Items will include: Call to order and Appointment of Recording Secretary.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be. *Items will include: Introduction of the PRECorp Board.*
3. Approval of unapproved minutes of previous meetings of the members. *Will include approval of the minutes of the 2023 Annual Meeting.*
4. Presentation and consideration of all necessary reports of the Corporation. *Items may include: Treasurer's Report, President's Report, CEO's Report, Recognition of Visitors and Guests, Foundation Report and Special Presentations.*
5. Election of directors. *Items will include: Report of the Nominating Committee, and Voting Results.*
6. Unfinished business.
7. New business.
8. Adjournment.

**BIG
drawing
Aug. 24!**



**2024 Polaris
Ranger 1000**

- or **D-Ranch Hunt or \$2,500**
 - or **PRECorp 80th Henry rifle**
 - or **Custom purse with gun**
- \$100 per ticket. Only 350 tickets sold.**

Proceeds for Apprentice Lineman Scholarship
Drawing will take place on **Saturday, August 24**, during the PRECorp Annual Meeting in Upton. Need not be present to win. Second, third and fourth drawings choose one of remaining prizes. **Winner of side-by-side is responsible for applicable federal tax. Winner of hunt must be eligible to hunt in Wyoming and is responsible for purchasing appropriate state licensing. Winner of firearm must pass FFL background check.**



BRIAN MILLS,
CEO

The cost of wholesale power will increase in 2025

We have hit the halfway mark for 2024 and our 79th Annual Meeting is just around the corner on August 24, in Upton.

When I met with the Executive Staff recently, in jest I encouraged them all to get their Christmas cards ordered. How can it be that with the longer amount of daylight, the days seem to go faster?

Every month I jump on a call with the entire PRECorp team and provide a short business update. And, we have a simple conversation on any items or issues that we may have. This month, as we closed our meeting, I shared a story about perspective among our challenges, and in short, the antidote for disillusion is gratefulness. Finding the truth in a situation with a grateful heart. As the year goes speeding by and challenges seem great, what are you grateful for? And what are the blessings you have that you can take with you into any challenge that will help you persevere? Blessings are always around you, it just takes you noticing them.

So, in this month's article, I will offer some of the items I shared with the employees and also foreshadow what will be happening at our annual meeting.

As a member owner of the same cooperative that you have entrusted me to manage, I am directly impacted by the same things that you all are - good and bad. And as a member owner, I value timely, and honest communication about this company that will impact me, and I extend that expectation on behalf of all of us in guiding the PRECorp Team.

That said, now as a manager of this company, I am telling you we have been informed that **the cost of our power will be increasing in 2025**. PRECorp has a power supply contract with Member's 1st and Basin Electric to generate and deliver electricity to us. Simply stated, the cost of doing that is increasing.

A quick response to the question of 'why' is:

1. Basin is having to build additional generation facilities to meet their obligations; and,
2. The environment created by legislation and federal oversight.

While we do not yet know how much the increase will be as of press time, I feel it is important to tell you what I know and keep you informed as information becomes

available. Most likely by the time we meet at the annual meeting in August, I can present a more complete picture.

To be clear, PRECorp's base rate - the portion of your bill that goes to operate PRECorp - is not changing in 2025. PRECorp is going to try and hold the line on our rate. This is mainly due to the deferred revenue strategy that the Board has guided. Yes, PRECorp's cost to operate has increased. But by applying the money from the deferred revenue account to cover those costs on behalf of the membership, we are able to absorb those increases in a manner that gives us time to communicate and you - as a member-owner - time to plan for the new rate.

We do anticipate seeing some increase in the "PRECorp Operation" portion of your bill sometime in 2026. Our forecast indicates that the current rate we are charging will be insufficient to meet the costs we will experience two years from now.

I know, it seems early to announce this, and a lot can change, but as a member owner, I would appreciate this information sooner than later. Keep in mind that PRECorp's last general rate increase was back in 2020, and prior to that - 2016. If you think about all that has gone on in the world since then and the price increases that we have experienced in other aspects of our lives, to me it stands out that PRECorp has been able to hold the line as well as it has. As the manager, I can see the connection between the 'how' and 'why' this could occur.

I will leave you with what I shared with the employee team when we met on the call I mentioned earlier in this article. I am truly blessed to work with a team of people that has strong work ethics and a membership focus. Doing things differently, working more efficiently, making do at times, all in the name of lessening the rate pressure on our membership. The PRECorp employee team's willingness to serve the membership and innovate are a big reason for why we have been able to hold the rate as we have, and my hat goes off to them. I wouldn't want to face the challenges we are seeing with any other team.

As I sign off, I encourage you to come to the Annual meeting on August 24 in Upton. I hope to be able to share a little more as to what is on the horizon for PRECorp. Additionally, we will have informational booths featuring rates, technology, Rare Element Resources, Basin Electric, and more. See inside this edition for complete information.

A handwritten signature in black ink, appearing to read "Brian Mills". The signature is fluid and cursive, written in the bottom right corner of the page.

TREASURER’S REPORT SHOWS SOLID FINANCIAL POSITION

It is with great pleasure that I present to you the Treasurer’s Report, which provides an overview of the sound financial status of Powder River Energy Corporation (PRECorp). The accompanying financial statements in this report demonstrate the solid financial position of our organization. The PRECorp Board of Directors has thoroughly examined the balance sheet and income statement for the fiscal year ending December 31, 2023. We ensure that our accounting procedures and principles are aligned with the standards set by the Rural Utilities Service (RUS) and undergo an annual examination through an independent audit.

For a comprehensive understanding of our financial performance, I encourage you to refer to the complete versions of our annual audit, which include the detailed income statement and balance sheet. These documents are readily available for review at the Cooperative’s office.

We take great pride in our commitment to financial transparency and accountability, and this report is a testament to our dedication to maintaining a strong financial foundation for PRECorp.

- Gerry Geis, Secretary/Treasurer



DESPITE CHALLENGES, PRECORP PROVIDES THE BEST VALUE AND SERVICE

In 2023, PRECorp’s total kWh sales saw a slight decline of 0.6% compared to 2022.

This reduction in sales is partly due to the drop in natural gas prices, which fell by 24% from 2022, affecting members reliant on higher natural gas prices. Additionally, residential sales were impacted by the annexation of hundreds of households into the City of Gillette, further contributing to the decrease.

Despite these challenges, PRECorp’s strategic cost management and service quality enabled us to generate sufficient positive operating margins. Consequently, PRECorp was able to retain the full amount of deferred revenue saved over two years, aligning with our strategy

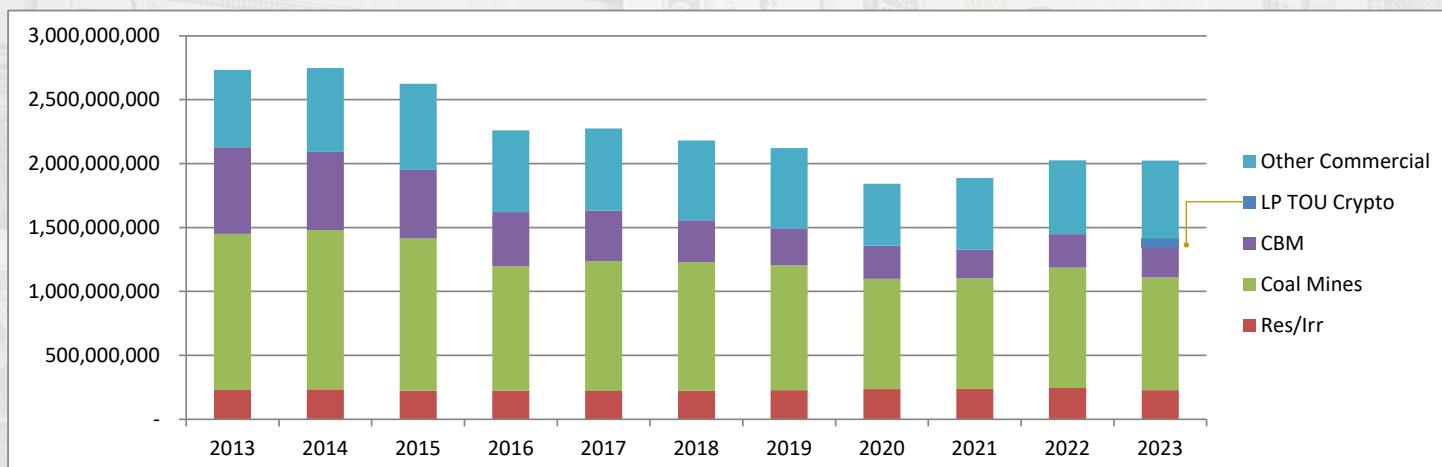
to keep rates predictable and stable while maintaining a reliable distribution system and a financially strong cooperative.

Looking ahead, we are focused upon ongoing economic challenges. The PRECorp team is responsive, innovative, and agile in addressing both current and future financial needs, to provide our members with the best value and service. We are confident in our ability to succeed in this objective.

- Bill Mertz, Chief Financial and Administration Officer



11-year History of PRECorp kWh sales

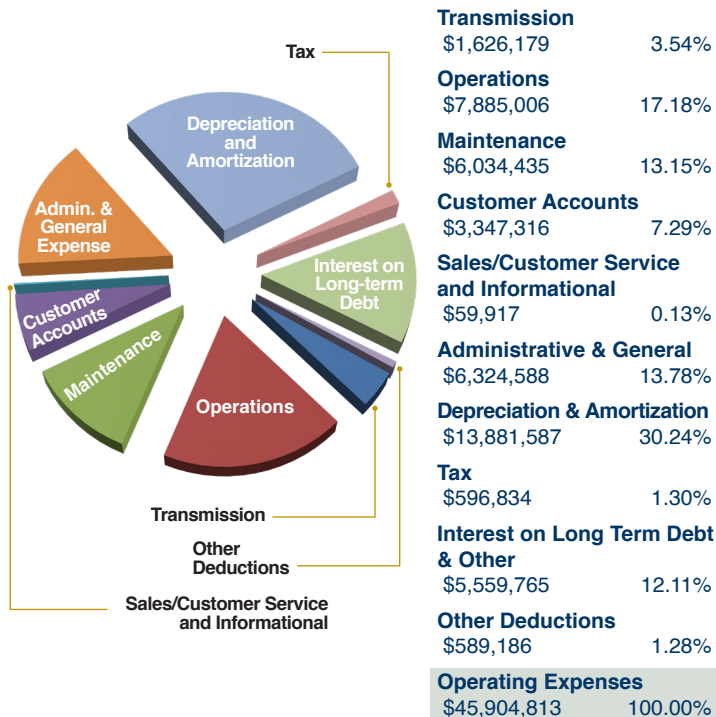


The chart above shows PRECorp kilowatt hour sales by rate class since 2011. Coal Bed Methane (CBM) and Coal Mines sales show the most fluctuation. Please note crypto mining sales are noted in 2023.

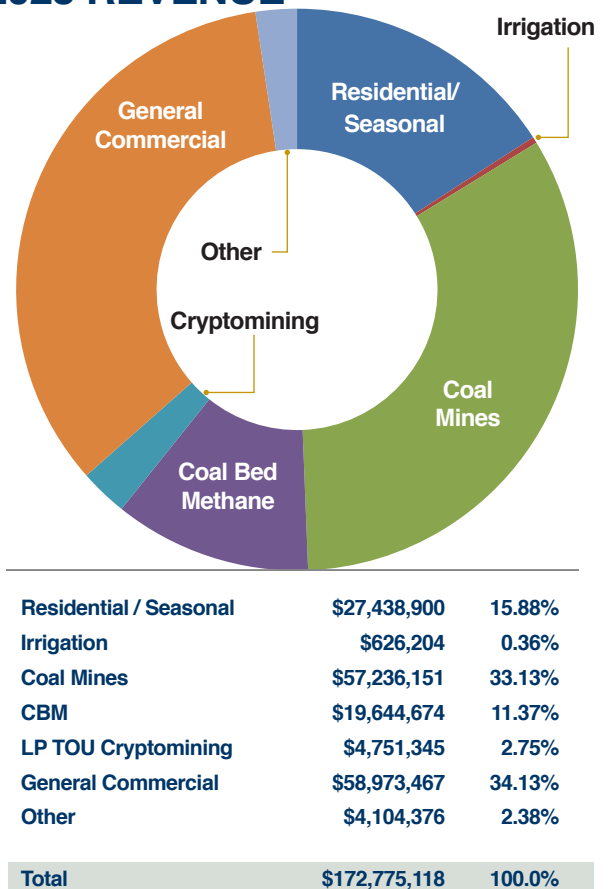
Comparative Statement of Operations

| | 2022 | 2023 |
|--|----------------|---------------|
| TOTAL OPERATING REVENUE AND PATRONAGE CAPITAL | \$172,873,795 | \$172,775,118 |
| LESS: Deferred Revenue | \$(11,500,000) | - |
| OPERATING REVENUE AND PATRONAGE CAPITAL | \$161,373,795 | \$172,775,118 |
| Cost of Purchased Power | \$120,285,259 | \$124,936,847 |
| Transmission Expense | \$1,773,654 | \$1,626,179 |
| Distribution Expense - Operations | \$7,706,163 | \$7,885,006 |
| Distribution Expense - Maintenance | \$5,556,373 | \$6,034,435 |
| Customer Accounts Expense | \$2,414,440 | \$3,347,316 |
| Sales/Customer Service and Informational Expense | \$65,298 | \$59,917 |
| Administrative and General Expense | \$6,314,385 | \$6,324,588 |
| TOTAL OPERATION & MAINTENANCE EXPENSE | \$144,115,571 | \$150,214,288 |
| Depreciation and amortization Expense | \$10,704,198 | \$13,881,587 |
| Tax Expense - Property, Gross Receipts, and Other | \$630,591 | \$596,834 |
| Interest on Long-Term Debt & Other | \$5,140,522 | \$5,559,765 |
| Other Deductions | \$440,183 | \$589,186 |
| TOTAL COST OF ELECTRIC SERVICE | \$161,031,065 | \$170,841,660 |
| PATRONAGE CAPITAL & OPERATING MARGINS | \$342,730 | \$1,933,458 |
| Interest and Other | \$472,741 | \$4,980,663 |
| Capital Credits | \$15,117,189 | \$11,687,921 |
| PATRONAGE CAPITAL OR MARGINS | \$10,708,284 | \$18,602,042 |
| | \$41,088,536 | \$47,838,271 |

2023 OPERATING EXPENSE BY CATEGORY



2023 REVENUE

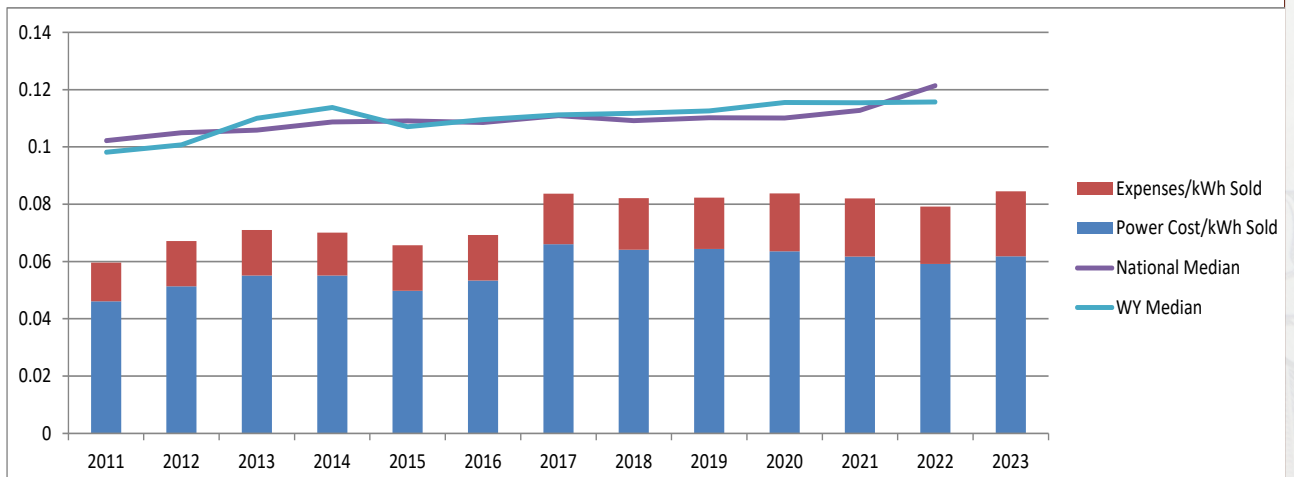


Comparative Balance Sheet

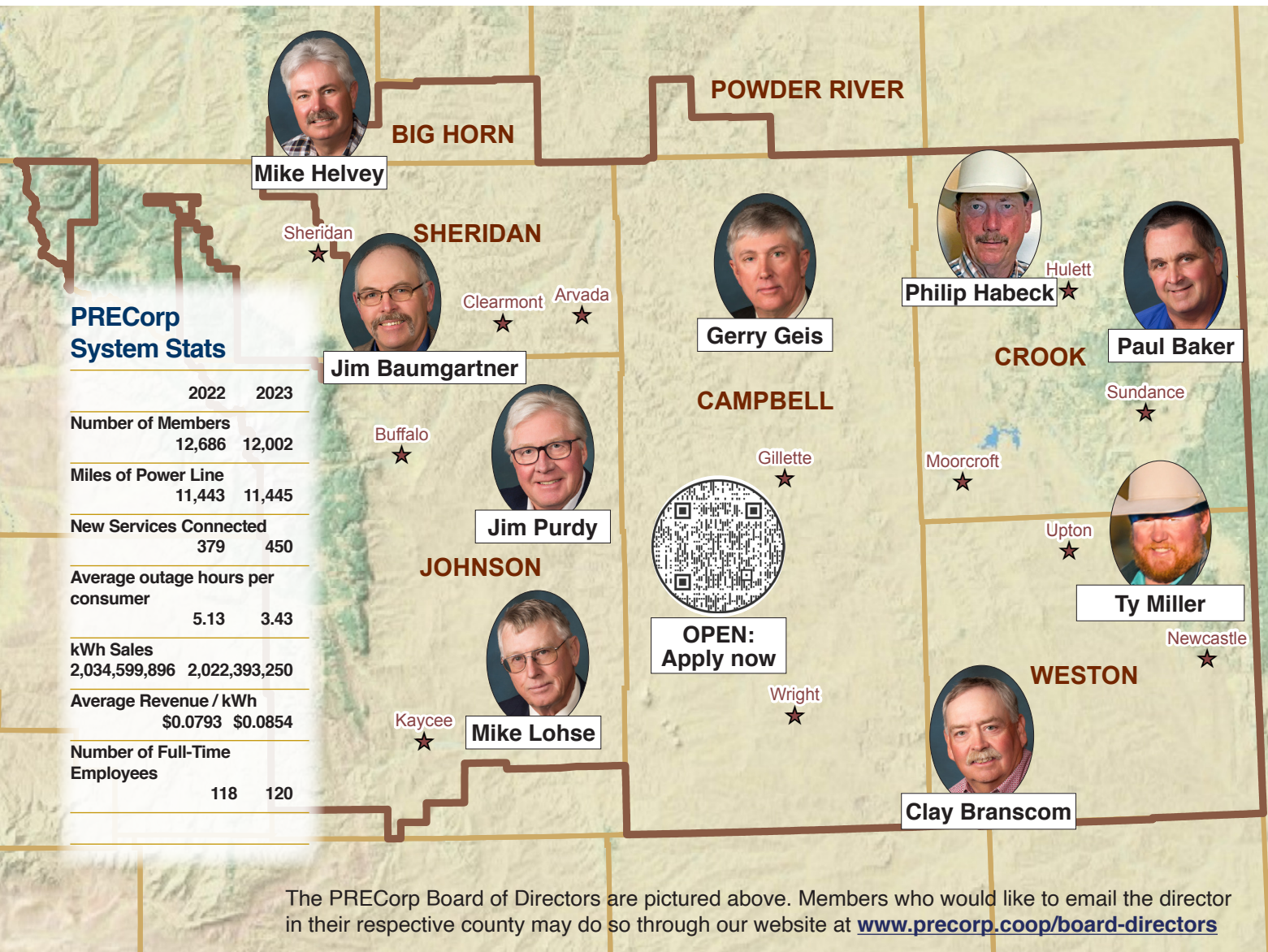
| | 2022 | 2023 |
|---|----------------------|----------------------|
| Utility Plant (net) | \$215,221,914 | \$212,510,885 |
| Other Property and Investments | \$83,423 | \$71,978 |
| Non-Utility Property (net) | \$83,423 | \$71,978 |
| Investments in Associated Organizations | \$146,171,200 | \$149,650,337 |
| Other Investments | \$76,828,182 | \$90,522,354 |
| | \$223,082,805 | \$240,244,668 |
| Current Assets | | |
| Cash and Cash Equivalents | \$22,723,196 | \$16,278,032 |
| Accounts Receivable (net) | \$16,779,382 | \$16,082,555 |
| Other Accounts Receivable | \$501,199 | \$668,688 |
| Materials and Supplies | \$6,806,232 | \$7,850,591 |
| Other Current Assets | \$3,478,556 | \$4,297,746 |
| | \$50,288,565 | \$45,177,612 |
| Regulatory Assets | \$2,279,379 | \$227,798 |
| Deferred Debits | \$275,804 | \$194,468 |
| TOTAL ASSETS | \$491,148,467 | \$498,355,432 |
| Equity and Margins | \$229,365,116 | \$234,966,156 |
| Long Term Debt | | |
| (Net of Current Maturities) | \$161,954,979 | \$154,148,960 |
| Other Non-Current Liabilities | \$2,558,566 | \$2,617,133 |
| Current Liabilities | | |
| Accounts Payable | \$14,021,543 | \$13,530,398 |
| Other Current Liabilities | \$22,446,292 | \$21,720,279 |
| Current Maturities of Long Term Debt | \$10,505,710 | \$10,829,724 |
| | \$46,973,545 | \$46,080,401 |
| Regulatory Liabilities | \$18,639,296 | \$21,632,334 |
| Deferred Credits | \$31,656,965 | \$38,910,448 |
| TOTAL EQUITY AND LIABILITIES | \$491,148,467 | \$498,355,432 |

PRECorp Operating Expenses per kWh sold

PRECorp works closely with our Wholesale Power Supplier to help keep our largest cost stable. As a result of that collaboration PRECorp was successful in receiving and returning a \$2.1M power bill credit directly to our members.



PRECorp Service Territory



PRECorp Board of Directors

Campbell County:

Gerry Geis, Board Secretary-Treasurer
OPEN

Crook County:

Philip Habeck, Board Vice-President;
Members 1st Board Vice-President
Paul Baker, Basin Electric Board member;
Members 1st Board member

Johnson County:

Jim Purdy, Board President
Mike Lohse, WREA Board member

Sheridan County:

Jim Baumgartner, Members 1st Board member
Mike Helvey

Weston County:

Ty Miller
Clay Branscom, Foundation Liaison

PRECorp Customer Mix

| | End of 2022 | End of 2023 | + / - |
|---------------------|---------------|---------------|--------------|
| Residential | 15,787 | 15,394 | (393) |
| Seasonal | 3,640 | 3,666 | 26 |
| Irrigation | 292 | 309 | 17 |
| General Service | 5,319 | 5,304 | (15) |
| General Service CBM | 526 | 446 | (80) |
| Large Power | 1,140 | 1,090 | (50) |
| Large Power CBM | 455 | 429 | (26) |
| LPT Coal Mines | 13 | 13 | - |
| LP TOU Transmission | 1 | 1 | - |
| LP TOU Crypto | - | 3 | 3 |
| LPT CBM | 5 | 5 | - |
| Street Lights | 36 | 123 | 87 |
| Total | 27,214 | 26,783 | (431) |

PRECorp Accounts By County for 2023

| | |
|--------------|---------------|
| Campbell | 12,774 |
| Converse | 1 |
| Crook | 6,272 |
| Johnson | 2,980 |
| Niobrara | 3 |
| Sheridan | 1,452 |
| Weston | 3,124 |
| Montana | 178 |
| Total | 26,783 |

78th Annual Member Meeting Minutes Meeting held at Buffalo (WY) High School, August 26, 2023

Call to Order

President James Purdy called the 78th Powder River Energy Corporation Annual Member Meeting to order at 10:30 a.m.

President Purdy appointed Executive Staff Assistant Stephanie Pribilske as the Recording Secretary for the meeting.

Announcement of Quorum

General Counsel Kara Ellsbury announced a quorum was present confirming 107 members in attendance. As per the PRECorp Bylaws, Ellsbury read the Order of Business for the meeting.

President Purdy gave a last call for ballots.

Introduction of Guests

Chief Executive Officer (CEO) Brian Mills recognized the PRECorp Board and their families, special guests former Board President Reuben Ritthaler and wife Shelley, Jackie King on behalf of Senator Cynthia Lummis, and Senator John Barrasso.

Minutes

President Purdy reviewed the 2022 Annual Meeting minutes. A motion was made and seconded to approve the minutes as presented. Motion carried.

Senator John Barrasso discussed current issues impacting consumers including affordable energy and resources.

Purdy called for a member volunteer from Sheridan County to assist with counting votes, which one came forward. The Election Judges were excused from the meeting to go count votes.

Jackie King, Representative for Senator Cynthia Lummis, read a letter from Senator Lummis to the members.

Purdy extended his appreciation to the 2023 Nominating Committee for their part in the Annual Meeting process.

Treasurer's Report

Secretary-Treasurer Gerald Geis provided an overview of the 2022 financials, operating revenue, purchase power, and operating expenses stating PRECorp is financially strong. Additionally, Geis spoke about PRECorp's philanthropic arm, the Community Involvement Committee, PRECorp Foundation, and Operation RoundUp®.

President's Report

President Purdy shared his transition of being elected as the Board President, and gave his personal pledge of commitment to the membership. Purdy went on to share the priorities of the organization being safety and reliable service.

CEO Report

CEO Brian Mills began with a video from Basin Electric Power Cooperative called, "Cooperative Strong".

Mills introduced PRECorp Foundation Board members and other dignitaries joining the meeting.

Shawn Taylor, Executive Director of the Wyoming Rural Electric Association (WREA) reviewed the structure and purpose of the WREA from political representation at both the State and Federal levels, the WREN magazine, scholarship programs, Youth Energy Camps, and Youth Tours to Washington, D.C.

Jordan Crews, daughter of a PRECorp member who happens to also be an employee, was selected to attend the 2023 Youth Tour. Jordan presented a summary of her trip, educational opportunities, and future goals inspired by the trip.

CEO Mills introduced Bill Mertz, Members 1st Power Cooperative CEO and GM. Mertz explained how Members 1st plays a role in the relationship between PRECorp and our power provider, Basin Electric.

CEO Mills reviewed three goals accomplished this year. Find an impactful way for employees to remember their "why". A video and campaign were created by members of PRECorp's Continuous Im-

provement safety committee, which helps employees to remember their "why", both on and off the clock. Mills discussed rate stewardship and leveraging industry innovations through the HeroXPrize program. There has been a 10% increase in staffing namely due to natural attrition. And lastly, the strategy re-snap and how its strategic measures will help PRECorp achieve financial goals and maintain rate stewardship in a changing environment.

The PRECorp Foundation made an \$8,000 check presentation to Friends Feeding Friends and thanking them for their contributions to communities in the Buffalo and Kaycee areas.

Unfinished Business

There was no unfinished business.

New Business

There was no new business.

Election Results

Secretary/Treasurer Geis announced the 2023 election results stating that Dustin Martinson of Campbell County was elected, along with incumbents Philip Habeck of Crook County, Mike Helvey of Sheridan County, and Clay Branscom of Weston County. Geis thanked former Director Alison Gee for her service representing Campbell County.

Earl Christensen Award

The 2023 Earl Christensen award, named after one of the original board members of the cooperative, was awarded to Senator Ogden Driskill. Recipients of this award exemplify the cooperative way, as Earl Christensen did. The Senator was not able to attend, however, he submitted a thank you for the award via video.

Adjournment

President Purdy adjourned the meeting at 12:15 p.m.

POWDER RIVER ENERGY CORPORATION
(s) James Purdy (s) Gerald Geis
President Secretary/Treasurer

(Corporate seal)



Wyoming Health Fairs / Wellness Health Fairs

Powder River Energy Annual Meeting

Upton Elementary- Middle School

802 Juniper Street, Upton WY

**Saturday
August 24th, 2024
7am - 10am**

During the Annual Meeting,
Powder River Energy is covering the cost of the
following screening for members and spouses:

Blood Chemistry Panel

NOW SCHEDULING APPOINTMENTS!

Make your appointments at the following links:
Wellness Screening - WHF.as.me/PRECORPWellness
Zyliant Screening - WHF.as.me/PRECORPZyliant
Or call us at 800-979-3711 to schedule

**WHF recommends 12 hours fasting prior to your blood draw, unless Diabetic.
Drink plenty of water and take medications as usual.**

Zyliant™ Neurohealth Screenings

A rapid screening for functional
cognitive health using:

- visual assessments
- vocal biometrics
- movement
- patient-reported outcome questionnaires

Routine screenings can facilitate earlier disease
detection. By engaging in proactive medical care, the
progression of decline can be interrupted, potentially
resulting in extended periods of independent living.



**To schedule your FREE Screening by visiting
<https://WHF.as.me/PRECORPZyliant>**

Toll Free: 800.979.3711 • Fax: 307.268.8332 • www.WHF.to