

FEBRUARY 2026

RELIABILITY **2026**

Outage records in 2025 marred by November blackout

By Tim Velder, PRECorp Marketing/Communications

The grid powering the upper Great Plains of eastern Wyoming and western South Dakota suffered a jolt on November 13 and placed a big black asterisk on PRECorp's 2025 power reliability 'up-time' data.

Around noon on that date, a system-wide blackout left tens of thousands of electrical services across multiple utilities without power. PRECorp has documented the response to that event. All services were restored within eight hours, but the source of the outage has yet to be determined. It is certain, however, that it started outside of the PRECorp service territory.

This one event caused the overall 2025 service performance at PRECorp to skew away from the trends of recent years. Much of the downtime was spent waiting for incoming voltages to stabilize. Crews then delayed re-energizing sections of the PRECorp system until they could verify substations were intact, as well as repairing blown fuses, arrestors, transformers, etc. PRECorp members were out for an average 5 hours on November 13.

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PRECorp photo

PRECorp crews replace poles broken by a December afternoon wind storm.

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BRIAN MILLS,
CEO

Telephone Townhall meeting Wednesday, February 25

Plan to join me on Wednesday, February 25, for our first Telephone Town Hall of the year. I will be joined by a PRECorp expert as we share some insights into the cooperative and look ahead to 2026. We will call PRECorp members at 6:30 p.m. to start the call. Also, join us on Facebook live, or dial toll free 888-886-6602 to participate via phone.

Reliability in a changing energy landscape

Keeping the lights on has always been one of the most basic promises your cooperative makes to you, our member-owners. Reliability is not just an engineering term; it is part of the trust between PRECorp and the members we serve. When you consider it, it is similar to the way our ranching members conduct their operations.

You do not wait for a fence to fall or a waterer to freeze before you pay attention to it. You check the line, tighten the wire, replace worn posts, and stay ahead of the weather because you know the value of your time. Simply stated, initiative-taking efforts pay dividends compared to emergent efforts. Both are essential to sustain operations...but there is better value when taking the initiative first. The work is not flashy, but when a storm blows in, all that preparation makes a difference.

That is how we approach your electric service—steady, ongoing care so that when conditions get tough, the system holds strong. Every decision we make sits within a balance of *Reliability, Affordability, and Innovation*.

Balancing Reliability and Affordability

Providing reliable service means we must continually invest in the poles, wires, substations, technologies, and the people who keep everything running safely and consistently. At the same time, we know how important it is to keep rates fair and predictable for every member, so we are always working to strike that balance.

Improving reliability sometimes calls for big investments, strengthening the system, replacing older equipment, adding redundancy, and building out infrastructure to meet growing needs. These improvements reduce outages, improve public safety, and help our system manage more of the unpredictable events we are seeing today.

The Cost of Infrastructure: Why Investment Matters

When we plan infrastructure upgrades, we take a careful, cost-benefit approach. Whether it is redesigning a line to avoid problem areas or upgrading communication systems, every project is evaluated to make sure it brings value back to you, our member-owners. Each improvement helps strengthen reliability now and prepares us for tomorrow.

Evolving Member Expectations

The way our members live and work is changing. Remote work, digital tools, home automation, electric vehicles—all of which raise expectations for reliability and communication. While some members focus on keeping costs as low as possible; others are excited about new energy technologies or renewable options. Our job is to meet those evolving needs while staying true to our mission.

Moving Forward Together

Reliability will always be one of our core commitments. Keeping the system strong while maintaining fair rates—and planning responsibly for the future—involves balance, transparency, and partnering with you.

The PRECorp Team remains committed to serving you with the reliability and care you expect.

Powder River, Let 'er Buck!

A handwritten signature in black ink, appearing to read "Brian" or a similar name.

Calendar:

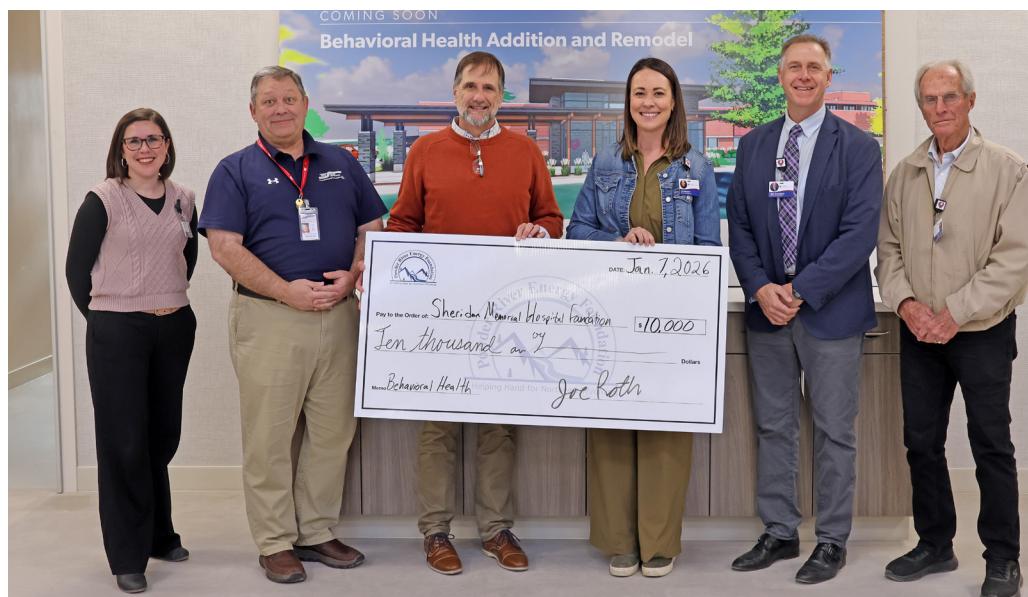
The list of PRECorp events includes Board meeting dates, holidays, telephone town hall meetings, and more.

- **Tuesday, February 17** - PRECorp Board of Directors meeting, 9:30 a.m., Gillette.
- **Tuesday, February 24** - PRECorp Foundation Board of Directors meeting, 10:30 a.m., Gillette.
- **Wednesday, February 25** - Telephone Town Hall meeting with CEO Brian Mills, 6:30 p.m.
- **Friday, February 27** - Filing deadline for the PRECorp, Apprentice Lineman, and ROSS scholarships.
- **Tuesday, March 17** - PRECorp Board of Directors meeting, 9:30 a.m., Sheridan.
- **Tuesday, March 24** - PRECorp Foundation Board of Directors meeting, 9 a.m., teleconference.
- **Tuesday, April 21** - PRECorp Board of Directors meeting, 9:30 a.m., Sundance.
- **Tuesday, April 28** - PRECorp Foundation Board of Directors meeting, 9 a.m., Gillette.
- **Tuesday, May 19** - PRECorp Board of Directors meeting, 9:30 a.m., Gillette.
- **Wednesday, May 20** - Telephone Town Hall meeting with CEO Brian Mills, 6:30 p.m.
- **Tuesday, May 26** - PRECorp Foundation Board of Directors meeting, 9 a.m., teleconference.

Foundation donates to nonprofits

The Powder River Energy (PRECORP) Foundation Board of Directors recently granted funds to two Sheridan-area nonprofit organizations.

The Foundation gave \$10,000 in direct support to the Sheridan Memorial Hospital Foundation and a \$6,000 donation to CHAPS Equine Assisted Services.



From left: Brittany Goodvin, Director of Behavioral Health, Tim Velder, PRECorp Foundation Marketing/Communications; Joe Roth, PRECorp Foundation Executive Director; Liz Dearcorn, Director of Philanthropy; Mike McCafferty, Chief Executive Officer; and Richard Garber, Trustee.

Sheridan Memorial Hospital Foundation

This grant is assisting with the hospital's "Growing for You" campaign.

The donation was made in conjunction with community donors and matching grants directed for behavioral health and emergency medicine.

The project is in the final phase of a multi-year effort to improve the overall services for the rural population in northeast Wyoming. Funds will be used to address needs around mental health and providing a space in Sheridan to serve patients and their families with a behavioral health unit within the hospital.

The unit is slated to open in Fall of 2026 and will offer an outpatient clinic, behavioral health urgent care, crisis stabilization, and inpatient care to ensure access to services in Sheridan.

The Powder River Energy Foundation recognizes the need to support mental health and counseling services for its service territory in northeast Wyoming, according to Foundation Executive Director Joe Roth. "One of our areas of emphasis to support families in crisis and suicide prevention," Roth said. "This effort in Sheridan allows those in need of services to stay in Wyoming with a local provider network."

CHAPS

The \$6,000 donation to CHAPS assists with its mission of providing a resource for empowerment and healing as well as physical and mental well-being through

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Reliability...

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PRECORP photo

PRECORP crews demonstrate the PRECORP electrical safety hot trailer during the 2025 Annual Meeting in Gillette.

Bottom line, for most PRECORP members the blackout was their only experience without power throughout the entire year. This was better than 2024, which was marred by wildfires. The PRECORP downtime number of 4.5 hours outpaces the national average.

Another area of note is the 'maintenance outage' shown as an increase by 1,100 on the charts on page 6.

PRECORP cycles through a one-twelfth maintenance plan within its Operations and Engineering departments. This plan identifies one-twelfth of the system for intensive inspection, repair and maintenance. PRECORP employees, contractors, and aerial drones gather inspection data on large and small parts and pieces critical to the safe delivery of power throughout the vast and varied terrain of the PRECORP service territory. This data is analyzed, prioritized, and work is scheduled according to its level of urgency.

These 'drone fixes' resulted in a dramatic increase of planned short outages to change out a pole or other identified faulty equipment, to keep the system running better long-term. These maintenance outages will continue to be a large number in 2026 as planned repairs are completed.

The success of the maintenance plan over its decade-long presence speaks for itself on the minds of the PRECORP team. Members experience fewer and shorter outages overall. Not only can crews fix problem areas before they break, but they can also respond more quickly with the right tools, parts and equipment to fix issues faster and safer than ever before.

Other positives were in the realm of 'uncontrollable' outages. These are caused by external factors that can disrupt otherwise robust infrastructure – particularly by the public, animals, or extreme weather. These incidents were down slightly in 2025 with animal- and human-caused outages seeing significant decreases.

"We increased our public messaging about being safe around power lines and transformers in 2025, with the deployment of an educational 'hot trailer'. Our linemen can demonstrate the power of accidental contacts with high voltage power lines," said PRECORP VP of System Operations Rich Halloran. "People can see up close and personal the damage and possibly fatal consequences of a moment of inattention or carelessness. We

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RELIABILITY *of the network.*

AI is not the enemy of cybersecurity

By Tim Velder, PRECorp Marketing/Communications

After five years of tracking employee click rates on simulated cybersecurity scenarios, PRECorp can be confident that cultural change has been accomplished.

Thanks to a robust system of employee training, testing, exercises, and scouting of new external threats, PRECorp has been adapting to the ever-dangerous capabilities of people who want to do harm to the business side of the cooperative.

"Over the last five years we have trended down to below the baseline for small utilities. We have embraced the culture of cybersecurity," reports PRECorp Cybersecurity Program Manager Joe Chesney.

While the employee team is above average when it comes to vigilance in the small utility realm, there remain evolving threats and challenges ahead.

One threat, according to Chesney, is an attack on the technology that operates the physical infrastructure of the electric grid. Electric utilities of any size can be targeted, and the concept is to interrupt feedback systems so human controllers get bad data from these devices and cannot take proper actions to prevent an outage. Or worse, utility controllers cannot prevent a major event from shutting down an entire substation.

State-sponsored hackers from Russia, China, and Iran, are among those who have ramped up their attempts to do infrastructure damage, Chesney said.

Additionally, new attacks are going after the cooperatives' third-party vendors, instead of targeting electric utilities directly. This can cause shutdowns of critical software for billing, payments, and other data management services.

One example was discovered in 2025 when a vendor found that one of their 'remote workers' was actually a North Korean operative who spent months earning a wage as an employee. This tactic involving remote workers is on the rise. Nothing about their daily work raised any concerns, but the company discovered later the worker had fabricated their identity and was creating pathways for cyberattacks.

Over the past five years, PRECorp has developed a fortress with multiple layers and backup systems to shield the cooperative from a variety of threats. Chesney said the cooperative is now moving into a second phase of defending the fortress by fine tuning what has been put into place. "Our goal is to reduce the economic and reputational damage of any cyber security related incident to as close to zero as possible," Chesney said.

Without divulging the specifics of PRECorp's plans, Chesney said much of the frontline work is handled every day by PRECorp staff. This includes shoring up remote access systems, adding layers of authentication (to make sure bad people cannot enter the system from afar) and simple ways to detect malicious links or emails before opening them.

PRECorp is expanding its usage of artificial intelligence (AI) in improving security. Other activities include adding layers of real-time monitoring of facilities, while holding the line on costs. While AI is being used to trick people and companies into opening their doors to bad guys, Chesney said AI can greatly improve response times. "We're going to use AI to power our defense. Data-based education relies on speed, autonomy and scale," Chesney said. "It all comes down to who has the smarter AI."

Members are also targets

A new tactic that can trick users are the "I am a human" screens that pop up on some interactive websites. Users typically have to select images of bicycles or stoplights to advance into the business side of a site. Hackers have figured out a way to mimic those boxes and induce users to copy and paste a command into their computer that opens it up to outsiders.

Chesney said that individuals need to counter these tactics with longer passwords of up to 20 characters, and two-factor authentication where you can log in with a password, then a second layer of responding to a "Is this you?" message to a smart phone just to be sure.

Chesney said PRECorp is diligent in balancing the cost of security with the impact on members' rates.

Reliability...

plan to continue our public demonstrations in 2026 for all types of audiences ranging from emergency responders to contractors, the ag industry, students, and the general public."

On the weather side, the winter of 2025-2026 has been characterized by extreme high wind events. These have caused some immediate outages with broken poles that required crews to make repairs well into the dark of night. Other situations arose after systems were inspected and crews did extensive repairs of wind damage and maintenance.

The interactive metering system installed five years ago enables the PRECorp team in various departments to identify outages and power quality issues, sometimes before a member has seen it firsthand. During outages, the meters can map these locations and isolate the problem, which helps most members in the neighborhood get their power restored more quickly.

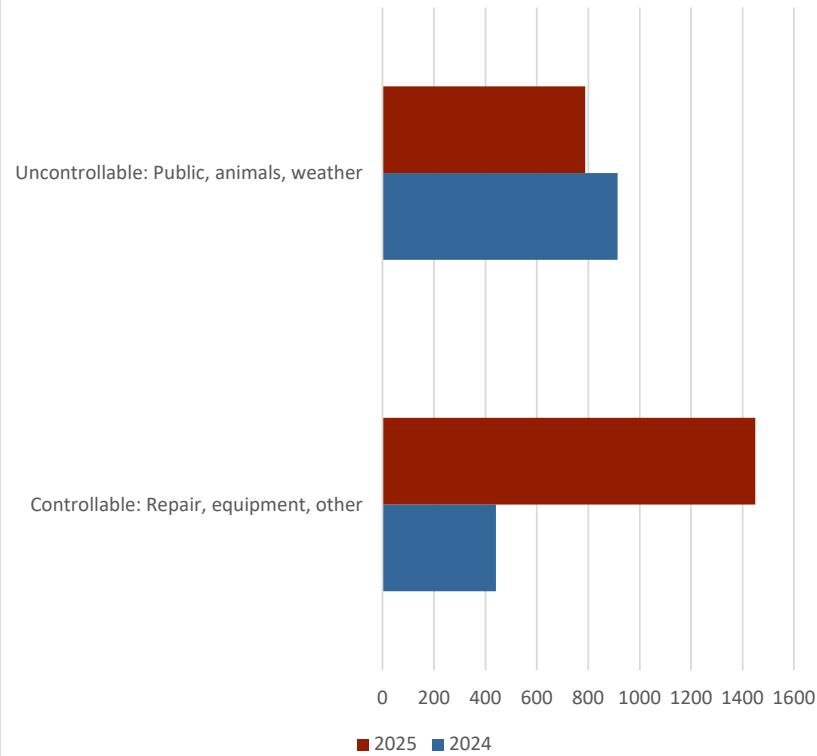
Also in 2025, PRECorp submitted its formal Wildland Fire Risk Mitigation Plan (WFRMP) for State of Wyoming review. This plan outlines all the measures PRECorp has implemented to reduce the risk of fires, enhance response, and improve restoration of power. The plan, for instance, spells out the efforts taken during outages in extreme hot and windy conditions where crews conduct in-person visual inspections before energizing lines. This might delay power restoration in some cases, but ensures the system is safe before turning the power back on.

Pursuit of backup plans

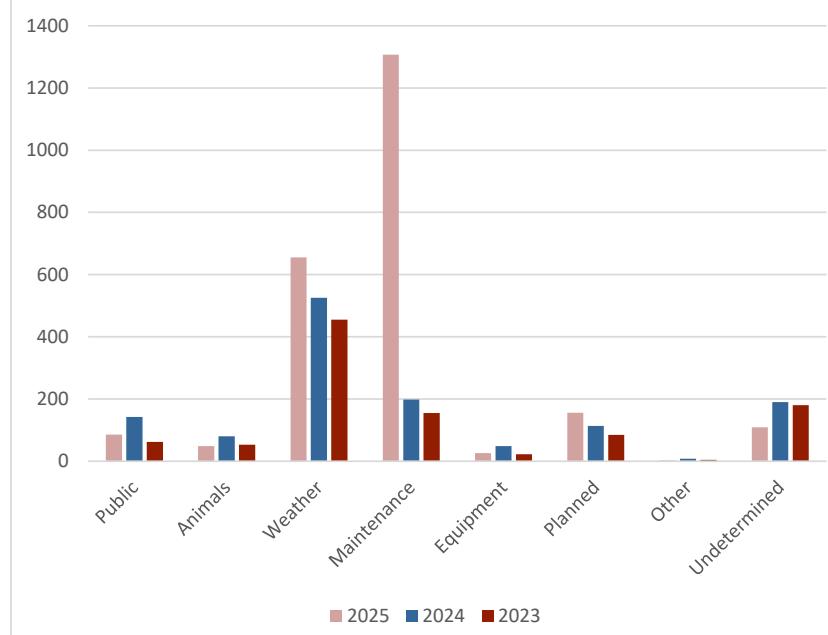
The PRECorp engineering team develops long-range construction plans to create alternative ways to deliver power to the members in case the power is offline for any period. This includes creation of robust systems and backup systems to ensure the lights can come back on as quickly as possible by rerouting power through a different circuit. This ensures that crews can isolate a

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Controllable vs. Uncontrollable outage causes

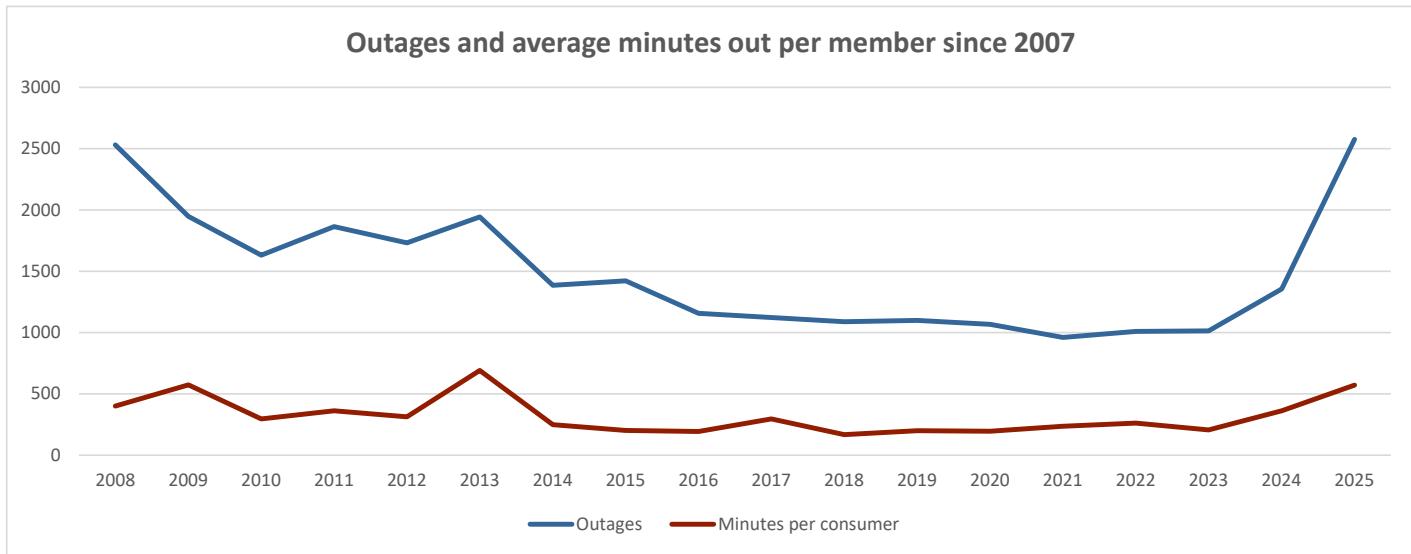


Outage causes year over year



troubled area, such as a single broken pole or downed line, and get the power back on to the majority of the members.

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Reliability...

A new facility being constructed in 2026 is a solar-powered battery system near Moorcroft. This is a federally funded initiative where PRECorp is exploring installation of a small solar array to create large battery power storage for approximately 1,800 services. "We anticipate this project could provide a new range of options when dealing with unplanned outages and larger-scale substation maintenance projects," said VP of Strategic Development Quentin Rogers. "We can ensure the services in and around Moorcroft can be operational while our crews work behind the scenes. We see this as a pilot project for potential applications in other areas where we can deliver alternative sources of power to our members."

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You can help

Although drones and high-speed communications have made a difference, the eyes of the public are still an important part of system reliability. Members are always appreciated when they call in a suspected issue with a pole, overhead line, meter, or transformer. Report an issue anytime by calling 1-888-391-6220, or during business hours, call 1-800-442-3630. SmartHub is also a place to report a problem for members who use the mobile app. If possible, please send a photo and provide a location to aid in the response.

PRECorp launches Season 2

Members can now listen to Season 2 of *Watts Up with PRECorp*, for updates on aspects of the cooperative culture at Powder River Energy. Anyone can stream new content every month on the podcast available free wherever you get your podcasts.

Eldon Buell passes



Eldon Buell, who served on the Sheridan-Johnson REA Board of Directors for 32 years passed away in January 2026 in Sheridan. He was Board president and vice-president, and also represented S-J REA on the statewide WREA Board. He worked to represent the interests of all members. His leadership and commitment to the cooperative model improved the lives of countless members in Sheridan and Johnson counties. PRECorp presented him with the Earl Christensen 'Cooperative Spirit' Award in 2004.



Pictured from left: PRECorp Foundation Executive Director Joe Roth, CHAPS Executive Director Kristen Marcus, and therapy horse Teddy.

Foundation donations...

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equine assisted services. CHAPS serves community members ages 4 to 90+ through four programs: adaptive (therapeutic) riding; adaptive (therapeutic) carriage driving; equine assisted learning; and equine facilitated psychotherapy, according to CHAPS Executive Director, Kristen Marcus.

"We connect horses and humans so humans can learn, grow and heal," Marcus said. CHAPS continues to grow toward record numbers because of community collaborations and performance reviews.

CHAPS serves a multitude of diagnoses including ADD/ADHD, autism, anxiety, cerebral palsy, depression, Down's syndrome, genetic disorders, intellectual developmental delay, PTSD, traumatic brain injury, multiple sclerosis, and suicidal ideation.

CHAPS served more than 340 people in 2025 – an all-time record. Clients pay for a portion of the services, but donations such as these ensure that the program can be offered regardless of financial hardship. Marcus said that rising costs of care and feeding of the horses in the program make the Foundation's support even more important for 2026.

"The PRECorp Foundation supports groups like CHAPS because they fill one of the Foundation's general tenets which is to give a hand up to those in need in northeast Wyoming. We appreciate CHAPS' ability to bring therapeutic horsemanship to northeast Wyoming," said Foundation Board President John Flocchini.