

PRECorp News

JUNE 2020

PRECorp Board votes for special return of member Capital Credits

In response to the COVID-19 pandemic, the Powder River Energy Corporation (PRECorp) Board of Directors voted Tuesday, May 19, to retire \$8.5 million in capital credits to its member-consumers.

The capital credit process is one of the benefits of being a consumer-member of a not-for-profit electric cooperative. Capital credits are allocated to each member's capital credit account every year, once the cooperative determines how much revenue is left after paying all expenses for that year. The Board periodically looks at the amount of member capital and determines how much the cooperative can return to the members through a retirement, without adversely impacting the financial health of the cooperative.

The Board of Directors decided to retire capital credits now rather than wait until the usual December time frame. Walt Christensen, PRECorp Board President, said, "The PRECorp Board is hopeful that this capital credit retirement will be helpful to the membership as they deal with the impacts of the pandemic."

"This \$8.5 million capital credit retirement along with tens of thousands of dollars donated to food pantries

from the PRECorp Foundation are unique ways for PRECorp to make a positive impact on the lives of our membership during these difficult times," said PRECorp CEO Mike Easley.

The capital credit retirement will retire a portion of G&T capital credits for members who were active in 2003 and/or 2018. The retirement will be applied as a credit to June power bills for active members to help them cover the cost of June utility bills. If the retirement is greater than the current billed amount, the remaining credit will remain on the account to be used to help cover future billings. Inactive members will receive a check in the mail if the retirement is \$5 or more. If the retirement is \$5 or less, it will remain on the account until the retired amount is greater than \$5.

Capital credits are a major benefit of being a member of an electric cooperative. Capital Credits are one of the seven cooperative principles: *Member Economic Participation*.

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

Regular business: 1-800-442-3630 • Report an outage: 1-888-391-6220

www.precorp.coop

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MIKE EASLEY,
CEO

As we all begin adjusting to life after our first extended coronavirus pandemic lockdown, many are thinking about how to go about our lives in this time of uncertainty. You can see this playing out on the news in headlines of conflict as people, groups, and governments deal with these issues. As these stories play out and I see conflict between different opinions and world views, I wonder what

the end game is. What does each side have to gain should their point prevail?

My thoughts lead me to Wyoming, and how grateful I am to live here. I also think about our corner of the State and how you are doing, and how the PRECorp Team can better serve you.

PRECorp approached this pandemic with the goal of keeping our people healthy so that our ability to serve you is not compromised. That same philosophy continues as we begin to adjust our pandemic response plan to less restrictive stages. We implemented a limited opening of our office lobbies on June 1 to better serve our members who need to visit in-person. During this limited opening, we are closing during the noon hour since we have limited the number of staff working in the office. It is our hope that we can fully staff our member services on-site by the end of the month, assuming the COVID-19 case data allows for it. In cases where members need to meet with a specific employee, they are encouraged to arrange an appointment to ensure availability.

Our Operations crews have been practicing social distancing protocols and will continue to do so. Because of the nature of their work, they aren't always able to do so for every situation, but it makes sense to reduce their risk when possible.

We will continue to proceed with caution and slowly adjust our response to maintain the service quality you depend on.

Last month the PRECorp Board of Directors approved an \$8.5 million capital credit retirement. This retirement was based on usage in 2003 and 2018. If you were a member in 2003 and/or 2018, you will be seeing this as a credit on your

power bill. The capital credits were applied to member accounts to speed up the process and reduce the expense of mailing checks.

The allocation and eventual retirement of capital credits is the mechanism by which the cooperative maintains its not-for-profit status. In the cooperative business model, your membership in the cooperative is accounted for on a year-by-year basis. After we have closed the financials for a given year and expenses are paid, we take any funds that are left over and assign those funds to member accounts. Those funds are allocated based upon each member's patronage for that year (the amount of business each member did with the cooperative). Periodically, the Board looks at the amounts allocated to the membership in their capital credit accounts, as well as the overall financial condition of the cooperative, and considers retiring portions of the capital credits from the member accounts.

Many members have asked me if it would be easier to just have the rates lower to begin with, so we did not have to go through this process. It might seem that way at first glance, but there are many variables during the year which make it impossible to budget and forecast that closely. Additionally, our lenders look at our financial health. In a given year, current rates are designed to fund current year operating expenses and to maintain our financial health. However, the electric rate designed may or may not generate capital credits (revenue minus expenses). Capital credits in total represent each member's equity contribution over time, and some of those members may not be active members we serve in the current year. So, you can see how our electric rates and capital credit process work together.

We sincerely hope the retirement will be helpful to you this month. If you or anyone you know is having difficulty managing their power bill, please encourage them to contact our office to make payment arrangements so that we can help folks through this difficult time.

For 75 years you have counted on us to keep the lights on and to make a positive difference in northeast Wyoming. Rest assured that we are here and have your best interests at heart.

We are here to serve.

PRECorp Foundation 2019 Annual Report



Powder River Energy Foundation Mission:

The Mission of the Powder River Energy Foundation (PRECorp Foundation) is to demonstrate our commitment to people and non-profit or charitable organizations in northeast Wyoming by lending a helping hand that will improve their quality of life or serve their community.

For the past 75 years, Powder River Energy Corporation (PRECorp) has joined forces with the cooperative's consumer-members to strengthen and enhance the communities in northeast Wyoming.

In 2007, PRECorp established the Powder River Energy Foundation for the sole purpose of supporting the charitable needs of the PRECorp service territory. The charitable needs of the communities became very real in recent months with a series of economic challenges across many of the foundational sectors of our area. Market downturns in the ag and energy industries, shutdowns of economies by the COVID-19 virus pandemic response, and shortages of supplies for those most in need, have created a crisis locally and nationally.

Because of long-term strategic planning, the PRECorp Foundation is in a position to respond to these challenges with direct giving to programs focused on food distribution, workforce development, families in crisis, and student scholarships.

The Foundation Board of Directors is grateful to each and every person, business partner, and sponsor organization who helps the Foundation deliver on its mission.

However, 2020's pandemic response caused the cancellation of at least two major fundraising events, with a third event to be determined.

An opportunity to help is July 15: WyoGives "Day of Giving". Go to www.wyogives.org/-organizations/powder-river-energy-foundation for information.

The community is pulling together to recover from a difficult first half of 2020. Now is an important time to participate in small-giving opportunities such as Operation RoundUp®. This program has been the bedrock revenue stream for the Foundation since 2007. So far, 15% of PRECorp members participate in the program. We invite more members to sign up and help the cause.

The program is a voluntary option available only to PRECorp consumer-members of any size. You simply round up your monthly bill to the nearest whole dollar, and you automatically send an average of only 50 cents per month per account to the Foundation.

The Foundation provides four seasonal contests where new and existing Operation Round-Up® members are eligible to win a prize of 25 pounds of beef and pork. If you are not signed up, please consider doing so.

Please take a moment to review the 2019 Foundation Annual Report on our website at www.precorpfoundation.org and see how your donation funds are distributed across the PRECorp service territory.

Sincerely,



**Chairman
John Flocchini**



**Executive Director
Jeff Bumgarner**

PRECorp Foundation 2019 Giving totals

Giving stats 2019



Giving by Category

Community Betterment:	\$17,000
Cultural & Arts:	\$2,000
Education:	\$20,000
Health & Human Services:	\$53,673
Meat Donations:	\$12,935
Scholarships:	\$43,100

Total donations in 2019:

\$ 148,708

**Total value given
since 2007:**

\$1,200,815

Total given in 2019:

\$148,708

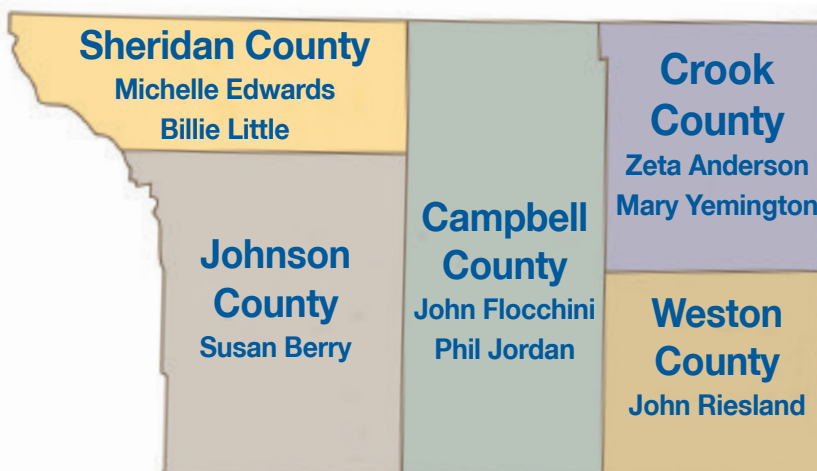
**Number of charities
helped in 2019:**

61

Giving by County

Campbell:	\$24,079
Crook:	\$24,292
Johnson:	\$17,955
Sheridan:	\$16,776
Weston:	\$22,092
Scholarships:	\$43,100
Meat for promotions:	\$414

\$ 148,708



The Foundation is governed by an independent, voluntary board of directors who represent each county in the PRECorp service area.

The Foundation Board directs the operation of the Foundation and frames the Foundation's active role in helping charities.

Contact Foundation Executive Director Jeff Bumgarner at 307-283-4905 or email jeffb@precorp.coop for more information on becoming a Foundation director.

How can we gather for the Annual Meeting?

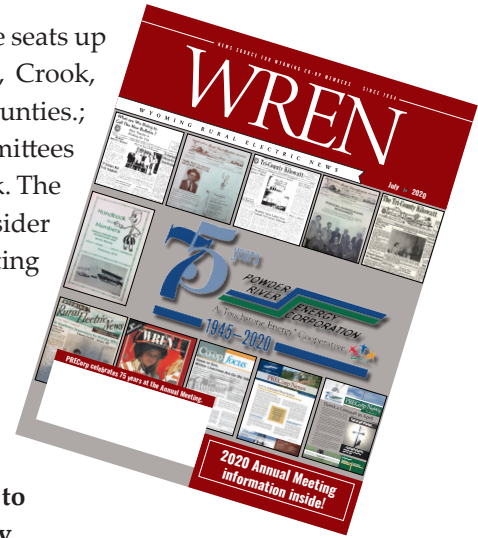
The planning for the 75th PRECorp Annual Meeting continues on as if there will be an event on Saturday, August 22.

However, with guidelines limiting groups to 25 or less, or group sizes keeping a 6-foot social distance based on square footage; the Annual Meeting might be significantly different from previous years.

In order to maintain legally-required standards for achieving a quorum of members, voting, and board elections, PRECorp officials are examining options for scaling back the event to achieve the fundamental goals of giving the membership a vote for the Board of Directors.

As of press time, there are seats up for election in Campbell, Crook, Sheridan, and Weston counties; and the nominating committees are completing their work. The PRECorp Board will consider options at its regular meeting Tuesday, June 16.

Look for a complete announcement of Annual Meeting plans in the July WREN/PRECorp News, coming to your mailbox in mid-July.



FIREWORKS SAFETY TIPS

Fireworks and the Fourth of July go hand-in-hand, and we want you to have a safe, fun-filled celebration! About two-thirds of all fireworks-related injuries occur between June 16 and July 16, so keep these safety tips in mind:

- ★ Make sure fireworks are legal in your community before using them.
- ★ Never buy professional-grade fireworks. They are not designed for safe consumer use.
- ★ Keep small children a safe distance from all fireworks including sparklers which can burn at temperatures in excess of 2,000 degrees.
- ★ Never reignite or handle malfunctioning fireworks. Keep a bucket of water or garden hose nearby to thoroughly soak duds before throwing them away.
- ★ Keep pets indoors and away from fireworks to avoid contact injuries or noise reactions.



Board meets via Zoom

The PRECorp Board of Directors held its regular meetings via the Zoom video conference technology in April and May. The platform was used to ensure remote gathering during COVID-19 pandemic restrictions in Wyoming. While the Board effectively achieved the agenda goals and completed business on behalf of the cooperative membership, the Board is eager to meet in person again. The next regular meeting on Tuesday, June 16, could be held in person if conditions warrant.



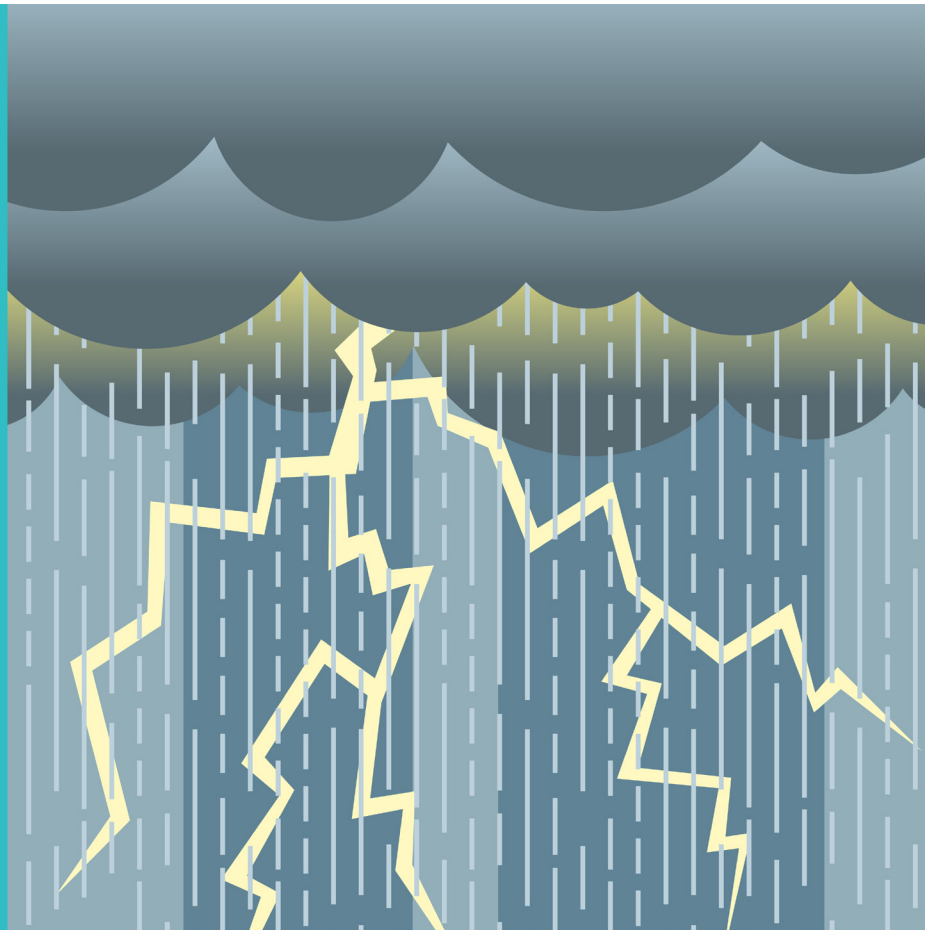
Photo by Tim Velder/PRECorp

When Thunder Roars, Go Indoors!

Seek shelter indoors or in a hard-topped vehicle. If you can't get to shelter:

- avoid open fields and hilltops.
- stay away from tall, isolated trees and objects.
- spread out (if you're in a group).

#StormSafety



Butler awarded Swanda Scholarship

Dalton Butler, Hulett High School graduate, has been awarded the \$2,500 Swanda Scholarship by the Powder River Energy Foundation.

Butler will attend Casper College in the fall to study Aviation and Ag Business. "My grandpa was a pilot and I have a strong interest in flying, combined with a competitive spirit, strong agricultural background, business interest, and desire to return to the rural area," Butler said.

"Combining Ag Business with an Aviation degree should help diversify my opportunities while capitalizing on my interests and strengths in agriculture."

The Swanda Scholarship was founded by Crook County ranchers Antone and Julie Swanda for the benefit of a Crook County high school senior planning to enroll in agriculture or animal science.



Dalton Butler, Hulett HS

Butler is active in FFA, Student Council, multiple sports, and band at Hulett High School. He is also active in community volunteer work at the Crook County Fair and the Old West Invitational Turkey Shoot. Butler is the son of J.R. and Bobbi Butler of Hulett.

Events calendar

The PRECorp Board of Directors meets the third Tuesday of the month at 9:30 a.m. at rotating locations in Sundance, Gillette, and Sheridan. Meetings might be held telephonically to accommodate COVID-19 pandemic recommendations. The remaining dates for 2020 are as follows:

June 16 - Sheridan

July 21 - Sundance

August 18 - Gillette

September 15 - Sheridan

October 20 - Sundance

November 17 - Gillette

December 15- Sheridan

Other events to remember:

- **CANCELED:** Durham Ranch Buffalo Stampede 5k/10k run-walk; fundraiser for the PRECorp Foundation. Go to www.precorpfoundation.org to order a commemorative T-shirt.
- **Independence Day Holiday Friday, July 3:** PRECorp offices closed, call 1-888-391-6220 with an outage.
- **Wednesday, August 12:** Telephone Town Hall, 6:30 p.m., call 1-888-886-6603.
- **Saturday, August 22:** 75th Annual Meeting, Sundance High School. Look for details in the July WREN/PRECorp News.
- **Friday, August 28:** Foundation Golf Tournament, Golf Club at Devils Tower.

Energy Efficiency Tip of the Month

Spending more time at home? Try an online energy audit to assess the overall efficiency of your home. Visit www.energystar.gov, then enter "home energy yardstick" in the search box to get started!



DON'T GET OUT

If your machinery, vehicle or other equipment **makes contact with a power line**, guy wire or electrical box, **DO NOT** get out of your cab. Stray power could energize your equipment and the ground.

To avoid becoming electrocuted:

- Call 9-1-1 and wait for us to arrive to cut the power.
- Wait to exit your cab until the **power is de-energized**.

In rare cases you may need to exit your cab due to smoke or fire. If you must get out, make a solid jump out without touching any part of the tractor or vehicle, and hop away as far as you can, keeping both feet together as you hop.

For more information visit **SafeElectricity.org**.



Regular business: 1-800-442-3630
Report an outage: 1-888-391-6220

www.precorp.coop

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

Safe
Electricity.org