



PRECorp News

JUNE 2017

PRECorp distributes Capital Credit to '04-'09 member-owners

By Tim Velder, PRECorp Marketing Communications

Having a member-owner's stake in the cooperative has its privileges.

In mid-June, Powder River Energy Corporation will issue a capital credit retirement to individuals and businesses who were members of the cooperative and received electric service from 2004 to 2009.

This will total approximately \$5.7 million in capital credits to its eligible cooperative member-owners. Powder River Energy's Board of Directors authorized the retirement at its April board meeting.

This capital credit retirement is a result of a 2015 bill credit from PRECorp's wholesale power supplier, Basin Electric Cooperative, who received a legal settlement related to power supplied during this period.

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

Typically all revenue received in excess of expenses for that year are allocated to each member as a capital contribution based on gross margin contributed through

power purchases. The total amount in a member-owner'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.

This 2017 retirement however is different because it is based solely on power purchased.

Capital credit checks in excess of \$20 will be mailed on or about June 14. Members who have active accounts and capital credits less than \$20 will see the dollars applied as a credit on their June bill. Inactive members will receive a check regardless of the amount. Some members did not leave forwarding addresses when they left the Cooperative; unless the capital credits are claimed within three years, those funds will revert to community donations.

Since 2011, PRECorp has provided the opportunity for members to help build the Powder River Energy Foundation's giving to non-profit organizations in northeast Wyoming. To date, the membership has generously donated more than \$36,000 of their earned capital credits to the Foundation. A letter inside the mailings will explain the opportunity for members to donate their capital credits to the Powder River Energy Foundation.

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Opportunities to regroup and refocus



MIKE EASLEY,
CEO

Recently I had the opportunity to attend the National Rural Electric Cooperative Association (NRECA) legislative rally in Washington, D.C., with two directors from the PRECorp Board. We joined a contingent of more than 2,000 cooperative leaders from across the country who came to Washington to let the voice of rural America be heard.

The feeling is that 'D.C.' is much different than in past years. There is a general sense of optimism from rural America as we have had some relief from the press of a regulatory burden that severely affected the energy industry.

I attended a session that helped me better understand the federal rule making process. It

“There is a general sense of optimism from rural America...”

is very complicated to say the least. Our modern regulatory process requires three to five years to develop a Federal Regulation and then another

five years in the judicial review process. It can take just as much time to eliminate a Federal regulation as it took to make it.

Today, the Obama Administration's Clean Power Plan is very much in question, but what is not in question is that no one is challenging the U.S. Supreme Court finding that CO₂ was a danger. This “endangerment finding” is why the EPA is required to regulate CO₂. I don't know of anyone in the utility industry who thinks that CO₂ will not be an issue that we will have to deal with in some way.

What is before us is an opportunity to regroup and refocus. We are moving from having to be reactive to having the opportunity to be proactive.

There are some “new normals” that we need to adjust to and some new opportunities

that we need to explore. For example, there are many articles in the news pointing out that Wyoming's coal production has been impacted by low natural gas prices and that these low gas prices may actually be our new normal.

Our coal industry has undergone significant financial retooling and we are cautiously optimistic that the current production levels will remain stable over the next few years. We are also cautiously optimistic that the CBM industry will produce at current levels for the next few years as well.

Adjustment to a new normal is why PRECorp is working on a Strategy Refresh Initiative. We use a process called scenario planning to help us create different narrative story lines that describe our possible futures. Then we draw from these story lines to affirm our mission, refine our vision, and to establish our strategic priorities.

The work that the PRECorp team did in 2012 on our last strategic development initiative was critical to our ability to weather the recent bust. It also enabled us to establish the relationships with the Montana cooperatives that led to the development of Members 1st Power Cooperative and our ability to maintain a strong voice with our wholesale power supplier Basin Electric.

Even more importantly, our strategic efforts equipped us in becoming even more efficient by reducing costs and becoming a leaner more efficient organization.

I can't tell you exactly what the future will hold, but I can tell you we will continue working hard to be ready for whatever comes our way and we will continue our mission of service to you, our member owners.

Mike

Dates to remember from June through September:

The PRECorp Board of Directors meets the third Tuesday of the month at 9:30 a.m. rotating between the Sundance, Gillette, and Sheridan offices. Meetings might be moved to avoid conflicts with state or national cooperative events. The tentative dates for 2017 are as follows:

- June 20 - Sheridan
- July 18 - Sundance
- August 15 - Gillette
- September 19 - Sheridan
- October 17 - Sundance
- November 21 - Gillette
- December 19- Sheridan

Other events to remember:

- **Monday, June 26:** Deadline for nominating committees to post their list of director candidates.
- **Friday, July 14:** Deadline for director candidates to file nominating petitions at a PRECorp business office.
- **Friday, August 4:** Publication of director candidates, notice of Annual Meeting, proxy ballot, and Annual Report.
- **Wednesday, August 16:** Telephone Town Hall, 6:30 p.m. Dial toll-free 855-312-2107.
- **Saturday, August 26:** 72nd Annual Meeting, Upton Elementary/Middle School, 11 a.m. registration and lunch; meeting at 1 p.m.
- **Friday, September 8:** PRECorp Foundation Golf Tournament, Golf Club at Devils Tower.
- **Wednesday, November 15:** Telephone Town Hall, 6:30 p.m. Dial toll-free 855-312-2107.

Get ready to say 'Yes!'

When a PRECorp Member Service Representative asks you if you are a member of Operation RoundUp, how will you answer? We say a big 'Thank You' to those members who are already enrolled, more than 1,200 strong. You are helping a wide range of community-based charities throughout northeast Wyoming by rounding up your monthly bill just a few more cents to the nearest dollar. Plus, there will be another prize giveaway to RoundUp member later this summer, so sign up today!

Fill out and return the form below to join Operation RoundUp®



Either call, log onto our website, or fill out this form and send it in to sign up for this great local program



Each month, we will round up your electric bill to the next whole dollar



The extra cents will be contributed to the Operation RoundUp® fund



The fund was created to help members connect with worthy causes in our communities

ROUNDUP FOR NORTHEASTERN WYOMING.

- Enroll all my accounts in Operation RoundUp®
- Enroll one of my accounts in Operation RoundUp®
- Enroll these specific accounts in Operation RoundUp®:

Account #'s _____

Name: _____

Phone Number: _____

Signature: _____

Date: _____



Annual event raises funds for lineman internship program

The third annual PRECorp Lineman Scholarship Program fundraiser was held April 22 in Gillette.

The event raises funds to help recruit and pay part of the costs involved with training local high-school-age students in the career field of electric line work.

The scholarship fund is managed by the Powder River Energy Foundation and donations to the fund are tax-deductible.

PRECorp District Foreman Mike Bingham of Buffalo, who leads a team of many cooperative volunteers to put on the event, said the community support is much appreciated. "We are gratified by the local businesses and donors - large and small - who support the mission of this scholarship program," Bingham said. "This is an employee-driven effort that helps create career opportunities for young people in our area and develop talent for this important profession."

The banquet features silent and live auctions for a variety of items ranging from fishing and hunting supplies, guns, travel accessories, art, food, and more.

Thank you to everyone who supports this event!



Photos by Cynthia Wollen/PRECorp

Above: PRECorp operations interns Cort Ingalls, Tommy Nimick, and Alix Chafee are introduced to the audience of nearly 200 people who supported the PRECorp Apprentice Lineman Scholarship Program Saturday, April 22.

Below: Auctioneers from Brannian Auction Services call out bids for one of the many fundraising live auctions during the third annual PRECorp Apprentice Lineman Scholarship banquet.





Photo by Tim Velder/PRECorp

Idle line rates keep electric service in place

By Tim Velder, PRECorp Marketing and Communications

When Powder River Energy staffers talk about an “electric service,” they are referring to a transformer, a metering point, and the poles or wires that connect and support them.

That electric service apparatus is sometimes de-energized and left idle when the member no longer needs it, or temporarily suspends power to the property, which can range from a stock well or irrigation pump, to a residence or larger structure.

PRECorp still maintains these services, and pays property taxes on them as a part of our system. Additionally, unused lines and equipment can cause inefficiencies in our distribution system and increase the chances of power interruptions to other services. Idle lines therefore add to the cost of

providing electric service to all of our members.

PRECorp has procedures to ensure that the cooperative effectively manages idle lines within its system. Retention rates allow PRECorp to account for idle services where appropriate, in order to reduce the expenses associated with those services.

Also, the program keeps infrastructure in place in case there is a future need for improving the membership’s service reliability.

The process also provides a rate structure that will allow members to retain idle lines that they intend to re-energize in the future while contributing to the maintenance, depreciation and property taxes associated with the idle line. The Idle Line Retention will allow the member to have the meter

disconnected and continue to pay a minimum charge to ensure the electric service is left in place.

If you have an idle service in your name, PRECorp will contact you to find out whether you have future plans for this service or would like to have it removed. To retain the idle line, you will be required to pay the idle line retention charge associated with the type of service it was when energized.

The monthly rates are:

Residential/Seasonal: \$15

Irrigation: \$15 per HP per year

General Service: \$18

General Service CBM: \$35

Large Power: \$79

Large Power CBM: \$100

For more information, contact the PRECorp Member Service Department at 1-800-442-3630.



Photo by Tim Velder/PRECorp

Be aware of who owns your well service

By Tim Velder, PRECorp Marketing and Communications

Landowners in the Powder River Energy service territory who have pasture water pumping agreements through a third-party are urged to revisit those pacts.

Ranchers who have third-party water pumping agreements with other entities on their property, should be aware that PRECorp might not be aware of those arrangements for pumping water. If electric power to those other entities is interrupted, the water pumping

service for livestock watering is in jeopardy.

In cases where PRECorp is terminating power or an unplanned outage occurs, the member who owns the service is the only one PRECorp will notify. This could leave livestock without water if the power is cut off to the entity that provides the electricity for the pasture well pump. The rancher may not be notified of the situation until after the water stops flowing.

PRECorp officials are available by appointment to discuss options for creating a new metered electric service exclusive to the ranch operation.

Once that agreement is in place, the livestock producer has their name on the service and is notified of power interruptions.

For more information call the PRECorp Member Service Department at 1-800-442-3630.

HOLIDAY OFFICE CLOSURE:

Powder River Energy Corporation offices will be closed Tuesday, July 4, in observance of the Independence Day holiday. Call 1-888-391-6220 with an outage.

Energy Efficiency Tip of the Month



Periodically inspect your dryer vent to ensure it is not blocked. This will save energy and may prevent a fire. Manufacturers recommend using rigid venting material – not plastic vents that may collapse and cause blockages.

Source: U.S. Dept. of Energy

Save the Date!

Powder River Energy 72nd

ANNUAL MEETING



Saturday, August 26

Upton Elementary/Middle School

11 a.m. registration, voting, & lunch

1 p.m. meeting and prizes

The first 150 members to register will receive a 2018 PRECorp calendar, and a special commemorative gift.

If you need special accommodations to attend this meeting call 1-800-442-3630.



Noon entertainment by Tom Pavlowich



Photo by Lineman Justin Dooley/PRECorp

Remember safety in thunderstorms

When thunderstorms are rolling your way, stay safe with these helpful tips from the American Red Cross:

- Listen to local news or NOAA Weather Radio for emergency updates. Watch for signs of a storm such as darkening skies, lightning flashes or increasing wind.
- Postpone outdoor activities if thunderstorms are likely to occur. Many people struck by lightning are not in the area where rain is occurring.
- If a severe thunderstorm warning is issued, take shelter in a substantial building or in a vehicle with the windows closed. Get out of mobile homes that can blow over in high winds.
- If you can hear thunder, you are close enough to be in danger from lightning. If thunder roars, go indoors! The National Weather Service recommends staying inside for at least 30 minutes after the last thunder clap.
- Avoid electrical equipment and telephones. Use battery-powered TVs and radios instead.
- Shutter windows and close outside doors securely. Keep away from windows.
- Do not take a bath, shower, or use plumbing.
- If you are driving, try to safely exit the roadway and park. Stay in the vehicle and turn on the emergency flashers until the heavy rain ends. Avoid touching metal or other surfaces that conduct electricity in and outside the vehicle.
- If you are outside and cannot reach a safe building, avoid the following: high ground, water, tall isolated trees and metal objects such as fences or bleachers. Picnic shelters, dugouts, and sheds are NOT safe.