

## 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

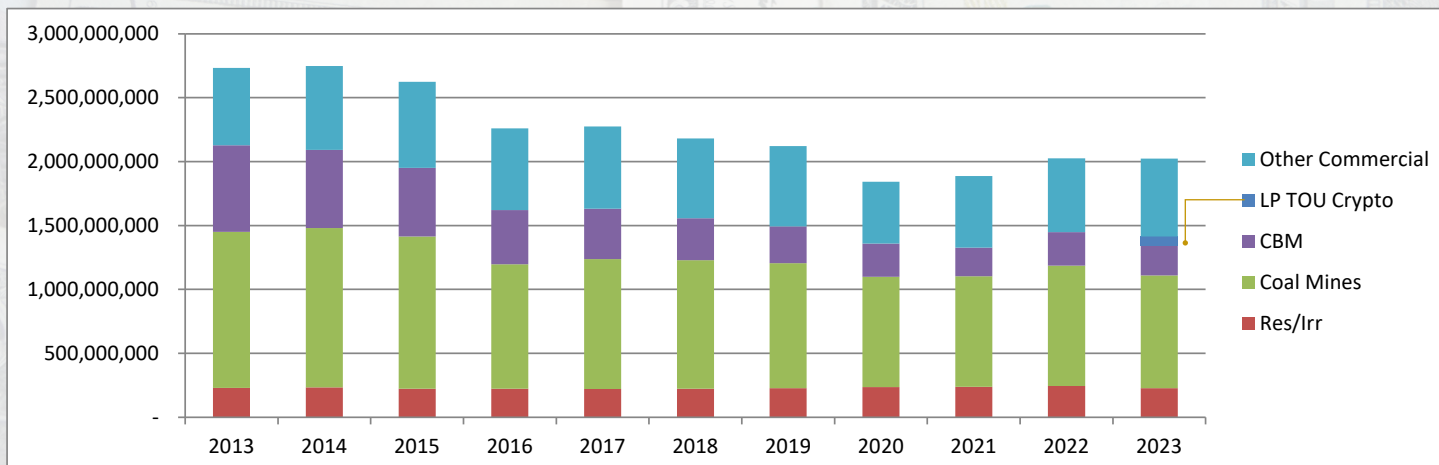
to keep rates predictable and stable while maintaining a reliable distribution system and a financially strong cooperative.

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



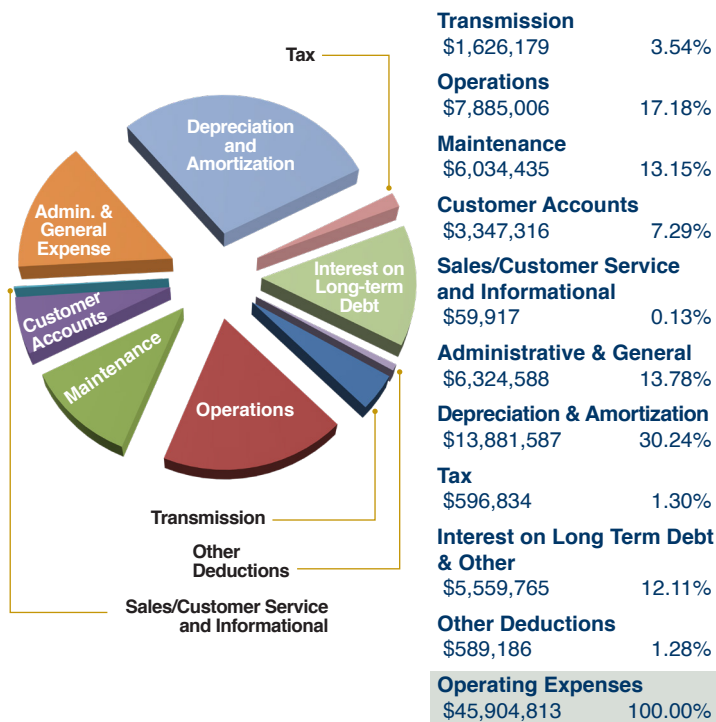
The chart above shows PRECorp kilowatt hour sales by rate class since 2011. Coal Bed Methane (CBM) and Coal Mines sales show the most fluctuation. Please note crypto mining sales are noted in 2023.



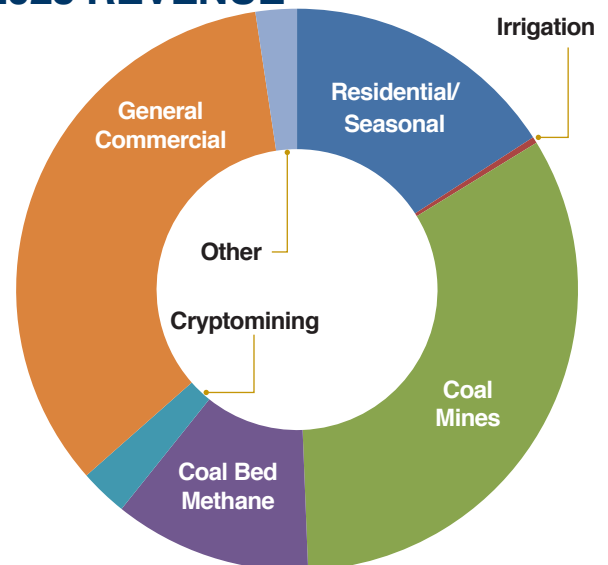
# Comparative Statement of Operations

	2022	2023
<b>TOTAL OPERATING REVENUE AND PATRONAGE CAPITAL</b>	<b>\$172,873,795</b>	<b>\$172,775,118</b>
LESS: Deferred Revenue	\$(11,500,000)	-
<b>OPERATING REVENUE AND PATRONAGE CAPITAL</b>	<b>\$161,373,795</b>	<b>\$172,775,118</b>
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
<b>TOTAL OPERATION &amp; MAINTENANCE EXPENSE</b>	<b>\$144,115,571</b>	<b>\$150,214,288</b>
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
<b>TOTAL COST OF ELECTRIC SERVICE</b>	<b>\$161,031,065</b>	<b>\$170,841,660</b>
<b>PATRONAGE CAPITAL &amp; OPERATING MARGINS</b>	<b>\$342,730</b>	<b>\$1,933,458</b>
Interest and Other	\$472,741	\$4,980,663
Capital Credits	\$15,117,189	\$11,687,921
<b>PATRONAGE CAPITAL OR MARGINS</b>	<b>\$10,708,284</b>	<b>\$18,602,042</b>
	<b>\$41,088,536</b>	<b>\$47,838,271</b>

## 2023 OPERATING EXPENSE BY CATEGORY



## 2023 REVENUE



Residential / Seasonal	\$27,438,900	15.88%
Irrigation	\$626,204	0.36%
Coal Mines	\$57,236,151	33.13%
CBM	\$19,644,674	11.37%
LP TOU Cryptomining	\$4,751,345	2.75%
General Commercial	\$58,973,467	34.13%
Other	\$4,104,376	2.38%
<b>Total</b>	<b>\$172,775,118</b>	<b>100.0%</b>

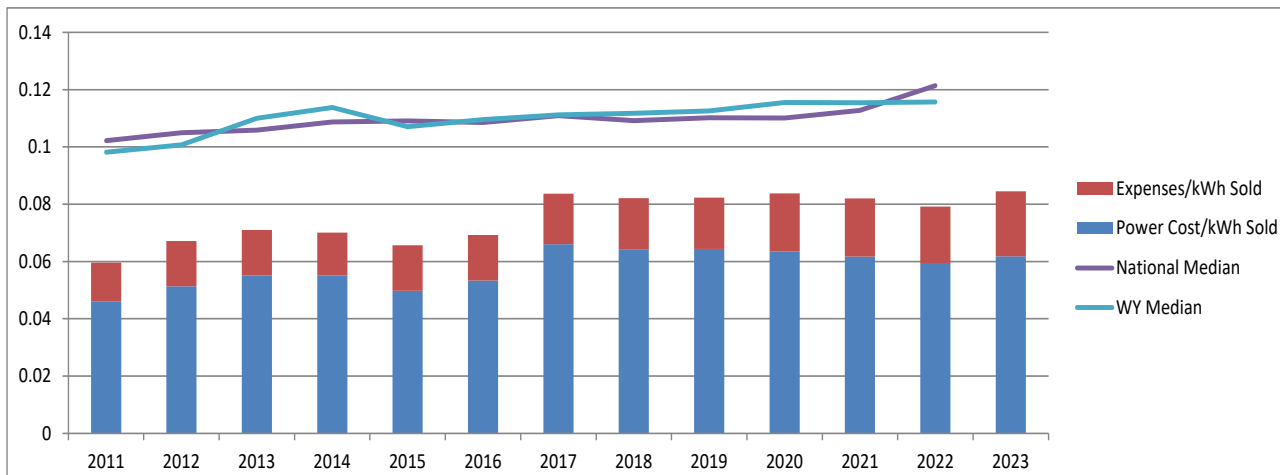


# Comparative Balance Sheet

		2022	2023
Utility Plant (net)		\$215,221,914	\$212,510,885
Other Property and Investments	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
<b>TOTAL ASSETS</b>		<b>\$491,148,467</b>	<b>\$498,355,432</b>
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
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>\$491,148,467</b>	<b>\$498,355,432</b>

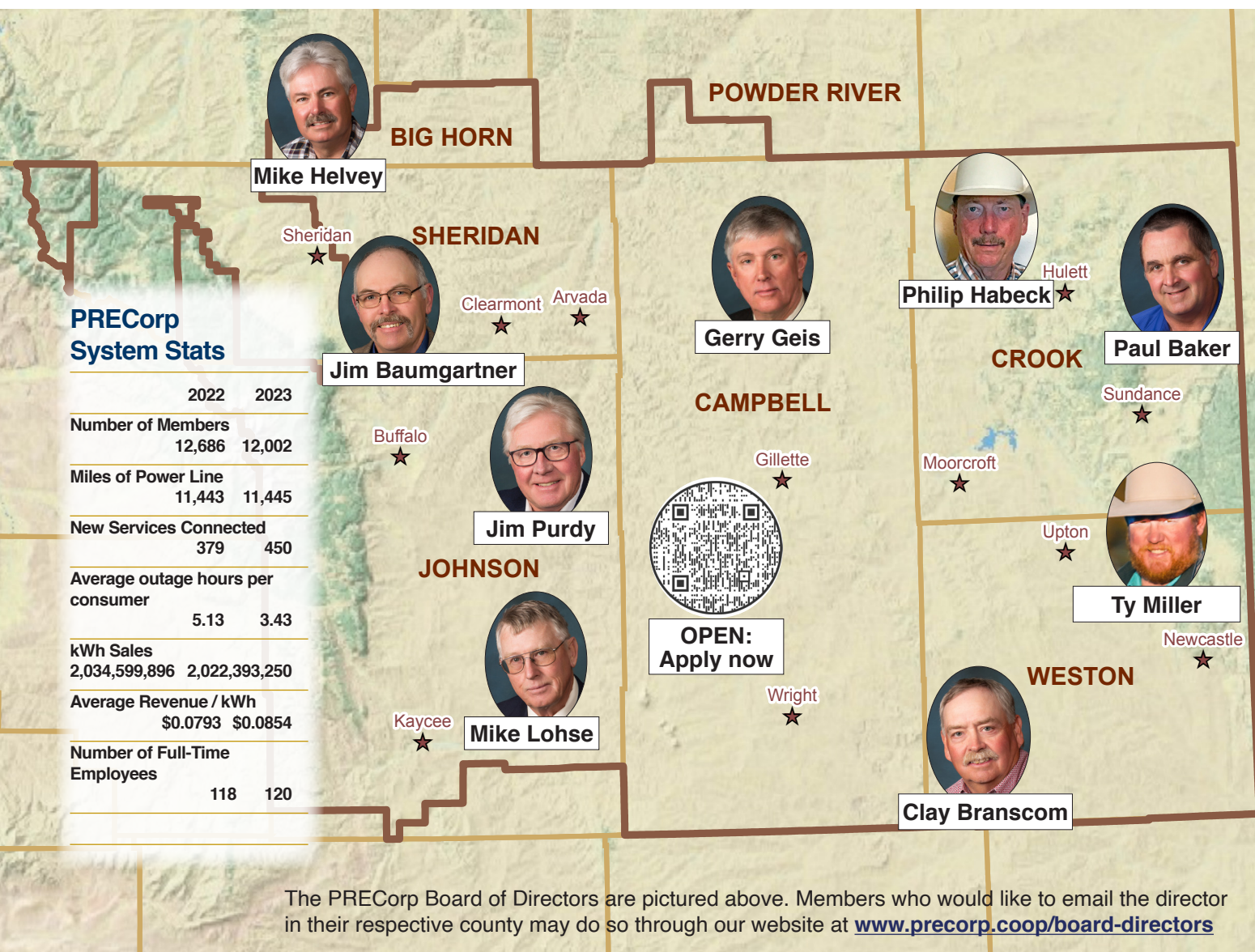
## PRECorp Operating Expenses per kWh sold

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 1<sup>st</sup> Board Vice-President  
Paul Baker, Basin Electric Board member;  
Members 1<sup>st</sup> Board member

### Johnson County:

Jim Purdy, Board President  
Mike Lohse, WREA Board member

### Sheridan County:

Jim Baumgartner, Members 1<sup>st</sup> 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
<b>Total</b>	<b>27,214</b>	<b>26,783</b>	<b>(431)</b>

## 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
<b>Total</b>	<b>26,783</b>