

# PRECorp News

DECEMBER 2022

## PRECorp returning \$20 million in member Capital Credits in December

This month Powder River Energy Corporation (PRECorp) is issuing a capital credit retirement or “refund” of almost \$20 million. This retirement returns a portion of the money members paid for electric usage during select years. Some PRECorp members will receive a credit on their bill or a check in the mail.

Capital credits are a major benefit of being a member of an electric cooperative and reflect one of the seven cooperative principles: Member Economic Participation. At the close of each fiscal year, all revenue received in excess of expenses for that year are allocated to each member as a capital contribution based on annual power purchased.

Members are apprised of their cooperative capital credit “allocation” on their billing statements each August.

The unretired amount in a member’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.

Annually, the PRECorp Board of Directors reviews the financial condition of the cooperative and may approve a retirement of a portion of allocated capital credits.

This year’s capital credit retirement - which includes \$9.5 million PRECorp received from Basin Electric Power Cooperative (BEPC) as a retirement of its capital credits - is related to capital contributions generated during 1993

Continued on page 6.

### Did You Know?

**Powder River Energy has retired \$123 million to members since 2004 – nearly \$20 million in 2022 alone. Because electric co-ops operate at cost, any excess revenues (called margins) are allocated and retired to members in the form of capital credits.**

Source: PRECorp Accounting, Finance, & Administration



### In This Issue

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Foundation update



**BRIAN MILLS,**  
CEO

## Our Vision:

We will be pioneers of excellence in the Cooperative Network while delivering extraordinary value to our members, embracing a visionary outlook, leveraging accelerating technologies, empowering our team and engaging our membership.

## Our Purpose:

Positively influencing and improving lives for those we serve by providing reliable energy and services while paving the way for access and affordability.



## Our Moonshot:

Drive down costs so that the first megawatt hour of energy usage is at or near zero cost by 2050.

Christmas Time!

I have always found December to be somewhat of a month of contrasts. Let me explain.

By the time December gets here on the calendar, we typically find ourselves with a year full of experiences, maybe some “uh-oh’s”, some moments of pride and achievement, some sorrow, maybe some embarrassments, some funny, some joy . . . but we come into the month of December in full stride, trying to make life work as best as we can. And if we are not careful, we can yield to the temptation of having to buy stuff and add things as a self-imposed requirement to make Christmas special.

We have all probably heard the saying already this year many times: “Don’t forget the reason for the season” which is a soft way of telling us to “slow down, don’t let the hustle of the holiday steal the joy of the Gift.” And when we hear that, we are essentially given the opportunity to reset our attitude and priorities and, as the new year comes, to set out a plan to make it a better year than the last.

So, as I step back, I see this interesting twist of timing between our year full of all the different things and plans and hustle making life work in our own respective ways versus a humble holiday that invites us to slow down, reassess priorities and from which we can plan for the next year.

I equate this observation of what December brings in our personal situation to where I sensed PRECorp was at as we transitioned leadership this year. The PRECorp Team has been running hard the last four or five years on our strategy, completing the many initiatives and plans that we established for ourselves, all in the spirit of serving the membership. We were clipping along doing whatever we could to complete our plans and just keeping things operating as smoothly as possible. And the temptation was to just continue doing the same thing. But I bring you back to that saying, “Don’t

forget the reason for the season”, and I apply that same sound advice to PRECorp.

It prompts me along with the PRECorp Team to maybe take a breath in the midst of our hustle, and remember that serving you, our membership, is our “reason for the season” if you will. It is our “why” for what we do, and we need to take some time to reassess our activities - our “hustle” - to ensure we are hitting the mark of our intent to serve the membership.

Over the course of the next few months, we will be doing just that. We have been able to bring 2022 in for a safe landing. We have a budget and near-term plan for 2023 that provides a pathway forward. Next up is to reassess ourselves and the environment we find ourselves in now as well as into the future, and to adjust our plans, if appropriate, for how we can continue to move this organization into the future, meeting the challenges that lie ahead with courage, confidence, and optimism.

The process will consist of working closely with the Board of Directors, employee groups, business partners, and others to identify a fresh set of initiatives and plans that will guide our work to achieve our vision (to be pioneers of excellence), purpose (to positively influence and improve lives), and ultimately our Moonshot (to drive down costs so that the average member usage costs are at or near zero dollars by 2050). I am looking forward to the process and working with your PRECorp team as we “re-snap the line” on our strategy while staying focused on our reason for being – our members. I am also looking forward to sharing with you the important initiatives as they develop, and the tangible results we hope to achieve.

Lastly, I wish everyone a Merry Christmas, a blessed holiday season, and a wonderful New Year. And remember, don’t let the hustle of the holiday steal the joy of the Gift.





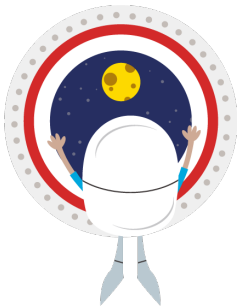
# See this logo?



The logo above signifies PRECorp’s aspirational Moonshot to drive down costs so that the first megawatt hour of energy usage is at or near zero cost by 2050. This Moonshot logo is embedded with various articles in the PRECorp publications, to link our Moonshot goal of putting our strategy into action to benefit PRECorp’s membership.

There are many aspects to this effort which include the work to drive down controllable costs; design energy bills that are fair, predictable, and stable; emphasize a culture of safety for our PRECorp Team; adopt tools and methods that save time and money; develop and train employees to serve the membership; and others.

## Enter to win a prize.



When you see this logo attached with messages to you, email [communications@precorp.coop](mailto:communications@precorp.coop) and enter to win a prize such as a new mousepad, insulated grocery bag, or a Bluetooth speaker.

This contest will continue in 2023 as part of our overall campaign to help the PRECorp members stay connected with our Moonshot goals. Some information we are excited to share in 2023 will be the results of our drone inspections, outage and system up-time performance, member programs to help you control your bill, and others.

## How to enter:

1. Look for the Moonshot logo in the December edition of the PRECORP News or PowerLines bill insert.
2. Email [communications@precorp.coop](mailto:communications@precorp.coop) with your name, and where you saw the logo in this edition. That’s it! (Don’t have email, call our office at 1-800-442-3630 to enter. Mention the “Moonshot Logo Contest”.)
3. We will hold monthly random drawings for a special Moonshot prize package, with the first drawing to be held in January 2023.



# Events Calendar

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

- **Monday, December 26** - Christmas Day Holiday observed, PRECorp offices closed. Call 1-888-391-6220 with an outage.
- **Monday, January 2** - New Year’s Day Holiday observed, PRECorp offices closed. Call 1-888-391-6220 with an outage.
- **Tuesday, January 17** - PRECorp Board of Directors meeting, 9:30 a.m., Sundance.
- **Monday, January 23** - Youth Leadership Camp application deadline.
- **Wednesday, February 1** - Basin Scholarship application deadline.
- **Monday, February 20** - Presidents Day, PRECorp offices **WILL BE OPEN**.
- **Tuesday, February 21** - PRECorp Board of Directors meeting, 9:30 a.m., Gillette.
- **Tuesday, February 28** - PRECorp CEO Telephone Town Hall meeting, 6:30 p.m.
- **Wednesday, March 1** - Application deadline for PRECorp and Lineman scholarships.
- **Friday, March 24** - PRECorp All-Team Meeting, PRECorp offices closed. Call 1-888-391-6220 with an outage.



# Drive safely; be cautious at accidents

At PRECorp, our primary concern is for the well-being of equipment operators, drivers, and passengers, whose lives and health are threatened in an accident.

Drivers who are distracted, inexperienced, careless, impaired, or overconfident on slick roads run the risk of colliding with another vehicle, or careening into a ditch.

Accidents require emergency responders and PRECorp crews to clear the scene, replace the broken poles, and restore power to the scores of members whose homes and ranches are darkened by the accidents.

Below are some life-saving facts to know if you are involved in or come upon an accident.

## Be safe

While no driver can pick the place their automobile accident will happen, there are measures to keep in mind when driving on hazardous roads:

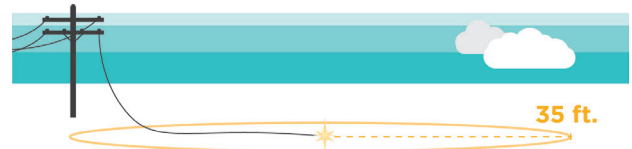
- Use your seat belt every time you get into your vehicle.
- Stay focused. Do not use your phone or dashboard controls if they pull your eyes or attention off the road.
- Do not use cruise control when driving on any slippery surface (wet, ice, sand, gravel).
- If your vehicle starts to slide, always look and steer where you want to go.
- Leave time and distance to slow down. It takes longer to slow down on icy roads.
- Double the following distance behind the cars in front of you. This increased margin of safety will provide the longer distance needed if you have to stop.
- Accelerate and decelerate slowly. Applying the gas slowly helps regain traction and avoids spin outs.
- Know your brakes. Whether you have antilock brakes or not, the best way to stop is to keep the heel of your foot on the floor and use the ball of your foot to apply firm, steady pressure on the brake pedal.

## Know the hazards at an accident scene:

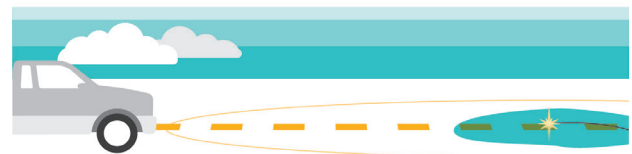
- If you come in contact with a power pole, line, or ground-level transformer, or come upon an accident of this nature, be very careful. Call 911 immediately.

## Downed and Dangerous

If you see a downed power line, always assume it is energized and dangerous. Avoid going near it or anything in contact with the power line.



Downed power lines can energize the ground up to **35 ft.** away – so keep your distance.



Never drive over a downed line or through water that is touching the line.



If you see a downed line, notify the local authorities immediately.



Never try to move a downed power line, even if you think the line is deenergized or if you're using a non-conductive item – this will not prevent injury or death!

Source: ESFI.org

- **STAY IN YOUR VEHICLE!** Unless the vehicle is on fire, do not get out of your vehicle if a power line is near it. If you must get out, jump clear, try to land on both feet, then shuffle or hop away.
- Do not touch or attempt to move a downed line.
- Stay back from the scene. Stepping in the direction of a downed power line exposes you to the risk of deadly voltages.
- Use caution. Fight the urge to escape or rush in until you have surveyed the area for potential hazards.





# COPA to be applied to February bills

The PRECorp Board has approved a Cost of Power Adjustment (COPA) for implementation in January 2023.

The COPA is a mechanism to recoup or return changes in the wholesale cost of power that PRECorp pays to Basin Electric Power Cooperative from the previous year and weave in anticipated changes in the wholesale power cost in the coming year.

This is a separate line item that appears on electric bills each month and is calculated as an addition or reduction to the base rate charges, which is related to the actual cost of purchasing wholesale power.

PRECorp’s power cost was nearly 100% of forecast in 2022 and there is a small change in the cost of power

expected in 2023, so the changes to the COPA will be negligible on members’ bills across the rate classes.

A residential member using an average of 1,200 kWh per month, will see an average monthly increase of \$1.24 beginning with their February bill from January usage. Commercial accounts using a monthly average of 1,700 kWh per month will notice an increase of \$1.75 per month.

Members can calculate the impact of the COPA for 2023 by using the rate calculators at [www.precorp.coop/rate-calculators](http://www.precorp.coop/rate-calculators).

(Please note that local taxes and municipal franchise fees are not included in the rate calculators’ totals.)



# Basin bill credit passed on to membership

Basin Electric Power Cooperative (BEPC), PRECorp’s wholesale power supplier, provided PRECorp with a \$1.1 million bill credit for purchased power. PRECorp has a variety of financial options of how to best leverage this credit. Based on current conditions, the PRECorp Board approved passing the credit on to its members.

These funds come from excess revenues BEPC received as part of its diverse enterprises including the Dakota Gasification plant and selling excess power it generates on the wholesale market. Increased prices from commodities including natural gas, fertilizer, and others, have increased revenues for the gasification plant. The price BEPC receives for power sold on the wholesale market has also significantly increased, resulting in excess revenues at BEPC. By pass-

ing on these excess revenues to PRECorp, the cooperative can, as one financial option, directly pass the funds on to its membership in the form of a bill credit.

These bill credits will appear on PRECorp members’ February billing statements. PRECorp’s Board of Directors believes it is equitable to flow these benefits back to the consumer-members. The amount of the credit for each member is calculated based upon each individual member’s power usage in from June 2021 to May 2022. The credits will be given to those members who are still active members as of January 1, 2023.

Anyone with questions or concerns about the timing and receipt of this credit on their monthly power bill, should contact PRECorp Member Service at 1-800-442-3630.

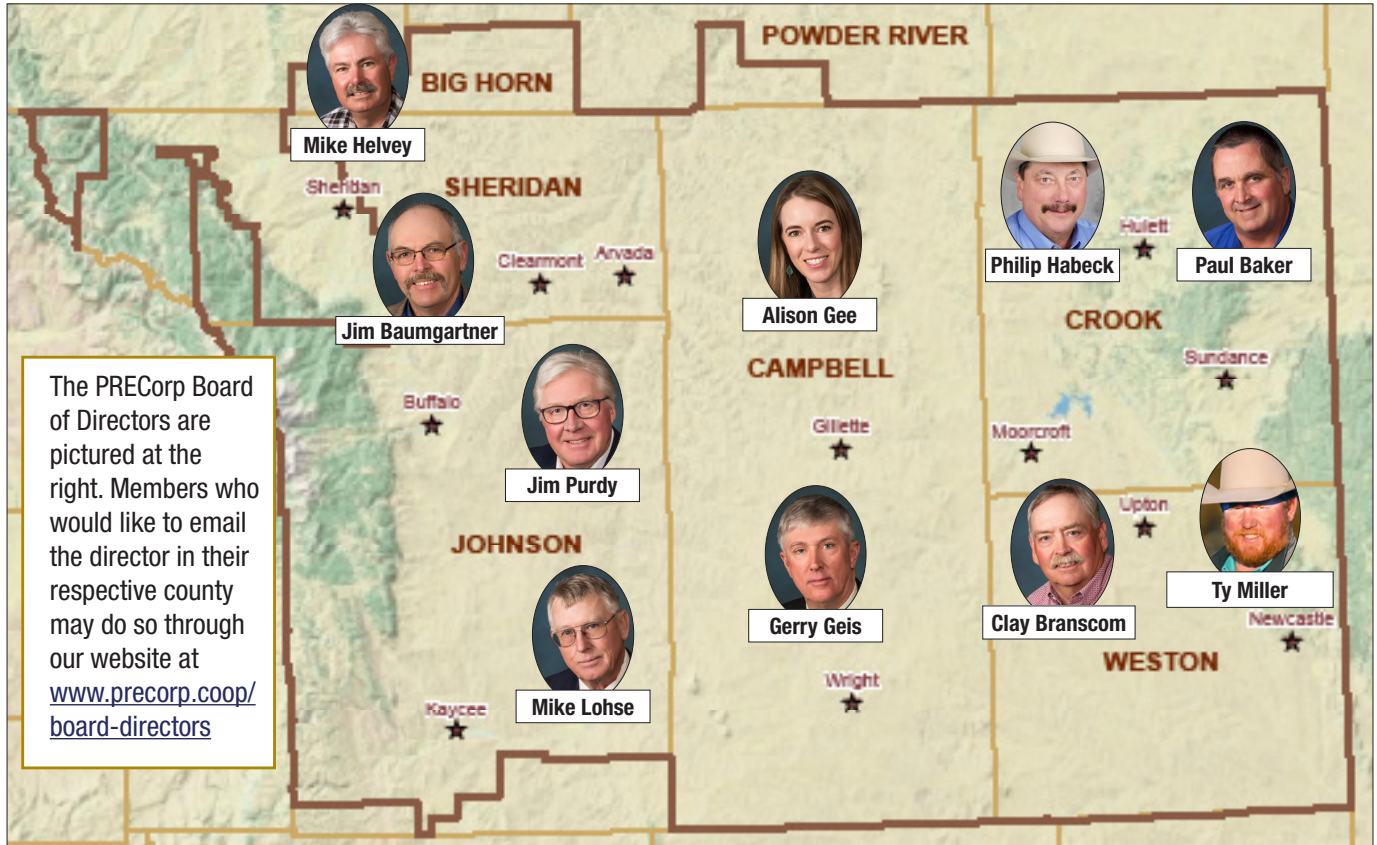


**Where can a career with PRECorp take you?  
If you're ready to reach new heights, consider Powder River Energy.**

Go to [www.precorp.coop/employment-opportunities](http://www.precorp.coop/employment-opportunities) for more information.



# Know your PRECorp Board of Directors:



## Capital Credits...

from page 1.

to 2002. Any member who had service with PRECorp in one or more of those years will receive a percentage of the PRECorp and BEPC capital credit retirement. Since inception, PRECorp has retired well over \$120 million to its members.

Members who do not have a valid address on file with PRECorp will still receive their retirement, but it will be posted as "unclaimed" on their account. A member may claim capital credit "refunds" by providing proof of legal interest. Unless they are claimed within three years, the unclaimed funds will be returned to the cooperative for the general benefit of the membership in the form of education scholarships, community grants, and other member related benefits.

Capital Credit retirement awards of less than \$50 will be applied directly as a credit to the member's monthly bill. Retirement amounts of \$50 or more will be mailed to the members through a check. Inactive members with

less than \$20 total unretired capital credits will receive their entire capital credit allocation amount – regardless of year earned - as part of this retirement.

Since 2011, PRECorp has provided the opportunity for members to help non-profit organizations in northeast Wyoming. Many members have generously donated their capital credits to the Powder River Energy Foundation, which has supported local charities in PRECorp's service territory with \$2 million in direct donations since its founding in 2007. A letter and donation form are enclosed with each mailed capital credits check.

Any members who would like to donate retired or future capital credits are asked to please contact PRECorp for a donation form.

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





# Powder River Energy Foundation supports organizations with \$20k in Holiday giving

**“People in our communities are experiencing a variety of socioeconomic challenges. The charities that bring relief are also stretched. Our Foundation Board enthusiastically offers its support this Holiday season.” - Foundation Executive Director Jeff Bumgarner**

The Powder River Energy Foundation recently donated a total of \$20,000 to 18 charitable organizations in the five-county area of northeast Wyoming through its annual Holiday giving program.

“The Foundation’s mission is to demonstrate our commitment to individuals and nonprofit or charitable organizations in northeast Wyoming by lending a helping hand that will improve their quality of life or service to their community,” said Foundation Executive Director Jeff Bumgarner.

The grants will go directly toward the Holiday season work of local charities in helping families in need at this time of year. This year’s recipients by county are:

## **Campbell County:**

The Mercantile at Rawhide Elementary, Campbell County Council of Community Services, Campbell County Senior Center home-delivered meals, and Gillette Salvation Army

## **Crook County:**

Moorcroft Interfaith Community for food baskets and Hulett Holiday Baskets

## **Johnson County:**

Johnson County Friends Feeding Friends, Kaycee food pantry at All Souls Episcopal Church, Buffalo Bread of Life Food Pantry, and Operation Blue Santa at Buffalo Police Department

## **Sheridan County:**

The Food Group, Inc., The Hub on Smith, Sheridan Police Department Cops for Kids, and Sheridan Foster Parent Exchange

## **Weston County:**

Newcastle Ministerial Association Holiday giving, Helping Hands Foundation of Weston County, B.R.E.A.D. food pantry, and Weston County Peace Officers Shop with a Cop

The donation is possible through fundraisers, members donating their capital credits, and PRECorp’s Operation RoundUp® program. Operation RoundUp® program gathers voluntary contributions from participating co-op members by “rounding up” their monthly bill to the next dollar, resulting in an average donation of 50 cents a month.

These donations are then transferred to the Powder River Energy Foundation, which is governed by the independent, voluntary Board of Directors who represent each county in the PRECorp service area.

One hundred percent of Operation RoundUp® funds go directly to the organizations and all administrative overhead to the Foundation is donated through its relationship with PRECorp.

Additionally, since the Powder River Energy Foundation is a 501 (c) (3), donations may be tax deductible, including event sponsorships and capital credit donations.

For more information on the Powder River Energy Foundation or to sign up for the Operation RoundUp® program, PRECorp members can call a Member Service Representative at 1-800-442-3630, check the Operation RoundUp® program box on your monthly billing statement, or go to [www.precorpfoundation.org](http://www.precorpfoundation.org), the the Powder River Energy Foundation website.

Since its formation in 2007, the Powder River Energy Foundation has helped drive nearly \$2 million in benefits to charitable organizations across PRECorp’s five-county service territory.

To ensure the funding requests are addressed in a timely manner and meet the criteria of a charitable donation, applications are reviewed by the Foundation’s Board of Directors at their monthly meetings.



# Five ways to fight winter chill and save

Winter months often bring some of the highest energy bills of the year. By being proactive about saving energy, you can increase the comfort of your home and reduce monthly bills. PRECorp staff can offer ideas to manage your home energy use and keep winter bills in check.

Here are five tips to help increase your home's energy efficiency this winter:

## 1. Mind the thermostat.

This is one of the easiest ways to manage your home energy use. We recommend setting your thermostat to 68 degrees (or lower) when you're home. When you're sleeping or away for an extended period of time, try setting it between 58 and 62 degrees; there's no need to heat your home as much when you're away, sleeping or less active.



## 2. Button up your home.

The Department of Energy estimates that air leaks account for 24% to 40% of the energy used for heating and cooling a home. If you can feel drafts while standing near a window or door, it likely needs to be sealed. Caulking and weather stripping around windows and doors is another simple, cost-effective way to increase comfort and save energy.



## 3. Use window coverings wisely.

Open blinds, drapes or other window coverings during the day to allow natural sunlight in to warm your home. Close them at night to keep the cold, drafty air out. If you feel cold air around windows, consider hanging curtains or drapes in a thicker material; heavier window coverings can make a significant difference in blocking cold outdoor air.



## 4. Consider your approach to appliance use.

When combined, appliances and electronics account for a significant chunk of our home energy use, so assess how efficiently you're using them. For example, if you're running the dishwasher or clothes washer, only wash full loads. Look for electronic devices that consume energy even when they're not in use, like phone chargers or game consoles. Every little bit helps, so unplug them to save energy.



## 5. Think outside the box.

If you're still feeling chilly at home, think of other ways to warm up—beyond dialing up the thermostat. Add layers of clothing, wear thick socks and bundle up under blankets. You can even add layers to your home! If you have hard-surface flooring, consider purchasing an area rug to block cold air that leaks in through the floor.



Also, remember that you may find quality rugs, window coverings, and weatherization items at an affordable price through local thrift stores or clearance aisles. You don't always need to pay full price or shop online.

If you're taking steps to save energy but continue to see major increases in your usage, give us a call at 1-800-442-3630 or take advantage of our free home energy audits. Start with PRECorp Member Service and we can help identify areas and other factors impacting your home energy use and recommend next steps for savings.

Go to our website at [www.precorp.coop/helpful-links](http://www.precorp.coop/helpful-links) for additional energy-saving tips.

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

[www.precorp.coop](http://www.precorp.coop)

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

