

WREN

WYOMING RURAL ELECTRIC NEWS

JULY | 2018

2018 PRECORP
Annual Meeting
issue

GILLETTE, WY

AUGUST 25TH



INSIDE:

- Official notice
- Candidate profiles
- Mail-in ballot
- Financial reports

WANT TO SEND SOMEONE TO THE MEETING TO VOTE ON YOUR BEHALF?

Complete the appropriate designation form below if you are representing a corporation; or, a partnership; or, if your membership is in your spouse's name and he/she will not be attending the meeting.



Corporation Designation of Voting Representative

, (Corporation Name)
a member of Powder River Energy Corporation, is a corporation and does hereby designate and certify
 as their voting representative at the Annual Membership Meeting of Powder River Energy Corporation on August 25, 2018.

I hereby certify that I am authorized by the corporation to make this designation: ATTEST:

By , Corporation Secretary

By , Corporation President



Partnership Designation of Voting Representative

, (Partnership Name)
a member of Powder River Energy Corporation, is a partnership and does hereby designate and certify
 who is one of the partners, as their voting representative at the Annual Membership Meeting of Powder River Energy Corporation on August 25, 2018. ATTEST:

By , Partner By , Partner

By , Partner By , Partner



Spouse Designation of Voting Representative

, (Print Name)
a member of Powder River Energy Corporation, does hereby designate and certify
 as my voting representative at the Annual Membership Meeting of Powder River Energy Corporation on August 25, 2018.

ATTEST:

By , (Signature)

By , (Witness)



PRECorp News

JULY 2018

Powder River Energy

73rd

ANNUAL MEETING

**Saturday, August 25 @ Gillette Cam-Plex
Energy Hall and Heritage Center Theater**



Noon entertainment by local
singer/songwriter Brian McCollum

**The first 150 members to register will receive a 2019
PRECorp calendar and a collectable cutting board.**

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

The PRECorp Annual Meeting will include the formal election of directors to three seats on your cooperative Board of Directors. In Crook County, Paul Baker is unopposed for a three-year term. In Johnson County, incumbent Mike Lohse is challenged by Nathan Graves. Sheridan County incumbent Jim Baumgartner faces Scott Hudson.

Candidate biographical information follows on pages 2 and 3.

Crook County PAUL BAKER



Paul Baker II was born in Gillette and is a lifelong resident of Moorcroft. He has a Bachelor of Science Degree in Finance from the University of Wyoming.

"I feel that the time I have spent on the PRECorp board has given me the knowledge and experience to work for the benefit of all of our members,"

Baker said. "I also feel the knowledge I have acquired will help me do the best possible job for you, the member, owner,

and customer, during what will surely be a critical and challenging time for our organization in the future. I would appreciate your support for another term as director."

Paul represents Powder River Energy on the Members 1st Power Cooperative Board and the Basin Electric Board of Directors.

He ranches south of Moorcroft, and his family has been members of the electric cooperative since its incorporation in 1945. Powder River Energy serves their town residence, ranch house, and stock wells. Paul and his wife Kelli have three children: Jace, Jami, and Ryan.

Johnson County MIKE LOHSE



Mike Lohse, Kaycee, is a lifelong Johnson County rancher and has been a PRECorp member since 1991. He is a Kaycee High School graduate who later studied at junior colleges in Powell and Casper. He is a graduate of the Wyoming Leadership, Education, and Development Program and a lifetime member of the Wyoming

Stockgrowers Association.

He and wife Connie run a cow/calf yearling operation with their son Reo in southern portions of Johnson and Campbell counties.

"It has been an honor to serve on the PRECorp board for the past seven years. We have faced many challenges in that time with declining sales and rising rates. I believe we have weathered the storm and have become a leaner and stronger organization.

"I have enjoyed serving on the PRECorp Board and will do my best to represent the interests of all of our membership. I would appreciate your support in this year's election to serve all of the membership for another three years."

Mike represents PRECorp on the Wyoming Rural Electric Association Board of Directors.

Johnson County NATHAN GRAVES



Nathan Graves is a fifth-generation rancher at 6Y Land & Livestock. His family ranch has been an electric cooperative member since the inception of PRECorp. He has been an individual member with his residence and business since March 2018. The Kaycee High School graduate attended Northwest College and majored in Business Administration. He has eight years of experience in residential and commercial construction.

"My life experience is in ranching, construction, and outfitting and I relate closely to the three primary facets of Wyoming's economy: Agriculture, Energy, and Tourism," Graves said.

He is a Wyoming Leadership, Education, and Development Program graduate; is active in the Johnson County Jaycees, and has been a professional hunting guide for 16 years.

"My primary goal if elected would be to represent the voices of Johnson County members. In seeking that primary goal, I intend to maintain an active dialogue with any and all Johnson County members who are willing to share their perspective. I believe I would bring a valuable perspective to the Board as a southern Johnson County beef producer."

Sheridan County **JIM BAUMGARTNER**

Jim Baumgartner and his wife Shelley live in Ucross and have two grown sons. They have been members of Powder River Energy since 1985. He is a graduate of Arvada-Clearmont High School. He was elected to the PRECorp Board in August 2015.



PRECorp serves Jim's residence and shop where Jim is a self-employed excavation contractor. Jim spends personal time with family, church, friends, and a variety of outdoor activities in all seasons.

"First, I would like to thank the membership for the opportunity to serve as your Sheridan County director for the last three years. I also serve on the Members 1st Board that allows us to be more engaged with our power supplier (Basin). We have an excellent staff and employees who work hard to keep our service reliable and rates as stable as possible.

"It has been a challenging time with large losses of industrial load and reduced revenue. I really appreciate the PRECorp team. They have worked hard with downsizing staff and cutting costs where we could, but we still had a rate increase and another passed down from our power supplier. They were not taken lightly by anyone at PRECorp.

"I have learned a lot about our Coop and went to Director trainings to become better equipped to make the best decisions I can for the membership. It is an exciting time for our Coop with a lot of new technologies and innovations coming at us that we need to keep on top of and utilize when they will benefit the membership. Power generation and use will be changing considerably in our lifetime and we need to not fall behind.

"If it is the will of the membership I would like to continue to serve as your director and continue to make the best common-sense choices I can for you. I thank you for your support."

Sheridan County **SCOTT HUDSON**

Scott Hudson of Sheridan has been nominated to stand for election to the PRECorp Board of Directors.

Scott has been a PRECorp member since January 2015, with service to his home, shop, and irrigation.

Hudson is a graduate of Billings (MT) High School, with one year at Montana State University. He is a Master Electrician and is the Business Development Representative for the International Brotherhood of Electrical Workers (IBEW) for the States of Wyoming, Montana, Utah, Colorado & Idaho. He and his wife Lori have three children.



"I strongly believe in the PRECorp values and am passionately committed to its mission," Hudson said about the opportunity of serving on the Board of Directors. He added that serving on the Board would enable him to offer support and investment in the community, "...and to give back to the PRECorp members and community for an electrical industry that has employed and provided opportunities to me and my family since 1975."

Hudson supports the continued reliable, affordable, and safe electric service provided by Powder River Energy Corporation along with a continued community partnership.

Nominating Committee Report

Following is the report of the 2018 PRECorp Annual Meeting Director Election Nominating Committee, as appointed by the Board of Directors, per Article IV, Section 4, NOMINATIONS of the cooperative's bylaws.

Members of this year's Nominating Committee, two from each county holding an election, were as follows:

Crook County:

Chase Williams and Dave Reed

Johnson County:

Ben Schiffer and Thad Stoltz

Sheridan County:

Mike Latham and Jim Fennema

The Nominating Committee selected the following Powder River Energy members as director candidates:

Crook County:

Paul Baker

Johnson County:

Mike Lohse and Nathan Graves

Sheridan County:

Jim Baumgartner and
Scott Hudson

Director candidate profiles and statements of candidacy are published on pages 2 and 3 in this issue of the PRECorp News.

Absentee ballots and proxy voting information is included in this magazine.

Absentee ballots must be received by 5 p.m. on Friday, August 24, 2018, at one of the three main PRECorp offices in Sundance, Gillette, or Sheridan.

A minimum of 100 members must register at the Annual Meeting, Saturday, August 25, at the Gillette Cam-Plex Energy Hall in order for a quorum to be declared and a valid election to be held.

Each director elected will serve a three-year term.

2018 PRECorp Annual Meeting - 8.25.2018

SERVING YOU

In preparation for the PRECorp Annual Meeting on Saturday, August 25, at the Gillette Cam-Plex Energy Hall, members are encouraged to contact us as soon as possible about interest in the following **NEW** activities planned for the Annual Meeting. For information go to www.precorp.coop and select "2018 Annual Meeting".

Free Blood Draw:

Wyoming Health Fairs will conduct wellness blood draws at the Annual Meeting from 7 a.m. to 10 a.m. on August 25. PRECorp will pay the cost of the basic blood draw for members and their spouses. Attendees may pay for additional tests if they so choose. Those wishing to have their blood drawn for a standard blood panel test must fast for 12 hours. Coffee and light snacks will be provided to blood draw participants prior to lunch being served at 11 a.m. Member registration and voting will be available starting at 7 a.m.

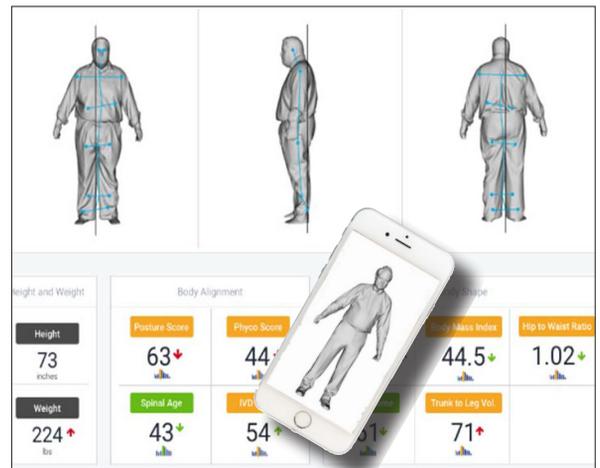
Call PRECorp Member Service at 1-800-442-3630 if you would like to take advantage of a free blood test.

Wellness Body Scan:

PRECorp has made special arrangements with Wyoming Health Fairs and Spiral Health, Inc. to introduce a new body scanning service at this year's Annual Meeting.

Spiral's super quick, non-radiation 3D body scanning kiosk provides a comprehensive health assessment, screening for over 25 conditions by precisely capturing and analyzing three million data points of your body.

For more information go to www.precorp.coop and select "2018 Annual Meeting".



FILLED: Tour of Dry Fork Station, ITC

As of press time, the limit of 40 PRECorp members have reserved seats for a special tour of the Dry Fork Station Power Plant and Integrated Test Center north of Gillette at 10 a.m. as part of the Annual Meeting on August 25. Members who would like get on a stand-by list should call PRECorp Member Service at 1-800-442-3630 as soon as possible.

Where is the Annual Meeting? Cam-Plex Energy Hall and Heritage Center

GARNER LAKE ROAD

From Hwy 59

From I-90

CUSH DRIVE

HEATA RV PA
FULL SERV
118 SITEHERITAGE
CENTERENERGY
HALLWyc
at

RAL PAVILION

EAST
PAVILION

THE PLAZA

Energy Hall doors
open at 7 a.m.

Need a ride to the
Annual Meeting?
Call
1-800-442-3630.

2017 Annual Meeting Minutes

UNAPPROVED MINUTES OF THE POWDER RIVER ENERGY CORPORA- TION ANNUAL MEETING ON AUGUST 26, 2017 IN UPTON, WYOMING

CALL TO ORDER:

Board President Walt Christensen called the Annual Meeting to order at 1:05 p.m. Christensen welcomed those present to the 72nd Annual Member Meeting. He asked for a round of applause for Jim and Carmen Diehl for providing a great lunch. Executive Staff Assistant Steph Pribilske was appointed as Recording Secretary.

RECOGNITION OF GUESTS:

President Walt Christensen introduced CEO Mike Easley, who recognized Board members and special guests at the meeting. Board members introduced were: Walt and Launa Christensen; Reuben and Shelly Ritthaler; Philip and Jeanne Habeck; Paul Baker; Jim and Shelley Baumgartner; Gerry and Gwen Geis; Pam Kinchen; Mike and Connie Lohse; and Wade and Alison Larsen and family. Bob Vergnani was in attendance but had to leave after lunch.

Special guests introduced from the PRE-Corp Foundation Board were Board Chair John Flocchini and wife Gaylynn; Mary and Bob Yemington; and, Zeta Anderson. Easley also welcomed Basin Electric General Manager/CEO Paul Sukat, Sr. VP of Member Service and Administration Chris Baumgartner, Sr. VP of Engineering and Construction Matt Greek; and videographer Greg DeSaye who is assisting PRECorp with recording the event. Also in attendance were Sundance Mayor Paul

Brooks, WREA Board President Andy Greer; WREA Executive Director Shawn Taylor; and Wyoming District 1 Representative Tyler Lindholm. Other special guests included past PRECorp Board President Tom Davis and wife Renea, past PRECorp Board Director Bob Tarver and wife Nancy; and, Pat Townsend, wife of past PRECorp Director Chuck Townsend; PRECorp retiree John Bissey and wife Janeen; Grace Belize Anderson from the Youth Camp Youth Tour, and PRECorp 2017-2018 Scholarship winners Jalen Rowell and Andrew Apodaca.

CEO Easley expressed his appreciation to the Membership and guests for their attendance and turned the meeting back over to President Christensen.

ANNOUNCEMENT OF A QUORUM:

Christensen stated that General Counsel Mark Hughes could not be in attendance and introduced PRECorp Special Counsel Kara Ellsbury, who announced a quorum of 147 was in attendance. Ellsbury read the Notice and Order of Meeting, then turned the meeting back over to President Christensen. Christensen inquired if everyone present has voted. Hearing no objections, Christensen announced the voting closed.

2016 MINUTES:

Christensen called for a motion to approve the 2016 Annual Meeting Minutes and a motion to waive the reading of the minutes. A motion was made and seconded to approve the minutes as presented and waive a detailed reading of said minutes. Motion carried.

NOMINATING COMMITTEE/ELECTION JUDGES:

Christensen recognized the 2017 Nominating Committee members: Campbell County-David Daigle and Brent Gorman; Crook County-Todd McInerney and Chase Williams; Sheridan County-Leo Ankney and Jim Fennema; and, Weston County-Keith Culver and Jerry Shepperson.

Christensen introduced the 2017 Director Candidates: Campbell County-Alison Gee and Bob Vergnani; Crook County-Philip Habeck and Randall Otwell; Sheridan County-Wade Larsen; and Weston County-Walt Christensen and Craig Deveraux.

Election Judges introduced were: Campbell County-Larry Cross and Kyle Innes; Crook County-Richard Castello and David Graham; Sheridan County-Chris Schock and Mike Latham; and, Weston County-Lloyd Davis and Bill Engle. Christensen asked the Election Judges to be excused to count the votes.

SECRETARY/TREASURER REPORT:

Secretary-Treasurer Philip Habeck reviewed the 2016 Treasurer's Report. PRE-Corp's sold 2.26 billion kWh in 2016, which is a 13.9% decrease from 2015. While the decrease was evident across all classes, the largest decrease was to Coal Bed Methane (CBM), down by 21.1%. Even so, PRECorp is in the top 4% of Cooperatives nationally for total energy sales.

Habeck reviewed the Revenue Deferral Plan that was established in 2009 to maintain stable rates noting it has been amended to reflect additions or use of the fund to

Continued on page 6.

meet PRECorp's loan metrics. In 2016, PRECorp used \$8,375,000 of this plan.

Operating expenses in 2016 were \$41.7 million, with Habeck noting that the PRECorp Team significantly trimmed controllable costs without compromising safety or maintenance.

In 2016, there was 2.34 billion kWh purchased at a cost of 6.4 cents per kWh, totaling \$139.8 million. The US median was 6.69 cents per kWh, supporting PRECorp's continued efforts to maintain the lowest power costs for our members.

Operating Revenues in 2016 were up approximately \$2 million due to a rate increase. The cost of purchased power increased approximately \$3 million due to a rate increase from PRECorp's power supplier, Basin Electric, which resulted in gross margins being down \$1.7 billion.

In 2016, PRECorp retired \$2,282,310 or capital credits to its members, which adds up to more than \$67 million in capital credits paid out to our members over the last 70+ years. PRECorp did not, however, allocate G&T for 2016 due to negative operating margins before Revenue Deferral.

Other benefits to members in 2016 include \$27,000 awarded in scholarships, \$28,536 in junior livestock purchases, \$13,950 in Community Involvement Committee donations, \$7,501 Capital Credit donations to the PRECorp Foundation; \$11,155 in PRECorp Operation RoundUp® donations to the PRECorp Foundation; and, Home Efficiency Loan Program (HELP) providing interest free loans for energy efficiency and conservation improvements.

PRESIDENT'S REPORT:

President Christensen extended his appreciation to the spouses, significant others and families of the Board Directors for providing their support throughout the year when the Directors are away on Board business. Christensen also expressed his sincere gratitude to the Members, recognizing that, without them, there would be no Cooperative. Christensen assured the members that the Directors continuously work to keep the Cooperative operating as efficiently as possible and encouraged Members to reach out directly to CEO Easley or Deputy GM Mills if they have any questions or problems.

DEPUTY GM REPORT:

Deputy GM/HRO Brian Mills reviewed role changes since the departure of Les Penning to assume a General Manager's position at a cooperative in Oregon. As Les transitioned

out, his roles were divided amongst the Executive Staff team. Strategy Execution was assumed by Doug Wilson, current Chief Information Officer, and operational functions were assumed by the individual department heads - Mike Pommarane - Sr. VP of Operations, and Quentin Rogers - VP of Engineering. While Finance was not directly impacted by Les' departure, Joanne Kolb - Chief Finance and Administration Officer works closely with these departments. Mills introduced VP of Member Service Jeff Bumgarner, who fills a large role that Les was very passionate about; working with economic development within our communities as PRECorp Foundation Executive Director. Mills welcomed Bumgarner to the stage to provide the Annual Foundation Executive Report.

FOUNDATION REPORT:

Bumgarner began by stating that the Cooperative has had a long history of charitable giving. In 2007, the PRECorp Board of Directors established the Foundation to extend this "charitable arm" and make a bigger difference within the communities it serves. The Foundation is comprised of an all-volunteer board with a director from each county, and up to five (5) at-large directors. The Foundation Board members are: Board President John Flocchini - Campbell County; Director Mary Yemington - Crook County; Billie Little - Sheridan County; Kathleen Tavegie - Weston County. At-Large Directors are Phil Jordan from Campbell County and Zeta Anderson from Crook County. The PRECorp Board Liaison is Philip Habeck. Bumgarner expressed his sincere appreciation to the Foundation Board for their dedication and hard work.

Bumgarner reviewed the various Foundation funding sources including: Operation RoundUp®, unclaimed capital credits, member donations of capital credit retirements, personal donations, scholarship funding, and fund raising events throughout the year.

In 2017, the 3rd annual Apprentice Scholarship Lineman Banquet was held, which is a fundraiser for apprentice lineman to help offset schooling expenses. The Durham Ranch hosts the Annual Buffalo Stampede which is a 5k/10k walk and run where 100% of the proceeds are generously donated to the Foundation. PRECorp employees also host a "Walking Taco" booth in Sundance during the Sturgis Rally Week, where the Foundation matches the dollars earned, which is then donated to local charities or non-profit organizations in the community.

Another event is the Annual Golf Tournament held at The Golf Club at Devils Tower. These are some of the main fundraisers that help support the various needs in PRECorp's service territory.

In 2016, distribution of Foundation dollars were: Education- \$34,000; Civic and Community - \$32,873; Health and Human Services - \$102,000, totaling \$168,873. Since the Foundation was established in 2007, a total of \$600,000 has been distributed throughout the community. Bumgarner reviewed the various grant recipients and their worthy mission in the community.

In addition to the charitable giving, scholarships are also available through the Foundation - Swanda Ag Scholarship, Farmers Cooperative Association Scholarship, and Geis Family Scholarship. In addition to these, PRECorp and its power supplier Basin Electric offer annual scholarships.

Bumgarner praised the work of employees and Directors in their support of the Foundation and encouraged anyone interested in becoming Foundation Community Ambassador to contact PRECorp.

Bumgarner introduced Grace Belize Anderson, daughter of Foundation Board Director, Zeta Anderson. Grace attended the 2016 National Rural Electric Association (NRECA) Youth Tour in Steamboat Springs, Colorado. In 2017, Grace represented Wyoming at the NRECA National Youth Leadership Camp in Washington, DC.

Grace shared a presentation detailing her experiences and valuable education in leadership and the cooperative way at the National Youth Tour in Washington, D.C. Anderson will go on to represent Wyoming in 2018 at the NRECA National Leadership Camp in Nashville, Tennessee.

CEO REPORT:

CEO Easley introduced Members 1st Power Cooperative, stating the reasons for forming this G&T was to consolidate the power supply, reduce demand charges, and solidify a Board seat with our power supplier, Basin Electric. Easley introduced Tongue River Director Jim Collins and wife Jacy; and, Fergus Electric Director Paul Descheemaeker and wife Mary, thanking them for their commitment to Members 1st.

Easley also introduced retiree Kenny Knudson and his wife Elaine, and Senator Ogden Driskill, thanking them for attending.

Easley discussed the Telephone Town Hall meetings for communication with the membership. In a recent Town Hall, Easley asked members what he should focus on and members replied rates and reliability.

Continued on page 11.

2017 Financial Reports

REPORT OF THE PRECORP BOARD SECRETARY/TREASURER

It is my pleasure to present to you the Treasurer's Report. As you will see in this report, the financial statements reflect the sound financial status of Powder River Energy Corporation (PRECorp).



The PRECorp Board of Directors has examined the balance sheet and income statement for the year ended December 31, 2017, and review the Cooperative's

financials on a monthly basis. The accounting procedures and principles used by the cooperative are kept in accordance with the Rural Utilities Service's (RUS) standards, and are examined annually by independent audit.

Complete versions of our annual audit, including the income statement and balance sheet, are on file at the Cooperative's office.

- **Gerry Geis, Secretary/Treasurer**

REPORT FROM THE CHIEF FINANCIAL AND ADMINISTRATION OFFICER

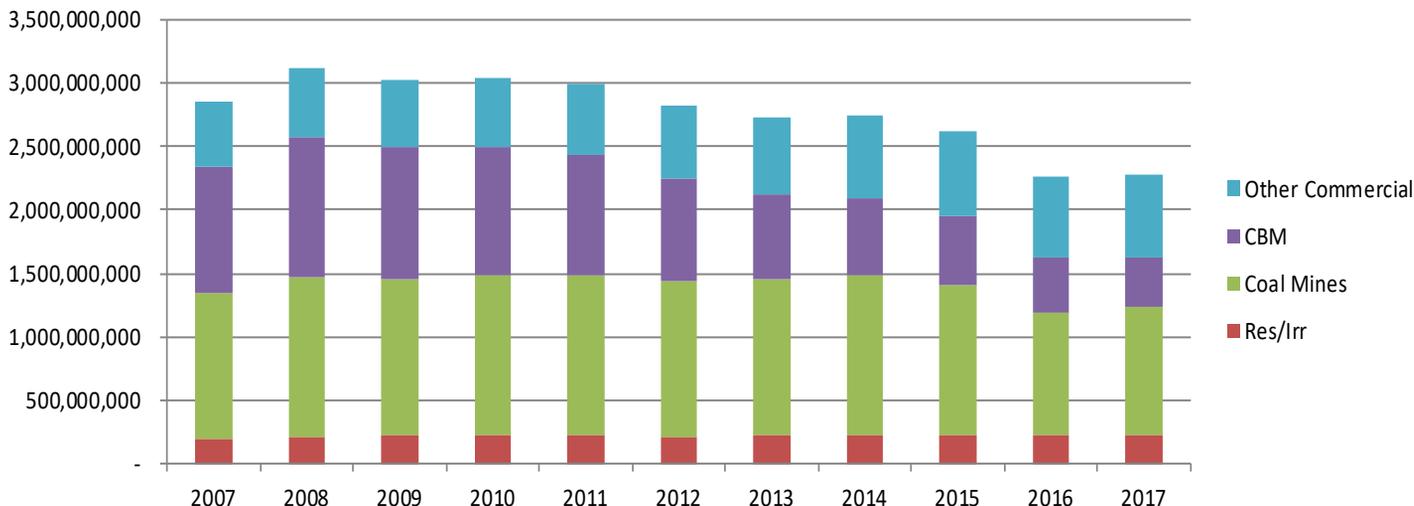


In 2017, PRECorp's total sales increased by .7% after a decline of 13.9% in 2016. Total sales were sufficient in providing a positive operating margin at current rates. In December, PRECorp deferred \$1.4 million in revenue to maintain positive operating margins and meet mortgage requirements in the future. As PRECorp looks forward through

2018 and 2019, a continued focus is being placed on mitigating bad debt risk with work on a credit policy, and at the same time focusing on operational efficiencies and strategies that have a positive impact on the Cooperative's financials. PRECorp strives to keep your rates predictable and stable, while maintaining a reliable distribution system and financially strong cooperative.

- **Joanne Kolb/ PRECorp Chief Financial and Administration Officer**

PRECorp history of kWh sales since 2007



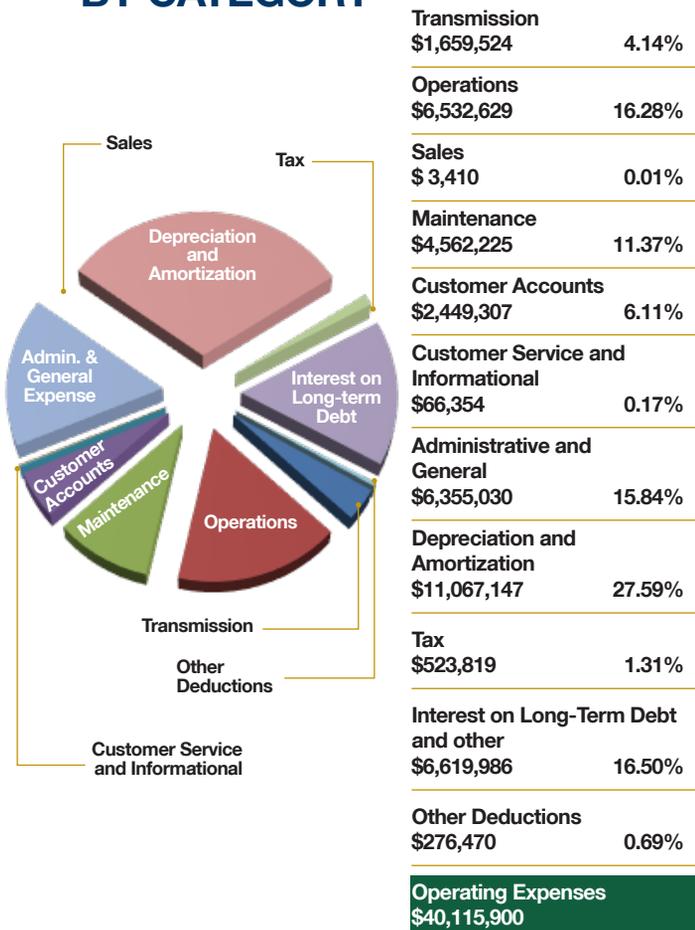
The chart above shows PRECorp's kilowatt sales over the past decade. The purple bar depicts CBM sales as a part of the whole. CBM sales peaked in 2008, and have been declining since that time, and are now below 2004 sales.

Comparative Statement of Operations

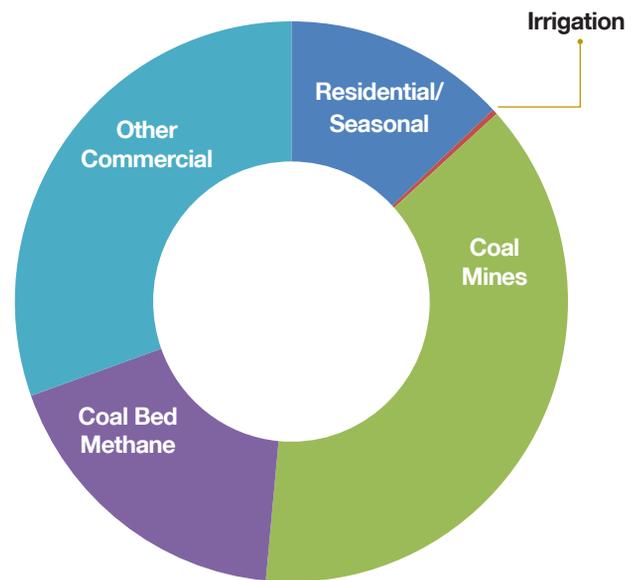
INCOME STATEMENT

	2016	2017	% of Revenue
OPERATING REVENUE AND PATRONAGE CAPITAL	\$ 182,150,468	\$ 191,161,757	
Less: Cost of Purchased Power	\$139,898,695	\$ 150,153,057	78.6%
Gross Margin	\$ 42,251,773	\$ 41,008,700	21.4%
Less: Operating Expenses	\$ 41,792,876	\$ 40,115,900	20.9%
Operating Margins	\$ 458,896	\$ 892,800	00.5%
Plus: Interest and Other Income	\$ 2,041,748	\$ 4,530,104	
Plus: Capital Credit Allocations	\$ 13,968,554	\$ 7,226,129	
NET MARGINS	\$ 16,469,199	\$ 12,649,033	

2017 OPERATING EXPENSE BY CATEGORY



REVENUE FROM SALES OF ELECTRICITY*



Residential/Seasonal	\$24,591,157	13.00%
Irrigation	\$ 596,223	0.32%
Coal Mines	\$72,211,447	38.17%
CBM	\$34,168,130	18.06%
Other Commercial	\$57,617,202	30.46%
	\$189,184,159	100.0%

* This breakout of PRECorp's revenue from sales of electricity does not include other non-sales revenue and is presented before the effect of revenue deferral.

2017 Balance Sheet

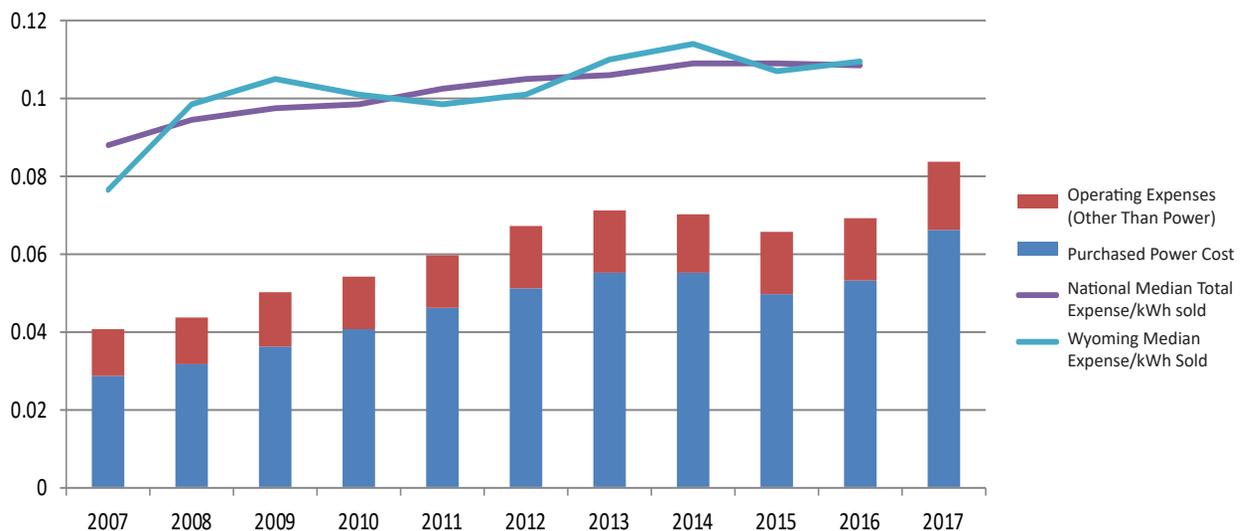
BALANCE SHEET

For the year ended December 31
2016 2017

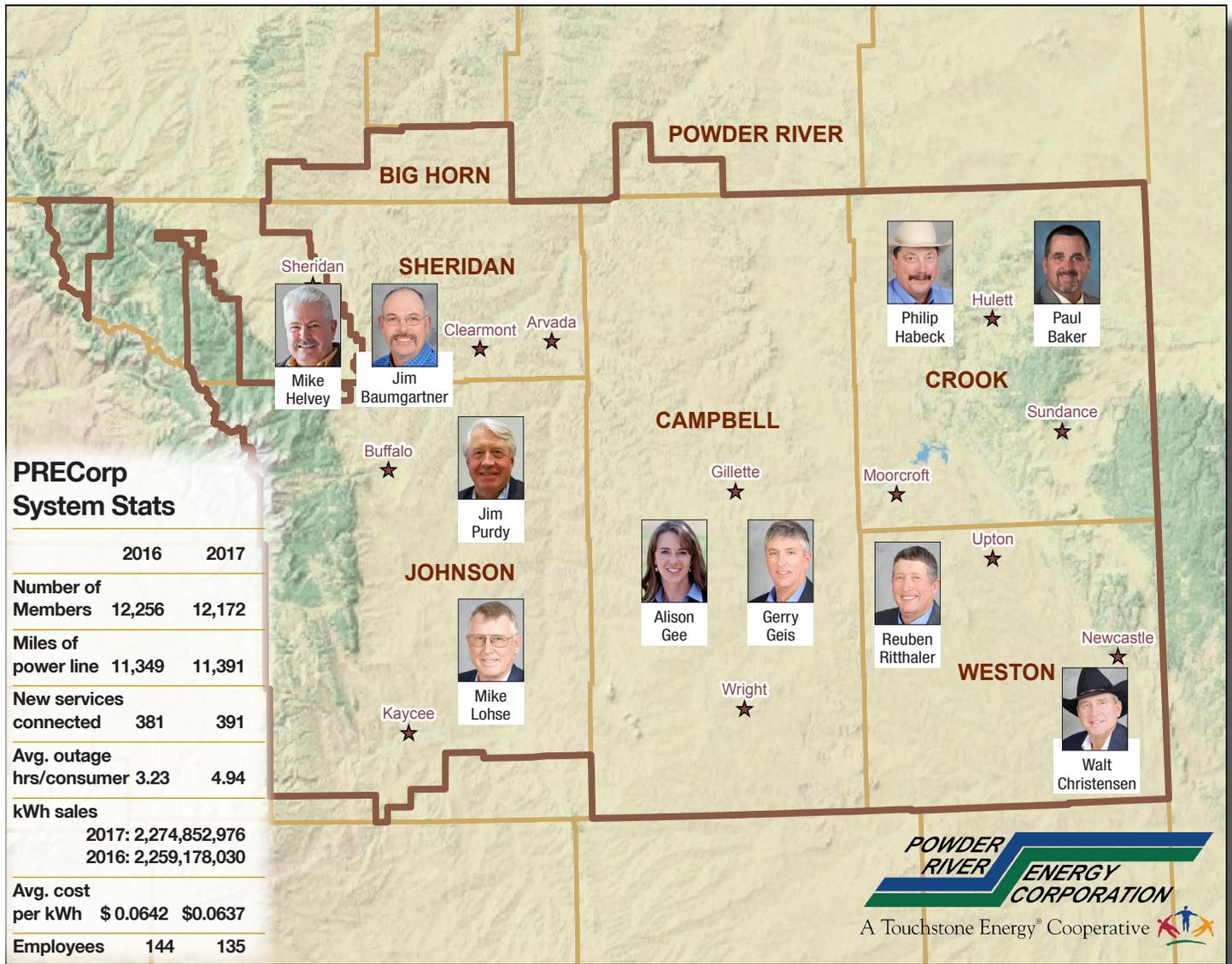
Utility Plant (net)		\$ 207,528,940	\$ 209,420,802
Other Property And Investments	Non-Utility Property (net)	\$ 133,202	\$ 122,436
	Investments in Associated Organizations	\$ 129,748,936	\$ 131,945,600
	Other Investments	\$ 30,438,745	\$ 30,955,159
		\$ 160,320,883	\$ 163,023,195
Current Assets	Cash and Cash Equivalents	\$ 46,440,195	\$ 48,164,060
	Accounts Receivable (net)	\$ 15,890,444	\$ 17,888,730
	Other Accounts Receivable	\$ 375,787	\$ 625,604
	Materials and Supplies	\$ 6,626,794	\$ 6,531,808
	Other Current Assets	\$ 466,280	\$ 459,030
		\$ 69,799,499	\$ 73,669,232
Regulatory Assets		\$ 0	\$ 0
Deferred Debits		\$ 763,129	\$ 511,027
TOTAL ASSETS		\$ 438,412,452	\$ 446,624,256
Equity And Margins		\$ 216,033,547	\$ 218,025,553
Long Term Debt (Net Of Current Maturities)		\$ 148,860,060	\$ 151,734,579
Other Non-Current Liabilities		\$ 4,637,035	\$ 2,933,460
Current Liabilities	Notes Payable	\$ -	\$ -
	Accounts Payable	\$ 14,587,357	\$ 15,700,104
	Other Current Liabilities	\$ 16,227,699	\$ 17,940,488
	Current Maturities of Long Term Debt	\$ 7,196,761	\$ 7,478,243
		\$ 38,011,817	\$ 41,118,835
Regulatory Liabilities		\$ 3,193,634	\$ 5,078,790
Deferred Credits		\$ 27,676,359	\$ 27,733,039
TOTAL EQUITY AND LIABILITIES		\$ 438,412,452	\$ 446,624,256

PRECorp Operating Expenses Per kWh Sold

The cost of power has continued to increase since 2007, but PRECorp's other expenses have remained relatively stable the past decade. Additionally, PRECorp's total expenses per kilowatt hour (kWh) sold, remain below national and state medians.



PRECorp Service Territory



PRECorp System Stats

	2016	2017
Number of Members	12,256	12,172
Miles of power line	11,349	11,391
New services connected	381	391
Avg. outage hrs/consumer	3.23	4.94
kWh sales		
2017:	2,274,852,976	
2016:	2,259,178,030	
Avg. cost per kWh	\$ 0.0642	\$0.0637
Employees	144	135



PRECorp Board of Directors

Campbell County:

Gerry Geis, Board Secretary-Treasurer
Alison Gee

Crook County:

Philip Habeck, Members 1st Board rep
Paul Baker, Members 1st Board rep and Basin Electric Board member

Johnson County:

Jim Purdy
Mike Lohse, WREA Board member

Sheridan County:

Jim Baumgartner, Members 1st Board rep
Mike Helvey

Weston County:

Reuben Ritthaler, Board Vice-President
Walt Christensen, Board President

PRECorp Customer Mix

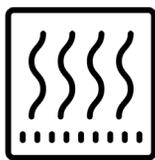
	End of 2016	End of 2017	+/-
Residential	14,851	15,010	+159
Seasonal	3,421	3,429	+8
Irrigation	241	236	-5
General Service	5,580	5,633	+53
General Service CBM	626	585	-41
Large Power	1,166	1,135	-31
Large Power CBM	822	689	-133
LPT Coal Mines	13	13	0
LPT General	1	1	0
LPT CBM	5	5	0
LPC CBM	0	0	0
Street Lights	29	27	-2
TOTAL	26,755	26,763	+8

PRECorp Accounts By County for 2017

	Accounts
Campbell	13,078
Converse	0
Crook	6,140
Johnson	2,929
Niobrara	3
Sheridan	1,363
Weston	3,065
Montana	185
Total	26,763

What's the difference in those special rates?

R.H.R.



As energy-generating fuel prices fluctuate and challenge the monthly budget, electricity remains stable. However, electrical heating usage spikes during the cold winter months.

PRECorp offers members a long-term option to spend less on electrical heating called the Residential Heat Rate (RHR).

In simple terms, the heat rate allows residential members to receive a credit for the electricity they use to heat their home between October and April. This keeps electricity affordable while heating your home during the winter weather months when we need it most.

The heat rate is applied to residential accounts that have permanent electric resistance heat and/or an electric heat-pump space heating system.

The equipment and installation of the meter for the electric heat load must meet PRECorp standards and local building codes. Installation costs vary because all homes are unique.

The rate is not available to seasonal loads or those individuals on the Time-of-Day (TOD) rate.

The math:

Example February residential bill without RHR:
2,902 kWh used = \$285.06
(includes basic charge of \$25.50)

Example February residential bill with RHR:
2,902 kWh used = \$287.06
(includes basic charge of \$27.50)
(minus credit for heating 2,200 kWh @ \$87.58)
Your February bill with RHR = \$199.48

One-month savings: **\$87.58**

T.O.D.



On a Time-of-Day (TOD) rate, **when** you use electricity is just as important as the **amount** of electricity you use because you pay different rates for electricity based on the season and the time of day that you use it.

Rates are lower during off-peak periods because it costs us less to produce or purchase electricity. Rates increase when both the demand and cost for electricity increase, especially during the winter months.

TOD rates give you flexibility to help you control your electric bill by:

- Shifting your electricity use to off-peak times
- Using less during peak hours, and
- Reducing your overall usage

Off-peak Time-of-Day pricing is available September through May, between the hours of 10:01 p.m. to 7:59 a.m..

To qualify, members must have installed PRECorp-approved storage heating equipment. To learn more go to www.heatforlessnow.com; or contact your Member Service Representative at 800-442-3630.

The math:

Example February residential bill without TOD:
2,894 kWh used = \$284.35
(includes basic charge of \$25.50)

Example February residential bill with TOD:
2,894 kWh (1,621 on-peak, 1,273 off-peak) = \$262.88
(includes basic charge of \$25.50)

One-month savings: **\$21.47**

2017 Annual Meeting Minutes

Easley shared the cooperative's history with a look at the past, present and future. Today, roughly 42 million people in America receive power from cooperatives across the country. Cooperatives are member-owned, not-for-profit, and, regardless of a members' usage or size, each member has the same voice. Throughout PRECorp's history, and even today, the struggle has been between the expense to build and maintain our infrastructure, and the cost of power, both areas being reactive to the economy and affecting power rates. PRECorp continually looks for ways to improve efficiencies and to serve the membership at the highest level possible. To address possibilities in the future, PRECorp is doing a strategy "refresh" where staff are

working on three different assumptions, projecting how PRECorp can meet the challenges of the future. Easley discussed Wyoming's economic development and how PRECorp fits into this vision. Increased technology will enable PRECorp to detect and respond to lightning issues, increasing efficiencies. Easley encouraged members to participate in future Town Halls to hear updates on our operations and voice their opinions. Easley expressed his appreciation to the members for their support.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

Chairman Christensen presented the Earl Christensen Award to past PRECorp Direc-

tor Tom Davis. Christensen thanked Davis for his 26 years of service and dedication to the cooperative.

Director Pam Kinchen announced the results of the 2017 director elections. From Campbell County, Alison Gee was elected; from Crook County, Philip Habeck was re-elected; from Sheridan County, Wade Larsen was re-elected; and from Weston County, Walt Christensen was re-elected. Director Kinchen thanked the Election Judges for their commitment to PRECorp.

With no further business the meeting adjourned at 2:32 p.m.

Walter C. Christensen, President
(Corporate seal)
Gerry Geis, Secretary/Treasurer

Continued from page 6.



MIKE EASLEY,
CEO

Saturday, August 25, is the 73rd Annual Meeting at the Gillette Cam-Plex Energy Hall and Heritage Center Theater. Details of this meeting are published in this magazine. Understanding and exercising your role in the cooperative governance process is a critical part of your membership in the cooperative. You can attend the meeting for up-to-date information on the cooperative's current status and prospects for the future. Most importantly, you will be voting for your Board of Directors. Your voice in the direction of the cooperative is part of what makes the cooperative difference, so we look forward to seeing you in Gillette on the 25th.

This year we've added several special activities. In addition to door prizes, lunch and local entertainment, members can take advantage of a free wellness blood screen from Wyoming Health Fairs from 7 a.m. to 10 a.m. We will also host a company

called Spiral Health, Inc. which will offer body alignment scanning for those who are interested in giving it a try. Finally, there will be a special Operation RoundUp® drawing for those in attendance and an opportunity at 10 a.m. for up to 40 members to tour of the Dry Fork Station Power Plant and Integrated Test Center.

Members who cannot attend can still be heard by completing the Mail-In Ballot and mailing it in before the August 25 deadline,

using the envelope provided in this magazine. All votes are counted during the meeting and the results are announced prior to the door prize giveaways.

The Annual Meeting is a great time to embrace the Cooperative Principle of "Democratic Member Control". America's Electric Cooperatives define this principle by explaining that "Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Representatives (directors/trustees) are elected from among the Membership and are accountable to the Membership."

There are six other Cooperative Principles that are reflected as PRECorp goes about its business of serving you and many of these principles, or the outcomes, will be part of the reports and updates given at the Annual Meeting.

I also hope that you can join me for a brief conversation at 6:30 p.m. on August 22 during our summer Telephone Town Hall Meeting, where I will preview some of the topics for our August 25 Annual Meeting. You will be able to ask questions about issues important to you, gain deeper insight on happenings within your Cooperative, and help me focus on the most important things to discuss at the Annual Meeting.

We appreciate your engagement anytime, and especially at our outreach events. Your involvement as a Member-Owner points us in the direction that best serves you.

I look forward to visiting with you during the Town Hall and seeing you at the Annual Meeting in Gillette.

7 COOPERATIVE PRINCIPLES

- Voluntary and Open Membership
- Democratic Member Control
- Members' Economic Participation
- Autonomy and Independence
- Education, Training, and Information
- Cooperation Among Cooperatives
- Concern for Community

• 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.

PRECORP 2018 *annual meeting*

ELECT YOUR PRECORP BOARD OF DIRECTORS

Members who attend the Powder River Energy Corporation Annual Meeting on Saturday, August 25, may cast their vote in person. If unable to attend the meeting, members may still cast their vote by mail or by proxy.

HOW TO VOTE:

1. **Review** the candidate information on pages 2 and 3, of the PRECorp News section inside this issue of the WREN magazine.
2. **In Person:**
 - a. You must register at the meeting in order to vote.
 - b. A ballot will be given to you when you register.
3. **By Mail:**
 - a. Fill out the official mail-in ballot printed on the back cover of this magazine. Please follow the instructions carefully.
 - b. Use the return envelope in the middle of this magazine to cast your vote by mail. The ballot must be received by 5 p.m., Friday, August 24.

VOTING INSTRUCTIONS

If you plan to attend the meeting:

- Vote in person.
- You must register at the meeting in order to vote.
- A ballot will be given to you when you register.
- If you will be representing by proxy, you must present the appropriate, properly completed voting designation form at registration.

Cast your vote by mail:

- Important: Your ballot will not be valid without your printed name and signature on the back of the Business Reply envelope enclosed in the middle of this magazine. Please ensure your name is exactly as it appears on the mailing label of WREN magazine.
- Mailed ballots must be received by 5 p.m., Friday, August 24, to be valid.

What is proxy voting?

A PRECorp member may designate a substitute voter, or proxy, for the Annual Meeting.

Complete the appropriate designation form inside the back cover of this magazine if:

- You are representing a corporation, or
- A partnership, or
- If your membership is in your spouse's name and he/she will not be attending the meeting.

2018 PRECORP ANNUAL MEETING DETAILS

Schedule

7 AM Doors open for registration, voting, blood draw, body scanner

10 AM Dry Fork Station/ITC tour (Reservation required)

11 AM Lunch

NOON Brian McCollum musical entertainment

1 PM Registration and voting closes, business meeting, and door prizes

Do you need a ride to the meeting?

Call Missy Biegler at 1-800-442-3630 by Friday, August 10, 2018, to arrange transportation to the PRECorp Annual Meeting on August 25 in Gillette.

Cover photo:

Cindy Fouch, PRECorp Lineman Ty Schmidt and youngsters at the Weston County Childrens Center experience the workings of a bucket truck during a demonstration visit in Newcastle earlier this year.

Notice

Notice is hereby given that the 2018 Annual Membership Meeting of Powder River Energy Corporation will be held in Gillette at the Cam-Plex Energy Hall on Saturday, August 25, 2018.

The order of business at the annual meeting shall be as follows:

1. Report as to the number of members who are present in person in order to determine the existence of a quorum and the number of members represented by proxy.
Items will include: Call to order and Appointment of Recording Secretary
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
Items will include: Introduction of the PRECorp Board and Recognition of Visitors and Guests
3. Approval of unapproved minutes of previous meetings of the members.
Will include approval of the minutes of the 2017 Annual Meeting.
4. Presentation and consideration of all necessary reports of the Corporation.
Items will include: Treasurer's Report, President's Report, CEO's Report, Foundation Report and Special Presentations
5. Election of directors.
Items will include: Report of the Nominating Committee, and Voting
6. Unfinished business.
7. New business.
8. Adjournment.
Will include prize drawings

BOARD OF DIRECTORS MAIL-IN BALLOT - VOTE FOR ONE (1) IN EACH COUNTY

CROOK COUNTY

- Paul Baker

JOHNSON COUNTY

- Nathan Graves
 Mike Lohse

SHERIDAN COUNTY

- Jim Baumgartner
 Scott Hudson

Choose a candidate in each district regardless of the county in which you live. Full candidate profiles are printed on pages 2 and 3, in the PRECorp News section inside this magazine.

NOT A VALID VOTE WITHOUT YOUR SIGNATURE ON THE RETURN ENVELOPE

To be valid, mailed ballots must be received by the end of the business day, Friday, August 24, 2018.