

PRECorp News

SEPTEMBER 2019

74th Annual Meeting held in Buffalo



Photos by Tim Velder/PRECorp

PRECorp CEO Mike Easley addresses the membership at the 2019 PRECorp Annual Meeting at Buffalo High School.

Powder River Energy CEO Mike Easley gave a message of the electric cooperative's vision and hope for the future during its 74th Annual Meeting Saturday, August 24, at Buffalo High School.

The meeting drew approximately 300 members overall. Many took advantage of free wellness blood draws and body scans provided by Wyoming Health Fairs of Casper.

A total of 132 members registered, well above the required quorum of 100. Members enjoyed a free barbecue beef and pork lunch catered by the Invasion Bar of Kaycee; and noon-

time entertainment by teen fiddle and guitar talent Maxi Wuerker of Buffalo.

A special surprise guest was U.S. Senator John Barrasso (R-WY), who briefly addressed the audience about the importance of keeping the coal industry viable, and working with the Trump administration to maintain America's strong energy economy.

PRECorp Directors Gerry Geis, Jim Purdy, and Reuben Ritthaler were re-elected to the Board for three more years. They were unopposed on the ballot.

PRECorp Board President Walt Christensen presided over the meeting and specially recognized his fellow Board members who commit their time on behalf of the members of the cooperative.

Geis, PRECorp Board Secretary-Treasurer, highlighted the cooperative's financial report and tools that are available to control rate pressure. One of those tools is the Revenue Deferral Plan, which is essentially an emergency fund the cooperative can tap to even out unforeseen declines in power sales. This fund has allowed the Board to avoid budget deficits and still return capital credits to the members.

PRECorp VP of Member Service Jeff Bumgarner announced the Powder River Energy Foundation has achieved a major milestone of giving in 2019. He said the Foundation passed the \$1 million-dollar-level in total grants to non-profit organizations in northeast Wyoming. Those donations touch all aspects of community needs including feeding

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MIKE EASLEY,
CEO

I was really excited to see the great attendance at our Annual Meeting August 24 in Buffalo. My column this month covers some of the highlights I talked about with PRECorp members, and ideas about our shared future.

PRECorp has several programs for keeping in touch with and in getting feedback from our members. Our member satisfaction survey reaches 1,000 members over the course of a year. Since 2010, we put a focus on keeping our service quality high and providing you with the best possible member service. We took steps to reduce outages we can control and make our processes easier to do business with.

This work also included cutting millions of dollars in costs by doing more with less. It delayed the need for a rate increase by at least three years.

However, this October we will be filing a general rate case at the Public Service Commission and requesting an effective date most likely to be sometime in the summer of 2020. In this rate increase we will be requesting an average increase of around 4.4% or \$7.3 million. The actual percentage increase will vary by customer class and will most likely impact the monthly basic charge as well as demand and energy costs. This increase is necessary.

We are projected to have a \$1 million operating loss in 2019, despite the millions of dollars in cost reductions we have been able to achieve over the past several years. The PRECorp team has done an amazing job in reducing costs in the course of this time, and it's because of their efforts that we have been able to put this rate increase off for so many years.

We also plan to use a program called Revenue Deferral to help manage future risks related to unforeseen expenses and/or the sudden loss of load. We have used the revenue deferral program in the past to set aside margin in a good year for use in a bad year. The revenue deferral program has no impact on your rates or on your capital credits. It is a financial tool we can use to stretch out the time between rate cases.

There is good news this year regarding our wholesale power costs. Basin Electric is reducing its wholesale power rates this year, which will save us about \$2.4 million in power costs. This will help soften the impact

of the increase PRECorp will be implementing.

Over the years I have mentioned how we all benefit from the large users on our system like coal mines and the CBM industry, while at the same time we have been working really hard to manage the risks associated with serving those loads.

As many of you are aware the coal mine industry continues to have troubles. Cloud Peak and Blackjewel coal mining companies have declared bankruptcy this year. PRECorp did not suffer any pre-petition losses from these bankruptcies thanks to the implementation of our new credit policy. This new policy has been difficult for many of our larger members, but it is what the cooperative needs to do in order to manage the risks of large loads during these difficult and challenging times.

Serving these large loads is important for PRECorp. These large loads favorably impact our wholesale power costs since they dramatically improve our system load factor. According to our recent analysis, we receive a \$5 million annual benefit in wholesale power costs because of the impact these loads have on the overall load factor of our system.

I think PRECorp is doing well despite of all our many challenges. Our employee morale and our member satisfaction are high. Safety is everyone's priority and is a major focus for our team. If there is only one thing we can get right, it must be safety.

The story of PRECorp could be so much different were it not for the great leadership that the PRECorp Board has shown for so many years. It is built on a legacy of resiliency, grit, and adaptability. Great Leaders and great leadership have the ability to dispense hope. Hope for the present and hope for the future. People will tell you that hope is not a strategy, rather, hope for the present and hope for the future give you the courage to dream and to dream big. It gives you the freedom to try new things, to break out of the routine ways of looking at things, it helps you see beyond the horizon just enough to be proactive, not reactive.

Thank you for your continued commitment to PRECorp and to the cooperative principles and values which we hold dear.

I hope to see you all back next year when we celebrate our 75th anniversary Saturday, August 22, 2020, in Sundance.

Mike

Dates to remember from now through December:

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 remaining dates for 2019 are as follows:

- September 17 - Sheridan**
- October 29 - Gillette**
- November 19 - Gillette**
- December 17 - Sheridan**

Other events to remember:

- Monday, November 11:** Veterans Day observance, PRECorp offices closed.
- Wednesday, November 20:** Telephone Town Hall, 6:30 p.m. Dial toll-free 855-312-2107.
- Thursday and Friday, November 28-29:** Thanksgiving Day holiday, PRECorp offices closed.
- Tuesday and Wednesday, December 24-25:** Christmas, PRECorp offices closed.



For flat monthly payments, enroll in **Budget Billing**

Foundation Director Kathleen Tavegie passes



Weston County's only representative on the Powder River Energy Foundation Board of Directors, Kathleen Tavegie of Newcastle, passed away on July 19, 2019.

Kathleen was appointed as one of the original members of the Foundation Board when it was formally seated in 2008.

Kathleen was a Newcastle native, and a ranch wife and mother. She was full-time school teacher at Newcastle schools for 42 years, then a substitute teacher for another 10 years. Kathleen mentored many teachers and influenced at least three generations of students.

Complementing her involvement on the Foundation Board, Kathleen was also active in the Weston County Health Services Foundation and the Weston County Concert Association.

Kathleen's late husband Bob Tavegie was a director on the PRECorp Board for many years.

She is survived by three grown children Kelly, Todd and Troy, and six grandchildren.

"Kathleen was a well-rounded Board Member with long-time experience in the fields of human service, education, and the arts," said PRECorp Foundation Executive Director Jeff Bumgarner. "Her knowledge and vision for helping those in need in rural northeast Wyoming will be greatly missed."

Bumgarner said the Foundation Board seat held by Kathleen is open until filled. Anyone who is interested in representing Weston County on the Foundation Board, or just learning more about its charitable work, may contact Bumgarner at [jefb@precorp.coop](mailto:jeffb@precorp.coop).

The Board meets in-person six times a year in Gillette, where it considers grant applications for local charities and student scholarships; and directs the financial growth of the Foundation. The Board also meets telephonically in alternating months. For more information about the Foundation, go to www.precorpfoundation.org



PRECorp greets members at the State Fair

PRECorp Member Service

Representative Jennifer Barnes, Sheridan, and Lineman Benito Maya, Kaycee, greet cooperative members at the 2019 Wyoming State Fair in Douglas. PRECorp and other Wyoming electric coops greeted fairgoers with gifts and prizes throughout the week to connect with consumer-members from across Wyoming.



Courtesy photo

Budget Billing can shave the seasonal peaks

Do you remember the high power bills during last winter's extended cold spell? Unless you had Budget Billing, you likely aren't looking forward to going through that again. Budget Billing smooths out the peaks and valleys of seasonal bills.

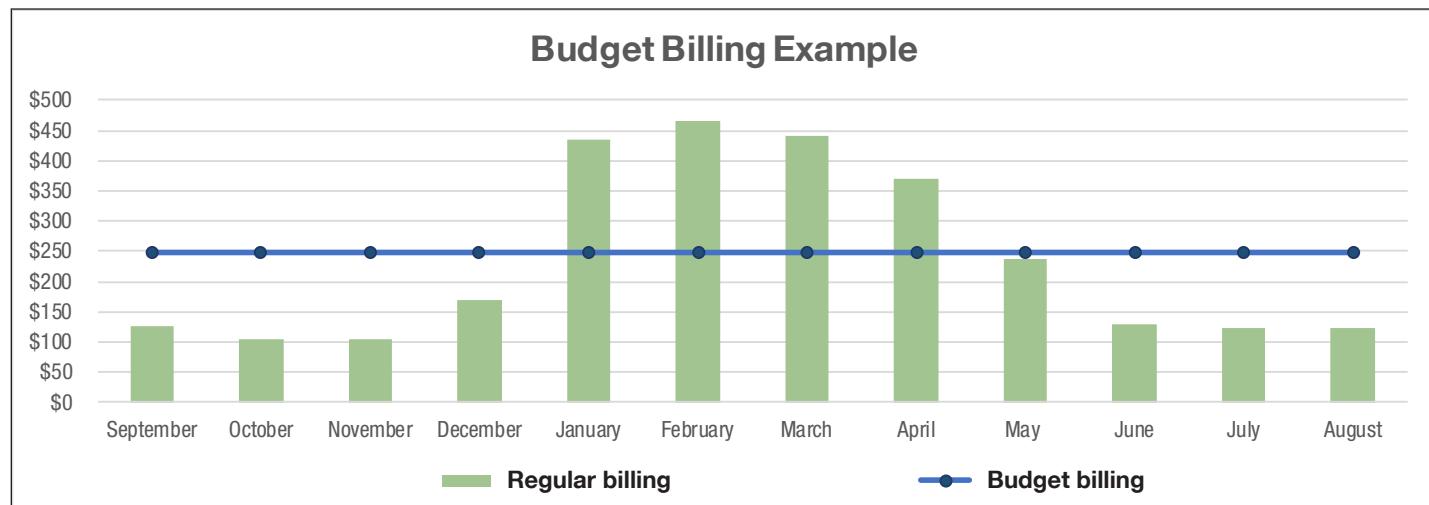
PRECorp offers a Budget Billing program for residential members to help even out seasonal spikes in power usage over an 11-month period. Your account must be current and have at least 12 months of service history to enroll.

Annual billing is averaged - with a 5% buffer built in - to enable members to budget and pay a fixed amount for their power bill each month. The monthly budget amount needs to be paid for 11 successive months with the final, or 12th month's, payment being a settlement (or clearing) amount equal to the difference between the total payments made

during the prior 11 months and the actual amount due for the 12-month period. The clearing month will always be the October-dated billing for September usage, regardless of what month the plan was made effective. The October statement will reflect the new monthly budget amount, which is recalculated based on the average usage over the past 12 months.

October is a great time to sign up, before the next winter sets in. Below is an example of a real PRECorp residential account, showing the **regular billing with winter peaks in green** and the **monthly budget payment in blue**.

If you are interested in signing up for Budget Billing, please contact a Member Service Representative at 1-800-442-3630 to help get you set up.



Two represent PRECorp at 2019 Youth Camp

Pictured from left are PRECorp Cooperative Youth Leadership Camp students Brendan Cundall and Shayla Wrenn, with Camp Counselor and PRECorp Member Service Supervisor Missy Biegler near the waterfall at Steamboat, Colorado. The all-expense-paid experience is open to students whose parents are PRECorp members. Attendees can learn about cooperatives, safety, power generation, and leadership skills. They also have the opportunity to attend the Washington, DC Youth Tour in 2020. New camp information will be available in December.



Courtesy photo

Going the Extra Mile

Electric cooperatives maintain more miles of power lines per consumer than other types of electric utilities. Even though they serve fewer consumers and acquire less revenue, electric co-ops always go the extra mile to power the communities they serve.



Members served per mile: 1.01
Revenue: \$15,789

**Other
Electric
Utilities**



Consumers served per mile: 32
Revenue: \$79,000

Sources: EIA, 2017 data. Includes revenue and consumer averages per mile of line.
PRECorp, 2018 annual report data





PRECorp members take advantage of the wellness blood draw and body scanners at the Annual Meeting.



Lunch, served by the Invasion Bar of Kaycee, fed more than 300 PRECorp members and guests who attended the Annual Meeting.

Annual Meeting...

the hungry, veterans' assistance, youth education, families in crisis, and the arts.

Bumgarner gave a touching tribute to founding Foundation Board Member Kathleen Tavegie who passed away in July. Bumgarner, and Foundation Board President John Flocchini closed the segment with a \$5,000 check presentation to Climb Wyoming, a workforce development program for single mothers to help them gain skills for jobs that pay living wages and pull them out of the cycle of poverty.

CEO Mike Easley, who noted in recent years his annual address has been focused on declining power sales and rate increases, described the PRECorp vision and purpose and efforts the cooperative has been making to reduce costs, increase revenue, and develop innovations in a changing energy sector.

Some of those initiatives include the program called Power Pitch, where employees can promote and develop ideas or inventions that can help the cooperative save costs or create new revenue. One idea for a lineman's tool is a candidate for a possible patent.

Easley also discussed member engagement efforts of telephone town halls, member surveys, and the on-line SmartHub technology. He recognized the PRECorp employees for their work in maintaining reliable electric service under harsh weather conditions and cost-cutting measures the past several years.

The cooperative continues to brace for a "financial cliff event" which would involve the loss of a large power consumer. While this cliff event has been more of a gradual slide over

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the past decade, the cooperative has been and continues to prepare for the further loss of sales through cost reductions and efficiency improvements.

Additionally, Easley announced that PRECorp will seek an increase in rates of about 4.5% in 2020. "The actual percentage increase will vary by customer class and will most likely impact the monthly basic charge as well as demand and energy costs," Easley said. "This increase is necessary as we are projected to have a \$1 million operating loss in 2019, in spite of the millions of dollars in cost reductions we have been able to achieve over the past several years."

Easley did announce some good news regarding the wholesale power costs being charged by Basin Electric. The power supplier is implementing a small rate reduction this year which will save PRECorp about \$2.4 million in power costs in 2020. "This will help soften the impact of the increase PRECorp will be implementing," Easley said.

Easley said the cooperative will be resilient and adapt to the economic changes in our area. He said the Board of Directors, cooperative management, and employees have the courage to dream big and be proactive, rather than reactive, to the changes coming our way.

After the meeting adjourned, door prizes, many donated by local vendors, were drawn from the names of those attending. This year's prize donors were: K&K Automotive of Gillette, JW Services of Sundance, Bearlodge Engineering and Surveying of Sundance, McKie Ford of Rapid City, Sundance Equipment, Ward Electric, Hughes Law Office of Sundance, NISC, and Logo Store USA. **Special Thanks to Peak Power Sports for use of the parking shuttles.**



Photo by Tim Velder/PRECorp

Million dollar milestone

Powder River Energy Foundation Executive Director Jeff Bumgarner, left, and Foundation Board President John Floccini, right, present a \$5,000 donation to Gillette Climb Wyoming Program Director Jamie Marchetti. The donation put the Foundation over \$1 million in lifetime giving to northeast Wyoming since it was founded in 2007.

Miss the Annual Meeting?

You can still pick up a 2020 PRECorp 75th Anniversary Calendar - while supplies last - at any of our offices in Sundance, Gillette, or Sheridan. The calendars feature the photographic talent of PRECorp employees and the natural beauty of northeast Wyoming.

Powder River Energy 75th Anniversary



2020 Calendar



Sundance offices 1959, 1991, 2019



Sheridan offices 1975, 2019



Gillette offices 1991, 2019



At daybreak, PRECorp Linemen work on equipment on a transformer bank. Photo by PRECorp Lineman Keith Sartoris Wright.

FEBRUARY 2020

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

Member message: Did you know Powder River Energy Corporation has an online outage map? You can view the map on our website or log on to our Facebook page to receive updates and information. The outage map gives you up-to-the-minute outage location information and allows you to report an outage directly to our system operator. Go to www.precorp.coop and click on the red Outages button. You still need to report an outage to 1-888-391-6220 as this is the only way we can be sure you will receive an immediate response.



221 Main Street
PO Box 930
Sundance, WY 82709-0930
www.precorp.coop
800-442-3630

PRECorp vehicles for sale on eBay October 11

Retired PRECorp vehicles are on the auction block in special surplus equipment auctions on eBay October 11-21. The online bidding starts at 8 p.m. MST on October 11, and closes at 8 p.m. MST on October 21.

The items below will be listed in the vehicle auction October 11-21:

(All decals will be removed prior to sale, trucks will be cleaned.)

- 2001 Freightliner (1995 Digger)
- 2006 Buick Lucerne (hail damage)
- 2007 Buick Lucerne (hail damage)
- 2007 Buick Lucerne (hail damage)
- 2012 Ford F250 pickup full size box (transfer case is broken apart, hail damage)
- 2013 Ford F350 with service body (engine is locked up, hail damage)
- 2014 Ford F250 pickup cab and chassis 56" CA; (hail damage)

Note to bidders:

Prior to the opening of the sale on October 11, please obtain more information via e-mail at fleet@precorp.coop. This is the only source of information on these items prior to the opening of the sale. Please do not

inquire with our offices or outposts because they do not have information on these vehicles.

Details of each unit along with pictures will be on eBay at the start of sale.



2001 Freightliner-1995 Digger



2006 - Buick Lucerne



2007 - Buick Lucerne



2007 - Buick Lucerne



2013 - Ford F350 with service body



2012 - Ford F250 full size box



2014 - Ford F250 pickup cab & chassis, 56" CA

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.