

May 2017

PRECorp Customer Meeting

May 2, 2017

1. CALL TO ORDER
2. REVIEW / APPROVE BOARD AGENDA
3. REVIEW BOARD HIGHLIGHTS
4. REVIEW / APPROVE FEBRUARY 22,
2017 MINUTES

5. OLD BUSINESS

**G&T CAPITAL CREDIT
RETIREMENT**

- PRECorp received a bill credit of nearly \$7.4 million from Basin Electric Power Cooperative in 2015, which was PRECorp's allocation of a settlement negotiated by Basin.
- PRECorp:
 - 1: Used a portion of the Bill Credit to fund a sub-provision for bad debt.
 - 2: Add excess margins above the RUS OTIER to the Revenue Deferral Plan.

**G&T CAPITAL CREDIT
RETIREMENT**

- In June, PRECorp will retire G&T capital credits, pro rata, in the years addressed in the original dispute, which was the period between October 2004 and October 2009.
- This retirement returns the settlement to the members who contributed to the overpayments at the heart of the dispute.
- The retirement amount is equal to the bill credit less the amount used to establish the sub-provision for bad debt = \$5,742,425*

*Actual Retirement amount is \$5,742,432 (rounding difference in allocations)

WY PSC FILINGS

- COPA
- RESIDENTIAL HEAT RATE
- SMALL POWER PRODUCTION
- RULES AND REGULATIONS



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RISK MANAGEMENT STRATEGY

PRECorp is taking steps from almost every angle to manage financial exposure and minimize negative impacts on the membership.

SECURITY DEPOSITS

- PRECorp has filed modified security deposit requirements with the Wyoming Public Service Commission (WPSC) which are currently under review
- PRECorp has requested a deposit for members with average monthly billing equal to or greater than \$25,000

OBJECTIVE CREDIT SCREEN

- Utilized an objective credit screen process to determine credit worthiness of new and current members
- In 2016, PRECorp engaged a financial consulting firm to perform objective credit screens on Top 50 members by revenue.
 - Used members' last 3-year audited financial statements
- Top 50 Members will be reviewed again in 2017. Pending results, may refund current deposit, request a new deposit or "true up" existing deposit balance. Communication will be forthcoming.

6. NEW BUSINESS



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BASIN REPORT



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NRECA LEGISLATIVE RALLY

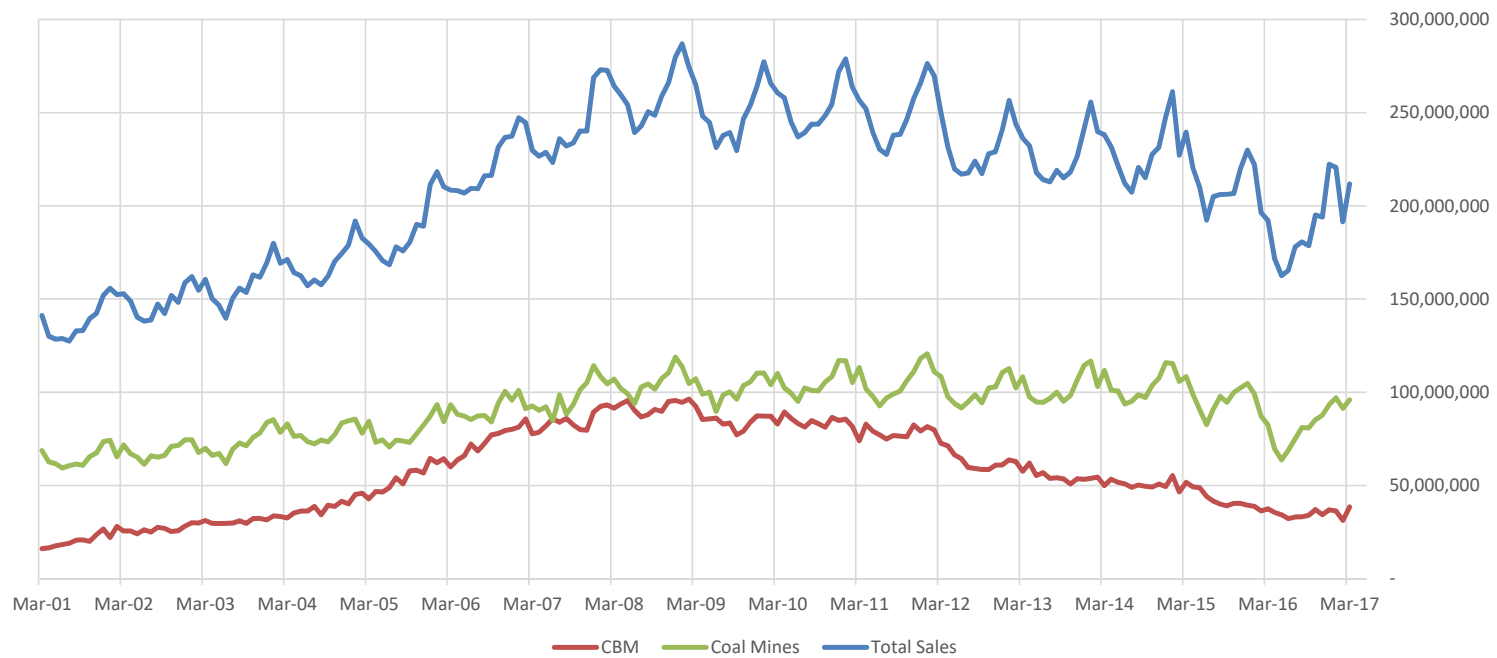


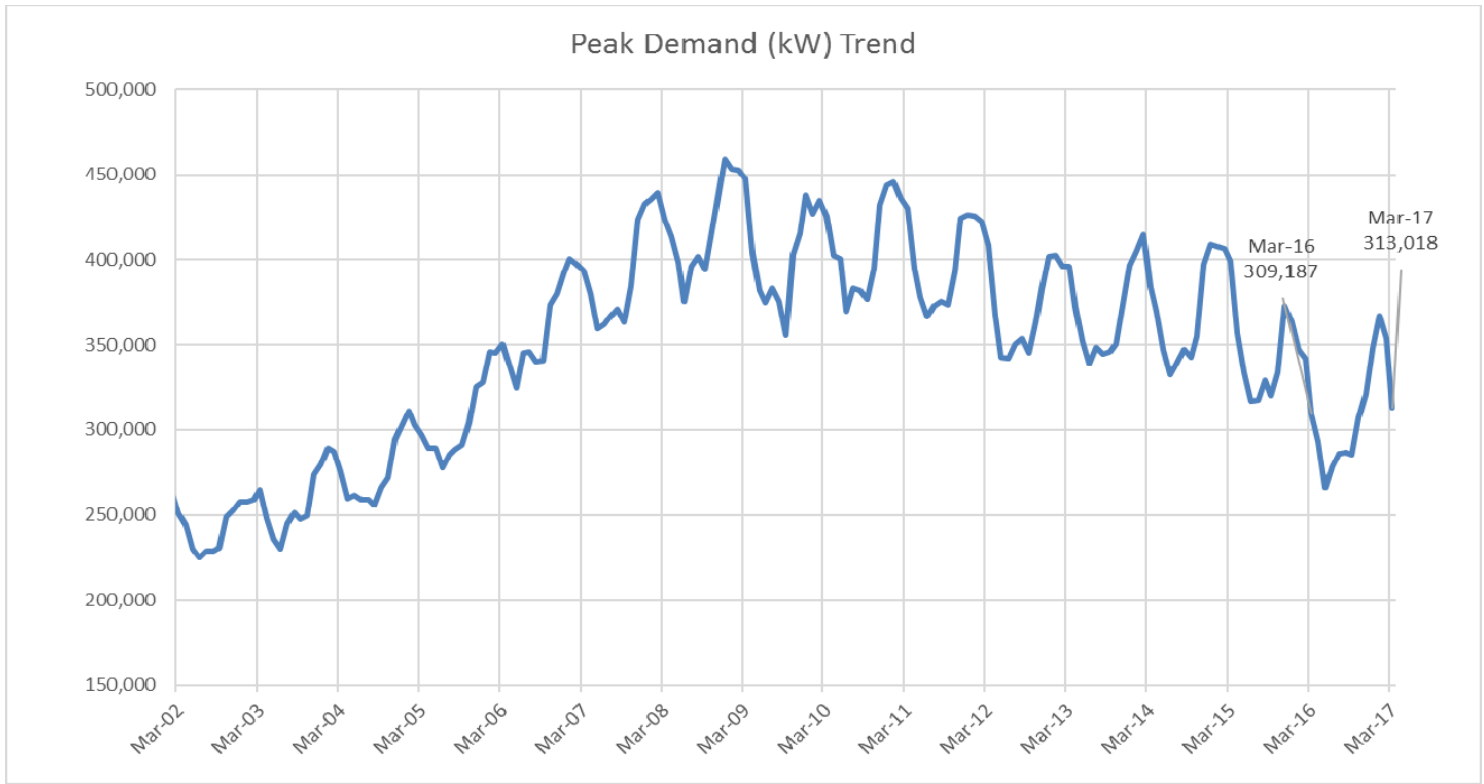
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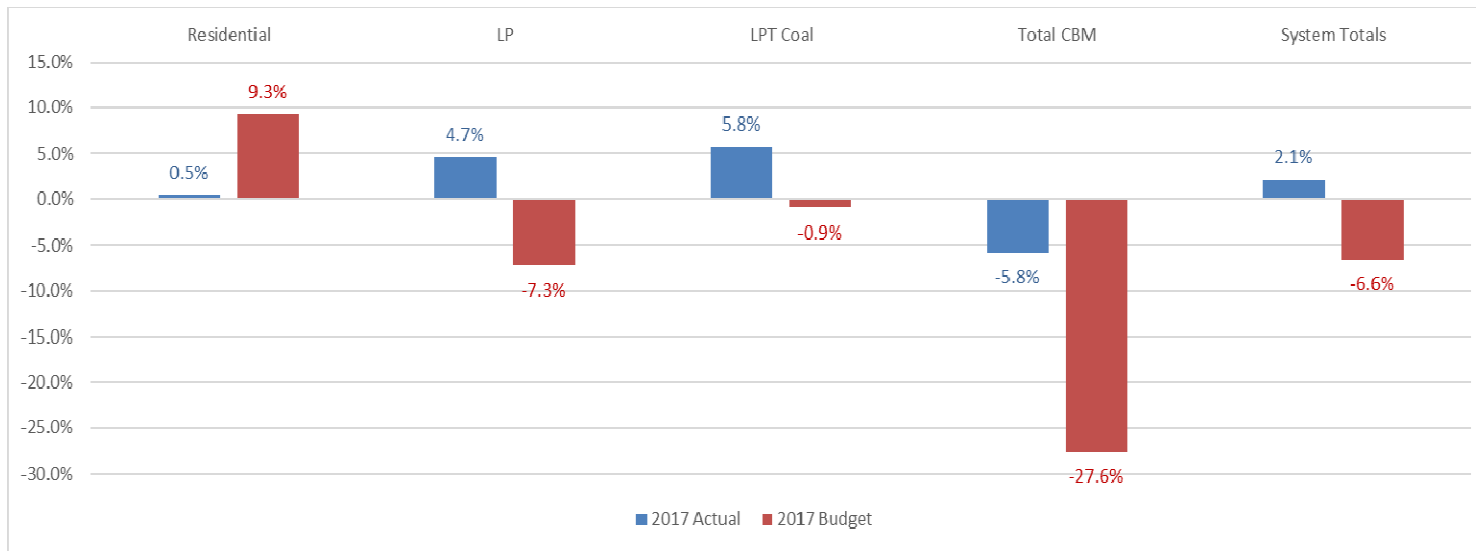
ENERGY DOWNTURN

Sales





2017 Year-to-Date





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RUS LOAN APPLICATION

APPLICATION UPDATE

- Long Range Plan – complete
- 4-Year Plan - developed and approved
- Loan Application – on track for May 2017

7. ROUNDTABLE

8. ADJOURNMENT