**PRECorp Telephone Town Hall transcript - May 24, 2017**

Moderator: Welcome, everybody. Welcome to our telephone town hall meeting. Thank you so much for joining us tonight. We're going to be on for the next 30 minutes. If you have a question of Mike, by all means please press zero. Zero on the keypad on your phone. Zero if you have a question. We are collecting email addresses. If you're not getting email updates, please press seven so we can get your email address and send you email updates. Again, that's zero for questions and seven for email updates. We're going to have a few polls that you can vote in. I think we've got two queued up tonight. We probably should be sharing the results on that. We've got some questions that came in earlier. Nothing is off-base on this. Again, these calls go really, really, well if you ask questions. If you've got a question, by all means please press zero. Zero on the keypad on your phone. Zero if you have a question. Press seven, seven on the keypad on your phone, seven if you want to provide us your email address so you can get email updates.

I'm going to say this one or two more times and then I'm going to hand this call off to Mike. We want more members to get on the call if we can before I hand it off. Again, welcome, everybody. Welcome to our telephone town hall meeting. We're going to be on for the next half hour. If you have a question, please press zero. That's zero on the keypad on your phone. A lot of you folks have been on these calls before. You get to ask the question live. That's kind of neat. If you wouldn't mind, and you do have a question, press zero. Zero on the keypad on your phone. If you want to provide us your email address, please press seven. Seven on the keypad on your phone. Seven so we can get your email address. Zero for questions and seven for email updates. We do have some folks on the call already. Mike, if you wouldn't mind, you can push your opening remarks even up to four minutes if you want. Do remind people to press zero if they have a question. Go ahead and start off if you would please.

Mike: Okay. Thanks a lot. Good evening, everybody. It's great to be with you tonight as we do one of our town hall meetings. I just wanted to also let you know that if you do press zero to submit a question, and your question does not get air time, the staff will follow up with you later and provide you answers to your questions. All questions will get answered. Just keep that in mind. I'm feeling pretty positive about things lately. We've just completed our first quarter. I would say that things have stabilized from the steep decline that we were seeing last year. That's really great news. Also, the cost savings that we were able to achieve over the past year have also helped to stabilize our financial condition. Based on where we were last year, this is really fantastic news.

I'm very excited about the way our future looks. Based on what I know today, I don't see that we will be needing to increase rates in 2018. That's great. It's fantastic news. I'm beginning to be more hopeful that we may also be able to make it through 2019, assuming we don't have any great decline in sales or have just an overall decline like we saw last year. These are great results. We're also seeing some really good results from our maintenance plan. We've had a lot of spring storms that have come through and caused some outages and stuff on our system. Overall, we've held up pretty well considering what we've been impacted with. Our five-year maintenance plan continues to pay great dividends as far as power quality and reliability.

Just a few weeks ago, I was in Washington DC. I was part of a couple thousand coop members from across the country that went to DC to meet with our elected officials and agency leaders. We worked to support some key legislative issues around continued funding for RUS, which is our primary lender. Also, we worked with the BLM on some right-of-way clearing on transmissions rights-of-way, which is a challenge sometimes to get permission to get in there and get the trees cleared on federal land where they could fall into the power line. We also spent some time talking about incentives for carbon capture technology. For Wyoming, we have a great opportunity right now to be working on technology for our future use of coal. Also, from Wyoming's perspective, CO2 that we could eventually capture out of our coal plants could be a big asset to Wyoming for enhanced oil recovery. For Wyoming, it's sort of a two-fer. It helps our coal industry and it also helps our oil development as well.

Last week I was at the Joint Corporations Committee in Laramie. I actually made it to Laramie during the storm. We discussed issues related to public service commission regulation and other things. It was a very helpful meeting. Representative Lindholm is a strong advocate of PRECorp and northeast Wyoming, and did a great job down there. We had a Wyoming Business Council meeting in Hulett last week. That was a great opportunity to have the Wyoming Business Council up here and see things firsthand at what's happening on the ground in northeast Wyoming. It's a great thing. It's important for our members to have that sort of exposure.

If you're interested in supporting our mining industry, Dry Fork Mine is working on some amendment to its permit for the Dry Fork Mine north of Gillette. There's a public comment period that closes on June 5th. If you want to go to the website, www.isupportdryfork.com, there's more information on how you can support the Dry Fork through this permitting process. Again, that's www.isupportdryfork.com. We would appreciate any support you can give us. Some of our members in Gillette have been hearing news about some annexations of current territory served by PRECorp. I just wanted to let everybody know that we've been in discussions with the City of Gillette for a little over a year now on our ability to continue to serve those areas should they get annexed for at least five years after annexation. There's no immediate issues from the perspective of having your service changed.

Some really good news that's coming down the pike. This will be my closure and we'll open it up for questions. Remember, if you have a question, press zero. That'll get you in the queue. The board approved a 5.7 million dollar capital credit retirement that was related to a bill credit that we received from Basin in 2015. The source of this bill credit goes back to a legal settlement that Basin experienced. If you were a member of PRECorp from 2004 to 2009, you should be seeing a capital credit check coming in sometime in the middle part of June. If the credit for you is $20 or less, it will actually be showing up on your power bill that you'll actually be receiving the first part of July. This is one of the great things about coops is our ability to return funds through the capital credit process and hope very much that folks find that helpful for them. If you have any questions on that, or anything, you can always call the office and have a conversation with our fantastic member services department. They'll help you with any questions you have.

That was a quick update on a few things that we've got going on. I just want you to know that all those efforts that we're taking really align with our desire to try to keep our rates as low as possible while providing you the best service quality that we can. With that, I just would like to take any questions that any folks may have.

Moderator: We do have questions. Again, if you do have a question, please press zero. Zero on the keypad on your phone. Zero if you have a question. Press seven if you want to provide us your email address for email updates. Anyway, Michael, you're up. Michael, welcome to our telephone town hall meeting. Michael, where are you from and what's your question please?

Michael: Okay. I live in Sleepy Hollow. My question concern is more when you guys changed your billing dates, when you reorganized that, my bill is now due on the first or even a couple days before that. I'm fully retired and I can't pay that bill before the first.

Moderator: Your thoughts, Mike?

Mike: Yeah. A couple things. First of all, I would hope that you have contacted the member services department to at least let them know of your situation. We have a couple things that we do. We have budget billing, which you can sign up for, which basically allows you to pay the same amount each month so you don't have a surprise amount coming in. That helps folks even out those billing payments through the year. You have a predictable amount that you need to pay. You can make payment arrangements with our folks if, for some reason, you're going to be late with a payment. You could probably use both the payment arrangement process and the budget billing to maybe, hopefully, address the pressure that you're seeing on the current due date.

Moderator: Thank you so much, Mike. Let's take another caller. Again, zero if you have a question. Seven if you want to provide us your email address. We're going to take Wendy. Wendy, welcome to our telephone town hall meeting. Wendy, where are you from and what's your question please? Go ahead.

Wendy: Gillette, Wyoming.

Moderator: Welcome.

Wendy: I was wondering. [inaudible 00:10:08] because I'm driving [inaudible 00:10:10]. That road that they were talking about putting in that's going to go by the power plant, Dry Fork out north.

Mike: Yes.

Wendy: When is that going to happen?

Mike: Wendy, I don't know when that is going to happen. Certainly, we can get your information and reach out to you as followup and let you know.

Moderator: All righty. Thank you for that. Let's get up to our first survey question if we can. We've got a good one that came up. It goes like this. It's our first survey question of the night. Which issue is most important to you? If it's energy efficiency, press one. If it's rates, press two. If it's regulations, press three. Community involvement, press four. Outages, press five. Here it goes again. Which issue is the most important to you? Energy efficiency, press one. Rates, press two. Regulations, press three. Community involvement, press four. Outages, press five. Again, one more number to press if you want to. If you have a question, press zero on the keypad on your phone and seven for email updates. While you're voting, let's take Laura and get Laura queued up. Laura, welcome to our telephone town hall meeting. Laura, thank you so much for joining us tonight. Where are you from and what is your question please?

Laura: Hi there. I live just south of Buffalo off of Trabing Road. Over the last few weeks, it seems like we have had a lot of momentary power outages where it will blink on and off for sometimes just a few seconds. We had one period where, after a couple of blinks, it was out for about 45 minutes. It just seems like in the last few weeks it's picked up a lot. I was just wondering if you knew what was causing that?

Mike: Yeah. That's a great question. We have had some pretty, not system-wide but localized, significant bad weather with snow that was building up on the lines, and wind that was causing either when the snow was melting off the lines, the lines will tend to jump. If the winds come in just right, it gets the lines to kind of bouncing up and down with the wind. That's been a pretty big impact that we've had over the past few weeks. I'm hopeful that the weather is going to clear up for us a little bit, and we won't see that. If you continue to experience that, even after the storm that we may have been responding to, if it still seems like you're getting blinking lights or other issues, make sure and call in to our member services group and let them know.

We can mobilize the crews to go out there and make sure. There could be some resultant damage from the storms that have occurred that we weren't aware of, whether it's with the lines or potentially trees that may be leaning into them or something. If you continue to see those blinking lights more than you have historically, especially as the weather begins to clear up a little bit, please let us know so we can get things fixed as quick as possible.

Moderator: Again, if you have a question, please press zero. Zero on the keypad on your phone. Zero if you have a question. Results from the survey we just did. Which issue is the most important issue to you? At 66%, it was rates. 11% outages. 10% energy efficiency. Sorry, regulations was 13%. That was actually second. Those are the four that polled. Rates were 66%, regulations 13%, 11% outages, energy efficiency 10%. Your thoughts on those results, Mike?

Mike: I think if I was betting, I think that's where I'd have put my money on rates. Especially, as we've talked over the past year with our calls, with the rate increase that we experienced last year. I mentioned this at our annual meeting even. Since 2015, we've seen our rates all go up on the average of about 20%. That's of a very large number. A lot of that was driven by our declining sales. PRECorp responded by doing a little over three million dollars in budget cuts. Plus, we've taken our workforce down in the past year about 20 employees down from where we were last year. We've responded the best that we could to the financial pressures.

Fortunately, I think, the next one is reliability. Because of our maintenance plan, while we were seeing these significant financial difficulties that we may be on the other side of, we were able to keep our system reliability up during that. I think we'll continue to do that for the future. I appreciate everybody's concern with that. I can tell you that not a day goes by where the PRECorp team isn't looking at ways to be more efficient with what we do. I can tell you that, with the reduction in employees that we've experienced over the past year, everybody at PRECorp is doing lots, keeping very busy. We're working very hard to make sure that your rates are as low as we can possibly keep them.

Moderator: A question that came in earlier today from Sarah goes like this. Can you update us on how the efforts are going to find director candidates?

Mike: Sure. Having elections is a very important part of the coop model where it's democratic member control. One member, one vote. No matter if you're a large coal mine or you're a stock customer, everybody has the same voting power in the coop. We have nominating committees that they go out and they look for candidates, or candidates call them. Our deadline for the nominating committees is this Friday. We have four director positions open this year. If, for some reason, a member is not able to be nominated through the committee process, we also have a nomination by petition. A member could go out and get 25 signatures of other members to get their name placed on the ballot. The deadline for that is the middle of July.

Keep in mind that, if you want to be a director or you know somebody that does, you actually have to be a member of the coop. You, yourself, have to be a member of the coop. Your business cannot just be the member. You actually have to be a residential member purchasing and living in the county of which your directorship would be sought. I think things are going well with that. I just hope you appreciate the update on the process. If you know of folks who are interested in being directors, contact your nominating committee or you have the petition opportunity to get your name on the ballot.

Moderator: Diane pressed zero. She's up next. Diane, welcome to our telephone town hall meeting. Diane, where are you from and what's your question please?

Diane: This is the first I've heard about the city annexing areas. We've been extremely satisfied with PRECorp. I don't want that to happen. When is that going to happen, and are we going to have a choice?

Mike: I certainly probably wouldn't have the same knowledge of the details that the cities do. In Wyoming, cities that have their own municipality can annex and, basically, serve the area within their own boundaries. PRECorp has been experiencing annexation for a long time with the City of Gillette. That's just part of their natural growth as they expand. It pains us greatly to lose our members, especially those that are ... Usually, when you're around a town, we have dense populations. From PRECorp's perspective we have 28,000 roughly members and 10,000 miles of line. Our density is pretty low. When you have packed-in people, it really is great loads for us to serve. A lot of the areas that the city annexes, there are pre-annexation agreements that a lot of folks have signed, which basically says they sort of agree in advance to take service to the city when and if their area gets annexed.

I think, if you live in an area where there's been pre-annexation agreements, then I would say that you've probably already agreed to the annexation whenever the city is ready to do it. If you haven't previously signed a pre-annexation agreement, then I think the process of ultimately becoming annexed into the town is much different. I really couldn't speak to that because I don't know how they go about their due process of looking at it. I do know that we start working on a franchise agreement, which is essentially permission for PRECorp to continue to serve customers that may get annexed. This is a very positive outcome for the PRECorp members that remain after somebody were to get annexed. It helps us maintain the revenues. From our perspective, especially when we've seen a decline in sales, that's very important to us.

I guess I would summarize to say if there's a pre-annexation agreement, that's already been agreed to. If there's not, then I'm sure the city has a process that they use to determine and make a decision on when and if to annex certain areas.

Moderator: This is the last I ask if anybody has got a question, please press zero. Zero on the keypad on your phone. We are going to nearly the top of the hour. Lila is next. Lila, welcome to our telephone town hall meeting. Lila, thank you so much for joining us. Where are you from and what's your question please?

Lila: Are you saying Lila?

Moderator: It's L-I-L-A. I'm sorry I mispronounced your name.

Lila: It's Lila, but I already talked.

Moderator: You gave your question to the person who typed it up. Now, if you want to ask it live, you're more than welcome to do so.

Lila: Oh, okay.

Moderator: Yeah. Go ahead.

Lila: Oh. I wondered if, since you said there's going to be more money in to give them checks out that you do annually or whatever ... Anyway, I was wondering if, since I had taken the buyout or whatever ... When I had to go on by myself for the service, will I be able to get a check from that?

Mike: Yeah. If the electricity account was just in your husband's name before he passed away, then there's a process where you can actually go to the office and they can take whatever the capital credit total was in that particular account. You should be entitled to get that in a payment. Depending on how much that is, we'll either pay it all at once or we'll pay it over a series of years. That's called estate retirements. That was if the power was just in his name. If it was a joint account, then you would still have the right to that but there would not be an estate retirement. If you already took that estate retirement, you may not see a capital credit check that we'd be writing this year for usage between 2004 and 2009. If you've already done the estate retirement, you probably wouldn't see a check or a credit on your bill. If you haven't, definitely contact the office and make sure that paperwork gets handled and processed.

Moderator: Let's do our second and final survey question. It goes like this. Do you plan to attend the annual membership meeting August 26th at Upton. If the answer is yes, then press one. If it's no, press two. If you need more information, press three. Again, the question is, do you plan on attending the annual membership meeting August 26th at Upton? Press one for yes, two for no, or three if you just need more info. We appreciate your voting on this one way or the other so we can get a gauge on this if we can. We are coming to a close on this call pretty quick.

If you had a question whether you pressed zero or not, you can leave us a message at the end of this call. You've got to leave us your contact information to get back. If you are leaving a message, leave us your name, phone number, email address, some way so we can respond back to you if you do leave us that voice recording at the end. You've got up to three minutes after the end of this call to leave that message. Take us up on that. The office will get back to you. We appreciate all input, all comments. Take us up on the offer if you wouldn't mind. Mike, if you wouldn't mind, please bring us to the finish line.

Mike: Sure. Gosh, it seems like the time flies when you're having fun. I really appreciate the time that everybody spends to call in and listen and offer a few questions and also provide us the opportunity to reconnect with you if you're not able to get your question online. I really appreciate you taking time out of your evening to join us. I just want to remind everybody that, however it is that you interact with the PRECorp team from the front counter activity to mailing stuff in to having linemen that may be working on your property, I want you to remember that everybody at PRECorp is here to serve you. We're not here to be served by you. Hopefully, you'll give us an opportunity to serve you the best that we can. If you want to discuss anything further or bring items to our attention, you can do that by calling our toll free number, 800-442-3630, and talk to one of our member services reps, or leave a message at the end of the call. We'll certainly follow up on that.

We understand the importance and the impact of having power costs on everybody. We understand that the rate increases have definitely put pressure on folks. We just want to encourage you to reach out, educate yourselves on our efficiency programs, how you can make it easier to pay your bill using our online services. If you need to put in high-efficiency appliances or other energy-saving stuff, look at our zero-interest loan that we have to help finance that. Those are great services that we offer. Hopefully, we can be of service to you as you call in and reach out with any issues or questions that you have.

I really look forward to visiting with everybody at our next telephone town hall. That's going to be Wednesday, August 16, at 6:30. It's always a pleasure to be invited into your home. I look forward to seeing you then. Between now and then, if you have any questions or concerns, please call in. I'm not always available the day that you call but, if you want to talk with me, leave that as a message as well. I will call you back and we'll have a visit. Thanks a lot everybody for your time tonight.