

NEWS



P.O. Box 1020 • HAYS, KS 67601 •
TEL: 785.628.3598 • WWW.SUNFLOWER.NET

P.O. Box 9898 • Amarillo, TX 79105-5898
TEL: 806.379.7766 • WWW.GSEC.COOP

July 10, 2006

Texas Co-op Invests In Western Kansas Power Plant

GARDEN CITY, KS—The Boards of Directors of Sunflower Electric Power Corporation, Hays, Kansas and Golden Spread Electric Cooperative of Amarillo, Texas announced today they each have approved a Letter of Intent (LOI) that will result in Golden Spread's ownership interest of not less than 400 megawatts (MW) of the new 700 MW Holcomb East unit to be constructed at Sunflower's Holcomb Station site located four miles south of Holcomb, Kansas.

"Sunflower and Golden Spread have worked together on power supply issues for many years," said Earl Watkins, president and chief executive officer of Sunflower. "This agreement represents the result of those efforts." Watkins added, "The next step in this process is to complete the underlying documents so we can move toward financial closing as soon as possible."

"We are so pleased to be able to arrive at this critical point in our power supply planning process with Sunflower," said Robert W. Bryant, president and general manager of Golden Spread. "Our Members need additional coal-based resources, and we are convinced this new partnership with Sunflower is in their best long-term interests and it represents the best power supply option for our consumers."

This agreement follows an announcement last year by Sunflower and Tri-State Generation and Transmission Association, a Westminster, Colorado-based wholesale power supplier, to develop two additional 700 MW units at Holcomb Station. The Tri-State units and the Holcomb East unit will be operated and maintained by Sunflower.

Sunflower expects to name the additional participants in this unit in the near future. The agreement will require the approval of the Rural Utilities Service (RUS), and the National Rural Utilities Cooperative Finance Corporation (CFC).

At a recent employee meeting, Watkins told Sunflower employees, "Once again, our Board's leadership, coupled with your dedication to this effort, has been the key to bringing us to this new level in the expansion of the Holcomb site." He added, "With Golden Spread and Tri-State as our long-term co-op partners, we will collectively be serving all our customers in rural America in ways never before imagined." He concluded by saying, "I've never been more proud of my affiliation with the nationwide system of electric cooperatives than I am today."

About the Holcomb Expansion Project—

The Holcomb Expansion Project includes three new 700 MW supercritical, pulverized coal generation units adjacent to the east side of the existing 360 MW Holcomb 1 unit. The new units will share facilities with the existing unit, including the rail spur and systems for coal handling, waste treatment, water treatment, and certain administrative, warehouse, and control facilities. The units will burn low-sulfur coal from Wyoming and feature best available control technologies, which will make them among the cleanest in the nation.

Construction of the Holcomb East unit is scheduled to begin in mid-2007. The Tri-State units are scheduled for construction beginning in mid-2008 and 2009. The units are expected to be on-line in mid-2011, 2012, and 2013, respectively. While construction of each unit takes approximately 42-months, construction of subsequent units is most economical if they began about 12 months after groundbreaking for the first plant. Tri-State will serve as the construction manager for all three new units.

An application was filed in February by Sunflower for an air permit for three new units with the Kansas Department of Health and Environment. Public hearings on the application are expected to be held in October.

About Sunflower—

Sunflower Electric Power Corporation is a regional wholesale power supplier that owns and operates a 595 MW system of gas and coal-fired generating plants and a 1,200-mile transmission system for the needs of its six member cooperatives which serve 118,000 people spread throughout a 21,000 square mile area in western Kansas. Sunflower also provides power to regional utilities in western Kansas and in ten states. Visit Sunflower's website at www.sunflower.net.

Media Contact: Steve Miller (785) 623-3364 – Cell: (785) 650-9026

About Golden Spread Electric Cooperative—

Golden Spread Electric Cooperative is a tax-exempt, consumer-owned public utility, organized in 1984 to provide low cost, reliable electric service for its rural distribution cooperative consumers. Its 16 Member systems serve more than 185,000 retail consumers located in the Oklahoma Panhandle, and an area covering 24 percent of Texas' land area, including the Panhandle, South Plains, and Edwards Plateau regions. Visit Golden Spread's website at: <http://www.gsec.coop>.

Media Contact: Robert W. Bryant Phone: (806) 379-7766