

NEWS



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FOR IMMEDIATE RELEASE

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Power Plant Project Open House To Be Held At Holcomb High

Hays, KS—The public is invited to attend an open house on the Holcomb Expansion Project at the Holcomb High School on Thursday, August 24 from 4:00 p.m. to 8:00 p.m.

Steve Miller, Sunflower's Senior Manager, External Affairs said, "We are all looking forward to discussing our plans with those who may have some time to spend with us on Thursday." He added, "The open house will feature six specific information booths the public can visit to find more detailed information about the project."

Public tours of the Holcomb Station power plant will be available between 9:00 and 11:00 a.m. on Thursday, August 24 and Friday, August 25. Call (620) 277-2590 during working hours to schedule an appointment.

Representatives from three cooperatives, Sunflower Electric Power Corporation, Tri-State Generation and Transmission Association, Inc., Golden Spread Electric Cooperative, Inc., along with Midwest Energy, Inc., will be available to share information and answer questions about the expansion of Sunflower's Holcomb Station. Together, the three cooperatives serve, through their member systems, more than 1.5 million consumers with a combined service territory covering parts of seven states.

These cooperatives are not unique in their need for additional power. According to the National Rural Electric Cooperative Association, it is estimated that generation and transmission cooperatives across the United States will need to invest more than \$28 billion in the next decade to build new generation and transmission facilities and install pollution control equipment on existing facilities to serve their member systems.

Holcomb Expansion Project Background

The Project is proposed for the 10,000-acre site of the existing 360-megawatt (MW) Holcomb Station, located approximately four miles south of Holcomb, Kansas. The Project will consist of three supercritical pulverized coal (SCPC) units, each capable of generating 700 MW, for a total generating capacity of 2,100 MW.

The Project has many benefits:

- Power generated from the Project will help meet the growing demand for electricity from customers in Kansas and six nearby states.
- Communities throughout the region will benefit from new jobs, new tax revenues, and an increased demand for goods and services.
- The Project will also maximize the value of the Holcomb Station site for the benefit of Sunflower Electric's six member systems.

Golden Spread, Sunflower, and other investors will jointly-own the first new 700 MW unit. Construction is scheduled to begin in mid-2007 and to be online in 2011. Golden Spread will own 400 MW of the unit's output for supply to its member systems. Sunflower will provide up to 150 MW to its member systems and their customers served by Mid-Kansas Electric Company, LLC. Midwest Energy will utilize 75 MW to serve its retail members in central Kansas.

Tri-State will own the second and third 700 MW units, which it will use to supply power to its member systems. Construction of the second unit is planned to start in mid-2008, followed by the third unit about 12 months later. These units will be online in early 2012 and 2013, respectively.

Economic Impacts

The Project will create many benefits for communities located in the region. These include job creation, new tax revenues, and an increased demand for goods and services. Dr. Ralph Gamble, a noted rural economist and professor at Fort Hays State University, conducted an economic impact study to determine the effects of the Project.

Current Benefits of Holcomb Station

The Gamble study revealed that Sunflower currently has a sizeable economic impact on the Garden City area, western Kansas, and Kansas as a whole. For example, the direct and induced impacts of Sunflower's operations have resulted in 280 jobs in western Kansas, providing earnings of \$13.3 million per year and another \$493,000 from jobs created by operating and maintenance purchases in western Kansas. In 2005, Sunflower paid \$6.4 million in property taxes and \$134,000 in sales taxes.

Benefits During Construction

The average number of jobs available in western Kansas will grow by more than 2,000 during the Project construction period. According to the Gamble study, these workers will earn more than \$63 million per year and the taxes collected will increase by more than \$1.7 million.

Over the construction period of 66 months, the Project is expected to create a peak construction workforce of about 1,500 people. The job skills required for these positions will range from basic labor through the highly technical skills common to large construction projects.

The total spending of construction crews is expected to be more than \$8 million per year during construction period. Much of that spending will flow to the housing, food, and hospitality sectors of the economy.

Long-term Benefits During Operation

At full operation, the Project will add more than 400 direct and indirect full-time equivalent positions, earning over \$22 million per year, in western Kansas.

There will be a need for an additional 140 full-time workers to operate the Holcomb Station after all three units go into commercial operation. This will increase the total workforce at Holcomb Station to 270. The new positions required for these additions will range from entry-level workers through management staff.

Tax Revenue

The taxes paid related to the Project will contribute to a healthy economy in the region. Gamble's economic study showed that the Project will increase local and state tax revenues by \$439,000 per year in western Kansas.

The plants are exempt from property taxes for the first 12 years of commercial operation, but after that period, it is projected the three plants will be assessed annual property taxes of \$36 million for the balance of their expected 50-year lifetime.

ABOUT THE COOPERATIVES—

Sunflower Electric Power Corporation is a regional wholesale power supplier that owns and operates a 595-megawatt (MW) system of gas and coal-based generating plants and a 1,200-mile transmission system for the needs of its six member cooperatives that 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 10 states. Visit Sunflower's website at www.sunflower.net.

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Tri-State Generation and Transmission Association, Inc., is a wholesale electric power supplier owned by the 44 member cooperatives that it serves. Tri-State generates and transports electricity to its member systems throughout a 250,000-square-mile service territory across Colorado, Nebraska, New Mexico, and Wyoming. Serving more than one million consumers, Tri-State was founded in 1952 by its member systems to provide a reliable, cost-based supply of electricity. Visit Tri-State's website at: www.tristategt.org.

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

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