

NEWS



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SUNFLOWER RECEIVES ANSWER ON WATER REQUEST

Hays, KS—David Pope, Chief Engineer, Division of Water Resources issued his ruling on Sunflower Electric Power Corporation's request for a water appropriation in Finney County for the new power plant contemplated by the cooperative.

In his ruling, Pope ordered that Sunflower was entitled to an appropriation of 2,369 acre feet (AF) for use in the new construction project that is predicted to cost nearly one billion dollars, and employ 1,600 construction workers over a 42-month period of time

L. Earl Watkins, Sunflower's Executive Vice President and General Counsel said, "Sunflower is disappointed that the order didn't provide for the amount requested." He continued, "While we asked for 5,200 AF in total, we testified during the public hearings in Deerfield that we intended to use 2,600 acre feet for Unit #2 and an identical amount for the third unit at Holcomb Station." Watkins added, "The good news in this order is that we are only 231 AF short of what we planned for, so now we can complete the balance of our water supply acquisition activities."

The new 600 MW coal-fired power plant will require a water supply of nearly 8,000 acre feet annually. With the existing agreements Sunflower has in place for water supply and those currently under consideration the company is confident an adequate water supply for the new plant is achievable.

Regarding other supply options under consideration, Steve Miller, Sr. Manager, External Affairs, said, "We have a number of choices to make, but out of respect for those involved, Sunflower will identify the parties involved only when the process is completed and is in accordance with the requirements of the Chief Engineer.

Sunflower has 15 days from June 27, 2003 to file an appeal of the DWR order to Secretary of Agriculture. Miller said the company is continuing to digest the full meaning of the Order and will only act in a way that is beneficial for the six distribution cooperatives that own Sunflower and for the 120,000 consumers they serve.

Other key points of the Order are as follows:

- Water to be withdrawn among the three rights, with the combined withdrawal not to exceed 2,369 AF, nor more than 1,300 AF from any one well. Priority dates of the water rights are May 14, 1990.
- The water is limited to industrial use for power generation at Unit 2, with the ability to request commingled water use at Holcomb Station at a later date.
- Order requires Sunflower to implement a monitoring system of 4 wells to assess the impact of the water wells on the static water levels and saturated thickness.
- Sunflower must submit monitoring plan to Chief Engineer for approval by Dec. 31, 2004.
- Monitoring wells must be installed no later than Dec. 31, 2007.
- Annual reporting is required beginning March 1, 2009.
- Approval of the water rights is conditioned upon a showing to the Chief Engineer by Dec. 31, 2007 or one year prior to commencement of the diversion works that Sunflower has acquired or will acquire additional water sufficient to operate Unit 2.
- Sunflower is granted until Dec. 31, 2008 to complete its diversion works.
- Sunflower is granted until Dec. 31, 2012 to perfect water rights.
- Upon good showing, the deadlines for diversion works and perfection may be extended by the Chief Engineer upon Sunflower's request.

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 who serve 120,000 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.