

NEWS



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Two New Power Plants To Be Built In Western Kansas

After more than five years of development activities, the Board of Directors of Sunflower Electric Power Corporation yesterday approved a Memorandum of Agreement with Tri-State Generation and Transmission Association, Inc. of Westminster, Colorado that will result in the construction of two 600 megawatt coal-fired power plants at Sunflower's Holcomb Station plant located four miles south of Holcomb, Kansas.

"All of us have worked hard for a very long time to get to this point in the project," said Sunflower's president and chief executive officer Earl Watkins at meetings with Sunflower's employees this morning. "This new partnership with Tri-State will bring many benefits to Sunflower's Member Systems and will aid Tri-State in its plan to add new resources to their generation portfolio," Watkins said.

Sunflower is receiving significant support for the expansion at Holcomb from the Kansas congressional delegation. Senator Pat Roberts, a long-time supporter of Kansas cooperatives said, "This is great news for economic growth in the Garden City and Holcomb area. Besides creating new jobs, the two coal units will bring millions of dollars of investment to the local economy." He added, "The folks at Sunflower have done an excellent job, and I will continue to support their efforts."

Congressman Jerry Moran also commented on the announcement saying, "The agreement between Sunflower Electric and Tri-State is great news for Kansas, both in terms of economic growth and meeting the long term energy needs of our state and the surrounding region. I applaud the leadership of Sunflower for their commitment to investing in Kansas."

The agreement calls for Tri-State to own the new plants and contract with Sunflower to operate and maintain the new units once constructed.

Watkins told Sunflower's employees that Tri-State and Sunflower will soon finalize detailed agreements and Tri-State will begin working on transmission permitting and agreements for engineering, construction, and project management services.

The timeline for transmission permitting, site preparations and the construction schedule will be announced once the construction plan is formalized; however, construction is expected to begin in 24-42 months.

While construction of each unit takes approximately 42-months, construction of a second new unit would be most economical if it began about 12 months after groundbreaking for the first plant. Construction will require a workforce of approximately 1,400 workers for varying periods of time.

Watkins told the Sunflower employees, "The Board's vision and leadership, coupled with your dedication to this effort, has been the key to bringing us to this point in the expansion of the Holcomb site," he added. "Today marks the beginning of the next phase of our work with Tri-State to get these new plants built and in commercial operation as soon as practical."

Tri-State's Executive Vice President and General Manager J.M. Shafer, in a recent news release said, "The decisions made by our board of directors today will benefit the region's consumers for years to come in the form of long-term, reliable, affordable electric power. It's not unlike the situation we were in about 30 years ago when the system's demand for power outgrew the capacity and we invested in the development of our existing power plants in Craig (Colo.) and Wheatland (Wyo.). Those facilities have proven their worth many times over since they came on-line, just as I'm sure our new facilities will once they're built."

The new plants will be physically located adjacent to the east side of the existing Holcomb plant and be integrated with Holcomb 1 through common facilities that will serve the plants. These common facilities include the rail spur and systems for coal handling, waste treatment, water treatment, and certain administrative, warehouse, and control facilities.

"As you know, we have access to high-quality coal from Wyoming," Watkins said. "The design of these new plants will feature the latest environmental technologies, which will make them among the cleanest in the nation." The power produced by the new plants will be moved through new 345,000 volt transmission lines that will stretch from Holcomb into eastern Colorado to interconnect the plants with Tri-State's transmission system in the western portion of the nationwide electrical grid.

These new units will be added to Tri-State's existing system of 3,123-megawatts of generation and more than 5,000 miles of high-voltage transmission line.

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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 who 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.

Sunflower is owned by its six Member systems including: Lane-Scott Electric Cooperative, Inc. – Dighton; Pioneer Electric Cooperative, Inc. – Ulysses; Prairie Land Electric Cooperative, Inc. – Norton; Victory Electric Cooperative Association, Inc. – Dodge City; Western Cooperative Electric Association, Inc. – WaKeeney, and Wheatland Electric Cooperative, Inc. – Scott City.

About Tri-State Generation and Transmission Association Inc.—

Tri-State Generation and Transmission Association is a wholesale electric power supplier owned by the 44 electric 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 1 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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