

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on February 4, 2008 in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Raney Gilliland, Kansas Legislative Research Department
Cindy Lash, Kansas Legislative Research Department
Mike Corrigan, Revisor of Statutes
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Earnie Lehman, President & General Manager, Midwest Energy, Inc.
Robert "Mac" McLennan, Tri-State Generation & Transmission
Jarrod Forbes, Orion Ethanol
Amy Blankenbiller, Pres & CEO Kansas Cof C
Eric Depperschmidt, Finney County Economic Development Corp.
Wayne Penrod, Sunflower Energy
Richard Taylor, Plumbers & Pipefitters Union #441, Wichita

Others in attendance: See attached list

Introduction of bills

Michael R. Murray of Embarq Corporation, requested introduction of a bill that would relate to the ability of Kansas Corporation Commission to approve mergers and acquisitions of price cap companies. This bill would amend 66-2005, 66-127 and 66-136.

Moved by Senator Apple, seconded by Senator Pyle, approve introduction of the bill as set forth by Mike Murray. Motion carried.

Senator Roger Pine requested introduction of the bill draft 7rs126 which concerned proposed rate increases and notification of customers in a timely fashion. The bill would also require timely notification of customers by the Citizens Utility Ratepayers Board as to whether CURB would represent the customers and be part of the consideration of a rate increase.

Moved by Senator Pine, seconded by Senator Apple, introduce draft 7rs126. Motion carried.

Chair opened hearing on **SB 515 - Electric generation, transmission and efficiency and air emissions.**

Chairperson Emler noted because of the number of proponents and opponents, the Senate Utilities Committee will hold hearings for the proponents on Monday and Tuesday, Feb. 4 and 5; and for the neutrals and opponents on Wednesday and Thursday, February 6 and 7. In order to give each conferee time to present their testimony, the Chair set the following rules; (1) a six minute time limit for each conferee; and (2) summarize their written testimony - do not read it. Questions by the committee would be permitted if time allowed after each presentation.

Proponents

Earnie Lehman, President & General Manager, Midwest Energy, Inc., focused on the relatively high rates paid by their customers and highlighted the low average incomes of western Kansans and their greater age. He discussed the lack of new baseload energy alternatives to serve their customers and that Midwest has made larger commitments to wind energy than other large Kansas utilities. He presented an analysis of the differences between average rates paid in 2005 by eastern and western Kansans. Use of natural gas as an alternative is not a sound solution due to the higher cost. Their goal is a balance of renewable energy, energy efficiency and clean gas and coal-fired energy resources. (Attachment 1)

Questions: What are the energy rates for Colorado and Oklahoma and how do they compare to Kansas? Mr. Lehman agreed to provide this info. How will the future rates play out? Incentives not being offered and this would be a big factor.

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on February 4, 2008 in Room 526-S of the Capitol.

Robert "Mac" McLennan, Tri-State Generation & Transmission, stated in their business as a wholesale power supply cooperative they generate, purchase and transmit electricity to cooperatives and public power systems in a 250,000 square mile service territory. Tri-State is involved in Kansas with Sunflower as they both have a mission to ensure reliable, low cost electric service to rural communities. He noted their investment in Kansas to this joint venture has been \$40 million and, beside the coal fired plant in Holcomb, would include an integrated bioenergy center in Finney County. He described several projects in which Tri-State is involved and supports **SB 515** as it encourages the development of renewable resources and energy efficiency. (Attachment 2)

Questions: How will the new interconnect allow generation to Colorado? By Converter AC/DC/AC which will allow transmission both ways.

Jarrod Forbes, Orion Ethanol, spoke in support of **SB 515** and the economic development it represents for rural Kansas. In building the \$100 million ethanol project in Pratt, the community of Pratt has been revitalized. This legislation establishes incentives for carbon mitigation, the greatest of which is for carbon sequestration. He stated Sec. Bremby's decision caused Orion to abandon a planned investment in Kansas of \$300,000.000 due to regulatory uncertainty and that the facility has been contracted in Texas. (Attachment 3)

Amy Blankenbiller, Pres & CEO, Kansas Chamber of Commerce and Industry, stated the decision to deny the Holcomb air permit has created widespread concern about the regulatory permitting process in Kansas and has made an impact on economic development. Businesses and industry, both in and out of Kansas, are questioning future investments until greater predictability can be restored. The Chamber suggested the language in Sections 30, 31, 32 and 33 be broadened to ensure a fair and predictable regulatory process for not just air permitting issues, but all environmental media. The Chamber is concerned about the legislation creating an emission limit for a specific environmental component through statute rather than regulation. The bill includes a carbon tax which makes Kansas the first state in the nation to adopt a carbon tax by statute rather than regulation. She urged the Committee to address the Chamber's issues of concern and consider their suggestions. (Attachment 4)

Ms. Blankenbiller agreed to provide information from their Area Development's Corporate Survey.

Some discussion on whether the proposed carbon tax is inadequate and whether a federal tax would remove the state carbon tax or be an additional cost.

Eric Depperschmidt, President, Finney County Economic Development Corp. , noted **SB 515** has several progressive elements regarding the development of Kansas energy policy. It would promote a level playing field by ensuring regulatory certainty and consistency. It also recognizes a way to reduce and or mitigate carbon dioxide emissions and limitations. (Attachment 5)

Wayne Penrod, Sunflower Energy, voiced Sunflower's support of the bill and need for regulatory certainty. He reviewed the steps they took in applying for a permit and the outcome. He reviewed the various features of the bill and noted some are unique. It contains statutory limitations on the release of carbon dioxide on new fossil-fueled steam electricity generating units. He provided information on their Bio-Energy Integrated Center and the uses of algae. (Attachment 6)

Richard Taylor, Plumbers & Pipefitters Union #441, Wichita, noted the building trades have supported the Holcomb Project and have committed to opening a training center in Garden City to train the workforce needed for this construction. Over 2,000 craftsmen would be needed for the building and several hundred permanent jobs would result after the plant completion. (Attachment 7)

Written testimony only was provided by Judy Moler, Kansas Association of Counties. (Attachment 8)

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary Attachments - 8

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: FEBRUARY 4, 2008

Name	Representing
- Randall Allen	Kansas Assoc. of Counties
Carol McDonnell	Tallgrass Ranchers
LEE BOUGHAY	TRI-STATE G&T
PHIL WAGERS	KEPCO
Earnie Lehman	Midwest Energy
MacMcLennan	Tri-State G&T
Dagmar Wood	Sunflower
Eric Dapperschmidt	FCEDC
Steve Miller	Sunflower
Nate Michel	Hein Law Firm
Wendy Miller	KAAA - KRMCA
Marlee Carpenter	KS Chamber
Duane Simpson	KGFH - KARA - KAEP
Michael R. Brink	Ironworker B. A.
Dennis Withman	PIPE FITTERS #441 B.A.

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: FEBRUARY 4, 2008

Name	Representing
RICHARD TAYLOR	BLDG. TRADES
Kirby Clark	BLOG TRADES
Paul Jones	Union Ethanol
John S. Pinegar	Sunflower Electric
Mark Salcars	Sunflower Electric
Mike Reecht	Maches Brader
J. Schuler	DFM Desinfection
Jay Kramer	CARTER GROUP
BRAD MEARS	KMU
Mike Beam	Ks. Livestock Assn
Tom Thompson	Sierra Club



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Energy, Inc.**

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Earnest A. Lehman, President and General Manager

**Testimony Submitted by Earnie Lehman
To the Senate Utilities Committee
In Support of SB 515**

February 4, 2008

Mr. Chairman and members of the Committee, thank you for the opportunity to appear before you today. I am Earnie Lehman, President and General Manager of Midwest Energy, Inc., a customer-owned gas and electric utility serving 90,000 customers in 41 counties of central and western Kansas. We also provide wholesale electricity to 8 municipalities. I support this legislation as essential to meeting the future energy needs of virtually every Kansan west of Salina and Hutchinson. My testimony will focus on the relatively high rates paid by Sunflower member cooperative customers and Midwest Energy customers. I'll also highlight the relatively low average incomes of western Kansans, and their relatively greater age. I'll discuss the lack of new baseload energy alternatives to serve Midwest Energy customers, who (like Sunflower) nevertheless have made much larger relative commitments to wind energy (capacity equivalent to 16% of our peak load) than other, much larger Kansas utilities.

I'll begin by talking about rates. Cindy Lash of the Legislative Research Department analyzed the 2005 residential, commercial and industrial rates of all

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Attachment 1-1

Kansas utilities last December. She prepared a report I have included with this testimony. Ms. Lash's research speaks for itself. I note that her analysis shows the following differences between average rates paid in 2005 by eastern and western Kansans.

<u>Class</u>	<u>East</u>	<u>West</u>	<u>Premium</u>	<u>%</u>
Residential	7.6 cents	10.2 cents	2.6 cents	34.2%
Commercial	6.6 cents	9.4 cents	2.8 cents	42.4%
Industrial	5.2 cents	10.4 cents	5.2 cents	100%

I located 2006 information for residential customers compiled by the Kansas Electric Cooperatives, Inc., an association to which all Kansas and several non-Kansas cooperatives belong, from reports filed at the Federal Energy Regulatory Commission and the Rural Utilities Service. We calculated the weighted average rates and usage for Sunflower member cooperatives, Aquila customers now served by those cooperatives and Midwest Energy. Then we calculated similar weighted averages for Westar (north and south) and Kansas City Power & Light.

Sunflower/Midwest average revenue/kWh	10.01 cents
Westar/KCPL average revenue/kWh	7.34 cents
Sunflower/Midwest premium and %	2.67 cents (36.4%)

Fortunately, our residential customers use less energy.

Sunflower/Midwest average monthly residential usage 819 kWh

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Westar/KCPL average monthly residential usage	989 kWh
Westar/KCPL extra usage (%)	180 kWh 20.8%

It's good that our customers use less energy because they have a lot less money to pay for it. We use income and demographic data in preparing annual and long-range energy usage forecasts for Midwest Energy. Our most recent Average Median Household Income reflects 2004 data.

Midwest Energy Service Area	\$33,854
Kansas Average	\$41,664
Populous Counties (Douglas, Johnson, Leavenworth, Saline, Sedgwick, Shawnee and Wyandotte)	\$45,751
MWE as a proportion of Kansas Average	81.3%
MWE as a proportion of populous counties	74.0%

We are not only poorer, we are older. One out of six residents in counties served by Midwest Energy (16.65%) is older than 65. For Kansas as a whole, the ratio (13.25%) is closer to one out of eight residents older than 65.

There is an ironic silver lining. Only 10.8% of persons in our service territory were in poverty in 2004 versus 11.1% for Kansas as a whole. But that is still 10.8% of the population that is already having trouble paying its utility bill.

Now I'll shift our attention to the lack of alternatives currently available to Midwest Energy and Sunflower for new **baseload energy supplies**. Midwest

Energy conducted two RFP processes (requests for proposals) in early 2006. One RFP was issued to replace expiring contracts under which Westar supplies most of our energy needs. The other RFP was issued to secure additional renewable energy resources. Our renewable energy RFP was successful. We currently have 25 MW of wind resources, equivalent to about 8% of our retail peak load. **By the end of 2008 we will have 25 more MW for a total of 50 MW, equivalent to 16% of our retail peak load. We will have half the wind energy resources of KCPL, although their 2006 energy sales were more than 14 times greater than Midwest Energy's.**

We have been far less successful in securing the baseload energy resources needed to serve our customers “around the clock”. Except for our Letter of Intent with Sunflower to purchase 75 MW from one of the new Holcomb units, we have been unable to obtain any commitment from any utility operating in Kansas to provide any baseload resources. It may happen, but it hasn't happened yet, forcing Midwest Energy to operate under short-term agreements that expose its customers to considerable risks.

Midwest Energy has located other sources of baseload energy outside Kansas. I hope we will not be forced to go to Arkansas, Illinois or Nebraska to serve the needs of our customers. Even if we are, it will take several years before we know whether transmission service will be available to deliver those new

resources and at what cost. My experience with Midwest Energy and the knowledge I have gained as Vice Chair of the Kansas Electric Transmission Authority have taught me the virtue of trying to meet the needs of our customers as close to home as possible.

I do not believe it is sound policy to drive more and more of our electric generation to natural gas. Over the last decade or so electric utilities relied almost entirely on natural gas fired generation to meet the growth in their summertime needs for power. Natural gas prices no longer remain low through the summer as they used to. I fear for the future heating bills of Midwest Energy's (and all other utilities') gas customers should electric utilities have to burn large quantities of gas year around.

There are many other aspects of the bill that deserve praise, particularly the carbon mitigation requirements and strategies. I have chosen to focus on power supplies because, without reliable and affordable electric service, I have failed in my responsibility to our customer-owners. We look forward to a balanced future of renewable energy, energy efficiency, and clean gas and coal-fired energy resources which will allow our customers to share in the dream of a better future.

Mr. Chairman, Midwest Energy supports SB 515 and urges its favorable passage out of Committee. I will stand for questions at the appropriate time.

Thank you.

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Testimony of
Mr. Robert "Mac" McLennan, Senior Vice President, External Affairs
Tri-State Generation and Transmission Association, Inc.
on Senate Bill No. 515
before the Senate Committee on Utilities
February 4, 2008

Chairman Emler, Ranking Member Lee and Members of the Committee:

My name is Mac McLennan. I serve as Senior Vice President of External Affairs and Member Relations for Tri-State Generation and Transmission Association, Inc. I am testifying in support of Senate Bill No. 515, which is of vital importance to our cooperative's 1.4 million consumer-owners, as well as to the consumer-owners of electric cooperatives across western and central Kansas.

I am the senior executive responsible for developing Tri-State's legislative and policy strategies and guiding its partnerships and external association activities. I started my career in government relations with U.S. Senator Byron Dorgan (ND) but have spent the last 15 years in the rural electric cooperative industry.

Tri-State is a not-for-profit, wholesale power supply cooperative that generates, purchases and transmits electricity to forty-four member distribution cooperatives and public power systems in Colorado, Nebraska, New Mexico and Wyoming. Tri-State serves a 250,000 square-mile service territory and employs more than one thousand people who, each day, ensure that our consumer-owners will receive the electricity they need to run their businesses, irrigate their farms, provide water for cattle and live their daily lives.

Our collaboration with Sunflower Electric Power Corporation to expand Holcomb Station represents the strength of our Nation's electric cooperative system. Irrespective of state boundaries, rural Americans come together through their cooperatives. Our cooperative principles bring consumers together to own and run their local distribution cooperative. Distribution cooperatives from many states collaborate to own and operate their generation and transmission cooperatives, and these G&Ts often collaborate to share regional facilities. Yet even at the G&T, we are always working for the consumer-owner at the end of the line, no matter which state they reside.

Tri-State shares a special kinship with our Kansas partner and fellow cooperative Sunflower Electric Power Corporation. We are both generation and transmission cooperatives created in the 1950's by our respective member distribution cooperatives. We share a mission to ensure reliable, low-cost electric service to rural communities. And most important to the matter the Committee is considering today, we share real challenges to fulfilling our mission as our rural communities and industries grow, electricity demand rises, and electricity supplies become scarce.

Our cooperatives also share a unique opportunity to invest in the future of western Kansas while best serving our consumer-owners' energy needs. Our collective \$3.6 billion investment in Kansas will be among the cleanest and most efficient coal-fired generating units in the U.S. In partnership with Kansas State University, our investment will drive the development of an innovative integrated bioenergy center in Finney County that could mitigate carbon emissions and create new rural industries. Our high-voltage transmission infrastructure investments in Kansas will create significant opportunities for wind energy export to eastern and western markets. Together, these investments can transform the western Kansas economy while serving growing rural communities with much needed power.

As a major partner in the Holcomb Station expansion, it is important that the Committee understand how and why Tri-State came to participate in the project. Tri-State's existing generation resources — those facilities that we own and the power that we purchase under firm, long-term contracts — are insufficient to meet our rural communities' growing demand for power. At its 2007 annual meeting, our 44-member board of directors endorsed a responsible and balanced plan to secure additional supply-side and demand-side resources. In the near-term, Tri-State's plans include additional demand-side management and energy efficiency programs for our member cooperatives, acquisition of intermediate resources to meet near-term load growth and support the integration of more renewable energy in our system, and achieving a renewable portfolio standard of 10 percent by 2020 for member cooperatives in Colorado and New Mexico.

For the long-term, Tri-State, as well as Sunflower, must develop additional baseload facilities. Baseload facilities, almost by definition, have long lead times for development and high capital costs, but are the preferred option for ensuring low, stable rates for our consumer-owners. This is particularly true for rural electric cooperatives, which tend to have higher load factors than urban utilities. After a thorough review of all supply options, Tri-State issued a request for proposals for baseload power supply in August 2004.

Tri-State reviewed numerous proposals, including one submitted by Sunflower to expand their Holcomb Station facility. The Sunflower proposal, with the G&T's excellent record for operating and environmental performance at Holcomb Station, as well as the cost savings associated with expanding an existing site and sharing joint facilities and access to rail lines, was preferred. Sunflower had previously received an air permit for the expansion of Holcomb Station and we were confident that we could build a project that would comply with clearly understood Kansas and Federal standards.

In August 2005, Tri-State's board of directors made the decision to expand Holcomb Station by two units to be owned by Tri-State, and to build a high-voltage transmission network to serve our member cooperatives' loads in eastern Colorado, with a two-line, 500-kilovolt extension of the western interconnected electrical grid into Kansas and to Holcomb Station. The board of directors also decided to develop a site for a future power plant in southeastern Colorado.

Tri-State's acquisition of additional intermediate and renewable resources, in advance of the anticipated in-service date of the two Holcomb Station units, allowed Tri-State to develop just one of the two originally proposed units. With the addition of a unit to serve Sunflower, Midwest Energy and Golden Spread Electric Cooperative, Tri-State's action reduced the overall Holcomb Station expansion proposal from three 700-megawatt units to two, with a corresponding reduction in air emissions.

Participating in joint project development and ownership of facilities is a common practice for Tri-State, electric cooperatives and utilities in general. Many Kansas power plants, including Jeffrey Energy Center and Wolf Creek Nuclear Generating Station, are jointly owned by numerous utilities and send energy outside Kansas. Tri-State's largest owned and contracted baseload generation facilities are operated with other utilities. Joint operation of facilities reduces operational and financial risk while improving regional system reliability. Collaborating through jointly owned facilities allows utilities to enjoy the economies of scale that larger, more efficient facilities bring, while limiting the reliance individual utilities have on any one generating unit. This "shaft diversity" allows utilities to better manage the reliability of their system.

Tri-State also collaborates on new transmission infrastructure. The Eastern Plains Transmission Project, a proposed joint project between Tri-State and the U.S. Department of Energy's Western Area Power Administration, would construct new transmission lines and new or expanded substations in eastern Colorado and western Kansas. Preparation of the environmental impact statement, engineering, route selection and preliminary land work have already begun on the project. These facilities will assist Tri-State to serve its member cooperatives and Western to serve its hydropower customers. The project would also enhance power delivery system reliability in the region, relieve existing constraints and provide opportunities for additional interconnections, including renewable energy projects.

The value of Tri-State's transmission investment to Kansas renewable energy developers cannot be overstated. Western Kansas and eastern Colorado are similar in that both regions lie on the boundary between the electrically-separated eastern and western interconnected electrical grids. With relatively small load serving requirements in these regions, there has been little need for utilities to develop robust transmission infrastructure. However, both western Kansas and eastern Colorado boast plentiful wind energy resources. A lack of transmission infrastructure has delayed the development of wind energy resources in both eastern Colorado and western Kansas, and the development of significant infrastructure to serve only wind energy projects makes many of these projects economically unfeasible. With the proposed development of EPTP, Tri-State has seen numerous wind energy project transmission interconnection requests in eastern Colorado that are tied directly to or supported by the availability of the EPTP. We would expect that the extension of the EPTP, and the western interconnected electrical grid, into Kansas would open western U.S. markets to Kansas wind energy developers and provide an economically feasible transmission path.

Tri-State is also a partner in the High Plains Express Transmission Project, which is a consortium of western electric transmission owners, state transmission authorities and an independent transmission company. The consortium is jointly exploring opportunities to expand the electric transmission grid in Wyoming, Colorado, New Mexico and Arizona to reliably meet growing electricity needs by increasing access to renewable and other diverse resources within regional energy resource zones. The EPTP could be integrated into the HPX, further opening Kansas wind energy zones for export to the western U.S. market.

The cooperatives have developed a project that meets all of the stated environmental requirements of the State of Kansas and the U.S. Environmental Protection Agency. In addition, the cooperatives propose to mitigate a portion of the project's carbon dioxide emissions through the development of an integrated bioenergy center at Holcomb Station, which will use carbon dioxide to grow algae for renewable fuels production. The cooperatives have already completed phase I testing with Cambridge, Mass.-based GreenFuel Technologies.

Tri-State came to Kansas with an expectation that we would be treated fairly, just as we have come to expect in the other states in which we serve consumers and operate facilities. The professional staff at the Kansas Department of Health and Environment's Bureau of Air and Radiation competently reviewed the project's air permit application to ensure that public health was protected, citizen concerns were addressed and strict federal and state standards were met. On October 17, 2007, the Bureau "recommended the issuance of an Air Quality Construction Permit to Sunflower Electric Power Corporation."¹

On October 18, 2007, KDHE Secretary Roderick Bremby rejected his professional staff's recommendation and denied the air permit for the Holcomb Station expansion based on his finding that "carbon dioxide presents a substantial endangerment to the health of persons or the environment." We believe the denial was arbitrary and capricious, as neither the State of Kansas nor the Federal government has any rule, regulation or statute governing the emission of carbon dioxide.

Tri-State supports HB 2711 and believes the provisions in the bill address the KDHE Secretary's unlawful actions. The bill ensures that the KDHE regulatory process is fair and impartial to all applicants by requiring the Secretary to issue an air permit when the application complies with all rules and regulations required for issuance. The bill restates current law that KDHE emergency powers are limited to emissions from existing facilities and do not apply to the air quality permitting process. The bill allows air quality permit applicants who filed after January 1, 2006 to request the Secretary reconsider their permit application under current law, as amended. The bill also allows, with the approval of the legislature, KDHE to establish rules and regulations that are

¹ Responsiveness Summary, Sunflower Electric Power Corporation, Holcomb Expansion, Air Quality Construction Permit Application; Kansas Department of Health and Environment, Bureau of Air and Radiation, Air Permitting Section; October 17, 2007

more restrictive than rules and regulations established by the U.S. Environmental Protection Agency.

The bill is also groundbreaking in that recognizes a path to reduce or mitigate carbon dioxide emissions. The bill mandates the reduction or mitigation of carbon dioxide emissions from new facilities and provides a framework that advances new technologies and innovations that will lead to carbon dioxide reduction while encouraging the development of renewable resources and energy efficiency deployment.

Tri-State has invested approximately \$40 million in Kansas, based on the reasonable expectation that the rule of law would be followed and that if all requirements were met, an air permit would be issued. The Secretary's actions were wrong, and we believe it imperative that the Kansas Legislature act to check his unlawful action.

Chairman Emler, Ranking Member Lee and Members of the Committee, thank you for conducting this hearing today. This issue is of grave importance to our 44 member cooperatives and their 1.4 million consumer-owners, to the consumer-owners of Kansas electric cooperatives depending on the Holcomb Station expansion for their baseload power needs, and to the Kansas economy.

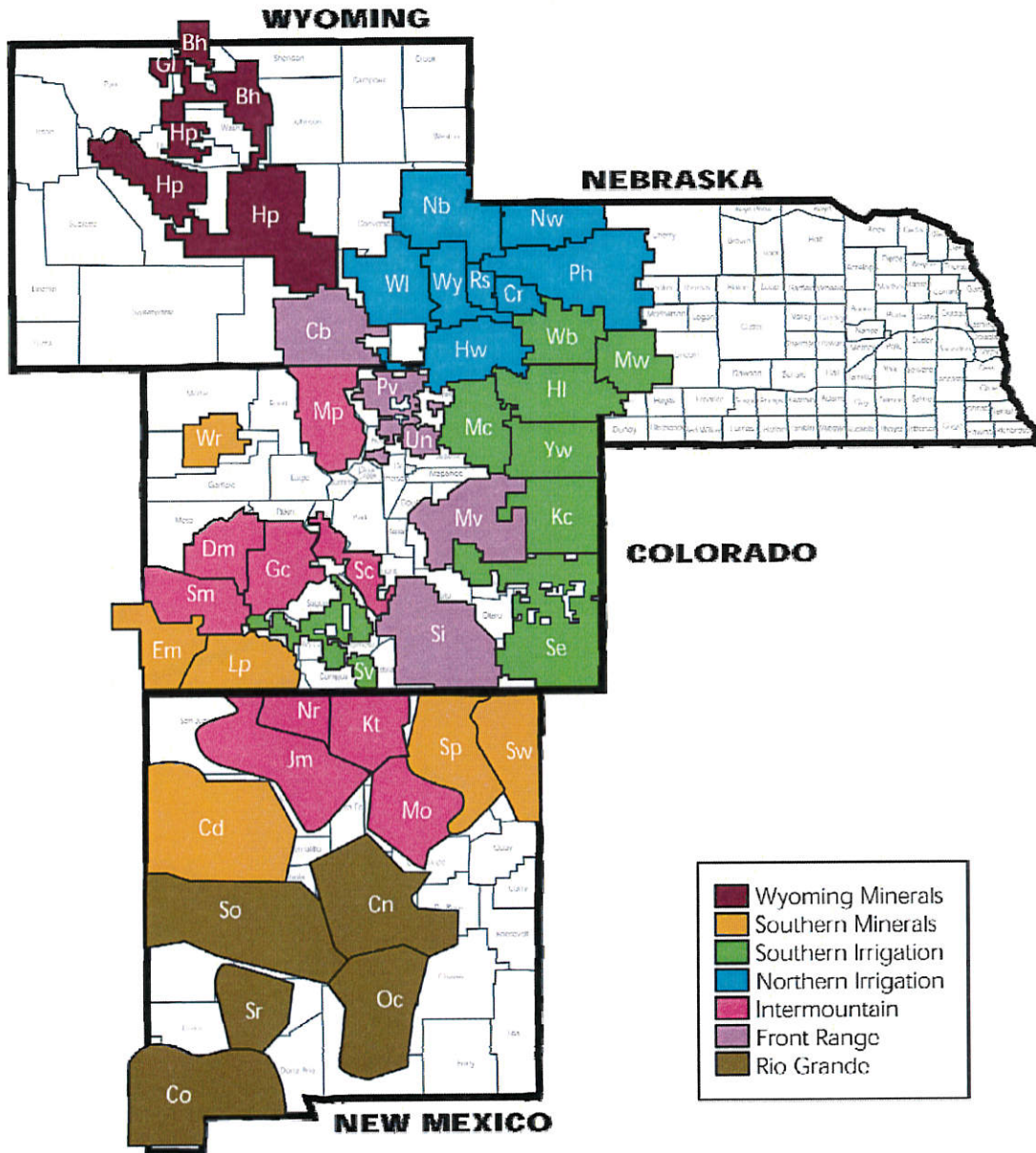
I have the following attachments be included in the hearing record.

Attachments:
Service Territory
EPTP Map

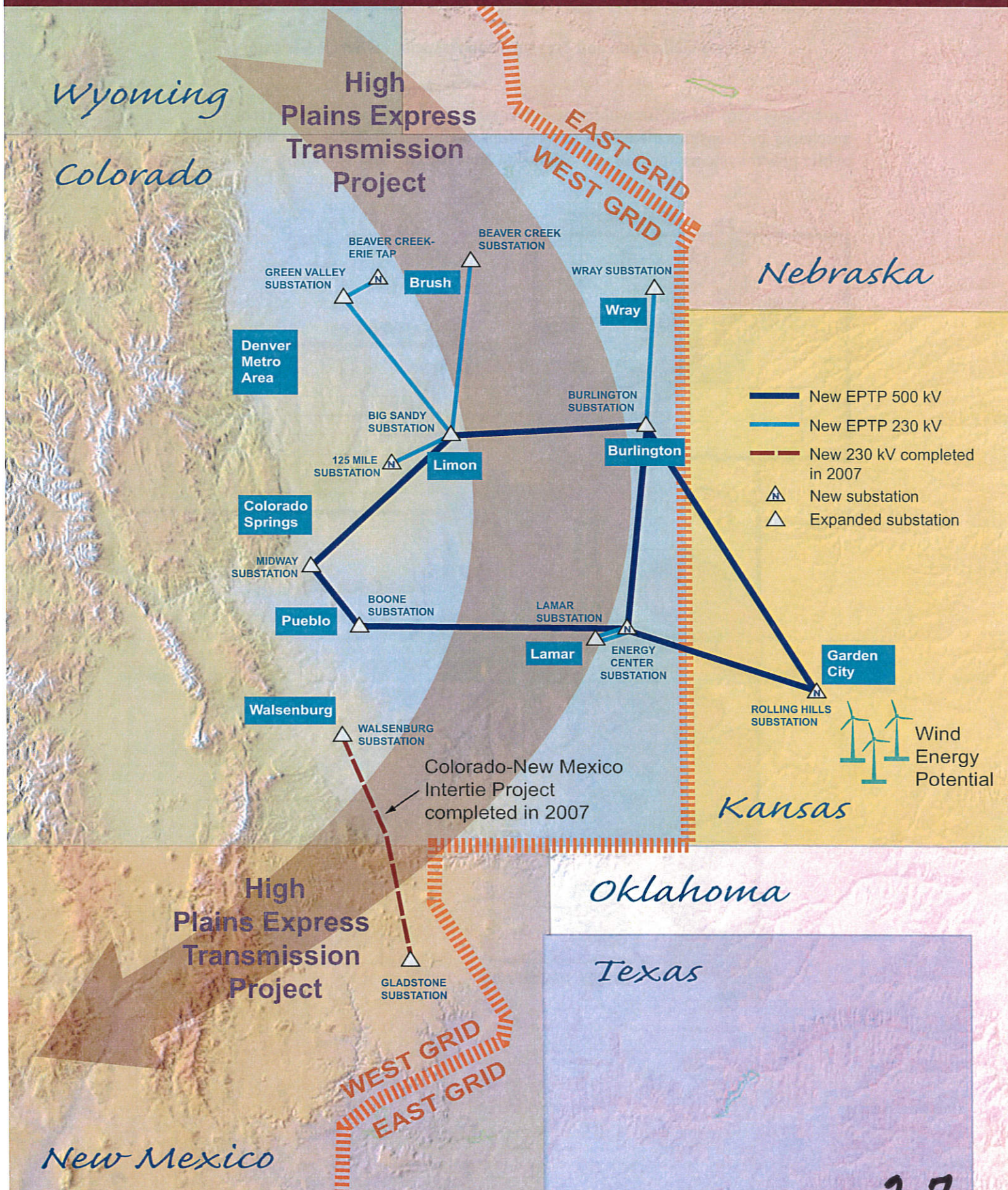
2-5

Tri-State Generation and Transmission Association Service Territory

Tri-State is a not-for-profit, wholesale power supply cooperative that generates, purchases and transmits electricity to forty-four member distribution cooperatives and public power systems in Colorado, Nebraska, New Mexico and Wyoming



Western Interconnection Transmission and Potential



Benchmark Communications

FEBRUARY 4, 2008
SENATE UTILITIES COMMITTEE
TESTIMONY SUPPORTING
SB 511

Mr. Chairman, members of the committee:

Thank you for the opportunity to appear before you today. My name is Jarrod Forbes and I represent Orion Ethanol. Orion is a renewable energy company based in Pratt, Kansas.

Unlike most ethanol companies in the United States, which are cooperatives owned by hundreds of farmers; Orion Ethanol is tightly held and publicly traded. Orion's Senior Management has more than two decades of experience managing public companies and more than seven decades of experience in ethanol production.

I am here to offer our support of this legislation and the economic development it represents for rural Kansas. My clients homesteaded in Pratt, Kansas several decades ago and have witnessed firsthand the gradual decline of the socioeconomics of their home town. Their determination to revitalize the community of Pratt was the main impetus for building the \$100 Million ethanol project.

Even though we have experienced many peaks and valleys in completing the project, I submit Orion would not have been successful if not for the sheer determination of Kansans and their refusal to give up. If my clients were here today they would tell you the story of pre and post ethanol in Pratt. Prior to our facility, Pratt had experienced declining school enrollment and a vacant Main Street. Now with the benefit of a \$100 Million construction project creating more than 40 permanent jobs—the local economy is making a comeback. Mr. Chairman, Main Street is full again, restaurants are enjoying a steady stream of customers and overall morale is high.

Just like the gradual socioeconomic decline experienced in Pratt, many other rural communities have experienced the same decline. These communities are nearing a breaking point. Due to this desperate situation, we believe Kansans will rise to the occasion and find a way for rural Kansas to make a comeback.

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Attachment 3-1

Setting the standard in strategic commu

Clearly a \$4.3 Billion injection into western Kansas would do great things. However, we face the reality of dealing with CO₂. It would be irresponsible to simply ignore the hazards of continued and increased emission levels. The legislation before you establishes incentives for carbon mitigation—the greatest of which is for carbon sequestration.

Mr. Chairman, we believe Kansans have the determination and desire to develop a reasonable private sector solution to CO₂. Orion Ethanol is willing and eager to help pioneer the carbon sequestration industry. Our long-term business plan calls for more than \$1 Billion of pipeline and renewable energy development in Kansas and its neighboring states.

While we believe a few minor changes in this bill would make it stronger, we stand ready to work with this committee and the entire legislature to pass legislation that is meaningful and that revitalizes rural Kansas.

Mr. Chairman, I appreciate your willingness to hear my testimony on behalf of Orion Ethanol and would be happy to answer any questions the committee may have.

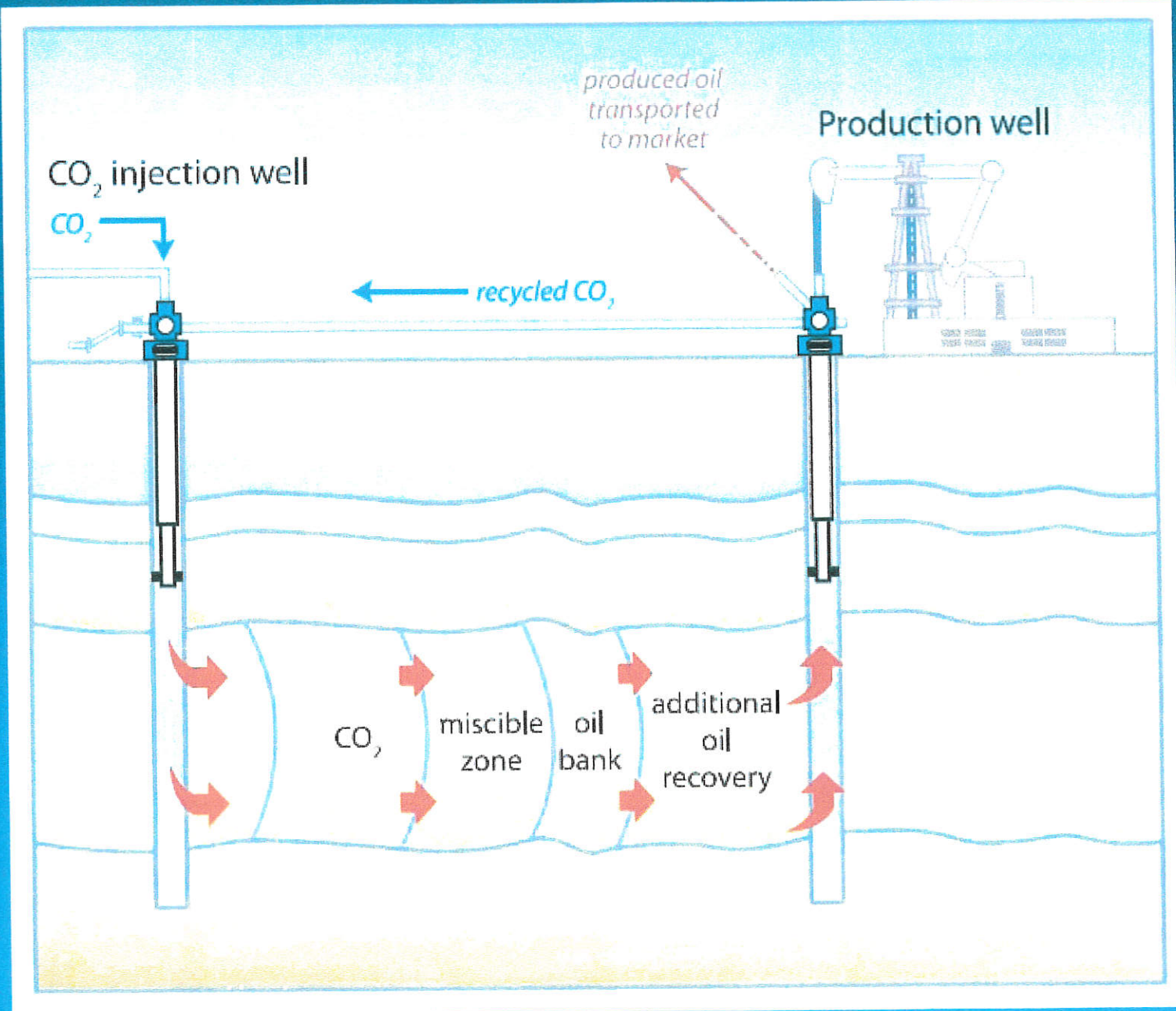
Enhanced Oil Recovery

3-3

- ◆ CO₂ is:
 - Captured
 - Transported via pipeline
 - Injected into well head
 - Mixes with oil
 - Acts as solvent in oil
 - Pumped out with oil
 - Recaptured and reused

- ◆ Proven Technology
 - 30 years of EOR in West Texas Oil Fields

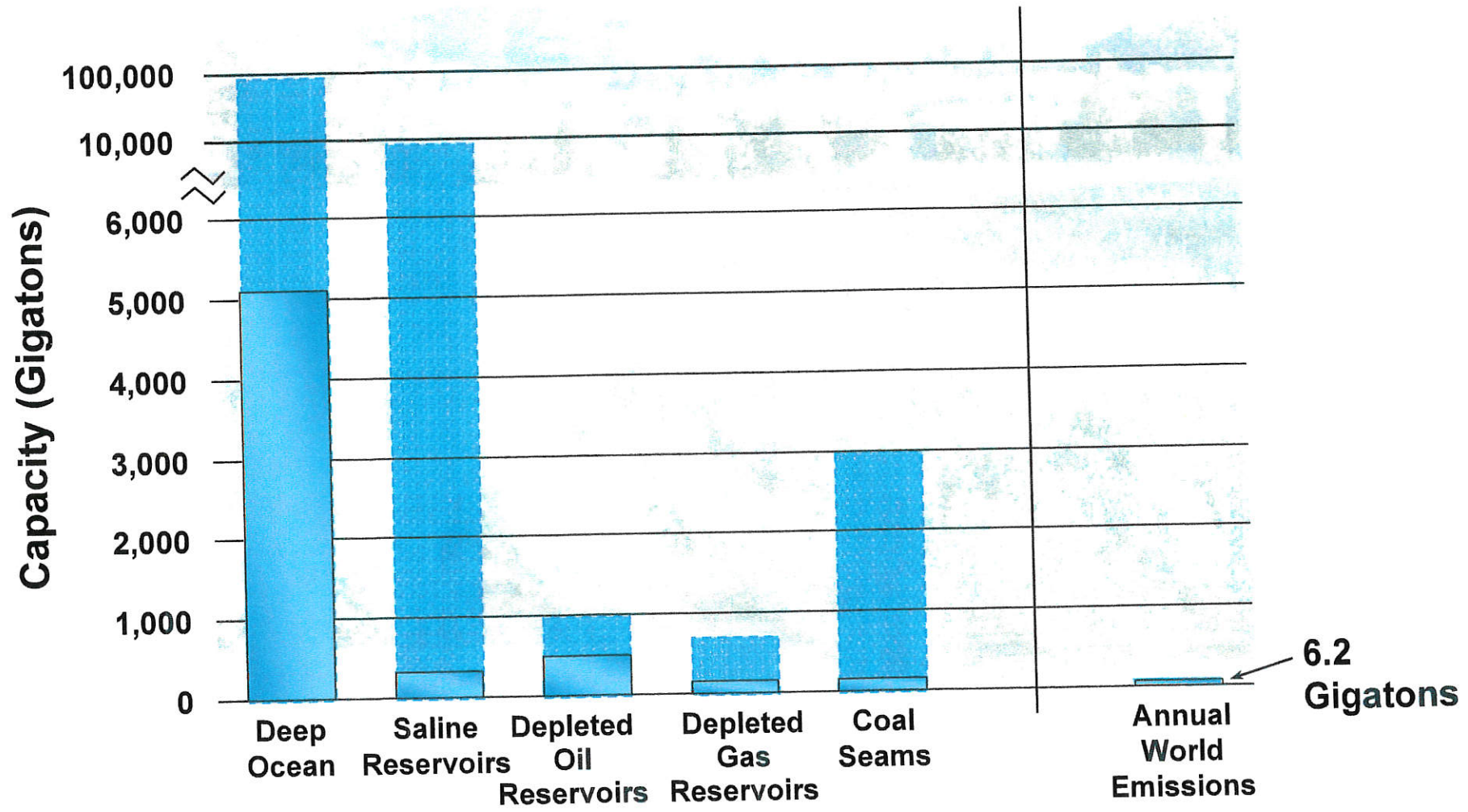




3-4

Large Potential Worldwide Storage Capacity

3-5



Storage Option

*Storage Options: IEA Greenhouse Gas R&D Program:
Advanced Resources International estimates for coal seams
World Emissions: International Energy Outlook 2000, Table A10*



Legislative Testimony



SB 515

February 4, 2008

**Testimony before the Kansas Senate Utilities Committee
By Amy Blankenbiller, President and CEO**

Chairman Emler and members of the committee;

I am Amy Blankenbiller, President and CEO of the Kansas Chamber of Commerce. Thank you for this opportunity to voice our general support for SB 515. The Chamber is specifically supporting Sections 30, 31, 32 and 33, as we believe these provisions will address the need for energy security in Kansas, clarify the permit process and ensure that all Kansas businesses will be treated fairly by the state government.

The Kansas Chamber of Commerce, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to live and work. The Chamber represents small, medium and large employers all across Kansas. It is our mission to continually strive to improve the economic climate for the benefit of every business and citizen, and to safeguard our system of free, competitive enterprise.

The denial of the Holcomb air permit had a much more far-reaching impact on the state of Kansas than merely halting the construction of a coal-fired power plant in one community. The economic impact cost a depressed area of our state an estimated 2,400 jobs, \$9.3 million dollars in new tax revenue and over \$56 million in new spending during construction of these facilities. In addition to the impact on economic development, the decision created a widespread concern about the regulatory permitting process in Kansas, threatening business expansion and investment in our state.

Businesses fully understand their obligation to submit permit applications to agencies, such as the Kansas Department of Health and Environment. Businesses know they must address all required elements for their submissions to receive appropriate consideration and that supplemental information may be requested during the course of the regulatory review process. When all requirements have been met and all questions have been answered, however, it is the government's responsibility to issue the permit.

In the case of the permits for the plants in Holcomb, the state did not fulfill its duty. Even though the permit application demonstrated that the plant would meet all necessary requirements, the state still refused to issue the permit.



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The arbitrary denial of the Holcomb permit based on constituents for which no federal or state regulations exist, demonstrated that Kansas has an unpredictable regulatory framework. Businesses cannot spend time developing permit applications that guess at what issues outside of existing requirements should be included and how. As a result, business and industry both inside and outside of our state are questioning future investments until greater predictability can be restored.

The Chamber believes that Sections 30, 31, 32 and 33 of SB 515 will prevent subjective and unprecedented decisions that jeopardize investment and innovation in the state and our workers. This legislation ensures that the regulatory process is fair and impartial to all applicants, requiring the uniform application of Kansas statutes, regulations and rules.

The Kansas Chamber would like to suggest that the legislature consider broadening the language in Sections 30, 31, 32 and 33 to ensure a fair and predictable regulatory process for not just air permitting issues, but all environmental media (i.e., air, water, waste et al). The concerns relative to the air permitting process are immediate, but the business community wants to prevent arbitrary denials of complete permit applications in those other areas as well.

The Chamber also needs to voice strong opposition to several aspects of the bill. The Chamber is concerned about the legislation creating an emission limit for a specific environmental constituent (i.e., carbon dioxide) through statute instead of by regulation. This approach goes against the very principles the bill is trying to address in Sections 30, 31, 32 and 33 to re-establish confidence in our regulatory process. In addition, this bill includes a carbon tax, which would make Kansas the first state in the nation to adopt a carbon tax by statute instead of going through a well-established regulatory framework. Finally, the legislation establishes a structure of clear winners and losers. Existing assets are not covered by the provisions of the legislation, but new assets and expansions are, and there are exemptions that apply only to certain types of businesses. The members of the Kansas Chamber have consistently urged the Legislature to adopt policies that help level the playing field for businesses to operate and grow in our state.

Thank you for the opportunity to express our support for Sections 30, 31, 32 and 33 of SB 515. We hope our suggestions and issues of concern can be addressed to ensure the Chamber's support of this bill. I would be glad to answer any questions.

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Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to live and work. The Chamber represents small, medium and large employers all across Kansas.

Finney County Economic Development Corporation



TESTIMONY

By

Eric Depperschmidt, President

Finney County Economic Development Corporation

Before the

Kansas Senate

Committee on Utilities

On

Monday, February 4, 2008

Chairman Emler and members of the committee, good morning, I appreciate the opportunity to appear before you today to speak in support of Senate Bill 515.

My name is Eric Depperschmidt and I serve as the President of Finney County Economic Development Corporation (FCEDC). FCEDC is a not-for-profit corporation operated as a partnership of Finney County, City of Garden City, City of Holcomb, and Garden City Community College.


I would like to state this bill has several progressive elements regarding the development of Kansas energy policy it will ensure that Kansas Department of Health and Environment regulatory process will be fair and impartial to all applicants while also promoting a level playing field by ensuring regulatory certainty and consistency. To do otherwise would only create doubt in public confidence hamper new economic growth in the State of Kansas.

Also it further recognizes a path to reduce and or mitigate carbon dioxide emissions and limitations while allowing Kansas to maintain its competitive position relative to other states by only allowing the state legislature to establish emission standards that are more restrictive than current established federal regulations.

Senate Bill 515 ensures the uniform application of our state's rules and regulations while promoting environmental care and economic prosperity for the State of Kansas. Thank you for the opportunity to testify in support of this legislation and I will be happy to answer any questions that you may have.



SUNFLOWER ELECTRIC POWER CORPORATION

A Touchstone Energy® Cooperative 

**TESTIMONY OF
WAYNE PENROD, EXECUTIVE MANAGER, ENVIRONMENTAL POLICY
SUNFLOWER ELECTRIC POWER CORPORATION
ON SENATE BILL 515
BEFORE THE SENATE UTILITY COMMITTEE
February 4, 2008**

Thank you Mr. Chairman, and members of the committee, for allowing me to speak to you this morning. My name is Wayne Penrod and I am the Executive Manager of Environmental Policy for Sunflower. I appreciate the opportunity to testify before you this morning in support of Senate Bill 515.

The Holcomb expansion is all about just a part of the essential energy supply of the future of rural America and western Kansas. Our rural economies need low-cost energy supplies to remain competitive. The base-load Holcomb expansion coupled with the integrated bio-energy center located in close proximity to the proposed power plants are together essential parts of that supply. This is even more apparent as our rural economies adapt to provide the renewable energy sources upon which our nation has adopted as a matter of public policy. Just as our oil, natural gas, and grain-based economies require sources of low-cost energy, so do the newer ethanol and bio-diesel energy providers. To assume we can somehow meet the current needs of our new base-load demand without new base-load resources to meet that load is just too imaginative.

Essential base-load resources come in three varieties; two are fossil-based – natural gas and coal – the other nuclear. Nuclear resources require perhaps 15 years to permit and construct, and themselves have been in such disfavor as to only recently again be considered as perhaps viable. Natural gas as a fuel is just too expensive to consider for new base-load resources to meet current base-load energy needs. The only remaining base-load resource then is coal, the lowest cost and most plentiful fossil fuel in our country. The next question then remaining is: has coal been burned cleanly so as to produce base-load energy, and further, can it be more cleanly burned in the future to meet our new energy economy. Fortunately, the answer to both questions is yes!

In answering the first question Sunflower points to the existing 24 year-old Holcomb 1 coal-fired generating unit near Garden City, Kansas. Holcomb 1

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is, overall, the cleanest coal-fired electric generating unit in Kansas and among the very cleanest in the nation. Further, plant personnel have a well-earned reputation for excellence that is at least region-wide. Otherwise neighboring cooperatives in states around us would look elsewhere for partners in planning to meet their similarly growing energy needs. The new Holcomb expansion project and the new people who will operate and maintain them will be cut from the same cloth. Holcomb 2 and 3 will be among the very best new generating units now being constructed.

We can look at the past operating record to know the answer to the first question. How then do we assure the answer to the second? The extremely rigorous process implemented and managed at the federal level by the U. S. EPA and at the state level by KDHE is exactly the means by which you can be assured compliance with all applicable regulations will not be the exception, but the rule. Sunflower has long managed our energy resources in full and complete compliance with those standards and regulations.

When a construction permit application is received by the agency, they properly review the environmental performance at any existing facilities operated by the company making the application. If we haven't done our job at the existing plant, then KDHE will rightly question whether we can properly operate a new one. The operator having survived this first test, KDHE then seeks to understand the background of a proposed project. It helps them in their evaluation. Questions and answers about the proposed project have been exchanged for several months between KDHE and Sunflower as they have thoroughly evaluated our application.

As Dr. Ron Hammerschmidt, the Director of the Environment Section of KDHE reported to the Senate Environment Committee this past Monday morning, the air permit program is based around two fundamental programs: preservation of the ambient air quality standards and assuring the new plant air pollution control technology conforms to the Best Available Control Technology (BACT) requirements of the prevention of significant deterioration programs (PSD). The applicant first performs all of the analyses to confirm that the proposed project meets those requirements. The agency then reviews and repeats the determinations, on a case-by-case basis and, if satisfied, issues a draft permit for public comment. Conformance with both programs must be assured or a draft permit cannot be issued. In the case of the Holcomb expansion, the Bureau of Air and Radiation technical staff, after thorough review, determined all of the necessary conditions were satisfied and the Secretary issued the draft permit for public comment and hearing.

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Once issued for public comment, and in this case after three public hearings, the agency staff, with assistance from Sunflower staff and consultants, reviewed the public comments and questions, investigated the questions raised by the public and further tightened the permit conditions where appropriate. So then, we should conclude that full attention to the public process required by both federal and state regulatory process, has been satisfied. The Bureau technical staff again concluded their process and recommended that the permit be issued.

Each PSD permit applicant is required to perform detailed modeling work to identify whether there are any significant changes that would affect the status of the ambient air near the facility property line. This means, in the case of Holcomb, we model a property line as close as $\frac{3}{4}$ of a mile to as far as 5 miles from the plant chimney, through which the steam generator products of combustion are discharged. That's the requirement, no exceptions. During this evaluation, however, we completed modeling runs not once but three times, the second arising from changes that EPA made in ascertaining that a new model was more capable of accurately representing the impact of the new sources, and third, we modeled again when the number of units was reduced from three to two. Importantly, there are no impacts when evaluating the model results that were outside the boundary conditions for predicting the impact that are established in EPA guidance.

We further evaluated the impact of the sources on federal Class I areas, again three times, the second because of model changes, again, and the third because the federal land manager for the Wichita Mountains in SW Oklahoma asked for additional work to be done. It is important to note that any impact on Class I areas at a distance of 250 miles is not the result of direct emissions from the plant, but is due to atmospheric chemistry reactions involving very limited SO₂ emissions as they diffuse into the air over time. Again, there were no impacts on the federal Class I areas beyond those established by the regulations. (Notably, no one at the agency ever expected a federal land manager for such a distant Class I area would even think that the sources we proposed would impact his National Recreation Area!)

Finally we modeled the impact of the sources in locations distant from the plant – using much the same methods as for the Class I areas. These distant locations were Topeka, Lawrence, and Kansas City. No one required these evaluations, or asked us to do them. The impact was just barely measurable, and certainly not cause for health concerns, as determined by the EPA standards for ambient air.

So much for the technical requirements: We now know that the rules and regulations governing the permit process were not followed at the final step. The Secretary of KDHE denied the permit, denied it over the recommendations of his staff. He did this based upon a provision in Kansas law that necessarily and properly allows for him to step into emergency situations where air quality is impaired to the degree that eminent threat to the health of Kansans is demonstrated. This provision can, and should, be utilized where atmospheric conditions cause air inversions, where air contaminants are trapped low to the ground and measured ambient air concentrations of contaminants rise to the threat levels previously set by the regulatory process. While these situations have occurred in other parts of the country, they have not, in my 30-years in Kansas, been experienced in this state.

To use this provision now, for a purpose to which it was not intended or reasonably expected, and then to use it to deny a permit because the future release of an unregulated product of combustion, for which no ambient air standard is established will impact human health seems to me again to be just too imaginative. In fact, before KDHE reversed its position in recent litigation over the Sunflower permit, it first took the position it did not believe it was prudent to regulate carbon dioxide until the EPA decided to do so. In that argument KDHE decided that regulations should be consistent with the federal agency.

Clearly, decisions to regulate carbon dioxide should rest within the legislature. Sunflower believes the Secretary should not be able to disregard his agency's rules and regulations, and separately determine that newer or different air standards are necessary than those which are properly and scientifically established in the due course of time by EPA. We think the bill before you properly limits his authority. We know that the legislatures in 26 other states have acted to limit the authority of their chief environmental regulator in essentially the same way this legislation does. While just a few short months ago I would have thought such limitation on authority unnecessary for Kansas, it takes just one experience like this one to cause me to change my mind. We absolutely need to restrict KDHE's authority to establish regulations more restrictive than the EPA.

So while the restriction on the Secretary's authority is not even close to being unique, the bill before you today does have some features that are unique. It contains statutory limitations on the release of carbon dioxide on new fossil-fueled steam electricity generating units. The range of reduction for currently used fossil fuels is between 10 and 30%, depending upon the fuel of choice, and on how many years a new unit has been in operation. Let's talk about two situations to illustrate the impact.

Suppose we were to determine to construct a new natural gas fired combined-cycle unit. We would be required to reduce our release of carbon dioxide by 10%. There are two such facilities in Missouri that are operated by energy companies that also operate in Kansas. There is also one such facility operating in the Texas panhandle. They are among the lowest carbon dioxide sources in the country, something near 900 lb/MWh of energy generated. If we were to construct one of those in Kansas, we would have to further limit or offset those emissions about 10% or to a level of about 810 lb/MWh. Oregon is the only other state that we know which limits the release of carbon dioxide from natural gas power plants. Their release rate is higher than that proposed in this bill.

Now suppose we talk about the Holcomb expansion. In this case, we will have to first limit or offset the release of carbon dioxide from the facility, in the first year of commercial operation, by 20%, or from about 1900 lb/MWh to 1520 lb/MWh. Ten years later, the release would be further limited another 10% to 1330 lb/MWh. We know of no other state that has such limitations on new coal-based plants, certainly none as low as this one. These release rates are proposed in this bill.

However, make no mistake, there is not now any stack control technology which can limit the release of carbon dioxide from power plants, either fired by natural gas or coal. However there are several under development which may serve to remove carbon dioxide from the flue gas. These include what is known as the chilled-ammonia process and the amine process, both of which (because they are very costly) have only been utilized thus far in very small pilot-scale like systems. This bill provides offset credit to encourage utilities to participate in these projects.

Other research projects are underway which work on the front end. They are able to extract the energy from coal by using different methods than are now commercially available to us. One technology is the integrated gasification combine-cycle process (IGCC). The facilities are supported in part by Department of Energy Clean Coal Technology loans and grants. These new processes may one day change the shape of power plants. The difference in the technologies is that the IGCC plant produces a concentrated stream of carbon dioxide which may be more easily sequestered.

Unfortunately, the best first hope of quickly advancing this technology, the "FutureGen" project, which was jointly being developed by the U. S. Department of Energy and utilities which were pooling their research funds, was cancelled by the DOE just this week because the development cost for such project had increased significantly in recent months. A few investor-

owned utilities continue to try to develop these types of facilities, but to our knowledge none are under construction in this country. Another such project designed for construction in Florida was recently cancelled because of the regulatory climate in that state. This bill provides offset credit to encourage utilities to participate in these projects.

Another new and "different" kind of project is called oxy-fuel. A demonstration project is under construction in Europe. It will use oxygen produced in an adjoining chemical plant to oxidize the carbon instead of air. The end result, like that of the IGCC, is a concentrated stream of carbon dioxide which may be more easily sequestered than the low concentration stream that comes from a traditional plant. This bill provides offset credit to encourage utilities to participate in these projects.

The good news, then, is that carbon dioxide release continues to decline as efficiencies improve with more modern facilities. The bad news is that neither "tailpipe" nor process technologies will be available for perhaps ten to fifteen years. The further good news is that we should see in-line technologies by about the time the 30% reduction in carbon dioxide emissions is required by this bill. We believe this bill then sets the stage for a good first start on decreasing carbon dioxide emissions associated with the production of electricity from coal. So, in the long run, promising new technologies, if they are allowed to develop, can help to resolve issues with the release of carbon dioxide.

One way of reducing or offsetting the carbon dioxide that would be released from the Holcomb expansion is the completion of the integrated bio-energy center. The algae reactor, about which I think many of you have information, is still in the new technology early demonstration phase. When deployed, it will reduce the actual carbon dioxide release from any portion of the flue gas from a steam generating unit diverted through it (any such unit with adequate space), by perhaps 40%. This bill provides offset credit for any such project.

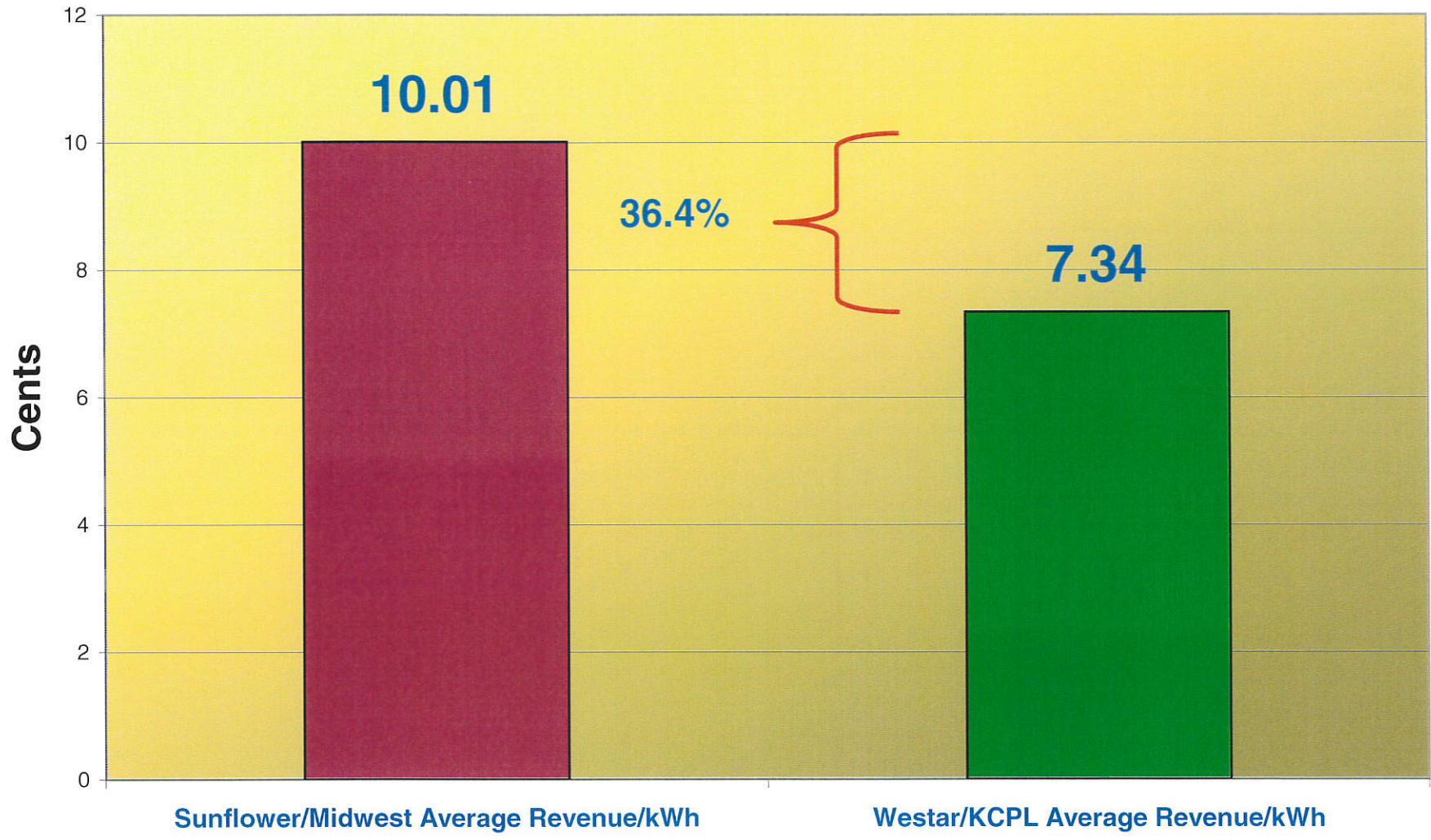
There are other measures that can be utilized to offset the carbon dioxide release from this project. When we utilize wind or other renewable resources, we offset the need for generating energy. Sunflower and Midwest Energy are bringing such resources into their energy supply portfolio well in advance of the Governor's plan to have 10% of the peak nameplate resources from wind by 2010. We need to encourage wind resources to the degree that each utility system can integrate them. This bill provides a 50% offset beyond the actual carbon dioxide offset for just that purpose. Similarly central solar resources and other zero-emissions technologies can receive additional offset credit.

Our leaders, both in the Governor's office and the legislature, have spoken about the need to develop wind and other renewable resources in the high plains of western Kansas. That development will require the additional construction of major transmission lines – "superhighways" of a sort – that allow energy to be exported. This Holcomb project will enable just such construction. Properly, offset credit is provided in the bill for enabling the construction of transmission lines essential for the development of wind resources.

There are other offset credits identified in the bill. Should this bill become enacted, any Kansas public utility, commencing the construction of an affected source under the bill would have any of the identified provisions in this bill to offset a portion of the carbon dioxide that would be released; offsets which either encourage the development of new lower carbon-emitting technologies that will serve our basic energy needs into the future, or which encourage the further deployment of existing wind technology.

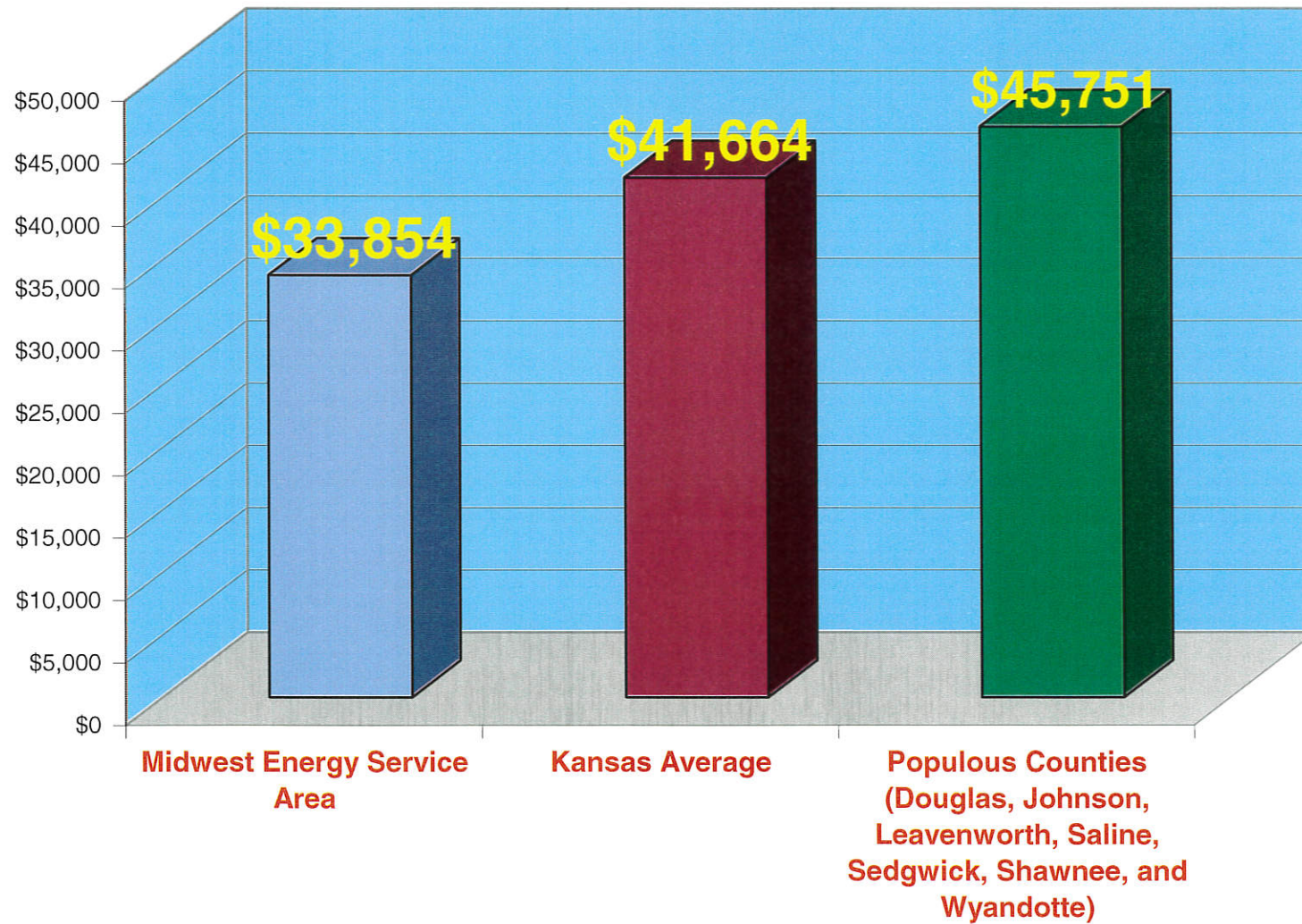
Sunflower is a proud supporter of this good first step in advancing new coal-based and renewable technologies over Kansas and the region. Again, I thank you for your time and will be happy to answer any questions you might have of me.

Weighted Average 2006 Residential Rates

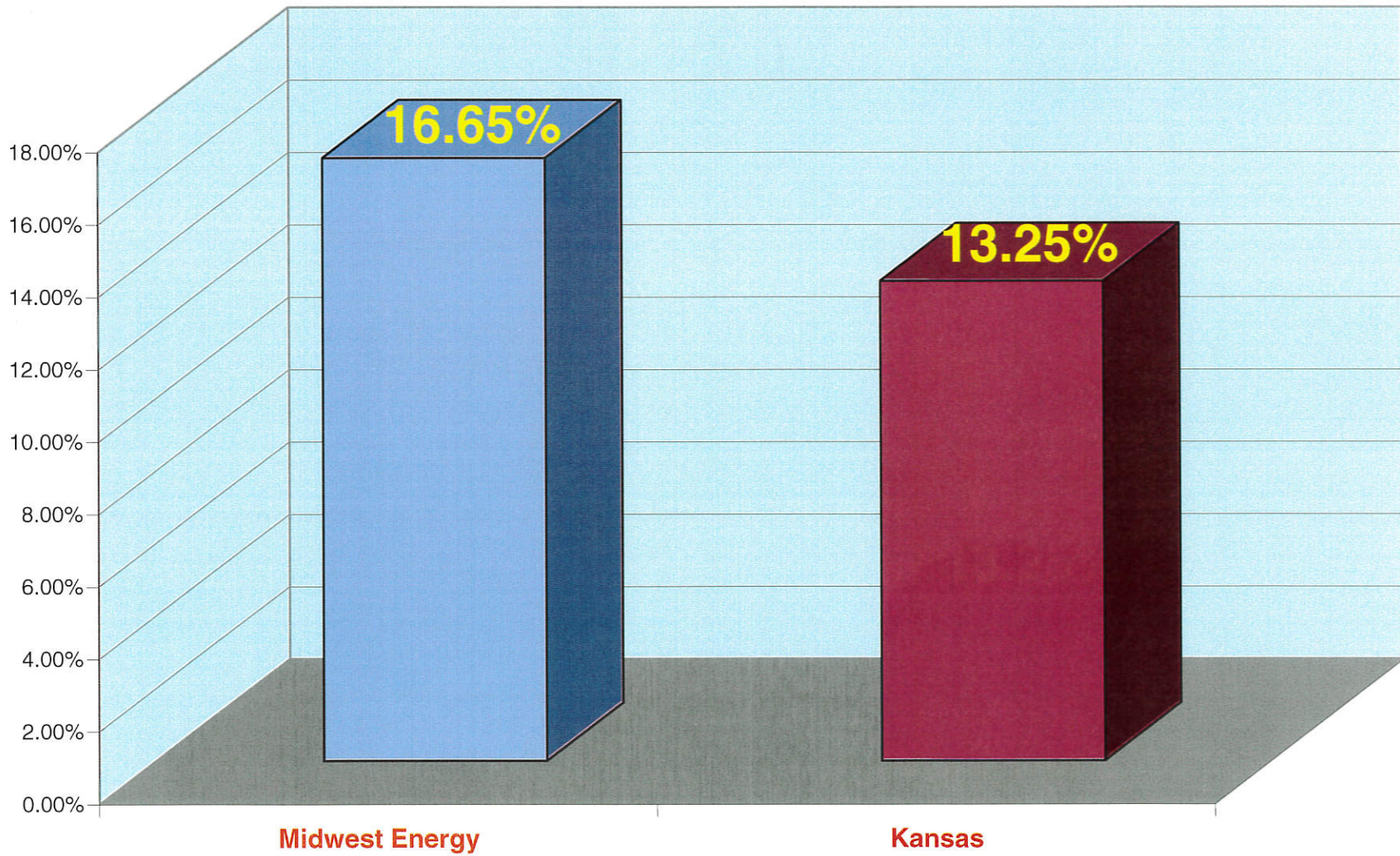


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2004 Average Median Household Income



Age Greater Than 65



**BUILDING & CONSTRUCTION TRADES COUNCIL
OF CENTRAL & WESTERN KANSAS**

**TESTIMONY SB 515
SENATE UTILITIES COMMITTEE
FEBRUARY 4-5, 2008**

Chairman Emler and members of the committee. My name is Richard Taylor and I represent the Central and Western Kansas Building and Construction Trades Council. I appreciate the opportunity to provide testimony on SB 515, to establish legislation for conservation and electric generation, transmission and efficiency and air emissions.

Since the original proposal of a possible expansion to the Holcomb Plant over seven years ago, the Building Trades have been actively supporting this project. The amount of work that a facility such as this would bring to our memberships is unprecedented, not to mention the economic growth that would be experienced in the Garden City and Holcomb area. During construction, over 2,000 craftsmen would be needed with several hundred permanent jobs for local workers after the plant completion. Besides creating new jobs, the new units will bring millions of dollars of investment to the local economy and many other parts of Kansas.

In addition, the Building Trades have committed to opening a training center in the area for our apprentice and journeyman training programs. We have also been in contact with Garden City Community College and have been encouraged to partner with them if necessary to get a training center established. This facility would be utilized during the course of the project to train ongoing manpower needs, and then would remain in operation to continue to train workforce needs into the future. This will provide an opportunity for many of the local residents to be trained and establish a workforce for our Local Unions and our Contractors and continue to fuel the economy.

We know the current political climate is such that fossil fuel plants like Holcomb generate much debate as to the effects the emissions may have on the environment. I applaud the leadership of Sunflower for their commitment to insure that the Holcomb plant utilize only the most advanced technology and implement pioneering carbon dioxide (CO₂) conversion technology for reducing CO₂ emissions. This commitment has been reinforced with the completion of recent on-sight testing to discover the most efficient and effective way to convert emission flue gas to be used for a coal-based algae-to-biofuels system.

In closing, we want to again express the importance of this project to the Building Trades and our 10,000 members. We have appreciated your leadership in the past and would ask for your support now. This project, along with the Governor's aggressive goals to make Kansas the number one wind generation source in the nation, will complement the long-term energy needs for Kansas and the surrounding region.

This is about the future of our state. If we want to grow and flourish, we need to think about the economic potential and impact for individuals, families, businesses, jobs for construction, jobs for businesses, and economic growth for Kansas. The members of the Central and Western Kansas Building and Construction Trades Council encourage you to support the jobs for Kansans a project such as this would provide.

Richard Taylor

Business Manager
Central and Western Kansas
Building and Construction Trades Council

Senate Utilities Committee
February 4, 2008
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**KANSAS
ASSOCIATION OF
COUNTIES**

WRITTEN TESTIMONY ON SB 515
Submitted to the Senate Utilities Committee
February 4, 2008

By Judy A. Moler, General Counsel/Legislative Services Director

Thank you, Chairman Emler and Members of the Committee for allowing the Kansas Association of Counties to provide written testimony on SB 515, dealing with electric generation, transmission and efficiency and air emissions.

The membership of the Kansas Association of Counties, at its November, 2007 Annual Conference, adopted policy language stating the following:

"Energy Policy. The Kansas Association of Counties seeks a comprehensive and integrated approach to energy at the federal and state level that balances increased domestic oil and gas production on public and privately owned lands with the accelerated development of alternative and renewable energy resources, clean energy, nuclear energy, energy efficient programs, ethanol and clean coal technologies. The KAC supports a state energy policy that promotes development of a balanced portfolio of affordable energy, blending renewable resources with clean coal technologies and encouraging economic development by assuring that the regulatory process is clearly defined and implemented. KAC supports legislation that also gives counties specific authority to receive payment in lieu of tax moneys when energy companies locate in a specific county."

SB 515 appears to be consistent with the KAC's policy statement, which urges a comprehensive and integrated approach to energy at the federal and state level, and urges a clearly defined regulatory process for permitting electrical generating facilities. We are not conversant and knowledgeable about every technical issue addressed in the legislation, and urge all parties to continue to negotiate the best possible solution which addresses power needs in the most environmentally responsible manner. As such, we urge favorable consideration of SB 515, with allowance for constructive refinements.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, education and technical services, and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randy Allen or Judy Moler by calling (785) 272-2585.

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