



Mid-Kansas Electric Company, LLC

Neighbors Serving Neighbors

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NEWS RELEASE

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ELECTRIC COOPERATIVES BUY AQUILA'S KANSAS ELECTRIC NETWORK

HAYS, KS—After competing in a bidding process lasting several months, Mid-Kansas Electric Company, LLC (MKEC) today announced it was notified by Aquila, Inc. that its proposal to purchase the Kansas Electric Network properties was accepted by Aquila's Board of Directors.

The Kansas Electric Network, commonly known as WestPlains-Kansas, includes a customer base of 68,500 located in or near 176 communities in 32 counties in central and western Kansas. The Kansas Electric Network operates 1,083 miles of high-voltage transmission line, and 5,348 miles of distribution line. The network also includes 608 megawatts of natural gas, coal-fired and wind generating capacity at six central and western Kansas locations.

Mid-Kansas Electric Company, LLC is a coalition of six rural electric cooperatives serving in western Kansas who organized themselves for the purpose of acquiring the Kansas Electric Network. The cooperatives also own Sunflower Electric Power Corporation, a generation and transmission service provider.

MKEC President and CEO Earl Watkins said, "The Board is delighted to reach this point in the transaction, and we hope that the regulatory approval process will move quickly so we can begin serving the Kansas Electric Network customers." Watkins said, "We will soon be meeting with our new employees and customers to share our vision for a successful future."

The transfer of the assets will occur following regulatory approvals at the state and federal levels which are estimated to take up to twelve months.

Allan Miller, MKEC's Board Chairman, added, "We all look forward to the opportunity to serve these new customers." Miller explained, "As cooperatives, we will be able to bring the same level of service to these customers that we have been delivering for sixty years. This purchase is yet another step we are taking to make central and western Kansas an even better place to live than it already is today."

The Kansas Electric Network customers will receive retail electric service from MKEC through the six cooperatives that will provide both operations and maintenance services throughout the service area.

Terry Janson, MKEC Vice Chairman and Manager of Victory Electric Cooperative Association, Dodge City, remarked, "We have not had an opportunity to meet with the Kansas Electric

MKEC Member Systems

Lane-Scott
Electric Co-op
Dighton, KS
620.397.2321

Pioneer Electric
Co-op
Ulysses, KS
620.356.1211

Prairie Land
Electric Co-op
Norton, KS
785.877.3323

Victory Electric
Co-op Assoc.
Dodge City, KS
620.227.2139

Western Co-op
Electric Assoc.
WaKeeney, KS
785.743.5561

Wheatland
Electric Co-op
Scott City, KS
620.872.5885

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Network employees yet, but our desire is to make this a smooth and beneficial transition for everyone." Janson added, "We will have some challenges, I'm sure, but when the day is done, I know we will be able to show these employees the value of working for a customer-focused power company."

David Jesse, MKEC Board Member and CEO for Pioneer Electric Cooperative said, "We will be able to improve the reliability of the services provided, because we will have six co-ops and Sunflower to meet the needs of the Kansas Electric Network customers. If emergency repairs are needed during storm outages, we will have seven companies capable of supplying replacement parts and employees, if necessary."

"We have a considerable amount of experience serving large municipal loads like the city of Garden City," said Neil Norman, MKEC Board Member and Manager of Wheatland Electric Cooperative. He continued saying, "I believe the partnerships, like Wheatland formed over the years with Garden City, will serve us well as we work to add these new communities to our individual systems."

Power prices will likely be a concern for some customers, but Dave Schneider, MKEC Board Member and Manager of Western Cooperative Electric Association in WaKeeney said, "Over the last twenty years, we have learned how to effectively manage our power supply costs and we will do that for our new customers so they are assured the maximum value possible for the money they pay us for their electric energy needs."

The MKEC Members are well-known and quite proficient at providing assistance to customers through community economic development activities. "We have been able to provide a large amount of funding all across western Kansas for projects that help local businesses expand," said Earl Steffens, MKEC Board Member and Manager of Lane-Scott Electric Cooperative, Dighton. "We are committed to local growth, and we are willing to put the necessary resources together to make progress in this important area."

Once the transition process is completed, MKEC will focus on the management of its assets. Earl Watkins, who also serves as Sunflower Electric's President and Chief Executive Officer, commented that, "Sunflower has a long and very successful record of efficiently managing its coal and gas-fired generating units and a 1,200 mile, high-voltage transmission network."

About Mid-Kansas Electric Company, LLC—

Mid-Kansas Electric Company, LLC is a coalition of six rural electric cooperatives serving in 34 western Kansas counties who organized themselves for the purpose of acquiring the assets of Aquila's Kansas Electric Network. The cooperatives also own Sunflower Electric Power Corporation, a generation and transmission service provider, and they own other businesses that provide a wide range of services including water supplies, satellite TV and Internet access, wireless broadband Internet access, cellular telephone service, commercial electrical services and propane delivery services.

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