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**TRI-STATE FILES TO REVERSE KDHE DENIAL
OF HOLCOMB EXPANSION AIR PERMIT**
G&T believes denial order is flawed

Tri-State Generation and Transmission Association, a Westminster, Colo.-based generation and transmission cooperative, filed several lawsuits today to vacate the denial order and issue the air permits for the Holcomb Station expansion project in Finney County, Kan.

Tri-State, a consumer-owned, not-for-profit wholesale power provider, is a participant in the two-unit expansion of Holcomb Station. Tri-State would use a portion of the power from the expansion to supply its 44 member rural electric cooperatives.

The lawsuits against the Kansas Department of Health and Environment were filed in both the Kansas Court of Appeals and the District Court of Finney County.

“Tri-State believes the denial order is flawed, and we fully expect the courts will reverse the decision,” said Lee Boughey, Tri-State’s public relations manager. “Our case is strong and firmly rooted in Kansas law.”

The denial order set aside KDHE staff’s recommendation to issue the permit and disregarded the extensive and exhaustive work by KDHE staff to ensure that public health and the environment are protected, public concerns were addressed, and strict state and federal laws were followed.

In the Court of Appeals case, Tri-State argues that KDHE and the Secretary had no authority under the law to apply K.S.A. § 65-3012 to the Holcomb Station expansion air permitting process. The Secretary applied the statute to prospective air emissions, while K.S.A. § 65-3012 applies only to current air emissions. Tri-State is asking the court of appeals to make a legal determination that K.S.A. § 65-3012 is not applicable to the Holcomb air permitting process.

In the District Court filing, Tri-State argues that the denial order improperly, and without support of law, denied Tri-State the right to construct the power plants in Finney County, Kansas. Both lawsuits were necessary, should it ultimately be determined that jurisdiction to review the denial order is not within the Court of Appeals, then the jurisdiction venue is proper in the District Court.

“The staff at KDHE agreed that the project utilizes technologies to ensure public health is protected,” said Boughey. “The expansion includes highly efficient equipment that uses less coal, best available control technologies to minimize air emissions, and aggressive mercury controls on the existing and new units that will decrease mercury emissions from current levels.”

In April 2007, the cooperatives responded to concerns from the public and environmental community by reducing the project from three units to two, which further decreases emissions. Notably, the cooperatives propose to mitigate 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.

In separate filings, the Finney County Board of County Commissioners and the Garden City Chamber of Commerce filed suit to vacate the denial order in the Kansas Court of Appeals. Sunflower Electric, the operator of Holcomb Station, also filed a similar suit in both the Kansas Court of Appeals and the Kansas District Court in Finney County.

Tri-State supplies power to 18 member electric co-ops in Colorado, 12 in New Mexico, eight in Wyoming and six in Nebraska, which in turn provide electricity to a population of approximately 1.4 million people.

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