

KMEA



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FIRST ANNUAL MEETING HIGHLIGHTS

The first annual meeting of the KMEA Board of Directors was held May 21 in McPherson. The new enlarged board took action to revise the remainder of the 1980 budget to \$263,000 and passed a 1981 budget of \$241,400.

New officers for the Agency are Pete Sharp, city superintendent of Sharon Springs, president; John Elder, director of the Winfield electric department, vice president; Maxine McTaggart, councilwoman of Pratt, secretary; and Emery Graves, city superintendent of Norton, treasurer.

AGENCY TOUR OF WOLF CREEK

Wilson Cadman, president of Kansas Gas and Electric, has extended an invitation to the Agency for a tour of the Wolf Creek nuclear facilities near Burlington. A tentative date of July 9 has been set for the tour. Wolf Creek is more than 55 percent complete and has a target completion date of April 1983. The 1150-megawatt plant is estimated to cost \$1.3 billion.

DISPATCHING

Robert Hartley, an associate and executive engineer with R.W. Beck of Denver, will present a talk to the Agency's Board of Directors on June 11. He will discuss the benefits of dispatching to Agency members.

Dispatching is the term used for the economical coordination of generating resources. Through dispatching, each city's plant would have a communications link with a central point (dispatching center) whereby the city's plant operator can compare his cost of generating electricity with that of the cost of purchasing electricity. If the local cost is greater, then the operator can schedule to purchase power. If the local cost is less, he can schedule to sell power to the Agency. By using dispatching, it is possible to carry on these transactions on a hour by hour basis which will result in the most economical mix of generation and purchased power at any given time. The two primary factors contributing to different incremental operating costs are differences

in fuel costs and variations in the operating efficiencies of generating units. In general, the greater the range of fuel costs, the greater the potential for savings. Such costs could range from 8 mills per KWh for nuclear power to more than 70 mills for oil-fired diesels. Generating unit efficiency is determined by several factors such as type of unit, level of output, age and condition of unit and ambient conditions. Dispatching agreements such as the Agency will consider also will help member cities preserve their own system management and operating autonomy.

AGENCY FILES FOR KCC CERTIFICATE OF CONVENIENCE

On May 15, an application for a certificate of convenience was filed with the Kansas Corporation Commission by the Agency's legal counsel. Under this certificate, when approved by the KCC, the Agency will be able to install interconnection facilities for member cities requesting such facilities. The certificate also would allow for the purchase of power by the Agency and its resale to members.

SUNFLOWER AUTHORIZES CONTRACTORS TO START WORK ON COAL-FIRED PLANT

Art Schnose, manager of Sunflower Electric Cooperative, Inc. of Hays, has informed the Agency office that his utility has notified contractors to start work on the 280-megawatt coal-fired plant to be built near Holcomb, 7 miles west of Garden City. Initial work is expected to begin the second week of June, Schnose asserted. The Agency has been offered ownership of 30% of the plant or up to 84-megawatts. Sunflower is a generating and distribution cooperative serving 8 distribution cooperatives in approximately the western one-third of the state. Sunflower's 1979 KWh sales totaled 974,935,000. This is slightly larger than the total sales of the 33 members of the Agency (920,004,000 KWhs in 1979). Sunflower's peak in 1979 reached approximately 275-megawatts or slightly lower than the combined peak of the Agency members which was approximately 300-megawatts. The purchase of up to 84-megawatts of ownership from Sunflower is one of the four major power supply alternatives currently being studied by the Agency. The other three alternatives or combinations thereof included in the study are: Possible ownership of part of Kansas Gas & Electric's share of Wolf Creek; purchase of participation power from Kansas Power & Light's Jeffrey Energy Center and a mix of ownership of Kansas City Power & Light's share of Wolf Creek and its new coal-fired facility in Missouri, the Iatan plant and purchase of participation power from KCPL. The Agency staff expects a report from Beck on the study in the near future.

STERLING APPROVES AGENCY MEMBERSHIP, BRINGS TOTAL TO 33 SYSTEMS

On May 19, the city commission at Sterling approved the city's membership application to join KMEA. This action brings to 33 the total number of systems that will be members of the Agency. Thirty of the cities are now officially members, but Sterling, Ottawa and Washington are currently unofficial members. The Agency board expects to take action on the three applications in the future.

STATUS OF JOINT ACTION IN SURROUNDING STATES

Approximately 30 states have some form of joint action authority with the entities being in various stages of development. Oklahoma municipals are seeking joint action legislation and prospects look good that they will be successful this year. Missouri already has passed such legislation, altho limited in nature; and Nebraska is seeking joint financing legislation to go along with its existing power pooling authority. The Iowa municipals took it on the chin again when their joint action legislation failed to clear the Iowa legislature.