

Kansas City Star Q&As

Oct. 29, 2004

1. Why should Cass County residents care about a new power plant?

The economy of any community, state, and even the nation, depends on reliable electric service. Cass County is growing, and having adequate infrastructure to deliver reliable electricity is an asset to a community in attracting new economic development. This plant is needed to provide reliable, low-cost electric service in the Cass County growth area.

The lessons of California and the blackout in the Northeast are important. Californians, for example, opposed building plants in their state, and for a number of years, California continued to transport vast amounts of power from out of state. This weakens the overall grid and voltage structure, placing more stress on the electrical system and results in a high potential for blackouts that disrupt lives and businesses. Businesses can't operate without reliable energy service and will look elsewhere to re-locate.

In addition to the benefits of increased electric service reliability, Peculiar also has the opportunity to benefit from the tax revenue generated by the peaking plant. If Chapter 100 financing is utilized, funds will provide more revenue for the school district, city, fire department, ambulance services, library and others, as well as increase the potential for adding new jobs through business development.

Aquila understands the concerns of the residents near the plant site and hope they understand that we are doing our best to embark on a balanced approach to supply the infrastructure that we must deliver, and work with the community to support economic development. Ultimately, economic development will bring more jobs — possibly for your friends and neighbors.

2. Without the proposed power plant, what could be the best and worst cases regarding the future of energy supply in Cass County.

The plant is designed to meet Aquila's existing power requirements in the area. If the plant is not built, other alternatives will have to be found to meet that need. Without the plant, under the best-case scenario, Aquila would purchase power on the open market during peak periods. Those supplies would likely be more costly, less reliable, and may or may not even be available. Under a worst-case scenario, power supplies would not be available to purchase during peak periods, and Aquila would have to seek other methods to supply the peak demand.

3. With so much opposition from residents, why does Aquila still care about locating a power plant in Cass County?

As a public utility company, Aquila has an obligation to meet the energy needs of its customers. Cass County is a growth center, and additional power is needed here. Since most of the growth is residential, the demand for power peaks during the hot summer weather, and this peaking plant would provide the additional power needed. The South Harper location already has a major gas compressor station near the location, and our transmission line is also on the property. The location provides an opportunity to upgrade the transmission infrastructure already there to meet future growth. This is an excellent location for this plant, which is needed to meet the future needs of our customers.

4. Any plan to compensate residents complaining about noise and other inconveniences that would accompany the proposed plant?

Aquila will work to be a good neighbor, as we have at our other peaking facilities. In most cases, the plant will operate only during peak demand periods such as the hottest days of summer. We are spending extra money for noise control and feel that it will not be a problem. We have offered local residents the use of our modeling program to anticipate the noise from the plant at their homes. Many residents have already visited our Greenwood Peaking facility to judge for themselves the noise, lighting, and general layout of such a plant. We also have offered various tree planting options to shield the view of the plant for those who live nearest to it. We will do our best to design the site to keep the plant as unobtrusive as possible.

5. Why can't Aquila select a site in a non-residential neighborhood for the proposed power plant?

The proposed facility is located in rural Cass County in an area zoned Agricultural, and is also adjacent to an existing industrial gas compressor station, which has been in existence since 1954. Peaking plants, like South Harper, co-exist throughout the Kansas City area adjacent to golf courses, expensive homes, and areas much more densely populated than this plant site.

The determining factors for locating a peaking facility are driven by customer growth patterns and existing infrastructure. A peaking plant such as South Harper requires close proximity to electric transmission lines and gas supply pipelines. If we build a plant far away from the gas supply or transmission access, then we must install new transmission lines or gas lines across property, which increases the cost and also presents challenges in obtaining right-of-way and land for transmission and substations. As the population grows, location of electric infrastructure becomes more difficult as it becomes a NIMBY (not in my backyard) issue that generates public opposition. We are charged by regulatory bodies such as the Missouri Public Service Commission to complete projects at a reasonable cost.

6. Why would Aquila buy a property for the proposed power plant before the city approves the annexation of that property?

As with any economic development project, acquiring land is just one step in the process. Annexation is also a step in the process necessary to allow the city to achieve an economic benefit from the project. Although annexation is not required for the plant to be built, it would allow the city to gain the maximum economic development benefits. We also have an extremely tight schedule for this project and would like to have it in service by June 1, 2005. In order to expedite the schedule, we proceeded to purchase the land to do preliminary work on the site.

7. If and when Aquila gets the go-ahead to build the power plant, when would construction start and when would the plant start its operation?

Preliminary site work has already started, and actual construction is expected to start in late November. The facility will take eight to ten months to complete. We would like the plant to be in start-up phase by June 1, 2005.

8. Aquila previously said the Harrisonville site was the best in Cass County for its proposed power plant. Why the sudden switch to Peculiar?

The Harrisonville site was another good location for the plant in that the necessary infrastructure, such as natural gas and electric transmission lines, was already present. During the site selection process, several other communities contacted us about potential site locations in their areas. The City of Peculiar expressed a desire to participate in the economic development project and identified potential plant sites as part of this process. A Chapter 100 economic development agreement, supported by the city, was an additional way to reduce the overall cost of the project. Local taxing jurisdictions such as the school district, city, fire department, ambulance services, library and others will receive more funds from the plant by participating in the Chapter 100 economic development program. This is a “win-win” for the local community in that it provides significant revenue, while at the same time supports continued strong electrical infrastructure in the community to support future growth.