

**Rex Buchanan:** Good morning. I'm Rex Buchanan, former director of the Kansas Geological Survey. Today is December 19, 2023. Mike Lennen, former Chair of the Kansas Corporation Commission [(KCC, Commission)], and former Secretary of Revenue is with me. We're here to interview Earl Watkins for the Kansas Oral History Project. Our videographer is former Representative Dave Heinemann. We thank the Dole Institute of Politics at KU for allowing us to use the Elizabeth Dole Gallery and Reading Room for this interview.

Earl Watkins retired as president and CEO of the Sunflower Electric Power Corporation [(Sunflower)] in 2012, having served in that role since 2004. Sunflower is an electric generation and transmission cooperative [(G&T)] with headquarters in Hays [KS]. Prior to becoming president and CEO, he served as Sunflower's general counsel. Of particular interest for this interview are Earl's observations of the construction of the Holcomb power plant in the early 1980s and the decision to expand Sunflower's generation capacity in the early 2000s.

During his career at Sunflower, Earl witnessed and managed several changes in the policy arena, including changes in rules about fuel sources, regional transmission, and environmental impact. Also, during his tenure at Sunflower, the cooperative purchased the Aquilla electric network, serving a neighboring region in Kansas.

Prior to beginning his career at Sunflower, Earl practiced law, co-founding the firm of Watkins Calcera. After graduating from the University of Kansas law school in 1973, Earl served in the US Air Force Judge Advocate General Corp until 1977.

The interview is part of the Kansas Oral History Project's series examining the development of public policy at the nexus of energy and environment during the late 20th and 21st centuries. In these interviews, we'll explore those policies through the eyes of experts, executives, administrators, legislators, environmentalists, and others.

The Kansas Oral History Project is a nonprofit corporation created to collect and preserve the oral histories of Kansans who were involved in shaping and implementing public policy. Recordings and transcripts of these oral history interviews are accessible online at [ksoralhistory.org](http://ksoralhistory.org) and through the Kansas Historical Society and State Library of Kansas. The Kansas Oral History Project is supported by donations from generous individuals and grants from Evergy and ITC Great Plains.

Thank you, Earl, for agreeing to share your insights today and thank you, David, for volunteering your videography skills.

**So, Earl, let's begin a little bit with your background. You grew up in Great Bend [KS]. You went to the University of Kansas as an undergraduate and then to law school. Then you go to the Air Force from that point?**

**Earl Watkins:** Yes, back when I started at KU back in 1967 or so, of course, it was the height of the Vietnam War, and there were lots of opportunities to either get involved as a student in the military through the ROTC programs or something along those lines, and that's the path that I ended up taking. So, I was in the Air Force ROTC at KU, and that provided scholarship support for academics.

And then when I applied to go to law school, they gave me another deferral for three years to go to law school, which carried with it the obligation to serve for four years. So, when I graduated from law school in '73, I went straight into the Air Force Judge Advocate General Corps. I was assigned to Randolph Air Force base in San Antonio [TX]. My wife and I both moved there, of course. And that started my journey in the electric utility industry as wayward as that may seem.

**RB: Explain that to me.**

**EW:** So, in 1973, people probably remember the Arab oil embargo—historians certainly would—which had a major impact on the price of oil and natural gas, which naturally had an impact on utility prices. When I was at Randolph Air Force base, it's the headquarters of the 12th Air Force and was kind of the key base for five military installations in San Antonio, all of which were individually served by the San Antonio electric utility service. So the Department of Defense decided that it would be a good move not only in the San Antonio area but other parts of the country where they had multiple bases to try to unify as many of those as they could into a single utility contract to try to drive the price of utilities for the five bases down. And I got the lucky draw to be assigned the prospect of negotiating with the City of San Antonio on electric utility service for the five military bases, and that brought me into a whole new world, which I never touched in law school, of course, utility law being mainly administrative law and substantially different from other practices, but very intriguing.

**RB: So, you didn't have any background at all when you got assigned—background specifically to utilities—when you got assigned that project?**

**EW:** I had none. That's kind of a military thing to just make the assignment and then give the person the opportunity to spend as much time as they needed to learn and do the duty assigned.

**RB: So how does that then morph into the next step in your career, and what is the next step?**

**EW:** Well, the hand of God all over my life, but when I decided about Year 3 that I wasn't going to stay in the service because my next duty assignment was going to be Korea, and I was going to have to go without my wife and two daughters. We decided to explore a life outside the military.

We went home for Thanksgiving. I parked my car in front of a law firm, went up to the courthouse to reregister a car, came back, thought, "What the heck. I'll just stop in and see what's going on in the practice of law in Great Bend," my hometown and my wife's hometown. And the law firm I walked into represented Sunflower Electric Cooperative at the time and a couple of distribution co-ops. Right away, the senior partner knew that I had some background in the electric utility industry. I was a hometown boy. He offered me a job. I took it. He waited a year for me to get out, came back, and I started with the firm of Deits & Hardman in Great Bend. The first assignment was to negotiate Sunflower's first labor contract with the IBEW [International Brotherhood of Electrical Workers] on its power plants.

**RB: So first you were simply providing legal representation, and eventually you would go to work for them.**

**EW:** Yes. I was their outside legal counsel until 1999, and then I went in-house.

**RB: So, what is Sunflower Electric Cooperative?**

**EW:** A long story.

**RB: Well, that's what we're here for.**

**EW:** It really goes back—I was talking to—I call him Chairman [Mike] Lennen. He probably doesn't care for that, but Chairman Lennen.

**RB: Former chairman of the KCC, not some Soviet designation.**

**EW:** That's correct.

**ML:** Thanks for making that clear.

**EW:** But really when I look back over my life and I look back over Sunflower's corporate existence, the way things began and fell into place is really interesting. Again, I attribute it to God's hand. Back in 1888, Kansas was one of the first states to put in place a railroad

commission to govern the expansion and operation of railroads for the public interest. And then in 1910 or 1915, something like that, they expanded that out dealing with telephones, telegraphs, and electric service.

If you think back of old pictures of Chicago and you looked at the streets of Chicago, they have twenty wires that run down the roads. One of the things that made the most sense for utility commissions was to manage competition in a way that provided reliable and safe service and eliminated economic inefficiencies. So, what utility commissions started doing was granting sole service rights in certain physical geographic areas to certain utilities to provide service. And what came out of that is kind of a regulatory compact, what I refer to as a regulatory compact. I think other people do as well. But it was kind of an agreement, if you think about it, that the government assigns to utilities, service territories. The utilities agree to provide service to anyone who wants it, not who they want to serve, but anyone who wants it. That's an obligation of the utility and to do so in a safe way for the public good.

But then, of course, utilities might have a tendency to charge whatever they can get, and part of the regulatory compact is the utility agreeing that its rates had to be approved by the regulatory commission. So, you have this agreement between the regulatory commission and the utility on behalf of the rate payers to be sure that service is consistent and reliable, reasonably priced, and the utility agrees to operate in accordance with the utility regulatory rules.

**RB: Because in effect these are monopolies.**

**EW:** Effectively, they are a monopoly. So, the way that that's softened from a ratepayer perspective is the duty to serve. So, the utility has an obligation to serve regardless of whether it's necessarily economical or not.

So that gets us to the point of service territories. Back in the 1930s when the United States was trying to come out of the combined economic collapse and the Dust Bowl era, FDR [President Franklin Delano Roosevelt] was a big proponent that to lift the country out of poverty, you had to lift rural America out of poverty as well. Rural America at that point in time was operating on the basis of passive solar. Houses were built to the south and southeast to capture as much heat in the wintertime as possible. Their stored energy was logs and other things that they burned for heat, and they had small wind generators on individual farms. But since the wind in Kansas typically blows mostly at night in the wintertime, which most people really don't believe. Golfers especially don't believe that, but it's night in the wintertime. I had board members at Sunflower who remember their mothers getting up at 2:30 [AM] to use their electric devices. Rural America wasn't going to progress under those circumstances.

**RB: And sometimes in those settings, they would even use small batteries that they could charge from windmills, but not enough to make a whole lot of difference.**

**EW:** Right. And batteries had been on the cusp of solving our problems for eighty years, and we're still not there. So, the natural result of all of that was that utilities, investor-owned utilities who were, of course, interested in economic efficiency developed around population centers. So, in Kansas, you'd be talking about Kansas City, Topeka, Lawrence, Wichita. Sunflower and its members were all west of Salina in Kansas.

The REA Act understood that farmers through grain cooperatives had been operating as individuals but for the collective good through creating grain co-ops that stored grain and sold it in the marketplace and that type of thing. So, there was kind of a foundation of independence but cooperation. So they leveraged that and basically said if so many farmers in a certain area would come together and agree to take all of their future electric service from the local co-op, REA would then finance that local co-op and help them from an engineering perspective to build the distribution lines to bring reliable service to the farms and ranches and small communities in western Kansas.

So, when these groups of farmers would come together and agree to form this electric co-op, then REA would loan them money at 1-1/2 percent, and like I say, provide some engineering support and help them to buy the right materials that get put into place. So, they had access to developing and building distribution lines, but they had a problem, and a lot of that problem was with respect to densities. The electric system in the municipal areas would have—well, today, I think it's eighty customers per mile of line. In western Kansas, you'd go eighty miles for eighty customers.

**RB: There just aren't very many people, and they're spread out.**

**EW:** That's correct.

**RB: And you've got to have electric lines that connect. By definition, it's going to be more expensive.**

**EW:** So, in the municipal areas, they were using 2,300-volt lines, 23 kV lines, but electricity would sag over a four-mile period. In western Kansas, of course, you needed ten times that. So, the REA kind of mandated that all the distribution lines would be 69 kV lines, which could carry electricity effectively and efficiently up to forty miles. And so, everything that was built was not only built with fewer customers per mile, but with a higher conductor cost than you had in the municipal areas. But nonetheless, that problem was solvable from the perspective of this

regulatory compact that the co-op had the right to serve but the obligation to serve, but they didn't have the power supply.

So, what was developing in these rural areas was, I would call them, little tea kettle generators that were half a megawatt generators or one megawatt generators, maybe, fired by diesel fuel and difficult to maintain, not terribly efficient, but you had a bunch of those scattered out in western Kansas. Again, the grain co-op mentality is we can each have our own little generator, or we can come together, and build larger, more efficient generators.

So, the distribution co-ops that had service territories came together and formed a generation and transmission co-op that they owned that they elected the board members of and that generation and transmission cooperative like Sunflower had a purpose, a corporate purpose, but also had a contractual obligation to meet all of the distribution co-ops' electric needs, either by generation or by purchase contracts. The distribution co-ops were obligated to take all of their power from the G&T. So, the contract from the member system that covered the retail customer to the G&T was the financing device that the G&T could use to go borrow money to build power plants and transmission lines.

**RB: Okay, so just to make sure I'm clear here. The fact that you've got a number of small co-ops, they're serving individual customers, and they're looking at Sunflower as sort of in some respects, an over-arching umbrella source—**

**EW:** A source of power.

**RB: Of electricity.**

**EW:** Right. Instead of building lines back East where the investor-owned utilities had power plants, which, of course, made sense because that's where their service loads were, instead of building lines, they looked at building power plants. So just as we say it's interesting that the regulatory commission was there, which facilitated this rural development, even though it wasn't in place for that, but it facilitated that rural development in western Kansas, well, we didn't have people. We had the Hugoton [natural] gas field, which you probably know better than I, but it essentially runs from Scott City [KS] down through the Oklahoma panhandle down through Texas. And above that, not above ground is the Ogallala Aquifer, which was this wonderful supply of water.

So as the distribution co-ops started enjoying the benefits of a reliable, consistent power supply, they also began to modify their farming practices and started irrigating farmland and started doing so robustly. Every time they would add an irrigation load, of course, it would add to the

economics in the area, and that would attract more people, which would attract more business, which would bring more load. Then with the kind of understanding back in the [19]60s that submersible electric pumps were more efficient and less costly overall than the diesel pumps, then you started going with electric irrigation load, which really drove the need for Sunflower to develop more and more generation.

**RB: To back up just a little bit, how many of those local electric co-ops were there out there?**

**EW:** Okay, in western Kansas, when Sunflower was first formed in 1957, they had eight distribution members. Unlike eastern Kansas, which has twenty co-ops that are served by KEPCO (Kansas Electric Power Cooperative), western Kansas was a hands-on, own the generation, own the transmission line, run it. In eastern Kansas KEPCO was what the industry would call a “paper G&T.” It didn’t own or didn’t operate generation. It contracted with utilities to provide their service load.

**RB: Let’s define western Kansas a little bit for the sake of this conversation. How are you defining it?**

**EW:** Say Salina west.

**RB: West of [US Highway] 81 roughly, not counting Wichita.**

**EW:** Right, not counting Wichita, and from the Nebraska border to the Oklahoma border to the Colorado border.

**RB: In effect, there are eight co-ops covering half the state.**

**EW:** There is a ninth, which is Midwest Energy, which is a unique utility in that it also has a gas arm, and it was some generation and some transmission. So, it’s not quite a G&T, and it’s not just a distribution co-op. It’s kind of in-between. But, yes, for all practical purposes, there were eight.

**RB: What are the power plants then that Sunflower is operating to provide that electricity? What kind are they? Where are they?**

**EW:** If we look ahead and we add in the power plants that Sunflower purchased from Kansas Aquilla, you have gas plants in Concordia, in Great Bend, Dodge City, Liberal, Garden City, and in Ulysses [cities located in Kansas]. So those are all natural gas fired plants.

Back in 1973 when the S-2 unit in Garden City came online again, it was natural gas, and then they added the S-4 and S-5 in the same area in [19]76 and [19]79, but then the impacts of the Arab oil embargo were coming along. Load was continuing to grow rapidly so the utility had an obligation to serve. You couldn't say, "Stop growing load." It is "We've got to serve the load. We have this obligation." Not only were they our member-owners, but we had that utility responsibility to the state in the regulatory compact.

So natural gas prices started going through the roof in the [federal Powerplant and Industrial] Fuel Use Act of 1978, maybe, came into effect, and it took gas that Sunflower was buying in Hugoton [natural gas] field at 35 cents/1,000 cubic feet to almost 8 dollars/1,000 cubic feet. The [federal] administration at the time's belief was that natural gas was a depleting natural resource, and we were going to run out in ten years. We had to stop using it as an industrial fuel and had to save it for residential purposes. We all know that that was terribly wrong, but the result of that was a public policy that came out of the Carter administration that said to public utilities, "If you're going to build generation, it better be nuclear, or it better be coal."

And from Sunflower's perspective, we initially got involved in the Wolf Creek [Generating Station] project, but then again, we still had the transmission in eastern Kansas, and then the developmental price of Wolf Creek quadrupled. So, we got out of nuclear, but that left us with one option, which was coal.

So, again, this is where the REA that had provided such wonderful guidance and service in the development of the distribution co-ops as the primary banker for generation and transmission co-ops at the time started getting involved in management decisions such as Holcomb, which is Sunflower's coal plant in Garden City, was originally designed as a 190-megawatt plant. But when we started talking with REA about a loan for the plant, they basically said, "Hey, you guys have been back here five times in the last ten years. That takes effort on our part, and we don't have the personnel to continue these multiple loans. So, you need to upsize the coal plant."

So, they wanted to increase the coal plant from 190 megawatts, which Sunflower felt like it needed, to almost 300 megawatts.

**RB: And this is roughly what year?**

**EW:** The design of the plant started in [19]77, [19]78, [19]79. The water rights were obtained with finality in [19]79, and the construction of the plant began in 1980, commensurate with the collapse of the US economy for various reasons, part of which is the fuel prices were just through the roof. And then, of course, interest rates started going through the roof, and so



Sunflower started construction in 1980, finished construction in 1983. The construction was on time and met the contract cost. There were no cost overruns on the construction of the plant, but the interest rates had gone from 5 percent to 12, 16, 18 percent. The electric load in the meantime was not only not growing but was dropping off because some of the irrigation that was natural gas driven couldn't afford to irrigate at those irrigation prices.

So Sunflower was sitting there with an obligation to serve, a ten-year planning horizon making decisions based upon administration input. I'm not blaming the administration. That's part of the interesting regulatory compact of having the obligation to serve, but yearning to serve, wanting to meet the rate payers' needs at the lowest, possible price, but having outside influences into things such as unit size and fuel.

So, when Holcomb came on in 1983, Sunflower was in that place of having high debt and a lower-than-expected load in revenue.

**RB: And this is all with western coal, Wyoming coal?**

**EW:** We actually looked at coal that was serving the La Cygne projects in southeast Kansas, but it was a much higher sulfur coal, and again, there was no good rail service from southeast Kansas to western Kansas. So, the best for Sunflower was coal out of the Powder River Basin in Wyoming. Sunflower and six other G&Ts like Sunflower that were also building coal plants formed a cooperative called Western Fuels, and Western Fuels, on behalf of Sunflower and the other members, owned and operated coal mines in the Powder River Basin and owned coal trains. So, through the co-op that we owned, we took coal service from the Wyoming Powder River Basin to the Holcomb station, about a million tons a year when the plant's running full bore.

**RB: Just so I'm clear, are you actually owning a coal mine or a piece of a coal mine or part-owner of a piece of a coal mine?**

**EW:** Sunflower was an owner of Western Fuels, which was an owner of coal mines and coal contracts and railroads. So, it's like our members owned Sunflower, took power from Sunflower, elect the board of Sunflower, who hire the staff of Sunflower to serve the members. Sunflower owns the generation. The members own Sunflower. So, through Sunflower, the members own the generation. Sunflower owns the coal mines through Western Fuels. So, the rate payer through the distribution co-op through Sunflower, through the coal co-op owned the coal mines. It's that western Kansas rural utility mindset that "I want to control my own future as best I can" while complying with rules and laws and those types of things with no profit involved at any level of

the transactions that we just talked about. But theoretically if Sunflower generated two dollars extra in any given year, it reduced its cost to its members by two dollars.

**RB: Throughout that process, you have to have a lot of capital to do all of these things. Do you just go out on the private market and—**

**EW:** Yes. That's a really great question because you would look at a company like Sunflower in 1980, for instance, which had five new gas plants that had been built in the last ten years, all of which were debt financed, and had very little if any equity building a 500-million-dollar coal plant with very little equity and all debt financed.

So, co-ops for the most part, when they were developing were debt-financed organizations. The borrowing had to be from REA, a government-financed entity, or again back to where in 1980 where REA started telling companies like Sunflower, "You have to build bigger" when they didn't want to build bigger, and guess who got beat up when the upgrades were higher than expected? It's the utility company who built the coal plant. "Well, why did you build the coal plant?" "Well, why not gas?" "We couldn't use gas." "Why not nuclear?" "It wasn't available." We had an obligation to serve. So, we made the best choice that we could at the time, burdened by policy decisions made outside the utility industry for reasons other than service.

So, what, again, companies like Sunflower did is we started our own cooperative bank. It's called the National Rural Utilities Finance Corporation. Now it's a 20- or 30-billion-dollar bank that has replaced REA as the primary lender for rural electric co-ops and certainly G&Ts, but again their principal security is the retail customer who's obligated through the regulatory compact to buy from the distribution co-op, and he owns it. So, he's got some protection there, who's obligated to buy from the G&T who's obligated to serve, and it is the revenue stream unlike equity that provides the borrowing power.

Now fast forward that to the big change in finances and Sunflower surviving the financial turmoil in the late [19]80s through debt restructuring and a few other things to the point where now Sunflower has a coal plant that it uses a third of for its own member load, but utilities around it have load growth and aren't going to build a coal plant, seeing what's going on, aren't going to build another nuclear plant, seeing what's going on. So new base load units aren't being built. So, Sunflower starts selling into the marketplace excess energy, and that excess energy provides a revenue source that drives down the member costs.

It was really through a mechanism called an Energy Cost Adjustment Clause, an ECA I think it was, that was put in place by again the KCC back in the late [19]70s, early [19]80s. They saw that utilities because of this wild fluctuation of fuel costs, like I mentioned sometimes going from

35 cents to 8 dollars, had to have revenue from the customer for that, and so they would come in and ask for a rate increase to cover higher fuel costs, a rate increase to cover higher fuel costs, a rate increase to cover higher fuel costs.

And then when the fuel costs went down, of course, the interest of the rate payer and the commission was to reduce rates to reflect the fuel. Well, it just became kind of logically unmanageable. So the [KCC] developed a fuel cost adjustment clause that utilities used in the rates to where Sunflower, for instance, would estimate next month's electric load, estimate its fuel costs for the next month, would have that ECA adjustment on its rates for that next month, and then experience the costs, and then the next month adjust back if it was over or under.

So, it was kind of a ninety-day rolling window, and that ECA clause that the [KCC] put in place put Sunflower in a position where despite what outside lenders wanted, because we had some outside lenders from Canada and China, Japan, Panama involved in the coal plant. They wanted just higher rates, higher rates, higher rates, but because of this ECA mechanism when Sunflower was selling off-system, the members were getting the benefit of the reduced fuel prices.

Well, the members kept their rates as flat as they possibly could. So, when Sunflower's wholesale rate went, for instance, from 6 cents a kilowatt hour to 2-1/2 cents a kilowatt hour, the members who owned Sunflower, rightfully so, were banking that margin. So, they then became, unlike most co-ops, equity heavy. They paid off their debt. They paid off the federal government. They didn't owe REA any more money. So then they were in a position when Kansas Aquilla came up for sale in 2005, I believe it was, to use the equity that they had built up by Sunflower's reduced rates to have the cash to be able to buy Kansas Aquila, which effectively doubled their size and brought into the generation fleet, the generation from Concordia and Great Bend and Dodge City that beforehand weren't a part of Sunflower's fleet, but became a part of Sunflower's fleet.

**RB: So, to back up just a little bit, again it's unclear; with Holcomb in effect, you have quite a bit of excess capacity?**

**EW:** Had.

**RB: I guess you could call it that.**

**EW:** Right.

**RB: Who is buying that excess capacity?**

**EW:** Neighboring utilities.

**RB: What are the neighboring utilities we're talking about?**

**EW:** That's a good point because it brings back to mind what most people don't appreciate, which is the incredible nature of the mature United States electric system. As you probably know, Rex, if you look at the country as a whole, there are three primary grids. There's the Eastern grid that's the Atlantic Coast to the Rocky Mountains, the Western grid, the Rocky Mountains to the Pacific Ocean, and then you have Texas who's on their own, except for the Texas Panhandle.

So, you have three electric grids. This is kind of hard for people to understand, but in order for the utilities within the grid to operate in reliance upon each other, their generators have to be in parallel. They have to be synched up so that Holcomb's generator is producing the same voltage at the same frequency as generators in North Carolina. They're all electrically interconnected in this system by interconnection lines.

Those lines traditionally, when Sunflower first started building out its generation, were very limited. We built a line to the north to connect to Nebraska. We had one to the south to connect to Oklahoma. We had a weak one northeast to connect to KPL [Kansas Power and Light headquartered in Topeka, KS and serving much of NE Kansas], and we had another weaker one in the south connecting to KG&E [Kansas Gas and Electric headquartered in Wichita and serving SE and South Central Kansas].

Well, that has since, both lines have been substantially bolstered, and there's a lot more of them now. So, originally back in the [19]70s and early [19]80s, Sunflower could isolate from the grid if there was a heavy loss of generation or whatever in a neighboring utility that was bringing down the frequency and hurting your electric quality. You could disconnect from the grid and operate on your own.

Well, you can't do that anymore. Everybody is just so connected together that there is that greater reliability. So what Sunflower was doing at the time is we were selling power to the north, to Nebraska, to the south, to Oklahoma and Texas and a little bit to the east. But KCP&L and KG&E had adequate generation. So, the sales [from Sunflower] were mostly south into Oklahoma and Texas.

**RB: I want to come back to that for a second. You touched a little bit on the complexity of your regulation by KCC. How is the regulation of these guys different from the regulation**

**of Midwest—not Midwest Energy. That’s a bad example, but today we’d call it Evergy or KG&E, the big utilities.**

**EW:** And it has changed, but originally, we were regulated exactly like the investor-owned utilities. So, we were regulated on service and quality and safety, and the KCC had to approve every power plant investment, naturally so, because it’s in the public interest that if you’re going to add generation, you need to add generation. You’re not just adding it to increase rates.

So, you need to have it and you have to pick a source that is the lowest cost option to meet the need you have. So, if you’re trying to meet some peaking [peak load] obligation that you have to serve a couple hours a day, you’re not going to build a base load plant. You’re going to build a “peaker” [A power generator only operated when there is high, or peak, demand.] And then it has to be the right fuel, and it has to meet environmental standards and those types of things.

And they naturally had to approve all the financing behind that so a utility couldn’t go borrow a bunch of money for a bad project and then come in and say, “Okay, Commission, you need to up our rates.”

**RB: Bail us out.**

**EW:** Right. Because we’ve made this decision. So, the Commission was involved all along in those areas. Well, was it in the [19]90s?

**ML:** The [19]90s, I think. It evolved.

**EW:** In the [19]90s, the KCC and the co-ops had conversations. There’s kind of an agreement that since the co-ops are ratepayer-owned and ratepayer-governed, that the ratepayer-owners of the co-ops should be the final decision maker as to how they spent their money and where they spent their money because they were the sole people that were either going to benefit or suffer from a bad decision. So why bring the Commission into that boardroom unlike the New York boardrooms. There needs to be protection there, and Mike could address that better.

So, the co-ops were deregulated from a rate-making perspective, but we’re still subject to the Commission’s jurisdiction on things like service, quality of service, and safety. We can’t build a transmission line wherever we want and those types of things.

**RB: So, in some of these previous conversations, I think it would be fair to say that there were times when the relationship between the big investor utilities and the KCC might be somewhat contentious.**

**ML:** I think that's fair to say.

**RB: Is that less true of the co-ops?**

**ML:** I would say yes, but at the time of the Holcomb plant Earl was discussing, he has outlined so well the issues that were being confronted by the co-op in terms of the size of the plant, the fact that load wasn't growing. And so, you had a plant that was larger than you thought you needed in the context of the time when load growth was flat or even diminishing. It was a \$500 million plant, which was a huge investment in that area. You had people asking, "Why are we building a coal plant right on the Hugoton [natural gas] field?" Earl has explained that as well. And Sunflower, of course, had its financing obligations to attempt to meet, and then you had rates taking into account all of these factors. If all of the investment went into rates and were recovered at that time, the rates would have been just extraordinarily high, something that Sunflower didn't want either. It was just sort of, factually, what the circumstance was. So, there were different perspectives, I would say, at that time.

**EW:** I would say, I think I felt this at the time, and I appreciate it that much more today. The Commission didn't have ill motives. I never felt like the Commission had ill motives with respect to what Sunflower was attempting to accomplish. And so, I love this farmer-rancher mentality of "It's mine. It's me, and I'll do what I want to do, and kind of leave me alone."

**RB: Self-sufficiency.**

**EW:** Exactly. To the understanding that when you're a part of an industry, this living organism, so to speak, and you're impacting people outside of your area, that a broader perspective needs to be brought to the decision-making table.

One of the things as I look back at the Commission's involvement with Sunflower that they really did, maybe not intentionally or directly, but they caused Sunflower to up its game and be sure that its thought processes and the resources that they used through engineers and finances and all of those types of things were top notch.

Western Kansas farmers would have a tendency to use, just as an example and not criticizing any profession at all, western Kansas accountants. They know them. But the fact of the matter is, when you're doing a safe harbor tax lease dealing with New York and Wall Street types, you need to have better input and representation and experience, which brings a cost.

So, in looking back in my mind, the Commission did nothing untoward and did everything ultimately for the success of Sunflower to be the successful utility that it is today. And I think Sunflower would be looked at across the country today as one of the leaders in co-op G&T program.

**RB: So through almost everything you described, you are still serving as in effect outside counsel.**

**EW:** Until [19]99.

**RB: So not until [19]99. Is that pretty much a full-time job?**

**EW:** Oh, it was, yes.

**RB: In some respects, your only client is one way to think about it.**

**EW:** And it's really an interesting kind of a common arrangement in the co-ops is that I technically as Sunflower's outside counsel, I was hired by the board of directors, not by the general manager of the co-op, and I reported to the board of directors. So, my technical, ethical obligation was to the board, not to the CEO of the company, the concept being that the members would have that back-channel input of what was going on.

Then when I came in-house in [19]99, that started changing, but still my reporting obligation was not to the CEO, but it was to the board.

**RB: Again, to back up just a bit because this is a world that I don't know anything at all about, they hired you as outside counsel directly or did they hire your firm?**

**EW:** Well, they hired me individually, named me individually as the general counsel, but as the general counsel, I had the ability to use people within my firm.

**RB: You're still sort of a member of the firm, or you are a member of the firm even though you're being hired directly by Sunflower?**

**EW:** Yes.

**RB: Then do you move in as their internal counsel at that point? Why did you do that?**

**EW:** It was a step toward becoming the CEO. I was hired in [19]99 or so as the executive vice president and general counsel, and I did just more management work, and then in 2003, they named me as the CEO starting in 2004.

**RB: What kind of challenges are you facing at that point?**

**EW:** Well, at that point in time—

**RB: I mean, Sunflower.**

**EW:** And that's a fair question because the [19]80s were—the [19]70s were exciting with all of the building. The [19]80s were challenging because of the debt. And member issues, the distribution co-ops were getting beat up back home because of utility prices and having to explain it. So, the job was more along the lines of trying to help them be able to explain to their member owners why costs were what costs were and what a hoped-for future would be.

So, then the first restructuring was in [19]88. Then a clean-up restructuring happened in around [19]95. And then by 2000, Sunflower was healthy. We were able to stop looking internally toward succeeding but looking externally toward how can we build a better and more vibrant company.

So, we met with some surrounding G&Ts, realizing that every co-op is individual and independent and wants to remain that way. It's to say, "Okay, how about if we contractually merge, but don't legally merge so that we're operating as a much larger electric utility but still stand alone?"

We made some progress along those lines, but then Kansas Aquilla imploded. They kind of lost their way, and they imploded. When they imploded, we saw an opportunity to double our size within our member service territory essentially and pick up all the communities that we were surrounding but not serving. So that was a great, exciting time from 2005 to 2007.

And then toward the end of my career, it was most along the lines of seeing the oncoming external policies coming in your direction that didn't fit the "service to the end-user" mentality, and just personally, I began seeing myself changing from seeing opportunities to deal with matters to becoming bitter.

Again, I don't ascribe ill motives to anybody. I think everybody has always got a good motive to begin with, and REA's motive to begin with was to electrify rural America, and then when that started happening, then it was to control the companies that were electrifying rural America, and



then it was to displace their board with board-level decisions on what your generation should be and how it should be built, that kind of a problem.

At the time, for instance, again, Kansas farmers are the world's greatest environmentalists because we live in the environment. The environment has to be protected in order for you to succeed, living in rural America. So we're not anti-environmental in any sense, but able to see some of the hypocrisy if there isn't a softer word than that, that when we were working on the Holcomb power plant, the environmental groups wanted to assess a cost to the coal plant for what was called "environmental externalities" at the time that your coal train running from the Powder River Basin [Wyoming] at some point in time would probably hit an antelope, and that antelope was eliminated from the social good, and so there should be a cost associated with building a coal plant that reflects the impact on society of the loss of the antelope.

OK. I kind of get that. And with our power lines, we, of course, every now and then, we would have a raptor of some sort hit one of those power lines—I don't know if they just had bad eyesight or whatever. But in any event, they'd kill an eagle or a hawk or something along those lines. So, we were required to hang reflectors or build perches to advance the bird ecology, and I get that.

But then when society decides that it wants to insert wind into this massive electrical system, that is unlike any other power plant that you have, it's not as if you can tell the generator when to run or how to run. The generator begins to tell you how you should operate the electric system. And as we've talked before, the wind in Kansas is a great resource, but it blows mostly at night in the wintertime, and utility needs are summer in the daytime. So, what you find yourself doing is backing down [the energy output from] efficient coal plants to take more expensive wind which costs the ratepayer more money, but it's the "policy" thing to do.

Wind turbines, for instance, kill a lot of birds. A lot of people look at a wind turbine and they say, "Well, those blades are moving nice and slowly." Well, if the wind's blowing 20 miles an hour, the tip of an 80-meter turbine blade is moving at 150 miles an hour. So, it's no wonder that they kill birds.

But the same eagle that we got in trouble with that hit a power line is dismissed if it's killed in a wind turbine. An example, the organization that tracks and brings actions against private owners for the loss of a raptor of some sort filed 250 complaints for the loss of birds in 2014. Last year it was 12.

My point is that either the bird is worthy, and utilities need to modify their decision making based on the loss of that worthy asset, or it's not worthy, and it ought not to be the driver of this organism.

**RB: So. when you mention externalities related to Holcomb, are you talking about then the expansion of Holcomb that comes along, the sort of Holcomb 2?**

**EW:** Actually, we had plans for a Holcomb 2 and a Holcomb 3 and had done the work to be sure that we had the water rights essential for it. But again, it was a deal where there was—you get the plant permitted, and then lawsuits would come against it, from the environmental community largely, and we ended up winning all of those ten years later.

Well, when a utility has an obligation to serve, it can't make decisions based on what I may be able to build ten years from now. I've got to serve the load today, which really has driven Sunflower back into building natural gas units because now, of course, it's not a depleting natural resource. We've got a hundred years of it or more than that, and the price today is \$2.50 per million BTUs. So, it's an economical fuel source, which is being attacked because of CO<sub>2</sub> emissions.

**RB: But most of that is sort of, that flow of natural gas on the market really happens—you ended your tenure at Sunflower in 2012?**

**EW:** Yes.

**RB: So really that big bulk of a lot of that, that natural gas is just starting to come on to the market to lower those prices kind of toward the end of your tenure.**

**EW:** Lateral drilling started driving the price down on gas units earlier than that, but still, yes. If you're making a decision today on "What do I think I can build and what do I think I'll be able to get on the grid to serve my load? Do I want to keep chasing a coal plant that is maybe eight years out again, or am I going to go with what I've got?"

So, Sunflower right now has some new gas generation, also we're part of the wind system out west because we were mandated by law to take it, and we have a small solar facility as well. So, what you have to do as a utility CEO is you have to realize that every fuel is going to be cursed at some point in time, every fuel. So, what you're kind of forced to do is to take a little bit of everything so you have the flexibility to survive when whatever the fuel source is that's being publicly attacked, remembering that you have an obligation to serve.

**RB: Right.**

**EW:** The public really takes it for granted, sadly. If you think about 8,760 hours in a given year, how much outage have you experienced in the last year?

**RB: We don't have much here in Lawrence.**

**EW:** You probably don't even remember it, or it was just a flicker.

**RB: Pretty much, yes.**

**EW:** So just think if a utility met reliable service standards for 99 percent of the time. That would be unacceptable because there would be 87 hours of outage. The system is far better than that. It's way better than that. But it's way better than that because as this living organism works and all these power plants are working together and computers are driving when the loads are dropping off and the generation needs to pick up to insert generation that engineeringly doesn't make sense, brings threats to the grid.

So, you have Germany who went heavy on wind, it's now closing down wind and building coal plants. You have China who speaks a good game but is still building two 700-megawatt coal plants a week. So that's kind of what drove me to retirement.

**RB: Your point about different sources is an interesting one. In effect, it's almost like investing in diversity is kind of what you're saying.**

**EW:** Yes.

**RB: Did the KCC have any role in that fuel source question?**

**EW:** Well, they had to approve the fuel source. I can't remember if it was the KCC requirement or REA at the time, but to come in with the coal plant, for instance, we had to be able to show that we had a ten-year, at least a ten-year supply of fuel available, which makes all sorts of sense. You wouldn't think a company would do it if they didn't. Nonetheless, there was a requirement. Otherwise, I don't know about the—

**ML:** I don't think that the KCC necessarily drove fuel selection or choice that the utility made. [The KCC] dealt with the decisions that were made by the investor-owners to some extent, [and to] a lesser extent really, the rural electrical cooperatives or the G&Ts.

**RB: So, you retire—walk me through the time frame in terms of Holcomb expansion and your retirement.**

**EW:** The Holcomb expansion, we really worked pretty aggressively on that from about 2004 to well, when I retired. And at that point in time, there was still litigation going on with respect to one of the permits. Then the litigation I think was won around 2014 or 2015. But at that point in time, our utility project partners, because obviously Sunflower didn't need 1,400 megawatts of base load coal—we were partnering with Tri-State, which was a utility in Colorado and a couple of utilities in Oklahoma and Texas—their appetite had moved on to other projects. To my knowledge right now, the project is not an active project.

**RB: I've a couple of big-picture questions. I think because of your perspective having done this and the times that you were involved, what is Sunflower's future out there? In some respects, we've talked a little bit about the Hugoton [natural gas field] and water, and there was a really big movement to submersible pumps and use of electricity to pump Ogallala [Aquifer] water. I can see where those irrigators are extremely price sensitive. That must have been—I'm sort of going two places in my questions. That must have been really challenging. I bet you heard a lot from those people.**

**EW:** Oh, yes.

**RB: They're big electricity users.**

**EW:** At one point in time, the irrigation load of Sunflower was 16 percent of the total. It's now in the 4 percent of the total range, I believe, so it's not as important a load today as it was back then. But, yes, those were our member-owners. Those were the guys that came to our board meetings every month that were running those things. So, they were very sensitive. You had to do the very best that you possibly could.

They also recognized that they were not a good load, so to speak, from an electrical utilities' perspective because they peaked for just a few weeks during the summer months, but you had to have resources available to serve them the full year in order to meet that peak. But nonetheless, while that irrigation load was important, what the irrigation load brought was corn, and it brought cattle. So now you look at Garden City, you look at Dodge City—I know these numbers are crazy. They slaughter something like 6,000 head a day at the beef-packing plants. So, the beef-packing plants more than replaced the irrigation load as a revenue source that benefits all the members.

And the Hugoton [natural] gas field, of course, is very high in helium. It used to be kind of the world's best helium source. I think it still is today. So that's very viable. When you say, "Sunflower's future," farmers have a way of figuring out how to survive. When they figure out how to survive, it still requires a reliable source of power and energy.

But Sunflower has to continue to be vigilant. If it doesn't bring value to its members, it doesn't deserve to survive and exist. We were isolated. We sort of talked about this for a while, unable to operate on our own. We can't operate on our own now and wouldn't want to operate on our own now. But because we're an integral part of the Southwest Power Pool, we have to comply with their rules in order to take advantage of the marketplace, so to speak, but you have to be vigilant as a co-op that the marketplace is generally not your friend. The marketplace has a profit motive in it, and you just have to be vigilant to take advantage when you can but not be consumed by the marketplace. Sunflower's board, I believe, is committed to continuing to own and operate and generate as much generation equipment as it can so it can kind of control the marketplace.

**RB: A couple of things. So, in effect that while the demand from those irrigators may have come down, the economic impact that they have in other places, in some respects, replaces or more than replaces—**

**EW:** Yes.

**RB: That demand goes away because that economic impact sort of ripples out from all those areas.**

**EW:** Right.

**RB: Especially in southwestern Kansas.**

**EW:** Right.

**EW:** And it's developed dryland corn, which wasn't viable twenty-five years ago and is today. So that is load, but it's not the same as irrigation load. I think the future of G&Ts like Sunflower is bright because again they're there driven by the motive to serve, and as investor-owned utilities might make decisions to abandon certain areas as not having the profit potential that they'd like, the co-ops are there to pick that stuff up.

**RB: One thing I wanted to touch on a little bit, you come from Great Bend, which I don't really define as western Kansas. It's more like central Kansas.**

**EW:** Yes.

**RB:** But you've spent much of your career dealing with western Kansas. You've touched on that mindset of sort of the self-reliant nature. That reflects itself throughout Sunflower's organization, doesn't it?

**EW:** It does.

**RB:** In a way that maybe people who are not from that part of the world don't quite appreciate.

**EW:** Right. And so, the homegrown nature of your employee base is important. They don't limit it to that, of course. But if you live in Great Bend, my law firm, for instance, in Great Bend, we've had numerous lawyers who started with the firm from either Wichita or Topeka or Kansas City, and life in Great Bend is just not like it is in Lenexa [KS]. It's hard to hold talent in that area. But when you do have someone who stays, they stay because they want to be there, and western Kansas is a more laidback lifestyle, but you have to be prepared to drive to two hours if you want to go to the mall versus twenty minutes to go to the mall.

So, years ago, when we were struggling, dealing with unhappy customer owners, unhappy politicians, unhappy regulators, unhappy kind of everybody you're dealing with, the company decided to spend an intentional effort to define its corporate culture. So, we came up with the word TRAITS as the acronym. The first T is being technically competent. Everybody in western Kansas and everybody that works for Sunflower as well as other places—I'm not saying that we're unique—but they're going to be technically competent at their job. And the employer needs to be sure that the employee has what he or she needs to be technically competent. And the first R is having respect and dignity for everybody that you work with, that you work for, that you serve. The A is being accountable. I as the CEO told people that they were responsible for holding me as accountable to the corporate culture as I was to holding them accountable. Of course, they didn't believe that much. But a few spoke up when they'd see me behaving perhaps not the right way, but that's important. The I is integrity. You do what you do when you're by yourself as well as you do it when you're in a committee meeting. The second T is being trustworthy. I wanted everybody to know I was trustworthy. I wanted to know that they were trustworthy, and we were committed to what we were supposed to be doing. And the S is servant leadership. And I think that defines Sunflower because it defines the people that own Sunflower because it defines the people they are serving. So, it's kind of unique, but it's not different than a lot of America.

**RB: It may be a little bit different because of that emphasis on self-reliance. I don't know that I particularly want to focus on this much but because of that emphasis on self-reliance, when folks from outside the service area tell you what to do, it probably doesn't go down as well as it might in an area that didn't perceive itself as so self-reliant. Am I clear about what I—where I'm going with that?**

**EW:** I think what you said is fair, and what you have to guard against is thinking an outside idea is wrong because it's from the outside. What you have to do is you have to go back to truth which you know to be the foundation of every decision, theoretically, and is what they're saying true? If what they're saying is true and it serves the end-use customer, then I'm all for it. If what they're saying is either not true or it's true, but it doesn't serve the end-use customer, my responsibility is to the end-use customer and protecting them because they don't even know what decisions are being made at some of these levels. So, if I can't explain to everybody that we served that there was a benefit of a decision, I'd better rethink the decision.

**RB: Do you think folks from outside that service area understand that service area very well?**

**EW:** Clearly not, but that's not a criticism. It's just that they haven't been exposed to it. You go to the Dairy Queen. That's one of my favorite places. You go buy beef or you buy milk at the grocery store. You don't think of what it takes to grow that and process it and ship it and deliver it. You just take it for granted. So, I think rural America gets taken for granted.

However, I will say this, the co-op program in addition to power supply, in addition to grains where it started, they actually own a satellite that provides satellite Internet to rural America. The co-ops got together and did that because, again, just like electricity, the Internet providers weren't interested in going out to Scott City, but there's people in Scott City that would like to have the Internet. So, the co-ops just knew that they were going to have to do that themselves. So, they did it themselves.

**RB: In some respect, I almost feel like I'm asking cultural questions as much as I am technical questions, but it's pretty hard to separate those. In terms of future, I assume Holcomb's life span is—I don't know if it's indefinite, but it's—**

**EW:** That's an interesting question because our oldest unit is at Concordia [KS]. It's a gas unit that came online in the [19]50s. It still functions. It's not as efficient, but it still functions. Holcomb, to answer your question, had a 35-year life, which it outlived in [20]18, but now it's got a 20-year life. You know what's weak in them, and you rebuild them from the inside out.

Boiler tubes have to be replaced. Turbine fan blades and those types of things have to be replaced. The efficiency drops, but it's still capable of meeting its mission.

**RB: So, in terms of future, that's—and again, I know you're not there, and you haven't been for some time, and I appreciate that, but obviously in the world that you lived in, people are making long-term decisions.**

**EW:** Right.

**RB: They've got to be thinking about ten, twenty years down the road.**

**EW:** And you're right. I'm not there. I don't go to the board meetings. I do have some communications with some of the folks, but I do understand that, for instance, when Texas had its freeze-out a couple of years ago, it was an eye-opener to some of the new Sunflower people who weren't there when the stuff was originally built. They were suddenly able to see the value of having iron on the ground because they made sales into Texas that were outrageous really in the market price, but they saw that if you have your own, you have the opportunity to take advantage of the marketplace in that fashion. I still think the mindset of owning your own and operating your own has a benefit.

**RB: Are folks talking about other fuel sources? We talked a little bit about additional natural gas generation.**

**EW:** When I was there, and I think it's still something that's being looked at a little bit, I was part of a co-op group that looked at the microturbines—nuclear. To me, that makes good sense. It makes good sense for rural America. It makes good sense, but again it's getting over the hump of those involved in the regulation of those units about when's the cost going to stop going up. But I think you have to look at those types of things. Hydrogen would be a great breakthrough.

But like Mike [Lennen] and I were talking earlier, people just don't quite understand. There's no storage in the system. Batteries have been 45 years in the making and are not much better now than they were 40 years ago. If the public becomes more aware of how the system works and operates and realizes it's not a water system. Whereas if you take a hose, disconnect it at both ends, it's laying there full of water. A transmission line isn't that way. Electricity moves at half the speed of light, and when we turned on these spotlights in here, theoretically, a generator someplace responded to that load. The load is instantly served when it's used.

**RB: So, I get this question all the time relating to water that I can't really answer that I struggle with, which is sort of, "Okay. What is western Kansas going to look like in 50**



years?”—for some reason, people pick a hundred. I don’t think anybody can answer it, but say 50 years from now, people ask me, “What’s this going to look like with the resulting declines in the Ogallala [Aquifer]?” I sort of stumble around and try to come up with an answer to that even though nobody really knows. What is your answer to that? You’re sort of in a place to have watched this evolution. Obviously, you’ve thought about all of these issues deeply. You didn’t have a choice. What, 50 years from now, does that look like energy-wise out there?

**EW:** 100 years ago, before the Dust Bowl, they were growing corn and milo and alfalfa and wheat in western Kansas. They’ll be growing corn and milo, maybe cotton because cotton has moved up into southwest Kansas. I guess I have enough confidence in the rural community to know that they’ll figure out a better way to grow crops with whatever resources they have available at the time.

**RB: What will those energy sources be 50 years from now?**

**EW:** Well, if it was my world, it would be refined resources based upon what we’ve been blessed with naturally in gas and oil, but not closing off continuing to explore small nukes. I mean, nukes make good sense if the cost can be managed in a way. Hydrogen makes sense, if it can be managed in the right way.

But to take things that we got away from a hundred years ago, passive solar and wind and say that solar and wind is our solution, I’m not sure factually that’s the case. So, I’m not sure factually that we should be chasing those. Now if somebody does magically make this battery that has been sought for decades, that changes the game a lot, but you still have to face reality.

**RB: You said when you gave your prediction, you said it was sort of based on your world or how you would answer that question.**

**EW:** Yes.

**RB: If you want to answer that question. But that may be different from the way—one thing that’s clear in these conversations is how much rural policy directs what goes on in terms of what people do both environmentally and energy. So, while this is a part of the world that is extremely self-reliant, it’s also at the mercy of those decisions, not so much in Topeka, but in Washington DC.**

**EW:** Right.

**RB: So, based on what you know about that decision-making process, does that change your sort of prediction of what things will be like 50 years from now?**

**EW:** Well, again, I think if we look at other countries who are ahead of us in making energy decisions, and how they're going back to kind of the basics of energy generation, if the question is, or if the desire is, to provide an affordable, reliable source of energy to enhance human life, if that's our goal, then we have to stick with proven truth, accept changes that support changes from a truth perspective but not force into the system solutions that aren't solutions but feel good.

So, again, if we're going to compete with China, we have to understand that they have 90-some percent of the essential elements, right, for solar. It's no wonder that they think solar is a great solution, while they're building coal plants and influencing our public policy to get away from fossil fuels when they're just consuming more and more.

I guess what I'm trying to say is that I'm hoping that American ingenuity laced with truth will continue to produce the right answer, but if it doesn't, we ought not to be surprised if we have to surrender reliable, affordable electric energy in the future.

**RB: To sort of follow up on that, where does climate change fit into all of this, do you think?**

**EW:** Are you asking me personally? Because I can't speak for Sunflower, OK?

**RB: Yes. I'm not asking you to speak for Sunflower, but I am sort of asking you in light of the experiences that you've had. How do you satisfy those reliability issues that you've talked about and deal with climate change simultaneously? I think that is my question.**

**EW:** The complexity of the answer to that question is what is the end goal? If the end goal is no climate change, and you're willing to sacrifice human life to achieve no climate change, then that's one path for a solution. If the solution is maintaining reliability and recognizing how important electricity is in the everyday lives of people and the quality of life that they have, then the question is: "Is there a factual consensus that fossil fuels, as an example, that's certainly what we're talking about, is adversely impacting climate change?" And I would say that Sunflower for 30 years, for instance, has been asking, "Where is the proof of that? And are we certain that that is the case?" And if that's the case, all the science that says CO<sub>2</sub> levels are double a thousand years ago when Greenland was named Greenland"—and there's a book out there, a marvelous book for people to take a look at, which is *The Greening of the Planet Earth* that doesn't start from a conclusion that elevated CO<sub>2</sub> levels are bad but just looks at the impacted of elevated CO<sub>2</sub>

levels. What you see is that the vegetation does very well in a higher CO<sub>2</sub> level. The amount of water consumed by a plant is less. The fruit produced by a plant is greater. The foliage produced by a plant is greater. I'm just not sure that we have gotten to a point where we can say fossil fuel is bad and that by shortening human life to try to feel good about limiting CO<sub>2</sub> is the right answer where we want to be, especially when again the proponents—I know I keep bringing up China—but, it's their behavior versus their words, and the question is, if they really believed that CO<sub>2</sub> was bad, why are they doing what they're doing?

I think what we need is an honest discussion in this country on everything. Then that should drive the decisions that are made. I'm not a denier that temperatures are rising. But I also know that nine times as many people die from cold-weather events as die from hot-weather events. So is one or two degrees catastrophic, or is it just an environmental change that's been happening for thousands of years?

**RB: I realize that I just sort of veered off—we're supposed to focus on oral history, and I took you into the future as opposed to the past. Mike, do you have questions?**

**ML:** Most of the questions that I had, which had to do with sort of going back to the Holcomb siting decisions and issues that arose at that time, I think you've addressed well. This notion of a regulatory compact that sort of takes into account the vision of an efficient and sufficient service, fixed service territories, or at least designated service territories, and then offsetting that with regulatory control over rates. I think you've really addressed those issues well.

I was going to say when you were talking about your TRAITS and sort of this western Kansas way of looking at life that at the time that we were struggling through the Holcomb decision, two of the three KCC Commissioners were from southwest Kansas, either Garden City and Coolidge [KS] or Liberal [KS] and Coolidge, Commissioner Henley and Commissioner Dick at that time, as well as myself.

**EW:** I think one of the things that he mentioned that I'd just like to drive home that I was trying to say, before I got off on a dirt path myself, is that the regulatory compact to me is evidence of how the government agencies can work with and through local people for the true benefit of society. So, I'm not saying that every government program is bad or intrusive. That's clearly not the case, and the regulatory compact is a great example of how moderate government involvement in private business is beneficial to private business and to society as a whole.

**RB: Is that relationship, can you see that expressed in the same way in other states?**

**EW:** I don't have that much experience with other states. So, I can't answer that question.

**RB: I've always sort of been interested in Kansas's approaches, Kansas's solutions to issues, and it feels a little bit like that's the kind of way that Kansans would go about it.**

**ML:** I think that's fair although I think the concept you'll find in other states, but each has its own unique way.

**RB: Spin on it.**

**ML:** Dealing with it. Setting it out.

**RB: Anything else that we should have covered in this process that we haven't touched on?**

**EW:** I don't have anything. I just appreciate the opportunity to be a part of this history, and I apologize for those things that weren't historical, but were personal.

**RB: That was me. I just realized that I'm sitting in a situation where, of the three of us, I'm from the furthest east. I was brought up in Rice County. That never happens to me here. It's always the opposite. But Great Bend isn't very far west of where I grew up.**

**EW:** You're right. Great Bend is actually—I used to say that it was the dead center of the state.

**RB: It's pretty close.**

**EW:** The local Chamber [of Commerce] said, "Would you stop saying dead center?" But it is.

**RB: I think with that, it's a good place to stop. I appreciate the conversation. Your perspective, especially on the western half of the state, I think is really valuable. So, I appreciate the conversation and thank you.**

**EW:** Thank you.

[End of File]