

1 (February 6, 2007)

2 MS. FARRELL: I'd like to ask if everybody in
3 the back can hear me okay. There's no problem, great. My
4 name is Kim Farrell, and I am going to be the facilitator for
5 this meeting this evening. The purpose of this meeting is
6 to -- it's a public meeting for -- to offer the opportunity
7 for people to comment on the draft of the Environmental
8 Impact Statement of the proposed project. The role that I
9 will have is to keep the meeting in order and to define how
10 we're going to carry the meeting out and also to make sure
11 that all of you are given the opportunity to voice some
12 comments that you may have.

13 I'm going to quickly let you know that there
14 will be three speakers tonight. Stephanie Strength, who is
15 an environmental specialist, protection specialist with the
16 Rural Utility Services Division of the United States. The
17 Department of Agriculture will be speaking about the role of
18 the USDA in the proposal. Nancy Southworth, who is the
19 manager of the corporate communications with AECI will be
20 giving a description of the project and progress to date.
21 And then Mary Hagerty of URS will be discussing the
22 Environmental Impact Statement today. And each of those
23 presentations will take about ten to 15 minutes. At the end
24 of their presentations, we will then begin taking public
25 comments.

1 The public comments will be taken in the order
2 that people were signed up and checked, yes, that they did
3 want to make a comment. If you did not check yes, you can
4 still make comments. It's okay. We're not going to stop
5 anybody from doing that, and we certainly want everybody who
6 is interested in making a comment to do that. We also have a
7 reporter who will be available at the end of the meeting for
8 those of you who would still like to make a comment separate
9 from the meeting.

10 Each comment that you make will be limited to
11 two minutes, and we'll discuss that as we get closer to that;
12 or when we begin the public comment period, I'll go over the
13 rules of the comments. This is not a question and answer
14 forum. There were various scoping meetings that were
15 previously held, and tonight the purpose is to get your
16 comments. Sometimes there are temptations to ask questions,
17 but questions tonight will be limited to simply clarifying
18 anything that the speakers made reference to in their
19 presentations.

20 When this meeting is adjourned, all of the
21 comments will be compiled into a report. And the comments
22 will be published, and USDA will give a response to those
23 comments at that time. That is expected to happen sometime
24 in the late-spring. Okay? So we will officially begin the
25 meeting now; and we're going to begin with our first speaker,

1 Ms. Stephanie Strength. Again, she is the environmental
2 protection specialist with the USDA Rural Utility Services
3 Division. And Stephanie does not speak near as loud as I do,
4 so we're going to arm her with a microphone.

5 MS. STRENGTH: Thank you. Hopefully you can
6 hear me. Can you hear me now? So as Kim mentioned, my name
7 is Stephanie Strength. Good evening. Thank you all for
8 coming.

9 I am the environmental protection specialist
10 with the USDA. I am the contact for this project and for the
11 proposal. The involvement of the USDA in this proposal is
12 that we were approached by Associated Electric for financing
13 assistance. And before we agree to finance any project, we
14 have to make either an Environmental Impact Statement or
15 other environmental assessments to be in compliance with the
16 National Environmental Policy Act of 1969.

17 For this project, that is the Environmental
18 Impact Statement; and the purpose of the meeting tonight to
19 take comments on the draft. Any comments that are received
20 tonight will be addressed in the final Environmental Impact
21 Statement. It's actually not put into a separate report, but
22 it's part of the findings. And that document will be noticed
23 in the Federal Register and in local newspapers where you --
24 it looks like the notice you have for the meeting tonight --
25 and also on our web site.

1 All of my contact information, the web site,
2 where all the project updates are located can be found on the
3 back of the folded handout, as well as on the comment forms.
4 You can provide comments preferably tonight, or you can leave
5 a written comment with me, email them to me, send them in.
6 We'll take comments for a 45-day period that will end on
7 March 12, 2007.

8 Any comments that we receive will go into the
9 final Environmental Impact Statement when that is published.
10 There will be a 30-day comment period again. So you have
11 another chance to say here's another concern that we have.
12 We'll get that addressed in the final. We'd like to see it
13 addressed. Any comments we receive at that point will be
14 addressed in the record of decision, which we publish also in
15 the newspapers and Federal Register.

16 The process we go through is to assess the
17 environmental impact and look at alternatives to what is
18 being proposed. The Norborne Power Plant is addressed here.
19 We started with identifying the purpose of the proposal, put
20 out a notice of intent, hold a scoping meeting, contacting
21 the agencies, contacting the public, doing data-collection
22 surveys, evaluating alternative impacts.

23 Then we've gone on to create a draft EIS. And
24 for that process, we have brought in a third-party
25 environmental consulting firm, and Mary will explain a little

1 bit more about that process.

2 Then we have the public review meeting, which
3 is the 45-day period, which we're in the midst of now, the
4 meeting here today. So I really hope that any of you that
5 have comments will give them tonight so that we can put them
6 in.

7 MS. FARRELL: Okay. Nancy Southworth is the
8 manager of Corporate Communications with Associated Electric
9 Cooperative.

10 MS. SOUTHWORTH: Thank you. The party that
11 has proposed this project is Associated Electric Cooperative,
12 and Associated is the wholesale power supplier for all the
13 electric cooperatives in Missouri, a few in Iowa, and some in
14 northeast Oklahoma. The system that Associated serves, that
15 includes six generation and transmission cooperatives and 51
16 distribution cooperatives. These 58 cooperatives in this 3-
17 tiered system provide electricity to more than 800,000
18 consumer members in the service area; and about 630,000 of
19 those are in Missouri. And that's probably -- it's an
20 estimate -- around two million consumers, two million people.

21 The demand of this system that is served by
22 Associated is growing and in 2005 and then again in 2006,
23 reached all-time highs. The system is growing about 100
24 megawatts a year. And to give you a sense of that, 100
25 megawatts will serve about 50,000 homes.

1 Without the proposed power plant, Associated
2 is forecasting a deficit of about 35 megawatts in 2011; so
3 that's not very much. But by 2013, that grows to 243 of
4 these megawatts that we will be short for meeting our member
5 load. To help meet this load, we've proposed a coal-based
6 power plant in Norborne, Missouri, in Carroll County; and 134
7 miles of transmission line that goes east to the Thomas Hill
8 power plant -- in total 134 miles -- and then south to a
9 substation called Mount Hulda in Benton County.

10 There are several alternatives to this plant
11 that have been considered. They considered not building this
12 plant -- not doing anything, adding to an existing facility,
13 partnering with another utility, another company. And we
14 listed quite a few alternative technologies -- wind, solar,
15 we looked at natural gas, nuclear energy, and integrated coal
16 gasification combined cycle. And ultimately, all of those
17 provided not the resource we needed. They were either
18 inadequate, they weren't practical, or they were too costly.

19 There were a number of factors that we looked
20 at that were primary in siting the power plant. Water supply
21 was a major factor, rail -- availability of rail to ship the
22 coal. The location needed to fit within Associated's
23 transmission picture so that the electricity could be put
24 onto the transmission grid. And the location needed to be
25 able to accommodate construction of a power plant. And we

1 looked at dozens of sites in northwest Missouri, and eight of
2 those we looked at in pretty good detail. And from that we
3 picked the proposed site at Norborne, and we have an
4 alternate site in Holt County.

5 The plant site itself will occupy about 1,750
6 acres, and 750 acres can be then farmed and leased for that
7 purpose. The plant proposed is a 660 megawatt supercritical
8 pulverized coal unit. And a supercritical boiler allows the
9 unit to operate at higher pressures -- steam pressures, and
10 that increases your efficiency so you can burn less coal and
11 you have lower emissions in a supercritical boiler.

12 In addition, there will be some technology on
13 the plant for controlling emissions. The best methods that
14 are available in the market place will be applied to this
15 plant to minimize nitrogen oxides; sulfur dioxide; mercury;
16 and then particulates, which are small dust particles in the
17 ash. So when complete, it will be one of the cleanest coal
18 plants in the country.

19 The plant also will have equipment on it that
20 monitors the emissions constantly so that if the emissions
21 ever get out of line with what we have in our permit,
22 adjustments can be made at the plant immediately to make sure
23 the emissions are constantly in line with the permit that we
24 have for air emissions that we obtain from the Missouri
25 Department of Natural Resources.

1 The 134 miles of transmission line that I
2 mentioned is a 345-kV line. There would be a short segment
3 of it that's a double-circuit line that runs south of the
4 plant site down to south of the Missouri River.

5 The transmission siting process involved first
6 identifying two mile-wide corridors. And we mentioned
7 scoping meetings. I think that was August of 2005. After
8 those scoping meetings when the public input was taken on the
9 transmission corridors, they were refined to quarter-mile-
10 wide routes. And in certain areas -- you might see in the
11 EIS, some of the areas it's a little bit wider than a quarter
12 of a mile, just to free up a little bit of flexibility to
13 move around and reduce some impacts.

14 The route corridors were analyzed and then
15 ranked, basically, on the length and the nearness of homes.
16 So we're trying to minimize those impacts. The final right-
17 of-way for the transmission will be 150 feet, and the
18 transmission structures will be the h-frame wood pole
19 structures that you probably see across the countryside.

20 A new rail access to the power plant from the
21 existing mainline railroads will be needed. The initial rail
22 studies for the proposed plant site identified three one-
23 mile-wide corridors. Those have been reduced to quarter-
24 mile-wide routes after the scoping meetings and further
25 study. These routes were analyzed in length. We looked at

1 topography; the proximity of residences; and the road
2 crossings; again, trying to minimize impacts.

3 A connection to the BNSF intermodal line
4 directly to the south would bring in material and equipment
5 during the construction process, but coal deliveries would
6 probably never be very likely on that line. It's a BNSF line
7 six and one half miles to the north that could accommodate
8 coal deliveries. It's currently used just for coal trains.

9 In the future, there's a possibility that the
10 southern line to the south could have some potential for coal
11 deliveries. The actual right-of-way for the railroad will be
12 about 150-feet wide with some flexibility being allowed for
13 that, because siting a rail line with capabilities for trains
14 to make turns because they are less flexible.

15 The water supply would come from the Missouri
16 River through a pipeline that delivers water from the river
17 to the plant. The initial studies that we did indicate
18 there's plenty of water right there surrounding the plant,
19 but to limit the potential impact on surrounding citizens and
20 property owners, we have done further studies to obtain water
21 from the Missouri River; and that's our current intention, to
22 bring water from the river through a pipeline to the power
23 plant site.

24 In May of 2006, we were doing well studies
25 near the Missouri River about seven miles south of the plant.

1 And we invited the public to come and observe some of this
2 testing. We had a 72-hour pumping test that measured the
3 yield and quality and effects on the surrounding area. And
4 some of the citizens in that area did participate by
5 attending the testing.

6 The results of the study predicted no negative
7 impacts on the local ground water supply from our plant
8 operation. We are continuing to work with neighbors near the
9 proposed well location. We want to collect additional
10 information about their wells so that we can protect their
11 water supply.

12 A Missouri DNR-permitted landfill will be
13 constructed to dispose of the waste from combustion of coal.
14 The landfill design has several precautions, including liners
15 that protect surface and ground water and also the
16 surrounding property owners. There are several additional
17 precautions that will be taken to protect the surface water
18 during construction and then again after operations begin.
19 Runoff and waste water will be controlled and treated, and
20 that will be done under DNR permits.

21 Our total investment for all the plant and all
22 the environmental controls will be about \$1.3 billion. To
23 operate a plant like this will require about -- to build a
24 plant like this will involve about 1,200 construction
25 workers. And then after the plant is completed, about 139

1 full-time employees will be needed. We estimate the average
2 salaries at about 59,000 plus benefits to operate the plant.

3 To date, Associated Electric has participated
4 in a number of community meetings, more than 20. We have
5 addressed civic groups; we've participated in regulatory
6 meetings; community events, like fairs and festivals; and
7 we've produced and distributed more than 35 news releases and
8 messages that have gone to people who signed up to be on our
9 mailing list. And then, individual correspondence,
10 newsletters, and web site updates has been our approach to
11 try to keep you informed on the project.

12 MS. FARRELL: Thank you, Nancy. Mary Hagerty.

13 MS. HAGERTY: I'm going to give you a very
14 general overview of the draft Environmental Impact
15 Statement -- short for that is EIS. That is the big, thick
16 document that we have two copies of on the table back there.
17 And in that document, there is three main chapters.
18 Chapter 1 is the purpose and need of the project. Chapter 2
19 is the alternative discussion. And Chapter 3 talks about the
20 effect on the environment and the environmental impacts.
21 There are some other chapters, but those are the -- that's
22 the heart of the document.

23 Chapter 1, the purpose and need part, Nancy
24 went over that. That whole discussion is why -- what's the
25 need here. And the answer is that Associated Electric within

1 the next few years is going to have a shortfall in power
2 compared to the needs of its members. And so that discussion
3 goes through looking at what resources Associated has; and
4 then looking at what the needs are of the members, and
5 concluding that within a few years, a 660 megawatt base load
6 plant is going to be needed. So that's Chapter 1.

7 And then, Chapter 2 goes into all the
8 reasonable alternatives that are available to Associated to
9 meet this need of 660 megawatts. And Nancy went over those;
10 but just to repeat some of that, we looked at options that
11 didn't involve building, like purchasing power from another
12 company or sharing in a project with another company.
13 Associated also looked at expanding their plant at Thomas
14 Hill, and we had a detailed discussion of that analysis in
15 the document. And then there was a whole list of technology
16 alternatives that Nancy talked about.

17 At the end of that Chapter 2, we end up with,
18 basically, five different kinds of alternatives that we look
19 at in detail in Chapter 3. And also in Chapter 2, we go
20 through the whole siting process, which Nancy went over --
21 you know, the water issues, the rail issues, the
22 environmental issues associated with the site. So at the end
23 of Chapter 2, we identify those alternatives that are going
24 to be looked at in detail in Chapter 3. And those are the
25 two site locations -- the Norborne Plant, which is the

1 preferred alternative; and that's what you see on the board
2 over here -- it's in Carroll County -- and then the -- an
3 alternate site, which is in Holt County, called the Big Lake
4 site, which is not the preferred site.

5 Then we also look in detail at two technology
6 alternatives. One is the supercritical pulverized coal that
7 Nancy talked about, and the other one is called integrated
8 gasification combined cycle. And in that process, first the
9 coal is gasified; and then that gas is burned in a combined
10 cycle unit. And we looked at that one in detail.

11 And then as required by the National
12 Environmental Policy Act, we also looked at the no-action
13 alternative, which means doing nothing. Now, when we looked
14 at these in detail in Chapter 3, we looked at the impacts on
15 all these resources of all of those alternatives with the
16 focus being on the preferred action that's on the board right
17 there.

18 We looked at impacts on air quality, geology
19 and soils, ground water -- Nancy talked about that a bit with
20 the wells -- surface water, agriculture, cultural
21 resources -- that would be historic buildings or
22 archeological resources -- visual resources -- that would be
23 how is this plant going to affect people in the area that --
24 where it's going to be in their visual field of view; or is
25 it going to have any impacts on parks where people might be

1 seeing it -- public lands, recreation, vegetation and
2 wildlife, threatened and endangered species, noise -- there
3 was a noise assessment done to see what the impacts are for
4 people around the plant and from the rail -- socioeconomic,
5 that is both the positive and negative impacts to the
6 community from constructing this project -- land use, and
7 then waste management -- what's going to be happening with
8 the waste that's going to be generated by the plant.

9 In Chapter 3 we looked at not only the impacts
10 of the plant itself, but also everything associated with
11 it -- the transmission line. And that's on one of the maps
12 down there. You can see where the proposed transmission
13 lines for the plant are. We looked at impacts of the rail;
14 and the rail corridor is shown on another board down there,
15 if you want to see where that is. And then, the water line;
16 and the well field and water line is shown on another board
17 down there.

18 There's also a handout, which I noticed only a
19 couple of people have. But there is a handout on the table
20 back there that shows all of these maps. And the plant map
21 is labeled so you can see where the landfill is in relation
22 to the plant, if you're interested in that. There's a
23 picture of what the structure for the transmission line --
24 what it's going to look like, and that's on the board and
25 it's also on the handout. And then the handout has a map of

1 the rail corridor and the water line too.

2 So that's kind of the general overview of that
3 big document. But the best way to get a little more detail
4 on the project, first you probably want to look at the
5 handout. And then, if you have some time tonight, there is
6 an executive summary at the very beginning of the draft EIS;
7 and it goes through the purpose and need, all the
8 alternatives that were looked at and why a lot of the
9 alternatives were eliminated. It gives the reasoning behind
10 eliminating alternatives that were looked at in detail. And
11 then it summarizes the actual impacts of the alternatives
12 that we did look at in detail. And that's not very long, so
13 you can take a look at that.

14 If there's a topic that you have more interest
15 in, you can go through the table of contents and see where it
16 is. And there's also an index in the back of the book. You
17 can look up things by key words. And there's quite a few
18 technical terms in that document, so there's a glossary in
19 the back that define technical terms that aren't generally
20 familiar to people. And there's also comment forms back
21 there. And the handout on the back has a list of all the
22 libraries in the area that have a copy of that draft EIS.
23 You can go to the library and review it, or you can go online
24 and review it. And it also has a short description of what's
25 going to be happening next in the process. And all of

1 Stephanie's contacts are listed. Thank you.

2 MS. FARRELL: So we will now begin with the
3 public comment period. But before we do, I want to thank you
4 again for being here and being committed to this process and
5 for taking the time to be here. We did have an individual
6 who would like to request that he -- he has to get on the
7 road; and I wanted to ask if everybody will allow him to go
8 first -- Randy Asbury. And what we'll do is -- does anybody
9 have a problem with somebody speaking first? Okay. What we
10 will do is we will go in the order of how you signed up, with
11 the exception of Randy, unless anybody has -- unless anybody
12 would like to object to Randy speaking first. And if you
13 would like to object, we have somebody willing to trade their
14 place. So thank you for allowing Randy to do that.

15 But what we will do is go down the list of who
16 checked yes, that they would like to speak, first; and we'll
17 limit comments to two minutes and ask that you stick with
18 comment about the proposal. After we cover everybody who has
19 signed up to speak to make a comment, then we will ask -- or
20 I will ask again if there are additional comments. I know a
21 couple of you came in after we got started. So before we
22 call on anybody to speak to make a comment, I'd like to ask
23 if everybody did sign in; and if you did not, if you would so
24 we know if you'd like to make a public comment. Is there
25 anybody who needs to sign in that has not?

1 So we'll begin by asking Randy to make his
2 comment. And again, comments will be limited to two minutes.
3 There are two times that I might stop you, and that would be
4 if you go away from commenting about the proposal; and the
5 other would be that you're exceeding the time. It's not that
6 we're trying to be difficult with a time limit so much as we
7 want to maximize the opportunity for everybody to comment.
8 And at the end of -- after everybody has commented, I promise
9 you I will come back and ask if anybody I happened to cut off
10 would like continue with what they wanted to say. All right?
11 So thank you. Randy.

12 MR. ASBURY: Come forward or just out here?

13 MS. FARRELL: Yes, there's a microphone up
14 here. Actually, I was going to explain it. We were debating
15 on this because there's a wiring issue, as I understand it.
16 And you're kind of tall and the microphone is down. But I'm
17 afraid if you raise it up it might cut if off for good. And
18 I can also come to you with the mic if necessary.

19 MR. ASBURY: Thank you. I appreciate you
20 allowing me to speak first and allowing me to get to my next
21 engagement. Good evening. My name is Randy Asbury. I am a
22 consumer member and board member of Howard Electric
23 Cooperative, an electric distribution cooperative in Fayette,
24 Missouri, that provides power to portions of Howard,
25 Randolph, Chariton, and Boone counties. I am also

1 representing Randolph County as its Western District
2 Commissioner. It is my pleasure this evening to offer
3 comments regarding Associated Electric Cooperative's proposed
4 power plant, transmission lines, and rail corridor that will
5 supply electricity to end-users throughout Missouri, Iowa,
6 and Oklahoma.

7 As a board member for Howard Electric
8 Cooperative, I understand the critical need to have a
9 consistent and reliable power generation company providing
10 the electricity we need to meet the power demands of our
11 consumer members. We are fortunate that Associated Electric
12 provides reliable power at an especially competitive price
13 and in an environmentally sound manner.

14 Associated Electric annually invests millions
15 in environmental air emission controls. Over the past years,
16 Associated has continually been on the cutting edge of
17 environmental protection; and for that reason, tremendous
18 improvements in air quality have taken place. Associated
19 recognizes the importance of sound environmental practices,
20 and I am confident will consistently be among the national
21 leaders in staying abreast of new emission technologies that
22 will further enhance our environment for the future.

23 Regarding the future, the need for new sources
24 of electricity continues to grow. Demand for electricity
25 increases annually as to base homes and business technology

1 require more and more usage. That is evident in my home. As
2 my family of six becomes more dependent on the technology of
3 our age, we also become more dependent on the electricity
4 needed for that technology to function. Our electric meter
5 runs day and night as we use electricity for computers, cell
6 phone chargers, landline phones, appliances, entertainment
7 gadgets, and a multitude of digital equipment.

8 At Howard Electric, our consumer electric
9 usage has increased by 104 percent over the past 20 years.
10 This level of increase is not uncommon among rural electric
11 cooperatives. Moreover, it is anticipated there will be a 67
12 percent increase in kilowatt hour usage over the next eight
13 years and an increase in demand of 54 percent for that same
14 period. Now is the time to move this project forward to meet
15 that ever-increasing power demand in a timely manner.

16 Finally, you will find no better neighbor than
17 Associated Electric. Just last week as I sat in a Randolph
18 County commission meeting, a statement was made about how
19 easy it has been over the yeas to work with Associated on
20 county matters relating to their Thomas Hill plant. In fact,
21 Randolph County would welcome this plant to our county
22 because we understand the degrees to which Associated
23 Electric would go to be a team player and good neighbor.

24 With that, I appreciate the opportunity to
25 make these comments. Thank you.

1 MS. FARRELL: Thank you, Randy. Dale Kirby,
2 come on up.

3 MR. KIRBY: I was going to object to Randy
4 speaking first; but since he's one of my board members, I'll
5 let him go. And I don't have a written speech. I'm not a
6 public speaker, but I just want to say I'm proud to be a part
7 of what I think is the best electric coop system in the
8 world. And you've got the three-tiered system. And like
9 Randy said, the Association is foot-stirring; they're good
10 for our farmers; and I would love to have a power plant at my
11 back door if they were making 139 jobs that pay \$59,000 a
12 year. Because I think we lose the most important part of it
13 that our community puts into our society, and that's our
14 young people, because they can't find a job. And like I
15 said, I'd love that in our back door.

16 The other thing I'd like to say is that I
17 think it's very important that we have reliable, affordable
18 electricity just so people don't have to fight over whether
19 they're going to pay for prescription medicine or an electric
20 bill. And our coop is, like Randy, it's one of the smallest
21 in the State. We have about 3,500 meters. And when I first
22 got on board 30 years ago, everybody always had to have their
23 own Tom Cat because there was about two members per mile. So
24 we grew to about 3.6 members per mile. So if we could keep
25 good affordable electricity, transmission lines for our towns

1 and local coops that would be a good thing. And that's kind
2 of what I've got to say. Thank you. But it's really good to
3 be a part of a coop family in the whole state.

4 MS. FARRELL: Thank you, Dale. Steve Burnett.

5 MR. BURNETT: Good evening. My name is Steve
6 Burnett. I am the General Manager of Northeast Missouri
7 Grain, LLC, near Macon. NEMO Grain was the first ethanol
8 plant built in Missouri seven years ago. We are on the Macon
9 REC system, and are their largest customer for electric
10 power.

11 NEMO Grain is a corn-to-ethanol fuel refinery
12 which runs 24/7, year round. The plant has 12,000 connected
13 horsepower, which would equate to the electric load of a city
14 of about 4,000 people. Consistent electric service at a fair
15 price with room for growth is of paramount importance to our
16 plant. We have always gotten this from Macon REC and
17 appreciate the power-generating and delivery system which
18 they are a part of here in Missouri.

19 Macon REC is very pro-economic growth and has
20 always been a great partner in our success. As we have
21 grown, they have grown. Our plant has tripled its electric
22 load over the years and is now in the process of doubling its
23 substation capacity due to further growth.

24 The presence of adequate power capacity is of
25 utmost importance for the growth of the renewable fuels

1 industry in Missouri. NEMO Grain is only one of four
2 operating ethanol plants in the state. Several other ethanol
3 and soy diesel plants are either under construction or being
4 planned in Missouri. Sufficient power is required to to
5 already available in an area before the site will be chosen
6 for a plant. If it is not, the developers will move to to
7 another location, possibly in another state. Competition for
8 these plants is keen.

9 These ethanol plants have huge economic
10 impacts within an area and for the entire state. Almost all
11 renewable fuel plants are built in rural communities, and
12 these communities benefit greatly during the construction
13 phase and continually thereafter once operations are begun.
14 Although NEMO Grain employs only 43 people, the total
15 economic impact of the plant approaches the equivalent of
16 2,000 permanent full-time jobs across Missouri.

17 Adequate electric power, outstanding service,
18 room for growth, and fair pricing are of utmost importance to
19 the future of our industry in Missouri. Industrial growth,
20 good jobs, and the growth and vitality of our rural and state
21 economies depend directly on electric power being available.
22 We strongly support the proposed Norborne project.

23 Thank you for this opportunity to speak in
24 favor of this project.

25 MS. FARRELL: Steve, you were right at two

1 minutes. I just wanted to point that out, because everybody
2 has done great with the two minutes; but I did want to let
3 you know that's a great example of falling right in, and I
4 really appreciated that. Okay, David Wright.

5 MR. WRIGHT: I'm David Wright, and I live 75
6 miles northeast of here in a little town called Emden,
7 Missouri. I'm a farmer and a member of Missouri Rural
8 Electric, also a member of the first ethanol plant that Steve
9 mentioned. I'm a member of the Missouri Cattleman's
10 Association, as well as other associations.

11 I am in favor of this proposed power plant.
12 We need to look at the future needs of rural Missouri. Our
13 little coop, Missouri Rural Electric, has experienced growth
14 of around 4 percent annually. And we, as member owners, are
15 very proud of Associated Electric and their track record on
16 reliability, as well as environmental benefits.

17 I live close to Illinois and observe their
18 problems with rates and regulations, as well as reliability;
19 and we don't want to let our system go down hill and
20 backwards to -- we want to keep being the leader.

21 Not only do we need to look to the future of
22 this new power plant, but we need to build and keep our
23 transmission lines up in good shape as well. Rural Electric
24 Coop of Missouri needs to stay in the lead. This power plant
25 being proposed is being built by coop Associated Electric for

1 its cooperative members. This proposed plant of Associated
2 will help meet the growing demand we are seeing in our own
3 system as well as the future load growth to help rural
4 Missouri to continue to prosper. Thank you.

5 MS. FARRELL: Thank you very much. Joan
6 Agelston -- Jon. I'm sorry.

7 MR. AGELSTON: Please.

8 MS. FARRELL: Jon. I don't blame you. I'd
9 rather be Jon. Thank you.

10 MR. AGELSTON: Thank you. Good evening. I'm
11 Jon Agelston. I'm a grain producer from Scotland County. I
12 appreciate this opportunity to come forth in support of the
13 new proposed electrical generation power plant in Norborne.

14 But tonight I'd like to speak to you as
15 president of the Missouri Renewable Fuel Association.
16 Missouri Renewable Fuel Association represents all four of
17 the now-producing ethanol plants in Missouri and the other
18 two that are in the construction phase. This growing
19 industry comprises the investment of many, many producers all
20 across the state. Growing interests in ethanol and soy
21 diesel is being seen across the state and this country. The
22 benefits of these plants being located in rural Missouri
23 brings economic benefits beyond belief.

24 The cry all across this country as of right
25 now is for energy independence, which is imperative for this

1 country's energy security. As this renewable fuel industry
2 grows, the demand for electrical then also grows. Adequate
3 electrical power supplies at reasonable rates must be present
4 to keep this industry growing and expanding. This state and
5 this country must have the adequate electrical resources
6 available to further expand this renewable fuels industry.
7 Thank you.

8 MS. FARRELL: Thank you very much, Jon. Sorry
9 for getting your name wrong.

10 MR. WRIGHT: That's fine.

11 MS. FARRELL: I think I've got this one right.
12 Mary Libhart.

13 MS. LIBHART: I'm Mary Libhart from the Macon
14 Electric Coop. I live on a farm on our electric coop
15 service. Raising livestock makes me very dependent on my
16 electric service, needing it at the pump house and keeping
17 the water is always important. Without electricity, not even
18 a diesel tractor for feeding would start in this cold
19 weather.

20 The Associated and coops have been very
21 concerned and have spent large amount of money to improve our
22 electricity demand, our environment, and quality of air. The
23 Norborne plant will be using all the latest technology for
24 this. After experiencing the bitter weather the last several
25 weeks and heating my home with an electric heat pump, I have

1 come more to appreciate the reliable and affordable electric
2 service we have and continue to build for our coop's load
3 growth now and in the future.

4 MS. FARRELL: Thank you, Mary. Vic Kline.
5 You-all are just too good on this time.

6 MR. KLINE: I'd like to comment on this power
7 plant will help rural development in our area. I am Vic
8 Kline of Shelbyville, Missouri; a member of Missouri Rural
9 Electric Coop in Palmyra. I manage Boars, Inc., which is a
10 business which sends out 5,000 doses of swine semen per week
11 to pork producers in Missouri, Kansas, Iowa, and Illinois.

12 This 5,000 doses per week results in 260,000
13 doses per year. Both of those produce 1.3 million pigs or
14 about 130 million dollars worth of pork. We have nine
15 employees, some full-time and some part-time, plus eight
16 drivers to deliver this semen. So we impact the economy in
17 Shelby County and the surrounding area. Everything we do
18 needs a good, affordable, reliable supply of electricity.

19 The boars that we house are kept in 60 to 75
20 degrees whether the outside temperature is -1 degree like
21 this week or 105 degrees as can get in the summer. The semen
22 is maintained at 64 degrees, so you can see we rely on
23 electricity.

24 It takes several years to build a power plant.
25 So as a farmer and a member of an electric coop, I am glad

1 Associated Electric is looking ahead and planning to build a
2 power plant so I don't have to worry where my power will be
3 coming from. As they have done in the past, I'm sure they
4 will do their best to satisfy the needs of the people in
5 rural Missouri.

6 Rural Missouri must grow to survive. With a
7 reliable supply of power and transmission lines to distribute
8 this power we will continue to grow and raise our kids in
9 rural Shelby County. Thank you.

10 MS. FARRELL: Thank you very much, Vic. Okay,
11 the next person who signed up to speak, Lynn Hodges.

12 MR. HODGES: I am Lynn Hodges, and I am a coop
13 member and am a user of our system. And I've really come to
14 appreciate over the last 15 years the reliable service and
15 affordable services the coop has been providing to us. I am
16 here to speak in favor of the construction of this facility,
17 not just as a coop member, but also as a small business
18 operator. I run a small Internet service provider business
19 in Ralls County, and I see a great demand for the services
20 that we provide. As an infrastructure -- if we all intend to
21 continue to promote rural development, this infrastructure is
22 greatly needed; but it must be provided as a reliable system
23 at an affordable cost. And at least in my opinion, without
24 construction of these type of base-load facilities, we'll not
25 be able to meet that demand. Thanks.

1 MS. FARRELL: Thank you very much, Lynn. Carl
2 Thompson.

3 MR. THOMPSON: My name is Carl Thompson, I'm
4 from Ralls County; I live at Monroe City, Missouri. I live
5 on a farm that I was born on; I've lived there all my life.
6 The only electricity I've ever bought has been from Rural
7 Electric Cooperative. I am strongly in favor of this.
8 Associated has proven to be a reliable supply, low-cost power
9 supply for all the electric coop members who actually own the
10 coop.

11 They have been good neighbors in the things
12 that they have done in the past. They look to find -- the
13 wind farms that they're building, they are constantly looking
14 for new sources of not only coal-powered generation, but any
15 sort of renewable. They've even went to the extent of
16 burning walnuts as a trial to see if that would work.

17 The economic impacts that electricity brings
18 to rural America, I don't think we can multiply the numbers
19 of dollars that it's worth to our communities. Without
20 electricity, our kids will all be gone in the future. And I
21 strongly support this.

22 MS. FARRELL: Thank you very much, Carl. I
23 believe this is Jerry or Terry --

24 MR. BLAUE: -- Blaue.

25 MS. FARRELL: Is that B-1 --

1 MR. BLAUE: -- a-u-e.

2 MS. FARRELL: Okay, great. Thank you.

3 MR. BLAUE: I didn't prepare anything, but I
4 am -- my name is Terry Blaue. I'm from rural Missouri from
5 Consolidated Electric; I'm a member there. I'm a farmer. We
6 raise cattle and livestock and a grain farm also. From what
7 I understand and believe, Associate is -- we're a coop; we're
8 owned by the members; it's owned by the members. They're
9 very diligent in taking care of their own people. And by
10 taking care of their own people, they're taking care of their
11 rural community -- all the rural communities because we are
12 all members.

13 And I am seeing a movement from the cities of
14 people coming out and moving out to the rural areas. And we
15 are supplying them with adequate supply of electricity. And
16 with this growth coming out from the cities, we need this
17 extra build-up of electricity from this new plant that
18 they're proposing. And I think this new plant would be very
19 beneficial to us all, not just the rural people, because the
20 urban areas are coming to us. They are relying on us and
21 looking at us and comparing us to our other people that are
22 supplying electricity to them; and we're getting a thumb's
23 up. So Associate needs to keep up the good work that they're
24 doing. And so I support this Norborne project.

25 MS. FARRELL: Thank you very much, Terry.

1 Okay, the next person, Dennis Weis.

2 MR. WEIS: My name is Dennis Weis. I'm a
3 member of Callaway Electric. I've been a member for 17
4 years. Not only that, but when I was asked to do this, I got
5 to thinking all of my family is on coop and most of my
6 distant family. So what I'm going to talk about is pretty
7 important to me, and that's affordable electric.

8 I got on the Internet and did a little
9 research, and according to the Department of Energy, our
10 rates are 19 percent below the national average. And when I
11 think about my parents or a lot of people like them that I
12 know, they're on fixed incomes.

13 And so I want to go further. Why is our rates
14 so much cheaper? I got to studying. And 85 percent of
15 electric generated in Missouri is done through coop. You
16 know, I like the idea about the wind farms; I think it's
17 pretty neat. But them wind farms were 20 percent below
18 national average. That technology may come later.

19 Also, I realize that coal's given a bad name
20 when it comes to environment. I don't really understand it.
21 I'm old enough -- we were talking a while ago, back in the
22 '60s and '70s, I can remember when the air was really dirty.
23 I can remember when in the Great Lakes fish were dying.
24 That's not the case today. In fact, according to the EPA, in
25 the last 35 years, the total emissions had dropped by 54

1 percent. And today we're burning 200 percent more coal in
2 Missouri to generate electric than we were 35 years ago. To
3 me that's amazing, so this is awfully important to me. I
4 appreciate the time.

5 MS. FARRELL: Thank you very much. Clint
6 Smith.

7 MR. SMITH: Hello. My name is Clint Smith,
8 and I'm from Callaway Electric. I've lived on a farm outside
9 of Fulton my whole life. I'm always amazed about how we
10 receive electrical service at Callaway Electric. Starting as
11 a lineman, I saw first-hand how important reliable electric
12 service was to our members. From working a thunderstorm on
13 our system, assisting with the aftermath from Hurricane
14 Katrina, people rely on electricity. But the most reliable
15 things come with a price tag.

16 Associated Electric is keeping our costs to a
17 minimum. Missouri is the third lowest cooperative paying
18 state in the United States, and we should be proud of that.
19 There are factors contributing to the cause of these
20 inexpensive, reliable rates. The use of coal to generate
21 electricity and having the capacity to serve their members
22 without purchasing electric themselves are two contributing
23 factors.

24 The load of our system is growing daily; and
25 without the support and capabilities of Associated, our

1 necessity for inexpensive reliable electrical service will no
2 longer exist. Our consumers on our system are relying on
3 Callaway Electric to provide reliable service to them; and I
4 believe we've done just that, but not by ourselves.

5 Without Associated's efforts this would have
6 never been accomplished. Our farm is located four miles from
7 the power plant in Callaway County. The positives the plant
8 has brought to our community are endless. From job
9 opportunities to economic development, the power plant is the
10 most important facility in our community.

11 Knowing the people at AECI and the stability
12 in their business, one could only hope for a chance for this
13 company to enter their community. To the community of
14 Carroll County, don't let this opportunity slip away. Being
15 a landowner in the neighborhood to the plant in Callaway, our
16 lives would be much different today and not for the better.
17 Good luck with your decision, and always give Associated a
18 chance to serve your community. Thank you.

19 MS. FARRELL: Thank you, Clint. And Nelson,
20 come on up.

21 MR. HEIL: I want to thank you for allowing me
22 to speak here. My name is Nelson Heil. I'm presiding
23 Commissioner of Carroll County. I have my two associate
24 commissioners David Martin and Jim Stewart with me. I'm
25 going to read a statement that we want entered into the

1 record.

2 The Carroll County Commission does hereby go
3 on record as being in support of the proposed AECI power
4 plant near Norborne, Missouri, in Carroll County.

5 As elected representatives for Carroll County,
6 we have studied Associated Electric's proposed power plant
7 project and feel it would benefit Carroll County and its
8 residents for several reasons of which we list a few here:

9 AECI is a good, responsible corporate citizen,
10 something we have concluded after the discussions we have
11 held and the working relationship we have developed with them
12 over a period of two years.

13 We have verified this by attending AECI's
14 annual meeting and observing how business is conducted with
15 members of the cooperatives. We have reviewed the financial
16 statement and history of AECI and found them to be
17 financially solid.

18 We have found that AECI has a bond rating that
19 is among the very best in the country, proving their ability
20 to meet their financial obligations. As part of a
21 Chapter 100 agreement, the affected taxing entities will
22 receive over \$15.6 million with most of that money going to
23 the local school. This is money that is not being received
24 now.

25 In its present state, the land for the

1 proposed plant now generates \$8,935 in property taxes. In 20
2 years at that rate, it would amount to \$178,700. In
3 contrast, the county will receive over \$15.6 million over a
4 20-year period; and the plant would be taxable after the 20-
5 year period. This \$15.6 million is 87 times the amount the
6 land would generate in its present state in 20 years.

7 We have visited their facilities and have seen
8 first-hand their operations in other communities as well as
9 speaking to other people in those communities who have agreed
10 that AECI is a responsible business and one that has been a
11 real benefit to their communities.

12 These other communities have attested to
13 AECI's quality operations and good business profile and that
14 they are one of the best employers in the communities where
15 they operate. AECI is proposing to bring approximately 139
16 full-time jobs to Carroll County that will pay an average of
17 \$59,000 for a total annual payroll of \$8.2 million plus
18 benefits.

19 We have determined that we have well-educated
20 county residents who would have an excellent chance of being
21 hired at the plant. Most employees at AECI's existing plants
22 come from the county where the plant is located, with the
23 remainder coming from surrounding counties. These are
24 desirable jobs, as was recently evidenced by AECI receiving
25 over 2,500 applicants for only four entry-level jobs at one

1 of their local power plants in 2005.

2 It is the opinion of the Carroll County
3 Commission that this project will benefit our county by
4 bringing in a responsible corporate citizen, additional
5 revenue for schools, and good paying jobs for our residents.

6 We furthermore have confidence in the
7 environmental measures regulated by DNR and EPA that will be
8 employed at the plant to protect the environment, and that
9 all proper steps and procedures have been followed during the
10 permitting phase. We, therefore, sincerely request that this
11 project proceed forward as planned. And all three of us have
12 signed this. Thank you.

13 MS. FARRELL: Thank you very much.

14 MR. HEIL: I'm sure I ran over.

15 MS. FARRELL: You did by 20 seconds; but you
16 know, the good thing is that you were the last person to say
17 you wanted to speak; and I saw no harm in that.

18 MR. HEIL: May I have one more?

19 MS. FARRELL: You can have one more.

20 MR. HEIL: I would like to thank everyone for
21 their comments. I certainly appreciate it.

22 MS. FARRELL: All right. Several people
23 checked no and several people did not check yes or no. So
24 I'd like to ask at this time if anybody would like to make a
25 comment publicly for the record at this time. Go ahead and

1 come on up, sir.

2 MR. BLOOM: Thank you. My name is John Bloom.
3 I'm a member of Lewis County Rural Electric Coop. I'm
4 speaking and have a couple of issues in support of the power
5 plant. As Nancy commented earlier, our demand is growing in
6 the cooperative by 100 megawatts a year. This plant will
7 generate and the output on it is 660 megawatts. As I view
8 that, we're looking at a new power plant every six or seven
9 years. As we are right now with the growth and timeline and
10 permitting, Rural Electric Cooperative is walking a tightrope
11 to meet the future needs of our members; and it's important
12 that we move forward with this plan.

13 The second comment I'd like to make is the
14 picture is often painted that electric companies are willing
15 to sacrifice the environment to maximize profits. Rural
16 Electric Cooperatives are all nonprofit; and therefore, don't
17 share that motive with others. And Associated and their
18 efforts have been very strong and made investments in wind
19 generation and is open in exploring other alternatives to
20 renewable resources.

21 MS. FARRELL: Thank you very much, John. Is
22 there anybody else who either checked no or did not check
23 either yes or no who would like to speak, make a comment?
24 Okay. The reporter will remain and can take comment if
25 anybody would like to do that afterward. We can adjourn at

1 this time. And thank you again for your commitment to being
2 here and at this public meeting process. We really
3 appreciate you for your attendance.

4 And if you would like to comment to the
5 reporter, you can talk to her over here. And also, there are
6 forms at the table in the back that you can write comments
7 out that you can send to Stephanie Strength.

8 MS. STRENGTH: And also, if you want to take
9 extras and give them to neighbors, anybody who wasn't able to
10 come tonight and you think might want to comment, we'll
11 accept them in email, by mail, any way you can get them to
12 us.

13 MS. FARRELL: So if you would like to take
14 extra forms for comments and give them to your neighbors you
15 know, that would be great; and get them back to Stephanie at
16 USDA. Thank you again, and the meeting is adjourned.

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