

News Release

Clay Rural Water System Inc
Wakonda SD
605-267-2088
Greg Merrigan, Manager

The Clay Rural Water System Board of Directors voted at their monthly meeting on January 28, 2010 to not serve or make service available to Hyperion Energy Center with respect to the Energy Center's request for water service in the amount of 9 million to 12 million gallons a day.

In making this decision Robert Wood, board president, emphasized that Clay Rural Water has no legal obligation to serve water to the Hyperion Energy Center for commercial and industrial purposes and that although Clay RW does have commercial, residential, agricultural, and consumer users in the trade area surrounding the projected location of the Hyperion Energy Center, Clay RW does not presently have the ability to make service available for the quantities of water requested of 9 to 12 million gallons per day to serve the Hyperion Energy Center's commercial and industrial needs. In addition, Mr. Wood pointed out that the capital expenditure required to deliver the large quantity of water to the Hyperion Energy Center would be substantial and would require Clay Rural Water to secure substantial financing to complete the project. The board decided that it is not prudent to bind the members of the water system to this substantial debt.

Clay Rural Water does intend to continue to serve its current and future commercial, residential, agricultural, and consumer users in the trade area surrounding the projected location of the Hyperion Energy Center. In making this decision, Clay Rural Water is consenting to allow Hyperion to seek water from other sources for the energy Center's commercial and industrial needs only. At the same time, Clay Rural Water is not consenting or waiving its legal right to be the service provider for all other current and future water users in the area surrounding the proposed site of the energy center.