BEFORE THE PUBLIC SERVICE COMMISSION 1 2 STATE OF MISSOURI 3 4 TRANSCRIPT OF PROCEEDINGS 5 HEARING 6 May 3, 2006 7 Jefferson City, Missouri 8 Volume 10 9 10 In the Matter of the Application) of Aquila, Inc., for Permission and) Approval and a Certificate of Public) 11 Convenience and Necessity Authorizing 12) It to Acquire, Construct, Install, Own,) 13 Operate, Maintain, and Otherwise) Control and Manage Electrical) 14 Production and Related Facilities in) Unincorporated Areas of Cass County,) Missouri, Near the Town of Peculiar)Case No. EA-2006-0309 15 16 17 18 RONALD D. PRIDGIN, REGULATORY LAW JUDGE. 19 JEFF DAVIS, Chairman 20 STEVE GAW ROBERT M. CLAYTON, III, 21 LINWARD "LIN" APPLING, COMMISSIONERS. 22 23 REPORTED BY: TRACY L. THORPE, CSR, CCR 24 MIDWEST LITIGATION SERVICES 25

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PROCEEDINGS 1 (Exhibit Nos. 102 through 115 were marked for identification.) 2 3 JUDGE PRIDGIN: Good morning. We're back on the record. We have resumed a hearing in Case 4 5 No. EA-2006-0309. As I understand it, our next witness will be 6 7 Cass County witness Gary Mallory. Is that correct, counsel? 8 MS. MARTIN: That is correct. 9 JUDGE PRIDGIN: Is there anything else before 10 we proceed to cross-examination? 11 MR. COMLEY: Your Honor, in connection with our presentation today, Cass County has several documents that 12 13 have been pre-marked and we need to identify them and admit them into the record. 14 15 Starting first, the first piece of documentation we have marked today has been pre-marked as 16 17 Exhibit 102. It is a certified copy of the Cass County zoning map, which was effective in 1999. 18 I think as testimony will unfold today, you 19 20 will notice that there will be updates that have not been 21 reflected on this map, but those updates will not have any 22 bearing on the location and the zoning for South Harper or the Peculiar substation. 23 24 Anyway, this is the official Cass County 25 zoning map. It's been certified by the county clerk. I move

1 admission of Exhibit 102.

2 JUDGE PRIDGIN: Any objections? 3 CHAIRMAN DAVIS: I'd like to examine the map. 4 JUDGE PRIDGIN: Ms. Martin, if you could bring 5 that forward for the Chairman. 6 MR. WILLIAMS: I think I have a question 7 before I voice an objection. Are you representing that that's the current Cass County zoning map or a map that was in effect 8 9 at some point in the past? 10 MR. COMLEY: That map is current subject to updating. It represents the base map for all their updates. 11 12 MR. WILLIAMS: Well, the reason I'm asking is 13 because according to Schedule WW-11, there's a different 14 classification code than the legend I see on that map and I don't see anything updating that. So my question is whether 15 16 you're representing that this is the current Cass County 17 zoning map or the zoning map that was in effect before the February 1, 2005 update. 18 MR. COMLEY: That zoning map was in effect for 19 20 purposes of the 2005 zoning update. 21 MS. MARTIN: To further clarify that issue, 22 zoning was first adopted in Cass County in 1959. The original 23 Cass County zoning ordinance included a larger number of 24 descriptor categories for zoning classifications than exists 25 since, say, 1977 when the zoning ordinance would have been

1 significantly updated by Cass County.

2 The legends that are reflected on this 3 particular zoning map, which would have been -- this one was 4 copied by Darrell Wilson, who was the head of the Planning and 5 Zoning Department in 2004, but would have been prepared 6 basically in this form by 1999. 7 Those legends from the original zoning 8 ordinance have carried forward to the extent applicable 9 because land that might originally have been zoned in 1959 may not ever have changed from that zoning classification, but 10 the classifications basically date back to 1959 and to the 11 12 extent still applicable because a tract has not changed zoning 13 under a new zoning ordinance, thus, the additional classifications. 14 15 MR. WILLIAMS: And my issue is that if I go 16 look for a zone that's classified with a symbol A as being an agricultural district, if I go to that legend and look at that 17 map, I believe I don't find that on there. 18 MR. COMLEY: I think you do. 19 20 CHAIRMAN DAVIS: Can I just point out that I 21 don't see anything about multi-tier use on this map? 22 MR. COMLEY: Those would be in the 23 comprehensive plans. 24 MS. MARTIN: Commissioner Davis, the zoning 25 classifications are distinguished from comprehensive plan

1 characterizations. They are completely different animals. MR. WILLIAMS: I see a reference to something 2 as AG that says it's agricultural district and it says no 3 4 color code. 5 MS. MARTIN: Anything that's the base yellow 6 color is the background agricultural. You start from that 7 premise and you color based on the scale from there any 8 particular tract that has been zoned some other use. 9 MR. UHRIG: Judge, Matt Uhrig for the nearby residents. Is it okay for the rest of us to approach and view 10 the map? 11 12 JUDGE PRIDGIN: Sure. I'm sorry. I thought that counsel had been doing that before we went on the record, 13 14 but obviously you're free to look at it. MR. COMLEY: I note because it is such a large 15 16 piece, we've only brought one. 17 MS. MARTIN: And just for the record, there 18 are two little flags that have been placed on the map by me to reflect the location of the plant and the substation that are 19 at issue in this case. 20 21 In section 32, which would be west of 22 Highway 71 at the appropriate section 32 in that area -- in 23 the proper township, I should say, and range, there is a flag. The orange portion of that flag would be roughly the location 24 25 of the power plant.

And similarly, in section 5 in the proper 1 2 township and range, the little flag with the orange portion 3 would be roughly where the substation is located. CHAIRMAN DAVIS: Your Honor, I'd like to ask 4 5 Mr. Pridgin a couple of questions whenever you have the 6 opportunity. 7 JUDGE PRIDGIN: You'd like to ask me some 8 questions? 9 CHAIRMAN DAVIS: No. Counsel for Staff, Mr. Williams. 10 MR. WILLIAMS: Yes. 11 12 CHAIRMAN DAVIS: Is this the first time you've 13 seen this map here today? 14 MR. WILLIAMS: Yes, it is. 15 CHAIRMAN DAVIS: Has Staff requested maps from 16 Cass County in the past? 17 MR. WILLIAMS: Yes. MR. COMLEY: There's been no data request for 18 19 the maps. 20 MR. WILLIAMS: There was no formal data 21 request for the maps, but when we were present, as any citizen could walk in and do, we requested to view the maps on 22 23 numerous occasions. 24 CHAIRMAN DAVIS: So is somebody going to make an objection here or am I just going to sit here? 25

MR. WILLIAMS: Well, I think they've got a 1 certified copy of the map so I'm not going to object. 2 3 CHAIRMAN DAVIS: Since you didn't make a data 4 request, then you didn't make a data request. Okay. 5 JUDGE PRIDGIN: I'm hearing no objections to 6 Exhibit 102; is that correct? 7 Exhibit 102 is admitted. 8 (Exhibit No. 102 was received into evidence.) 9 MR. COMLEY: We've also previously marked a certified copy of the Cass County Comprehensive Plan, Zoning 10 Ordinance, Subdivision Regulations and Procedure Manual dated 11 12 February 1991. It is in notebook form. And as I mentioned 13 earlier in the proceeding, that because of its volume, we 14 would be preparing only one and make it available to the 15 parties. 16 I'm going to hand out the certificate that's been issued by the county clerk inspecting that so there will 17 be some record in your file about the exhibit. And I think 18 the notebooks are by the court reporter. 19 20 I would move for the admission of Exhibit 103. JUDGE PRIDGIN: Okay. Any objections? 21 22 MR. YOUNGS: Judge, just for the record, on 23 behalf of Aquila -- and I don't think it will come as any 24 surprise given the issues in the case and the dispute about 25 which zoning regulations and which comprehensive plan apply --

1 it's Aquila's position that this procedural manual dated February 1991 has been subsumed by the zoning regulations that 2 3 have been enacted since that time and that it's irrelevant to 4 the issues in this case. I just make that objection for the 5 record, please. 6 MR. WILLIAMS: Staff joins in that objection. 7 JUDGE PRIDGIN: Mr. Comley? 8 MR. COMLEY: Mr. Peshoff has talked about the 9 history of the zoning ordinances in Cass County and this 10 particular comprehensive plan was mentioned in his testimony, his foundation for his opinions and we offer it as part of the 11 chronicle of the history. We think it's relevant on that 12 13 score. 14 It also provides the Commission the stages through which zoning has traveled in Cass County. We think 15 it's highly relevant to the issues. 16 JUDGE PRIDGIN: All right. I will overrule. 17 Exhibit 103 is admitted. 18 (Exhibit No. 103 was received into evidence.) 19 20 JUDGE PRIDGIN: I will need a copy of that at 21 some time. 22 MR. COMLEY: Would you like the notebook or 23 would you prefer -- is there an extra copy somewhere of the certificate? I thought we had enough. 24 25 MS. MARTIN: Did you not hand the Commission

1 any?

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2 MR. COMLEY: I haven't handed them any. 3 JUDGE PRIDGIN: Mr. Comley. 4 MR. COMLEY: The next exhibit we have 5 pre-marked is the Cass County Comprehensive Plan, Zoning 6 Ordinance Subdivision Regulations and Procedural Manual dated 7 June 1997. It's been marked as Exhibit 104. It's a certified copy. And I'd offer the certified copy of the Cass County 8 9 Comprehensive Plan of June 1997 into evidence. 10 JUDGE PRIDGIN: Any objections? 11 MR. YOUNGS: Your Honor, on behalf of Aquila, same objections as to 103 again. And specifically with regard 12 13 to the zoning ordinance, the most recent zoning ordinance 14 and -- or zoning order in Cass County indicates that this version of the zoning ordinance has actually been repealed by 15 the enactment of subsequent ones. 16 17 And again, for the other reasons we've talked 18 about that I think have been made of record previously in this case. We don't believe there's any relevance to any 19 20 comprehensive plan or zoning order other than the 2005 update 21 and the 2005 version of the zoning order. So we object to it 22 on relevance grounds. 23 MR. WILLIAMS: Judge, Staff also objects on 24 relevance except to the extent that it shows changes in the plan that have occurred overtime. For that limited purpose,

1 Staff would not object to its admission.

2 JUDGE PRIDGIN: Mr. Comley. 3 MR. COMLEY: Again, Mr. Peshoff refers to the 4 plan in his testimony as part of the history that he supplies 5 to the Commission for Cass County zoning. And in terms of the 6 history, it's quite relevant to this proceeding. 7 JUDGE PRIDGIN: All right. I will overrule. 8 Exhibit No. 104 is admitted. 9 (Exhibit No. 104 was received into evidence.) MR. COMLEY: And I haven't mentioned this, but 10 as far as -- in the notebooks you will also find the original 11 resolution of the adoption. Respecting Exhibit 103, you'll 12 13 find the Cass County original -- a resolution of adoption in there as well as in 104 there's an enabling document included 14 15 in Order No. 97-07 for the 1997 comprehensive plan. 16 The next exhibit that was marked Exhibit 105 17 is the Cass County Comprehensive Plan dated July 2003 under certificate of the county clerk. And Cass County offers 18 Exhibit 105 into the record. 19 20 JUDGE PRIDGIN: Any objections? 21 MR. YOUNGS: On behalf of Aquila, the same 22 objection as previously stated to the previous exhibits, your 23 Honor. 24 MR. WILLIAMS: And Staff has the same objection, that it's irrelevant except to the extent it shows 25

1 history. 2 JUDGE PRIDGIN: Objections are overruled. 3 Number 105 is admitted. 4 (Exhibit No. 105 was received into evidence.) 5 JUDGE PRIDGIN: And I'll eventually need a 6 copy of that, please. 7 Mr. Comley. 8 MR. COMLEY: I'm sorry. Is there a ruling on 9 the objections? 10 JUDGE PRIDGIN: I overruled and admitted the 11 evidence. 12 MR. COMLEY: The next document marked is Exhibit 106. It is a certified copy of Ordinance No. 03-13 13 dated October 16th, 2003. And this is the ordinance which 14 adopts the comprehensive plan update of 2003. And I would 15 offer Exhibit 106 into evidence. 16 JUDGE PRIDGIN: Any objections? 17 MR. YOUNGS: Your Honor, on behalf of Aquila, 18 same objection. Aquila's position, as the Commission knows, 19 20 is that anything other than the 2005 comprehensive plan and 21 2005 zoning ordinance are the only ones relevant because the 22 Commission is determining the current state of the properties 23 in Cass County relative to these facilities and the current 24 impact of those facilities on the community and, therefore, 25 the only current document relating to those are the 2005 ones.

1 We object to relevance.

2 MR. WILLIAMS: Staff also objects on the basis 3 of relevance except to the extent these documents show the 4 history of how zoning and planning have evolved in Cass 5 County.

6 MR. COMLEY: Your Honor, the 2003 plan, we 7 take very vigorous opposition with the positions taken by the 8 Staff and Aquila. It's the county's position that the 2003 9 comprehensive plan and the existing ordinances at that time do 10 control the situation and because of that, they are highly 11 relevant.

Furthermore, in addition to what I said about the 1997 documents that we've already admitted, the 1997 plan is part and parcel to 2003 comprehensive plan updates. So in that respect, they are highly relevant documents.

16 JUDGE PRIDGIN: And I will overrule. Exhibit
17 No. 106 is admitted.

18 (Exhibit No. 106 was received into evidence.) 19 MR. COMLEY: The next document is a certified 20 copy of Ordinance No. 03-15 dated December 15th, 2003. This 21 ordinance converted the planning and zoning procedures in Cass 22 County to a first-class non-charter county. It had originally 23 been a second-class county. I'd offer Exhibit 107 into the 24 record.

25 JUDGE PRIDGIN: Objections?

Hearing none, Exhibit 107 is admitted. 1 2 (Exhibit No. 107 was received into evidence.) 3 MR. COMLEY: Exhibit 108 is the Cass County 4 Comprehensive Plan, Zoning Ordinance, Subdivision Regulations 5 and Procedural Manual dated February 1, 2005. As the other 6 comprehensive plans have been entered, this is a single 7 notebook. There are no other copies, but we do have copies of 8 the certificate. I would move for the admission of 9 Exhibit 108. JUDGE PRIDGIN: Any objections? 10 11 Hearing none, Exhibit No. 108 is admitted. 12 (Exhibit No. 108 was received into evidence.) 13 MR. COMLEY: Exhibit 109 is a certified copy of Resolution No. 05-01 effective February 1, 2005 of Cass 14 County. This is a resolution that amends the zoning ordinance 15 16 and subdivision regulations of the county effective February 1, 2005. It is a companion document to the 17 comprehensive plan, as I understand it. I would move for the 18 admission of Exhibit 109. 19 20 JUDGE PRIDGIN: Any objections? 21 Hearing none, Exhibit 109 is admitted. 22 (Exhibit No. 109 was received into evidence.) MR. COMLEY: Exhibit 110 is a certified copy 23 24 of Resolution No. 05-02 the Cass County Commission adopted February 1, 2005. By this resolution, the Cass County 25

1 Commission adopted the comprehensive plan updates for 2005. I would move the adoption -- excuse me, move the admission of 2 3 Exhibit 110. 4 JUDGE PRIDGIN: Any objections? 5 Hearing none, Exhibit 110 is admitted. 6 (Exhibit No. 110 was received into evidence.) 7 MR. COMLEY: Exhibit 111 is a certified copy of an Order No. 05-02 dated February 1, 2005. The order 8 9 establishes impact fees that were referred to in the subdivision regulations adopted in the comprehensive plan 10 updates for 2005. I would offer Exhibit 111 into evidence. 11 12 JUDGE PRIDGIN: Any objections to 111? 13 MR. YOUNGS: Your Honor, may I just -- this is the first I've seen of this. 14 JUDGE PRIDGIN: Yes, sir. 15 16 MR. YOUNGS: So I don't want to hold us up, 17 but -- thank you. No objection on behalf of Aquila. JUDGE PRIDGIN: Hearing no objection, 18 Exhibit 111 is admitted. 19 20 (Exhibit No. 111 was received into evidence.) 21 JUDGE PRIDGIN: Mr. Comley. 22 MR. COMLEY: Exhibit 112 is a certified copy 23 of an Ordinance No. 05-08 adopted by the Cass County 24 Commission on August 31, 2005. This is an ordinance enacting the provisions of the Cass County resolution 05-01 and 05-02, 25

which have already been admitted into evidence, and adopting 1 the comprehensive plan entitled Comprehensive Plan of 2005. I 2 3 would offer Exhibit 112 into evidence. 4 JUDGE PRIDGIN: Any objections? 5 Exhibit 112 is admitted. 6 (Exhibit No. 112 was received into evidence.) 7 MR. COMLEY: Exhibit 113 is a larger scale illustration based upon maps available at Cass County showing 8 9 the zoning districts and the zoning applicability for the area 10 around the South Harper plant. 11 I'll represent to the Commission this was 12 prepared by Darrell Wilson. We had this prepared so that it 13 may be easier for the Commission and the parties to understand 14 the significance of Exhibit 102, the Cass County zoning map and its applicability to South Harper. I'll wait a minute 15 16 until everybody gets a copy of it. Because it will be helpful in explaining --17 perhaps explaining the testimony of some of the witnesses 18 today, I would move for the admission of Exhibit 113. 19 20 JUDGE PRIDGIN: Any objections? 21 MR. EFTINK: Your Honor, could I just ask a 22 question to see if we can understand? On Exhibit 113, is the 23 yellow zoned residential? 24 MR. COMLEY: What I gather, it's kind of a 25 yellowish green and, yes, that's single-family residential.

1 MR. EFTINK: And the white is zoned agricultural? 2 3 MR. COMLEY: Yes. 4 MR. EFTINK: Okay. Thank you for the 5 clarification. 6 MR. WILLIAMS: Judge, I'm going to object on 7 the basis of lack of foundation. If he's offering it simply for illustrative purposes, then I don't have an objection to 8 9 it. If he's offering it as substantive evidence, then I do. JUDGE PRIDGIN: Mr. Comley? 10 11 MR. COMLEY: I think we'll firm that up with some other foundation testimony, Judge. We'll withhold 12 13 offering 113 for the moment. 14 Finally, the court reporter has pre-marked a series of affidavits and I think that was Exhibit 114. On 15 April 19th, I caused to be served on the parties a business 16 17 records affidavit concerning three custodians of records. The affidavits that are noted in 114 are under the cover like this 18 (indicating) and the affidavits concern the business records 19 20 held by Cass County. 21 Under the affidavits you will find 22 construction permits, a driveway permit and Health Department 23 permit that were issued through Cass County departments to Aquila in connection with the South Harper facility. And I 24 25 would offer Exhibit 114 into evidence.

JUDGE PRIDGIN: All right. Any objections? 1 2 Hearing none, Exhibit 114 is admitted. 3 (Exhibit No. 114 was received into evidence.) 4 MR. WILLIAMS: Judge, while we're on the topic 5 of exhibits, Commissioner Gaw had requested of Warren Wood his 6 backup materials for the factors he came up with. And I have 7 brought in here an exhibit that Mr. Wood prepared with that 8 information and I've distributed it. I believe all the 9 counsel have received a copy. That's been marked for identification as Exhibit 115 and I'd like to offer that at 10 11 this time. 12 JUDGE PRIDGIN: All right. Any objections? 13 Hearing none, Exhibit No. 115 is admitted. (Exhibit No. 115 was received into evidence.) 14 15 JUDGE PRIDGIN: Mr. Williams, thank you. 16 Any further exhibits or anything else from counsel before Mr. Mallory takes the stand? 17 MS. MARTIN: No, your Honor. 18 JUDGE PRIDGIN: All right. At this time if I 19 20 could ask Mr. Mallory to come forward to be sworn. 21 (Witness sworn.) 22 JUDGE PRIDGIN: Thank you very much, sir. If 23 you would, please have a seat. Ms. Martin, when you're ready, 24 ma'am. 25 MS. MARTIN: Thank you very much, your Honor.

GARY MALLORY testified as follows: 1 2 DIRECT EXAMINATION BY MS. MARTIN: 3 Q. Good morning, Mr. Mallory. If you could, 4 please, would you state your name and address? 5 Α. Gary L. Mallory, 519 London Way, Belton, 6 Missouri. 7 Q. Are you the same Gary Mallory that has caused to be filed in this case rebuttal testimony, which has been 8 marked as Exhibit 21, and surrebuttal testimony, which has 9 been marked as Exhibit 22? 10 11 Α. Yes. 12 Q. And you've had an opportunity to review your 13 testimony? 14 Α. Yes. And if I were to ask you, sir, the questions 15 Q. in both your Rebuttal and your Surrebuttal today, would your 16 answers be the substantial similar answers as are already 17 indicated in Exhibits 21 and 22? 18 19 Α. Yes. 20 Do you have any corrections or additions to Q. your testimony that you would like to note today? 21 22 Α. No. 23 Q. And are the answers that have been provided in 24 your rebuttal and surrebuttal testimony truthful and complete, 25 to the best of your knowledge?

1 Α. Yes. 2 MS. MARTIN: I move admission of Exhibits 21 3 and 22. 4 MR. WILLIAMS: Judge, Staff --5 JUDGE PRIDGIN: Mr. Williams. 6 MR. WILLIAMS: Judge, Staff has objections to 7 Exhibit 22. 8 JUDGE PRIDGIN: Okay. Your objections, 9 please. 10 MR. WILLIAMS: First of all, Staff objects to Schedule GM-2, which is a stipulation of facts that was 11 12 entered into in another proceeding. It has no relevance to 13 this case. And, further, being a settlement document, it should not be admitted since it would show the policy of 14 encouraging settlement amongst the parties. 15 16 It's a settlement document from another proceeding in front of this Commission, EA-2005-0248. And I 17 18 would point out that in the document itself on the first page in the "come now" sentence at the last clause it says, And 19 20 hereby stipulate to the following facts for the purposes of 21 this proceeding. 22 JUDGE PRIDGIN: All right. Mr. Williams, 23 thank you. Ms. Martin? 24 25 MS. MARTIN: Your Honor, it's a joint

stipulation of facts. It is not a settlement document. It is a document that was arrived at amongst discussion of all the parties in the 0248 case, which this Commission might recall was an earlier attempt by Aquila to secure a certificate of convenience and necessity with respect to the South Harper plant.

7 The reference to the fact that it is for the purposes of this proceeding, nonetheless, does not effect that 8 9 a stipulation was made and, thus, an admission against 10 interest was made at that time by these parties with respect to the status of zoning of the tracts in question. It is 11 12 highly relevant and it needs to be admitted into evidence. 13 JUDGE PRIDGIN: All right. I'll overrule that 14 objection. Any other objections to 21 or 22? 15 Hearing none, Exhibits 21 and 22 are admitted. (Exhibit Nos. 21 and 22 were received into 16 17 evidence.) MS. MARTIN: Thank you, your Honor. I tender 18 for the witness for cross-examination. 19 20 JUDGE PRIDGIN: Ms. Martin, thank you. 21 Mr. Eftink, any cross from StopAquila? 22 MR. EFTINK: Yes. CROSS-EXAMINATION BY MR. EFTINK: 23 24 Good morning, Mr. Mallory. I'm Jerry Eftink Ο. 25 for StopAquila.org. I'd like to draw your attention to

Exhibit 112. I don't know if you have one in front of you 1 there. 2 3 MR. EFTINK: Your Honor, may I approach and 4 hand my copy to him? 5 JUDGE PRIDGIN: You may. And before Mr. Eftink gets started, I did get 6 7 an e-mail from somebody in PSC. I guess some pretty serious 8 weather is on the way. If any Commission employees have their 9 cars up on top, they've been offered to move their cars down below, if you wanted to take care of that. And say a prayer 10 for mine. 11 12 Mr. Eftink. 13 BY MR. EFTINK: Exhibit 112 is the resolution that adopts, 14 Q. among other things, the 2005 comprehensive plan of Cass 15 16 County; is that correct? 17 Α. Yes. And that's dated in August 2005? 18 Ο. 19 Α. Yes. 20 What's the date in August 2005? Q. 21 Α. August 31st. 22 Q. Okay. Now, Mr. Mallory, there's been 23 testimony about a meeting that occurred on I think November 5, 24 2004 that you were involved in with representatives of Aquila. 25 Do you recall anything about that meeting?

1 Α. Tell me a little bit more about it. There's testimony that -- I can't remember the 2 Q. 3 fellow's name, but one of the executive vice presidents or 4 higher up in Aquila met with you, along with some other 5 people, at your office in Cass County on November 5 or perhaps 6 November 4, 2004 to talk about the South Harper power plant 7 project. 8 Α. Okay. 9 At that time is it correct that Ο. 10 representatives of Aquila told you that they were going to go ahead and they believed they did not have to comply with 11 12 county zoning regulations? 13 MR. YOUNGS: Excuse me, your Honor. I will 14 object. This witness's deposition has been taken. And I'll try to find the page and cite number, but this witness has 15 16 previously testified that he has absolutely no recollection of 17 the content of that meeting and, in fact, he didn't even remember the meeting took place until I asked him about it at 18 his deposition. 19 20 So there's been an improper foundation, no 21 foundation laid for any testimony along these lines. And if 22 requested to by the Judge, I will provide you the page and 23 line number, but at this point I object. There's lack of 24 foundation. He doesn't recall the meeting. 25 THE WITNESS: That's true. I don't recall

meeting with them. I tried to get somebody to tell me 1 2 something about the meeting to jog my memory and it did not 3 happen. 4 BY MR. EFTINK: 5 Ο. All right. Let me move on then. 6 Now, there's been testimony about a proposed 7 annexation of South Harper Road. And it's correct that you 8 received a letter from Mike Fischer --9 Α. Yes. -- saying the City of Peculiar wanted to annex 10 Ο. a portion of South Harper Road? 11 12 Α. Yes. 13 Can you think of any reason why the county Q. would have any objection to a city annexing a portion of a 14 15 road? 16 None whatsoever. I'd be happy if they'd take Α. 17 them all. 18 I thought you might say that. Ο. 19 In September 2004, Mr. Fischer mentioned this 20 proposed annexation to you, but did he tell you the size or 21 the dimensions of the proposed annexation? 22 Α. I don't recall specifically other than the 23 fact that it was some agriculture land down on Harper Road. 24 And he may have told me how much it was, but I don't recall 25 him saying.

If the City of Peculiar proposes annexing 1 Q. ground, can you think of think reason why the county would 2 3 object to any annexation by the city? No. We would encourage cities to annex all 4 Α. 5 they can. 6 Q. In your rebuttal affidavit, Page 13, Line 15, 7 you say that, The county's regulations require applications processed through the Planning Board for special use permit 8 9 applications and through the County Commission for rezoning. Is that a correct statement of --10 11 Read it again, please. Α. 12 On Page 13, Line 15 of your rebuttal affidavit Q. 13 you say that, The county's regulations require applications 14 are processed through the Planning Board for special use permit applications and through the County Commission for 15 16 rezoning; is that correct? Any application for rezoning or special use 17 Α. permit goes to the Planning Board first. 18 And on a special use permit application, after 19 Ο. it goes to the Planning Board, where does it go? 20 21 Α. Planning Board, it goes to the Board of Zoning 22 Adjustment. 23 For a rezoning application, is there a Q. 24 different procedure? 25 Α. Yes. The only difference is in name only. In

first-class county zoning, the County Commission approves or disproves zoning applications that have been sent from the Planning Board. The County Commission also acts as the Board of Zoning Adjustment in a first-class county. So essentially it's the same group of people.

6 Q. Now, George Lewis testified regarding the 7 power plant that he didn't care what people living around the 8 South Harper facility site said about it. Referring back to 9 2004, did you have any conversations with Mayor George Lewis 10 about his attitude about the people out there?

11 A. I don't recall any other than maybe a social 12 setting at a dinner or something like that. George may have 13 mentioned the project itself, but I don't recall any detailed 14 conversation with him regarding what the impact would be on 15 the folks living there or anything of that nature.

Q. Now, I want to make it clear that on behalf of StopAquila.org, we oppose any retroactive approval by anybody of this facility, but setting that aside for the moment, if the application to allow this facility to be there were to come in front of the County Commission or the Board of Zoning Adjustment and you're on that board, would you be able to be fair to my clients in that situation?

A. Absolutely.

Q. If the matter came before the county, wouldthe county be able to hire engineers to assess all the factors

that engineers assess? 1 2 Α. Yes. 3 Ο. Would the county be able to hire land use 4 planners to advise it? 5 Α. Yes. 6 Q. Has Cass County had other situations where 7 people have constructed something without getting prior 8 approval from the zoning authorities? 9 Α. I can recall one instance that an individual built a boat storage barn in a residential area. 10 11 Q. That was built without first getting approval from the zoning authority of Cass County? 12 13 Α. Yes. And what did Cass County do? 14 Q. 15 MR. YOUNGS: Excuse me. Just for the record, 16 there's no similar exemption, to my knowledge, that applies to boat house construction as applies to electric generating 17 facilities pursuant to 64.235, so I just need to object for 18 19 the record. MR. EFTINK: Well, you know, 64.235 doesn't 20 have the word "exemption" in it either. 21 22 JUDGE PRIDGIN: I'll overrule, let him answer 23 the question. BY MR. EFTINK: 24 25 Q. Please go ahead.

1 Α. Ask it again, please. 2 What happened in that situation where these Q. 3 people built that facility without first getting some kind of 4 permit from the zoning authority of Cass County? 5 Α. We initiated legal action, they tore it down. 6 MR. EFTINK: May I approach the witness to 7 retrieve that exhibit? 8 JUDGE PRIDGIN: You may. 9 MR. EFTINK: I pass the witness. JUDGE PRIDGIN: Mr. Eftink, thank you. 10 11 Mr. Uhrig? 12 MR. UHRIG: No questions, Judge. 13 JUDGE PRIDGIN: All right. Thank you. Mr. Williams? 14 MR. WILLIAMS: Thank you, Judge. 15 CROSS-EXAMINATION BY MR. WILLIAMS: 16 Good morning, Mr. Mallory. Is Cass County's 17 Q. only issue in this case that Aquila must obtain some kind of 18 zoning permission from Cass County before it can build a plant 19 20 such as the South Harper plant in unincorporated Cass County, 21 Missouri? 22 Α. That is our only issue and has been that way 23 from day one. 24 Ο. And as I recall, on Page 10 of your surrebuttal testimony, you make the statement that various 25

county constituents have complained of odors, noise levels and 1 2 diminished property values? 3 Α. That's correct. 4 Q. Does Cass County have any ordinances that 5 govern acceptable noise levels? 6 Α. Yes. 7 Q. Has anyone made a formal complaint to Cass 8 County about the noise levels at the South Harper plant? 9 Α. No. Has Cass County made any investigation of the 10 0. noise levels at the South Harper plant? 11 12 Α. No. 13 Did Cass County hire a firm called Bucher, Q. Willis and Ratliff, B-u-c-h-e-r, W-i-l-l-i-s, R-a-t-l-i-f-f, 14 Corporation as a consultant? 15 16 Α. Yes. And for what purpose did Cass County hire that 17 Q. firm as a consultant? 18 We hired them to provide consultant services 19 Α. 20 because some of the issues and developments that were coming 21 to Cass County, since we're growing so rapidly, was more than 22 our staff could handle and we wanted some expert opinion and 23 advice on some of the plans. 24 Ο. Did Bucher, Willis and Ratliff assist Cass County in updating its comprehensive plan and zoning 25

ordinances in its subdivision regulations?

1

2 Α. Yes. 3 Ο. And was that in the 2004 to 2005 time frame? 4 Α. It started back when I first became presiding 5 commissioner in 2003. And the exact time we started, I don't 6 really know. Our objective was to get our zoning regulations 7 in line with what first-class county zoning regulations are 8 according to state statute. 9 Ο. Would it be fair to say that Bucher, Willis

10 and Ratliff Corporation have an in depth knowledge of Cass 11 County's Comprehensive Plan, Zoning Ordinance and Subdivision 12 Restrictions?

13 A. I think it would be.

14 Q. When did Cass County hire Bruce G. Peshoff?

15 A. I don't recall the exact date.

16 Q. What approximate date?

A. Maybe six weeks, a month, two months ago. I'mnot sure.

Q. Had Cass County ever hired Mr. Peshoff before?
 A. No.

21 Q. How did Cass County select Mr. Peshoff?

22 A. We selected him through a search of people

23 that we felt were expert land use planners.

24 Q. How much has Cass County paid to Mr. Peshoff 25 to date for his services?

\$13,250. That may be off by \$50, but 1 Α. 2 something like that. 3 Q. Is he being paid at an hourly rate? 4 Α. Yes. 5 Ο. Do you know what his hourly rate is? 6 Α. No, I do not. 7 Q. Were you the presiding commissioner when the February 1, 2005 comprehensive plan and zoning ordinance 8 9 update were passed? 10 Α. Yes. 11 Q. So you voted on the ordinance to -- on the zoning ordinance? 12 13 Α. Yes. And does that zoning ordinance include an 14 Q. Article 4 that pertains to zoning districts? 15 I'd have to look at it. 16 Α. MR. WILLIAMS: May I approach? 17 18 JUDGE PRIDGIN: You may. 19 BY MR. WILLIAMS: 20 Q. I'm handing you what's been marked as Schedule WW-2 to the surrebuttal testimony of Warren Wood, 21 22 which is I believe Exhibit No. 20. Would you take a look at 23 that? 24 Which item were you asking me about? Α. 25 Q. Just if that's part of the zoning ordinance

that was passed by Cass County on February 1, 2005. 1 2 It appears to be, yes. Α. 3 0. And does that document include a legend on it 4 that identifies zoning districts? 5 Α. Yes. And does that document also indicate that 6 Q. 7 there's a zoning map that's incorporated by reference? 8 Α. Yes. 9 Q. And what map was incorporated by reference? The map that you were shown earlier today. 10 Α. MR. WILLIAMS: May I approach? 11 12 JUDGE PRIDGIN: Yes, you may. 13 BY MR. WILLIAMS: Ο. I have here what's been marked for 14 identification as Exhibit No. 102. Would you take a look at 15 16 that? Have you had an opportunity to review that? Α. 17 Yes. And does a legend appear on that map? 18 Ο. 19 Α. Yes. 20 I want to take you back to the schedule I Q. handed you earlier. 21 22 Α. Yes. 23 Q. Is there identified on that schedule something 24 that says Classification of Zones? 25 Α. Yes.

Can you identify for me -- well, I see a list 1 Q. 2 that shows a symbol and then a name for the zone; is that 3 correct? 4 Α. Yes. 5 Ο. Can you identify for me on the map where I 6 would find the symbol A that identifies the agricultural 7 district? 8 I don't really see an A on the map. I see Α. 9 agriculture is identified by the absence of any of the other symbols. 10 11 And what symbols are shown on the legend on Q. the map for agricultural district, for example? 12 13 Α. It's blank. 14 Q. On the legend? 15 That's what it has here. AG, agriculture Α. 16 district. Can you tie each of the districts that are 17 Q. shown in Article 4 under Classification of Zones with the map? 18 And presumably you'll need to do that through the legend on 19 20 the map. 21 Α. I would have to take a look at it a minute. 22 Ο. That's fine. And maybe it will work best if I 23 just ask you each one separately, but go ahead and take a 24 look. 25 A. However you want to do it.

Okay. From what I see on Schedule WW-11, 1 Q. symbol A indicates agricultural district. And how would I 2 3 find agricultural district as shown on Schedule WW-11 on the 4 map? How would I translate that? 5 Α. Well, I would go to where the map says 6 agriculture district and the absence of color, that's the 7 background color of the entire map, that would be agriculture. 8 And the second one I see shows the symbol RR Q. 9 for residential rural district? 10 Α. Yes. 11 Where would I find that on the map? Q. 12 Α. Green. 13 And what does the legend show for green on Q. 14 that map? 15 Rural residential district. Α. 16 And for the symbol R-S, residential suburban Q. 17 district, where would I find that on the map? 18 Α. That's not in the legend on the map. So you can't identify that on the map? 19 Ο. 20 No. The map itself has four or five different Α. 21 residential districts identified. 22 And then I see a symbol R-1, single-family Q. 23 residential district. Can you identify that on the map? 24 Α. Not without knowing -- on the map itself it has residential R-40, R-25, R-15, R-10 and R-7. And I would 25

assume that those would identify with residential 1 single-family, two-family and so forth. 2 3 Ο. Well, is that the map that you approved as 4 part of approving the zoning ordinances? 5 Α. Yes. That's our official map. It doesn't 6 include the updates that have been made, you know, since then. 7 If someone comes in and goes through the zoning process in 8 building a subdivision, it may not be on this map yet. 9 I think, as I told you when I gave my deposition, that we're in the process of putting all this 10 11 information in the GIS system to get it updated. 12 MR. WILLIAMS: I'd ask that the latter part of 13 his response be stricken as non-responsive. There wasn't even 14 a question. 15 JUDGE PRIDGIN: I'll sustain. 16 And, Mr. Mallory, do appreciate the information, but I'd ask that you just simply try to answer 17 18 the questions that you are asked. 19 THE WITNESS: Yes. 20 MR. WILLIAMS: If I may approach the witness 21 and retrieve my document, I'm done. 22 JUDGE PRIDGIN: Mr. Williams, thank you. 23 Mr. Youngs, any cross? 24 MR. YOUNGS: Thank you. Yes. 25 THE WITNESS: Does Mr. Williams want the map

1 back? 2 MR. WILLIAMS: No. It's the court reporter's 3 exhibit. 4 MR. YOUNGS: If I might just have two seconds, 5 Judge. JUDGE PRIDGIN: Yes, sir. 6 7 MR. YOUNGS: Thank you. 8 CROSS-EXAMINATION BY MR. YOUNGS: 9 Q. Mr. Mallory, good morning. Good morning. 10 Α. Q. I need to ask it because I'll forget it if I 11 don't, but --12 13 MR. YOUNGS: Your Honor, may I approach the 14 witness? 15 JUDGE PRIDGIN: You may. 16 BY MR. YOUNGS: Q. Mr. Mallory, I've handed you what's been 17 admitted into evidence as Exhibit No. 107. Do you recognize 18 19 that? 20 A. Yes. 21 Q. And just again for the record, that is --22 correct me if I'm screwing this up, but that's a copy of the 23 ordinance by which Cass County elected to conduct its planning 24 and zoning activities as though it is a first-class 25 non-charter county?

That's correct. 1 Α. 2 Okay. And what's the date of that Q. 3 ordinance -- the effective date of the ordinance again? 4 Α. The ordinance shall become effective 5 January 1st, 2004. 6 Q. So prior to that date, Cass County was 7 conducting its planning and zoning as though it were a secondand -- second- or third-class county; is that correct? 8 9 Α. That's correct. All right. And just so we're clear, the 2003 10 Ο. comprehensive plan that was in effect prior to January 1st of 11 12 2004 would have been the plan under which the county was 13 operating as, for purposes of planning and zoning, a secondand third-class county. Correct? 14 15 Α. Yes. 16 As opposed to what it was from January 1st Q. forward in terms of planning and zoning, which was a 17 first-class non-charter county. Correct? 18 19 Α. Yes. Okay. You've been presiding commissioner in 20 Q. Cass County since 2003; is that correct? 21 22 Α. Yes. 23 Q. And prior to that, you were the Cass County 24 clerk? 25 Α. Yes.

1 Q. And you held that position for 12 years? 2 Α. Yes. 3 Ο. And both of those positions are elected 4 positions; is that correct? 5 Α. Yes. 6 Q. So for approximately the last 15 1/2 years, 7 you have been an elected official in Cass County, Missouri. 8 Is that fair to say? 9 Α. Yes. As the presiding commissioner, just to make 10 Ο. sure there's no dispute, you supervise the Planning and Zoning 11 Department, do you not? 12 13 Α. Yes. 14 And its supervisor, which I believe the record Q. reflects, is named Darrell Wilson? 15 16 Α. Yes. How long has Mr. Wilson been in Cass County in 17 Q. that capacity? 18 19 I don't know for sure. I know that he's been Α. 20 there probably 12, 13 years. The reason that I want to talk to you a little 21 Q. bit about this -- and just so the record's clear, you've got 22 23 your rebuttal and your surrebuttal testimony in front of you, 24 do you not? 25 Α. Yes.

On Page 13, I think, of your rebuttal 1 Q. testimony, one of the things that you say beginning at Line 10 2 3 is that the county possesses unique knowledge and experience 4 with respect to its zoning ordinance and development plan and 5 is in a superior position to evaluate the propriety of a 6 proposed use for property within the county, including 7 proposed power plants. 8 Have I read that correctly? 9 Yes. Α. And that's your testimony and that's your 10 Ο. position? 11 12 Α. Yes. 13 I want to talk about that just a little bit. Q. 14 In 2004, the Planning and Zoning Department of Cass County, Missouri had one employee. Correct? 15 16 Α. Yes. And that was Darrell Wilson? 17 Q. 18 Α. Yes. And, to your knowledge, Mr. Wilson's not a 19 Ο. 20 certified land use planner, is he? 21 Α. No. 22 Q. Can you tell me how many people are employed 23 by the Planning and Zoning Department in Cass County, Missouri 24 as we sit here today? 25 Α. We have three -- four. We have a

secretary/clerk and Mr. Wilson and Mr. Morris. They are the 1 planners and zoning officer people -- officers. And we have a 2 3 zoning officer that verifies that people are following the 4 right procedure in zoning, so four. 5 Ο. All right. You have a copy of your 6 deposition -- first of all, just so the record is clear, this 7 isn't the first time you and I have talked today, is it? 8 Α. No. 9 Ο. You presented yourself for a deposition in this case on April 17th of 2006 at your offices; is that 10 11 correct? 12 Α. Yes. 13 Q. And you have a copy of that deposition in front of you? 14 15 Α. Yes. 16 Would you please turn to Page 69 of that Q. 17 deposition? Tell me when you're there, please. 18 Α. Okay. Beginning at, say, Line 8 -- and we're 19 Ο. 20 discussing the concept of how many people you had in planning 21 and zoning in 2004. And I asked you: Okay, how many people 22 did you have in planning and zoning at that time? 23 And your answer was, One. 24 Question: And that was Mr. Wilson primarily? 25 And your answer was, Yes.

1 Question: How has that situation changed between then and now? 2 3 Answer: They have hired another person down 4 there. 5 Question: So they have got two people? 6 Answer: Yes, two people. 7 Did I read that correctly? 8 Α. Yes. 9 All right. Did planning and zoning hire a Q. couple of additional folks between April 16th and today? 10 11 Α. No. I was referring to the people that do the 12 planning work, not the support staff when I said two. 13 Q. So to make sure we're really clear then, in terms of the people who would be doing what you've referred to 14 15 as the planning for the Planning and Zoning Department, as we 16 sit here today, your answer was correct, that's two people? 17 Α. Yes. All right. And I think one of the things that 18 Ο. we also talked about in your deposition and I'll talk to you a 19 20 little bit about today, but with regard to the Camp Branch application that was processed --21 22 Α. Yes. 23 -- back in 2004, the county hired a Q. 24 consultant, Bucher, Willis. Correct? 25 Α. Yes.

1 Q. And Bucher, Willis became that consultant in 2004 because the Planning and Zoning Department, in your view, 2 3 wasn't capable of handling everything associated with the 4 magnitude of the various developments that were going on in 5 Cass County at that time, including the Camp Branch facility. 6 Is that fair to say? 7 Α. Yes. 8 And, in fact, assuming that Aquila or some Q. 9 other entity filed an application for either special use 10 permit or rezoning for a power plant or some other type of electric generating or transmission facility, you would hire 11 12 Bucher, Willis or some consultant today, would you not? 13 Yes, I would. Α. Okay. You absolutely would, would you not? 14 Q. Absolutely would. 15 Α. 16 Okay. Because, frankly, the issues that we're Q. 17 talking about here today and the issues associated with that 18 are just, frankly, more than a one- or two-man shop can handle --19 20 Α. I agree. 21 Q. -- is that fair to say? 22 I agree. And that's why we hired them. Α. 23 Understood. Q. 24 Α. Okay. 25 Q. I want to talk to you just a little bit about

your role in the planning and zoning process generally.
Mr. Eftink asked you a few of these questions, but with regard
to planning and zoning in Cass County -- and let's just take
special use permits for an example. Those applications first
go to the Planning Board; is that correct?

6 A. That's correct.

Q. And can you just tell me what generally the process is for the consideration of such an application by the Planning Board?

A. Yeah. The Planning Board -- if someone comes in for a project, they first talk to our people in the zoning office and they'd have to identify the surrounding landowners, identify them. And then the Planning Board would have a public hearing to address the application. And from that point they would either accept or deny the application.

Either way, if it's a zoning issue, it would come before the County Commission with the recommendation of the Planning Board. Special use permit would come before the County Commission, which is acting as the Board of Zoning Adjustments.

21 Q. That was one question, and I appreciate you 22 making that clarification. The difference between the Board 23 of Zoning Adjustment and the County Commission is simply the 24 name by which those two entities go by; is that correct? 25 A. That's correct. Q. All right. The three commissioners of Cass
 County are also, by law, the members of the Board of Zoning
 Adjustment; is that correct?

A. That's correct.

5 Q. You talked about a public hearing. How long 6 does a typical public hearing last with regard to, say, for 7 example, a special use permit application, or can you even 8 say?

9 A. Well, that depends on what it is. If someone 10 comes in for a special use permit to put up a microwave tower 11 or cell tower, may not last 15 minutes. We had a subdivision 12 that came in for a rezoning, Paulty Homes was going to build a 13 subdivision on the north part of the county, that lasted two 14 or three hours.

15 Q. Okay.

16 A. It just depends on the number of people that17 are affected by the application itself.

18 All right. And I wasn't present at the Ο. July 13th, 2004 Planning Board meeting with regard to the Camp 19 20 Branch site, but it's my understanding that that hearing took 21 about two or three hours. Is that your recollection? 22 Α. That's my recollection. I wasn't in 23 attendance either. 24 Ο. And that procedure that is undertaken as a

25 part of that Planning Board public hearing, is it like what

1 we're doing today? In other words, what's the format? 2 It's somewhat like you're doing today. The Α. 3 Planning Board sits up there and the applicant presents their 4 case, the staff presents information they have applicable to 5 it, the Planning Board discusses it and then they vote or else 6 table it, continue. 7 Ο. At the Planning Board meetings there's typically no lawyer standing up here cross-examining a witness 8 9 like you at that hearing. Is that fair to say?

10 A. Yes.

Q. In other words, both sides -- people for the project possibly, the staff and then maybe people who want to speak out against the project, have an opportunity to do that sort of like the public hearings we've had in this case. Is that a fair summary?

16 A. Yes, uh-huh. The people pro and con, yes.
17 Q. All right. Other than the application itself
18 and the supporting materials, are there any briefs or legal
19 documents filed by any party to that proceeding?

A. Not that I'm aware of. You know, sometimes on a zoning application the applicant will hire an attorney to present it for them, so --

Q. Okay. And then when the Planning Board makes its recommendation, it makes that recommendation to either the County Commission or the BZA; is that correct? 1 A. Yes.

2 Okay. Just so we're clear -- and the process Q. 3 can go quicker or it can go longer, I assume, but as a matter 4 of law, the Planning Board has 60 days in which to consider 5 the application before making its recommendation; is that 6 true? 7 Α. That's true. 8 You've been involved in some litigation with Q. 9 regard to Martin Marietta and a rock quarry actually near the plant site in which this issue has come up. Is that fair to 10 11 say? 12 Α. Yes. 13 Okay. So after the Planning Board makes its Q. 14 recommendation to the BZA -- talk to me about the BZA just a little bit. Would it be accurate to characterize the BZA, as 15 16 the comprehensive plan does, and I think the 2003 and 2005 17 comprehensive plans both refer to it in the same way, as a quasi-judicial body? 18 19 Α. Yes. 20 And as presiding commissioner, you're a member Q. 21 of the BZA? 22 Yes. Α. 23 And in 2004, you were a member of the BZA? Q. 24 Yes. Α. 25 Q. And do you preside over the BZA since you're

1 the presiding commissioner?

A. Yes.

2

3 Q. And the BZA reviews the recommendation of the 4 Planning Board?

5 A. Yes.
6 Q. Okay. And they have a hearing as well, do
7 they not?

8 A. Yes.

9 Q. And tell me how that hearing typically works.10 Is it the same?

A. Same scenario as the Planning Board. I would set up and give each party a certain amount of time to present their case. And I normally will start out by saying something like, If a rock quarry -- I don't need to be told by 100 people that a rock quarry is dusty. I know that. Just one of you tell me that. I don't need everyone to tell me that.

Q. And, in fact, one of the other statements that you make in your capacity as the chair of the BZA is that essentially somebody's got to tell you why this isn't a good idea; otherwise, you're going to be for it?

A. Yeah. Any time there's a contentious issue that comes before the BZA or us -- let's look at a zoning application. If the Planning Board's approved it and our staff has looked at it and don't have any problem with it, I

1 make a general comment to the effect that the county has rules and regulations regarding zoning and the Planning Board's 2 3 looked at it and they have found that it meets those 4 requirements, the staff has no problem with it so I'm going to 5 vote for it unless you tell me -- convince me why I shouldn't. 6 Q. I mean, just as a matter of policy, do you 7 have any difficulty with the Commission taking that same 8 approach in the case that we're in front of them on today? 9 Α. No. I would think that's how they should do 10 it. 11 MS. MARTIN: Your Honor, for the record could we clarify what Commission Mr. Youngs is referring to in his 12 13 question and re-ask the question? Because I think that's 14 vague and ambiguous. He's just been speaking about the County 15 Commission. BY MR. YOUNGS: 16 Did you understand my question to refer to the 17 Q. Missouri Public Service Commission, sir? 18 19 Α. Yes. 20 And, again, it can go faster, but after the Q. 21 Planning Board makes its recommendation to the Board of Zoning 22 Adjustment, the Board of Zoning Adjustment has another 60 days 23 to make its finding? 24 Α. That's correct. 25 Q. All right. And then what happens from there?

1 Is there further review of that decision by somebody?

A. There could be. Depends on what the issues are. Normally when you get to the position where the Board of Zoning Adjustment is referring an issue, there's an attorney involved with the applicant.

Q. All right. And that's an additional amount oftime that it takes to finally resolve the issues?

8 A. Yes. Unless it can be resolved right at the 9 meeting.

10 Q. And that additional amount of time can take a 11 long time, as you found out with Martin Marietta. Is that a 12 fair to say?

13 A. It can take the 60 days, yes.

14 Q. And then some?

A. And more, yes. And, again, we can make a decision at the BZA and if it's not to the liking of the applicant, they have the option to go to the circuit court and -- to demonstrate that we were arbitrary and capricious in our decision making.

20 Q. And you're not a lawyer?

21 A. No.

22 Q. But you do understand the fact that the Board 23 of Zoning Adjustment's review and determination of the 24 application is subject to an arbitrary and capricious 25 standard. Correct?

1 Α. Yes. 2 On Page 10 of your surrebuttal, I think it's Q. 3 in front of you as well --4 Α. Yes. 5 Ο. -- you testified beginning at Line 4, I 6 believe it is very important for anyone serving on the 7 Planning Board or on the County Commission or on the Board of 8 Zoning Adjustment to maintain a fair and impartial view on any 9 proposed development. 10 Have I read that correctly? 11 Α. Yes. 12 And that's your position today as we sit here. Q. 13 Is that fair to say? 14 Α. Yes. On July 13th of 2004, you understand that the 15 Q. 16 Planning Board -- the Cass County Planning Board recommended 17 denial of a special use permit application for what's been referred to in these proceedings as the Camp Branch facility? 18 19 Α. Yes. 20 Okay. You had determined at that point based Q. 21 on what you had heard as presiding commissioner -- I think 22 you've talked about everybody's always willing to give you 23 advice and I know you appreciate that. Correct? 24 Α. Yes. 25 Q. All right. But you had heard as a result of

your position as presiding commissioner and maybe from some 1 other sources that there was significant opposition to that 2 3 facility; is that correct? 4 Α. Yes. 5 Ο. And as a member of the Board of Zoning 6 Adjustment and, in fact, as the presiding commissioner, you 7 would have presided over the hearing that was eventually set 8 for August 26th of 2004 to review that Planning Board 9 recommendation; is that correct? 10 Α. Yes. And I'll take you to about 10 days after that 11 Q. 12 Planning Board recommendation of July 13th of '04. By that 13 time you hadn't -- in your capacity as presiding commissioner 14 of the Board of Zoning Adjustment, you had not yet looked at anything with regard to that? 15 16 Α. No. You hadn't reviewed the Bucher, Willis report? 17 Q. 18 Α. No. In fact, you've never reviewed that. Is that 19 Ο. 20 fair to say? 21 Α. I don't recall looking at it, no. 22 10 days after that Planning Board vote and Ο. 23 before the BZA hearing of August 26th over which you would 24 preside, at Aquila's request you met with Dave Kreimer and 25 Glenn Keefe at your office; is that right?

1 Α. That's correct. 2 And I think that meeting took place on or Q. 3 about July 23rd of 2004; is that correct? 4 Α. That could be. I don't recall. 5 Ο. Any reason to doubt me on that? 6 Α. No. 7 Q. Okay. And in that meeting, Mr. Kreimer asked you what you thought the chances were of the Camp Branch site 8 getting approved. And you recall that? 9 10 Α. Yes. And in that meeting you told them that you 11 Q. 12 thought Aquila had about a snowball's chance in hell. Is that 13 a fair representation of your comment? That's correct. 14 Α. And that was because of the public opposition 15 Q. 16 that you had heard about; is that correct? Yes. And I was, you know, giving my thoughts 17 Α. on it because Aquila had approached this project diametrically 18 opposite what they did on the Aries plant where they went and 19 20 talked to people, did a lot of public relations work ahead of 21 time. And on this particular issue, people's conception was, 22 well, we're going to put this there whether the hell you like 23 it or not and that was -- yes. 24 So the answer to my question is that you had Ο.

heard that there was significant public opposition to the

25

1 site?

2 Α. Yes. 3 Ο. All right. And as a result of that public 4 opposition, it was your personal opinion that Aquila had about 5 a snowball's chance in hell of getting it approved? 6 Α. That's correct. 7 Q. And when you say "getting it approved," you understood at the time you made that comment that getting it 8 9 approved, the entity who would either approve it or disapprove it was the Board of Zoning Adjustment, didn't you? 10 11 Α. That's correct. 12 That quasi-judicial body over which you Q. 13 presided as the presiding commissioner. Is that fair to say? That's correct. 14 Α. On Page 10 again of your surrebuttal --15 Q. 16 Well, could I make a comment about that? Α. Well --17 Q. Or that's --18 Α. -- Ms. Martin may ask you some questions, but 19 Ο. 20 we'll get through mine and then you'll have a chance. Okay. Page 10? 21 Α. 22 Ο. Page 10. How do you reconcile -- and this may 23 give you the opportunity to make the comment that you want, 24 but how do you reconcile what you said and the position that 25 you took on July 23rd of '04 with your statement on Page 10 at

1 Line 4 that you believe it's very important for anyone serving on the Planning Board or on the County Commission or on the 2 Board of Zoning Adjustment to maintain a fair and impartial 3 4 view on any proposed development? 5 MS. MARTIN: Objection, argumentative. 6 MR. YOUNGS: I'm just asking the witness to 7 reconcile those two statements. 8 JUDGE PRIDGIN: Objection's overruled. 9 THE WITNESS: I think it's pretty easy really. I mean, I could give my opinion on what I think's going to 10 happen, but when I sit in this, as you call it, quasi-judicial 11 12 board, I have to be fair and impartial. And the fact that I 13 told him that did not mean that the other two commissioners 14 were going to vote yes and I was going to vote no. 15 And to illustrate that, in the Kansas Business 16 Journal, May the 1st, the general counsel for Aquila, 17 Christopher Reitz, said the Public Service Commission was 18 already on board regarding this issue. Well, I don't believe that they've already 19 20 made their mind up. I believe they're going to listen to it 21 and be fair and impartial. And I think it's the same thing I 22 was saying. 23 Okay. Well, we can argue all day about what Q. Mr. Reef said in that article --24 25 Α. Yes. I understand that. It's the same thing.

Q. -- and may yet do that.

1

2 My only question to you, sir, is, that you 3 understood in that conversation that you were like the judge 4 who was going to preside over the review of the planning and 5 zoning -- Planning Board recommendations? 6 Α. Yes, sir, I do. 7 Q. All right. Let's talk a little bit about your knowledge of the planned use of the South Harper site for a 8 9 power plant and when that came about. Be fair to say that you knew at least by mid-August of 2004 that Aquila intended to 10 construct a power plant on what's now referred to as the South 11 12 Harper site. Correct? 13 Yes. The exact date I wouldn't know, but yes. Α. 14 And you believe, I think, that you heard about Q. that from your conversations with either Darrell Wilson or 15 16 Mike Fischer, the city administrator of Peculiar, or some 17 combination of the two of them. Is that fair to say? 18 Α. Yes. And you knew that because, among other things, 19 Ο. 20 the City of Peculiar -- let me strike that and start again. 21 One of the things you also knew at that time 22 was that the City of Peculiar had expressed interest in 23 annexing that site. Correct? 24 Yes. Α. 25 Q. I think this already may be in evidence. You

1 may have it in front of you.

2 MR. YOUNGS: Your Honor, may I approach? 3 JUDGE PRIDGIN: You may. 4 BY MR. YOUNGS: 5 Ο. Mr. Mallory, you have before you what's been 6 marked and offered and admitted in evidence as Exhibit 97, 7 which is an August 20th, 2004 letter to you from Mike Fischer 8 on behalf of the City of Peculiar; is that correct? 9 Α. Yes. 10 And it relates that the City of Peculiar is Ο. anticipating annexing certain properties. And the letter 11 12 requests the county's approval for annexation of a section of 13 South Harper Road; is that correct? 14 Α. Yes. (Exhibit No. 116 was marked for 15 16 identification.) BY MR. YOUNGS: 17 Q. Mr. Mallory, the court reporter has handed you 18 19 an exhibit that's marked Exhibit No. 116. Do you see that? 20 Α. Yes. And this is just -- again, for the record's 21 Q. 22 sake, this is Deposition Exhibit 7 from your April 16th 23 deposition; is that correct? 24 Α. Yes. 25 Q. Okay. And this is a resolution basically

signed by you and the other two members of the County 1 Commission dated September 16th approving the annexation of 2 3 that portion of South Harper Road that's referenced in 4 Exhibit 97; is that correct? 5 Α. Yes MR. YOUNGS: Your Honor, I offer Exhibit 116. 6 7 JUDGE PRIDGIN: Any objections? 8 Hearing none, Exhibit 116 is admitted. 9 (Exhibit No. 116 was received into evidence.) MS. MARTIN: Mr. Youngs, if you have a chance, 10 could we get some additional copies of that? Thank you. 11 12 MR. YOUNGS: You can have mine. 13 BY MR. YOUNGS: There were also discussions at or around this 14 Ο. time, and it's been the subject of some testimony, about a 15 16 grading permit; is that correct? 17 Α. Yes. 18 Ο. Okay. 19 (Exhibit No. 117 was marked for 20 identification.) BY MR. YOUNGS: 21 22 Ο. Do you have Exhibit No. 117 in front of you? 23 Α. Yes. 24 Okay. And this is again Deposition Exhibit Q. No. 8 and this is a series of e-mails going back and forth 25

between you and Mike Blake of SEGA, which you understood to be 1 2 an engineering firm working with Aquila; is that correct? 3 Α. Yes. 4 Q. Beginning on September 22nd and going through 5 September 29th regarding whether or not the county would 6 require a grading permit; is that correct? 7 Α. Yes, that's correct. 8 And that's with regard to a grading permit for Q. 9 the property located there at 241st Street and South Harper 10 Road? 11 Α. Yes. 12 Okay. And you understood that at the time Q. 13 these conversations were going on, that the purpose for the 14 grading that was to be done there was in anticipation of constructing a power generating facility on that site? 15 16 Α. Yes. MR. YOUNGS: Okay. Your Honor, I offer 17 Exhibit 117. 18 JUDGE PRIDGIN: All right. Any objections? 19 20 Hearing none, 117 is admitted. 21 (Exhibit No. 117 was received into evidence.) 22 BY MR. YOUNGS: 23 So it's fair to say that going back as early Q. 24 as at least August of 2004 and continuing through the fall of 25 2004, you, as presiding commissioner of Cass County,

1 understood that Aquila was going -- or at least intended to 2 construct a power plant on that site? 3 Α. That's correct. 4 Q. Okay. And you also understood that Peculiar 5 was in the process of annexing that site; is that correct? 6 Α. Yes. 7 Q. Which you supported? Yes. Didn't have any objection to it. 8 Α. 9 Q. All right. With regard to both the road. 10 Yes? 11 Α. Yes. 12 And the power plant site itself? Q. 13 The property itself, yes. Α. And you understood that that annexation -- I 14 Q. 15 think actually we've referred to the shape of the annexation 16 as a lollipop or a flag or something like that, but in any 17 event, you understood there was going to be a portion of South Harper Road annexed and then the parcel on which you knew 18 Aquila was intending to build a power plant? 19 20 Α. Yes. 21 MR. YOUNGS: Okay. May I approach, your 22 Honor? 23 JUDGE PRIDGIN: You may. 24 BY MR. YOUNGS: 25 Q. Just so we're clear here, this is a photograph

that's in evidence, an exhibit, a schedule to I think Terry 1 Hedrick's testimony. And you recognize this as the South 2 3 Harper facility; is that correct? 4 Α. Well, because you say it is. I've never seen 5 it. Okay. Well, it's in evidence so we'll talk 6 Q. 7 about it as much as we can. But just for reference purposes, South Harper Road runs right -- or left to right along the 8 9 middle of this picture; is that correct? 10 Α. Yes. Okay. And then on the bottom side of South 11 Q. 12 Harper Road, you see what I'm telling you is the power plant? 13 Α. Yes. 14 And then to the right of that -- to the left Q. 15 of that you see the gas compressor station? 16 Α. Yes. All right. And you understood that the 17 Q. 18 purpose of the annexation was to annex this portion of South Harper Road (indicating) to the southernmost border of the 19 20 property and this parcel for purposes of the power plant? 21 Α. Yes. 22 Ο. Okay. And, again, with regard to the 23 annexation, you had no objection to it? 24 Α. No. And when I say "objection," you understand I 25 Q.

1 don't mean whatever legal objection the county might have, but 2 just personally, as the presiding Commissioner of Cass County, 3 you had no objection to it?

MS. MARTIN: I'm going to object to the question. It assumes a legal obligation, it lacks foundation and calls for speculation. The question presumes that as the presiding commissioner, it would be his duty or role to express objection to proposed use of land versus complying with land use regulations.

MR. YOUNGS: I'll re-ask the question. That wasn't what I was asking.

12 BY MR. YOUNGS:

Q. There's been some evidence and statements and argument during the course of this proceeding about what, if any, legal ability Cass County could have had to stop the annexation of that site. All I'm asking you is, irrespective of whatever legal obligations or rights might exist, you personally had no objection to the annexation of that site. True or not?

20 A. That's true. We encourage cities to annex21 property.

22 Q. And you had no idea at that time, during the 23 early fall of 2004, how Peculiar would deal with any land use 24 issues associated with what would eventually be City of 25 Peculiar zoned property. Correct? A. No. I assume they would utilize their own
 planning and zoning rules.

Q. Okay. And you had no -- and maybe you don't have any idea as you sit here today what specific rules and statutes apply to the city in terms of its ability to regulate through zoning power plants or any other facilities. Fair to say?

8 A. No, I do not.

9 Q. And just so we're clear, you understood that 10 the only portion of this area that's depicted on this 11 photograph that would be annexed are the ones that we talked 12 about just a minute ago. Correct?

A. Yes. Harper Road and the property to the west
of it and --

15 Q. All right. So the prop-- excuse me. I didn't 16 mean to interrupt.

A. And the property that borders it on the westdown at the corner.

19 Q. And so we're clear, the property to the east 20 of South Harper Road would not be annexed?

21 A. Right.

22 Q. The property to the north of 241st Street 23 would not be annexed?

24 A. No.

25 Q. And the property to the west of the

1 westernmost boundary of what's now the South Harper site would 2 also not be annexed? 3 Α. That's correct. 4 Q. All right. All of those properties would 5 remain in unincorporated Cass County assuming the annexation 6 went through? 7 Α. Yes. 8 So, in other words, if -- I think the evidence Q. 9 has been Frank Dillon lives across from the Southern Star compressor station and near the power plant. Frank Dillon 10 would continue to live in unincorporated Cass County --11 12 Α. Yes. 13 Q. -- after the annexation? 14 Α. Yes. Okay. As would, to your knowledge, all the 15 Q. 16 residents who have expressed complaint about the facility as it now exists? 17 18 Α. As far as I know, yes. During that period of time -- well, you 19 Ο. 20 understood and I think the record will show it's undisputed that on October 23rd, 2004, the City of Peculiar Board of 21 22 Aldermen voted against annexing the South Harper site. You 23 recall that? 24 Α. Yes. 25 Q. So from that period of time, say, mid-August

of 2004 through, say, October 23rd of 2004, you didn't have 1 any conversations with Mike Fischer or Mayor, at the time, 2 3 George Lewis about any concerns you had with regard to the 4 possible erection of a power plant on that site? 5 Α. Not to --6 MS. MARTIN: Objection. Excuse me, 7 Mr. Mallory, for interrupting, but I want to interpose my 8 objection before you respond that question. 9 That question is improper. It assumes a legal 10 duty or obligation by Mr. Mallory in his role as the presiding commissioner to express opposition or support one way or the 11 12 other for a particular proposed use on land that is not going 13 to be subject to the county's land use regulatory scheme. JUDGE PRIDGIN: Well, I'll overrule. That's 14 something you can bring up in redirect. He can answer the 15 16 question. MR. YOUNGS: I'll re-ask the question, if it 17 18 pleases the judge. BY MR. YOUNGS: 19 20 With regard to -- and just so we're clear, Q. 21 setting aside whatever legal obligation or right Cass County 22 might have had to object to or take action to stop the 23 Peculiar annexation, set that aside. I'm asking you as the presiding commissioner of Cass County, did you ever express 24

any objection to Mike Fischer or Mayor Lewis about the fact

25

1 that they were getting ready to build -- that Aquila was getting ready to build a power plant on that site? 2 3 MS. MARTIN: Then I object to relevance. 4 Setting aside those matters Mr. Youngs has determined should 5 be set aside, the question is irrelevant with respect to his 6 personal expression or view one way or the other. 7 MR. YOUNGS: Excuse me. This question has a 8 lot of relevance because there's been ample testimony about 9 why Aquila didn't do certain things with the county during 10 various points in time, including this one, and what Aquila knew with regard to the county's position vis-a-vis this South 11 12 Harper facility and the use of it. And this is exactly 13 designed to deal with those allegations. JUDGE PRIDGIN: All right. I'll overrule. 14 BY MR. YOUNGS: 15 16 You didn't say anything to Mike Fischer from Q. 17 mid-August through October 23rd of 2004 expressing any objection about the proposed use of that site for a power 18 plant, did you? 19 20 I don't recall anything. Α. 21 Q. And you don't recall any discussions with Mike 22 Fischer with regard to expressing any concerns about the 23 plant, the effect of the plant on the community. Correct? 24 Α. That's correct. 25 MS. MARTIN: Same objections, your Honor, for

1 the record. 2 JUDGE PRIDGIN: All right. I'll show a 3 standing objection. 4 Overruled. 5 BY MR. YOUNGS: 6 Q. And what was your answer? 7 Α. That's correct. 8 Or what the effect of the plant might be on Q. 9 the neighbors. Correct? 10 Α. Correct. And that would include those neighbors who 11 Q. 12 would continue to remain in unincorporated Cass County after 13 the annexation. Correct? That's correct. 14 Α. 15 Okay. And the reason that you didn't do that Q. 16 was because, in your view, once the property was annexed, whatever happened on that site would be Peculiar's concern, 17 not Cass County's. Correct? 18 19 That's correct. Α. 20 And just so we're clear, I think you may have Q. 21 clarified this, but you have no idea the difference between 22 city and county zoning? 23 Α. No, I do not. 24 Or what exemptions might lie from city zoning Q. 25 versus county zoning?

No. I'm not familiar with it at all. 1 Α. 2 Okay. Or the different rights that the city Q. 3 might have under the situations that govern them? 4 Α. No. 5 Ο. I want to talk to you a little bit about the 6 2005 update to the Cass County plan, the comprehensive plan. 7 Okay? 8 Α. Yes. 9 Ο. Most recent update began in early 2004. 10 Correct? 11 Α. That's correct. 12 Q. All right. Similar to Exhibit 107 in which in 13 early 2004, Cass County decided to begin conducting planning and zoning under the provisions applicable to non-charter 14 15 first-class counties. Correct? 16 Α. Correct. MR. YOUNG: Your Honor, I, frankly, wasn't 17 anticipating that Cass County would mark and offer the 18 comprehensive plan and zoning order for 2005 and so although 19 20 it's already in evidence, I would like to mark and use my copy, if that's all right with you. 21 22 JUDGE PRIDGIN: That's fine. 23 And normally I hate to interrupt in the middle 24 of cross-examination. Do you know how much longer? 25 MR. YOUNGS: If it's your intention to see

1 about taking a break, I think this would be a good time to do 2 that.

3 MR. PRIDGIN: With that in mind, we'll go off 4 the record. I show 10:15 being the time at the back -- the 5 clock in the back of the room and we'll resume about 10:30 and 6 resume with your beginning to cross-examine Mr. Mallory on 7 Exhibit No. 118. We are off the record.

8 (Exhibit Nos. 118 through 124 were marked for9 identification.)

10 (A recess was taken.)

 11
 JUDGE PRIDGIN: We're back on the record.

 12
 Mr. Youngs, you were still cross-examining

 13
 Mr. Mallory, Mr. Mallory, you still are under oath, sir. And

 14
 I think, Mr. Youngs, you were beginning to talk about

 15
 Exhibit 118.

 16
 MR. YOUNGS: Correct.

17 BY MR. YOUNGS:

Q. Mr. Mallory, during the break I took the 18 19 opportunity to dump some more paper on your table. One of 20 those is Exhibit No. 118, which you recognize as the copy of 21 the comprehensive plan update dated 2005 that was marked in 22 your deposition as Exhibit No. 1. Do you recall that? 23 I have Exhibit No. 119 here. Α. 24 Q. Here's 118.

25 A. Yes.

And you recognize that as the 2005 update to 1 Q. 2 the Cass County, Missouri comprehensive plan? 3 Α. It appears to be. 4 MR. YOUNGS: All right. Your Honor, I offer 5 Exhibit 118. 6 JUDGE PRIDGIN: Objections? 7 MS. MARTIN: No objections. I'll just note 8 for the record that as Mr. Youngs has indicated, it's a 9 duplicate at least in part of Exhibit 108. This is just the comprehensive plan portion, however, of Exhibit 108. 10 MR. YOUNGS: And I agree with that. 11 12 MR. PRIDGIN: All right. So noted. And, Ms. Martin, thank you. 13 Hearing no objections, No. 118 is admitted. 14 15 (Exhibit No. 118 was received into evidence.) BY MR. YOUNGS: 16 And just so we're on the same page, the 17 ο. revisions to what ultimately became the comprehensive plan 18 update effective February 1st, 2005, in fact, began in the 19 20 early stages of 2004. Correct? 21 Α. That's approximate, yes. 22 Ο. And there's a process by which those updates 23 were discussed? 24 Α. Yes. 25 Q. And ultimately implemented. Correct?

1 Α. Yes. 2 And, in fact, if you could turn to Page 2 of Q. 3 the 2005 update, numeric 2, not small ii --4 Α. Yes. 5 JUDGE PRIDGIN: And I'm sorry to interrupt. 6 At your convenience, if I could get a copy of 118 up at the 7 bench. 8 BY MR. YOUNGS: On Page 2, the 2004 -- excuse me. 9 Ο. 10 In the first paragraph on Page 2, it actually refers to it as the 2004 plan update. Does it not? 11 12 Α. Yes. 13 Q. And in the heading right below that first paragraph it refers to the 2004 master plan. Correct? 14 15 Α. Yes. 16 And then in the second paragraph in that Q. section it again refers to this as the 2004 master plan; is 17 18 that correct? 19 Yes. Α. All right. And do you believe that that's 20 Q. 21 indicative of the fact that the process was ongoing during 2004? 22 23 Α. Yes. 24 Q. All right. And that process involved the combination of the Cass County Planning Board. Correct? 25

1 Α. Yes. 2 The public? Q. 3 Α. Yes. 4 Q. And the Cass County Commission? 5 Α. Yes. 6 Q. On which at that time you were the presiding 7 commissioner? 8 Yes. Α. 9 Q. As you are today? 10 Α. Yes. And that process was continuing through 2004; 11 Q. 12 is that correct? 13 Α. Yes. 14 And the idea behind that process was that if Q. 15 anybody had any objections or thoughts or concerns about the 16 comprehensive plan, those could be expressed and dealt with and the plan could be revised if it was appropriate. Is that 17 fair to say? 18 19 Yes. Suggestions or objections, either one. Α. Okay. You have before you, I think, 20 Q. Exhibit No. 119? 21 22 Α. Yes. 23 I do have copies of that one. And 119, again, Q. 24 it's a duplicate, in part, of an exhibit that the county has put in evidence. And it is actually the zoning order and 25

subdivision regulations that were also adopted effective 1 2 February 1st, 2005. Correct? 3 Α. Yes. 4 Q. And it's an exhibit in your deposition. Could 5 you just tell me what that exhibit number is? 6 Α. 119? 7 Q. Yeah. There should be a deposition sticker on 8 there from your deposition, another exhibit sticker. 9 Α. Oh, yes. 3. 10 Ο. Just so we're clear, that's Exhibit No. 3 --11 Α. Yes. 12 Q. -- that we talked about during your April 16th 13 deposition; is that correct? 14 Α. Yes. 15 MR. YOUNGS: All right. Your Honor, I offer 16 Exhibit 119 and I'll provide copies for the bench. 17 MS. MARTIN: If I could take a look at 18 Exhibit 119. 19 MR. YOUNGS: Oh, I'm sorry. Certainly. MS. MARTIN: I don't think that was marked as 20 21 a deposition exhibit. 22 BY MR. YOUNGS: 23 It's too much paper, Mr. Mallory. Exhibit 119 Q. 24 was, in fact, not marked in your deposition; is that correct? 25 A. Right.

1 Q. You're just going to have to trust me on that 2 one. 3 Α. I've got to trust you? Okay. 4 Q. Exhibit --5 MS. MARTIN: Mr. Mallory, you can trust me. BY MR. YOUNGS: 6 7 Q. Yeah, you don't have to trust me. Trust your lawyer --8 9 All right. Α. -- just so the record doesn't get all 10 Ο. befuddled here. 11 12 Exhibit 119 though, whatever it was marked at or not marked at at your deposition, is the zoning order and 13 14 subdivision regulations effective February 1st, 2005; is that 15 correct? 16 Α. That's correct. MR. YOUNGS: I offer 119. 17 18 MS. MARTIN: And I don't have an objection, but I would -- I'd be fine with its admission subject to 19 20 making sure it compares to those portions of Exhibit 108 which 21 are also the zoning ordinance and subdivision regulations for 22 2005. If there are discrepancies, we would stand by 23 Exhibit 108. 24 MR. YOUNGS: As would I. JUDGE PRIDGIN: All right. Hearing no 25

1 objection, 119 is admitted.

2 (Exhibit No. 119 was received into evidence.) 3 BY MR. YOUNGS: 4 Q. And, again, these subdivision regulations and 5 zoning order were part of what was also being discussed during 2004. Correct? 6 7 Α. Yes. 8 And amendments to those that were eventually Q. 9 adopted effective February 1st, 2005? 10 Α. Yes. 11 And, again, the same concept. Discussion, Ω. 12 evaluation, expression of concerns, objections and resolving 13 those to ultimately come up with this document? 14 Α. Yes. 15 Q. Okay. 16 JUDGE PRIDGIN: Will this be 120, Mr. Youngs? MR. YOUNGS: Yes, sir. 17 BY MR. YOUNGS: 18 Mr. Mallory, you have in front of you what's 19 Ο. 20 been marked as deposition -- or excuse me, Exhibit No. 120. 21 And that is a fax from you dated I believe October 13th of 22 2004; is that correct? 23 Α. Yes. 24 Q. Along with an attached meeting notice 25 indicating that there is going to be a meeting on October 28th

of 2004 at the Pearl Street Grill in Harrisonville to discuss 1 changes to the comprehensive plan. Correct? 2 3 Α. Yes. 4 Q. And you sent that notice to -- at least 5 according to the top of the page, which is the fax cover 6 sheet, mayors and city administrators presumably around or 7 within Cass County; is that correct? 8 Α. Yes. 9 Okay. So it was important for you, as the Ο. Cass County commissioner, the presiding commissioner, to make 10 sure that mayors and city administrators of municipalities 11 12 within Cass County could see what was being done and 13 considered with regard to Cass County's comprehensive plan and 14 zoning regulations. Correct? 15 That's correct. We were seeking their input. Α. MR. YOUNGS: I offer 120. 16 JUDGE PRIDGIN: Any objections? 17 Hearing none, 120 is admitted. 18 (Exhibit No. 120 was received into evidence.). 19 20 BY MR. YOUNGS: 21 Q. And you were asking that they -- in the 22 meeting notice the Commission asked that interested parties 23 review the information regarding the comprehensive plan, the 24 zoning order, the subdivision regulations, the procedures 25 manual and the impact fee ordinance and advise the Commission

1 of any concerns those folks have no later than December 1st of 2 2004. Correct? 3 Α. Yes. 4 MS. MARTIN: Excuse me for interrupting. 5 Mr. Youngs, do we have a copy of that exhibit? If that's your 6 only -- have you passed them? Oh, sorry. BY MR. YOUNGS: 7 8 And, again, at this point, October 13th of Q. 9 2004, you knew that Aquila was proposing to put a power plant at what is 241st and South Harper Road. Correct? 10 11 Α. Yes. 12 Q. And the luncheon took place on October 28th of 13 2004. Correct? 14 Α. Yes. Were you present for that luncheon? 15 Q. 16 Yes. Α. And at that luncheon I assume there was 17 Q. discussion about the comprehensive plan, the zoning 18 regulations, the subdivision order and the changes that were 19 20 being proposed to those. Correct? 21 Α. Yes. Uh-huh. 22 Ο. Were there members of the public or was this 23 just a city administrator, mayor luncheon? 24 Α. City officials. Q. Okay. By then, October 28th of 2004, you knew 25

that Peculiar, the Board of Aldermen, had voted against 1 2 annexing the South Harper Road and South Harper facility site. 3 Correct? 4 Α. Yeah. As I recall the dates, that would be 5 correct. 6 Q. You have in front of you, I think, Exhibit 7 No. 121; is that correct? 8 Yes. Α. 9 Ο. And Exhibit No. 121 are minutes of a November 30th, 2004 meeting; is that correct? 10 Α. 11 Yes. 12 Q. At which you were present; is that correct? 13 Α. Yes. Q. And the meeting's purpose was listed, at 14 15 least, on the front page as discussion of comprehensive plan; 16 is that right? 17 Α. Yes. And there are minutes to the meeting that are 18 Ο. attached as this second page. And they talk about, again, 19 20 similar to what we've been discussing, people expressing concerns, asking questions, raising issues and discussing 21 22 those issues. Correct? 23 Α. Yes. MR. YOUNGS: I offer 121. 24 JUDGE PRIDGIN: Any objections? 25

Hearing none, 121 is admitted. 1 2 (Exhibit No. 121 was received into evidence.) 3 BY MR. YOUNGS: 4 Q. And at this time, as presiding commissioner of 5 Cass County, you knew -- still knew that Aquila was proposing 6 to put a power plant on the South Harper site. Correct? 7 Α. Correct. 8 And you also knew that Peculiar was not going Q. 9 to annex that site. Correct? 10 Correct. Α. 11 You knew that there was a dispute between Q. 12 Aquila and Cass County regarding Aquila's obligation or lack 13 of obligation, depending on whose side of the coin you flipped on, to comply with Cass County zoning. Correct? 14 15 That's correct. Α. 16 And, in fact, by that time you had directed Q. the county to file suit against Aquila. Correct? 17 Yes. If I recall, yes. 18 Α. Which they did on December 1st --19 0. 20 Uh-huh. Α. -- is that accurate? 21 Q. 22 Α. Correct. 23 Q. There's no discussion in the minutes of this 24 November 30th, 2004 meeting regarding the comprehensive plan 25 whether or not -- regarding whether or not the extension of

multi-use tiers to include the property on which Aquila was 1 planning on building the South Harper site was a good idea or 2 3 a bad idea. Correct? 4 Α. Yeah. Correct. 5 Ο. In fact, there's no discussion of it at all? 6 Α. Correct. 7 Q. If you'll look at Exhibit No. 122, these are 8 the --9 I don't have 122, counsel. 123? Α. I'm sorry. Exhibit 123. 10 Ο. 11 Α. Yes, I have that. 12 JUDGE PRIDGIN: And I think I'm only on 122. I want to be sure that we're --13 14 MR. YOUNGS: Yeah. I've skipped a chronological exhibit, but I will get to 122. 15 16 JUDGE PRIDGIN: Thank you. Is what you've handed me 122? 17 MR. YOUNGS: That's 123. I've referred to it 18 as 122, but in fact, it's 123. It got marked out of order. I 19 20 apologize. 21 JUDGE PRIDGIN: Okay. Thank you. 22 MR. EFTINK: Your Honor, to clarify, is 23 Exhibit 123 the document marked January 18th, 2005? 24 JUDGE PRIDGIN: Yes, that's correct. MR. EFTINK: So we don't have a 122 at this 25

1 time? 2 MR. YOUNGS: You're about to. 3 JUDGE PRIDGIN: That's correct. And we're 4 about to, Mr. Youngs says. 5 BY MR. YOUNGS: 6 Q. Do you also have in front of you Exhibit 122, 7 Mr. Mallory? 8 Α. No. You're holding out on me. I still have 9 123 and 124. 10 There's no trusting me. Ο. 11 Α. That's what you told me. 12 Q. All right. Mr. Mallory, do you now have 13 Exhibits 122 and 123 in front of you? 14 Α. Yes. 15 Okay. I apologize. Q. 16 Looking first at Exhibit No. 122, just tell us what that is. 17 A. It's a record of a meeting of January 27th 18 when the county adopted 2005 County Comprehensive Master Plan, 19 20 Zoning Ordinances and Subdivision Regulations. 21 Q. And that was the meeting at which the 22 comprehensive plan and the zoning ordinance updated to 2005 23 were finally approved by the County Commission; is that 24 correct? 25 Α. Yes.

And Exhibit 123, since we're a little out of 1 Ο. order, is the January 18th meeting of the Cass County Planning 2 3 Board, again, minutes of the discussion and the vote of the 4 Planning Board on the comprehensive plan on that date, 5 January 18th of '05; is that correct? 6 Α. Yes. 7 MR. YOUNGS: Okay. I offer 122 and 123. JUDGE PRIDGIN: Any objections? 8 9 Hearing none, 122 and 123 are admitted. (Exhibit Nos. 122 and 123 were received into 10 evidence.) 11 12 BY MR. YOUNGS: 13 Q. And without going through them, again, bottom 14 line is these meetings were for the purpose of discussing and finally making a determination on the 2005 update to the 15 16 comprehensive plan and the zoning ordinances; is that correct? 17 Α. Yes. 18 At any point during this process prior to Ο. January 27th, 2005, anybody could have taken issue with the 19 20 extension of the multi-use tier concept to include the South Harper facility. Correct? 21 22 Α. Anyone could have used the opportunity to do 23 that, yes. 24 Okay. In fact, that was the purpose of all Q. 25 the meetings we've been going through here. Correct?

1 Α. Yes. 2 And no one did that, did they? Q. 3 Α. No. 4 Q. And you did not raise that issue, did you? 5 Α. No. 6 Q. And, in fact, in response to those concerns or 7 objections, the Commission -- first the Planning Board and 8 then the Commission could have made changes to the 9 comprehensive plan to accommodate those concerns, could they 10 not? 11 Α. Yes. 12 Q. And it's true, is it not, that construction on 13 the South Harper facility did not begin until sometime after January 11th, 2005? 14 15 MS. MARTIN: Objection. Lacks foundation, 16 calls for speculation. JUDGE PRIDGIN: I'll overrule. He can answer 17 if he knows. If he doesn't know, he can say so. 18 19 THE WITNESS: Yeah, I don't recall the exact 20 date. BY MR. YOUNGS: 21 22 I'm just looking at your surrebuttal testimony Ο. 23 on Page 8, sir, in which you said, Actual construction 24 commenced on the plant in January 2005 immediately after the 25 trial court stayed its injunction.

1 Do you see that? 2 Yes. Line 5. Α. 3 Q. And I'll represent to you that the judgment in 4 that case was entered on January 11th, 2005, which also 5 contained a stay of that injunction pending appeal. You 6 recall that? 7 Α. Yes. 8 All right. Q. 9 Α. Not the exact date, but I do recall that 10 happening. Okay. Well, talking about the comprehensive 11 Q. plan, you'd agree with me that anything involved in zoning in 12 13 Cass County or anywhere else -- well, let me just ask you about Cass County. It's not a static thing, is it? 14 15 Α. No. 16 Q. It grows and changes as the community changes, 17 does it not? 18 Α. Yes. 19 You'd agree with me that the county's Ο. 20 comprehensive plan generally sets out the county's vision? 21 Α. Yes. 22 Q. And provides the basis for zoning and land use 23 decisions? 24 Α. Yes. And, again, as we've talked about, that's a 25 Q.

vision that's got to be updated, retooled as the county grows 1 2 and changes, does it not? 3 Α. Yes. 4 Q. And aside from the legal argument that we 5 lawyers will have about which one of these plans is applicable 6 in this particular case, you'd agree with me that to determine 7 the current vision of the community, one should look to the 8 current version of the plan? 9 Α. Yes. The comprehensive plan update of 2005 carried 10 0. forward this tier system that was adopted as part of the 2003 11 12 update; is that right? 13 Α. Yes. And one of those tiers that we've been talking 14 Q. about is the multi-use tier; is that correct? 15 16 Α. Yes. And if you have your copy of Exhibit 118 in 17 Q. front of you --18 19 Α. Yes, I do. 20 -- if you'd turn to Page 25 --Q. 21 Α. Yes. 22 Q. -- where it talks about Chapter 3, future land 23 use and policy. Multi-use tiers at the bottom of the page are 24 areas near towns and cities and along paved highways and 25 thoroughfare roads where non-agricultural development, such as 1 commercial and industrial uses, and residential development 2 that is denser than 20-acre lots is encouraged. Large scale 3 development is allowed, including commercial and industrial 4 zoning, provided there are provisions for direct access to 5 paved roads.

Have I read that correctly?

7 A. Yes.

6

And on Page 28, again, discussing multi-use 8 Q. 9 tiers, the multi-use tier is representative of development 10 areas within Cass County that exhibit the following characteristics: First, positioned as transition areas from 11 urban to rural densities; two, located along rural highways, 12 13 major arterials and intersections or close enough to such 14 major roads to provide access for more intense levels of non-agricultural traffic; and three, predominantly developed 15 for a mix of land uses, residential, industrial and commercial 16 17 purposes.

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18 Have I read that correctly?
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19 A. Yes.

20 Q. If you want to look behind you on the screen, 21 I have on the screen Schedule BGP-3, which is the schedule to 22 Bruce Peshoff's testimony in this case. And this was also 23 marked as an exhibit in your deposition. Correct? 24 A. Yes.

25 Q. Okay. And the area in yellow depicts the

multi-use tier according to the 2005 comprehensive plan, the 1 2 current vision of the community. Is that fair to say? 3 Α. Yes. 4 Q. All right. And at the bottom -- towards the 5 bottom you can see a little horseshoe-shaped rectangle --6 Α. Yes. 7 ο. -- do you see that? 8 And at the top you see -- it looks like the state of Idaho --9 10 Α. Yes. -- do you see that? 11 Q. 12 Α. Yes. 13 Okay. And actually, I think we've determined Q. 14 that the state of Idaho listing, which is the substation, needs to be on the other side of that street, is that correct, 15 16 in order for this map to be accurate? 17 Α. Yes. But in all other respects it accurately 18 0. depicts not only the current tier system, but also the 19 20 location of these facilities at issue within that tier system. 21 Correct? 22 Α. Yes. 23 Q. And there's no dispute, as we sit here today, 24 that currently the South Harper site sits in a multi-use tier? 25 Α. Yes.

1 Q. As does more than half of the Peculiar 2 substation site at least? 3 Α. Yes. 4 Q. And to the north of that, that area is an 5 urban service tier; isn't that correct? 6 Α. Yes. 7 Q. All right. And the area just north and 8 east -- I'm going to walk up here. 9 This area listed here (indicating), I think it's gray on the exhibit, those are the city limits of the 10 City of Peculiar, are they not? 11 12 Α. Yes. 13 Q. All right. 14 Α. They appear to be, yes. 15 All right. And so as we sit here today, Q. 16 there's no dispute between you and me that the facilities sit in multi-use tiers under the 2005 comprehensive plan? 17 18 Α. Yes, I agree. All right. 19 Ο. 20 Except the piece of Idaho sticking out. Α. 21 Q. With the exception of that little piece of 22 Idaho? 23 Yeah. Α. 24 Q. This is a photograph that's Schedule WW-14, which I'll represent to you is the view of the gas compressor 25

station from Frank Dillon's property on the east side of South 1 2 Harper Road. You see that? 3 Α. Yes. 4 Q. The gas compressor station that sits north of 5 the actual plant is also located in the 2005 multi-use tier. 6 Correct? 7 Α. Yes. 8 I just want to also be clear. As we sit here Q. 9 today, you've never seen this site. Correct? 10 Α. I've -- not the power plant. I've not went by where the power plant is. 11 12 Q. Prior to the power plant's erection, you had 13 been by --14 Α. Oh, I'd been by, I'm sure. 15 To see the gas compressor station? Q. 16 Yeah. Α. But as we sit here today, at no time have you 17 Q. ever seen in person the South Harper peaking facility? 18 No, I have not. 19 Α. 20 Nor have you ever seen the Peculiar substation Q. at 239th --21 22 Α. No, I have not. 23 Q. And just so we're clear, the state of Idaho, 24 the substation, that has always been in a multi-use tier. Correct? 25

Α. I believe so. 1 2 Ever since the multi-use tier system has been Q. 3 in effect? 4 Α. Yes. 5 Ο. So, in other words, vis-a-vis the 2003 and the 6 2005 plans, we don't have any dispute that that substation was 7 in that multi-use tier under both of those plans. Correct? 8 Yes. Α. 9 Ο. And as a part of the work that was done by the Commission during 2004, we also have a zoning order and 10 subdivision regulations dated effective February 1st, 2005; is 11 that correct? 12 13 A. Yes. 14 Q. And those are Exhibit 119? 15 Α. Yes. 16 Q. In fact, that new zoning order repeals the old zoning order, does it not? 17 18 Α. Yes. 19 And there's been some discussion about Ο. agricultural districts. Correct? 20 21 Α. Yes. If you'd turn to Page 29 of Exhibit 119 for 22 Q. 23 me. Are you there? 24 Α. Yes. And read with me. The intent of an 25 Q.

agricultural district is to preserve and protect land valuable 1 for agriculture and as open space from urban-type activities. 2 3 This district is not intended for the development of 4 low-density residential areas. 5 Have I read that correctly? 6 Α. Yes. 7 Q. With regard to the regulations that deal with zoning, if you'd turn to page 82, this is the portion of the 8 9 zoning order that talks about supplementary regulations. It's Article 7, isn't it? Or it's a portion of Article 7? 10 11 Α. Yes. 12 And it deals with something we talked about a Q. 13 little while ago in this proceeding, concentrated animal feeding operations. Correct? 14 15 Α. Yes. 16 And it provides for additional requirements Q. 17 for those operations, does it not? 18 Α. Yes. Later on, starting on Page 86, which is the 19 Ο. section of the zoning order Article 8 dealing with special use 20 21 permits, it also provides for additional conditions for 22 particular special uses. Correct? 23 Α. Yes. 24 Such as residential or outpatient facilities Q. 25 for the treatment of alcohol or other drug abuse. Correct?

1 Α. Yes. 2 Special manufactured homes? Q. 3 Α. Yes. 4 Q. Any uses involving the storage, processing or 5 manufacturing of large quantities of toxic chemicals. 6 Correct? 7 Α. Yes. 8 On Page 87, communications towers? Q. 9 Α. Yes. 10 Ο. You don't have to trust me, but 89 adult entertainment establishments? 11 12 Α. Yes. Three pages of additional conditions for 13 Q. 14 those. Correct? 15 Α. Yes. 16 Q. Composting sites, page 92? 17 Α. Yes. Sanitary landfills, page 93? 18 Q. 19 Α. Yes. 20 Q. There's no provision in these supplementary regulations or additional conditions regarding special use 21 permits that deal with or address electrical generation for 22 23 transmission facilities, are there? 24 Α. No. 25 You talked in your surrebuttal testimony, Q.

1 Mr. Mallory, on Page 10 --

2 A. Yes.

Q. -- about -- or excuse me, Line 10 is as Aquila entitled to a fair and full hearing on its application as the citizens affected by the plant are entitled to a full and fair hearing on their grievances with the plant and substation.

Have I read that correctly?

8 A. Yes.

7

9 Q. And that's a recitation -- first of all, you 10 still agree with that statement?

11 A. Yes.

12 Q. Okay. And that's a recitation of your concern 13 that everybody who's affected by this facility have an opportunity to be heard regarding the facilities. Correct? 14 15 Α. Yes. 16 Q. You're aware of the fact that there have been, with regard to this application, three public hearings? 17 18 Α. Yes.

19 Q. All of which occurred in Cass County.

20 Correct?

21 A. Yes.

22 Q. You're painfully aware of the fact that there 23 have been depositions taken in this case. Correct?

24 A. Yes.

25 Q. Including the deposition of Harold Stanley,

which was taken down in New Mexico. Correct? 1 2 Α. I wasn't aware of that. 3 Ο. Okay. 4 Α. I'll believe you on that one. 5 Ο. We're here at a full evidentiary hearing on 6 Aquila's application, are we not? 7 Α. Yes. 8 And you understand that the Commission has set Q. 9 aside 8 days for consideration of Aquila's application. 10 Correct? I didn't know that until now, but --11 Α. That hearing has included testimony by two 12 Q. 13 land use -- yeah, two sets of filed testimonies by two land use planners. Correct? 14 I know of one. I don't know about the other 15 Α. 16 one. Okay. We have a guy too. 17 Q. All right. Figured you did. 18 Α. You understanding there's been extensive 19 Ο. briefing in this case? 20 21 Α. Yes. 22 Q. Briefs that you have reviewed sometimes before 23 the fact and at all times after the fact. Correct? Yes. As far as I'm aware. 24 Α. 25 Q. And that, of course, is in addition to public

hearings related to these facilities that were conducted in 1 2 what's been referred to as the 0248 case. You know that? 3 Α. Yes. 4 Q. There was a public hearing in Harrisonville 5 regarding that application as well? 6 Α. Yes. Same facilities, different application --7 Q. 8 Yes. Α. 9 Ο. -- correct? 10 Α. Yes. And, again, briefs and evidentiary hearings. 11 Q. You recall all that? 12 13 Α. Yes. 14 Other than the fact that this hearing is not Q. 15 taking place in Cass County in conjunction with some kind of a 16 zoning application, is there anything about this proceeding that you don't believe offers a full and fair hearing for 17 people to be heard about their concerns about these 18 19 facilities? 20 Taking into account the public hearings you Α. 21 had in Cass County? 22 Ο. Sure. 23 Yes. I think everybody should have had a Α. 24 chance to be heard. Let's talk a little bit about the discussions 25 Q.

1 that you had with Aquila that were the subject of some questioning of Norma Dunn the other day after the Court of 2 3 Appeals issued its ruling on December 20th of 2005. Are you 4 with me? 5 Α. Yes. 6 Q. Okay. You knew that prior to October -- or 7 excuse me, December 20th of 2005, that there had been discussions between counsel regarding Aquila's possibility of 8 9 being willing to submit these facilities to zoning review through Cass County. Correct? 10 11 Α. Yes. 12 And in addition to the conversations that were Ο. 13 going on between Chris Reitz, myself, your outside counsel, 14 Cindy Reams Martin, your Cass County attorney, Debra Moore, you were working with Norma Dunn, weren't you? 15 16 I don't know how -- if you'd characterize it Α. 17 working with. I'd met with her twice. She and I are both on 18 the Economic Development Committee. And I think the evidence has been that you 19 Ο. asked her to serve in that capacity; is that correct? 20 21 Α. Absolutely, yes. 22 Ο. You like Norma Dunn? 23 I think she's very professional. Α. 24 And you understood -- and I won't burden the Q. 25 record with all the letters, but you understood there was some

concern expressed early on by the county through your outside 1 counsel of the ability of the county to process a zoning 2 3 application while the litigation was ongoing. You recall 4 that? 5 Α. Yes. 6 Q. And that litigation included not only the 7 appeal from Judge Dandurand's order in January of 2005, but it 8 also involved a writ proceeding involving this Commission's 9 April 2005 order. You understood that? 10 Α. Yes. 11 And those were the two proceedings that you Q. 12 understood from your lawyers were the issues? 13 Α. Yes. You had conversations with Ms. Dunn in late 14 Q. 15 2005 regarding what she referred to as stopping the litigation 16 and going through the process of zoning in Cass County. You recall that generally? 17 Yes. Uh-huh. I sure do. 18 Α. After the December 20th, 2005 opinion of the 19 Ο. 20 Court of Appeals affirming Judge Dandurand's January judgment, 21 you understand that Aquila did not seek any further review of 22 that judgment? 23 Α. Yes. 24 And, in fact, Ms. Dunn told you that Aquila Q. would not seek further review? 25

1 Α. Yes. 2 And that she committed to you that as an Q. 3 attempt to resolve the issues between the county fully and 4 finally, Aquila would prepare and file special use permit 5 applications for these facilities. Correct? 6 Α. Yes. 7 Q. And when she said that, you believed her? 8 Α. Yes. 9 And that was consistent with the good working Q. relationship that you had had with her up to that time? 10 11 Α. Yes. 12 MR. YOUNGS: May I approach, your Honor? 13 JUDGE PRIDGIN: You may. BY MR. YOUNGS: 14 15 Mr. Mallory, this is Schedule NFD-2, which is Q. 16 a series of letters with a fax cover sheet, the first letter of which is dated January 5th, 2006 over your signature to 17 Norma Dunn; is that correct? 18 19 Α. Yes. Okay. And it attaches an August 16th, 2005 20 Q. 21 letter from Ms. Martin to Chris Reitz, general counsel of 22 Aquila; is that correct? 23 Α. Yes. 24 Okay. And just so we're clear, that 2005 --Q. January 5th, 2005 letter from you --25

January 5th, 2006. 1 Α. 2 -- excuse me, January 5th, 2006 letter from Q. 3 vou --4 Α. Yes. 5 Ο. -- you did not write that, did you? 6 Α. No. 7 Q. That was prepared for you by counsel? 8 Yes. Α. 9 Q. And signed by you? 10 Α. Yes. And at the end of that letter -- excuse me, 11 Q. 12 I've given you my only copy, I'm going to come back. In fact, 13 maybe I'll just put it up. 14 The last paragraph of that letter, 15 Mr. Mallory, you see where it says, I ask that further 16 communications with respect to this matter, particularly as relate to the legal proceedings, be directed through your 17 counsel to the county's counsel; is that correct? 18 19 Yes. Α. 20 Q. And then the letter sets out all the various 21 lawyers that the county has working for it regarding this 22 dispute? 23 Α. Yes. 24 Q. All right. On the first page of the letter -or excuse me, of the exhibit, which is the fax cover sheet, 25

you did write this, didn't you? 1 2 Α. Yes. 3 0. And it says, Norma, info regarding discussions 4 were recently had. Any questions, please call. Gary. 5 Α. Yes. 6 Q. You intended that if she had any questions 7 about these two letters that she was getting from you, that 8 she should feel free to call you. Correct? 9 Α. Yes. And, in fact, she did call you. Correct? 10 Ο. Yes. 11 Α. 12 Q. She reaffirmed her original commitment to you, 13 did she not? 14 Α. Yes. 15 And you have in front of you Exhibit No. 87, Q. 16 which has been received in evidence in this case. You recall that letter, don't you? 17 Yes. I saw this before. 18 Α. 19 And just so the record is clear, this is a 0. 20 January 12, 2006 letter from Chris Reitz to Cindy Reams Martin and Debra Moore; is that correct? 21 22 Α. Yes. 23 Q. And it attached a motion requesting Judge 24 Dandurand to stay the effect of his injunction; is that 25 correct?

1 Α. I don't have that. 2 But the letter references it, does it not? Q. 3 Α. Yes, yes. 4 Q. And, again, it confirms that the company's 5 intention, consistent with your conversations with Norma Dunn, 6 was to file special use permit applications for these 7 facilities? 8 Α. Yes. 9 Ο. As a means to possibly resolve the dispute between Aquila and Cass County. Correct? 10 11 Α. Yes. 12 Q. And, in fact, the letter asks in the first 13 paragraph if Ms. Moore and Ms. Martin will agree to support a 14 stay of the trial court's injunction while this process goes forward. Correct? 15 16 Α. Yes. And that's consistent with the conversations 17 Q. 18 that you had had and that you understood had been had regarding the fact that so long as there was an injunction in 19 20 place, the county did not feel it was appropriate to accept a 21 special use permit application. Correct? 22 Α. The injunction and the writ. 23 Q. And the writ proceeding? 24 Α. Yes. 25 Q. The county could have agreed to a stay of the

injunction while this process went forward, couldn't it have? 1 2 I suppose so. Α. 3 Ο. Could have agreed to a stay while Aquila went 4 through the process that you believed was important and to 5 this day believe was important with the county. Correct? 6 Α. Yes. 7 Q. But instead, the county didn't do that, did 8 it? 9 No. Α. In fact, it filed suggestions in opposition to 10 Ο. that motion for a stay somewhere between 25 and 30 pages. You 11 12 recall that? 13 Α. Yes. 14 Q. Accused Aquila of being arrogant. You recall 15 that allegation? 16 Α. Yes. Requested an order directing the immediate 17 Q. dismantling of the facilities? 18 19 Yes. Α. 20 And, in fact, in that suggestions in Q. 21 opposition, even suggested whether the county had the legal 22 ability to process an application for a special use permit for 23 facilities that were already constructed. You recall that? 24 Α. Yes. And, in fact, as we sit here today, that's a 25 Q.

concern that you still have as presiding commissioner of Cass 1 2 County? 3 Α. Yes. 4 Q. And on January 20th, 2006, Aquila did attempt 5 to file special use permit applications for the plant and the substation; is that correct? 6 7 Α. Yes. 8 Those were rejected? Q. 9 Α. Yes. 10 And followed up with a letter from counsel Ο. accusing Aquila of a publicity stunt, brinksmanship and 11 threatening to ask that we be held in contempt --12 13 Α. Yes. 14 -- you recall that? Q. 15 Α. Yes. 16 Q. Do you have in front of you Exhibit No. 88? If you don't, I'll get it. 17 18 You better get it. Α. 19 I'll just borrow somebody's copy. 0. 20 MR. YOUNGS: May I approach, Judge? JUDGE PRIDGIN: You may. 21 22 BY MR. YOUNGS: 23 Mr. Mallory, I've handed you what has been Q. 24 marked and received in evidence as Exhibit No. 88. You recall 25 that?

1 Α. Yes. And this, just so the record is clear, is a 2 Q. 3 letter dated February 1st, 2006 from Cindy Reams Martin to me 4 and to Mr. Reitz on behalf of Aquila. Correct? 5 Α. Yes. 6 Q. And just so we're clear in terms of the status 7 of all these proceedings, the writ case was still pending at 8 that time? 9 Α. That's my understanding, yes. And, in fact, as Ms. Martin says in her 10 Ο. February 1st letter, the first paragraph, the order that Judge 11 12 Dandurand entered giving Aquila a stay until May 31st still 13 needs to be finalized and presented to the court. Until the order is entered and until Aquila files its required bond, 14 15 Aquila has not been relieved of the obligation to comply with 16 the January 11th, 2005 judgment and, thus, with the original terms of the permanent injunction. 17 18 Do you see that? 19 Α. Yes. 20 And those original terms of the permanent Q. 21 injunction included an order to dismantle the plant. Correct? 22 Α. Yes. 23 Q. So the position that the county had been 24 taking prior to this time that so long as the writ case was 25 not resolved and there was not a final order giving us some

1 relief from the injunction in the case before Judge Dandurand, 2 the county would not accept a special use permit application, 3 those conditions still consisted as of February 1st, 2006, did 4 they not?

5 A. Yes. Because in my mind, still litigation was 6 ongoing.

7 Q. All right. However, in the third paragraph -notwithstanding that, the third paragraph says --8 9 notwithstanding the fact that those proceedings are still pending and the litigation is ongoing, Ms. Martin says, We 10 11 assume Aquila will be filing an application for either 12 rezoning or for a special use permit for the South Harper 13 plant and the Peculiar substation as evidence of local consent is required before the PSC can issue a certificate of 14 convenience and necessity for the plant and substation. 15 16 Have I read that correctly? 17 Α. Yes. You understood at that time that Aquila did 18 Ο. not agree that that was the state of the world? 19 20 Α. Yes. 21 Q. When you read that paragraph -- and I assume 22 you did; is that correct? 23 Α. Yes. 24 Did you think that that was kind of a trap? Q. 25 Α. No.

In any event, you certainly weren't surprised 1 Q. when Aquila subsequently refused to file an application for 2 3 special use permit for the site and the substation? 4 Α. No, I was not. And as we sit here today, you have no opinion 5 Ο. 6 whether these facilities are appropriately located where they 7 sit from a land use perspective? 8 Α. I've formed no opinion whatsoever. 9 MR. YOUNGS: Those are all the questions I have of this witness at this time, your Honor. 10 JUDGE PRIDGIN: Mr. Youngs, thank you. 11 12 Let me see if we have any questions from the 13 Bench. Chairman Davis? CHAIRMAN DAVIS: Pass. 14 15 JUDGE PRIDGIN: Mr. Chairman, thank you. Commissioner Gaw? 16 COMMISSIONER GAW: Thank you. 17 OUESTIONS BY COMMISSIONER GAW: 18 19 Commissioner, thank you for coming. Ο. 20 Let me ask you just in general terms a little 21 bit about the process that occurs in regard to the 22 applications for land use in Cass County. I want to focus on, 23 at least for the moment, the current plan that you have in 24 effect. 25 Α. Yes.

If today we had an application filed for a 1 Ο. facility that is not yet constructed that was a generation 2 3 plant located in the area similar to the area where the South Harper facility is located and if we presume that they come to 4 5 ask -- first of all, let me ask you this. 6 Would they be required to come in and ask for 7 any special permission before they could construct that plant 8 in Cass County, in your opinion? 9 Α. Yes. Okay. Tell me what kind of permission and 10 Ο. applications would be necessary, in your opinion. 11 12 Α. Well, for example, a multi-use tier just 13 describes things that can be placed there. 14 Q. Okay. But if you're going to come in and put a CFO 15 Α. 16 there, a hog farming operation, you know, we'd want to make 17 sure that people understood that was coming in. And that's a 18 big difference than a power plant. In my mind it is. In some people's mind, it might not be. But that would be a thing 19 20 they'd have to come in for, go through the Planning Board and 21 public hearings and go through the BZA just like anybody else. 22 And if it were a power plant facility, would Ο. 23 your answer be the same in regard to the necessity for them to 24 come in? 25 Α. Yes.

Okay. When would an entity or individual not 1 Q. have to come in in that region? 2 If there was -- like in a residential area if 3 Α. 4 somebody's going to build a house on 10 acres, they're not 5 going to have to get zoning changed for that. It's already 6 zoned residential and it wouldn't be a use not consistent with 7 what was there. 8 All right. Who makes that determination in Ο. 9 regard to the application, the decision to apply? How do they know whether they should or should not apply in those 10 multi-use areas? 11 12 They would talk first with the zoning Α. 13 director, look at the map and look at the comp plan and subdivision regulations. 14 15 And you're familiar with that process, aren't Q. 16 you? 17 Α. Somewhat. If there were some other kind of industrial 18 Ο. development in that area proposed, would you expect them to 19 20 come in and make an application? 21 Α. I don't understand the question, Commissioner. 22 In just any kind of a manufacturing facility Ο. 23 or an industrial facility. 24 Α. Yes, I would. 25 Q. Okay. So is the fact that currently this area

1 is zoned with multi-use then, in your opinion, decisional in regard to whether or not there is a need to apply for 2 3 particular permission from the county if it's industrial in 4 nature? 5 Α. Yes. 6 Q. All right. And you believe that they do need 7 to come in and apply? 8 Α. Yes. 9 As far as the decision-making process of the Ο. county is concerned on land use, once that designation was 10 changed in the plan from agricultural to multi-use, does that 11 12 change in your perspective, your analysis of what's 13 appropriate? 14 Α. To some degree, yes. 15 Explain that to me, if you would. Q. 16 If someone comes in to look at the zoning map Α. 17 where the multi-use tiers are, for example, that would be one 18 of the first indications that there's a probability you could locate that facility there. If it's in residential, then that 19 20 would be a tough road there. 21 Q. Okay. And this particular area that we're 22 discussing around the South Harper facility, does it have a 23 general nature to it, in your opinion? 24 Α. It's agriculture and residential. 25 Q. Okay. And that's based upon the uses that are

1 being made of the property currently? 2 Yes. And there is the gas plant there. Α. 3 Ο. Okay. 4 Α. That's been there for years. 5 Ο. So would you take -- all of those things would 6 be taken into account? 7 Α. Yes. 8 Okay. So your analysis would involve -- what Q. 9 kind of an analysis generally would you make if you were looking at this in a hypothetical sense to determine whether 10 or not some application was appropriate for the use in a 11 12 multi-tiered area? 13 I would look at it to see if it -- make sure Α. it didn't deter from what was already there. 14 15 Q. Okay. 16 I use the hypothetical example sometimes that Α. 17 a power plant -- if the Commission has the right to site a 18 power plant, then can you put one on a square in Harrisonville? I mean, that's ludicrous, but that's what it 19 20 says if that's what it is. 21 Q. Is it your opinion that a multi-tier use 22 designation is different than no zoning at all? 23 Α. Yes. 24 Okay. Can you give me a little bit generally Q. 25 about how it differs in an area where there is no zoning, in a

county where there's no zoning and an area that's designated 1 2 multi-tier? 3 A. In a county that has no zoning like Johnson 4 County right next to us, you can put up a junkyard next to the 5 church if you want to. 6 Q. Can you do that in --7 Α. In a multi-use tier --8 Can you do that in Cass County? Q. 9 Α. No. And why not? 10 Q. Because we have zoning regulations --11 Α. 12 Q. All right. 13 -- that don't let you do that. Α. Even in a multi-tier designated area? 14 Q. 15 Α. Yes. 16 COMMISSIONER GAW: Okay. That's all I have. 17 Thank you, sir. JUDGE PRIDGIN: Commissioner Gaw, thank you. 18 19 Commissioner Clayton? QUESTIONS BY COMMISSIONER CLAYTON: 20 Just I want to -- Commissioner Gaw referred to 21 Q. 22 you as commissioner. I always refer to presiding 23 commissioners as the presiding judge in a county and I always 24 call them judge. Do you go by judge? 25 A. No.

1 Q. Nobody calls you judge? 2 I don't want to be a judge or lawyer, neither Α. 3 one. 4 Q. That's going to get you really far with me. 5 Α. I know. 6 Q. Talking about just along the same line that 7 Commissioner Gaw was just talking about, on multi-tier -- or multi-use tier designation, are there subcategories within 8 that -- the use of the land or is it just any use? 9 10 Not --Α. I'm confused. You made reference to 11 Q. 12 residential and agricultural, but does multi-use mean any use 13 or just those two or could you explain that to me? 14 Α. No. It could be any use that's highlighted -that's outlined in our regulation is what a multi-use tier 15 16 could be used for. And the reason we did that is because of the 17 18 growth of the cities in the county and we expect that growth to continue outward. And to support rooftops, you've got to 19 have commercial and light industrial and so forth, which we 20 21 advocate bringing into the county. 22 Ο. So the multi-use tier could mean any number of 23 uses? 24 Yes. In my opinion. Α. It could mean agricultural, it could mean 25 Q.

residential, it could mean industrial? 1 2 Α. Yes. All right. Do you have several categories of 3 0. 4 industrial use? 5 Α. I think light industrial is what we primarily have. 6 7 Q. What is the difference between light 8 industrial and I guess heavy industrial? 9 Α. Oh, I don't know. I would say heavy industrial to me would be a railroad yard and a foundry as 10 opposed to a tool shop, machine shop. 11 12 Q. Okay. What do you consider this power plant 13 to be? Light industrial, heavy industrial? I would think it would be light industrial. 14 Α. 15 Light industrial? Q. 16 And I base that on the knowledge I have with Α. the Calpine plant in Pleasant Hill we worked on. 17 18 Ο. So with this multi-use designation, there would not be a specific prohibition of placing a power plant 19 20 according to the 2005 comprehensive plan. Would they have to 21 request a special use permit? Let me rephrase the question 22 this way. 23 What type of application -- what type of 24 permission do they have to ask of either the county planning 25 and zoning or the County Commission? What is the description

1 of the request for permission?

2 They would ask for a zoning change or a Α. 3 special use permit. 4 Q. Even in this multi-use tier? 5 Α. They wouldn't have to do that there because 6 that's already allowed in that area. 7 Q. That's what I'm getting at. So under the old 8 law, it was zoned I believe agricultural? 9 Α. Yes. So under the old, the only way that you could 10 Ο. place the power plant there according to zoning law would be 11 12 either to have a change in zoning? 13 Α. Correct. And you'd have to change it from agriculture 14 Q. to industrial or light industrial? 15 16 Α. Whatever, yes. And the second alternative would be to request 17 Q. a special use permit, which would basically be a variant to 18 the use of the land; is that correct? 19 20 Α. Yeah. It's regulations -- different 21 stipulations than just an ordinary zoning application would. 22 Ο. Okay. Now, when you have a multi-use 23 designation, what type of request for permission do they have 24 to ask of the county? 25 A. Well, they would just come in and talk to the

1 zoning officer and see if it fit in that area or not.

Q. Okay. Well, with a multi-use designation, what do you mean "fit"? Because it's -- since you've got multiple uses there, you don't have the specific zoning designation. What do you mean -- how is it supposed to fit within that area?

7 A. If someone comes in for a multi-tiered area 8 and say that the -- has developed along the lines of 9 80 percent residential, then it would be some concern if 10 somebody would come in there and put a foundry in the middle 11 of that.

12 Q. Even if it's designated multi-use?13 A. Yes.

14 Q. So they come in and talk to the planning and 15 zoning officer?

16 A. Uh-huh. Uh-huh. Yes.

17 Q. And then would they -- would they need his or 18 her blessing to get started?

A. No. He would just tell them what the rulesare and what needs to be done and the procedure to follow.

21 Q. Then what would be the procedure?

A. I think it would go before the Planning Board and probably be looking for a special use permit because if it was different --

25 Q. So even if -- I'm sorry. Go ahead and finish.

1 Even with the multi-use designation, they still have to file an application or a petition for a special 2 3 use permit? 4 Α. If it does not fit within that area. 5 Ο. Okay. And when you say fit within the area, you look at how the land is being used now even though it may 6 7 be designated as a multi-use area? 8 Α. Yes. 9 Ο. So in this area where the South Harper facility is, how would you describe its use right now as --10 it's multi-use designation through zoning, but how would you 11 12 see -- how would you describe the actual use of the land right 13 now? 14 Α. Residential and agriculture. 15 Do you break that into percentages or do you Q. 16 just --Not really. I wouldn't know without looking 17 Α. at the maps and trying to make a determination. 18 19 Ο. Okay. 20 Just in general, that's the two Α. 21 characteristics of that area right now. 22 So based on that actual use of the property, Ο. 23 the company would have to file an application or petition of 24 some sort requesting a special use permit to place this light industrial --25

In my opinion, yes. 1 Α. 2 Okay. And then would that request go to the Q. 3 planning commission or would it go to the County Commission 4 acting as the Board of Zoning --5 Α. Adjustment. 6 Q. -- Adjustment, the BZA, which is a snappy 7 title? 8 It would go to Planning Board first and then Α. 9 the BZA. Okay. The County Commission or BZA would have 10 Ο. the ultimate authority? 11 12 Α. Yes. 13 Does the standard that that decision-making Q. 14 body uses, does the standard change in this type of request on 15 a multi-use zoned area versus under the old plan where it's 16 designated agriculture and they have to come in and ask for a change in the use of the property? Is the standard different, 17 standard of -- or burden of proof by the parties? Is it any 18 19 different --20 Α. Not necessarily. -- in your mind? 21 Q. 22 Okay. Is it more difficult or easier to 23 change actual use where you have multi-use zoning than under 24 the old way where you had something zoned specifically as 25 agricultural? Is it harder or easier to get that special use

1 permit?

25

2 I think it would be easier to get a special Α. 3 use permit if it's in a multi-tiered area because through the 4 planning process, comprehensive plan, subdivision regulations 5 we've recognized that that area could be used for multi-use 6 and we would expect those kind of applications come in; 7 whereas, if it's in a general or agricultural or residential area, then that would be a little bit more difficult to 8 9 approve, but not impossible. Well, you've been an elected official in Cass 10 Ο. County for a few years? 11 12 Α. Yes. Going back as an elected official under the 13 Q. 14 old zoning plan as well as the new zoning plan. Is that a fair statement? 15 16 Α. Yes. 17 Okay. As a member of -- or as the presiding Q. 18 commissioner of Cass County, I guess what I want to ask is, 19 what uses do you see this area being used for as area becomes more developed? Do you see it remaining residential, 20 21 remaining agriculture? Do you see other services cropping up, 22 whether it be food service, whether it be other personal 23 service uses? 24 I see commercial, retail development in those Α.

areas in the main roads leading from the cities. Not just

1 Peculiar, but all of them.

2 So you don't see this area as being at this Q. 3 time being an industrial area or light industrial area or 4 machine shop, as you said earlier? 5 Α. Yeah. And that's a difficult question to 6 answer because a tool shop or machine shop can fit right in 7 without being obtrusive or anything and doesn't generate a lot of traffic. That is something that might fit in there a lot 8 9 easier than -- I'll go back to a foundry. 10 Ο. And you see this power plant as being more obtrusive and creating more traffic and being different than a 11 12 tool shop? 13 I don't see the power plant generating much Α. traffic --14 15 Q. Okay. 16 -- from what I understand. Α. 17 Q. Do you see it being obtrusive? 18 Α. If it's like the one in Pleasant Hill, there's very few people actually there. 19 20 Do you see it as being obtrusive? And I use Q. 21 that word just because you used that word to describe the 22 machine shop. 23 Α. I don't really have an opinion on that right now, because this thing could end up that I have to make a 24 25 decision regarding that. And I'm not going to go on record

1 saying I think it's obtrusive or not.

2 Q. You mentioned that you saw, looking into the 3 future, this area as growing up as commercial retail possibly 4 rather than being light industrial. Is that a fair 5 representation of what you said?

6 A. Yes.

Q. Is that a factor that you look at in -- or is that a potential factor that a Planning and Zoning Commission would look at?

No. I think the Planning and Zoning 10 Α. Commission and the BZA can do the proper job after looking at 11 12 everything that come in. I don't think you can just say we're 13 just going to want retail stores around here. We've developed 14 and made it multi-use tier because while it may not fit in this location, it may fit in a location in another city under 15 16 different circumstances and we don't want to preclude that 17 from being addressed or being considered.

Q. Okay. As the leading -- well, I'm sure this is debatable, but as the leader of Cass County or at least as the witness appearing in this case, are you here to testify one way or another whether Cass County wants this power plant at this location or not?

A. No, I'm not one way or another.
Q. Your position is simply that Aquila has to
follow the procedures that are set forth in the comprehensive

plan and the zoning regulations of Cass County? 1 2 Yes. That's been my position all along. Α. 3 That's the only thing we've asked for, that they come through 4 our zoning and planning process like everybody else does. No 5 more, no less. 6 COMMISSIONER GAW: Okay. Thank you. 7 THE WITNESS: Yes, sir. 8 CHAIRMAN DAVIS: Judge. 9 JUDGE PRIDGIN: Mr. Chairman? OUESTIONS BY CHAIRMAN DAVIS: 10 Good morning, Mr. Mallory --11 Q. 12 A. Good morning. -- what's left of it. 13 Q. 14 Now, Aquila did attempt to go through planning 15 and zoning with the Camp Branch site. Correct? 16 Α. Yes, sir. And can you refresh, for my recollections, did 17 Q. they attempt to go through planning and zoning? Are you 18 familiar with the Aries plant, what's called the Aries plant? 19 20 I'm very familiar with the plant. I worked Α. 21 with Aquila to get it there. 22 Ο. Now, so they went through planning and zoning 23 to get the Aries plant there. Correct? 24 Α. Yes. 25 Q. And then was there a proposed addition to the

1 Aries plant at any time? 2 Α. Yes. 3 Ο. And they attempted to go through planning and 4 zoning to add, what was it, three --5 Α. I believe it was three more stations, uh-huh. 6 Q. All right. And that application was 7 subsequently rejected; is that correct? 8 No. The county had no objection to them doing Α. 9 that since it was already zoned that way at the Aries plant. Again, we tried to work with Aquila. 10 11 Q. Okay. Let's see. 12 CHAIRMAN DAVIS: No further questions, Judge. 13 JUDGE PRIDGIN: Mr. Chairman, thank you. I don't believe I have any questions. Any 14 recross? Mr. Williams. 15 RECROSS-EXAMINATION BY MR. WILLIAMS: 16 17 Q. Hello again, Mr. Mallory. 18 Α. Hi. I could be wrong, but I think maybe there's a 19 Ο. 20 little confusion on a part of some of the Commissioners. 21 Commissioner Gaw asked you about whether or 22 not a power plant such as the South Harper plant could be 23 located -- and I'm going to limit it to unincorporated Cass 24 County, Missouri, without going through some kind of a zoning 25 process with the county. Do you recall that?

1 Α. Yes. 2 And would someone -- and your response was Q. 3 that, no, someone would have to go through a process. 4 Correct? 5 Α. Yes. 6 Q. And would that --7 Α. If it was an agricultural area? Is that what 8 you're asking? 9 Ο. I'm not saying anything about what the zoning designation is. 10 All right. Then I say yes. 11 Α. And would that process require either rezoning 12 Q. 13 of the site to permit the use or a special use permit from the county to allow that nonconforming use to exist at that 14 location? 15 16 Α. Yes. And you'll probably recall this from your 17 Q. deposition, but do you understand the difference between 18 planning and zoning? 19 20 Α. Yes. And is planning what sets out the concept of 21 Q. 22 what the county wants land use to be? 23 Planning is the vision. Α. 24 And is zoning implementation of that vision? Q. 25 Α. Yes.

And when we've been talking about multi-use 1 Q. tiers, has that been planning or zoning? 2 3 Α. I think it's zoning. Planning and zoning 4 really. I think zoning has to follow planning, but planning 5 doesn't follow zoning. 6 Q. My recollection is that the multi-use tiers 7 are found in the comprehensive plan --8 Α. Yes. 9 Ο. -- not in the zoning. 10 Α. Absolutely. And if I understand your planning and zoning 11 Q. 12 correctly, if someone comes in and asks for a special use 13 permit, that use will be measured against the plan --14 Α. Yes. 15 -- to make a determination whether or not that Q. 16 use should be allowed even if the zoning does not permit it? 17 Α. Where it fits, yes. MR. WILLIAMS: No further questions. 18 19 JUDGE PRIDGIN: Mr. Williams, thank you. 20 Any further recross? Mr. Eftink, yes, sir. 21 COMMISSIONER CLAYTON: Can I clarify that? 22 Please come on up because I think Mr. Williams has highlighted 23 my confusion and I want to thank him for highlighting that for 24 everyone. 25 MR. WILLIAMS: I don't think you're alone,

1 Commissioner.

2 FURTHER QUESTIONS BY COMMISSIONER CLAYTON: 3 Q. I was confused on that. The land in question 4 is still zoned residential and agriculture. It's the 5 multi-use designation within the comprehensive plan --6 Α. Comprehensive plan. 7 Q. -- of 2005? 8 Α. Yes. 9 Q. Okay. So that's why you still have to request permission to use --10 11 Α. Yes. 12 Q. -- you still have to request the special use 13 permit? 14 A. Yes. 15 COMMISSIONER CLAYTON: Thank you, Mr. Williams. Appreciate that. 16 JUDGE PRIDGIN: Mr. Eftink. 17 RECROSS-EXAMINATION BY MR. EFTINK: 18 Mr. Mallory, there were questions about public 19 Ο. 20 hearings. Since there has never been an application to the 21 county for any kind of special use permit or zoning for the 22 South Harper facility, isn't it correct that there were never 23 any public hearings in that venue? 24 Α. That's correct. 25 Q. Okay. And there were hearings before the

Public Service Commission, but that was after the project was 1 2 underway and partially constructed? 3 Α. Yes. 4 Q. There were questions about how many employees 5 the county has that are working on planning and zoning. Now, 6 in addition to the employees -- I think you said there were 7 about four at this time? 8 In the department. Α. 9 Ο. In the department. Are there also people who are on planning -- on the Planning Board who are not counted 10 within that number of four? 11 12 Α. That's correct. 13 Those are people not employed by the county? Q. That's correct. 14 Α. 15 How many on the Planning Board? Q. 16 Α. Six. And in addition to those six and those four, 17 Q. you've got the three commissioners? 18 19 Α. Yes. 20 And those are all different people? Q. 21 Α. Yes. 22 Q. So that's a total of 13 people right there? 23 Α. Yes. 24 Okay. And then, of course, the county engages Q. outside people like attorneys --25

1 Α. Yes. 2 -- and engineers when it needs to? Q. 3 Α. That's correct. 4 MR. EFTINK: Okay. Thank you, your Honor. 5 JUDGE PRIDGIN: Mr. Eftink, thank you. 6 Mr. Youngs. RECROSS-EXAMINATION BY MR. YOUNGS: 7 8 Mr. Mallory, in response to some of the Q. 9 questions that Mister -- excuse me, Commissioner Gaw asked you, there is a difference between the comprehensive plan and 10 the zoning regulations. Correct? 11 12 Α. Yes. 13 There are two separate sets of documents? Q. 14 Α. Yes. 15 The comprehensive plan establishes the vision? Q. 16 Yes. Α. And the zoning ordinance is the method by 17 Q. which that vision is achieved; is that correct? 18 19 Yes. Α. 20 And regulated? Q. 21 Α. Yes. 22 Q. All right. One of the things that you would 23 do with regard to the zoning regulation side of things in 24 determining whether or not the facility was appropriate at 25 South Harper would be to compare that facility with the

surrounding uses, would it not? 1 2 Α. Yes. 3 0. And determine the compatibility of that 4 facility with the existing uses that are adjacent to it? 5 Α. Yes. 6 Q. And one of those adjacent uses, you'd agree, 7 is the gas compressor station that's located just north of the 8 plant site on South Harper Road. Correct? 9 Α. Yes. And it's depicted on the overhead, as I'm 10 0. showing it to you? 11 12 Α. Yes. It's been there for several years. 13 There were some questions from Commissioner Q. 14 Clayton, I believe, about what the county is saying in this proceeding in terms of Aquila's obligation to, in any event, 15 16 come to the county and go through your land use regulatory 17 process. You recall that question? Yes. That's my feeling, yes. 18 Α. And I think we've been around about this with 19 Ο. 20 regard to the Court of Appeals' decision. You've read it and 21 maybe on different occasions when you read it, you come to 22 different conclusions about what the court was saying. Is 23 that fair to say? 24 Α. Yes. Very fair. And you understand that Aquila's position in 25 Q.

this proceeding is that the Court of Appeals said that Aquila 1 is obligated to either go to the county or to the Public 2 3 Service Commission for approval for the facilities. You 4 understand that? 5 Α. I understand that's your position. 6 MS. MARTIN: Objection, your Honor. Asks for 7 a legal opinion, calls for speculation about what Aquila's 8 position may or may not be in this case. 9 MR. YOUNGS: Excuse me. Mr. Mallory has spoken to what his opinion is regarding the obligation of 10 Aquila and I think it's appropriate for him to just briefly 11 12 explain. 13 JUDGE PRIDGIN: I would normally sustain, but because he has gone into his opinion on what he believes 14 15 Aquila needs to do, I will let counsel cross on that. BY MR. YOUNGS: 16 Do you recall my question? 17 Q. 18 Α. Say it again. You recall that Aquila's position is that the 19 Ο. 20 Court of Appeals' decision says we go either through county 21 zoning or we come to the PSC? 22 Α. That's Aquila's position. 23 (Exhibit No. 124 was marked for 24 identification.) BY MR. YOUNGS: 25

And, Mr. Mallory, I wasn't expecting to use 1 Q. this, so I don't have extra copies, but I will put it up on 2 3 the overhead so everyone can see it and provide copies at some 4 point here. 5 I'm showing on the overhead projector what's 6 been marked as Exhibit 124, was also Deposition Exhibit No. 10 7 in your deposition of April 16th. Correct? 8 Α. Yes. 9 Ο. And this is the news release that you issued on December 1st, 2004 announcing that the county had sued 10 Aquila; is that correct? 11 12 Α. Yes. 13 About halfway through the first paragraph, Ο. 14 I've underlined a phrase where it says, As such, Cass County is left with no alternative but to file a lawsuit against 15 16 Aquila to prevent them from building power plants wherever it pleases -- and the underlined portion is -- Without having 17 18 first secured specific authority or permission to construct the power plant from the county or from the Public Service 19 20 Commission as required by Missouri law. 21 Those were your words, were they not? 22 Yes. Α. 23 Commissioner Davis asked you some questions Q. about the Aries facility, and I want to be real clear. The 24 25 county did approve zoning for the Aries facility. Correct?

1 Α. Yes. 2 Okay. The facility that the Planning Board Q. 3 voted not to recommend for special use permit in July of 2004 4 was the facility located at Camp Branch -- or proposed to be 5 located at Camp Branch? 6 Α. That's correct. 7 Q. Just so we're clear, the Aries plant at the time zoning was applied for and ultimately approved was what's 8 referred to as a merchant plant; is that correct? 9 10 Α. That's correct. And you understood that it was not owned by 11 Q. 12 the regulated entity that is here before the Commission, 13 Aquila, Inc.? 14 Α. Yes. 15 In fact, it was owned by or the interest was Q. 16 held by an unregulated subsidiary of Aquila. Correct? Α. 17 Yes. And as a merchant plant, you understood that 18 0. it was not regulated by the PSC? 19 20 Α. Yes. MR. YOUNGS: Those are all the questions I 21 22 have. Thank you, Judge. 23 JUDGE PRIDGIN: Mr. Youngs, thank you. 24 Mr. Uhrig? MR. UHRIG: I just have a few questions. 25

1 RECROSS-EXAMINATION BY MR. UHRIG:

2 Commissioner Mallory, good morning, good Q. afternoon, whatever we're at. 3 4 Α. Whatever it is, yes. 5 Ο. My name's Matt Uhrig. I represent Frank 6 Dillon and some of the other neighbors that live by this 7 plant. 8 Α. Yes. 9 Mr. Youngs was asking you some questions about Ο. the similarities between this Commission and the Planning and 10 Zoning Commission in Cass County. One question I had for you 11 is, any hearing that the Planning and Zoning Commission of 12 13 Cass County -- any hearing that you would have, where would that hearing be held? 14 At the county courthouse. 15 Α. 16 Q. And that's in Harrisonville? 17 Α. Harrisonville, yes. 18 I also want to talk to you about the gas Ο. pumping facility. I believe that's owned by Southern Star; is 19 20 that correct? 21 Α. I think that's correct. 22 Ο. And we've heard it referred to as a facility, 23 we've heard it referred to as a plant. But it's not a plant 24 at all, is it? 25 A. Not to my knowledge, no. I've referred to it

more as a pumping station. 1 2 It's a pumping station? Q. 3 Α. Yeah. 4 Q. And you've driven by it before? 5 Α. Yes. 6 Q. Before Aquila built the South Harper plant, I 7 believe you said? 8 Α. Yes. 9 Q. And so you're familiar with it? 10 Α. Yes. And it's currently zoned industrial. Correct? 11 Q. 12 Α. No. 13 Q. What is it currently zoned as? 14 Agriculture. Α. It's within an agriculture area? 15 Q. Yes. Uh-huh. 16 Α. And it was grandfathered into that area; is 17 Q. that correct? 18 19 Yes. Long before my time. Α. Before your time? 20 Q. Yes, sir. 21 Α. And that's because it was there before Cass 22 Ο. 23 County instituted any sort of zoning ordinances or regulations; isn't that correct? 24 25 A. That's my understanding.

And as I said before, it is, in fact, not a 1 Q. 2 plant at all. Correct? 3 Α. That's correct. In my opinion, it's not. 4 Q. They're not refining anything there. Correct? 5 Α. Right. 6 Q. And it's true that they're not extracting 7 natural gas from that area? 8 Α. That's correct. 9 Ο. And it's simply there to pressurize Southern Star's pipeline? 10 That's my understanding. 11 Α. 12 Ο. If Southern Star wanted to install a similar 13 facility under the 2003 plan, would they be required to obtain rezoning? 14 15 Α. Yes. And if Southern Star wanted to install a 16 Q. similar facility under the 2005 plan in a multi-use tier or 17 district, would they be required to obtain a special use 18 permit? 19 20 Yes. In my opinion. Α. 21 MR. UHRIG: I have no further questions. 22 JUDGE PRIDGIN: Mr. Uhrig, thank you. 23 Any further recross? 24 MR. YOUNGS: Judge, in the continuing saga of my mishandling of exhibits, counsel's reminded me that I have 25

not offered Exhibit No. 124, which I will do at this time. 1 2 JUDGE PRIDGIN: Thank you. Any objections to 3 Exhibit 124? 4 Hearing none, 124's admitted. 5 (Exhibit No. 124 was received into evidence.) JUDGE PRIDGIN: Any further recross? 6 7 Redirect? 8 Ms. Martin, do you know how long your redirect 9 will be? 10 MS. MARTIN: I won't be done in 5 minutes, but I would hope to be done by 20 to 25 after maybe. 11 12 JUDGE PRIDGIN: Since it is virtually noon, 13 this might be a convenient time -- I hate to bind Mr. Mallory over, but this might be a convenient time to break. I show 14 the clock on the wall to be about five after 12:00. Let's try 15 16 to resume roughly 1:15. Is there anything else from counsel before we go off the record? 17 All right. Thank you. We will adjourn for 18 lunch. We'll resume at 1:15. 19 20 (A recess was taken.) JUDGE PRIDGIN: All right. We're back on the 21 22 record. If I understand correctly, we left off with Cass 23 County's redirect of Mr. Mallory; is that correct? All right. Ms. Martin, will you be examining? 24 25 MS. MARTIN: Yes, your Honor.

JUDGE PRIDGIN: All right. Mr. Mallory, I'll 1 just remind you you're still under oath, sir. 2 THE WITNESS: Yes, your Honor. 3 4 JUDGE PRIDGIN: Ms. Martin, when you're ready. 5 REDIRECT EXAMINATION BY MS. MARTIN: 6 Q. First of all, Mr. Mallory, I think Judge 7 Pridgin would agree with me that you probably get the gold 8 star of all the witnesses in nearly five days of hearings who 9 actually followed the instructions of the Court by answering yes or no to questions. And as a result, I do have some 10 redirect for you to allow you to explain some of your 11 12 responses. Would that be okay? 13 Α. Yes. With respect to the comprehensive plan and 14 Q. zoning ordinance in Cass County, could you describe please, to 15 16 the best of your ability, the difference between the 17 comprehensive plan and a zoning ordinance? 18 In my opinion, the comprehensive plan is, like Α. I said before, the vision that's been laid out by the county 19 20 Planning Board with the input from citizens of the county, 21 leadership in the city community. And that indicates a way 22 that we see that the county should grow. 23 Q. And, in fact, the document that has been 24 previously introduced as Exhibit 108, which is the 25 comprehensive plan update for 2005, I don't believe you have

this in front of you Mr. Mallory. I'm showing you. Is this the 3-ring binder -- and I'm demonstrating -- the volume of material that comprises the 2005 Comprehensive Plan, Zoning Ordinance and Subdivision Regulations? Is that your understanding?

6 A. That's correct.

Q. Behind each of the tabs in this 3-ring binder are the separate component parts of either the comprehensive plan, the zoning regulations, the subdivision regulations and a procedural manual; is that correct?

11 A. That's correct.

Q. Now, Mr. Youngs introduced an exhibit, I believe it was Exhibit 118, and that was a copy of the portion of this 3-ring binder, which is the comprehensive plan. And I'm going to refer your attention to Page 3 of Exhibit 118. I'm also going to put it up on the overhead so everyone has a chance to take a look at that.

And do you see, sir, on Page 3 the portion of the document that begins, How the master plan is used? A. Yes.

21 Q. If you have questions with respect to the 22 integration of the comprehensive plan and the zoning ordinance 23 where, Mr. Mallory, would you go to get those questions 24 answered?

25 A. The comprehensive plan.

1 Q. To the documents themselves. Is that --2 Α. Yes. 3 Ο. -- your understanding? 4 Α. Yes. 5 Ο. And with respect to how the master plan is 6 used, on this particular page of the comprehensive plan in the 7 second full paragraph, it provides, does it not, The master 8 plan is the legal framework on which the zoning and 9 subdivision regulations are enacted and amended by the County Commission on recommendations from the Planning Board. These 10 two land use regulatory ordinances shape the locations, type, 11 12 quality and comprehensiveness of the physical development of 13 Cass County. While the plan outlines recommended 14 modifications to current unified development code regulations 15 16 in order to implement its recommendations, it should not be 17 viewed as a zoning document. Have I read that correctly? 18 19 Α. Yes. 20 And does that, Mr. Mallory, in your mind, Q. 21 capture the distinction or difference between the 22 comprehensive plan and the zoning document? 23 Yes, it does. Α. 24 Now, if I'm going to make an application in Ο. 25 Cass County to develop a project and I want to know where the

procedures are with respect to how I go about applying to 1 develop that project, do I look for those procedures in the 2 3 comprehensive plan or do I look in the zoning ordinance? 4 Α. Zoning ordinance. 5 Ο. And the zoning ordinance is where the actual 6 process is described by which an applicant would apply either 7 to rezone property or for a special use permit application; is 8 that correct? 9 Α. That's true. Now, you've described in response to questions 10 Ο. that the comprehensive plan is the vision of the county, but 11 12 the zoning ordinance is the actual designation of permitted 13 uses for land within the county; is that correct? 14 Α. Yes. 15 And as this document, Page 3 of the Q. 16 comprehensive plan, notes, the comprehensive plan is not the 17 zoning document; is that correct? That's correct. 18 Α. And so with respect, for example, to the South 19 Ο. 20 Harper tract and the Peculiar substation tract, how are those 21 tracts zoned today --22 Α. Agriculture. 23 Q. -- in Cass County? 24 Agriculture. Α. 25 Q. How were those tracts zoned in 2004?

1 Α. Agriculture. 2 How were those tracts zoned in 1997? Q. 3 Α. Agriculture. 4 Q. How were those tracts zoned in 1959, the first 5 year when Cass County enacted a zoning ordinance? 6 Α. Agriculture. 7 Q. Are you aware, Mr. Mallory, of any application whatsoever, whether for rezoning or for a special use permit, 8 9 that has been filed at any time since 1959 with respect to either the Bremer tract, which is the South Harper plant, or 10 the Peculiar substation site, to change permitted uses on 11 12 those sites --13 Α. No. -- from agricultural to something else? 14 Q. No. I'm not aware of any. 15 Α. 16 The notion of permitted uses -- well, hold on Q. 17 just one moment. I'm going to refer you to another page, if 18 we can, in the comprehensive plan. 19 Turn, if you could, to Page 5 -- actually 20 Page 4, Mr. Mallory. I think I need better contacts, but I'm 21 going to do my best here. The zoning order is described in 22 the comprehensive plan as the legislative tool used for 23 implementing the comprehensive plan; is that correct? 24 Α. Yes. 25 Q. And by distinction from the comprehensive

plan, the zoning order is described as delineating the 1 boundaries for land use districts to regulate use, density of 2 3 population, lot coverage and bulk of structures; is that 4 correct? 5 Α. Yes. 6 Q. On the next page of the comprehensive plan, 7 Page 5, there is discussion, is there not, of the role of the 8 Planning Board; is that correct? 9 Α. Yes. And in the first full paragraph is there 10 Ο. discussion --11 12 MR. WILLIAMS: Judge --13 JUDGE PRIDGIN: I'm sorry. Did we have something from counsel? 14 MR. WILLIAMS: I'll wait until she finishes. 15 16 JUDGE PRIDGIN: All right. Thank you. BY MS. MARTIN: 17 Q. In the first full paragraph is there 18 discussion with respect to the role of the Planning Board in 19 20 connection both with the comprehensive plan and the zoning 21 ordinance? 22 MR. WILLIAMS: Judge, if I might object at 23 this point. She's just asking the witness to verify what's in 24 the exhibits already and she's asking leading questions on 25 redirect.

JUDGE PRIDGIN: I will sustain at least on the leading. If you can try not to lead the witness, ask more open-ended questions.

4 MS. MARTIN: I'll do my level best. Thank you 5 very much, your Honor.

6 BY MS. MARTIN:

Q. What discussion, if any, is contained in this section on the role of the Planning Board about the Planning Board's role in connection with the comprehensive plan and zoning?

11 MR. WILLIAMS: Judge, I'm going to object to 12 that question. She's just asking to read the exhibit. It's 13 already in evidence.

MS. MARTIN: Your Honor, I think the line of 14 questioning on cross-examination and from the Commissioners 15 16 has demonstrated some confusion in the record, and I think 17 it's appropriate for me on redirect examination to make it 18 clear the integration between the comprehensive plan and the 19 zoning ordinance. I'm simply trying to make sure the record is clear with respect to the distinction between those two and 20 21 the relative role of the Planning Board and the Commission or 22 the BZA.

23 JUDGE PRIDGIN: All right. I'll overrule and 24 let Mr. Mallory answer the question.

25 THE WITNESS: Ask the question again, please.

1 BY MS. MARTIN:

2 Q. What, if any, information is provided with 3 respect to the role of the Planning Board in the approved 4 comprehensive plan for Cass County both as to zoning and as to 5 the master plan?

A. Well, the primary responsibility is to accept public input with regard to what changes are going to be made to the plan and how it's going to interact with the zoning regulations.

Q. And do you understand then, Mr. Mallory -- or let me ask the question this way. If I want to develop property in Cass County, regardless the manner in which the comprehensive plan suggests the vision of the county on that property, what is my fundamental obligation with respect to zoning before I can develop that property?

16 A. Those requirements are stipulated and spelled17 out in the zoning regulations.

18 Q. And you mean by that what with respect to uses 19 permitted on a particular tract?

20 A. Any use permitted, yes.

Q. And by permitted use, Mr. Mallory, is there any discussion in the zoning ordinance itself, which is Exhibit 108, about what are or are not permitted uses depending upon a zoning classification?

25 A. Yes.

Is there a chart of any kind contained in the 1 Q. back portion of the zoning ordinance that lists uses and then 2 3 describes whether they would or would not be permitted on 4 various classifications of land? 5 Α. Yes. 6 Q. Mr. Mallory, much has been discussed with 7 respect to the comprehensive plan adopted in 2005. I do want 8 to show you the land use tier map that would have been a part 9 of the comprehensive plan of 2003. Can I do that? 10 And do you recognize -- and I realize this isn't the totality of the document, but rather the lower part 11 12 of the document. And this is a document which is Schedule 13 BGP-4, Mr. Peshoff's Schedule 4. But do you note the location 14 of the South Harper plant on this document on the screen? 15 Α. Yes. 16 And in the 2003 comprehensive plan, that plant Q. would not have been located in a multi-use tier; is that 17 correct? 18 That's correct. 19 Α. 20 Now, Mr. Mallory, by way of contrast, we're Q. 21 now looking at the same document that Mr. Youngs showed you 22 during your cross-examination, which is BGP-3; is that 23 correct? 24 Yes. Α. 25 Q. Is this the tier map from the 2005

1 comprehensive plan?

2 Α. It appears to be. 3 Ο. And although we don't have them side by side, 4 there is, in fact, an expanded area of multi-tier use 5 reflected in the 2005 plan; is that correct? That's correct. 6 Α. 7 Q. Mr. Mallory, can you tell me what, if any, influence it would have on a Commission's -- and by this I 8 9 mean the County Commission's -- evaluation of a rezoning or special use application for land in a multi-use tier that the 10 proposed development is immediately on the edge of that tier? 11 12 Do you understand my question? 13 No. Would you restate that? Α. 14 Ο. Is it influential at all to the county when it evaluates an application for rezoning or special use permit, 15 16 where within a multi-use tier that proposed development might be located? 17 18 MR. YOUNGS: Excuse me. Let me just pose an objection. Indirectly I think the question poses a question 19 to the witness that's specific to the case of Aquila and the 20 21 South Harper plant, because it's obviously on the edge of the 22 multi-use tier.

I think the witness's prior testimony is that he's not formulated an opinion one way or the other about anything with regard to zoning. And I think it would be

1 improper for him to do so now when I don't have a chance to ask him any more questions about it. So I think the question 2 3 lacks foundation based on his prior testimony. 4 MS. MARTIN: Well, your Honor, I'm not asking 5 his opinion about any particular development. I'm asking only 6 whether it's a factor in evaluating the application, which is 7 say fair line of redirect examination given the cross that has 8 occurred to this point where within a multi-use tier a 9 proposed development might be located. 10 JUDGE PRIDGIN: All right. I'll overrule and let him answer. 11 12 BY MS. MARTIN: 13 Mr. Mallory, do you understand the question? Q. 14 Α. Yes. Can you provide a response? 15 Q. 16 Yes. Α. What is your response? 17 Q. I think where it's located could be a factor. 18 Α. I think where it's located could be a factor. 19 20 And explain, if you could, why you say that. Q. 21 Α. Because I think in any kind of development 22 where you go from one zone to another, it should be a 23 graduated change, not an abrupt change. 24 Ο. And whether or not that would be the case with 25 respect to a particular application, can you explain to the

Commission what the role of the multi-use tier designation is 1 meant to be with respect to implementation of zoning 2 3 applications in Cass County? 4 Α. Well, in my opinion, the multi-tier system is 5 to give flexibility for the planning and development of the 6 county. And without the multi-use -- multi-tier district, I 7 think that's somewhat hampered. 8 And so the multi-use tier is meant to give the Q. 9 county flexibility. Is the multi-use tier in any manner meant to obligate the Commission one way or the other with respect 10 to the approval of a zoning application? 11 12 Α. Not in my opinion. 13 Now, Mr. Mallory, while we have this Ο. 14 particular document up here, if we can, I'm going to jump to something else you were asked about because this is a natural 15 16 time to ask the question. You were asked by Mr. Youngs on recross about 17 the Southern Star gas compressor facility. Do you recall 18 that? 19 20 Α. Yes. 21 Q. And when you look at the map behind you, can 22 you locate where that facility is? 23 Α. Yeah, pretty well. I think here somewhere 24 (indicating). 25 Q. Do you recognize where the South Harper plant

site is, the road? 1 2 Α. Yes. 3 Ο. And do you understand the Southern Star 4 compressor facility to be the little notch in that tract? 5 Α. Yes. 6 Q. And can you point to that? 7 Α. The little cutout, the U (indicating). 8 Is that area, the Southern Star gas Q. 9 compressor, the only use within the area around the plant that is an industrial use, to your knowledge? 10 11 Α. To my knowledge, it is. 12 Q. How would you describe all of the other use 13 around this South Harper plant as reflected -- or based on your knowledge, Mr. Mallory? 14 15 As residential and agriculture. Α. 16 Q. You talked a bit about the fact that Cass 17 County is experiencing change with respect to its having adopted an ordinance in January of 2004 to conduct its 18 business as a first-class non-charter county; is that correct? 19 20 Yes. Yes. Α. 21 Q. Can you describe what you meant by that 22 testimony, Mr. Mallory? 23 Α. Well, prior to that, we operated under 24 second-class county zoning rules and we had a -- the Planning Board consisted of I think 17 or 18 members. And there was 25

1 supposed to be one of the County Commissioners a member. And I felt that that in itself was inefficient. It didn't really 2 3 do the job the way it should be. 4 And so we worked and introduced -- got 5 legislation introduced and changed to where we, as Cass 6 County, could go to first-class county -- non-chartered 7 first-class county. And that reduced the number of Planning Board members to six. And we felt like it's a better way to 8 9 handle zoning in Cass County. 10 Ο. Is Cass County growing? Cass County is the fastest growing county in 11 Α. 12 the state of Missouri, the last report I had. 13 Ο. What, if anything, impact has that had on your 14 Staff and its ability, frankly, to keep up with respect to updates of official zoning maps? 15 16 We can't keep up. Α. Is there any doubt, Mr. Mallory, in your mind 17 Q. 18 that the tract where the South Harper plant is located and the substation tract is located are, in fact, zoned agriculture? 19 20 Α. They are zoned agriculture. 21 Q. Now, Mr. Mallory, you had discussion with 22 Mr. Youngs about the process you utilized by the county from 23 time to time to hire experts to assist it in evaluating applications. Do you recall that testimony? 24

25

Α.

Yes.

1 Q. And that testimony was in connection with your rebuttal testimony at Page 13, Line 10, if you have that in 2 3 front of you, sir. 4 Α. Yes. 5 Ο. In particular, Line 10 through the first part 6 of Line 13, do you recall Mr. Youngs directing your attention 7 to that testimony? 8 Α. Yes. 9 Ο. And you were talking about the fact that, at least in your opinion, the county possesses unique knowledge 10 and experience with respect to its zoning ordinance and 11 12 development plan and is in a superior position to evaluate the 13 propriety of a proposed use. Do you recall that testimony? 14 15 Α. Yes. 16 What do you mean by that, Mr. Mallory? Q. I mean that the people that we have in the 17 Α. zoning office down there know more about Cass County zoning 18 than anyone else, and that's what they're hired to do. I 19 20 certainly am not an expert on zoning issues and hope I haven't 21 tried to convey that to anybody today because I'm not. 22 They work for me and they do the job that I 23 ask them to do. And there are times when we're just 24 overwhelmed with new work coming in and we do from time to time utilize consultants for that. 25

1 Q. And your response to -- or excuse me, your discussion about unique knowledge and being in a superior 2 3 position was actually in response to a propounded question 4 with respect to the relative role the Cass County facility 5 should play in siting power plants as compared to the 6 Commission; is that correct? 7 Α. That's correct. And I -- I guess I refer to Mr. Wilson who's been there for many years and the history 8 9 that he has of the changes that's gone on. And it would make -- it seems to me it would make sense that that's where 10 efforts should be expended with regard to trying to determine 11 12 where a power plant should be located. 13 Are you aware of any other times when the Ο. 14 Public Service Commission has been asked to interpret whether, for example, the 2003 comprehensive plan or the 2005 15 16 comprehensive plan in Cass County ought to apply to a proposed 17 development? 18 Α. Not to my knowledge. Are you aware of any other times where the 19 Ο. Public Service Commission has been asked to interpret or apply 20 21 what the county's vision might be with respect to the 22 implementation of its comprehensive plan? 23 Not to my knowledge. Α. 24 Are you aware of any other times where the Ο. 25 Public Service Commission has been asked to interpret or apply

whether rezoning or a special use permit application should be 1 2 granted in Cass County in keeping with its vision? 3 Α. Not to my knowledge. 4 Q. And, Mr. Mallory, the folks who make those 5 decisions in Cass County, do they do that on a regular basis? 6 Α. Yes, they do. 7 Q. Are you aware of any opportunities or circumstances that the Public Service Commission might have 8 9 had to spend any significant amount of time evaluating land use issues in Cass County? 10 11 Α. Not to my knowledge. 12 Q. Who, as between Cass County, and with due 13 respect, the Public Service Commission do you feel stands in a better position to anticipate growth and change and the needs 14 15 of the citizens of Cass County? 16 MR. YOUNGS: I'll object to that question, your Honor. That calls for an opinion of a lay witness. I 17 don't think it's proper redirect. 18 19 MS. MARTIN: I think it's appropriate given 20 the scope of his testimony and the things that he's been asked 21 today. That's precisely the scope and purpose of his 22 testimony. 23 JUDGE PRIDGIN: I'll overrule. 24 BY MS. MARTIN: 25 Q. Mr. Mallory?

1 Α. Ask again. Who, as between Cass County and, due respect, 2 Q. 3 this Commission do you believe stands in a better position to 4 evaluate the growth and the needs of the citizens of Cass 5 County and the vision of Cass County with respect to its land 6 use needs? 7 Α. There's no question about that at all. The local people should be the ones to make that decision --8 9 Ο. Now ---- or should be able to evaluate. 10 Α. And I didn't mean to interrupt you, 11 Q. 12 Mr. Mallory. 13 By contrast, is Cass County seeking any right 14 to play a role in the determination of whether power plants are needed in the sense of energy needs? 15 16 Α. No. I'm -- we are not. That's the Public Service Commission's job, not ours. 17 18 And by the way, re--Q. A. As I understand it. I guess I should say it 19 20 that way. 21 Q. As I recall, Mr. Youngs asked you on 22 recross-examination about a press release that had been issued by Cass County. Do you recall that testimony? 23 24 Α. Yes. 25 Q. And do you recall that you also talked with

Mr. Youngs about that very same press release in your 1 2 deposition? 3 Α. Yes. 4 Q. And do you recall that Mr. Youngs, in your 5 deposition, pointed out to you the phrasing of Aquila not 6 having sought either the approval of this Commission or of the 7 county in connection with that plant? 8 Α. Yes. I recall that. 9 Ο. Did Mr. Youngs ask you what you meant by that? 10 Α. Yes. What did you tell Mr. Youngs in your 11 Q. 12 deposition? 13 Α. That both of them had to apply. You did not look at the word "or" as 14 Q. exclusive; is that correct? 15 16 Absolutely not. Α. Now, Mr. Mallory, there was some discussion 17 Q. about the procedure in Cass County and how long it may take. 18 And you recall discussing 60 days potentially for a Planning 19 20 Board and 60 days in addition for the BZA or the Commission? 21 Α. Yes, I do. 22 Ο. Let's take an example from real life. Can we? 23 Α. Yes. 24 Ο. There is evidence in this record that the Camp Branch application was filed on June 9th. Do you have a 25

1 recollection that an application was filed?

2 That seems fairly well right. Α. 3 Ο. And there is evidence in this record that the 4 public hearing before the Planning Board was on July 13th. Do 5 you have an independent recollection of that? 6 Α. Yes. 7 Q. And there is evidence in this record that there was scheduled a meeting before the Board of Zoning 8 9 Adjustments on August the 27th of 2004 that was continued at the request of Aquila. Do you have a recollection of that? 10 That's correct. 11 Α. 12 The time frame between the filing of the Ο. 13 application on June 9th and the potential disposition of that 14 application on August the 27th is less than 120 days by a considerable amount, is it not? 15 16 Α. Yes. You testified in response to questions that 17 Q. 18 were asked of you by Commissioner Davis about the Aries plant. You had direct involvement in that plant, didn't you? 19 20 Α. Yes. 21 Q. And you were a participant in what manner? 22 I worked with representatives from Aquila with Α. 23 the people in that area to promote the plant and essentially 24 PR information, helped them with that. 25 Q. Do you have a recollection, as you sit here

1 today, the time frame that it took from the point of application for rezoning and other land use approvals for that 2 3 plant and the ultimate decision? 4 Α. I don't remember the exact time, but I know it 5 wasn't 120 days when -- four months, no. 6 Q. I want to talk with you, if we can, about that 7 Camp Branch application. In particular, I want to talk to you about the conversation that you had with Dave Kreimer and 8 9 Glenn Keefe after the Planning Board hearing. Do you recall that conversation? 10 11 Α. Yes. 12 Q. Mr. Mallory, how long had you known Dave 13 Kreimer? Since 1999, I think is when the Aries plant 14 Α. 15 went in. 16 And so had you had a working relationship with Q. Mr. Kreimer in connection with the successful application for 17 rezoning for the Aries plant? 18 19 Α. Yes. 20 And you had what you considered -- or did you Q. 21 have what you considered to be a good working relationship 22 with Mr. Kreimer? 23 I felt it was excellent. Α. 24 When Mr. Kreimer and Mr. Keefe came to you, Q. 25 Mr. Mallory, after the Planning Board hearing, how would you

1 describe the tenor of that meeting or discussion? 2 There was no acrimony at all. It was very Α. 3 congenial. And I felt that Dave was just asking me my opinion 4 on what the -- Camp Branch, what they would do. 5 Ο. And did you feel some obligation to be honest 6 with him at that time? 7 Α. Well, sure. And is that why you relayed to them that you 8 Q. 9 were concerned there was not a snowball's chance in hell? Yes, ma'am. 10 Α. Now, Mr. Mallory, did you discuss with 11 Q. Mr. Kreimer at that time any differences between the manner in 12 which Aquila had approached the Camp Branch application 13 14 versus, say, the Aries application? 15 Well, the difference --Α. 16 MR. YOUNGS: Excuse me. I need to interpose 17 an objection. There's this constant referral to the Aries 18 facility as an Aquila facility and that's just not the truth and I'm getting tired of hearing it. I object to it. It 19 misstates the record in this case. It was not an Aquila 20 21 facility and I need that objection noted for the record. 22 MS. MARTIN: In fairness, Mr. Youngs, I have 23 no intent by asking these questions to assume in any manner 24 that the Aries facility was a part of the regulated side, but 25 the same personnel for Aquila were working on the promotion of

1 that application, Mr. Kreimer namely being one of them. I think the approach taken to garner public support is relevant 2 3 for the record by way of comparison. 4 MR. YOUNGS: My objection is to the 5 characterization of the Aries facility as an Aquila facility. 6 JUDGE PRIDGIN: Well, and I'll overrule. If 7 she wants to use the word "Aquila," that's fine. I think the record is abundantly clear that Aries is an unregulated 8 9 utility on the merchant side. I think the Commission's well 10 aware of that. MS. MARTIN: As am I. Thank you. 11 12 BY MS. MARTIN: 13 Mr. Mallory, do you recall the question? Q. 14 Α. Have to do it again. Is there a comparison, in your mind, having 15 Q. 16 been involved in the Aries' application, with the process 17 undertaken by Aquila or some entity it controlled in garnering 18 support for that application versus the manner in which the application process proceeded on Camp Branch? 19 20 Yes. I'll just say it this way. The Α. 21 individuals that were involved with the power plant in 22 Pleasant Hill did a lot of work ahead of time talking with 23 people in the area, with school officials, city officials, 24 county officials, went to great lengths to make sure they 25 understood what was going on and how it was going to happen.

1 And as opposed to the Camp Branch facility, that one was just like, you know, somebody put a hand grenade 2 3 in your shorts and said, Run. 4 Q. Not a pretty picture, Mr. Mallory. 5 Α. Well, I'm just telling you that's the 6 perception people had of it. 7 Q. And I appreciate that. Because I think that helps to explain the context of your statement, There's not a 8 9 snowball's chance in hell. 10 Α. Absolutely. MR. YOUNGS: Now I object -- I know we're 11 trying to get Mr. Mallory on his way and I appreciate that, 12 13 but I do have to object to leading questions like that one, as funny as it is. 14 15 JUDGE PRIDGIN: I'll overrule just being at a loss for words, I'm sorry. It distracted me. 16 17 MS. MARTIN: It was terribly distracting, but 18 I will rephrase, in fairness. BY MS. MARTIN: 19 20 Mr. Mallory, your statement, Not a snowball's Q. 21 chance in hell, what, if any, relation did that statement have 22 to the county's view generally about power plants within 23 unincorporated Cass County? 24 Α. Well, it's a matter of record the county is 25 not opposed to power plants in Cass County. We have one.

1 Another one was scheduled to become before the BZA and it was continued. And we have another one that's in the county now 2 3 that the county's never had the opportunity to even act on. 4 So if you want to look at the record of Cass 5 County and power plants, we are supportive of power plants. 6 We're not against power plants. And -- now, I would go on and 7 say there's probably three or four cities in Cass County right 8 now that would take a power plant. 9 After the Camp Branch application, did the Ο. 10 county receive any notoriety or a plaque in recognition or appreciation for its work from any source? 11 12 Α. On which one? 13 After the Camp Branch application -- or the Q. 14 Aries' application. 15 Α. No. After the Aries' application? 16 Q. 17 Α. Oh, the Aries, yes. We worked very well with 18 them on that. Who was that plaque from or notoriety from? 19 Ο. 20 MEP, Aries. I think it is MEP. Α. 21 Q. Now, you made a comment a couple of times --22 and I just want to follow up on this because I think it's 23 important to explain why, but you made a comment a couple of 24 times during cross-examination that you have not, yourself,

25 ever gone by to look at the South Harper plant; is that

1 correct?

2 Not since construction began, no. Α. 3 Ο. Why? 4 Α. I don't want to prejudge it. I've said that a 5 hundred times through this thing. 6 Q. And related to that, you also talked in your 7 testimony about the fact that you have received numerous 8 comments from constituents about noise or other issues they 9 may have personally about this plant. What, if any, independent investigation have you done with respect to those 10 11 complaints? 12 Α. None. 13 Q. Why? I don't feel it's my place to do that at this 14 Α. point in time. I'd be going in trying to determine something 15 16 about the plant and I've never had a chance to look at the plant and I'm not going to until they come through the county 17 for zoning on it. 18 There was a lot of discussion with you on 19 Ο. 20 cross-examination, particularly by Mr. Youngs, with respect to 21 the Peculiar annexation process. Do you recall that line of 22 testimony? 23 Α. Yes. 24 You were asked several questions about whether Q. 25 you ever had or had not expressed any objection to the

annexation or even to the proposed plant itself. Do you 1 2 recall those questions? 3 Α. Yes, I do. 4 Q. And, in particular, Mr. Youngs referred you to 5 Page 10 of your surrebuttal, if you could turn to that, 6 please, Line 12. 7 Α. Yes. 8 There are two sentences there. The county has Ο. 9 never expressed or held a view or opinion opposing a plant or substation is the first sentence; is that correct? 10 11 Α. Yes. 12 Ο. And you've already testified that, of course, 13 that is your testimony here today as it was at the time you filed the surrebuttal testimony; is that correct? 14 15 Α. Yes. 16 Was that the position of the county in 199--Q. or excuse me, in 2004 when Aquila started building this plant 17 without zoning? 18 Well, ask that again. 19 Α. 20 Has the county ever held a view or opinion Q. 21 opposing the plant or substation at any time? 22 Α. We've never had the opportunity to do that. 23 Q. And would the county's view, with respect to 24 not having an opinion one way or the other about the plant or 25 substation, have been the same during the time when Peculiar

1 was planning to annex the land for the plant?

2 A. Yes.

Q. Now, by contrast, Mr. Mallory, during the time frame that Peculiar was talking about annexing the South Harper plant site, were you aware whether Aquila had to buy a separate tract for a substation?

7 A. I was aware that they were getting land for a8 substation, yes.

9 Q. And Mr. Fischer has testified that he had a 10 conversation with you in late September of 2004 about the 11 proposed substation site. Did you report to Mr. Fischer or to 12 Aquila what the county's requirements would be with respect to 13 the substation site?

14 A. I don't recall that conversation. Not well15 enough that I could say yes or no.

16 Q. Did the county have an expectation in 17 September of 2004 with respect to what would have to be done 18 with the substation site since it was going to be in 19 unincorporated Cass County?

A. Yes. It would have had to go through zoning.
Q. And you're aware that Aquila did, in fact,
file an application for rezoning of that site that it
subsequently withdrew; is that correct?

24 A. Yes.

25 Q. Is the position of the county that the

substation site, which was zoned agriculture, would need to be 1 rezoned any different from the position of the county with 2 3 respect to the plant site that is now in unincorporated Cass 4 County? 5 Α. Be the same circumstances. 6 Q. You've discussed with Mr. Youngs public 7 hearings that have occurred in connection with this Commission 8 proceeding. Do you recall that testimony? 9 Α. Yes. And you discussed the fact that folks have 10 Ο. been able to come here and to provide testimony during several 11 12 days of proceedings before this Commission. Do you recall 13 that testimony? 14 Α. Yes. And Mr. Youngs asked you to provide a view 15 Q. 16 whether at least procedurally there were some comparisons between the Commission -- the Public Service Commission's 17 18 processes and those before the County Commission. Do you recall that testimony? 19 20 Α. Yes. 21 Q. Mr. Mallory, are you aware of any rules that 22 have been promulgated by the Public Service Commission with 23 respect to the factors or issues that are to be determined in locating a power plant? 24 25 Α. I'm not aware of any.

1 Q. Are you aware of any rules or regulations that have been promulgated by the Commission that set forth a 2 3 procedure or process that must be followed before a power 4 plant can be cited or located? 5 Α. I'm -- I'm not aware of any. 6 Q. Are you aware of any rules or processes that 7 describe for folks who might have an interest in a power plant's location what standards or guidelines are to be 8 9 utilized by the Commission in making a decision about a power plant's location? 10 11 Α. You're still referring to the Public Service 12 Commission? 13 Q. Yes, sir. 14 Α. No, I'm not aware of any. And are you aware of any rules or regulations 15 Q. 16 or guidelines or standards with respect to review of any such 17 decision by the Public Service Commission? 18 Α. I'm not aware of any. And by contrast, Mr. Mallory, we've already 19 Ο. 20 talked about the stacks of documents and maps and the like 21 that have been introduced into evidence with respect to the 22 rules and regulations and standards and guidelines for the 23 county; is that correct? 24 Α. That's correct. 25 Q. I want to talk with you, if I can, about your

1 discussions with Norma Dunn. And Mr. Youngs has already 2 elicited from you an acknowledgment that you talked with Norma 3 Dunn about the importance of ending all the litigation; is 4 that correct?

A. That's correct.

5

6 Q. Ms. Dunn has also testified that you reported 7 to her that the county would do what the judge told the county 8 to do; is that correct?

9 A. Absolutely. That's why we gave permits all 10 along because the judge said that they could continue 11 construction during the appeal process. And we interpreted 12 that to be that you would treat them like anyone else. We 13 gave them permits, but with the little, I guess, caveat that 14 we understood that it was under litigation.

Q. Now, when you were having these discussions with Ms. Dunn in late December 2005 and early January 2006, what, to your knowledge, had the judge directed the parties to do with respect to this plant?

A. Well, the judge -- the ruling has always been,
my opinion, to dismantle the plant if the appeal process
failed.

22 Q. And, Mr. Mallory, did you ever say anything to 23 Ms. Dunn one way or the other to suggest that the county would 24 relieve Aquila of the obligation of the trial court's 25 judgment? 1 A. No.

2 Q. When you were speaking with Ms. Dunn about the 3 need to do the right thing and to file an SUP or rezoning 4 application, was there ever any connection between that 5 discussion and the trial court's judgment?

A. No. The only thing that I -- you know, the way I remember all of that was that I felt they should submit an application for an SUP and I didn't feel like that we could legally accept it as long as there was any kind of litigation going on.

And to me, when -- I guess once the appeals court the second time had gave their ruling and then Aquila went to the judge to get a stay of execution -- is that the right word -- and at that point in time I felt like we couldn't do anything until a judge had made a final ruling, and he had not done that.

Because his ruling had been to tear it down if the appeals process failed. And it appeared the appeal process failed and they've had a meeting with the judge to determine are you going to tear it down or what are you going to do with it. And the Judge gave them time until May 31st or whatever it was.

23 Q. And once the judge gave them time, did you 24 direct counsel to advise Aquila that the county could then 25 accept a special use permit or rezoning application?

MR. WILLIAMS: Judge, I'm going to object 1 again to the leading form of the question. 2 MS. MARTIN: I'll rephrase the question. 3 4 BY MS. MARTIN: 5 Ο. Once the court granted time to dismantle the 6 plant, what was the county's view with respect to its ability 7 then to accept a special use application permit or rezoning 8 application? 9 Α. We felt like we could process it then once the judge said that. Because we gave them another 40 days, 10 45 days, whatever it was. 11 12 Q. Mr. Mallory, when Cass County had to file a suit on December 1st of 2004 to attempt to secure an 13 14 injunction against this plant, for whose benefit was that action filed? 15 16 The injunction we filed? Α. Yes, sir. 17 Q. For the benefit of the people that live in 18 Α. Cass County. Not just the ones near that plant, but 19 20 everywhere. And in December of 2005 when the Court of 21 Ο. 22 Appeals affirmed Judge Dandurand's trial court judgment 23 directing that the plant had been illegally built and should 24 be dismantled, what was the county's view with respect to its 25 ability to voluntarily relieve Aquila of that obligation?

A. Well, I didn't feel like we could because I was not going against what I thought the judge was saying -well, I know what the judge said. He said, if you fail to appeal, you have to tear it down.

Q. So when Mr. Youngs asked you whether Aquila should have been able to expect Cass County to just say, Sure, go ahead, get more time before having to dismantle the plant, why wasn't the county willing to do that or able to do that, Mr. Mallory?

10 MR. YOUNGS: I'm going to object as 11 mischaracterizing my question. I asked Mr. Mallory whether or 12 not he was capable of agreeing to a stay and indicating that 13 support for a stay to the judge. I think that's a little 14 different than what counsel is intimating in her question and 15 I object to it.

MS. MARTIN: I think my question captured the essence of the question. It's designed basically to have Mr. Mallory explain why the county didn't provide that consent at that time.

20 JUDGE PRIDGIN: All right. I'll overrule and 21 let him answer.

22 BY MS. MARTIN:

23 Q. Mr. Mallory?

A. I felt like the judge had issued his judgment and that's what he should go by. I wasn't going to interfere 1 with that.

2 Again, Mr. Mallory, when that injunction had Q. 3 been secured, for whose benefit had that been secured? 4 Α. The people of Cass County. 5 Ο. With respect to Mr. Youngs' question of you 6 about what had been filed by the county in opposition to 7 Aquila's motion to extend the stay, do you remember that 8 discussion? 9 Α. Yes. And Mr. Youngs talked with you about the fact 10 Ο. that the county raised a concern in its pleading that it may 11 12 not have the right to consider an application to remedy an 13 illegal use. Do you remember that discussion? Yes, I do. And I'm still not sure we have 14 Α. that right though. 15 16 And that's something that would have to be Q. 17 evaluated? 18 Α. Yes. And that's just a concern that you have, just 19 Ο. 20 as it's a concern that you have with this Commission? 21 Α. Absolutely. 22 Q. And, in fact, Mr. Mallory, the statement of 23 the county that it had that concern was raised previously. Is 24 that your recollection? 25 Α. Yes.

1 Q. I'm going to show you what Mr. Youngs showed you, which is Schedule NFD-2. 2 MS. MARTIN: If I could approach. 3 4 JUDGE PRIDGIN: You may. 5 BY MS. MARTIN: And, Mr. Mallory, you recognize in NFD-2 to be 6 Q. 7 the facsimile letter that you sent to Ms. Dunn and attached a letter I had written to Christopher Reitz on August 16th, 8 9 2005; is that correct? 10 Α. Yes. And if you turn to Page 2 of that letter, the 11 Q. third complete paragraph, you see discussion with respect to 12 13 Aquila's ability to file a permit application? 14 Α. Yes. Is there discussion with respect to the 15 Ο. 16 county's concern about whether it would be permitted to see 17 that application as remediating an illegal use? No. However Aquila will remain obligated to 18 Α. comply with the court's judgment --19 20 Read it slower and out loud. Q. 21 Α. I'm sorry. It says, However, Aquila will 22 remain obligated to comply with the court's judgment, which 23 requires remediation of the existing zoning violations by 24 removal of the illegal improvements. The county is not 25 permitted to ignore the judgment or to unilaterally modify its

terms by permitting remediation of existing zoning violations 1 in a manner other than as directed by the court. 2 So, Mr. Mallory, as of August the 16th, 2005, 3 Ο. 4 in your view, had the county expressed its concern to Aquila 5 that the county could not use an SUP or rezoning to perhaps 6 remediate an illegal use unless directed by the court to do 7 so? 8 I think it's very clear. Α. 9 And yet despite that, did Aquila attempt to Ο. file an SUP application on January 20th of 2006? 10 11 Α. Yes. 12 MS. MARTIN: That's all I have, Mr. Mallory. 13 Thank you. 14 JUDGE PRIDGIN: Ms. Martin, thank you. 15 Any follow up from the Bench? 16 Assuming there's nothing further from counsel, 17 may this witness be excused? 18 Mr. Mallory, thank you very much, sir, for your time and your testimony. The Commission appreciates it. 19 20 THE WITNESS: Thank you. 21 JUDGE PRIDGIN: Thank you very much. I 22 understand the next witness will be Mr. Peshoff and that will be Cass County's final witness. 23 24 MS. MARTIN: That's correct. 25 JUDGE PRIDGIN: All right. If Mr. Peshoff is

1 ready. Come forward to be sworn please, sir. 2 (Witness sworn.) JUDGE PRIDGIN: Thank you very much, sir. If 3 4 you would, please, have a seat. 5 Mr. Comley, when you're ready, sir. 6 MR. COMLEY: Just a moment, Judge. 7 JUDGE PRIDGIN: Certainly. 8 BRUCE PESHOFF testified as follows: 9 DIRECT EXAMINATION BY MR. COMLEY: Q. Mr. Peshoff, would you state your full name 10 11 for the recorder, please? 12 Α. Bruce Gregory Peshoff. 13 Q. And are you the same Bruce Gregory Peshoff that caused to be filed in this proceeding two pieces of 14 15 written testimony styled rebuttal and surrebuttal? 16 Α. Yes, I am. Have they also been pre-marked as Exhibit 23 17 Q. and 24? 18 Yes, they have. 19 Α. 20 Mr. Peshoff, do you have any changes or Q. 21 corrections -- or additions or corrections to your testimony 22 today? 23 Yes, I do. Α. 24 Q. Please tell us. A. On Page 29. 25

And that would be of your rebuttal testimony? 1 Q. Of the rebuttal testimony. 2 Α. JUDGE PRIDGIN: And, Mr. Peshoff, I'm sorry to 3 4 interrupt, if I can get you to just pull the microphone down 5 and be sure we're getting your voice good. I'm sorry to 6 interrupt. 7 THE WITNESS: That's fine. On Page 29 8 beginning on line 18, the sentence should read, The 9 application identifies the area for the peaking facility as being located in multi-use tier and does not identify why a 10 power plant is an appropriate use within such a tier. 11 The 12 site is actually designated within a rural density tier in the 13 2003 comprehensive plan. BY MR. COMLEY: 14 15 So as I understand your change on line 20, you Q. 16 would change the word "but" to "and"; is that correct? 17 Α. Yes. And then add the sentence, The site is 18 Ο. actually designated within a rural density tier in the 2003 19 20 comprehensive plan? 21 Α. That's correct. 22 Ο. One more time. On line 20, the word "but" would be replaced with "and" and you would add a sentence 23 24 on line 21, The site is actually designated within a rural 25 density tier in the 2003 comprehensive plan.

1 Are there any other additions or changes? Yes. On -- in that same document on Page 32 2 Α. at Line 29 following the word "issues" and including now the 3 4 phrase "in the siting of non-regulated energy facilities." 5 Ο. So as I understand the change between the word 6 "issues" and "includes" on line 29, you would add "in the 7 siting of non-regulated energy facilities"? 8 That's correct. Α. 9 Ο. Are there any other corrections to the text of 10 your testimony? Yes. Working from different versions here. 11 Α. 12 On Page 26, Line 7 before the word "minimize" we should add 13 "adequately." So the sentence there would read, The sentence 14 Ο. is inappropriately located in agriculture district and does 15 16 not adequately minimize land uses, externalities for nearby 17 rural residential uses, etc.? 18 Α. That's correct. MR. EFTINK: What page and line was that? 19 20 MR. COMLEY: Page 26, Line 7. MR. EFTINK: I'm sorry. Could you just read 21 22 the change one more time? I apologize, Mark. 23 MR. COMLEY: I'm starting with Line 6 and I'm 24 reading, The facility is inappropriately located in an 25 agriculture district and does not adequately minimize land

1 uses, externalities for nearby rural residential uses, etc. It just adds the word "adequately" in front of the word 2 "minimize." 3 4 BY MR. COMLEY: 5 Ο. Okay. Mr. Peshoff, is there any revision to 6 the schedules to your testimony? 7 Α. Yes, there are two -- two of the schedules. Actually, within Schedule BGP-3, Pages 4 and Pages 6 should be 8 9 replaced. The content of the maps do not change other than the agricultural zoning is now identified on the replacement 10 11 maps in green. 12 Okay. Let me pass these out. So we're going Q. 13 to deal with particularly is it line -- is it map 3-B and 4-B in your schedule using the different designations? 14 That's correct. 15 Α. 16 I'm going to hand this out to everybody for Q. 17 the time being. 18 MR. COMLEY: My apologies to the parties. I think in preparing the revised schedules I mislabeled or 19 mis-numbered the pages. The one that you are receiving now 20 21 should be page -- that should be Page 4 of 7. 22 BY MR. COMLEY: 23 Q. And is there also a revision to Schedule 24 BGP-3, Page 6 of 7? A. That -- that's correct. 25

1 Q. Can you explain the change there? 2 It's the exact same change. We've identified Α. 3 the areas as having agricultural zoning and they're shown now 4 as a green color. 5 Ο. So the only change is the addition of the 6 coloring? 7 Α. That's the only change. 8 Are there any other changes or corrections to Q. 9 your testimony? 10 No, there are not. Α. Mr. Peshoff, if I were to ask you the 11 Q. 12 questions that are contained in your rebuttal and surrebuttal 13 testimony, would your answers be the same today as corrected? 14 Α. Yes, they would. 15 MR. COMLEY: Your Honor, I'd move the admission of Exhibits 23 and 24. 16 JUDGE PRIDGIN: All right. Any objections? 17 Hearing none, Exhibits 23 and 24 are admitted. 18 19 (Exhibit Nos. 23 and 24 were received into 20 evidence.) MR. COMLEY: I would tender Mr. Peshoff for 21 22 cross-examination. 23 JUDGE PRIDGIN: All right. Mr. Comley, thank 24 you. See if we have any cross-examination from StopAquila. Mr. Eftink? 25

MR. EFTINK: Yes, your Honor. 1 2 JUDGE PRIDGIN: When you're ready, sir. 3 CROSS-EXAMINATION BY MR. EFTINK: 4 Q. Good afternoon, Mr. Peshoff. 5 Α. Good afternoon. 6 Q. Now, we've never talked before, but my name is 7 Gerry Eftink and I represent StopAquila.org. And I'd like to 8 take the opportunity to ask you some questions this afternoon. 9 In your rebuttal affidavit, if you would turn to Page 8, starting on line 25. Page 8, Line 25. 10 11 Α. Yes. 12 Q. You say that Missouri has strong home-rule 13 practices. Why do you say that? 14 Because my experience has been that there is a Α. strong desire for communities to be able to exercise as much 15 16 power and control as they are authorized by statute. They 17 want to have that control, they want to be able to make the decisions affecting their lives. Missouri historically has 18 been a leader in home-rule. 19 20 As we start to compare between home rule 21 versus the Dillon's rule, the line becomes blurred. But in my 22 opinion, I would categorize Missouri as having a strong 23 home-rule background. 24 Ο. On Page 8 starting on line 31 you say, 25 Assuming that Aquila is exempt from local zoning control since

1 it has filed this case for certification of the South Harper 2 plant and Peculiar substation before the Commission, it is my 3 opinion that adequate review is, nonetheless, a planning 4 requirement and appropriate land use assessments should be 5 conducted by an entity with the ability to adequately review 6 the development process.

7 And I want to focus on that last part that 8 says, An entity with the ability to adequately review. My 9 question is this. In order to be able to have the ability to 10 adequately review, does the entity have to have some zoning 11 authority?

12 I think that there are two components to that Α. question. One is the ability to review, which would be --13 14 include the expertise, the skill, the knowledge, the understanding of what the goals and policies of the community 15 16 are as well as the regulations and the zoning and subdivision 17 regulations. And being able to act on those decisions goes to 18 the authority. But being able to conduct a review does require a certain level of background, education, expertise. 19 20 But in order to have the ability to conduct an Q. 21 adequate review, does that entity have to have the authority 22 to tell the developer, You cannot build on that particular 23 site?

24 A. Yes.

25

MR. YOUNGS: Let me just object to the form of

the question. I tried to get my objection in before the witness answered, but I believe that calls for a legal conclusion of a witness who is although educated in the law, is not a practicing attorney. And I just need to object on behalf of my client to protect the record.

6 JUDGE PRIDGIN: That's all right. I'll
7 overrule.

8 BY MR. EFTINK:

9 I don't know if you've read the Court of Ο. 10 Appeals' decision in this particular case or not, but rather than argue back and forth with counsel for Aquila, let me just 11 ask you to assume that the Court of Appeals has said that 12 13 there's no zoning authority granted by statute to the Public 14 Service Commission and that prior to the time that Aquila started developing this project, which is now the South Harper 15 peaking facility, the Public Service Commission declared that 16 17 it cannot tell a developer where to not build.

18 Is there a problem in having an adequate or -19 and having the ability to properly review a project in that
20 situation?

21 MR. YOUNGS: Let me just object again on 22 behalf of Aquila to the legal conclusion that he's asking this 23 witness to make, and I believe that his hypothetical misstates 24 various elements of the Court of Appeals' decision.

25 JUDGE PRIDGIN: Mr. Eftink?

MR. EFTINK: Well, it's in writing. The Court 1 of Appeals said that the Public Service Commission has not 2 3 been given any zoning authority by statute, so he can't 4 dispute that. But that is in a hypothetical so it really 5 doesn't make any difference because we're asking the witness 6 to assume that for the purposes of this question. 7 JUDGE PRIDGIN: I'll overrule because he did 8 get into it in his written testimony. 9 THE WITNESS: Can I have the question again, 10 please? BY MR. EFTINK: 11 12 Q. In this hypothetical, the Court of Appeals has 13 said that the Public Service Commission does not have 14 authority to conduct zoning by statute. And prior to the applicant starting the construction, the Public Service 15 16 Commission has said that it does not have the power to tell 17 the developer where to not build. In that situation, if the Public Service 18 Commission is looking at land use issues, is there a problem 19 if it doesn't have the ability to tell the developer where to 20 21 not build? 22 Α. I think there is. And that goes to the heart 23 of the dispute that's before us. 24 Q. And why do you say it "goes to the heart of the dispute"? 25

1 Α. Ultimately, there are a couple of questions that are being asked. Who has the authority to act on a 2 3 review of the plan in the development regulations? And then 4 the second question is, once that decision about authority is 5 resolved, what are the standards that are going to apply to 6 make determination whether this is the right use at the right 7 location. 8 Well, is it correct to say that if you can't Ο. 9 tell somebody don't build there, you don't have much authority and land use control? 10 That's correct. 11 Α. 12 What good is land use control if you don't Q. 13 have that authority? 14 Very good question. That's true. Α. Is there any good to that decision-making 15 Q. process if ultimately you can't tell that entity to not build 16 there? 17 18 Α. No. If you'd turn to page 11, Line 5 of your 19 Ο. rebuttal testimony. You say, If residents of Cass County 20 21 believe that land use decisions can be made without regard for 22 the county's plan, they will cease to be -- they will cease to 23 believe that Cass County is a good location for their 24 investment. 25 What do you base that on?

A. In another portion of this -- of my testimony, I've identified some factors that are indicative of good planning. Two of those factors are certainty and predictability. It's a -- these are concepts that apply on both sides of an issue from the public's perspective, from the public administration perspective, from the jurisdiction as well as for developers.

8 People need to have certain predictability, 9 knowing that an investment that they're making is going to be 10 protected, that there aren't going to be any actions that the 11 reasonably -- any actions that the jurisdiction is going to 12 approve that are going to lessen the value of their 13 investment.

They also want predictability, knowing that if I invest in this area or if I buy this property, at some point in the future I have a certain expectation that I might be able to develop. So certainty and predict are extremely important to being able to preserve value. And the comprehensive plan is a very good place for that type of protection to occur.

21 Q. What's the difference between certainty and 22 predictability?

A. The certainty is certainty in the development process. These are the rules that are going to apply, these are the policies that are going to be in effect. The

1 predictability is based on the certainty of these rules, of these policies, this is the reasonable outcome that will 2 3 occur. Not a haphazard uncoordinated approach would be 4 exactly contrary to a certain and predictable process. 5 Ο. A few days ago Mr. S. Mark White testified 6 that a person should have no expectation that a nuclear power 7 plant will not be built across the street from their home. Do 8 you agree with that? 9 Well, there are no guarantees in a Α. 10 comprehensive plan in a long-range process. What they are are guidelines that a jurisdiction should be following. 11 12 One of the -- one of the statements I make 13 frequently in front of communities that I work for across the 14 country is that whenever a development application comes forward for review, one of the first questions someone should 15 be asking at the planning commission level, at the City 16 17 Council, legislative level is, is this proposal consistent 18 with the comprehensive plan. It doesn't mean that there can't be a 19 deviation from the plan, that it can't be amended. It's not 20 21 to infer that. 22 What it does means is that the comprehensive 23 plan is supposed to embody the vision, the goals, the policies, the beliefs of a community in how that jurisdiction

should develop, what kind of community it's going to become.

24

25

1 So that type of an expectation if we're going in the same 2 direction, these are the reasonable outcomes and reasonable 3 expectations, but it also leaves room for flexibility. And 4 that would be another component of good planning is to be 5 flexible to changing conditions.

6 Q. I appreciate that. I'm not sure if I got an 7 answer to my particular question though, which was, should 8 you, as a citizen of Missouri, have a right -- or an 9 expectation rather that somebody's not going to be permitted 10 to build a nuclear power plant across the road from your 11 house?

A. I don't think they can except that that could never occur. I think they can expect that if there's going to be a change from the plan, that there's going to be a public review that will debate whether that change is a good change or a bad change.

17 Q. And how in Missouri is that public review 18 supposed to occur?

19 A. It's -- it should be occurring at the planning 20 commission and at the legislative, which would be County 21 Commission, City Council, Board of Aldermen level. There 22 should be two reviews that are taking place.

Q. And what's the timing of that review?
A. It's a review that absolutely must happen
prior to any development, if that's the direction your

question is going. It's not supposed to be a rear -- a hindsight review. It's supposed to be a prospective review of is this use going to be consistent -- the proposed use going to be consistent with existing uses and with projected future land uses.

Q. Well, you said it absolutely must occur beforethe development. And that's pretty strong terminology.

8 A. And --

9 Q. Why do you say that?

10 Α. Because, I mean, once the development is constructed, different types of improvements are going to have 11 12 different costs, different things that you try and remedy. 13 Expecting someone to take down their fence because it 14 encroaches onto a setback is a far simpler proposition than what we're faced with here, what to do with a plant that has 15 16 been constructed without the benefit of any public review. 17 The reason it absolutely needs to be 18 prospective is because residents deserve to know and communities have a right to regulate what is going to happen 19 in their communities, what type of development should occur, 20 21 not whether something that has already occurred is 22 appropriate. Because at that point, as the old saying goes, 23 the horse is already out of the barn. 24 Ο. If it's already built, what -- let me back up.

25 If the development's already put in, does that

1 affect the choices that you have later on?

A. I think realistically, real word it does affect the choices. Again, it's a lot easier to try and negotiate a good site plan before anything has been constructed, before any investment has been made. After the fact, it's just going to be more costly.

Q. If somebody builds despite the fact that there's an injunction in place and despite the fact that they haven't got their permits required, what's the consequence of just forgetting what they did and going on?

11 MR. YOUNGS: Once again, I object to the form 12 of the question to the extent it tries to imply that Aquila 13 built this plant in the face of an injunction that had not 14 been stayed as a result of posting a bond. This is the fourth 15 time I've heard this kind of a question from StopAquila, and I 16 object to it again.

MR. EFTINK: Well, your Honor, that's an accurate recitation of the facts. There was an injunction in place, they went ahead and built anyway. So they realized the risk that they were taking.

JUDGE PRIDGIN: I'll overrule the objection. The Commission's well aware that Aquila posted a bond, built with that bond in place. The Commission knows that.

24 THE WITNESS: I think the precedents it sets
25 is alarming. That any large user with -- with power, with an

argument that may even appear to be a quasi-public use, making decisions about development without going forward through development review process is alarming for other cities and counties in the state. Because who's to say what that next user is going to be and what their decision -- what their rationale is going to be?

7 BY MR. EFTINK:

8 Q. But can we, in Missouri, say that this is for 9 this case only and nobody else later on will be able to cite 10 this as precedent?

A. I can't imagine that happening. I can't imagine one decision being made and it ending there. Someone will inevitably point to what happens here as a rationale to support why we don't need to go through the development review process. And everyone, unless they're clearly exempted, should be going through a development review process.

Q. On Page 11 starting on Line 9, you say, If the plan no longer serves the purpose of being a legal basis for a community's land use decisions, then there is no legal basis for land use decisions.

21 Are you talking about precedent when you write
22 that?

A. Yeah, and actually the effect. If the plan is
effectively defeated by bypassing it, if a corporation is
entitled to bypass -- selectively bypass which regulations

they choose to follow, which processes they choose to apply for, effectively we have no plan and we have no set of regulations to control because they become purely optional. It becomes a sliding scale, these I will follow, these I will not.

6 They need to be in force for all of the users, 7 all of the property within a jurisdiction, again, unless there 8 is an explicit express exemption.

9 Q. On Page 12 you talk about the comprehensive 10 plan and about zoning. Try to shorten this up. Is it correct 11 that the comprehensive plan is more of a guide and the zoning 12 is specific and controlling?

13 A. Yes.

Q. And then on Page 16 at Line 1 you say, In the past, Aquila has made a number of applications for special use permit or rezoning for substations. Why do you say that? A. What page and line was that? I've got a different --

19 Q. In your rebuttal on Page 16, Line 1.

A. I -- I don't have that -- I have a sentence
that starts with, The Aries plant.

Q. If you'll look at the bottom of Page 15. The sentence starts there on my copy anyway.

A. All right. Applying for land use approval isnot a foreign concept to Aquila, who previously submitted

applications for special use permits and/or rezoning to
 construct and operate the Aries plant, the Camp Branch plant
 and a number of substations. That sentence --

Q. Why do you say that they have applied for SUP
or rezoning for several substations? You didn't say several.
You say a number of substations.

A. That was based on some anecdotal information as I was interviewing county staff. And the way we would ypically -- a planner would typically come to conclusions is through interviews, interviews with stakeholders, interviews with staff to try and get an understanding for what the -- the background environment is.

Q. Okay. On page 22 at line 22 you talk about what a planner should address. And one of the things you said a planner should address is alternate locations. Now, are you saying that the planner that -- in that situation is the planner the developer or is it the governmental authority that should address the alternate locations?

19 Α. This was drafted from the perspective of a 20 planner working for a reviewing authority, a jurisdiction. 21 Q. Okay. In the present case, you've heard 22 testimony that there is a power plant around Pleasant Hill and 23 now Aquila has put in this peaking facility outside of Peculiar. How would a developer look at the question of 24 25 alternative locations?

1 Α. Well, I'm sure that -- and using this as a specific example and I've seen a matrix of some land use 2 3 alternatives, some site alternatives that Aquila had worked 4 through. They would look to what sites are most suitable for 5 their needs, size, access, access to infrastructure, which 6 would include roadways, water, wastewater, gas lines. And 7 so -- there's a question of is the site suitable for the 8 proposed use. 9 Then the next level of questions would lead to 10 once we've identified some potentially suitable sites that can accommodate physically the types of uses proposed, are those 11 12 areas appropriate for those types of uses. 13 Are you familiar with the Iatan situation? Ο. 14 Α. No, I'm not. Okay. Let me give you a hypothetical then. 15 Q. Let's say we have a plant called Iatan and there's a proposal 16 17 to put in an adjunct called Iatan 2. Should a planner look at 18 the possibility of putting Iatan 2 close to Iatan 1 instead of putting it 25 miles away in a residential area? 19 MR. YOUNGS: Your Honor, I object. I think 20 21 that it is a hypothetical. The relevance of the hypothetical 22 is non-existent. I mean, the fact of the matter is, we're not 23 talking about Iatan --24 MR. EFTINK: We will be soon. 25 MR. YOUNGS: -- or Iatan 2.

MR. EFTINK: We'll be talking about --1 2 MR. YOUNGS: Excuse me. May I finish my 3 objection, Mr. Eftink? 4 MR. EFTINK: I apologize. 5 MR. YOUNGS: We're talking about South Harper 6 facility. And Iatan is irrelevant to the issues before this 7 Commission. 8 JUDGE PRIDGIN: What is the relevance of the 9 question? 10 MR. EFTINK: We'll be facing this if we set a precedent. This will happen over and over again. That's how 11 12 it's relevant. 13 JUDGE PRIDGIN: I'm sorry. I don't see the relevance. I'm going to sustain the objection. 14 BY MR. EFTINK: 15 Now, on Page 23, Line 15 you talk about the 16 Q. argument of self-created hardships. You say that, Courts 17 across the country have ruled against self-inflicted cases of 18 hardships as a means to avoid compliance with comprehensive 19 20 plans and development regulations. 21 Why is it that a self-created hardship should 22 not be a means of avoiding compliance with zoning? 23 Α. Well, the purpose of the -- of the zoning 24 regulations are because a community has established certain 25 guidelines, certain standards for development.

The types of examples that this typically arise for are someone that has a 10-acre lot in an area that requires minimum 10 acres lot developed. They try and sell off 5 acres and then say, Well, I only have 5 acres now, if you don't let me develop, I can't do anything with this property.

7 That would be a self-inflicted situation. And 8 communities routinely say, no, you cannot create a situation 9 whereby you effectively bypass the standards and guidelines 10 that the community has adopted.

11 Q. If you allowed an entity to create a hardship 12 for itself and, therefore, avoid compliance with the zoning 13 regulations, is that something that would be easy to happen 14 over and over again?

15 A. Over and over again.

Q. I want to ask you about the difference from a land planner's point of view between a special use permit and rezoning. Is a special use permit usually for something that is temporary in nature?

A. It can be. There are -- there are some benefits to a special use permit. One benefit is that there is often greater latitude and agreeing to and establishing conditions on a -- on a proposed use. Another is that the use can lose its ability to operate if it fails to meet those conditions.

1 Q. So that's one thing you look at is whether this particular use will terminate in a number of years? 2 3 Α. That's -- whether it will terminate, whether 4 it's relatively short term and whether there's a need to try 5 and identify additional conditions that are reasonable and 6 appropriate for that type of use, but may not have been 7 anticipated at the time an ordinance was drafted and adopted. 8 If you would look at your surrebuttal Q. 9 testimony, I'd like to ask you a few questions about that. On Page of your surrebuttal at Line 4, you cite to Mr. Wood's 10 testimony. And you say that Mr. Wood indicates that working 11 with the community and property owners would have delayed site 12 13 selection. Well, quite simply, that is part of the process. 14 Couldn't virtually all developers use the argument that they can't go through the process because there 15 16 will be delay? Absolutely. And quite often -- more often 17 Α. 18 than not, communities are already facing pressure from 19 developers to expedite the process. If there is a development 20 application that goes through for a large project and the 21 issue of timing doesn't enter, that's a rarity. 22 Developers are always under the gun, there's 23 always a time constraint. Often whether it's related to financing or what have you, timing is always critical. And 24 25 one of the things that responsible communities do is they find

1 a way to streamline their planning and development review 2 process. 3 Ο. So you afford everyone due process in an 4 orderly fashion? 5 Α. Absolutely. 6 Q. And a developer should plan ahead? 7 Α. Plan ahead. 8 On Page 3, Line 16 of your surrebuttal, you Q. 9 say, paraphrasing Mr. Wood's testimony, that this was a process that had Aquila acting as its own tariff administrator 10 and its own zoning administrator. What do you mean by tariff 11 12 administrator? 13 What page? I recall the -- the sentence, I Α. just can't find it on the --14 15 Page 3, beginning around Line 19. Q. 16 There was a -- some of the documents I've Α. reviewed included different pieces of testimony. And that was 17 actually a line that I had read that Aquila was acting as a --18 its own tariff administrator. 19 20 I am not trying to even presume to know what 21 is going to be involved with setting their own tariffs, but 22 what I did find interesting was that this was -- this appeared 23 to be a similar process for zoning of making a determination 24 to establish their own zoning for the parcel rather than 25 working through the process because of their expectation or

1 belief that this was their right to do so.

2 Q. So, in other words, in this statement you were 3 focusing on Aquila acting as its own zoning administrator. Is 4 that a fair statement?

5 A. Yes. They've made a unilateral decision where 6 this use would be located, how it would be developed, when it 7 would be developed and the applicable plans and ordinances 8 were largely irrelevant.

9 Q. On Page 6, beginning on line 7, you're talking 10 about Mr. Wood's testimony again, and you say that Mr. Wood 11 does not cite to rules of the PSC regarding land use 12 evaluation.

I want you to assume -- just assume in this case that the Public Service Commission involves itself in land use planning. Is the lack of published rules a due process problem?

A. I think it's a major problem. One of the things I did do as we were -- as I was going through this analysis, was reviewed the Public Service Commission website. And I could not find any information that even hinted at the concept that the Public Service Comm-- Commission conducts site analysis, development review, any consideration of local plans and ordinances.

24 This appears to be a Commission that is a very 25 technically oriented across shareholder return Commission that 1 does that job very well, but the land use analysis is just 2 something that has been, up to this point, the -- the domain 3 of jurisdictions across the state.

4 Q. You have been involved in land use planning5 across the country. Correct?

6 A. That's correct.

Q. In land use planning schemes, do you almost always or always have rules that are laid out as to what is expected, what people's rights are, what the developer's rights are?

A. Absolutely. It's critical. There would be no ordinance that we have ever drafted or participating in the drafting of that didn't include a detailed procedural process. It's as important for the property owners, for the developers, for the stakeholders as it is for the government entity to be able to review and process requests for development.

Q. Well, regarding this subject matter, Mr. Wood testified last week that his proposed rule or his proposed standard would apply to -- this case to Aquila only and to nobody else ever again. Is there a problem with that kind of an approach?

A. Yeah. When I first heard that, I was -- I was a little surprised. I mean, I'm going to make an analogy. I like my ear, nose and throat specialist. I think he's a very good ENT. But I would not want him performing a bypass 1 operation one time.

The development review is a complicated process. One has to consider a number of different variables. What does the plan mean? What are the intentions and goals of the community? How do the regulations apply? How are the regulations applied historically along with concerning -excuse me, comparable types of uses.

8 It's not just a one-shot this is an on/off 9 switch, we can answer this question now and never have to deal 10 with it again. I don't think that a planning commission would 11 try to come in and regulate the utility rate structure one 12 time only.

I think similarly, we need to have a Public Service Commission, as other states that do have with the authority to do site planning, they have the appropriate procedures, rules and relationships, coordinations with the local jurisdictions.

And frequently that's one of the largest components of the public state -- Public Service Commissions in other states is establishing how do local plans and rules get interpreted. And they frequently look to the local officials to make those types of determinations.

23 MS. SHEMWELL: Judge, for the record, I would 24 like to object to Mr. Eftink's characterization of Mr. Wood's 25 testimony. I don't believe it was a correct characterization.

MR. EFTINK: Well, I would defer to the 1 2 record. 3 JUDGE PRIDGIN: Okay. I'll overrule. 4 And for my own benefit, even though this is 5 kind of friendly cross and, Mr. Peshoff, you are being asked 6 some open-ended questions, I may try to curtail some of your 7 narrative answers in the future. So if you could shorten your answers somewhat, I'd appreciate. 8 9 MS. SHEMWELL: If the Commission would like to entertain an objection that this is friendly cross, I would 10 certainly make one. 11 12 MR. EFTINK: Your Honor, this is my first 13 opportunity to talk to this witness and there are aspects of 14 land use planning -- we don't know what we're faced with in this case, but we're assuming there may be some aspects of 15 16 land use planning and I think we need to have the right to 17 delve into this. JUDGE PRIDGIN: I'll let Mr. Eftink continue 18 the cross. I'll overrule the objection, but I do kind of, 19 20 again, want to try to curtail the narrative. BY MR. EFTINK: 21 22 Now, Mr. Wood had presented today I think some Ο. 23 materials from other states showing what kind of statutory or regulatory scheme they had on this topic. Have you done 24 25 research on that type of thing?

1 A. Yes, I have.

2 Would you be able to later on supply some Q. legal research about what's going on in other states? 3 4 Α. I would classify it as planning research. 5 We're a planning firm. But, yes, we'd be more than willing to 6 provide you with copies of the documents we've reviewed. 7 MS. SHEMWELL: Excuse me. If that's not 8 available today, then we won't have the opportunity to 9 cross-examine on that, Judge, so I object to supplementing the record without cross-examination, particularly when this 10 witness has had this length of time to realize what the 11 12 Commission has asked and be able to provide it on a timely 13 basis. MR. COMLEY: I think we'd be entitled to do 14 15 the same thing as Mr. Wood was. 16 MS. SHEMWELL: Except that the Commission 17 requested that of Mr. Wood. 18 JUDGE PRIDGIN: I would be inclined to not get anything further unless the Commission orders it. Obviously 19 20 if the Commission orders it, we would expect it. BY MR. EFTINK: 21 22 Ο. I just wanted to determine if it's available 23 if somebody asks --24 Α. If anybody wants it, it's available. 25 Q. Today?

1 Α. Absolutely. 2 Okay. Now, you're not -- you weren't employed Q. 3 in any fashion by Cass County until, what, a month or two ago? 4 Α. That's correct. 5 Ο. And, of course, you're not employed -- you're 6 not on the commission, you're not on the Planning Board of 7 Cass County. Correct? 8 Α. No. 9 Ο. But you have reviewed this situation from the perspective of a land use planner. Correct? 10 That's correct. 11 Α. 12 Q. Do you have experience in the development of 13 electric generating facilities or power plants in other places? 14 15 We have -- I have experience dealing with Α. 16 large industrial type uses. Some of those industrial type 17 uses have been power plants. 18 Now, have you been out to the South Harper Ο. 19 location? 20 Α. Yes. 21 Q. Have you been to other power plants in this 22 area around Jackson County, Cass County, Missouri? 23 Not in relation to this project. Α. 24 Okay. From your work on this project and your Q. 25 view of the South Harper peaking facility, do you have an

opinion as to the appropriateness of the site for the South
 Harper peaking facility?

A. In its -- in the current -- the current situation with a plant located where it's located and infrastructure being as it is, my preliminary opinion is that it's not appropriate at this location. That doesn't mean that there couldn't be changes that try to mitigate some of the problems.

9 Q. What kind of problems are there that you are10 thinking might need mitigation?

Α. I've taken some photographs just this past 11 week that might help explain, if the Commission is interested 12 13 in seeing those at some point this afternoon. It actually 14 shows the landscaping as it actually exists on the ground from eye level and whether or not it achieves the purpose of what 15 16 landscaping and buffering is supposed to do. It does not. 17 The photographs also identify the roadway 18 network leading into and along the facility and whether that is adequate and appropriate for an industrial type use. And 19

20 it is not.

So just looking at those two factors alone, of landscaping and roadway requirements, those could be improved. That could improve its relationship to infrastructure. And the landscaping and the buffering may also provide some compatibility resolution as well. But in its current state, 1 no.

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2 MR. YOUNGS: Your Honor, I'm going to object 3 to any further questions along these lines on two primary 4 points, I suppose. There's friendly cross as I understand it 5 and there's friendly cross that attempts to supplement the 6 testimony of a witness.

7 Mr. Peshoff to date has not given an opinion 8 regarding the compatibility of these sites with these 9 adjoining land uses pursuant to the special use permit 10 application or zoning regulations. He's simply to date, if 11 you look at his testimony and the purpose of his testimony, 12 it's everything but that.

13 Today suddenly, through Mr. Eftink's 14 cross-examination, now we have an opinion from Mr. Peshoff that, in his opinion, these sites are not compatible from a 15 land use planning or a zoning perspective, and I object to it. 16 17 And I will certainly object to any use of 18 additional photographs that have been taken within the last week as an attempt, as I think Mr. Eftink is doing, to try to 19 buttress this witness's rebuttal and surrebuttal testimony. 20 21 I just don't think it's proper and I object to it. 22 MS. SHEMWELL: Staff joins that objection. 23 MR. EFTINK: Well, your Honor --24 JUDGE PRIDGIN: Mr. Eftink?

MR. EFTINK: As the Court of Appeals said,

1 before the first spade full of dirt, we're supposed to have hearings where all of this is brought up. So I'm thinking if 2 3 we were having a land use hearing, I would certainly be 4 entitled to ask these questions of a land use planner. So why 5 would I be shut down now? 6 THE WITNESS: I might also offer on Page 25, I 7 do answer that question. 8 MR. YOUNGS: Excuse me. I would like to -- I 9 don't mean to cut Mr. Peshoff off, but I'd like this conversation to be between the Bench and lawyers at this 10 11 point. 12 I would refer the Bench to Page 1 and 2 of Mr. Peshoff's rebuttal testimony and look at the scope of the 13 testimony that's set forth in that section and it has 14 absolutely nothing to do with any opinion regarding the 15 16 compatibility of this site from a land use planning 17 perspective with these adjoining uses from a zoning 18 perspective. I just object to it. JUDGE PRIDGIN: Mr. Coffman? 19 MR. COFFMAN: As to that last point, 20 21 Mr. Youngs mentioned you might be familiar with the statute in 22 Chapter 536 that says that scope of cross-examination does not 23 have to be within direct -- the scope of direct testimony. 24 And as to the -- Mr. Eftink's questions are 25 cross-examination. Mr. Youngs will have an opportunity

subsequent to this. He still has not had his chance to cross-examine and explore further what he's just now heard if he think he's hearing some new opinion, although I think certainly questions thus far are appropriate.

5 MR. YOUNGS: I have based my cross-examination 6 today, as I think probably other people have, on the rebuttal 7 and surrebuttal testimony of this witness. And now 5 minutes 8 ago I heard a completely new opinion and I just think it's 9 unfair to the parties. I think the rules exist for a purpose. 10 That's my objection.

11 MR. EFTINK: Your Honor, if I could, on 12 Page 25, Line 41 of Mr. Peshoff's rebuttal, he says, No, in my 13 opinion, the South Harper facility is not consistent with the 14 2003 comprehensive plan.

So if that doesn't alert Mr. Youngs as to what 15 the topic of this cross may be, I don't know what would. 16 17 MR. YOUNGS: As we have heard several times, 18 there's a difference between the comprehensive plan and 19 whether or not it's compatible from a zoning regulation standpoint. And I think that's a difference that everybody 20 21 has made fairly clear and that's a distinction that this 22 witness made in his testimony and I was relying on that. 23 MR. EFTINK: I think that's a very fine distinction between being consistent and being compatible. 24 25 JUDGE PRIDGIN: I'm going to overrule, but the

1 friendly cross I'm going to shut down before long. I mean, this is just bordering on just more direct and that's the 2 3 whole purpose of the pre-filed testimony. 4 BY MR. EFTINK: 5 Q. If a developer builds despite an injunction in 6 place, should the cost of remediation be a factor that's 7 weighed in favor of the project remaining? 8 I think -- I think that realistically it will. Α. 9 Should it? I would hope not. 10 MR. EFTINK: Okay. Thank you, your Honor. JUDGE PRIDGIN: Mr. Eftink, thank you. 11 12 Mr. Coffman? 13 MR. COFFMAN: I will attempt to be brief. CROSS-EXAMINATION BY MR. COFFMAN: 14 Good afternoon, Mr. Peshoff. My name is John 15 Q. 16 Coffman. I represent a few of the landowners who live very 17 close to the site being proposed for a power plant. 18 Let me ask you your opinion that you are -you are an attorney; is that correct? 19 20 No. Α. 21 Q. You received --22 Α. I have a law degree. 23 -- a law degree, but you're not a practicing Q. 24 attorney? 25 Α. That's right. I have not taken the bar exam.

1 Q. But you are a very qualified land use planner. I want to ask you, do you understand, I guess, what a 2 3 franchise is to -- utility franchise? 4 Α. I have some understanding of that. 5 Ο. And is it your understanding that a franchise 6 would grant the holder of that franchise any particular land 7 use authority or approval? 8 I think it would depend on the nature of the Α. 9 franchise that was actually granted. 10 Ο. Okay. You talked somewhat about the precedent that this case might set. And one point in your testimony is 11 12 the fact that approval in this case is being sought after the 13 fact. If this were a zoning issue being tried before a local 14 zoning board or commission in Missouri, would there be any issue with the fact that an applicant came in after the fact 15 16 to seek approval for something that they already built that 17 was nonconforming? 18 Α. Yes. And what would be the issue? 19 Ο. 20 Well, one, obviously that they didn't comply Α. 21 with the procedure. A followup question may revolve around 22 whether or not what they did do, whether it complied with the 23 development requirements as well. 24 Okay. Is the fact that approval was sought Ο. 25 after the fact instead of beforehand an appropriate factor for

1 a local zoning board to consider in whether or not to grant
2 approval?

3 Α. The procedures that we drafted, the 4 development review happens prior to development actually 5 occurring. I don't even know if once it's actually occurred, 6 whether it would be a review of a planning commission that 7 should we now grant this retroactive approval because that's effectively what would be requested. And I don't know of any 8 9 community that has an application for retroactive approval. Okay. And would it be your opinion that that 10 Ο.

11 local zoning board would not be able to review that or would 12 that simply be --

A. Yeah. It would be -- it would be a legal
issue that --

Q. Okay. If this specific application in this case were approved, would you see the practice or precedent set by this case preventing Aquila from building a power plant essentially anywhere it wanted to and then seeking approval after the fact?

20 MS. SHEMWELL: Judge, I'd like to lodge an 21 objection here. We are talking about setting of precedent. I 22 think that this witness has expressed he's not familiar with 23 Missouri law in terms of whether or not Commission decisions 24 set precedent. And I would like to object that he's not 25 qualified to speak about the effect of a Commission decision 1 and whether or not it sets precedent.

2 MR. COFFMAN: Well, in this line of 3 questioning I am exploring what a local zoning board would 4 need to do. And one of the issues in this case is the 5 Commission permitted to stand in the shoes of Cass County, and 6 if they are, what standards and rules and procedures should 7 they be making the decision regarding the zoning so that -- in that regard, my question goes to the second part of that 8 9 issue. JUDGE PRIDGIN: And I'll overrule solely 10 because, I mean, the witness had testified he has a law degree 11 and has some sort of understanding about precedential value as 12 13 do the members of this Commission and this judge. So he can 14 answer. THE WITNESS: As much as there is a desired 15 belief that this would only be a one-time only action, based 16 17 on my experiences, I can -- I can virtually guarantee that 18 this exact question will come up in another community in Missouri. It may not be an electric power plant, but it will 19 be another quasi-public use that attempts to circumvent the 20 21 plan and ordinance. 22 BY MR. COFFMAN:

23 Q. Now, are you aware of issues, legal or 24 procedural or otherwise, that a local zoning board or 25 commission may face if it were to, in one instance, grant

1 zoning approval or special use permit after the fact to one use and then refuse to entertain an application that was being 2 3 made after the fact in a similar situation? 4 MR. YOUNGS: I'd just object to that on behalf 5 of Aquila as calling for a legal conclusion that I'm not 6 convinced this witness is competent to answer. 7 MR. COFFMAN: It may involve stating an opinion of law. The witness, of course, does have a legal 8 9 degree. And it may also involve issues of land use planning 10 procedure for which this witness is very qualified. 11 JUDGE PRIDGIN: Ask your question again, 12 please. 13 MR. COFFMAN: My question relates to what 14 issues, legal or procedural or otherwise, might be faced by a local zoning board or commission if it, in one instance, 15 16 approved a special use permit or zoning application after the 17 fact for one particular use of a property and then in a 18 subsequent situation refused to entertain an application that was being made after the fact. 19 20 JUDGE PRIDGIN: And, Mr. Youngs, what's your 21 objection? 22 MR. YOUNGS: Same objection. I think this 23 calls for a legal conclusion, a prediction about the legal 24 outcome of a certain set of circumstances and I think it's 25 improper testimony without proper foundation. I object to it.

JUDGE PRIDGIN: I'm going to sustain. It 1 sounds like speculation, asking him to speculate what issues 2 3 another body might be faced with. 4 MR. COFFMAN: Well, I believe there are 5 certain legal issues and procedural due process issues that 6 apply in that situation. And I don't know, but I assume 7 Mr. Peshoff might be familiar with those. 8 JUDGE PRIDGIN: Well, I mean --9 MR. COFFMAN: I would ask for an offer of 10 proof if you are indeed going to hold that. 11 JUDGE PRIDGIN: Then you can make that offer 12 of proof. 13 BY MR. COFFMAN: 14 Q. Okay. Now we are at a point where despite the fact the Judge has overruled that question, you are permitted 15 16 so that we have some record of what your answer might be on 17 appeal. 18 Α. I wasn't going to give a legal conclusion and 19 I will make every effort not to do so throughout my testimony. 20 What I can say from a planner's perspective, 21 communities already struggle with making every effort to 22 appear impartial and fair. When there is an example -- a 23 glaring example of some entity, developer, property owner that was able to bypass, that will come up in other communities 24 25 because communities already face that in their plan review

1 processes. So and so was allowed to do this, they were able to extend their garage, etc, etc. These are the types of 2 3 issues that planning boards, city councils, county commissions 4 routinely deal with. 5 JUDGE PRIDGIN: Is that the end of your offer 6 of proof? 7 MR. COFFMAN: Yes. 8 JUDGE PRIDGIN: All right. Thank you. 9 BY MR. COFFMAN: 10 Ο. Are there restrictions on local zoning boards and commissions with regard to making consistent decisions in 11 all land use matters or is it completely on a case-by-case 12 basis in most jurisdictions? 13 14 No, no. There should be a significant amount Α. of consistency, following the plan, following the provisions 15 16 of the ordinance. 17 Q. Is that just a good idea or is there some 18 higher standard? Where is that? Is that just a principle of 19 good land use planning or is there some higher level of restriction that you're referring to? 20 21 Α. It's both. It's good planning. And most 22 enabling statutes identify when a commission is authorized to 23 review and what their parameters are, consistency with the plan, following the -- it's usually embedded in the statutes. 24 25 Q. And are you familiar with those statutes --

1 those type of statutes in Missouri?

2 Α. Somewhat. Our -- our practice is a planning 3 practice and we regularly, routinely work with other 4 attorneys. Whenever there is a question that even remotely 5 resembles calling for a legal opinion or direction, we look 6 then to the legal component of the team, whether that be the 7 jurisdiction's attorney or an attorney that's working on our -- on our team. So we try not to interpret the statutes. 8 9 Okay. Let me ask you from a perspective of a Ο. 10 land use planner, how should the concerns of landowners who are adjacent to the subject tract be weighted against the 11 12 concerns of those who may not -- who may live further away? 13 It's a balancing act. Frequently, it's most Α. 14 obvious in the notification requirements whether it's for rezoning, special use permit. There are property owners that 15 need to be notified, for example, in a particular manner, mail 16 17 notification, personal notification or as the community at 18 large may just be able to receive some type of notice. So there's an expectation that property owners 19 close by should be made away. But as far as their opinions, 20 21 that's a weighting decision that each body ultimately makes. 22 Okay. And are you familiar with any Ο. 23 procedural or due process rights that would adhere to those individuals who are, say, adjacent to the subject tract if 24 25 this were a zoning application?

MR. YOUNGS: Once again, your Honor, the 1 witness has said he doesn't want to give legal opinions and 2 3 Mr. Coffman insists in trying to elicit them. I object that 4 it calls for a legal conclusion. 5 MR. COFFMAN: It may overlap in that area, 6 your Honor, but Mr. Peshoff in his duties is responsible for 7 preparing land use applications and has to, I think, through his profession and through his practice be familiar with those 8 9 type of legal issues. JUDGE PRIDGIN: Okay. Sustained. 10 BY MR. COFFMAN: 11 12 Do you need me to repeat the question? Q. 13 Yes, please. Α. 14 My question was, what due process rights or Q. other procedural issues would apply to those individuals who, 15 16 say, were adjacent to the subject tract if this were a 17 rezoning or special use permit? MR. YOUNGS: Your Honor, I'm assuming that 18 this is an offer of proof after the Court has sustained my 19 objection. 20 21 JUDGE PRIDGIN: I did sustain. If you're 22 making an offer of proof or if you want to --23 MR. COFFMAN: I can move on. 24 JUDGE PRIDGIN: All right. Thank you. BY MR. COFFMAN: 25

1 Q. In your capacity as a land use planner, are you familiar with the use of -- the use that would be referred 2 3 to as far as a gas pumping station similar to the one near the 4 subject tract in this case? 5 Α. Somewhat. 6 Q. Are you familiar with the Southern Star gas 7 pumping station in this case? 8 Somewhat. I'm not very familiar with it. I Α. 9 actually learned something listening to the earlier testimony about what they do, in today's hearing. 10 11 Are you familiar enough with that use to make Q. 12 a land use comparison between that use and the use of the 13 South Harper power plant? I believe so. 14 Α. 15 And how would you compare those uses or Q. 16 categorize those uses from a land use perspective? MR. YOUNGS: Your Honor, I object to the 17 question. I don't think there's proper foundation for this 18 witness to give that kind of comparison. He just said that 19 20 the bulk of what he heard about it was news to him until he came into the hearing room today. I don't think there's 21 22 proper foundation for this witness to give that kind of 23 comparison. I object. 24 MR. COFFMAN: My understanding is Mr. Peshoff 25 is extremely experienced and qualified in categorizing uses

under different zoning designations or -- this is what he does 1 for a living. I don't know who else would be able to --2 3 JUDGE PRIDGIN: I'll overrule. And the 4 Commission certainly knows that Mr. Peshoff said under oath he 5 just learned about some of this in this afternoon's hearing. 6 So with that in mind, he can answer the question. 7 BY MR. COFFMAN: 8 If I might ask some additional foundation Q. 9 questions, you have viewed this location, have you not? Yes, I have. 10 Α. 11 In person? Q. 12 Α. Yes. 13 And so you have been to the site and seen both Q. 14 the South Harper power plant facility and what has been called the gas pumping station, smaller facility that's nearby? 15 16 Α. That's correct. And to the extent that you can, based on what 17 Q. 18 you know and what you see, how would you compare and contrast these uses? 19 20 MR. YOUNGS: Will the Court grant me a 21 continuing objection? 22 JUDGE PRIDGIN: Yes, sir. Continuing 23 objection. 24 THE WITNESS: Yes. When I had mentioned that 25 I had learned something, no one truly is going to know what

happens on every single site. And learning about the 1 operations in more detail was something that was new. 2 3 I don't think that detracts from its use as an 4 industrial use. It has characteristics of industrial use. 5 It's got the outside storage, it's got the tanks, it is a --6 it is an intensive industrial use consistent with what we see 7 at the -- what one can see at the South Harper facility. 8 BY MR. COFFMAN: 9 Ο. Okay. If this had not been built before zoning had occurred, would it be classified, as you understand 10 Cass County zoning, as either I2 or I2 or would you know? 11 12 Α. It would be one of those two zoning. I don't 13 know which one. 14 Ο. Okay. And the ordinance has changed and it would be 15 Α. 16 a question of which ordinance is going to apply. Okay. You provided some description of 17 Q. 18 research that you had done into the statutes and zoning -- or the siting -- s-i-t-i-n-g -- laws and procedures in some 19 20 states. I believe you listed six states in your testimony. 21 Did you do a thorough state-by-state review of siting 22 authority around the country? 23 Α. No, we did not. We did a review, I did the 24 review with help from my staff of the material that we could 25 easily find. We weren't trying to sift through and only use

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examples that were favorable. We were just doing a review of 1 what communities, what states had siting authority and had a 2 3 fairly good volume of information -- readily, easily 4 accessible information that we could review. 5 Ο. Okay. And would you characterize each of the 6 states that you refer to as having fairly specific statutory 7 or regulatory guidance as to what would be -- need to be 8 considered regarding land use and siting? 9 Yes. Yes, they did. Α. 10 Ο. Were you also able today to see what was identified as Exhibit 115, and I believe described as 11 12 materials reviewed by Warren Wood in this case? 13 I'm not familiar with that document. Α. 14 Okay. And I believe he includes some Q. information from states that you did not include. Are you 15 16 familiar with siting procedures in the state of Iowa? 17 Α. No. Or the state of Arkansas? 18 Ο. 19 Α. No. 20 Okay. Were you here to hear questions Q. 21 regarding a potential condition -- if this Commission were to 22 grant this application, a condition on the siting of a power 23 plant here that would include a requirement for Aquila to 24 provide a pool of resources that would be available for 25 residents to make claims against regarding detrimental impacts 1 on their land value and quality of life?

2 Have I heard about that in testimony? Α. 3 Ο. Yes. 4 Α. No, I have not. 5 Ο. Have you heard of that type of remedy or 6 condition in any other land use proceedings that you've been 7 involved with? 8 Yes, I have. Α. 9 Ο. And what would those be? Well, I've seen examples of that in the 10 Α. literature. In some of the examples that we had identified, 11 one of them being -- I think a fairly detailed example from 12 13 Huntington, New York where there are a number of inducements 14 that the city and the utility agreed to to be good neighbors, to cohabitate peacefully. Those are also the types of issues 15 16 that we have raised as well as being options for the county to consider. 17 18 MR. COFFMAN: Okay. Just one minute. I may have one other question. 19 20 JUDGE PRIDGIN: And we will break after 21 Mr. Coffman is completed. 22 BY MR. COFFMAN: 23 I'll just ask a couple more clarifying Q. 24 questions following up on my last question regarding the 25 potential condition regarding a pool of resources, for lack of a better word. Would that be some type of an escrow fund that
 Aquila would pay into up to a certain amount?

A. Yeah. It could be structured in a number of different ways, but the concept is that if property owners would be able to prove that there was some diminution in value, that this fund might be used then to offset those claims and loss of value.

Q. Okay. And are there any -- in specific
9 instances you mentioned, Huntington, New York?

10 A. Yes. Huntington Township, New York was one 11 example that included pools of money that were used for a 12 variety of different uses. All energy related, all dealing 13 with the approval of a plant.

And was that offered before the fact? 14 Ο. Yes, it was. And an interesting point, it was 15 Α. 16 also offered within a structure in which the state utility 17 commission routinely regularly ruled against local objections 18 to power plants. So this was a recognition by the utility and the local community that trying to resolve this before going 19 20 through years and untold dollars and expenses, time, 21 resources. And so they ended up working together on it. 22 Ο. And did that particular pool involve just 23 claims made regarding loss of property value or did it also include loss of quality of life or other heritage value? 24 25 Α. No, no. Again, it wasn't purely from a

punitive loss perspective. It was also inducements in terms 1 of -- it included converting vehicles to compressed national 2 3 gas, identifying a commercial corridor for reduced electric 4 fees as an economic development tool. 5 It included improvements -- green type 6 improvements to existing facilities -- HVAC facilities in 7 buildings. So there were a number of factors all related to 8 the provision of service -- of electrical service that were 9 improved. And in that situation, who was to be the body 10 Ο. determining what claims would be made out of that fund? 11 12 Α. I don't know. 13 MR. COFFMAN: That's all I have. 14 JUDGE PRIDGIN: All right, Mr. Coffman, thank 15 you. 16 This is as convenient time as any to take a break. I show the clock at the back of the wall to be about 17 12 after. Let's try to resume about 3:25 and I understand 18 we'll be back on the record with Staff cross-examining 19 20 Mr. Peshoff; is that correct? 21 MS. SHEMWELL: Yes. 22 (A recess was taken.) 23 JUDGE PRIDGIN: All right. We're back on. 24 And we will resume with the cross-examination of Mr. Peshoff. 25 And, sir, you are still under oath.

Ms. Shemwell, any questions for the witness? 1 2 MS. SHEMWELL: Yes, thank you, Judge. CROSS-EXAMINATION BY MS. SHEMWELL: 3 4 Q. Mr. Peshoff, I'm Lera Shemwell. I represent 5 the Staff of the Commission in this case. 6 Mr. Peshoff, when were you hired? 7 Α. It was about -- it was about a month, month 8 and a half ago. 9 Ο. Who specifically hired you? The county counselor for Cass County. 10 Α. Are you talking about Debra Moore? 11 Q. 12 Α. Yes, I am. 13 Q. Are you being paid by the county? 14 Α. Yes, I am. 15 Are you being paid by the hour? Q. Yes, I am. 16 Α. And what is your fee per hour? 17 Q. 135. 18 Α. 19 Do you have any business or other business or Ο. 20 personal relationship with Cass County? We have other clients that I've worked on that 21 Α. 22 happen to be in Cass County. 23 Do you know Mr. Mallory personal? Q. 24 Α. No, I do not. Do you know who Bucher, Willis is? 25 Q.

Yes, I do. 1 Α. 2 They're a consulting firm hired by the county; Q. 3 is that right? 4 Α. That's correct. 5 Ο. Do you have any relationship with Bucher, Willis? 6 7 Α. No, I do not. 8 Would you agree with me that they have worked Q. 9 on the Cass County laws and helping Cass County develop the laws? Do you know? 10 Α. They have worked on the Cass County plans and 11 12 zoning ordinances. 13 Q. Would you agree with me that they then should have a considerable degree of familiarity with those laws and 14 ordinances? 15 16 Α. They should. Did you indicate earlier that you are not 17 Q. licensed to practice law in any state? 18 That is correct. 19 Α. 20 Have you seen the Cass County zoning map, sir? Q. 21 Α. Yes, I have. 22 Ο. And when did you first see that? 23 Α. I actually first saw it perhaps as long ago as a year ago on a completely unrelated matter. 24 Q. And how did you receive that map? 25

I saw it by going to the courthouse and 1 Α. meeting with one of the planning staff, who I don't know who 2 3 it was. I didn't know who it was at the time. I was walking 4 in, someone was available and I asked them about their mapping 5 capabilities. 6 ο. Would you look at the curled up document 7 that's right there to your right, please, and tell me if that 8 is similar to what you viewed when you requested it? 9 Α. Yes, I believe it was. Do you want to open the whole thing to make 10 Ο. sure? Would you like some assistance? 11 12 Α. It looks -- it looks similar. 13 Were you here when Mr. Mallory testified that Q. 14 Cass County is experiencing rapid growth and, in fact, is the 15 fastest growing county in the state of Missouri? 16 Α. Yes. And you agree with that? 17 Q. 18 Α. It is a fast growing county. I don't know what its rank is. 19 20 Q. You have attached to your testimony Schedule BGP-2; is that correct? 21 22 Α. Yes. 23 Q. And would you agree with me that this is the 24 American Planning Association Policy Guide on Energy? 25 Α. Yes.

And if I turn to Page 2 under Policy Findings, 1 Q. the first finding is that a safe, reliable energy supply is 2 important to every community's health safety and commerce. 3 Would you agree with that? 4 5 Α. Yes. 6 Q. On the next page it says, The urbanization 7 that has occurred over the past few decades has created a demand for energy that is quickly surpassing its current rate 8 9 of production. Do you also agree with that, sir? 10 11 Yes. Α. 12 You have questioned this Commission's ability Q. 13 to make certain decisions concerning local zoning. Would you 14 agree with me that this Commission is capable of determining what is necessary for the provision of safe and reliable 15 16 electric service for Aquila's customers? Yes, I believe so. 17 Α. 18 On Page 22, I believe it is, you talk about Ο. zoning is the most widely applied land use control in the 19 20 United States on page -- or I'm sorry, Line 12 and 13; is that 21 correct? Zoning is the most widely applied land use control 22 in the United States? 23 Α. I believe so. 24 Would you agree with me that zoning Q. 25 regulations are restrictions on land use?

1 Α. Yes. 2 You have testified that this plant is in an Q. 3 agricultural area; is that correct? 4 Α. Yes. It's in a rural area. It has 5 agricultural zoning. 6 Q. Have you made any studies as to how many other 7 power plants in the state of Missouri are in agriculturally 8 zoned areas? 9 Α. No, we have not -- I have not. When were you last at the South Harper site? 10 Ο. 11 Α. Friday afternoon. 12 And if you will look behind you, would you Q. 13 agree with me that this is a picture or an accurate representation of the Southern Star compressor station? 14 15 It would appear to be. Α. 16 Mr. Peshoff, if you built your home directly Q. across the street from this, would you assume that there could 17 18 be no other similar uses as a -- you know, as just a builder of a home, would you assume that there could be no other 19 20 residential uses close to -- I'm sorry, similar industrial 21 uses close to this? 22 Α. I don't know. The fact that there's one means 23 that there could be another. But if I were truly interested, I would look towards the plan to see how the land is projected 24 for future land uses. 25

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1 Q. But you can clearly see this from the street; 2 is that correct? Yes. Yes, you can. 3 Α. 4 Q. Is there any attempt around this station to 5 mitigate view of neighbors? 6 Α. I don't believe -- I would say that there is. 7 Q. You don't believe that there is? 8 That there isn't any, no. Α. 9 Ο. Would you agree with me that Aquila has taken steps to mitigate the view of their property in terms of berms 10 and plants? 11 12 Α. They've made some effort to do so, but I don't 13 believe it was adequate. Q. More than Southern Star though? More than 14 around here (indicating)? 15 More than Southern Star. 16 Α. I'd like to put up the map. I'm sorry. That 17 Q. that color is not very good. But this is your map that you've 18 replaced as Page 4 of 7; is that correct? 19 20 Yes, it is. Α. 21 Q. Is that little purple cutout where the 22 Southern Star plant is --23 Α. Yes, it is. 24 Q. -- or station? Perhaps I should use that 25 term.

1 And is the South Harper plant immediately 2 south of that? 3 A. Yes, it is. 4 Q. The South Harper station does not take up that 5 whole area in orange, does it? 6 Α. No, it does not. 7 Q. What is the remaining use of the land that's not taken up by the South Harper station? 8 9 A. It may be still an agricultural use. It's vacant, it's not developed. 10 Q. Mr. Peshoff, let's turn to Page 17 of your 11 12 testimony. And you discuss the zoning of the Aries plant; is 13 that correct? MR. COMLEY: Is that the rebuttal testimony? 14 15 MS. SHEMWELL: Yes, his rebuttal. 16 THE WITNESS: Yes. BY MS. SHEMWELL: 17 Q. Are you aware now, after the discussions that 18 you've heard, that that plant was not regulated by the 19 20 Missouri Public Service Commission? 21 Α. Yes. I have -- I have been aware of that. 22 Ο. And when you say at Line 10 -- I'm sorry, sir. 23 So when you say in your testimony that this is 24 an approved plant, you weren't referring to approved by the Missouri Public Service Commission; is that correct? 25

1 Α. I don't know which line you're referring to, but it was not. It was approved by Cass County. 2 3 Ο. I'm looking at Line 10, Aquila application 4 that was approved concerning erection of the Aries facility. 5 Α. That's correct. Not by the Public Service 6 Commission. 7 Ο. Were you here when Mr. Wood testified that -or are you aware that he testified that Cass County ranks 11th 8 9 in terms of population? No, I was not here and I'm not aware of that. 10 Α. Well, then for the purposes of my question, 11 Q. let's assume that he testified to that and the record will 12 13 reflect that. He also testified that in terms of generation, 14 Cass County is 11th. You have posed, I think, a question in your testimony about whether or not Cass County is being 15 16 overburdened with power plants; is that correct? 17 Α. That's correct. Then for my question, if they're 11th in terms 18 0. of population and 11th in terms of generation, would you 19 20 consider them to be overburdened? 21 MR. COMLEY: I will object to the form of the 22 question, because I'm not too sure about the assumptions being 23 made and let my objection rest on that. 24 JUDGE PRIDGIN: I'll overrule that. I think 25 that's a hypothetical and the record either will or will not

1 reflect if the hypothetical is what's in the record. But I'll
2 let him answer the question.

3 THE WITNESS: Well, I don't know if I would 4 use the term "overburdened." The research that I did do 5 identified that there are very few counties with two plants in 6 them in Missouri and the same goes for the different types of 7 plants. So there is a question that is raised about whether 8 or not this is appropriate. 9 BY MS. SHEMWELL:

Q. The counties that have more than two plants,are they larger than Cass County?

12 A. They actually included -- I don't know if 13 they're larger, but they did include a large city -- a larger 14 city than anything that's in Cass County.

15 Q. So the population would likely be larger?16 A. Likely, yes.

Q. If Cass County issued a special use permit, let's just say that they did, could they condition that on a establishing a fund to compensate people who assert that they may have been harmed by this project?

21 A. I don't see why not.

Q. So they could force Aquila to set up a fund?
A. I understand your question. I -- let me then
restate my -- I misunderstood. Do I think that a condition of
approval that would include some type of a fund, would that be

appropriate? No. Do I think that agreeing to conditions as 1 part of the approval process is typical to any development 2 3 agreement that communities participate in with developers? 4 Q. Are you aware of the things that Aquila has 5 done for the community in an attempt to be a good corporate 6 citizen, I'll use that phrase, for example, putting in a park? 7 Α. I've -- I've -- I've read of some of the improvements that Aquila has either made or is willing to 8 9 make. 10 And you would consider this condition to be 0. along the lines of things that then are voluntarily done to 11 12 improve the community relations? 13 Α. Yes. When you referred earlier, you, I believe, 14 Q. criticized Mr. Wood's testimony indicating that he referred to 15 16 delay as a negative thing. Does that properly characterize 17 your testimony? 18 MR. COMLEY: I would object to the word 19 "criticized." 20 JUDGE PRIDGIN: I'll overrule. He can answer. 21 THE WITNESS: I'm not sure if that's how I 22 would word it. I guess my -- my question, for clarification, 23 would be identifying the statement. You had -- there's a 24 statement in my rebuttal testimony that you're pointing to? BY MS. SHEMWELL: 25

No. I think you discussed it earlier with 1 Q. Mr. Eftink is what I'm talking about. 2 3 Α. Okay. And what's the question? 4 Q. My question is, you seem to criticize Mr. Wood 5 for saying in his testimony that delay was a negative thing. 6 Α. That the delay was an excuse for bypassing the 7 development review time -- review process. 8 Okay. I've put Mr. Wood's rebuttal testimony Q. 9 in front of you. It's marked as Exhibit 19. Do you have that, sir? 10 11 Α. Yes. 12 Would you turn to Page 18, please? Q. 13 Α. Yes. 14 At the top of the page, Mr. Wood specifically Q. indicates that he expects utility companies to make efforts to 15 work with the local community and homeowners before a plant is 16 constructed. And indicates it could add months to the site's 17 18 selection process. Did I read that correctly? I'm sorry. Could you repeat that? 19 Α. 20 Just reading Line 1. Q. 21 Α. Okay. All right. 22 And additionally, utilities should consider Q. 23 the time necessary for development of these relationships. 24 That's not really criticism or an excuse for 25 delay, is it?

I think that's the direction that this is 1 Α. going to. He's not making a statement, in my opinion, reading 2 3 this text, that adding months does not seem to be a positive 4 statement about the review process. This -- this tells me 5 that adding months to the process was going to be too long. 6 Q. I think -- I'm sorry. Don't you think the 7 phrase "utilities should consider the time necessary for 8 development" as a statement that utilities should consider 9 that time necessary and take that into account? 10 MR. COMLEY: Objection, argumentative. JUDGE PRIDGIN: I'm going to overrule. I 11 mean, I think she's asking him to talk about what that 12 13 testimony means in his opinion. THE WITNESS: Yes. I think he's doing it on 14 the one hand and on the other hand -- utilities should be and 15 16 counties and cities need to be cognizant, but --BY MS. SHEMWELL: 17 18 Ο. But would ---- nonetheless, we still have -- it would add 19 Α. 20 months. 21 Q. Excuse me. I didn't mean to interrupt you. 22 Would you also agree that counties and cities 23 need to recognize the need for adequate electric service? 24 Absolutely. Α. 25 Ω. That's been your testimony, hasn't it?

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1 A. Yes.

There's been a lot of discussion about the 2 Q. 3 precedent setting value of a decision by the Commission. 4 Mr. Peshoff, are you aware that by law, the Commission's 5 decisions are not considered to set precedent? 6 Α. No, I'm not aware of that. Would you agree with me, sir, that one 7 Q. interpretation of 64-235 is that the Missouri legislature 8 9 intended for utility companies to go either to the local 10 zoning authorities or to this Commission? That's an answer that I'm going to -- to say 11 Α. calls for a legal conclusion. To begin with, it's a very 12 13 poorly drafted piece of legislation, a statute. 14 Q. Well, sir, you've made many legal conclusions on the stand this afternoon. 15 16 Actually, I have not. I've tried not to make Α. 17 any legal conclusions. There may be planning implications to questions that also have legal implications, but I have not 18 given a legal conclusion. 19 20 Well, in terms of planning implications then, Q. 21 would you agree that 64-235 allows for electric facilities 22 that the legislature -- that that's one interpretation that 23 the legislature intended, for utility companies to be able to go to either the local zoning board -- local planning 24 25 authority or this Commission?

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1 Α. I don't know what the legislature intended in that statute because it is poorly written. Reading it, I do 2 not agree with that interpretation that you've just furthered. 3 4 Q. I just asked, is that one interpretation? 5 Α. It -- it is one. 6 Q. I think most would agree that it's not the 7 best drafted statute we've read. 8 You indicated that you do not believe that 9 Aquila has taken adequate mitigation measures around that plant; is that correct? 10 Α. That's correct. 11 12 Q. To mitigate the view of the plant? 13 Α. That would be one of the issues is 14 landscaping, buffers. 15 Sir, have you heard any noise from that Q. 16 facility? When I was out there most recently, it was 17 Α. raining. And I don't know what's happening at night when 18 things are very quiet. 19 20 So you can't really know if their mitigation Q. efforts in terms of noise have been sufficient? 21 22 Α. That's correct. 23 MR. COMLEY: For the record, it should not be 24 operating at this time. 25 JUDGE PRIDGIN: So noted.

MR. EFTINK: That would be illegal. 1 2 MS. SHEMWELL: I wasn't suggesting that it 3 was. 4 I think that that's all that I have. Thank 5 you. 6 JUDGE PRIDGIN: Ms. Shemwell, thank you. 7 Mr. Youngs or Mr. Swearengen for Aquila? 8 Mr. Youngs? 9 MR. YOUNGS: Yes. Thank you. May I proceed, 10 Judge? JUDGE PRIDGIN: Yes, sir. 11 CROSS-EXAMINATION BY MR. YOUNGS: 12 13 Q. Mr. Peshoff, good afternoon. Hello. 14 Α. 15 A little out of order, but in response to some Q. 16 of the questions, I'm compelled to ask you some questions in response to some of the other cross-examination I've heard of 17 you, for fear of forgetting it. 18 19 You talked in the questions that Mr. Eftink 20 was asking you about -- and I think you referred in your 21 testimony to the fact that Missouri has strong home rule 22 predispositions. Would that be a fair way to say it? 23 I think so. Α. 24 Okay. And when you say home rule, are you Q. thinking -- and the reason I ask you this, because I know that 25

1 you had some involvement in the unified development code for Jackson County; is that correct? 2 3 Α. That's correct. 4 Q. And you understand that Jackson County is a 5 home rule charter county. Correct? 6 Α. Yes. 7 Q. That's because it is a first-class charter county. Correct? 8 9 I believe so, yes. Α. You understand that Cass County is a 10 Ο. first-class non-charter county. Do you understand that? 11 12 Α. Yes. 13 Okay. And, in fact, with regard to home rule, Q. 14 if you'd look at your surrebuttal testimony -- or excuse me, your rebuttal testimony, as an Exhibit BGP-2, you attached the 15 16 American Planning Association's Policy Guide on Energy; is that correct? 17 That's correct. 18 Α. That's ratified by the board of directors 19 Ο. 20 effective April 25th, 2004; is that correct? That's correct. 21 Α. 22 Q. All right. And, in fact, with regard to the 23 position of the American Planning Association and the policy guide on energy, if you'd turn to Page 8 --24 25 Α. Yes, sir.

1 Q. -- are you with me? 2 Α. Yes. 3 Ο. And that initiative 10 -- reasons to support 4 initiative 10, utility regulation is a state level function. 5 I've read that correctly, have I not? 6 Α. I -- I believe so, yes. 7 Q. Okay. And I guess nobody's asked you, but have you read the Court of Appeals' decision in Cass County 8 9 versus Aquila? 10 A. I read it one time. And my purpose for reading it was just to become familiar with the background 11 12 facts. 13 All right. You're not here today to express Q. 14 any opinions on what the Court of Appeals held in terms of Aquila's obligation before this Commission versus Cass County. 15 16 Correct? No, I'm not. 17 Α. Or their interpretation of 64-235? 18 Ο. That's correct. 19 Α. MR. COMLEY: Just cut out some of my redirect. 20 BY MR. YOUNGS: 21 22 And you don't have an opinion, as you sit here Ο. 23 today, for any reason, legal or otherwise, as to whether or 24 not Aquila is exempt from county zoning if the Commission 25 grants the relief requested?

1 Α. Reading the statute as a planner, I think that the county should be reviewing the development application for 2 3 the South Harper facility. 4 Q. Should be? 5 Α. Should. 6 Q. Okay. You're not equating that to a legal 7 obligation as a result of the Court of Appeals' decision in 8 the Cass County case though? 9 Α. That's correct. Okay. Just wanted to make sure I was clear on 10 0. 11 that. 12 Similarly, you have not conducted any review 13 of any Commission cases from the 1960's or the 1970's in which 14 companies have come to the PSC for, among other things, approval to site plants at various facility locations. 15 16 Correct? That's correct. 17 Α. You haven't reviewed 393.170, have you? 18 Ο. I don't know what that provision is. 19 Α. 20 Okay. So with regard to what, if any, cases Q. 21 or other sources there are that define the various terms of --22 that are contained in Section 393.170, you would not have done that either, I presume? 23 24 Α. I may have read that statute. I don't know. 25 I have not memorized what it includes, so I'm not sure what

1 the question really --

2 Q. Well, and as we sit here today, are you even 3 aware of what 393.170 says? 4 A. If I saw it, I could tell you if I read that 5 before. But I've not memorized the statute with its number. 6 Q. All right. All right. Just from a background 7 perspective, you have a law degree. Correct? 8 Α. That's correct. 9 Ο. You're not licensed to practice law in any 10 state? That's correct. 11 Α. 12 Q. Have you sat for the bar in any state? 13 Α. No, I have not. 14 Q. And you are a land use planner; is that 15 correct? Α. That's correct. 16 And there are certifications available for 17 Q. land use planners; is that correct? 18 19 There is. Α. 20 Q. And the one that I'm thinking of, it's probably the same one you're thinking of, is the American 21 Institute of Certified Planners; is that correct? 22 23 That's correct. Α. 24 Q. And just so we're clear, in order to be certified, in addition to being engaged in professional 25

1 planning and have some combination of education and professional experience, you have to sit for an examination; 2 3 is that correct? 4 Α. That's correct. 5 Ο. And that examination is a $3 \ 1/2$ hour 6 examination of 150 scoreable multiple choice questions in a 7 variety of areas. Have you sat for that examination before? 8 No, I have not. Α. 9 Ο. To your knowledge, are any of the members of the Planning and Zoning Department in Cass County -- first of 10 all, are any of them -- do they hold themselves out as land 11 12 use planners? 13 I really don't know their backgrounds. Α. 14 Q. And so you don't know if any of them would be considered land use planners and certainly you wouldn't know 15 16 whether any of them had any specific certification as land use planners. Correct? 17 That's correct. 18 Α. Okay. Would the same hold true for the Cass 19 Ο. 20 County Planning Board in terms of their backgrounds? 21 Α. I don't know anything about the Planning 22 Board's composition. 23 Q. And the Cass County Commission, would that be fair to say as well? 24 25 Α. Yes.

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Q. Ms. Shemwell asked you when you had been retained, and I think you said about a month and a half ago. Quickly, that puts me at like March 20th, is that -- or thereabouts?

A. Yeah. I think that we started doing the work, started re-- I started reviewing in early April. And I'm only saying that because I don't believe we had any type of billing in the March cycle, so that's why I think it was April when we were doing our work.

Q. Okay. Clarification, I appreciate it. So you were retained in mid to late March, didn't actually start doing any work until the first part of April?

13 A. April, yes.

14 Q. And keeping in mind that your rebuttal 15 testimony was filed on April 4th, your testimony is that you 16 would have started doing work on the project a few days prior 17 to that?

A. No. Then I have got my dates wrong. I would have to look at our billing records. It was clearly a good month before the due date for the -- so it must have been at the end of February and then beginning of March is when it must have been.

Q. When what must have been?
A. When I started work on the project. I know I
was not operating under any type of a severe time constraint.

When, in relation to filing your rebuttal 1 Q. testimony on April 4th, did you first visit the South Harper 2 3 site? 4 Α. I don't recall the -- the specific date. Ιt 5 was a -- just a drive by. And the last time I went was 6 actually to take photographs. 7 Q. And this was just this last week? 8 Just this last Friday. Α. 9 All right. So the only thing you did prior to Ο. filing your surr-- excuse me, your rebuttal testimony on 10 April 4th was drive by the site? 11 12 Right. Without taking photographs. Α. 13 Q. Without getting out of your car? That's correct. 14 Α. I want to talk to you just a little bit about 15 Q. 16 what you're here to talk about and what you're not here to 17 talk about today. Specifically in your rebuttal testimony, I think, pages 23 and 24 -- sorry, your surrebuttal testimony 18 pages, pages 23 and 24 -- wait a minute. I'll get my act 19 together here in a minute. I apologize. I was right the 20 21 first time, your rebuttal testimony. 22 You asked several questions and raise a 23 variety of different issues in your testimony about nagging 24 questions that arise from Aquila's proposal for the peaking 25 facility. Without going through each of them, you ask a lot

1 of questions in those two pages and maybe throughout, but those were the ones that struck me, about the need for these 2 facilities. You recall that testimony? 3 4 Α. Yes. 5 Ο. And one of the facilities that you talk about 6 that that you talk about the need is the Aries facility. Do 7 you recall that testimony? 8 Α. Yes. 9 And, again, we've talked about it a lot, but Ο. you understand that the Aries facility is what's referred to 10 as a merchant facility. Correct? 11 12 Α. I believe so. That's my understanding. 13 And among other factors that are -- or facets Ο. 14 of a merchant facility, the one that I'm wondering if you're aware of is that the merchant facility is not subject to the 15 16 regulation of this Commission. You understand that? Yes, I do. 17 Α. Okay. You also talk about the burden on Cass 18 Ο. 19 County -- I think Ms. Shemwell asked you a few questions about 20 that -- by having more than one plant. Do you agree with the 21 assumption that electrical generation or transmission facility 22 is a burden to a community? 23 Α. No, I don't. 24 And you're certainly not of the opinion that Q. 25 there's no benefit to a community that comes as a result of

1 having facilities like those that are at the South Harper site 2 and the Peculiar substation?

A. No. I'm raising the question of whether a county that is growing but is still largely rural should have a disproportionate responsibility to providing electric facilities for a metropolitan area.

Q. Okay. And your opinion on that, that they may be providing a disproportionate -- bearing a disproportionate burden is based simply on the fact that you don't know of any other county that has more than two facilities like these. Is that what I'm understanding you to say?

12 Not -- not -- not necessarily. What I'm --Α. the questions I'm asking are the types of questions that could 13 14 have been and should have been asked during the development review process. The Planning Board, the county commissioners 15 16 may have decided that this is fair, it's reasonable, it's 17 consistent, but these are just the types of questions that 18 would typically come up for any type of industrial type use, do we want this here, do we have too much of X. 19

20 Q. Okay. So just to make sure, the bottom line 21 is you're not here to tell this Commission that you're an 22 expert in determining whether there's a need for these 23 facilities in Cass County?

A. I am not.

25 Q. Nor that the Commission should consider you

1 such an expert?

2 Α. That's correct. 3 Ο. And to the extent you talk about reasonable 4 siting alternatives and the burden on Cass by having more than 5 one plant, those, in your opinion, are just issues that some 6 authority should take into account, according to your 7 opinions? 8 I think it's reasonable. Α. 9 Okay. Similarly, in pages 30 and 31 of your Ο. 10 rebuttal testimony in which you discuss maps and potential other industrial sites -- are you with me there? 11 12 Yes. 30 -- Page 30, yes. Α. 13 Right. The sites that you propose in BGP-3, Q. 14 in that schedule, you're not here to testify with regard to the suitability of those sites for a peaking plant or a 15 16 substation? 17 Α. Not at all. And in reading some of the 18 surrebuttal testimony, I think that the map and the text were 19 misinterpreted. The purpose of those sites were to identify with significant staff -- county staff assistance that there 20 21 are other areas that possibly could accommodate industrial 22 type uses such as a plant. But it wasn't meant to suggest 23 that they were better uses or the only alternative locations. 24 All right. You'd agree with me that there's a Ο. 25 discussion that has to take place both with regard to the

suitability of a site for a particular purpose and the 1 2 compatibility of that site with surrounding purposes? 3 Α. Absolutely. 4 Ο. Would that be a fair summary of your opinion? 5 Α. Yes. 6 Q. And in this case, you're not offering an 7 opinion on the first of those --8 Α. That's correct. 9 Ο. -- is that fair to say? 10 Α. Yes. 11 Okay. You simply included those as examples Q. 12 of areas that appear to accommodate heavy industrial uses 13 without regard to their suitability for those uses in this 14 case? That's correct. 15 Α. 16 Q. Okay. And, in fact, you'd agree with me that suitability and compatibility both have to be weighed in the 17 18 decision? 19 Yes, they do. Α. Because as the APA says, potential sites for 20 Q. 21 electric generating and transmission facilities are becoming 22 increasingly difficult to find? 23 That's true. Α. 24 Some of your testimony appears to indicate Q. that the facilities that are at issue in this application 25

1 should be put in or closer to incorporated areas; is that 2 correct? 3 Α. That -- that is another alternative. 4 Q. Not necessarily the only alternative, just one 5 that --6 Α. That's correct. 7 Q. -- you're offering? 8 You'd agree with me that the City of Peculiar 9 is about a mile and a half away from the site, the South Harper site? 10 Actually, about 1.4 miles. 11 Α. 12 Okay. In fact, with regard to the American Q. 13 Planning Association document that you attached, if you'd turn 14 to Page 9 up towards the top, the second paragraph, you'd agree with the APA that, in fact, large power plants are often 15 16 located in or near rural communities. You'd agree with that? 17 Α. Yeah. It's a statement that -- yes, yes, I would. 18 Okay. In fact, are you familiar with the 19 Ο. 20 Nodaway peaking facility in Nodaway County? 21 Α. No, I'm not. 22 Ο. Are you familiar with the Holden plant in Holden, Missouri? 23 24 Α. No, I'm not. 25 Q. Are you familiar with Kansas City Power &

1 Light's West Garner station in Kansas? 2 No, I'm not. Α. 3 0. Would it surprise you to know that each of 4 those facilities are all located in rural areas similar to the 5 ones that we're talking about in this case? 6 MR. COMLEY: Objection. He has no foundation 7 for that. 8 JUDGE PRIDGIN: Mr. Youngs? 9 MR. YOUNGS: I'm asking him if he's aware and 10 if he's not, I suppose he could say so. JUDGE PRIDGIN: I think the question was would 11 12 it surprise him, so you might be asking him to speculate so 13 I'll sustain. 14 THE WITNESS: I'm not aware where they're located. 15 BY MR. YOUNGS: 16 Okay. That's fine. You wouldn't have one way 17 Q. or another to know where those facilities are located --18 19 Α. No, sir. 20 -- is that fair to say? Q. You'd agree with me -- I think we've talked 21 22 about it a lot and your testimony talks about it, that the 23 comprehensive plan generally establishes the vision of the 24 community; is that correct? 25 A. Yes.

1 Q. And I think with regard to your rebuttal testimony on Page 2, you talk about comprehensive plans and 2 3 you say that a plan should be future-oriented, establishing 4 goals and objectives for future land use and development, 5 continuous, flexible and able to adjust to changing conditions 6 based on an assessment of present, actual and future 7 reasonable conditions and comprehensive; in other words, coordinated, not haphazard or incremental. 8 9 Have I read that correctly? 10 Α. Yes, you have. And that's your opinion in this case; is that 11 Q. 12 correct? 13 Yes, sir. Α. 14 In this case, the most current version of the Q. comprehensive plan is the 2005 update; is that correct? 15 16 The most current one, yes. Α. 17 Q. And you would agree with me and I think -- I 18 don't know if you'll agree with Mr. Mallory, the presiding commissioner, when he said this, but you would agree that in 19 order to determine the current vision of the community, you 20 21 look to the most current vision of the comprehensive plan? 22 That's correct. Α. 23 And the 2005 update extends the use of this Q. multi-tier system that was originally established in the 2003 24 25 plan; is that correct?

1 Α. It -- yes, it does. 2 In fact, the 2003 plan, one of the things that Q. 3 it did was it got rid of this concept of urban area reserves; 4 is that correct? 5 Α. That's correct. 6 Q. So urban area reserves do not exist in Cass 7 County anymore --8 Α. That's correct. 9 Ο. -- from a planning and zoning standpoint? That's correct. 10 Α. If you'd turn to your rebuttal testimony on 11 Q. 12 Page 26. Are you with me? 13 Α. Yes. 14 Q. One of the things that you talk about in that 15 section of testimony is whether or not the South Harper 16 facility is consistent with what you believe should apply here 17 in the 2003 plan. 18 In the first bullet point up there you say that the facility is an urban use in a rural location that is 19 20 incompatible with the surrounding rural residential uses and should have been located nearer to or within an urban area 21 22 reserve or incorporated area. 23 I assume that since even under the 2003 plan 24 there are no such things as urban area reserves, we should 25 strike that phrase from your testimony. Is that fair to say?

1 Α. Yes. 2 Okay. It would be impossible for Aquila to do Q. 3 as you suggest and locate within an urban area reserve under 4 the 2003 plan? 5 Α. It should be urban tier. 6 Q. Okay. The third bullet point, I assume your 7 answer will be the same, the location of the facility is 8 outside of a designated urban area reserve, has an industrial use with urban character, the facility should be located 9 within an urban area reserve. Again, since those don't exist 10 anymore --11 12 Α. Yes. 13 Q. -- it would have been hard for Aquila to put it in there. Right? 14 Urban tier is what it should read. 15 Α. 16 Okay. One of the things that we have talked Q. about a little bit before you got here today -- you have 17 Exhibit 118 and 119 up there? 18 19 MR. YOUNGS: May I approach, your Honor? 20 JUDGE PRIDGIN: You may. BY MR. YOUNGS: 21 22 Ο. Do you have those exhibits in front of you, 23 Mr. Peshoff? 24 Α. Yes, I do. All right. With regard to Exhibit No. 118, 25 Q.

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which is the comprehensive plan update for 2005, in fact, it 1 2 refers to itself on Page 2 as the 2004 master plan, does it 3 not? 4 Α. Yes. There's a reference to a 2004 master 5 plan. 6 Q. Would you expect that that's because the plan 7 was in some form of creation during 2004, or do you know one 8 way or the other? 9 Α. I don't know. Okay. On Page 2 it also talks about that the 10 Ο. comprehensive plan must guide the direction of growth in the 11 12 county; is that correct? 13 Α. Is there --14 I'm sorry. Underneath the 2004 master plan Q. 15 heading, the second paragraph, the second sentence, The plan 16 must guide the direction of growth, but at the same time be a dynamic tool that accommodates changes in our style of living. 17 Have I read that correctly? 18 19 Α. Yes, you have. 20 And you agree with that statement, do you not? Q. 21 Α. Yes, I do. 22 Ο. Serves as the basis for zoning changes -- or 23 excuse me, zoning decisions. Correct? 24 Α. Yes. And if applications for zoning changes are in 25 Q.

1 accordance with the plan, they are presumed to be reasonable. 2 Have I read that correctly? 3 Α. Yes. 4 Q. And you agree with that? 5 Α. Yes. 6 Q. On Page 3 the plan talks about -- just 7 generally without just reading it into the record -- that the protection and the public -- promotion of the public welfare 8 9 has to be balanced with the property owner's rights to promote reasonable economic use of his property. And that's a 10 statement you agree with as well, don't you? 11 12 Α. Yes, sir. 13 It would be inappropriate to just consider the Ο. 14 impact on surrounding properties while balancing that with the other factors we've been talking about today, would it? 15 16 It's a balancing test. Α. There is this thing called a multi-use tier 17 Q. 18 that we've been talking about, which is discussed first on Page 25 of the comprehensive plan which talks about that these 19 20 are areas near towns and cities and along paved highways and 21 thoroughfare roads where non-agricultural development such as 22 commercial and industrial uses and residential development 23 that's denser than 20-acre lots is encouraged. 24 Large scale development is allowed, including 25 commercial and industrial zoning, provided there are provision 1 for direct access to paved roads.

2 Have I read that correctly? 3 Α. Yes, you have. 4 Q. On Page 28, again, multi-use tiers are 5 representative of development areas within Cass County that 6 exhibit the following characteristics: Positioned as 7 transitionaries from urban to rural densities located along 8 rural highways, main arterials and intersections or close 9 enough to such major roads to provide access for more intense levels of non-agriculture traffic; and third, predominantly 10 developed for a mix of land uses, residential, industrial and 11 12 commercial purposes. 13 I've read that correctly, have I not? 14 Α. Yes, you have. All right. And, again, we've talked about how 15 Q. 16 Peculiar is about a mile and -- you've said 1.4 miles away from the South Harper site. Correct? 17 18 Α. Yes. This is TSH-1, I think, which for the record 19 Ο. 20 is an enlargement of an aerial photograph of the South Harper 21 site and the surrounding areas. 22 MR. YOUNGS: May I approach, Judge? 23 JUDGE PRIDIGN: You may. 24 BY MR. YOUNGS: 25 Q. I'll represent to you, and then maybe you can

figure this out yourself too, but this is a view looking west 1 2 onto the plant's site. 3 Α. Looking east. 4 Q. Excuse me. Thank you. Good thing you weren't 5 trusting me. 6 Looking east and there's also a view to the 7 northeast; is that correct? 8 That's correct. Α. 9 Ο. And there's a few of some of the properties that are north of the 74-acre parcel; is that correct? 10 11 Α. Yes. 12 Q. And you can see how around the plant site you 13 would agree with me that residences are less dense than they 14 are as you approach Peculiar, which is to the northeast. Would that be fair to say? 15 16 Α. Yes. Okay. And we've talked a lot about this gas 17 Q. 18 compressor station, which is behind you on the screen. That is a -- what you've I think referred to as an industrial use 19 20 of that property just north of the power plant. Correct? 21 Α. Yes. Q. 22 And, in fact, from this view, which I'll 23 represent was taken from resident Frank Dillon's front yard, 24 you can just barely see any of the power plant; is that 25 correct?

1 A. In this photograph.

I'm not saying that there aren't angels from 2 Q. 3 which you can see the power plant, but from this one, which is 4 directly across the street, you can't see it, can you? 5 Α. That's correct. 6 Q. And that's because the gas compressor station 7 is in the way? 8 It's the orientation of the photograph and the Α. 9 area -- area that's being shown. So since there are three 10 towers out there, actually standing there with a photo that isn't cropped to those dimensions, you would see much more of 11 12 the South Harper facility. 13 But in terms of the towers, they're right Q. 14 behind, you can just barely see, that's because the compressor 15 station is in the way? 16 Α. It's in front of. It's between the 17 photographer and the facility. Fair enough. There's no dispute that under 18 Ο. the 2005 comprehensive plan, the South Harper facility is 19 20 within the multi-use tier. Correct? 21 Α. That a portion of it is. 22 What portion of it is not? Ο. 23 If we look at the map -- the tiers map for Α. 2005, we see that the boundary for the multi-use tier does not 24 25 include all of the South Harper site area.

1 Q. If I represented to you, Mr. Peshoff, that the multi-use tier encompasses everything except some portion of 2 3 the switchyard, which is just west of the facility, you'd 4 agree with that, would you not? 5 Α. It -- yes, includes part of the facility and 6 excludes part of the facility. 7 Q. Okay. So the portion that we're looking at right here, which includes the compression station, the 8 9 plants -- or excuse me, the exhaust towers and the turbines, 10 your position would be that those are included or excluded? 11 Α. I don't know. We would have to superimpose the imagery from the multi-use tier boundaries as shown on the 12 13 map -- plan map over some aerial imagery and see where that 14 boundary exists. I believe that one of our maps might do that and we could see what portion of that --15 16 You certainly haven't done that in this case, Q. 17 have you? In preparation for the filing of your rebuttal --18 Α. In my rebuttal ---- or your surrebuttal testimony under the 19 Ο. 20 2005, you have not? 21 Α. No. Not for 2005. 22 Okay. And under any circumstances --Ο. 23 Α. Actually, I'm going to clarify that, if I may. It has not been presented with this rebuttal testimony, but we 24 25 looked at a number of different scenarios. And that is one

that we did prepare. So I don't want to imply that we did not 1 2 consider that. 3 Q. Mr. Peshoff, you've put together a map showing 4 the 2005 multi-use tier and the location of the properties 5 within that tier as part of your rebuttal testimony, did you 6 not? 7 A. Yes, we did. 8 (Exhibit No. 125 was marked for 9 identification.) BY MR. YOUNGS: 10 Q. I'm showing you what's been marked -- and I'm 11 12 sorry, I don't have an extra copy, but it is one of your 13 schedules, Exhibit No. 125, which is the map you prepared 14 showing the subject properties in conjunction with the 2005 multi-use tier. Correct? 15 16 Α. Yes. Okay. And so what you're saying is with 17 Q. regard to the South Harper facility, this is the entire 18 parcel, is it not? 19 20 That's correct. Α. 21 Q. And you understand that the facility does not 22 take up the entire parcel? 23 That's correct. Α. 24 Okay. So there's some portion of the facility Q. 25 that's located within this box that, as you've indicated, is

on the edge of the multi-use tier. Correct?

1 2 Yeah. I -- yes, outside of the multi-use Α. 3 tier. 4 Q. And so with regard to the Peculiar 5 substation -- and I think we need to clarify -- this actually 6 needs to be on the other side of this line, doesn't it? 7 MR. COMLEY: I'm confused. Excuse me, Mr. Youngs, but can you, for the record, show me what you're 8 9 referring to when you say, This has to be on the other side of 10 the line? MR. YOUNGS: Yeah. I'll put it up. 11 12 BY MR. YOUNGS: I've put it on the overhead projector, 13 Ο. 14 Mr. Peshoff. And with regard to the substation, I think that 15 we've established that your map is wrong, that the substation actually needs to be reflected on the east side of that 16 17 intersecting roadway. Would you agree or disagree with that? 18 I don't know, to tell you the truth, exactly Α. 19 if that is on the wrong side. The problem that we've had in getting data using -- getting the best available information 20 21 is that the county's planning maps have not been parcel based. 22 So this has been a continual process whereby we've been 23 improving the data that the county has. 24 We now do have some parcel data, parcel 25 boundaries. I don't know how that -- how that fits in with

1 that location.

2 So using the data that the county has given Q. 3 you up to this point, this is the best you can do? 4 Α. This is the best information that we have. 5 Ο. All right. Good enough. But under any 6 circumstance -- I'm not sure if I got my question answered. 7 Under any circumstance, the substation is located -- at least part of it is located in a multi-use tier under either the 8 9 2003 or the 2005 plan? That's correct. 10 Α. And, in fact, if it's not all in the tier, the 11 Q. 12 northern part of it may be in an urban surface tier --13 Α. Yes, sir. 14 Ο. -- correct? 15 With regard to the comprehensive plan -- and, 16 again, for purposes of this, I'm talking about both the 2003 or 2005 update. Both have codes of conduct, do they not? 17 I'm sorry? The comprehensive plans --18 Α. 19 Ο. Correct. 20 -- have codes of conduct? Α. 21 Q. Correct. If you'd turn to page 77 of Exhibit 22 No. 118. 23 Yes, I see that. Α. 24 And do you see this code of conduct is to Q. 25 govern the conduct of the planning commission's business; is

1 that right?

2 Α. Yes. 3 Ο. Turning to page 79 -- and just so we're clear, 4 this code of conduct applies to anybody within the county who 5 has a role within the planning and zoning process, doesn't it? 6 Α. Well, that's a good question. I don't know. 7 Because it's an appendix to the comprehensive plan and it 8 could be added for information only. I mean, it does make a 9 statement in its opening line governing the conduct of the planning commission's business, but I don't know whether it 10 would carry the weight as an appendix as a part of the 11 12 comprehensive plan. It may, I just don't have an answer for 13 you. 14 Q. Okay. But it is an appendix. 15 Α. 16 So you just don't know if has got any effect Q.

10 g. So you just don't know if has got any effect 17 at all or if it should guide the activities of the various 18 members of the county staff or government who deal with these 19 issues?

A. That's right. Obviously this was created at some point by the county and included with the plan. To answer your questions, I don't know if it carries the same weight as an appendix.

24 Q. Well, then let's set aside the comprehensive 25 plan for just a second. Do you think that it's crucial in the

planning and zoning process that decisions by anybody 1 associated with that process be made fairly? 2 3 Α. Yes. 4 Q. And that they be made impartially? 5 Α. Yes. 6 Q. And that not only are they made fairly and 7 impartially, but that they give the appearance of being made 8 fairly and impartially? 9 Α. I agree with that. Do you agree with me that the credibility of 10 Ο. the planning board's function and the other boards, including 11 12 the Board of Zoning Adjustment, depends on that impression and 13 the actual compliance of those principles? 14 Α. Yes. 15 Would it be fair to say that you agree that Q. 16 someone who is associated with the review of a Planning Board decision should not have discussions in a case with anyone who 17 has an interest in the outcome of that development proposal 18 while that process is ongoing? 19 20 Well, we would -- and we deal with this type Α. 21 of an issue regularly, especially with smaller communities. 22 Ο. First of all, I'm sorry, sir. Is it possible 23 for you to answer my question yes or no? 24 MR. COMLEY: At this point I'd interpose an 25 objection based upon vagueness.

MR. YOUNGS: I'm asking the witness if he 1 thinks it's important that somebody who's associated with the 2 3 review of a zoning decision should or should not have 4 conversations with people who have an interest in that 5 decision. JUDGE PRIDGIN: I'll overrule. He can answer 6 7 if he knows the answer. 8 THE WITNESS: If they do, disclosure should 9 occur at the public meeting. That's what I was trying to get 10 to. BY MR. YOUNGS: 11 12 Okay. I guess I want to just go back to your Q. surrebuttal testimony then, because if -- you're not sure 13 14 whether the appendix has any impact on this. You would agree with me that you prefer decision makers to remain impartial 15 16 and not appear to align themselves either for or against a 17 proposal or project. The proposal should be judged solely on 18 its merits and ability to comply with plans, regulations, rules and policies --19 20 Α. Yes. 21 Q. -- have I read that correctly? 22 And that's your testimony which you agree with 23 as we sit here today; is that right? 24 Yes. Α. 25 Q. And you wrote that testimony with regard to

1 your concerns about Mr. Fischer's involvement on behalf of the City of Peculiar in working with Aquila regarding the South 2 3 Harper site. Correct? 4 Α. If you could tell me what page we're on, but I 5 believe that is correct, from my recollection. 6 Q. Pages 9 and 10 of your surrebuttal. 7 Α. Yes. And you took some of the statements in his 8 Q. 9 rebuttal testimony as raising a red flag for you; is that 10 correct? 11 Α. That's correct. 12 There's been evidence in the case -- and I Ο. 13 don't know if you're aware about it or not, I assume you are, 14 that Mr. Mallory in his capacity as the chair of the Board of Zoning Adjustment, after the Planning Board voted to recommend 15 16 denial of Aquila's special use permit application for the Camp 17 Branch facility, had conversations with Aquila representatives 18 prior to a scheduled BZA hearing in which he told those representatives that he believed their application had about a 19 20 snowball's chance in hell of being approved. 21 MR. COMLEY: I'll object to the question. I 22 think it mischaracterizes part of the evidence that was heard 23 today. 24 MR. YOUNGS: I think it's a pretty fair summary of what Mr. Mallory's testimony was, but I'll defer to 25

1 the record. 2 JUDGE PRIDGIN: I'll overrule. That's 3 essentially how I remember the evidence. 4 BY MR. YOUNGS: 5 Ο. Had you heard of that conversation? 6 Α. Yes. 7 Q. All right. I would assume you'd agree whether it's under the appendix or whether general principles of even 8 9 the appearance of fairness or impartiality that you've talked 10 about today, that that conversation should not have taken place in that capacity. You'd agree with that, wouldn't you? 11 12 That kind of blustering is just inappropriate. Α. 13 You talk about Mr. Fisher's support is a red Q. flag. What color flag did Mr. Mallory's conduct raise for 14 15 you? 16 One of frustration. Α. Let's talk about the adoption of the 2005 17 ο. 18 comprehensive plan. I think there's been evidence that's, I 19 think, undisputed that this process began in early 2004. 20 That's your understanding; is that correct? 21 Α. I believe so, yes. 22 And that there were meetings in the fall and Ο. 23 winter of 2004 and early January of 2005 in which the plan was raised, discussed and concerns and objections in some cases 24 25 aired to it. You're familiar with that?

1 Α. Yes. But I think that overstates what the process was. Because my understanding of the process, after 2 3 interviewing staff, is that it was a planning process devoted 4 primarily to the zoning ordinance and not the plan and that 5 the plan changes did not even get discussed until the very end 6 of the process. 7 Q. Okay. You would, of course, yield to the minutes of those meetings in terms of what they show was 8 9 discussed at those various meetings? Α. 10 Yes. As opposed to the recollection of the staff 11 Q. 12 members who you interviewed? 13 Α. That's correct. 14 Ο. Which conversations are not reflected in your direct testimony as anything you relied on in giving your 15 opinions in this case. You'd agree with that? 16 It may not be, but it would just be a normal 17 Α. 18 course of doing any type of a planning analysis. And it's also been established the 19 Ο. 20 construction of the facilities did not begin until after January 11th, 2005. You agree with that? 21 22 Α. I believe that's a -- I believe that's true. 23 Q. You're aware --24 Α. And it would --25 Q. -- of the fact that -- excuse me.

1 Α. It would depend on how one would define construction activities as well. 2 I'm just going by what Mr. Mallory said in his 3 0. direct testimony. 4 5 You would agree that Cass County did not begin 6 conducting zoning as a first-class non-charter county until 7 January of 2004. You're aware of that? 8 When their status changed. Α. 9 Ο. Correct. 10 Α. Yes. As this process was going through and the plan 11 Q. 12 was being discussed and the zoning -- the changes to the 13 zoning ordinance were being discussed, there's nothing that 14 would prevent anybody during that process from recommending or actually making changes to the comprehensive plan as a result 15 16 of those discussions. Fair to say? 17 Α. Yes. In fact, that's the purpose of the 18 Ο. discussions, isn't it? 19 20 Yes, sir. Α. 21 Q. You'd agree with me -- I want you to assume 22 some facts here -- that Aquila did not know that Peculiar 23 would not annex the South Harper site until October 23rd of 24 2004 and that Aquila decided to file a special use permit application for the plant with Cass County. And further 25

1 assume that it was able to get the information assembled and the application filed by mid-December. 2 3 You'd agree with me that although the process 4 can go faster, the Planning Board has 60 days in which to make 5 a decision on that application? 6 Α. Yes. 7 Q. And from that application's recommendation, denial or approval, the Board of Zoning Adjustment has another 8 9 60 days in order to make its decision? 10 Α. I believe so. So conceivably under my hypothetical, a final 11 Q. decision by the BZA would not have occurred until after the 12 13 February 1, 2005 effective date of the comprehensive plan. Correct? 14 Theoretically. 15 Α. 16 Similarly, there's been evidence about a Q. 17 letter and an invitation to Aquila in a letter from counsel 18 dated February 1st of 2005 inviting Aquila to file a special 19 use permit application for both the substation and the plant 20 site. Are you aware of that? 21 Α. No, I'm not. 22 Assuming that Aquila accepted that invitation Ο. 23 and filed that special use permit application, it would be filed after February 1st, 2005. Correct? 24 25 Α. Presumably, yes.

In any event, you and I can agree that in 1 Q. order to get the current vision of the county with regard to 2 3 land use issues, you should look to the current plan? 4 Α. Yes. 5 Ο. And there's nothing cited in your testimony 6 that purports to indicate that the Commission is prohibited, 7 as a matter of law, from looking at the 2005 update, is there? 8 MR. COMLEY: I'll object to that. It implies 9 he has an obligation to render a legal conclusion in connection with his testimony. 10 11 MR. YOUNGS: I'll rephrase the question. 12 JUDGE PRIDGIN: All right. 13 BY MR. YOUNGS: You're not aware of anything that prohibits 14 Q. 15 the Public Service Commission in this case from looking to the 16 comprehensive plan to determine the issues in this case? 17 Α. Nothing that would prohibit them from it. 18 Ο. Your question is just which one makes the most sense to use? 19 20 Α. Yes. 21 Q. All right. You talk in your testimony a 22 little bit about some factors. And you use the 2003 plan, but 23 I'm just trying to figure out some facts that we can agree on. 24 Again, we've talked about Peculiar being about 1.5, 1.4 miles 25 away from the South Harper site. Correct?

1 Α. Yes. And we've established that there is, in fact, 2 Q. 3 a gas compressor station immediately north of the plant site. 4 Correct? 5 Α. Yes. 6 Q. Now, just so we're clear, in terms of the 7 plant site, there's been a lot of discussion. You understand 8 that the parcel at South Harper Road and 241st Street is 9 approximately 74 acres? 10 Α. I believe so. But you'd agree with me that of that 74 acres, 11 Q. only a little more than 9 acres of it is occupied by the South 12 13 Harper plant? 14 Α. Well, yes and no. I understand that there's a larger parcel that's under control and ownership of the South 15 16 Harper peaking facility. And they're only at this point in 17 time using a portion of that parcel. There are questions as to what decisions should be made for just -- to restrict any 18 decisions to a portion or whether it should apply to the 19 20 entire site. 21 Q. My only question to you in terms of what 22 machinery is occupying that 74 acres, you'd agree with me that 23 only about 9 acres of that are occupied by Aquila? 24 Α. I don't know that. 25 Q. You just don't know one way or the other?

A. I don't know how many acres are being used for
 the machinery.

3 Q. Okay.

4 Α. We typically do not look at a use 5 compartmental -- compartmentalizing it within a parcel. It is 6 what is the use of the parcel, not just a piece of the parcel. 7 Q. All right. So taking a look again at TSH-1, which is the aerial photograph, the use that I was talking 8 9 about that comprises about 9 acres is this area here (indicating) where the turbines and the exhaust and the other 10 portions of the facility are, plus the substation switchyard. 11 12 That's about 9 acres. And what you're saying is you're 13 supposed to look at the entire parcel to determine --14 Α. Yeah. I guess the question I'd have is would that substation exist without the plant being located there. 15 16 And that's kind of a need question. Wouldn't Q. 17 you agree? No. It's about could that substation on the 18 Α. western portion of the southern parcel -- portion of the 19 parcel exist independent of the towers on the eastern portion 20 21 of the parcel. 22 Ο. Okay. 23 Α. And that's one reason to tie these together, because they are a use that are -- or effectively appear to be 24

25 joined at the hip.

1 Q. Well, and that's what I'm doing. When I'm saying the entire area here, the plant and the substation 2 3 comprise about 9 acres, you don't have any reason to dispute 4 that, do you? 5 Α. No reason to agree or dispute it. 6 Q. So you would also agree with me -- set aside 7 the, I think, 6 or so acres that are occupied by the Southern Star gas compressor station. You would also agree with me 8 9 that the remaining part of the parcel north of there, there is a use on there. And what is that use? 10 A. 11 It must -- I said it was some ag use. I didn't --12 13 Okay. In fact, maybe you didn't notice it Q. 14 when you were driving by, but the fact of the matter is there's a farm on that piece of property, isn't there? 15 16 It would appear to be, yes. Α. 17 Q. And a barn. Correct? I'd have to look at the photograph. 18 Α. Whatever's there is there. I was just going from recollection 19 and I recalled it was agricultural. It apparently had a barn 20 and a farm there. It's not critical. 21 22 Well, and four ponds. Correct? Ο. I don't know. 23 Α. 24 Okay. And you say it's not critical, but Q. 25 isn't one of the things that you're trying to make a

determination of and one of the opinions that you're giving to this Commission, the use of the parcel that you and I were talking about and the adjacent uses of that parcel from a land use planning perspective?

5 A. Uh-huh.

6 Q. That's true, isn't it?

7 A. Yes. Yes, it is.

8 Q. So it would be significant to you to know that 9 the northern half of that parcel is occupied by a farm?

A. And that's the precise reason why maps and photographs are helpful to make sure we don't just rely on our memory. After looking at that, we can -- I can see, yes, I misspoke because I had the impression because of the large rural nature, that there was not on that immediate parcel on that corner a farm. So there is. It's not a big deal.

Q. Okay. And the reason I bring it up -- and I appreciate you clarifying that for me -- is because that in your testimony and I think it was on page -- make sure I've got it right here. On Page 27 in the second bullet point you say, Instead, the facility is currently adjacent to residential areas on the north and east sides.

And I just wanted to make sure that when you were talking about what was adjacent to the site on the north, that you were recalling the gas compressor station that's immediately north to the site.

1 Α. No. No. You are misconstruing. Because we have not given the impression that we are somehow splitting 2 3 the parcel that is under the control and ownership of the 4 South Harper Road peaking facility. That's -- that's an 5 effort that you are attempting to do and that's why I just 6 stated a moment ago, that's not how a planner would look at 7 this. We would not try to split the parcel. 8 And the calculations you were coming up with 9 for the 9 acres here, that's more a measure of what's the amount of impervious area. We wouldn't say that's the only 10 amount of the area that's being used for that site. 11 12 Well, and another part of that area -- of that Q. 13 64.3 acres that remains when you take out the 9.3 acres that's 14 occupied by the facility itself, that's another set of acreage that would be available for screening. Correct? 15 16 Absolutely could be. Α. 17 Q. And has been, hasn't it? 18 Α. For some screening. And, in fact, to the west and the south 19 Ο. there's existing screening? 20 21 Α. That's correct. 22 Ο. As depicted on TSH-1. Correct? 23 Α. Yes. 24 So that's a factor that you have to take into Q. 25 account when you're looking at the compatibility of this site

1 with the surrounding uses?

2 Α. Yes, we would. 3 Ο. Taking a look at the zoning order that was 4 adopted in 2005 -- just so we're clear, the 2005 zoning order, 5 which is Exhibit 119, it repeals the 1997 ordinance, does it 6 not? 7 Α. Yes. 8 And there's no dispute that electric services Q. 9 and power generation facilities are permitted uses in an agricultural district with a special use permit. Correct? 10 11 Α. I believe that's correct. 12 Okay. As are commercial feed lots, metal Q. mining, coal mining, railroad switching, truck terminals, 13 14 airports, sewage, sanitary landfills and correctional institutions. That's true, isn't it? 15 16 I'll take your word for it. Α. 17 ο. I just pulled it off the chart. And that's 18 not to say there aren't other factors, but there's no dispute that those are permitted uses with a special use permit. 19 20 Correct? 21 Α. Yes. 22 And, in fact, as a matter of right, if you Q. 23 have a piece of agricultural property, you can operate a food plant, newspaper publishing facility, you can conduct ship 24 25 building and you can have an auto repair shop. True?

1 Α. If that's what the ordinance identifies, yes. And you reviewed the special use permit 2 Q. 3 application for the substation and the South Harper peaking 4 facility as part of your preparation in this case. Correct? 5 Α. Yes. We gave -- I gave it preliminary review, 6 not a detailed review. 7 Q. Okay. 8 (Exhibit Nos. 126 and 127 were marked for 9 identification.) BY MR. YOUNGS: 10 Mr. Peshoff, I'm showing you what's been 11 Q. 12 marked as Exhibit No. 126, which is the special use permit 13 application for the South Harper peaking project that was 14 attempted to be filed in January, and the special use permit application for the Aquila Peculiar 345 kilovolt substation 15 project also attempted to be filed. 16 17 Can you just confirm for me that those were 18 what you reviewed? And I understand it was a brief review as part of the presentation for the giving of your opinions in 19 20 this case. 21 Α. These -- these look to be -- it looks to be 22 the same document. 23 Q. All right. 24 MR. YOUNGS: Your Honor, I will offer Exhibits 126 and 127. 25

1 JUDGE PRIDGIN: And let me make sure that I've got the exhibits straight. 126 is the SUP application for 2 3 South Harper peaking facility. 4 MR. YOUNGS: That's correct. 5 JUDGE PRIDGIN: And 127 is the SUP for the 6 Peculiar substation. 7 MR. YOUNGS: That's correct. 8 JUDGE PRIDGIN: Any objection? 9 Hearing none, Exhibits 126, 127 are admitted. (Exhibit Nos. 126 and 127 were received into 10 evidence.) 11 12 BY MR. YOUNGS: 13 One of the things -- since we've been talking Q. 14 about this gas compressor station, it's reminded me to ask you about additional conditions. I think you referred to those in 15 your testimony. Can you pull Exhibit 119 out for me for just 16 17 a moment? Have you got it? 18 Α. Yes. And turning to Page 86, in Article 8, which 19 Ο. deals with special use permits in Cass County, there are 20 21 additional conditions for particular special uses set out; is 22 that correct? 23 Α. Yes. 24 And just from a general standpoint, those are Q. 25 uses in which Cass County or any regulatory body has

1 determined have some special features that need to be dealt 2 with specially. Is that a fair summary? 3 Α. Yes. 4 Ο. Okay. And that would include in this case 5 residential or outpatient facilities for drug or alcohol 6 abuse. Correct? 7 Α. Correct. 8 Special manufactured home placement. Correct? Q. 9 Α. Yes. Uses involving the storage, processing or 10 Ο. manufacturing of large quantities of toxic chemicals. 11 12 Correct? 13 Α. All right. Yes. Communication towers, adult entertainment 14 Q. establishments, which is on Page 89, composting sites on 15 16 Page 92, sanitary landfills on Page 93. Have I read those off correctly? 17 18 Α. Yes. And just so we're clear, there's no dispute 19 Ο. power generating and transmission facilities are not included 20 21 in that list of uses that require additional conditions; is 22 that correct? 23 Say it again. Α. 24 Just so there's no dispute, power generation Q. and transmission facilities are not included in those listings 25

of uses for which there are additional conditions?

A. That's -- that's correct.

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3 Ο. And our discussion about the gas compressor 4 station has reminded me. One of the things that you do when 5 you have come to your conclusions in this case is you look at 6 the factors for evaluating special use permit applications and 7 one of those factors is adjoining uses and the general 8 compatibility of the use with the surrounding area. Correct? 9 Α. Yes. Would it be fair to say -- and you tell me if 10 Ο. you can find it -- nowhere in your rebuttal or your 11 12 surrebuttal testimony do you consider the impact of the gas 13 compressor station in that analysis, do you? 14 Α. I'm not sure I understand your question. Well, take a minute and look through your 15 Q. 16 rebuttal and your surrebuttal testimony and let me know if you 17 considered the existence of the gas compressor station that's 18 on the screen now in coming to your conclusion that the South Harper facility was not a compatible use for this area. I'll 19 20 represent to you that I couldn't find it.

A. Yeah, it may not have been mentioned. Again,
this was a -- never mind.

23 Q. Well, go ahead.

A. No, that's all right.

25 Q. In fact, you weren't really -- when you

1 prepared your rebuttal and your surrebuttal testimony, you weren't planning to opine on the ultimate issue of whether or 2 3 not this facility was compatible with this area, were you? 4 Α. No. Actually, that was one of the points we 5 did make that it wasn't consistent with the plan. And 6 consistent with the plan means a lot of things and 7 compatibility is clearly one of those land use factors that we 8 were looking at.

9 Ο. I want to look at your rebuttal testimony and I'll ask you to look with me. On Page 27 -- and, again, 10 setting aside the fact that you're using the 1997 zoning 11 12 ordinance which has been repealed, you say that it does not 13 meet the criteria of the 1997 zoning ordinance because a 14 special use permit is required to support electrical services and power generation facilities in an agricultural district. 15 16 The land the facility is located on is 17 identified as an agricultural district. Such a facility is 18 allowed in an agricultural district only with a special use 19 permit.

20 Secondly, electric services and power 21 generation is a use permitted by right in an Il and I2 22 district. It is not a use permitted in any other district. 23 The facility should be located in an appropriately zoned 24 industrial district.

25 And three, Article 8, special use permits,

1 describes the Board of Zoning Adjustments' right to grant or deny special use permit and delineates proceeds for 2 application, hearing, findings and action by governing body. 3 4 As the facility is located in an agricultural district, a 5 special use permit should have been obtained. 6 Have I read that correctly? 7 Α. Yes, you have. And that's the sum total of the comments that 8 Q. 9 you had supporting the statement that the South Harper 10 facility does not meet the criteria of the 1997 zoning ordinance, as stated in your rebuttal testimony? And I've 11 12 heard what you said today, but have I read this correctly? 13 No. These are not the only items. If we were Α. 14 doing a staff report, it would have been a detailed analysis of compliance with the applicable plan and ordinance, which in 15 16 2004 would have been the 2003 plan and the '97 ordinance. We 17 weren't doing a detailed staff report. We were trying to hit 18 the major points to give the flavor of why development review was important for the county to do. 19 20 Okay. And one of the factors, as we talked Q. 21 about, is the compatibility of the site with adjoining uses 22 and the general nature of other uses in that area. Correct? 23 Α. Yes. 24 And in your report you did not mention the Q. 25 Southern Star gas compressor station in any respect; isn't

1 that true?

2 And that doesn't mean it's not a valid issue. Α. MR. YOUNGS: Thank you. Those are all the 3 4 questions I have for this witness. 5 JUDGE PRIDGIN: Mr. Youngs, thank you. 6 Let me see if we have any questions from the 7 Bench. Commissioner Gaw? 8 QUESTIONS BY COMMISSIONER GAW: 9 Ο. I can start. I don't know if I can finish. Good afternoon, sir. 10 How are you? 11 Α. 12 Enlighten me on your opinion of an evaluation Q. 13 of this question. If you assume that the 2005 comprehensive 14 plan is in effect at the time you're doing the evaluation, how much difference is there in that plan being adopted and the 15 evaluation of this land use? 16 There's a -- there's a significant change in 17 Α. 18 the -- in an enlargement of the multi-use tier in the 2005 plan. If this development review occurred in a timely manner, 19 20 that is, prior to construction, again, that would have taken 21 us through 2004. And in 2004, the documents that any planner 22 would have used for review would have been those in existence 23 at that time, which would have been included the '03 plan and 24 the '97 ordinance. 25 Q. Okay. But my question is this. If I'm

looking at this under the 2005 plan, tell me what the process 1 would be and contrast it to what the process would be under 2 3 the previous plan. 4 Α. The process would be the same. It would only 5 be the documents that change. 6 Q. And how does that impact the evaluation of 7 land use? 8 The -- the question that I believe ought to be Α. 9 asked is, what would the decision have been at the time if it was made at that time. And it would have been made on the 10 best available information, which would have been the '03 11 12 plan. I understand -- I understand your argument, 13 Q. but that's not my question. 14 I guess I don't understand your question. 15 Α. 16 My question is, if we're looking at this today Q. 17 and there was a proposal to build a plant today at a site that 18 was next to or close to the South Harper facility, what would be the difference in the evaluation that would be done by the 19 20 entities in Cass County if they were examining this from the 21 land use standpoint? 22 Α. Then the review would be taking place under 23 the '05 plan. And under that plan, if it's in this area or nearby --24 25 Q. Yes.

Α. 1 -- it would now be included within the multi-use tier. And then the question would be, is this an 2 3 appropriate use within the multi-use tier for this location. 4 Q. Okay. 5 Α. I don't mean to run on, but its --6 Q. No, that's okay. 7 Α. -- inclusion in the multi-use tier now is by no means a guarantee that it would have been approved any 8 9 place within the multi-use tier. Just that its use would be restricted in some area within the multi-use tier, different 10 locations or possibilities. 11 12 Okay. And from the standpoint of how that Q. procedure works, can you give me a little more comprehension 13 14 here about what changes in regard to the evaluation? Is there a burden of proof change? Is there something that occurs in 15 16 regard to how much you have to demonstrate before you get a 17 special use? Is it called something different? I need to be 18 walked through how that would proceed and compare and contrast the two time frames for me. 19 20 All right. I think that the -- perhaps the Α.

best way to do it might be to actually look at the provisions in either the '05 or the '03 plan. And the only reason I use '03 is because the text is unchanged, describing what should be permitted what the policies ought to be within a multi-use tier versus a rural tier. 1 So the change that occurred with the '05 plan 2 is that now there is an understanding and a general agreement 3 in the county that in this area these types of more intensive 4 uses are appropriate, that development occurring -- and I 5 think the number is 20-acre size -- 20-acre size lots or 6 smaller is appropriate in this area.

7 And that's the prospective that the planning 8 commission and the County Commission should be using, is this 9 appropriate for a more intensive use in the multi-use tier or 10 in the rural tier is this not appropriate type of use. So 11 it's a paradigm. It's a different perspective of what should 12 go in this type of -- in this area.

Q. In evaluating an application under the '05 plan as compared to the '03 plan, is it the -- how much difference is there in the likelihood of approval of a power plant or something of this sort like we're looking at in this case?

A. Well, I think that there are more arguments in favor of locating a plant in a multi-use tier than there are in a rural tier. So the fact that the '05 allows development in this area for this -- this type of development rather, gives a certain amount of weight and credibility that this is not a unexpected and unreasonable request.

24 Q. Okay. Now, does that mean that a request does 25 not have to be made in order to utilize the property in that

1 fashion?

2 No. An application would still need to be Α. 3 brought forward. 4 Q. And what would the application be for? What 5 would be included? 6 Α. Well, there would still be an application for 7 either a special use permit because of the agricultural zoning 8 or an application for rezoning. The fact that it's in a 9 multi-use tier now would be one of the arguments in favor of approving either the special use permit or the rezoning 10 application --11 12 Q. Okay. 13 Α. -- because of that designation. The 14 designation of a tier, the type of tier, is an important 15 statement that communities and counties make. 16 Okay. And what would be the arguments that Q. 17 would be available against granting a special use or -- I forget what the other one --18 19 Α. Rezoning. 20 Rezoning? Q. 21 Α. The arguments would be the same. That it may 22 not be compatible, there may not be infrastructure. When one 23 looks at the -- the policies that should apply for a multi-use 24 tier, you also have infrastructure -- there's a list of the 25 three items that we just talked about in the previous list of

questions. One of them identified is the type of roadway,
 highway -- rural highway, a primary arterial.

3 So within that multi-use tier, there are going 4 to be areas that are located along, for example, rural 5 highways or primary arterials that point to directly this is 6 an appropriate use in a multi-use tier when you're on a rural 7 highway, primary arterial. We look to see how those are 8 defined. What is a primary arterial? We look at South Harper 9 and see it's not a primary arterial.

10 So there are areas within the multi-use tier 11 that have primary arterials that have rural highways. There 12 are areas within the multi-use tier that do not have primary 13 arterials. They mainly have collector roads or minor 14 arterials. And that deals with how wide the road is, how deep 15 the pavement is.

In this portion it's only 6 inches deep so it means that it's -- all the measurable factors for this type of roadway are that it's a minor arterial, slash, collector and it's not within the framework of what would be anticipated for a multi-use tier for industrial more intensive use because that asks for rural highway or primary arterial.

Q. Give me some other factors that weigh againstit under the '05 plan.

A. There would also be the land use compatibilityissues. Is this an appropriate use? What are the intentions

1 for the area? One of the problems that I've identified with the '05 plan and with the '03 plan, as a matter of fact, 2 3 relate to the definition and use of the tiers that have been 4 drafted by the planning consultant for the county. 5 Tiers are supposed to be a second level of 6 analysis. Your future land use map ought to identify with 7 some broad brush strokes where future land use types ought to 8 be located.

9 Within that map across the landscape, 10 commercial use is here and here and what have you, there 11 should be a tier system that identifies a temporal element. 12 When should these areas be developed? When should facilities, 13 infrastructure be extended to these areas?

The defect with this tiers map -- tiers, slash, future land use maps is it tries to do two things and it does neither very well. If the future land use map were to identify specific future uses, we would have our question answered, is this area appropriate for an industrial use.

19 It doesn't. It paints a very broad picture of 20 any place within a multi-use tier might be appropriate. And 21 that's one of the handicaps we have, but one that the 22 flexibility apparently that the county wanted to be able to 23 look at different types of uses anywhere within the multi-use 24 tier. So there's a conceptual range. A lot of flexibility, a 25 lot of discretion versus less discretion.

1 Q. Is that kind of discretion in any way unlawful or can it reach a point where it becomes a problem legally 2 3 from a procedure standpoint? 4 Α. I -- it's -- I guess anything -- it could be 5 possible, but from what I've seen, I don't view this as being 6 an illegal plan. I wouldn't even remotely consider that. 7 I would say that it could be done in a more defined, concise manner, that more specificity would be easier 8 9 for decision makers to be able to rely on and say, this is why 10 we think an industrial use is appropriate for this area because our long-range planning process said this is where our 11 12 industrial uses should be located. 13 So I'm more of an advocate for providing more 14 precision, but again, we need that flexibility and certainty. And that's because it gives parties out there 15 Q. 16 more notice of where the county would find acceptability in 17 particular projects or particular sites or things? 18 Absolutely. Trying to identify the key Α. activity centers for more intensive uses, the key corridors 19 for more intensive uses is critical to a sound growth 20 21 management plan. 22 Is it any indication that the county or --Ο. 23 county is ceding its authority or ceding its ability to make decisions in regard to what is the appropriate use within a 24

multi-tier or an area that has -- allows a development for

25

1 industrial and agricultural and residential in its plan?

2 A. I'm not sure I --

Q. Yeah, that was a little convoluted. I'm trying to ask whether or not the county, by not having a more specific road map as it were, is in any way ceding its authority to make the decisions on what is appropriate siting in a particular area?

8 A. I think it raises their burden. It means they 9 have to do more work. It's going to involve more public 10 participation and outreach to clarify these specific 11 questions.

And that may have been what the county intended, but that has potential -- the example with it could take 60 days, it could take 60 days. Our goal ought to be streamlining and condensing the review process. If we leave more questions unanswered, it means then that the review process for these types of applications have to be expanded to be able to ask those types of questions.

19 Q. If I understood you correctly, it's not 20 indication that the county doesn't want to make those kinds of 21 examinations. Would that be correct?

22 A. That's correct.

Q. In regard to your view that trying to determine what is appropriate land use is helped or aided by specifics that give people guidance in regard to what is or is

Commission and looking at particular land use. 2 3 I think you may have said, but I can't recall. 4 Did you look at or attempt to look at material that would 5 provide you with information on what this Commission's factors 6 or criteria would be for determining appropriate -- the 7 appropriate placement or siting of power plants in an area? 8 I didn't find any. We did do a search, we Α. 9 didn't find anything. Did you say you looked on our website? 10 Ο. 11 Α. Yes. 12 Where else did you look, do you recall? Q. 13 We also did some general searches, newspaper Α. 14 searches, google searches trying to find something that would point us in the direction so that we could follow up with 15 16 additional research. And I see in regard to your concerns about 17 Q. 18 having some degree of transparency in regard to what is appropriate siting or what is appropriate land use, you had 19 20 difficulty finding any criteria or any guidance at all in 21 regard to the Public Service Commission's idea of what is 22 appropriate for the siting of power plants? 23 Yes. The information that I reviewed pointed Α.

not an appropriate use, I want to turn for a moment to this

1

23 A. Yes. The information that I reviewed pointed 24 to a Public Service Commission that appears to be extremely 25 adept at dealing with the technical issues and the fiscal 1 issues and land use is just an area that you haven't gotten 2 into.

Q. Okay. So in that regard, tell me how you view the ability of preparing testimony for the purpose of helping to give the Commission guidance on what is appropriate -- an appropriate siting for a particular power plant.

A. Yeah. That's -- that's a difficult question.
Because the -- the reason that we're here, that I'm here, the
question -- the two questions that I had mentioned early on
are very difficult questions.

One, does the Commission have the authority, should the county have the authority? And two, what's the land use answer? Is it suitable or is it not suitable? Each of those are important questions that deserve their own hearing to focus solely on those types of questions.

16 If there were a development review question, a 17 site suitability analysis that was being conducted, then I 18 would suggest that that ought to be the sole focus of the 19 public hearings and the discourse with the county, property owners is, is this suitable. And the issue of who's going to 20 21 have that, that needs to get resolved before that happens. 22 But the fact that we're talking about should 23 the Public Service Commission do this, should the county, who's in the better position, that starts to cloud the 24 25 ultimate question I think that we all want to get to which is, 1 is this site appropriate for this use.

Q. I'm trying to understand. If you jump to an assumption -- and only for assumption purposes -- that this Commission is going to determine appropriate land use in Cass County for purposes of siting this power plant, how do you prepare your testimony in giving this Commission the evidence that's necessary to determine it if you don't know what the Commission's criteria on land use is?

9 A. Well, I haven't found any criteria. And 10 that's part of the problem. And I was hoping that one example 11 pointing to other public utility commissions that do have a 12 siting assessment, they have a very detailed process. They 13 identify factors to be considered, they identify the 14 relationship of the communities, they identify the role for 15 the public to participate.

I mean, some of them go so far such as with -with Oregon that has an endorsement by the Association of County Planning Directors or Florida that has the Department of Community Affairs actively participating as part of the conduit to make sure that the local issues are addressed and that the Public Utility Commission issues are addressed. And I haven't found that.

23 So I think that one of the best things that 24 perhaps this report might do is raise the flag that says 25 perhaps before going down this road of a land use suitability

1 analysis, we ought to make sure that we understand what's included, we take it into consideration or have a process to 2 3 consider public local plants and ordinances and what have you. 4 Q. Okay. And I believe in some of your testimony 5 you went through a few states, and you may have just said 6 that, to give us some idea of what criteria they utilize; is that correct? 7 8 Α. Yes, sir. 9 Did you say earlier that you could provide Ο. 10 some backup material for that? 11 Α. Yes. 12 That would be similar to what Warren Wood has Ο. done in regard to his backup material for his criteria that 13 14 he's proposed? Yes. And after we -- I submitted the rebuttal 15 Α. testimony is when I had conversations that led me to believe 16 17 that the Commission might be interested in -- excuse me -- in 18 getting more information about what do other jurisdictions do, 19 how do they handle this issue. 20 And then that put us on the path of let's see 21 if we can find more information that we could provide or do a 22 quick analysis or description of what types of examples from 23 other communities. And that's what we did do, but that was after the rebuttal testimony. 24 25 Q. Well, I was -- Warren Wood's is after the

rebuttal too. I'm curious about -- but if you have something 1 that backs up your testimony that's similar to what Warren 2 Wood has done, Judge, I'd be interested in seeing that. 3 4 MR. COMLEY: Your Honor, we'll supply that. 5 JUDGE PRIDGIN: Thank you. 6 COMMISSIONER GAW: And, Judge, I apologize, 7 but I'm going to have to stop at this point so I'll do so. 8 JUDGE PRIDGIN: Commissioner Gaw, thank you. 9 And I did note that I think on the list of witnesses and times, that Mr. Peshoff was potentially available in the 10 morning; is that correct? 11 12 THE WITNESS: For what day? 13 JUDGE PRIDGIN: For further cross-examination. 14 THE WITNESS: Yes. I'll make my schedule available. 15 JUDGE PRIDGIN: Very good. In case 16 Commissioner Gaw has more questions, very well. Commissioner 17 18 Clayton indicated he has no questions. Commissioner Appling, any questions for this 19 20 witness? 21 Do we have any recross based on the cross from 22 the Bench thus far? I'm seeing none. 23 Any redirect? 24 MR. COMLEY: Yes, there is. REDIRECT EXAMINATION BY MR. COMLEY: 25

And I think -- I'm going to try to make it 1 Q. brief. And it may seem a little bit random, Mr. Peshoff, but 2 3 I'm going to try to do it from this chair. 4 I think it was during the course of 5 Mr. Youngs' examination that you talked about the extent of 6 data available from the county in connection with map 7 preparation. Let me ask you, Mr. Peshoff, are the Cass County zoning maps presently being updated? 8 9 Α. Yes, they are. Is your firm involved in that process? 10 Ο. Yes, we are. 11 Α. 12 Can you briefly describe what that process is? Q. The -- the county's zoning map stopped being a 13 Α. 14 current map in about 1999, but the data relating to zoning was being maintained. So that meant that anyone that made an 15 inquiry how is a parcel zoned could answer that question. 16 17 What we're doing now is taking the textual data that identifies the parcel and designates a zoning 18 classification and updating the graftable component of the 19 zoning ordinance which is the zoning map. 20 21 Q. Whatever the conditions of the maps, are you 22 still able to determine without question how the South Harper 23 plant and Peculiar substation locations have been zoned? 24 Yes. We could identify the zoning for every Α. 25 parcel in the county. I don't know of any parcel where there

1 is any question about its zoning.

2 Q. And do you feel in any manner that the 3 updating process that's underway has compromised the zoning 4 process?

5 Α. Not at all. Communities frequently update 6 their zoning maps on a regular basis. It may happen monthly, 7 it may happen quarterly, it may even happen in real time. But 8 maps get updated on a regular basis as ordinances change. 9 Because all the map is doing is identifying how a parcel is classified. It's not changing the regulatory structure, 10 development standards, design standards. It's not doing 11 12 anything of the sort. It's just identifying its use.

Q. You were questioned by Ms. Shemwell and Mr. Youngs regarding the gas compressor station near the South Harper site. And I think there was discussion about its relationship to the neighboring uses.

17 Can you tell the Commission from a planning 18 perspective if there is an explanation of why these uses are 19 nearby each other in Cass County?

A. I'm not sure if I understand the question.
Q. Do you know why the gas compressor station is
in that area and why it would come about that residential uses
may be nearby?

A. No. The compressor station has been there for quite some time. The statement that was pointed out to me in the APA policy guide about the location of plants in rural areas, a lot of that occurred as well because plants have been around a long time. Development occurred around the gas -the Southern Star plant or facility. Apparently the people that developed felt that it was a use that they could live with.

Q. You were questioned by Mr. Youngs regarding the multi-use tiers and also by Commissioner Gaw in which the southern -- the South Harper facility is partly located. And my question is, even if the 2005 comprehensive plan is used in determining the compatibility of land use, as Mr. Youngs has asked about, is it a guarantee that this site will be approved for a power plant under the plan?

14 A. No, it's not.

15 Q. And can you explain why not?

Because the -- and perhaps I wasn't as 16 Α. 17 effective in trying to describe that. The inclusion in the 18 '05 plan for this parcel in the multi-use tier creates a 19 certain presumption, a certain expectation that these types of 20 uses could be appropriate within the tier. Whether or not 21 this -- a specific use is appropriate for a specific location 22 is a case-by-case analysis and that's what the development 23 review process is supposed to do.

Q. During the course of her cross-examination,Ms. Shemwell asked you a question regarding the Commission's

ability to set rates for utilities. Is there a difference between the determination for a need for energy and the determination for the location where energy is going to be produced?

5 A. Yes.

6 Q. Should there be a determination of location7 independent of need for a power plant?

8 A. I think that it -- I think the two are very 9 related. If there is a need, then it becomes a question of 10 where should it be located.

And I think it was Commissioner Gaw that 11 Q. 12 inquired about the Commission's rules and what rules may have 13 influenced your testimony. My questioning would be, given the 14 questions that you've received today from the variety of cross-examiners -- and I wrote down questions about 15 16 neighboring land uses, which plan governs the terms and 17 provisions of the multi-use tier, the manner a parcel might be 18 split, screening and landscaping issues, compatibility of sites and uses, the interpretation of the zoning order, the 19 20 existence of the gas compressor station, all those questions. 21 From your perspective, are these the kinds of 22 questions that should appear in a rate-making body? 23 I think that if it's a Commission structured Α. 24 like some of the states that have Public Utility Commissions 25 with the authority and they're structured and they have the

1 process to do -- make those assessments, then yes.

2 But you're talking about the jurisdictions Q. 3 that were noted in your rebuttal testimony? 4 Α. Yes, sir. 5 Ο. What would be the difference between those 6 Commissions and this one based upon your understanding and 7 review? 8 I haven't seen anything -- we have not -- I've Α. 9 not uncovered anything that identified a process or factors to do a land use suitability assessment with Missouri Public 10 Service Commission. 11 12 Q. So, in other words, there is a difference 13 between this Commission and those that are in your rebuttal 14 testimony? Α. That's correct. 15 16 And that difference is what? Q. 17 Α. The ability to process the factors, the -- the 18 relationship with local units of government to be able to assess the site's suitability and the application, the 19 20 applicability of the plan-- local plans and ordinances. 21 Q. There's been a number of questions about the 22 2005 plan, the comprehensive plan, but until the 2005 23 comprehensive plan was adopted by Cass County, what plan served as the guide for controlled growth in Cass County? 24 25 A. It was the 2003 comprehensive plan.

1 Q. I think it was Exhibit 118, if you still have 2 it handy. 3 Α. Yes. 4 Q. Can you turn to Page 77 of that exhibit? This 5 will follow up on questions from Mr. Youngs' about the code of 6 conduct. I think it's in the opening paragraph on Page 77. 7 Would you take a moment to review that paragraph? 8 Α. Yes. 9 Ο. Even presuming that the appendix that's been adopted is part of the comprehensive plan, what were the terms 10 of the code of conduct provisions mandatory on the Commission? 11 12 Α. They are advisory. 13 In questions with Mr. Youngs, you had talked Ο. 14 about the fact that you had given only a preliminary review in connection with the -- I think it was the applications for 15 16 special use permit filed for the South Harper plant and the 17 Peculiar substation which were attempted to be filed. Can you 18 tell us the difference -- what would you have done to have a more detailed review? 19 20 Well, we would have gone into much more detail Α. 21 about the proposed use, a much more detailed description of 22 the existing uses, the relationship of the use to existing 23 uses, the future land use projections for -- for land use. 24 We would have also done some more analysis about the mapping,

25 detailing with what should be occurring, what's occurring,

1 what's proposed on the site plan.

For example, I'm just going to use landscaping as the example. We would have identified landscaping -- made landscaping recommendations that would have served the purpose for which they were intended, which was to buffer the site and try and hide its features, soften its features from the roadway and from adjacent properties.

8 The photographs I took identify that the tops 9 of the evergreen tree bushes, whatever those are, are roughly 10 the same height as the top of the berm that's being used. And 11 that means that you've not got anything on top of the berm 12 that's trying to raise the level of that buffer wall, that 13 buffer -- that field of vision.

You've also got plantings that are aligned from the roadway in a straight line. So you can see between clearly all of those evergreen bushes, slash, trees. And that, again, is not the purpose of what those bushes, those trees are there for. They're supposed to create a natural landscape barrier, not create view sheds, corridors between them where you can see what's happening there.

Another recommendation would have been to have varying heights of plant material, including some trees. Because, again, we've got these tall towers out there that we want the trees to try and obscure that. When one looks south from that east/west road just north of the plant property, you

can see the bushes as just being a very insignificant 1 low-lying piece of landscaping that really don't try and break 2 3 up the visual line of the towers with the horizon. 4 So there are things that we would have made 5 specific recommendations to. Not just throw down some plant 6 material, but throw down these types of plant materials in 7 this type of a pattern and maintain it. 8 To recap a bit, my understanding is your Q. 9 testimony would be that with effective review and detailed review of that application, the landscaping effects that have 10 been affected at the property could have been far more 11 12 meaningful and effective? 13 MR. YOUNGS: Objection. I'm going to object to the form of the question as leading and suggestive. 14 15 THE WITNESS: Yes. 16 MR. YOUNGS: Excuse me. My objection is that 17 the question is leading and suggestive. 18 MR. COMLEY: I'll ask it again, if I can. BY MR. COMLEY: 19 20 If you had had a chance to have a more Q. 21 detailed review, would there have been changes in the 22 landscaping you would have recommended? 23 Α. Yes. Yes. We would have recommended changes 24 that -- that do what was intended behind the landscaping 25 improvements that were made.

Q. For projects of the nature of a power pant - power plant like South Harper -- excuse me.

3 For projects like South Harper -- a power 4 plant like South Harper, if the construction were scheduled to 5 commence in January 2005, when would development review 6 generally occur with respect to a planned construction date? 7 Α. Well, ideologically there would be some type of a preapplication conference that would be taking place. 8 9 And the -- the level of completeness, the amount of satisfaction between the applicant and any jurisdiction is 10 going to be, to a large part, dependent on what happens at the 11 12 earlier stages.

My understanding is of the Aries process is
that involved a significant amount of preapplication
conferences, discussions about what was proposed,
consideration of comments and concerns and incorporating those
into the first application that was submitted.

When an applicant -- any applicant does not go through that preapplication conference, they're basically submitting their wish list of what they would like to occur because they've got no feedback at that point. That means that feedback is going to take time in that give and take process.

24 So if there was some preapplication discussion 25 and if the application that was submitted was done with some

1 of the issues and concerns that are bound to be raised during the process anyways, that may have expedited the process. So 2 3 could it have been done in 60 days? I think yes. Could it 4 have been done in less than 30 days -- in 30 days rather? It 5 possibly could have, but it all depended upon gathering 6 support up front for what the proposal is supposed to be. 7 Q. Is it common for construction of projects to commence before development review has concluded? 8 9 Is it -- no, it's very atypical. Α. Commissioner Gaw asked a question about -- in 10 Ο. a hypothetical, I think, about appropriate uses that would be 11 in a multi-use tier. And the hypothetical was I think 12 13 directed toward whether this power plant was being proposed in 14 the 2005 plan. Would your decision about whether or not a use proposed like a power plant in the multi-use tier also be 15 16 influenced by weather the parcel involved is on the edge of a 17 tier? 18 Α. Yes, it would. 19 Ο. Now, why is that? Because we're dealing with compatibility 20 Α. 21 issues. Again, these are -- these are not defined boundaries 22 that are hard and fast mos-- hard and fast, I'll re-use the 23 word, boundaries. 24 One of the phrases that I've used regularly in 25 meetings across the country in workshops is our problems don't

stop and start at our borders, neither should our solutions. 1 And that applies to this. Just because the multi-use tier may 2 3 end at a certain roadway or so many feet from a roadway, the 4 fact that it's on the edge means that it's not a hard defined 5 line, it's an area that is transitioning to another type of 6 tier or transitioning to another type of land use. 7 Zoning ordinances frequently have buffer standards that vary depending upon the types of uses that are 8 9 adjacent to one another. So a more intensive use next to an 10 adjacent, less intensive use is going to require more buffering, more landscaping uses that are more similar, may 11 12 have less then -- some may have less buffering, less 13 landscaping. 14 So, no, there wouldn't be just a hard line. That would be one of the issues to consider how close to the 15 16 edge and what's the relationship going to be with adjacent 17 uses. 18 MR. COMLEY: Judge, just a minute. I'm going to check and see if we have any more questions. I think we're 19 20 about done. 21 JUDGE PRIDGIN: Yes, sir. 22 BY MR. COMLEY: 23 I think it was Mr. Youngs that went through a Q. long list of uses that may be appropriate for a special use 24 25 permit and they are explicitly set out in the ordinance.

Irrespective of how they may be set out in the ordinance, are there other uses that may be appropriate for a special use permit within the county's scheme of multi-use tiers or urban -- or rural density tiers that aren't even listed in the ordinance?

A. Like -- it's possible. No ordinance can be so inclusive that it would consider every -- eventually every type of use that might require some type of condition. You would have a monstrous document that considered every use and type of condition that would be associated with it.

So what we try and do with plans and 11 ordinances is provide direction. And even though an ordinance 12 13 is a regulatory document, it still does provide a good deal of 14 direction. So, for example, the list that was mentioned about the conditions for special uses and we talked about adult uses 15 16 and, you know, this that and the other thing, that gives an 17 indication of the direction that any community is going in 18 terms of what conditions it is imposing.

19 So if these types of uses require these types 20 of conditions, we can extrapolate that and think if this type 21 of use is similar, then these types of conditions would also 22 be reasonable to apply to these types of uses that aren't 23 included in the list. So it provides that type of direction. 24 Q. In other words, there are some other uses 25 where conditions may be imposed?

MR. YOUNGS: Objection, leading. 1 2 THE WITNESS: Yes. JUDGE PRIDGIN: I didn't rule. I'm sorry. I 3 4 was thinking. 5 MR. COMLEY: I'm doing my best not to lead 6 Mr. Peshoff, but I did want him to make that point. 7 JUDGE PRIDGIN: I understand. I mean --8 MR. YOUNGS: I'll withdraw the objection. 9 JUDGE PRIDGIN: I was going to say, I think it's more yes or no and doesn't necessarily suggest the 10 answer, so go ahead. 11 12 MR. COMLEY: I think he answered yes. 13 JUDGE PRIDGIN: He did. MR. COMLEY: That's the conclusion of our 14 redirect, Judge. 15 16 JUDGE PRIDGIN: Mr. Comley, thank you. At this time I'm hesitant to release Mr. Peshoff because I 17 18 understand we may have a Commissioner or more who has extra questions for him. And also I believe Commissioner Gaw asked 19 20 for some supporting documentation. And, Mr. Comley, I think 21 you said on the record that you were going to file something. 22 MR. COMLEY: We're going to try to find that 23 as fast as possible. 24 JUDGE PRIDGIN: I certainly want to give 25 counsel a chance to see that and to potentially cross-examine

on that. And I'd hate to release him in case counsel had 1 questions on that. So what I would like to do is resume with 2 3 Mr. Peshoff again -- assuming that you're able to pull that 4 documentation together, you know, reasonably early by 5 tomorrow. And, Mr. Comley, I don't know what kind of time 6 frame you have with that. 7 MR. COMLEY: We'll have to speak with the 8 witness and see what resources we have. 9 JUDGE PRIDGIN: I understand. Let's resume at 8:30 in the morning with 10 11 Mr. Peshoff. 12 And also to alert the Staff, I believe that more than one Commissioner may have questions for Mr. Wood and 13 14 also perhaps for Ms. Mantle. So if they would be prepared to 15 go tomorrow as well. 16 Anything further from counsel before we 17 adjourn for the evening? All right. Hearing nothing, we are off the 18 record. We will resume at 8:30. 19 20 WHEREUPON, the hearing was adjourned until 21 8:30 a.m. on May 4th, 2006. 22 23 24 25

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