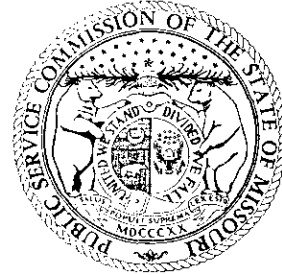


## Notice of *Ex Parte* Contact

TO: Data Center  
All Parties in Case No. **EO-2007-0172**

FROM: Chairman Jeff Davis

DATE: December 4, 2006



On December 4, 2006 I received the attached letter from Mr. Gary Mallory regarding Aquila's acquisition of the Aries generating station. Prior to receiving this letter, the Commission had dismissed this action for lack of jurisdiction in case **EO-2007-0172**. While this communication technically does not fall under the *ex parte* rule, I have chosen to submit it for inclusion in the official case file.

Although communications from members of the public and members of the legislature are always welcome, those communications must be made known to all parties to a contested case so that those parties have the opportunity to respond. According to the Commission's rules (4 CSR 240-4.020(8)), when a communication (either oral or written) occurs outside the hearing process, any member of the Commission or Regulatory Law Judge who received the communication shall prepare a written report concerning the communication and submit it to each member of the Commission and the parties to the case. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, I submit this report pursuant to the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Commissioners  
Executive Director  
Secretary/Chief Regulatory Law Judge  
General Counsel

# Cass County Commission

**GARY L. MALLORY**

Presiding Commissioner

**JON H. SEABAUGH**

Associate Commissioner Dist. 1

E Mail [jons@casscounty.com](mailto:jons@casscounty.com)

Phone 816 380 8158

E Mail [garym@casscounty.com](mailto:garym@casscounty.com)

102 E. Wall Harrisonville, Mo 64701

Phone (816) 380-8160 Fax (816) 380-8156

**JIM MEARA**

Associate Commissioner Dist. 2

Phone 816 380 8159

**Jan Cantrell**

Administrative Assistant

E Mail [janc@casscounty.com](mailto:janc@casscounty.com)

Phone 816 380 8155

**Craig Arnold**

Public Information Officer

E Mail [craigc@casscounty.com](mailto:craigc@casscounty.com)

Phone 816 380 8172

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November 27, 2006

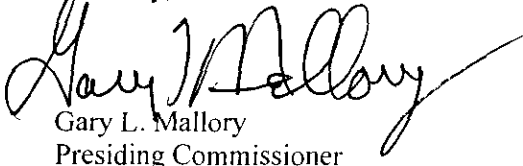
Honorable Chairman Jefferson Davis:

Cass County, Missouri is aware that Aquila, Inc. has entered into a purchase and sale agreement with MEP Pleasant Hill, LLC ("MEP"), an affiliate of Calpine, for the acquisition of the Aries Generating Station ("Aries Facility") located in Cass County, Missouri near Pleasant Hill (subject to approval of the bankruptcy court). The Aries Facility has been financed by a Chapter 100 Industrial Revenue Bond approved by Cass County, Missouri. Pursuant to a Trust Indenture ("Indenture") dated as of December 1, 1999, as amended, between the County and a corporate trustee (Commerce Bank, N.A.), the County issued a single taxable industrial revenue bond in the maximum aggregate principal amount of \$250,000,000 (the "Bond") in connection with the purchase and construction of the Aries Facility. Legal title to the Aries Facility is held by Cass County and leased by Cass County to MEP pursuant to a Lease Agreement ("Lease") dated as of December 1, 1999, as amended, for a term to coincide with the term of the Bond. The Bond was purchased by MEP as the operating lessee of the Aries Facility. The lease requires the lessee to operate and maintain the facilities and, under an Economic Development Performance Agreement, to make specific payments in lieu of taxes ("Pilots") to the County.

It is the understanding of Cass County that Aquila has filed an application with the Missouri Public Service Commission concerning the assignment of the lease interest of MEP in the Aries Facility and the transfer of the Bond from MEP to Aquila in the event that Aquila is successful in its acquisition of the lease interest in the Aries Facility. Cass County believes the Bond is effective to stimulate economic development in the County. The County does not oppose assignment of the lease interest of MEP in the Aries Facility, or the transfer of the Bond to Aquila, and supports necessary actions by the Public Service Commission to insure that the economic benefits of the Bond and the related PILOT payment are retained.

This letter does not waive any obligations of MEP to the County to provide appropriate opinions, assume obligations related to the Lease or the Economic Development Performance Agreement, and obtain necessary consents, as required by the Indenture, the Lease and the Economic Development Performance Agreement related to the assignment of the lease interest in the Aries Facility, or the transfer of the Bond, to Aquila.

Sincerely,



Gary L. Mallory  
Presiding Commissioner