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              BEFORE THE OHIO POWER SITING BOARD
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    In the Matter of the :
    Application of Champaign :
    Wind LLC for a :
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    Certificate to Construct : Case No. 12-0160-EL-BGN
    a Wind-Powered Electric :
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    Generating Facility in
6
    Champaign County, Ohio. :
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                          PROCEEDINGS
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    before Ms. Mandy Willey Chiles and Mr. Jonathan
    Tauber, Administrative Law Judges, at the Public
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    Utilities Commission of Ohio, 180 East Broad Street,
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    Room 11-A, Columbus, Ohio, called at 9:00 a.m. on
12
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    Monday, November 26, 2012.
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                           VOLUME IX
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2172 1 **APPEARANCES:** 2 Vorys, Sater, Seymour and Pease, LLP By Mr. M. Howard Petricoff 3 Mr. Michael J. Settineri Ms. Miranda R. Leppla Mr. Stephen M. Howard 4 and Ms. Gretchen L. Petrucci 5 52 East Gay Street Columbus, Ohio 43216-1008 6 On behalf of Champaign Wind LLC. 7 Thompson Hine, LLP 8 By Philip B. Sineneng Mr. Kurt P. Helfrich 9 Ms. Ann B. Zallocco 41 South High Street, Suite 1700 Columbus, Ohio 43215-6101 10 On behalf of Pioneer Rural Electric 11 Cooperative, Inc. 12 Van Kley & Walker, LLC 13 By Mr. Jack A. Van Kley 132 Northwoods Boulevard, Suite C-1 14 Columbus, Ohio 43235 15 and 16 Van Kley & Walker, LLC By Mr. Christopher A. Walker 17 137 North Main Street, Suite 316 Dayton, Ohio 45402 18 On behalf of Union Neighbors United, Julia F. Johnson, and Robert and Diane 19 McConnell. 20 City of Urbana 21 By Mr. Gil S. Weithman, Law Director, and Ms. Breanne Parcels, Staff Attorney 22 205 South Main Street Urbana, Ohio 43078 23 On behalf of the City of Urbana. 24 25

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Monday Morning Session,

November 26, 2012.

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ALJ CHILES: The Ohio Power Siting Board has set for hearing at this time and place case

No. 12-160-EL-BGN being In the Matter of the

Application of Champaign Wind LLC for a Certificate to Construct a Wind-Powered Electric Generating

Facility in Champaign County, Ohio.

At this time we'll take brief appearances beginning with staff.

MR. PARRAM: Good morning, your Honor.

On behalf of the Power Siting Board staff, Ohio

Attorney General Mike DeWine, Public Utilities

Section Section Chief Bill Wright, by Assistant

Attorneys General Stephen Reilly, Werner Margard,

Devin Parram, and Ryan O'Rourke, from the

Environmental Enforcement Section Summer Koladin

Plantz and Sarah Anderson, 180 East Broad Street,

6th floor, Columbus, Ohio, 43215.

ALJ CHILES: Thank you.

MR. PETRICOFF: Thank you, your Honor.

On behalf of the company, Champaign Wind, Howard

Petricoff, Mike Settineri, Miranda Leppla, Gretchen

Petrucci, and Stephen Howard from the law firm of

Vorys Sater.

2.2

2 ALJ CHILES: Thank you.

MR. VAN KLEY: Good morning. Jack
Van Kley and Chris Walker, Van Kley & Walker,
representing intervenors Union Neighbors United, Bob

and Diane McConnell, and Julia Johnson.

MS. NAPIER: Good morning. Jane Napier,
Assistant Prosecutor in Champaign County, for
Champaign County and the townships of Goshen, Union
and Urbana, along with Nick Selvaggio, Champaign
County Prosecuting Attorney.

ALJ CHILES: Thank you.

MS. PARCELS: Good morning. On behalf of the city of Urbana, Law Director Gil S. Weithman and Staff Attorney Breanne Parcels.

ALJ CHILES: Thank you.

Is the city of Urbana ready to proceed?

MS. PARCELS: We are, your Honor. Thank

you. We will call Mindy North.

ALJ CHILES: Ms. North, please raise your right hand.

(Witness sworn.)

ALJ CHILES: Thank you. You may have a seat. I'd ask if you'd please turn your microphone on before we get started here. You have to press it

twice. Thank you.

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MINDY NORTH

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being first duly sworn, as prescribed by law, was examined and testified as follows:

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DIRECT EXAMINATION

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By Ms. Parcels:

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Q. Ms. North, I'm passing out what's been marked City Exhibit 11, why don't you take a look at that.

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ALJ CHILES: The exhibit is so marked.

(EXHIBIT MARKED FOR IDENTIFICATION.)

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Q. Do you recognize that exhibit as your prefiled direct testimony?

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A. Yes.

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Q. Can you turn your microphone on. It takes two clicks. There you go.

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And I understand you have some updates and corrections to that prefiled direct testimony?

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A. Yes, I do.

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Q. Do you want to go through those now.

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A. On question 2, I also have an associate's degree in public safety telecommunications, and I

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actually began my dispatching career at Miami County

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and came to the Urbana Police Department in 2005 and

went to the center in 2006 --

Q. Okay.

2.2

A. -- when they opened.

On No. 3, out of the 15 employees I supervise I have 11 full-time, 3 part-time. We dispatch for the Champaign County Sheriff's Office, the Urbana Police Department, Urbana Fire Department, Mechanicsburg Police and Fire, Saint Paris Police and Fire, Macochee EMS, West Liberty Fire, Christiansburg and Northeast Champaign County.

- Q. Okay. Anything else?
- A. On No. 5 when we talk about CareFlight, CareFlight is actually not the only helicopter we have in Champaign County. We also have access to MedFlight that comes out of Allen Township.
  - Q. Is that in Union County?
- A. Yes.
  - Q. Okay. Anything else on question 5?
- A. Both CareFlight and MedFlight have their own dispatchers. We don't actually dispatch the helicopter, we contact their dispatch center and their dispatch center actually takes care of sending their helicopters. And we normally give them the location of the incident, the extent of the injuries if we know, and what frequency they'll be talking to

their emergency responders on. We don't normally speak with CareFlight or MedFlight directly unless there's communication problems on the scene.

Q. Okay.

- A. Normally the fire departments take care of the landing zones, we do not have those programmed in any type of our AccuGlobe system, so the fire departments actually set up the landing zones for CareFlight or MedFlight.
  - Q. Any other updates?
- A. On No. 6, we just did a update to a more updated CAD, which is Authority CAD, still provided by CMI, or Creative Microsoft Systems. And we have three of the Motorola MC 500 dispatch consoles in the center.
- Q. Okay. You talk about a levy in question
  7. Did the levy that was on the November 5th
  ballot pass in Champaign County?
  - A. No, it did not. The levy failed.
  - Q. Okay. Any other updates?
- A. Also on No. 7, the Ohio wireless tax is collected by the state and distributed by PUCO to public safety answering points throughout the state.
- Q. Okay. So no other updates or corrections?

A. No.

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- Q. Okay. If I were to ask you the same questions, other than the updates you provided would you answer the same way today?
  - A. Yes.

MS. PARCELS: Then, your Honors, I would present the witness is available for cross-examination.

ALJ CHILES: Thank you.

The county and townships.

MS. NAPIER: Yes, thank you. I just have a couple of questions.

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# 14 CROSS-EXAMINATION

15 By Ms. Napier:

- Q. Ms. North, you indicate that the 911 dispatch center has been formed through a council of governments, correct?
- A. Correct.
- Q. And that is not run by the Champaign County Board of Commissioners.
  - A. No, it's not.
- Q. Are local municipalities also on that council?
- 25 A. Yes.

- Q. You indicate in question 9 that the application does not address potential interference for wireless phone signals, correct?
  - A. Correct.

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- Q. Are you asking the Board to include the 911 phone signals in their conditions to the certificate?
  - A. Yes.
- Q. And in question 10 you indicate that Champaign Wind has not provided any assurances on any issue to the dispatch center. To your knowledge, has the dispatch center been contacted by Champaign Wind to discuss those things?
  - A. No, they have not.
  - Q. Do you not know that or --
  - A. We have not been contacted, no.
- Q. Do you know whether or not that each turbine has received a postal address as of yet or at least are looking into that issue as of yet?
- A. I do not know if they have or not. I have not been provided with any addresses for the turbines.
  - Q. How are you usually provided addresses?
- A. Normally I would receive those from either the city engineer or the county engineer.

Q. You haven't heard anything from them as of yet.

A. No.

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MS. NAPIER: Thank you. I have no further questions.

ALJ CHILES: Thank you.

Mr. Van Kley.

MR. VAN KLEY: I have no questions.

ALJ CHILES: Ms. Petrucci.

MS. PETRUCCI: Yes, thank you.

- - -

#### CROSS-EXAMINATION

By Ms. Petrucci:

- Q. In your testimony you indicated that the dispatch center has concerns that relate only to the proposed facilities' impact on communications; is that correct?
  - A. Correct.
- Q. What part of the dispatch center's communications are you believing that could possibly be affected by the proposed wind turbines?
- A. I think that we're looking more at any cell phone service signal issues in the area of the turbines and also any interference that it would cause with our repeaters and radio communications in

those areas.

2.2

- Q. Now, are you aware that Champaign Wind and the staff both concluded that the turbines are not expected to affect mobile telephone service because of the overlapping coverage area and ability for the signals to bounce from point to point?
  - A. I was not, no.
- Q. Just a moment ago I believe you said that you had not been contacted or the dispatch center had not been contacted by Champaign Wind; is that correct?
  - A. Correct. We have not been contacted.
- Q. Has the dispatch center attempted to contact either Buckeye Wind or Champaign Wind?
  - A. No.
- Q. Can we turn to the lists that you have attached to your testimony; I think they're marked as Exhibit 11A. Are the addresses listed on the attachment the location of the accident or the location to which the emergency helicopter was sent?
- A. Those would be locations of the accidents.
- Q. In looking at the list of addresses, then, can you -- I guess my question is do the lists contain only addresses that you believe are within

the proposed facility?

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- A. Correct, those addresses are just within where the project is.
- Q. Do you mean what has been already approved or the proposed location of the facilities that is under consideration currently?
- A. The list contains the, let's say, northeast corner of Champaign County which would include all of the first phase and second phase.
- Q. Can you look at the fourth entry on the list for 2010. The address there says "East State Route 29 at Rosedale Road." Are you sure that that address is in the proposed project area?
- A. That address may just be outside of Champaign County. Mechanicsburg EMS still runs that area. It's within a couple of miles probably into Madison.
  - Q. Is it on the east side of Mechanicsburg?
  - A. Yes.
- Q. Okay. And the proposed facility, is it beyond -- is it east of the city of Mechanicsburg?
  - A. Yes.
- Q. We have a couple big fat notebooks there in front of you.
  - A. Okay.

- Q. And I think I'm going to have you take a look at --
- MS. PETRUCCI: I need just a moment to find out which volume it's in, your Honor.
- Q. If you can open up Volume No. I, and if you can go to the Figures tab, let me pull out the map that's the first map there, it's the second page behind that tab.
  - A. All right.
- Q. I think you'll see toward the right-hand corner is where the city of Mechanicsburg is contained on the map.
  - A. Yes.

2.2

- Q. And we have the circles there that reflect the different wind turbines. Can you tell me if any of those wind turbines are east of Mechanicsburg?
  - A. No, they're not.
- Q. So would you agree with me that the address we just looked at is outside the proposed facility?
  - A. Yes.
- Q. Can you go ahead and turn back to that 2010 list and can you tell me if there are any other addresses on that list that you believe, and you can

consult this map if it's helpful to you, that you also believe might be outside the proposed project area.

- A. The fifth one down, the 10165 East State Route 29, it could be east of Mechanicsburg, but without knowing where the block numbers are, I'm not real sure. Same with the 10700 East State Route 29, the fourth one up from the bottom, and the last one at 12192 East State Route 29.
- Q. Okay. What about the tenth and eleventh addresses listed there, the 3416 Martin Road and then the East State Route 296 at Cox Road, do you think those might be outside the project area as well?
- A. They could be, yes. But without the termination of where Cox Road is on the map, I'm not real sure.
- Q. And then if we look at the 2011 listing, the twelfth one down is actually a repeat of the address we talked about to begin with, the East State Route 29 at Rosedale Road.
  - A. Okay.

2.2

- Q. The one below that, do you believe that might be also outside the project area?
  - A. The East State Route 29 and Three Mile?
  - Q. Yes.

- A. It would be just to the east of Urbana within that Sheet 2 box.
- Q. Is it within the location of the proposed turbines?
  - A. No.

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- Q. And then two more addresses down we have 1786 Eagle Road, would that also be outside the location of the proposed turbines?
- A. I am not sure where Eagle Road is on this map.
  - Q. Is it northeast of Mechanicsburg?
- A. I believe so. If it's northeast of Mechanicsburg, I would say it would be outside the area.
- Q. And then if you can look at the last listing that you have for 2012, that listing only covers to the beginning of October, correct?
  - A. Correct.
- Q. Okay. Are there any other addresses on that listing that appear to be outside of the location of the proposed turbines?
  - A. Not that I can tell, no.
- Q. Okay. The fourth one down, the Childrens
  Home Road address.
  - A. That would be just outside of Urbana.

Q. Okay. So you're saying it's just slightly east of Urbana.

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- A. Correct. So it would be outside the area.
- Q. And two more that I will ask you about, the Metz Road, the one that follows that, it's the sixth one down.
- A. Okay. That would probably be outside the area.
- Q. Okay. And, finally, the fifth one from the bottom, which is East U.S. Highway 36 at North Dugan Road, would that also --
- A. That would be just east of Urbana as well.
- Q. And you would agree with me that because it's just east of Urbana it's outside the --
  - A. Correct.
  - Q. -- location -- okay. Thank you.
- For the incidents that are listed on the attachments to your testimony, did the emergency helicopter actually land and provide assistance or is the list to reflect that the helicopter had been called?
- A. This list reflects that the helicopter had been called. I can't tell by this list whether

the actual helicopter did land or not.

- Q. And the list does not reflect the location at which the helicopter landed if it landed.
  - A. Correct.

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- Q. Do you believe it would be beneficial for your staff and other responding entities to undergo training for possible emergencies within the proposed facility area if it's approved?
  - A. Yes, I think that would be beneficial.
- Q. Would it also be desirable to develop preplanned landing zones in the event of an emergency for the emergency helicopters?
- A. Preplanned landing zones? That would be something that would be up to the fire departments.
- Q. And that's because, from what you stated earlier, that the actual coordination for the landings is made not by the dispatch center but with the local responding fire department.
  - A. Correct.

MS. PETRUCCI: I don't have any further questions. Thank you.

ALJ CHILES: Thank you.

Mr. Parram?

MR. PARRAM: Thank you.

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#### CROSS-EXAMINATION

By Mr. Parram:

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- Q. Good morning, Ms. North.
- A. Good morning.
- Q. My first question is you were asked by Ms. Napier specifically about your response on page 3 of your testimony, I believe it's question No. 9, it says that the application does not address potential interference with wireless phone signals for individual units. Do you see where I'm at?
  - A. Yes.
- Q. And you had stated that you proposed modifications to the conditions to address your concern; is that correct?
  - A. Yes.
- Q. What exactly are the modifications that you're suggesting?
- A. We just request, you know, that there's no interference with the wireless phone calls or mobile phones from those areas.
- Q. Okay. And would you be requesting a modification to condition 53 specifically?
- A. What is condition 53?
- 24 ALJ TAUBER: Ms. North, would you mind 25 pulling the microphone closer to you, please.

Thanks.

2.2

- Q. If you could turn to page 4 of your testimony at question 14 -- are you there?
  - A. Yes.
- Q. -- it says, "Do you believe Condition 53, requiring Champaign Wind to mitigate interference with microwave signal paths and communication systems, is sufficient to address the concerns you have raised?"
  - A. Okay.
- Q. And I asked about your requested modifications because here you're talking about condition 53.

Before I ask you about condition 53, have you had an opportunity to review the Staff Report of Investigation that was filed in this case?

- A. I have not, no.
- Q. Okay. So you haven't had an opportunity to review any of the conditions that are contained in that Staff Report?
  - A. No.
- Q. Do you have a copy of the Staff Report up there? There's a lot of documents, I could probably help you find it.

THE WITNESS: (Indicating.)

ALJ CHILES: Yes, that's it.

- Q. Sorry about the delay there. Would you go to page 60, condition 53. Do you see that there?
  - A. Yes.
  - Q. Have you seen this condition before?
  - A. No.

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- Q. On page 4 of your testimony you indicate that you have concerns regarding the cellular phone tracking and 911 system being keyed to postal or road addresses, and I think you've already indicated in your testimony that that is a concern that you have?
  - A. Yes.
- Q. And are you proposing that condition 53 be modified in some fashion to address that concern?
  - A. For the cell phones?
- 16 O. Yes.
  - A. Yes.
  - Q. Are there any other conditions within the Staff Report that you have any concerns with or that you're suggesting be modified?
    - A. No. I don't believe so.
- 22 MR. PARRAM: That's all I have, your
- 23 Honors. Thank you.
- 24 ALJ CHILES: Thank you.
- Ms. Parcels, redirect?

MS. PARCELS: Yes. I'm going to ask that this be marked City Exhibit 8.

ALJ CHILES: So marked.

(EXHIBIT MARKED FOR IDENTIFICATION.)

ALJ CHILES: Let's go off the record for a moment.

(Discussion off the record.)

ALJ CHILES: Let's go ahead and go back on the record.

# REDIRECT EXAMINATION

By Ms. Parcels:

2.2

Q. Ms. North, you referenced in your cross-examination with counsel for the company the locations of crashes where helicopters were called for and also the telecommunications towers used by the 911 center for dispatching. Do you believe it would be helpful for everyone here and for the administrative law judges to see a visual depiction or map showing where those towers are located, where those calls for service were in the county, and also overlaid with the turbine sites for both Phase I and Phase II of Buckeye Wind or Buckeye Wind II also known as Champaign Wind?

A. Yes.

- Q. Now, was this map created under your supervision with the data you provided from the helicopter calls for service and the tower locations --
  - A. Yes.

2.2

- Q. -- that you provided in your direct testimony?
  - A. Yes.
- Q. Okay. And do you recognize this map, then, City Exhibit 8, as the compilation data from those calls for service and tower coordinates and the turbine locations?
  - A. Yes.
- Q. Okay. The map that's been passed out to everyone in a smaller format of City Exhibit 8 has a mark on it that is not located on this big blowup map that's behind you. Can you mark that map with a Sharpie and tell everyone what that missing purple dot is supposed to represent.
- A. This would be the communications tower that's located at the 911 center right in here.
- Q. Okay. And is that the base station where the communication center is located?
  - A. Yes.
  - Q. Do you believe that map depicts some of

the issues that might arise with any sort of line of sight interference with radio reception from the base tower there on the south edge of the city to the purple marked tower repeaters in the project area?

- A. It could, yes.
- Q. Does that map also denote the location of Grimes Field?
  - A. Yes.

2.2

- Q. And is Grimes Field the location of the CareFlight helicopter base in Champaign County?
  - A. Yes.
- Q. You noted in your direct testimony that CareFlight is not the only air ambulance provider in Champaign County, and that MedFlight is a competitor based out of Union County.
  - A. Yes.
- Q. Is the dispatch center more likely to call CareFlight for any sort of emergency response in Champaign County as compared to MedFlight?
- A. Depending on the department and where we're at in the county. A lot of them will request CareFlight because they're stationed in Urbana, however, sometimes Mechanicsburg and North Lewisburg, being on the eastern side of the county, will ask for MedFlight.

- Q. Looking at the east side of that map there, Ms. Petrucci asked you several questions about crashes which she referred to as outside the project area east of Mechanicsburg. Can you look at that map and tell me where those locations are, I guess as an outlier on that map, where they are in geographic distance? Would those be the ones there at the extreme far right bottom corner of the map?
- A. The ones on East State Route 29 that we spoke about would be on the bottom corner of the map on 29. It's here.
  - Q. Okay.

ALJ TAUBER: Where are you pointing, for the record? Could you explain where that is on the map?

THE WITNESS: It's going to be on the right bottom corner.

ALJ TAUBER: The furthest blue dot.

THE WITNESS: The furthest three blue

dots.

2.2

ALJ TAUBER: That's State Route 29?

THE WITNESS: Yes.

ALJ TAUBER: Thank you.

Q. (By Ms. Parcels) Ms. North, when you were compiling this data for the map, you said you looked

at the northeast part of Champaign County which you understood to be the project area. Is it more accurate to say that you looked at crash data from Route 4 north to the Champaign County line, looking at this map?

A. Yes.

2.2

- Q. Okay. And do you understand the project area to be the townships of Urbana, Union, Goshen, Wayne, Rush, and Salem?
  - A. Yes.
- Q. Okay. And so looking at that map, even though it looks like the turbines are concentrated with green and orange dots depicting the turbine sites in an area that is not completely spanning all six townships, would you agree that the crash locations that are denoted with blue dots do span all six townships?
  - A. Yes, they do.
- Q. Okay. And, again, looking at the map and the location of Grimes Field where CareFlight is based, if CareFlight specifically was called to one of those crashes on the east side of Mechanicsburg, isn't it true, then, looking at the map, if CareFlight was to fly to that cash zone on the east side of Mechanicsburg, that they would have to fly

through or above the project area?

- A. Yes, they would.
- Q. Okay. I'm going to ask you to turn back to the Staff Report. On page 8 of the Staff Report or just after page 8 there is an overview map of the Buckeye II wind farm. Do you see that?
  - A. Yes.

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- Q. Okay. You yourself looking at that overview map that's contained in the Staff Report right after page 8, does that show the locations of turbines for both Buckeye I and Buckeye II color coded in red and gray?
  - A. I'm not sure I have the right one.
- Q. It's right after page 8 of the Staff Report.
  - A. After page 8?
  - Q. Yeah, page 8.
    - A. I go from page 7 to page 18.
- Q. Okay. Go back to the very beginning of the map section, then. It will say "Project Map.

  This page intentionally left blank" and then the overview map is on the next page.
  - A. Okay.
  - Q. Do you see that?
- 25 A. Yes.

- Q. Okay. And is the project, the turbine sites for that project marked for Buckeye I in gray and Buckeye II in red?
  - A. Yes.

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- Q. And looking at that map and comparing it to City Exhibit 8 would the sites that are marked in red for Buckeye II correspond to sites that are marked in orange on City Exhibit 8?
  - A. Yes, it appears so.
- Q. And the sites that are marked in gray for Buckeye I correspond to the sites that are marked in green on City Exhibit 8?
  - A. Yes.
- Q. Okay. I have just two more questions for you. Counsel for the company asked if EverPower or Champaign Wind had had any contact with the dispatch center, and you responded that they had not, and then she asked if the 911 center had contacted the company. Would you consider it your duty as a 911 director to reach out to the company, or would you consider it imperative on the company to inform the 911 center that this project might have an impact on the 911 operations?
- A. I would see it as a duty of the company to contact us that it may have an impact on

communications.

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- Q. And last, but not least, 911 keeps a record of all calls for service for a helicopter response, but does 911 keep a list of whether a helicopter actually lands and where it lands?
- A. We could tell by our calls for service if the helicopter landed, but we would not keep track of the location where it landed; that would be up to the fire department.
- MS. PARCELS: Okay. Nothing further.

11 Thank you.

ALJ CHILES: Thank you.

Recross, Ms. Napier?

MS. NAPIER: No questions, thank you.

ALJ CHILES: Mr. Van Kley?

MR. VAN KLEY: Just a couple.

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### CROSS-EXAMINATION

By Mr. Van Kley:

- Q. At the beginning of your redirect testimony you marked the location of one of the communications towers on the large blow-up behind you.
- 24 A. Yes.
- Q. And I just want to make sure that we've

clearly linked that in the record to the correct marking on Exhibit 8. Is the location that you marked the same purple dot that you see on Exhibit 8 located on South Main Street?

- A. Yes.
- Q. Okay. And just to make sure that I understand what you were saying, is that the location from which the dispatches occur, the dispatches are sent out?
  - A. Yes.
- Q. Okay. With regard to the helicopter responses that are located outside of the turbines to the east in those blue marks, how could the turbines affect your service? I guess I'm trying to understand how your concerns are related to the responses to the east of the project area.
  - A. The response of CareFlight?
  - Q. Yeah.
  - A. I mean, if CareFlight's --

MS. PETRUCCI: Objection. I'm not sure -- she doesn't work for CareFlight. I'm not sure how she can respond on behalf of CareFlight.

ALJ CHILES: Mr. Van Kley.

MR. VAN KLEY: I'll start over.

ALJ CHILES: Thank you.

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Q. Which responses occur out of the communications tower on South Main Street?

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- A. All the responses start at the communications tower on South Main Street.
- Q. Okay. And then with respect to the responses that you're familiar with what is your concern about how the wind turbines may affect your responses to emergencies to the east of the turbines?
- A. My response as far as CareFlight? As far as fire? EMS?
  - Q. Whatever you're familiar with.
- A. I'm not the one -- I'm not actually responding, I mean, we're only sending them out.

  That would be something that a first responder would have to -- I don't have anything as far as what their concerns would be actually responding to the site.
- Q. Okay. Looking at your response to questions 9 and 10 of your direct testimony, you're talking about problems that you anticipate with interference from wind turbines.
  - A. Yes.
- Q. Can you explain to me so that I can understand it as to why you have concerns about the emergencies that occur east of the wind turbines?

  MS. PETRUCCI: Objection. That's beyond

the scope of redirect.

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ALJ CHILES: Mr. Van Kley.

MR. VAN KLEY: I don't think it is because we had redirect concerning these blue dots on the map east of the wind turbine area and I'm trying to understand how that affects her testimony.

ALJ CHILES: Overruled.

- A. So you want to know how the blue dots on the east side would be affected by the wind turbines?
- Q. Yeah. How would the emergency response to emergencies east of the turbines, as shown by those blue dots to the east of the turbines, be affected by the wind turbines?
  - A. As far as communications?
- Q. Yes. As far as any problems that you can anticipate.
- A. It would depend on if there's any interference from the turbines, I mean, you know, if it's coming from our communication tower in Urbana going through the wind turbines to the east side.
  - Q. Okay. That's what I was wondering about.

MR. VAN KLEY: Thank you.

ALJ CHILES: Are you finished?

MR. VAN KLEY: Yes.

ALJ CHILES: Thank you.

Ms. Petrucci?

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## RECROSS-EXAMINATION

By Ms. Petrucci:

- Q. In looking at City Exhibit 8, the blue dots that are listed on there or depicted on there, are they to match the addresses listed on your Attachment 11A to your testimony?
  - A. Yes.
- Q. And with respect to the proposed facility, the dots depicted in gold or yellow here, you'll agree with me that City Exhibit 8 shows that the majority of the helicopter responses are outside the geographic location of the turbines that are depicted in gold?
- MS. PARCELS: Objection. I think that question was a little vague as far as "outside" the area of the turbines.

ALJ CHILES: Ms. Petrucci.

MS. PETRUCCI: I can rephrase.

ALJ CHILES: Thank you.

Q. Would you agree with me that the majority of the blue dots that are depicted on City Exhibit 8 are not within, or inside, the location of the gold dots that depict the proposed turbines in this case?

- A. I'm trying to answer. Most of the blue dots are outside of the yellow dots, if that makes sense.
- Q. And, just to be clear, the blue dots represent incidents that occurred in 2010, '11, and in part of 2012 where an emergency helicopter was requested.
  - A. Correct.

MS. PETRUCCI: I don't have any further questions.

ALJ CHILES: Thank you.

Mr. Parram?

MR. PARRAM: Yes, your Honor, just one or two follow-up questions to clarify for the record.

#### RECROSS-EXAMINATION

By Mr. Parram:

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- Q. On City Exhibit No. 8 that I'm holding in my hand, the communication tower on South Main Street that you marked on the demonstrative exhibit, you marked that with a purple marker on the demonstrative exhibit; is that correct?
  - A. Yes.
- Q. And on the actual exhibit there's a light hand-marked purple dot on the exhibit to indicate the

tower on South Main Street; is that correct?

A. Yes.

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- Q. And that's a different type of purple dot than the other purple dots on the actual exhibit; is that correct? I'm just looking at the exhibit, at the key in the top right-hand corner, there's green dots for Buckeye I turbines, yellow or orange dots for Champaign Wind turbines, blue dots for helicopter response, and purple dots for communications towers. Is the dot that you hand-marked for the tower on South Main Street a light purple marker on this City Exhibit No. 8?
- A. It's the purple marker on South Main Street.
- MR. PARRAM: May I approach the witness, your Honor?
- 17 ALJ CHILES: Sure.
- 18 (Discussion off the record.)
- MS. PARCELS: It's possible the state has an old copy.
- 21 ALJ CHILES: Ms. Parcels, do you have a current copy for the state?
- MS. PARCELS: I can get a current copy by
  lunchtime for the state, yes.
- MR. PARRAM: It's not a large issue, your

Honor, I was just trying to make it even clearer on the record because my copy has sort of a handwritten light purple marking.

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MS. PARCELS: It's probably an older version, then, that got shuffled in with the exhibits, but I can get a copy for the state by lunchtime.

MS. PETRUCCI: And my copy as well has the hand-drawn light purple dot.

MS. PARCELS: Then there were some sold ones shuffled into the mix. I'll locate the other ones and provide them.

ALJ CHILES: Thank you.

Do you have any further questions, Mr. Parram?

MR. PARRAM: That's all I have, your Honor.

ALJ CHILES: I still feel like it may be a little unclear so I just have a couple of follow-up questions for you. You hand-marked on the large map there that we're using for demonstration purposes a hand-drawn circle on South Main Street in the west kind of lower center portion of the map just below the city of Urbana. That is to indicate a communication tower; is that correct?

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                  THE WITNESS: Correct.
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                  ALJ CHILES: Okay. We have no further
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     questions, so thank you, you may step down.
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                  (Witness excused.)
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                  ALJ CHILES: Ms. Parcels.
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                  MS. PARCELS: The city would call Mark
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     Keller.
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                  ALJ CHILES: Ms. Parcels, you marked
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      several exhibits.
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                  MS. PARCELS: Yes, we would move for the
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     admission of City Exhibit 8 and City Exhibit 11.
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                  ALJ CHILES: Does that also include --
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                  MS. PARCELS: Including the attachment to
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     City Exhibit 11, 11A.
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                  ALJ CHILES: And 11A.
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                  Are there any objections to the admission
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     of City Exhibit 11, City Exhibit 11A, or City Exhibit
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                  (No response.)
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                  ALJ CHILES: Seeing none, City Exhibit
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      11, City Exhibit 11A, and City Exhibit 8 will be
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     admitted.
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                  (EXHIBITS ADMITTED INTO EVIDENCE.)
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                  ALJ TAUBER: Now your next witness.
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                  MS. PARCELS: The city would call Chief
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2210 Mark Keller. 1 2 ALJ TAUBER: Mr. Keller, please raise 3 your right hand. 4 (Witness sworn.) 5 Thank you. ALJ TAUBER: 6 (EXHIBIT MARKED FOR IDENTIFICATION.) 7 8 CHIEF MARK KELLER 9 being first duly sworn, as prescribed by law, was examined and testified as follows: 10 11 DIRECT EXAMINATION 12 By Ms. Parcels: 13 Chief, I'm passing out what has been Ο. 14 marked as City Exhibit 12. Do you recognize that as your prefiled direct testimony? 15 16 Α. Yes. 17 Q. Do you have any updates or corrections to 18 that direct testimony? 19 A. No. 10. 20 Q. Okay. 21 I did attend a safety training session in Α. 22 Johnstown, Pennsylvania. 23 Okay. What was the date of that Ο. 24 training?

A. November 7th.

Q. Okay. And any other additions or corrections to your direct testimony?

A. No.

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- Q. If I were to ask you the same questions again today, would you answer in the same fashion?
  - A. Yes.

MS. PARCELS: Your Honor, the city would present the witness is available for cross-examination.

ALJ TAUBER: Ms. Petrucci?

MS. PETRUCCI: Yes, I noticed that what has just been distributed includes a City Exhibit 12A.

MS. PARCELS: That is merely for Chief Keller's reference if he so desires, it does not need to be moved into evidence, since he just became chief recently. It's merely for his reference.

MS. PETRUCCI: Well, I guess I'm a little uncomfortable with that. It's been distributed as if it was part of the exhibit, it's even marked as a city exhibit and stapled and attached to City Exhibit 12. I think that to the extent he has difficulty answering a question, we can deal with that, but providing him additional information attached to his direct testimony at this point is not proper.

ALJ TAUBER: The Bench is going to -Mr. Keller, the Bench is going to ask that you remove
City Exhibit 12A from your testimony. This is
supplemental testimony and it was not filed with the
Bench or with the parties.

If you need to use this on redirect, you can use it on redirect, but for the time being we're going to have you remove it.

THE WITNESS: Okay.

ALJ TAUBER: Thank you.

Cross-examination, Ms. Napier.

MS. NAPIER: Yes, thank you.

## CROSS-EXAMINATION

By Ms. Napier:

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- Q. Good morning, Chief.
- A. Good morning.
- Q. You had indicated in response to question 5 why Urbana Fire Division serves rural residents outside the city limits. Can you tell me approximately how much of the project area, if you know, would Urbana Fire Division service through contract?
- A. We cover parts of Union Township as well as Salem Township.

- Q. Do you also cover Urbana Township?
- A. Urbana Township, correct, yes.
- Q. Do you know what other fire departments would also encompass that project area?
- A. Northeast Champaign County Fire
  District --
  - Q. Okay.

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- A. -- which is in North Lewisburg, and Mechanicsburg Fire Department.
- Q. And, in your opinion, do you believe that your concerns would also be relevant to those fire departments also?
  - A. Yes, they are.
- Q. Any differences in concerns between your department and those other departments, to your knowledge?
  - A. None that I know of.
- Q. Okay. And would you agree with me that there's been some discussion in the last few years that the city has been involved with with fire and EMS protection out in the townships that include this project area?
  - A. Yes.
- Q. Do you know why there have been those discussions?

- A. Contract negotiations, basically.
- Q. Okay. And do you know why there's been kind of those contract negotiations?
- A. We increased our rates for fire and ambulance protection in those townships and they are looking into, the townships are looking into potentially having a fire district.
- Q. And do you know what type of, I guess would there be full-time personnel in those fire districts, to your knowledge?
  - A. I'm not sure.

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- Q. Okay. And can you tell me what type of training that you have received from Champaign Wind or have been proposed to receive from Champaign Wind at this time?
- A. I, like I said, I attended a training session in Johnstown, Pennsylvania, where they have a wind farm, and it was a county fire safety meeting where the county fire chiefs as well as 911 director and the EMA director attended. That really was the only, other than I spent about four-and-a-half hours with a technician the next day.
  - Q. And that was fairly recently?
  - A. November 7th.
    - Q. Okay.

- A. Seventh and 8th.
- Q. Any other proposed trainings that you've discussed with Champaign Wind?
  - A. No.

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- Q. We had heard testimony from Ms. North regarding the 911 dispatch center and you've included that in your testimony also. Do you have the same concerns as she does regarding interference of wireless communication?
  - A. Yes.
- Q. Are you requesting inclusion in the condition --
- A. Yes.
- 14 O. -- for that certificate?
- 15 A. Yes.
- MS. NAPIER: Thank you. I have no further questions.
- 18 ALJ TAUBER: Thank you.
- 19 Mr. Van Kley.
- 20 MR. VAN KLEY: I have no questions.
- 21 ALJ TAUBER: Ms. Petrucci.
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- 23 CROSS-EXAMINATION
- 24 By Ms. Petrucci:
- Q. Good morning, Chief.

A. Good morning.

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- Q. Going back to the training session, did the training include a discussion of the components and parts of the wind turbines and the generating facilities in that farm in Pennsylvania?
- A. Yeah. The actual training did not. I spent four-and-a-half hours with them the next day, that day we did, that was just me and one of the technicians.
- Q. And the technician that's employed with the company that's operating that wind farm, correct?
  - A. Correct.
- Q. Okay. And did part of this educational seminar or, I'm not sure -- training session include discussion of the safety equipment that are located at the sites of the turbines?
  - A. Yes.
- Q. And did it also include an explanation of the training that the company's personnel have?
  - A. Yes.
- Q. Did you have a chance to see emergency and/or safety plans that existed at that particular wind farm?
- A. Yes. I had to actually read over those to be able to go up to the wind farm.

- Q. Do you recall how long that wind farm has been operating?
- A. I believe since 2009 from the information they gave us.
- Q. In your testimony you refer to high-angle rescues, can you explain what that actually entails?
- A. That would be from elevations, actually doing rescue operations where we have to use rope systems to either raise or lower someone to a safe area.
- Q. And in your testimony you stated that you believe that your team would be able to respond to medical emergencies that you believe are possibly to occur in the future other than those that necessitate the high-angle rescues, correct?
  - A. Correct.

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- Q. And that's based on your years of experience as a firefighter and paramedic and your time in Champaign County, correct?
  - A. Correct.
- Q. You have indicated that, I think it's in answer 9, that you would like to have a local response team from the company to be available for the high-angle rescues, correct?
  - A. Correct.

- Q. What kind of local response team are you envisioning that would be needed?
- A. At this time we don't have enough equipment to do a high-angle rescue and actually lower somebody to the ground, so we would have to either have that provided or that would have to be on site for the technicians for the company to be able to do that rescue.
- Q. Okay. Do you have any other specifics that you're envisioning for this local response team?
- A. I was looking at the technicians actually doing the rescue potentially.
- Q. Going back to the training, if I understood you correctly, that training was in coordination with the local fire and county safety personnel in Pennsylvania?
  - A. Yes.

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- Q. What did you think of the training that you attended? What was your impression?
- A. It was a good training. It was their annual safety meeting. This was the first one, to my knowledge, that -- that's what they told me, it was the first one they had and they planned to do those every year.

It was very informative as far as, you

know, sitting in a classroom setting, but it was not really informative of the hands-on type of things that would be required for the rescues to be able to take place.

- Q. And are you saying that because there was no scenario that was actually carried out --
  - A. Correct.

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- Q. -- it was a different kind of training?
- A. It was a brief discussion about how things would work, but, you know, from my experience as a firefighter we like to do things hands on to see how they work and don't necessarily talk about it type of thing.
- Q. Do you know if in Pennsylvania the scenario kind of training exercise had occurred at that particular wind farm?
- A. Yes. Johnstown Fire Department has a rescue team, they were set up before the turbines came in because they have mountainous areas or cliffs and things like that that they would have to be able to function around. They were there, I did speak to the rescue coordinator of that meeting, and they thought that -- they do one time a year a hands-on training, they just did it in September I believe.
  - Q. In coordination with the wind farm.

A. Yes.

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- Q. All right. Chief Keller, have you contacted other first responders who work in the area of wind farms?
- A. I have attempted to talk to Van Wert and have not received any calls back. I've called them a couple of times.
  - Q. So you're in the process of trying to --
  - A. Yes, I have been.
  - Q. -- look into that.
  - A. Yes.
- Q. For those first responders that you spoke with in Pennsylvania, did they express concerns with the communications at that wind farm?
- A. They told me that they had not -- they had never had any issues with communication.
- Q. If this proposed facility is approved, do you believe it would be beneficial to attend further trainings such as at the start of construction and at the start of operations?
  - A. Yes.
- Q. And isn't it correct that Champaign Wind has stated that it intends to conduct trainings for this proposed facility?
  - A. That's been stated. My concern, again,

would be that it be training that's not necessarily just sitting in a classroom, it's hands-on.

- Q. Okay. And you said in Pennsylvania that they have done both --
  - A. Yes.

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- Q. -- versions of that kind of training.
- A. Yes.
- Q. Hands-on and --
- A. Yes.
- Q. -- more classroom style.
- A. Right.
- Q. And are you aware that Champaign Wind has indicated that it will work closely with the local emergency responders as well as the 911 dispatching and the life flight companies in Champaign County?
- A. I know that that's been stated. I do have concern that we were not contacted, to my knowledge, in the past when the first phase went through, and none of the volunteer departments that protect some of this area have been contacted that I know of; I was instructed by them that they had not been in contact.
- Q. And at this time no construction for any of the turbines has begun; isn't that correct?
  - A. Right.

1 Going back to the training in Ο. 2 Pennsylvania, the technician that you referred to, that was an employee of the company who owns the wind 3 4 farm, correct? 5 Correct. Α. 6 MS. PETRUCCI: I have no further questions. 7 8 ALJ TAUBER: Thank you. 9 Mr. Reilly? 10 MR. REILLY: We have nothing, your Honor. 11 Thank you. 12 ALJ CHILES: Redirect, Ms. Parcels? 13 MS. PARCELS: Yes. 14 15 REDIRECT EXAMINATION 16 By Ms. Parcels: 17 Q. Chief Keller, I want to clarify 18 something. You said when you went to the training in 19 Johnstown, that the training didn't actually include 20 everything that you did out in Pennsylvania; you did 21 some of that on your own initiative? 2.2 Α. As far as? 23 Going up with the technician and looking Ο.

at the turbine and reviewing turbine parts and

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components.

- A. I spoke to the manager of the wind farm there.
- Q. So that wasn't part of the training you attended. You did that on your own initiative.
  - A. Correct.

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- Q. Okay. Would you like to see that sort of annual training that you attended in Johnstown a condition on the certification of this permit for Champaign Wind?
  - A. Yes.
- Q. Would you also like to see the condition that the company provide training and equipment to the first responders in the area as a condition?
  - A. Yes.
- Q. Okay. And what about a condition for the company to maintain a local response team of their own technicians?
- A. If we could work out the training, the equipment, we would be able to assist the technicians, primarily though, I would like to see them have a major role in it.
- Q. Okay. Is part of your concern that the company have its own people, so to speak, driven by overtime concerns?
  - A. Yes.

- Q. I'd like to direct you to what's been marked as City Exhibit 12A, it's the fire division annual report from 2010.
  - A. Okay.

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- Q. Can you turn to page 7 there?
- A. Okay.
- Q. Middle of the page it's got some information about some reimbursements. Does "LEPC" stand for local emergency planning committee?
  - A. Yes.
- Q. Okay. It looks like there were a lot of reimbursements by LEPC for HazMat training, is that correct --
  - A. That's right.
- Q. -- in 2010? Would you like to see the company reimburse the Urbana Fire Division for any overtime expenses related to training and equipment or drills?
  - A. Yes.
- MS. PARCELS: Okay. Nothing further, your Honors.
- 22 ALJ TAUBER: Thank you.
- 23 Ms. Napier?
- MS. NAPIER: No, thank you, your Honor.
- 25 ALJ TAUBER: Mr. Van Kley.

1 MR. VAN KLEY: Nothing from us. 2 ALJ TAUBER: Ms. Petrucci. 3 4 RECROSS-EXAMINATION 5 By Ms. Petrucci: 6 With respect to the question that you 7 just answered, I'm not sure I fully understood. 8 Overtime of training associated with what? 9 Training for the wind -- to be able to do Α. rescues at the wind farm, specific to that. 10 11 Okay. Then what you just looked at in 12 the annual report marked City Exhibit 12A, that's not 13 associated with any wind farm, correct? 14 What is on here, no, it is not. Α. 15 MS. PETRUCCI: I have no further 16 questions. 17 ALJ TAUBER: Thank you. MR. PARRAM: No questions, your Honor. 18 19 ALJ TAUBER: Thank you. 20 21 EXAMINATION 22 By ALJ Chiles: 23 We just have a couple questions for you. 24 If you could refer to, I believe it's page 3 of your 25 testimony, it's your answer to question 11, and you

were speaking about conditions 42 and conditions 43 of the Staff Report. There should be a copy of the Staff Report on the stand there, if you would turn to page 58, and if you look down to conditions 42 and 43 that are about in the center of the page on page 58 -- let me know when you're there.

- A. I'm there.
- Q. -- have you reviewed these conditions before?
  - A. No.

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- Q. Can you tell me a little bit more specifically about what you would like to see added to these conditions, and take time to review them now if you'd like to do that.
  - A. Okay.
- Q. Can you tell me a little bit more specifically about what you'd like to see added to these conditions, if anything, to address your concerns?
- A. I would like to be able to go out there preconstruction or as they are constructing to be able to do site evaluations, to do training with people that may not necessarily go -- be able to go up into it but at least they'll have an idea of what's going on up there.

2227 1 Q. Okay. 2 Α. As well as the equipment would be an 3 issue. 4 Okay. So you'd like to see training Q. 5 opportunities and equipment added to those conditions. 6 7 Α. Yes. ALJ CHILES: Okay. Thank you. 8 9 ALJ TAUBER: Thank you. You may be 10 excused. 11 THE WITNESS: Thanks. 12 (Witness excused.) 13 ALJ TAUBER: Ms. Parcels. 14 MS. PARCELS: City would move for 15 admission of City Exhibit 12. ALJ TAUBER: Are there any objections to 16 17 City Exhibit 12? 18 MS. PETRUCCI: I have no objections to 19 City Exhibit 12. 20 ALJ TAUBER: Hearing none, City Exhibit 21 12 shall be admitted into the record. 2.2 (EXHIBIT ADMITTED INTO EVIDENCE.) 23 ALJ CHILES: Let's go off the record. Let's take a five-minute break. 24

(Recess taken.)

1 ALJ CHILES: Let's go back on the record. 2 Ms. Napier. 3 MS. NAPIER: Thank you. The county and 4 townships would call Stanley Bialczak. 5 ALJ CHILES: Please raise your right 6 hand. 7 (Witness sworn.) 8 ALJ CHILES: Thank you. You may be 9 seated. 10 11 STANLEY T. BIALCZAK 12 being first duly sworn, as prescribed by law, was examined and testified as follows: 13 14 DIRECT EXAMINATION 15 By Ms. Napier: 16 Mr. Bialczak, can you state your name and 17 business address for the record. 18 Stanley T. Bialczak, 30 East Broad Α. 19 Street, Ohio Department of Taxation, Excise & Energy 20 Tax Division, Columbus, Ohio. 21 And what is your current position with 2.2 the Department of Taxation? 23 I'm the division counsel to the Excise & 24 Energy Tax Division.

Q. And I have given you what I have marked

2229 as County and Township Exhibit 5. Do you see that? 1 2 Α. Yes, I do. 3 MR. PETRICOFF: Your Honor, if I could, isn't 5 Mr. Pickard. 4 5 MS. NAPIER: Oh, I'm sorry. I guess it 6 will need to be 6. 7 ALJ CHILES: Thank you. 8 MS. NAPIER: I apologize. 9 (EXHIBIT MARKED FOR IDENTIFICATION.) 10 And is Exhibit 6 now a true copy of your Q. 11 direct testimony? 12 Α. Yes, ma'am. 13 Have you had the opportunity to review Ο. that testimony prior to today? 14 15 Α. Yes, ma'am. 16 And if I were to ask you those same Ο. 17 questions today, would your answers remain the same 18 or are there any changes you wish to make for the 19 record? 20 They would be the same. Α. 21 Thank you. Q. 2.2 MS. NAPIER: I believe the witness is 23 available for cross-examination. 24 ALJ CHILES: Thank you.

Ms. Parcels?

MS. PARCELS: Just a few questions.

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## CROSS-EXAMINATION

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By Ms. Parcels:

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Good morning. Q.

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Α. Good morning.

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It's Mr. Bialczak? Q.

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Α. Yes. Or "Stan," that's fine.

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I think I'll go with "Stan" just so I Q.

I want to direct your attention to page 7

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don't mispronounce anything.

12 13

talking about the requirements an owner or lessee of

14 15 a project has under RC 5727.75(F), and if you go

through three requirements, and then the fourth

and page 8 of your direct testimony, and you're

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requirement notes that owner or lessee must provide

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and facilitate training for fire and emergency

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responders for response to emergency situations

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related to the energy project and, for energy

20 21 projects 5 megawatts or greater, provide the necessary equipment for the responders.

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Do you know how many megawatts this particular project, Champaign Wind, is expected to generate?

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Α. I can only assume it's greater than 5 megawatts because the Ohio Power Siting Board is involved.

2.2

- Q. Okay. And do you know if Champaign Wind has taken any steps to meet those requirements of RC 5727.75(F)?
- A. I'm not familiar with any of the particulars of Champaign Wind's application.
- Q. Okay. In your general experience with the Ohio Department of Taxation do you review some of the, I guess let's say paperwork for electricity providers that are seeking such PILOT exemptions and whether they comply with these eight requirements that they have to meet before they can be granted one of those exemptions?
- A. No, ma'am. That's the function of the Department of Development.
- Q. Okay. Also looking at page 8 of your testimony, it says that the intention of some of these offsets, so to speak, was to get the energy producers to partner with local government authorities to maintain infrastructure, invest in communities, and, further on down, provide necessary specialized emergency responses.

In your understanding with the Department of Taxation and the projects that you've reviewed for

tax compliance, I guess, has that been -- has that intention been met? Have the companies that have been seeking these sorts of exemptions complied with the intent to maintain infrastructure, invest in local communities, and provide necessary emergency responses?

- A. There may be a misperception of the Department of Taxation's role in this.
  - Q. Okay.

2.2

- A. The Department of Taxation does not get involved in any of the processing of the application paperwork.
  - Q. Okay.
- A. When we drafted 5727.75 and the Ohio Administrative Code rules that supplement it in chapter 122, there were several state agencies involved, I represented the Tax Department in those discussions, and each of the things that I've set forth in this written testimony were things that were considered that were important to include in 5727.75.

So that the Tax Department through me as its representative, but also through all the other state agencies that were involved at the time, were all focused on making certain that each of these considerations were met.

We had a concern at the time to protect counties' interests. The Strickland administration, and this all was drafted under the Strickland administration, was focused on bringing in alternative energy sources into Ohio and encouraging that development and investment, but it wanted to make certain that not only were jobs created, but also that local interests were protected.

2.2

And in the lead-up to this 5727.75

legislation, which is Senate Bill 232, I should refer to it that way, the lead-up to Senate Bill 232, there were numerous meetings over the course of probably at least a year and a half involving the industry, the local interests, and universities, and investor-owned utilities, almost anyone who had any type of interest involved in this alternative energy was represented in the lead-up to this legislation.

So when we sat down to actually draft the legislation and draft the statutes, which is what I was directly involved in for the tax part of this, all of this came into play.

So I was privy to what was discussed in the meetings, and what's set forth in my written testimony is a reflection of what we were considering as important at the time, not only from the

Strickland administration itself, but also considering what was discussed in the meetings that led up to the actual drafting.

2.2

So we knew what the county commissioners were concerned about, we knew what the wind and solar industries in particular were concerned about, and we knew what the Strickland administration's concerns were, and that essentially, again, were jobs and investment and protect the counties' interests.

So how do we do that? Well, these are the considerations that we made from all those meetings to ensure that the counties had some protection and that the counties, because they'd be giving up a lot of tax dollars if any of these energy projects qualified as a qualified energy facility, because they'd be giving up a lot of tax dollars, they had to have something in return, and so that's how these considerations also came into play.

So, I know that was a lawyer's answer to a pretty simple question, but the point is, is that we don't see this paperwork in the Tax Department.

We're familiar that it's supposed to be filed. And if there is compliance or noncompliance, that's a call from the Department of Development and not from the Tax Department.

Q. Okay. Thanks for clarifying that for me.

I just want to make sure I understand, though, you agree from your perspective, sitting on the group of people that drafted the legislation, that it is important to protect local interests, not just the counties' interests, but first responders and other facets of the community, entities that might be outside the project area but adjacent to it.

- A. Absolutely. That was one of the considerations.
- Q. Now, from your understanding, then, if -under the current tax regime or if Champaign Wind
  were to seek and obtain a PILOT payment, would the
  city of Urbana receive any tax revenue under either
  system of taxation?
  - A. Maybe.

2.2

- Q. If the city is not inside the project area, would it?
- A. This is how it works: The tax revenues go to the local taxing jurisdiction, so if this wind project that's at issue today doesn't get approved, it's going to be taxable. Excuse me, if it doesn't get approved as being tax exempt under '27.75, it's taxable, all right. And all the tax dollars that it generated are all local tax dollars, so those tax

dollars would go to whatever taxing jurisdictions this project is in.

If it gains exemption, the wind project is subject to PILOT payments, or payments in lieu of taxes, that's all set forth in 5727.75. The amount of the payment hinges upon how many megawatts are involved in the project and how many Ohio-domiciled employees are employed in this project, okay?

That money is paid to the county treasurer and that can go into the general revenue fund of the county. So that money can be used any way the county or the local government officials want.

So when I say "maybe" Urbana can get some, however Urbana approaches the county treasurer for the disbursement of these funds they could end up with some. Again, this is — this is something the Tax Department never wanted to get involved in and we were explicit in that in these discussions. We don't want to tell anybody how to spend their money.

Q. Okay.

2.2

A. Once these PILOTs come in, they go to the locals, the locals can spend it any way they want.

We don't even care if the PILOT's paid as a Tax

Department, we don't even care if the PILOT's paid,

that's all on the county treasurer to notify the Department of Development and notify the tax commissioner that the PILOTs have been paid.

2.2

If PILOTs aren't paid, then the project is subject to being disqualified and losing its certification, so there's the incentive to make certain the PILOTs are paid. So that's why, yeah, maybe Urbana can get some; that's a local issue.

- Q. Okay. So just to make sure I understand you correctly, even though Urbana is not one of the taxing jurisdictions in the project area, there is some potential depending on how the county treasurer and other local entities agree to split up the PILOT payment.
- A. That's true. And those entities where the PILOT, excuse me, where the wind project was located, they'll probably have a lot of say as to how those moneys get distributed too.
- Q. So the PILOT distribution is not, let's say, equally proportionate with how the current tax distribution would be for the taxing jurisdictions in the project area.
- A. I would say that's a fair statement.

  MS. PARCELS: Okay. Thank you. I have nothing further, your Honors.

1 ALJ CHILES: Thank you.

Mr. Van Kley.

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MR. VAN KLEY: I have no questions.

ALJ CHILES: Mr. Petricoff.

MR. PETRICOFF: Yes, thank you.

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## CROSS-EXAMINATION

## By Mr. Petricoff:

- O. Good morning, Mr. Bialczak.
- A. Yes. "Stan" is fine.
- Q. I'm Howard Petricoff, another name that sometimes is hard to pronounce, and I'm counsel for Champaign Wind.

I want to start with your testimony here at the beginning. The first question says that -- you have your testimony in front of you?

- A. Yes, sir.
- Q. It says, "The testimony set forth in this document discussing Ohio taxation" -- I'm reading the answer -- "of wind turbines is Stanley T. Bialczak."

  Obviously I think we're missing a word or two there.

  Should it say "This testimony is being presented by Stanley" --
  - A. It should be, sir. Yes, sir.
  - Q. And on whose behalf are you presenting?

Are you speaking today for the Ohio Department of Taxation, or are you a witness being called by Champaign County?

- A. I am a witness being called by Champaign County.
- Q. So the opinions that we have here are not the official opinions of the Ohio Department of Taxation, these are your opinions.
  - A. Yes, sir.

2.2

- Q. Okay. I notice that -- because these are your opinions, did you write the questions or were the questions presented to you?
- A. All of the questions were presented to me except for one which I felt we needed to, in order for me to say what I said in a later question, that you needed to establish a foundation for that, so all these were submitted to me except for one.
- Q. And now in terms of the answers, I note that, just looking at the first two answers, that, you know, you're referred to in the third person and that's kind of unusual. Did you do the original draft of the answers, or did you affirm the answers and the original draft was done by someone else?
- A. Well, I did the drafting of these. This goes back to testimony I gave three years ago.

Q. Right.

2.2

A. We took that document, and it was sent to me by Champaign County Prosecutor's office and said, "This is your prior testimony." To be honest with you, sir, I don't remember if I drafted those two answers originally. I drafted -- and so I just amended it as drafted originally which was three years ago.

Everything subsequent to that beginning with "Wind Turbine Classification" and this discussion of the tax and 5727.75, I drafted all that.

- Q. Let's talk a bit about the tangible property tax. I guess, if we go back 15 years, is it true that all businesses paid the tangible property tax?
- A. If you want, I'll give you a little bit of history on it.
- $\ensuremath{\text{Q.}}$  Oh, absolutely. It would save me a lot of questions.
- A. Okay. That would be good. I'm happy to do that.

In 2008 the general personal property tax was phased out. That was the last year that that tax was imposed upon businesses conducting business in

Ohio. It subjected all the business's personal property to taxation. That tax was first implemented in about 1931.

2.2

Though the general personal property tax was phased out in 2008, the public utility personal property tax was unaffected; it is still in effect for any taxpayer qualifying as a public utility in Ohio. What that means is that any tangible personal property that's used and located in Ohio is subject to taxation.

So for the case that we have here with regard to wind turbines, wind turbines can be owned by anybody, but if they're owned and used in a business, they're taxable as tangible personal property.

Electric companies and energy companies are the two companies that would be considered owning wind turbines and using them in business to generate electricity to supply to others. By doing so that subjects them to the public utility tax code.

So an electric distribution company or an energy company would have to file a tax return and report their tangible personal property, that is their wind turbines, as taxable property.

Now, we tax that property based upon a

true value computation. Would you like me to go into an explanation of that?

2.2

Q. I'm going to get there later, so let me stop you there because I want to just fill in on just the information you gave us up till now.

So, basically, outside of electric generators no other business in Ohio pays a personal property tax anymore?

- A. No; that's not accurate. Any public utility will pay a public utility personal property tax. So what that means is that you have railroads, pipelines, water transportation companies, electric companies, natural gas distribution companies, there's three or four others, energy companies, they all pay a public utility personal property tax.
- Q. So outside of public utilities no other for-profit business has to pay a personal property tax -- has to pay a personal tangible property tax.
- A. For the most part that's an accurate statement. I qualify it only in that if somebody is using -- if a business is using property that generates electricity for their own use, that is not subject to taxation. But if that company uses that electricity that they generate for their own use and then they supply it to someone else, now that

electric production equipment becomes taxable. We deem that to be a nonelectric company provider and on a prorated basis we will subject that production equipment to a tax.

- Q. Now, in terms of revenue for the state, what replaced the tangible personal property tax as a means for revenue for the state?
- A. Well, when the personal property tax was phased out for general taxpayers, not public utility taxpayers, the corporate franchise tax was phased out at the same time for the majority of taxpayers other than financial institutions which it is still in effect. The commercial activities tax was enacted to replace the franchise tax and the personal property tax.
- Q. So but basically the CAT tax -- and you don't mind if I call it the "CAT" tax?
  - A. No, sir.

2.2

- Q. The CAT tax is sort of the heir to the personal property tax in terms of revenue for the state.
- A. Well, revenue for the local jurisdictions.
- Q. Okay. Now, is it possible, then, that an energy provider would have to pay both the personal

property tax and the CAT tax? Could they get both?

2.2

A. Well, don't forget now, we've changed the structure. We've gone from general taxpayers, and that's what the CAT was designed to replace, okay, was the taxation on general taxpayers, not public utilities.

So a public utility, and specifically an energy company in this case, would be subject to the public utility personal property tax, their gross receipts would be subject to the commercial activities tax, or the CAT.

Not only do we have property taxes on public utilities, but we also have gross receipts taxes on many of the public utilities but not all the public utilities. Those that don't pay the gross receipts tax will pay either the franchise tax, which is what the electric companies were paying starting in the early-2000s, or they'll pay the CAT. And so energy companies, their gross receipts could be subject or would be subject to the CAT.

- Q. Let's focus a moment on a wind generator like Champaign Wind. Would they be subject to both the personal property tax and the CAT tax?
- A. If they don't qualify for exemption under 5727.75, that taxpayer would be subject to the public

utility personal property tax and the gross receipts would be subject to the commercial activities tax.

2.2

- Q. Okay. And, in fact, wasn't that one of the reasons for Senate Bill 232 was because of the tax burden on electric generators?
- A. I can't address that question. I don't know the answer to that.
- Q. It's possible that when the General Assembly passed 232, that was one of the -- one of the reasons was to create an exemption because of what would otherwise be a very high tax burden on electric generators.
- A. The idea behind Senate Bill 232, from my interaction with the parties and in the meetings that I was in, was the industry did not want to have -- to pay too much in tax and they felt coming into Ohio that they would be paying more in tax than they do in other states.

I did a study of all of our surrounding states to see where the tax burden fell, and some states would be taxed higher, some states would tax lower than Ohio for these wind companies because — the Tax Department and the administration at the time was getting information from various sources and a lot of that wasn't consistent. So we wanted to see

exactly, well, what would be the tax burden, say, in Indiana or Pennsylvania.

2.2

And what we learned through my research is that it's really tough to tell because there are various intangibles that come into play for these different taxes. No state taxes the same way, okay. So the best we could do is come up with estimates as to what a taxpayer would be subject to in another state. Ohio was probably on the higher end. We weren't the highest taxed state for wind and solar companies.

So the consideration of the tax burden, yes, that was an issue. In exchange for lowering the tax burden the state and the administration, the Strickland administration at the time, wanted consideration for that.

Q. And those were the -- well, never mind.

Earlier we were talking, you asked me about the assessment, and I guess now maybe I would like to ask you about how the, and we're still focusing now on the tangible property tax, I'm sorry, the taxable tangible property tax, how that is calculated.

I guess we start with, when we're doing the tax, we start with I guess the productive --

well, I guess we have to start with what the value of the property is. How would these wind turbines be valued?

2.2

A. Well, here's how the true value computation works: Whether it's wind turbines or any other public utility property, it's irrelevant. First it's given a class life. Generation, electric generation equipment, is all given a 30-year life which means that the Tax Department has determined that equipment used to generate electricity will have a 30-year useful life whether it's a coal-fired plant or a natural gas-fired plant or wind turbines. All production equipment gets a 30-year life, that's our starting point.

Now you take the costs associated --

- Q. Excuse me, if you don't mind my interrupting here just for a second, is that 30-year life something that is challengeable? If you could say, for example, the physical life may be 30 years, but, given the level of technology, its useful life is only 10 years, could we get the Tax Department to make it 10 years?
- A. Well, on a per-case basis a taxpayer can submit information that shows that it has special or unusual circumstances that indicate that the true

value computation which correlates with the tax commissioner's determination of true value is inaccurate. And based upon additional information for the tax commissioner to consider the valuation could be lowered -- or, the class life could be lowered which would result in the valuation being lowered. So, yes, it's possible.

2.2

- Q. Along that line, did that happen for utilities in the telecommunication industry where they went in to show that while the physical life of that Bakelite dial telephone may have been 30 years, it was obsolete technologically and should have a shorter life?
- A. Well, telephone companies are no longer public utilities, but in the '90s that was a big issue that we dealt with was first- and second-generation equipment, especially when there was the I guess transfer of technology from analog to digital.

So we didn't put anything out with regard to a press release, or information release I should say, but when taxpayers would come in to say that their property is not lasting as long as our class life at the time said it should, we did take that into consideration. And my recollection is, is that

we did make adjustments to the class life of various telephone companies that could establish that they deserved a lower class life.

- Q. I interrupted you, and you were taking us through the formula. I'd like to go back to that. So we start with the useful life. Right now the, if you will, the refutable presumption is 30 years.
  - A. Yes.

- Q. Now take us to the next step in the formula.
- A. Okay. So when property is placed into service, that year is considered its vintage year, and when I say the "true value computation," it's an actual piece of paper where we do the computation.

So on the left column you'll have a list of years starting with the most current year. So take tax year 2012, for instance, the first year of vintage year would be 2011, then it would be 2010, 2009, '8, et cetera. Now go down the left column of the true value computation.

Next to that column is put in the cost.

So it's not when the property is purchased, it's when the property is put into use in rendering a public utility service. Any cost incurred in that particular calendar year, or vintage year, goes on

the next line.

For older equipment you'll have disposals, so any disposed equipment gets subtracted from that cost figure as you go through the course of the true value computation over many years.

The difference is multiplied by what's called, several different names, it's called a valuation percentage, it's also called an annual allowance, it's also called a percent good, but what it is is a percentage that reflects essentially the depreciation in that property.

So for year one vintage year 2011, in the 2012 example, would have a cost figure, let's say it was a million dollars, and of course no disposals, the valuation percentage for the first year is 98.3 percent. So we take 1 million times 98.3 percent, \$983,000 is what's deemed the true value for the 2011 vintage year property, and we would do the same thing for the other vintage years.

Any property that was put into place in vintage year 2010 would be multiplied by a valuation percentage of 95, 2009 would be 93.1, and it would go down as the property ages.

If the property should last longer than 30 years, it will eventually hit a floor at

15 percent. So as long as the property is used in business in rendering a public utility service, it would always have a valuation percentage of at least 15 percent even if it lasted 50 years.

2.2

So we add up all those true values that are now on the right column of the true value computation. We add them up, that's the total true value. We multiply that times what's called an assessment percentage. Each public utility has a assessment percentage attributed to that particular type of public utility, those are all listed in 5727.111 of the Revised Code.

For electric companies and energy companies the assessment percentage is 24 percent for production equipment. So you would add up all those true values, multiply that times 24 percent, and that gives you the assessed value.

The Department of Taxation breaks out that assessed value by taxing district and that is reflected in the tax return that the taxpayer files where the property is located. So we break that out by taxing district and that assessed value is what is sent to the counties and to the taxpayer reflecting the value for that taxing district. That's part of the assessment certificate.

The counties take that assessment certificate and they multiply the assessed value of each of those taxing districts by the tax rate in effect for that particular taxing district coming up with a tax due.

- Q. Okay. Let's see if we can funnel this down, then, for the neophytes. So we would start with the assessed value and -- or the taxable value, and the taxable value would basically decrease every year as the equipment is amortized.
- A. Well, no, what I'll say is that the true value decreases every year.
  - Q. Okay.

2.2

- A. Not the taxable value. That's a different value that we come up with later.
- Q. Thank you. Because I want to get -- for the record I want to get the right terminology.
  - A. Yes, sir.
- Q. So the true value, then, we would expect, let's say the true value was, for the first year was a hundred dollars and we had a ten-year life so we would expect it to go a hundred, 90, 80, 70, 60, as we went down through time.
- A. Well, now you're changing my valuation percentages, okay. That's not how we would do it for

wind turbines. Again, when I said "98.3," I meant -I wasn't pulling that figure out of the air.

- Q. Right. That was one-thirtieth.
- A. Right.

2.2

Q. We're on the same -- I apologize. I immediately went to an easier example, but let's go with the more realistic one.

year, basically, one-thirtieth would come off unless there was a redetermination of that value, which you'd have to petition the Department of Taxation.

And then you would multiply that times 24 percent because this is electric generation and that is the statutorily assigned percentage.

- A. Yes, sir.
- Q. Okay. And then the county would take that and it would multiply that against its tax rate.
  - A. Yes, sir.
- Q. Now, do you know for Champaign County what that tax rate is?
  - A. No, sir.
- Q. Are they generally in the 1 to 2 percent range for personal property?
- A. Well, we look at them as a function of millage, and what I can tell you is that, and we just

computed this a few weeks ago for another matter, the average millage rate for public utility personal property in Ohio is 7 mils, so that's .007. That's the average. So I have no idea what Champaign County's is.

- Q. Okay. And, basically, to do a percentage we would have to -- first of all, let's make sure we've got this record cleaned up, 7 mils is seven-tenths of a cent?
  - A. Yes, sir.

2.2

- Q. Basically, we would have to take that assessment value to come up with what the percentage is and that's not something that you know offhand.
  - A. That is correct.
- Q. Okay. So, basically, what we would expect is that over time every year these payments would probably, these personal property tax payments would probably decrease.
- A. Yes, sir. Probably. Let me qualify that because when a taxpayer has new property brought in, that could increase its burden. Say a hypothetical taxpayer did not bring in new property since 2009, so in 2010 and 2011 and 2012 its property tax would be decreasing, but if it brought in new property in calendar year 2012, that would be subject to tax in

- 2013, now the taxable would increase.
- Q. But if we're assuming that the life of the turbine is 30 years and we're not going to replace it or change it over for technological reasons, then, basically, we expect it to go down by one-thirtieth every year.
  - A. Yes, sir.

2.2

- Q. Now let's do a little compare and contrast with the personal property tax and Senate Bill 232, okay. Now, on Senate Bill 232 how is the tax determined?
- A. There's been no change in how we determine the tax under Senate Bill 232. The taxpayer is taxable unless the taxpayer qualifies for an exemption under 5727.75.
- Q. Let's set that up. So to become exempt the wind turbine would have to make an application to the county commissioners, correct?
- A. No. The way the procedure starts is the wind turbine company would make an application to the Department of Development. The Department of Development takes the application and, my recollection is that the wind company has to file it in triplicate, and then Development takes copies of the application and sends them to the counties that

are -- sends them to the county commissioners that are impacted by the wind project.

2.2

The county commissioners have a burden, then, of determining whether they want to grant certification for that wind project or not. So the county commissioners can vote as to whether they want to have that particular wind project considered for tax exemption.

If they decide no, they let the

Department of Development know that and that comes

into play into the director of Development's decision

whether to grant the exemption.

- Q. So the ultimate decision is made by the director of the Department of Development?
- A. If the wind company meets all the different statutory requirements, and there's more than just sending it to the county commissioners, there's numerous statutory requirements, if the wind development company meets all those requirements, then the director would make the final decision.
- Q. Now let's assume that the director of the Department of Development has made the decision and it has granted Champaign Wind a Senate Bill 232 exemption, how would the turbines be taxed under that scenario?

A. Well, then they're not taxed.

2.2

- Q. Okay. Then there would be a PILOT, correct?
- A. Well, yes. That's a payment in lieu of taxation.
  - Q. And how would the PILOT be determined?
- A. The PILOT is a function of the size of the wind project and the number of Ohio-domiciled employees that are employed by the wind project. The PILOT also can be subject to between a 2- and 3,000 dollar increase by the county commissioners if the county commissioners vote to assess that additional PILOT.

So, for instance, I'm going from memory here though I think it's set forth in the testimony, in the written testimony, if the project -- well, I simply don't remember offhand, but it's in my written testimony. If it's okay with you, I'll refer to that.

- Q. Sure. That's fine.
- A. Okay.
- Q. That's fine. But let's make sure we're all on the same page, though, that Revised Code section 5727.75 sets out the formula for the PILOT and then the county commissioners have the ability to

add an additional 2- to 3,000 dollars per turbine as an additional fee as part of the PILOT.

- A. That is correct.
- Q. Okay. We have some other taxes that are discussed in your testimony as well and I'd like to run through those with you at the moment. The first is the real property tax on the turbines and the towers and the collection lines, those are all personal property?
- A. No. That's part of the distribution equipment. Power lines.
- Q. Okay. So let's go back to my list, then. The turbines and the tower, that's generation.
  - A. That's correct.
- Q. Okay. And if there are collection lines, those are taxed separately.
  - A. That is correct.
- Q. Okay.

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- A. But it's all considered tangible personal property. I mean, on the return it's considered distribution lines, but it's all tangible personal property.
- Q. How about the base and the land upon which the turbine tower sits, is that real property?
  - A. The land is real property.

- Q. All right. And who would be taxed for the value of the land?
- A. Well, the landowner is normally taxed for the value of the land, but that also could be subject to whatever type of agreement the landowner has with the wind company.
- Q. Right. So it could either be the wind company paying the real property tax or it could be the landowner paying the real property tax for the land on which the turbine sits.
- A. Yeah. My understanding, and again, the real property is not my area of expertise so I want to qualify these statements with that statement, my understanding is that the county auditor will assess the landowner, there may be an agreement between the wind company and the landowner that the landowner's going to get reimbursed.
  - Q. Right.

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- A. How that land is valued can vary by county. We've seen different scenarios where the county auditors have asked us, Well, can we value it this way or that way. It's like, You can value it any way you want, it's property in your county.
- What I set forth in my testimony was, in the written testimony, is that some county auditors

are carving out a half-acre parcel and taking away its CAUV value and valuing it at market value for that half acre per wind turbine.

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- Q. And "CAUV" is an acronym for the reduced agricultural taxation value?
- A. Current agricultural use value is what that acronym stands for, yes, sir.
- Q. Okay. And so the revenue flow from the real property, that's in addition to everything we've discussed thus far on the personal property tax.
  - A. Could you repeat that?
- Q. Sure. In looking at revenue flows to government, tax revenue flows to government from a wind project, we have the personal property tax, which we have discussed, and we have the real property tax, and the real property tax is separate and apart from the personal property tax. These are just, these are two different streams of tax revenue going back to the county.
  - A. That is correct.
- Q. Okay. And then there's also a kWh tax; is that correct?
- A. That's an acronym for the kilowatt-hour tax.
  - Q. Right. And the kWh tax is levied either

by the electric utility or it's self-assessed by very large electric users?

- A. That's correct.
- Q. And that, the kWh tax, is not affected by whether there's a turbine or there isn't a turbine, it's just on electric consumption?
  - A. Yes, sir.

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- Q. And the reason you put that in your testimony was you were being -- you were giving a complete overview of all of the taxes that flowed.
- A. I was trying to be as thorough as possible.
- Q. And in that vein you will agree with me that the kWh tax is a separate stream of tax revenue that's going to go back to government.
  - A. Yes, sir.
- Q. Okay. And where does the kWh tax go? What level of government gets the kWh tax?
- A. The general revenue fund gets a certain percentage and that recently was increased to I think around 88 percent, and then there are local funds that receive the remainder. I set forth those percentages in my written testimony.
- Q. Okay. Now I want to take you to a different type of exemption. In addition to the

Senate Bill 232 exemption there's also an Ohio Air Quality District potential exemption for turbine generation?

- A. Potentially.
- Q. And I think you addressed that on page 7 of your testimony. I'm sorry, it starts on page 6.

  Do you see that section of your testimony?
  - A. Yes.

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- Q. Fair to say that it is possible to finance all the generation through an OAQDA bond? There's potential to do that?
  - A. Yes, sir.
- Q. Okay. And anything that is financed through an OAQDA bond is tax exempt?
- A. That property is exempt from Ohio taxation, that is correct, sir.
- Q. So that would be the property tax and would it be the real property tax as well?
- A. My understanding is it would also exempt the real property tax.
- Q. So the only tax that wouldn't be affected would be the kWh tax.
  - A. And the CAT.
  - Q. And the CAT tax, okay.
  - A. And any sales taxes that may come into

play for any particular taxpayer.

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- Q. Right. And if Champaign Wind sold its power at the wholesale level to an electric utility, would there be sales tax?
- A. There would be a -- if they sold it to an electric utility, there would be the CAT.
  - Q. The CAT tax, right.
- A. Yes, sir. That would be the gross receipt to, in your example, the Champaign Wind company.
- Q. Right. But there would be no -- there would be no sales tax.
  - A. Not on that, no, sir.
- Q. And the CAT tax would be paid by the utility.
  - A. The CAT would be paid by Champaign Wind.
  - Q. By Champaign. Thank you. That's correct.
  - Okay. So now let's go back to the OAQDA. In your testimony you say that most wind companies don't find the OAQDA financing attractive because they have third-party partners who want to take advantage of the federal income tax credit.
    - A. That's my understanding of the situation.
    - Q. Right. And the federal income tax credit

you're talking about is the production tax credit?

A. Yes, sir.

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- Q. Does the production tax credit have a sunset date?
  - A. Yes, it does.
- Q. And is that sunset date December 31st, 2012?
  - A. That's my understanding.
- Q. So there may not be a production tax credit starting the first of the year.
- A. It's possible, but the caveat to that is that Congress has had -- has extended that sunset date many times.
- Q. And Congress is looking at more than just the sunset for the production tax credit this year when it comes to renewing taxes.
  - A. They have many other issues, yes, sir.
- Q. So there is a good chance that this year it would not be renewed, particularly in light of the, for lack of a better term, the financial cliff.
- MR. VAN KLEY: Objection. It calls for speculation.
- MR. PETRICOFF: I'm just asking if he knows.
- 25 ALJ CHILES: The witness may answer if he

holds an opinion on the matter.

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- A. I don't have an opinion on that.
- Q. But would you agree with me that unless Congress does something, the production tax credit would sunset at the first of the year?
- A. That's my understanding the way the law is written now, yes, sir.
- Q. And that being the case, if it does sunset, then the OAQDA may become attractive to a wind producer like Champaign Wind.
- A. Well, it would still have to -- my understanding of why that has not been an attractive way of financing is because of the ownership structure of these wind companies and that OAQDA, and I don't want to go too far beyond my level of knowledge on this because that is another area of expertise with the OAQDA, my understanding is that they're looking for debt financing, not equity financing. And most of these wind companies, or, let me rephrase that, at least some wind companies have equity financing with third-party providers and that was designed, again, from my research, to take advantage of federal tax credits.
- Q. Right. So if we no longer have the federal tax credits, then the structure could be

different than having a third-party equity partner involved in financing a wind farm.

A. Potentially.

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MR. PETRICOFF: May I have a moment, your Honor?

ALJ CHILES: Sure.

- Q. One last question. How many years can you get an exemption under the OAQDA financing? How long can those bonds run?
- A. By statute, the last time I looked at those statutes, it was 40 years.
  - Q. I have no further questions.
- A. If I could just clarify something. I said earlier that I thought that my written testimony contained the, how much of the PILOT is generated by the size of the wind project and the number of employees.

Apparently, my written testimony does not contain that, but what I wanted to say to clarify that answer was that if the wind project is between a certain megawattage and the number of employees that are Ohio domiciled exceeds certain statutory percentages, that the PILOT is set at a certain amount, and the lower the statutory -- or, the lower the percentage of Ohio employees, the greater the

PILOT becomes.

- Q. Assuming that you make, if you know, assuming that the full ratio is filled, are we talking about 6- to 9,000 dollars a turbine a year?
- A. My understanding is that the most that a PILOT could be per turbine would be \$9,000 times the megawattage of that turbine.

MR. PETRICOFF: Thank you. And thank you for putting that on the record for us.

I have no further questions.

ALJ CHILES: Thank you.

Staff.

MR. O'ROURKE: Thank you, your Honor.

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## CROSS-EXAMINATION

By Mr. O'Rourke:

- Q. Good morning, Mr. Bialczak. My name is Ryan O'Rourke with the Ohio Attorney General's office. Feel free to call me "Ryan."
  - A. Thank you, sir.
- Q. You previously stated that you did not review the application that was filed on this case and that was filed by Champaign Wind; is that correct?
- A. That's correct.

- Q. Did you review the Staff Report that was filed on this case?
  - A. No, sir.

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- Q. Have you performed any sort of economic modeling that would determine the types of tax dollars that would flow into the state or local governments?
  - A. No, sir.
- Q. You may have answered some of these questions and I beg your indulgence, but I just want to run through the different types of taxes that could be -- could be levied on a wind farm project such as the one at issue here. The first one is the commercial activities tax; is that correct?
  - A. Yes, sir.
- Q. And who are the recipients of those tax dollars?
- A. You know, that percentage changes, and I think the latest change is that it is primarily going to the general revenue fund, but when the CAT was originally enacted, some of it went to the GRF and the majority of it went to property tax replacement funds, again, to replace the property tax revenue, the personal property tax revenue that the counties and the local officials would be missing because of

the phase-out of the tax.

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But those percentages have changed in recent legislation. I think that the GRF gets the majority of that, I don't remember the percentage, but the locals still get a declining percentage of the CAT.

- Q. The public utility personal property tax is also a tax that they could be subject to; is that correct?
  - A. Yes, sir.
- Q. And could you, again, who are the beneficiaries of those tax dollars?
- A. The public utility personal property tax is a local tax so all of the money is given to the local taxing district where the property is located.
- Q. The kilowatt-hour tax is also a tax that the company could be subject to?
- A. Yeah. Possibly. Not necessarily, but depending on who they sell the electricity to or who they distribute the electricity to they could be subject to the kWh.
- Q. And those tax dollars could go to the general revenue fund; is that correct?
- A. Not all of them. A high percentage of them goes to the GRF.

- Q. And the balance would go to the locals; is that correct?
- A. I've set forth in my written testimony those percentages and that's my recollection is that it is to the local funds.
- Q. There wasn't any discussion of this, but would the Applicant be subject to a state or local income tax?
  - A. You mean as a corporate tax?
  - Q. Yes.

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- A. Well, the franchise tax has been phased out, which essentially was the income tax for corporations, and it's been replaced with the CAT.
- Q. How about the employees of the company, would their wages be subject to the state or local income tax? Could they be?
- A. Certainly. The wages could be subject to not only the state, but municipal income taxes, school district income taxes. And to clarify what I just said with regard to the company, the wind company, they would be subject to employer withholding taxes on their employees.
- Q. Any real property owned by the company could potentially be subject to the real property tax that's levied?

A. Yes, sir.

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- Q. How about sales tax? Could a sales tax arise in a particular transaction if the wind company purchased property and sited it in Ohio?
- A. Without a statutory exemption it would be subject to sales tax.
- Q. Are you familiar with the term "clawback"?
  - A. Yes, sir.
  - Q. What's your understanding of that term?
- A. To reach back and obtain taxes that were originally exempted but for whatever reason the taxpayer no longer is entitled to that exemption, and perhaps never was, so the governmental entity can clawback those taxes.
- Q. Is there a clawback provision in the -if the wind company received an exemption, is there a
  potential for a clawback to occur? Is that in the
  statute?
- A. I don't believe there's a clawback provision. What there's a provision for is for a wind company to lose its exemption. I'd have to look at the statute again, but I do not recall a provision that would allow for the assessment of taxes that had been exempted for earlier years.

Q. Could I direct your attention to page 10 of your prefiled testimony. Let me know when you're there.

A. I'm there.

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Q. And, actually, I'm going to start on page 9 and I'll just read the question. "To your knowledge, why were the requirements set forth in RC 5727.75(F) made a part of the statute?" And you go forth and give several reasons.

And if you could go to the one, two, three, fourth line from the bottom, it says ". . . to provide Ohio the ability to revoke certification and subject to taxation any owner or lessee that might fail to meet its statutory obligations," and you go on to say some other words, but did I read those provisions correctly?

- A. Yes, sir.
- Q. I guess that was my understanding of maybe what the clawback in this statute would work, how that would work. Could you explain what type of procedures the company would have to abide by if it was later determined that they weren't entitled to an exemption? So, for instance, would they have to pay back any money to the locals or to the state if they --

A. My understanding of how this would work, if someone -- if a taxpayer loses its certification -- let's take a step back. Any energy company that has a qualified energy project on an annual basis has to file what's called a nameplate capacity report with the Department of Development and in that report they need to show how they either increased or decreased their nameplate capacity.

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In other words, they need to show what properties they have added or subtracted from their property in use in business in Ohio.

The Tax Department wanted that information made available so that if a taxpayer ever loses its exemption, we would have access to independent records that would show the amount of property that the taxpayer has in Ohio at that time so that we can issue an assessment, hopefully an accurate assessment, based upon their current investment in Ohio.

So what I was referring to with the statement that you just quoted was if a taxpayer loses its certification, the Tax Department wants to be able to go back in and issue an accurate assessment on a going-forward basis, so we need to know what properties they have in Ohio at that time.

So the taxpayer's exempt, they're not filing a return with us each year, they're filing with the Department -- they're not filing a return with the Tax Department, they're filing with the Department of Development a report. We want to be able to take that information and put together an assessment based upon an assessed value which is based upon the amount of investment the taxpayer has in Ohio. Again, we want to do that on an on-going basis if they lose their certification.

- Q. Now, if the Ohio Department did issue an assessment against the wind company, would there be an opportunity to challenge that assessment?
- A. An opportunity to challenge it by the taxpayer?
  - O. Yes.

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- A. Certainly. Once we issue the assessment the taxpayer could file an appeal, it's called a petition for reassessment, with the Department of Taxation and it would go through the administrative appeal process.
- Q. Perhaps up through the Ohio Board of Tax Appeals?
- A. The first level of appeal is with the Ohio Department of Taxation, and then the tax

commissioners issue a final determination. If the taxpayer or county does not agree with that final determination, then either party can appeal to the Ohio Board of Tax Appeals, that is correct.

- Q. Just so we're clear, none of the challenge would occur before the Public Utilities Commission of Ohio.
  - A. That's correct.

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Now, I will also point out that the challenge to the exemption might have its own procedural aspect to it with regard to the Department of Development, but with respect to the taxation of that property, the procedure is just as we set forth.

- Q. And, just to further follow-up, that challenge to the assessment would also not take place in front of the Ohio Power Siting Board; is that correct?
  - A. That is correct.
- Q. Could I direct you to page 6 of your prefiled testimony. And I'll be starting on the one, two, three, four, five, sixth line down starting with the word "If." Let me know when you get there.
  - A. Yes, sir, I'm there.
- Q. So I'll read this. "If the wind farm is in more than one taxing district, and if few jobs are

created by a wind farm project (as is usually the case), the problem becomes how to apportion the jobs between/among the taxing districts to meet statutory requirements." I did read that correctly?

- A. Yes, sir.
- Q. Looking at that parenthetical, "as is usually the case," what is your basis for making that statement?
- A. From all the discussions that we had beginning in late-2008 through the drafting of Senate Bill 232, the discussions we had with the wind energy industry, and also based on my own research, what's been clear is that once a wind project is put into place any permanent jobs are few because there's not that much to do other than to maintain the wind turbines.
- Q. That statement was not made based upon a review of the actual wind farm project that is currently operating in the state of Ohio; is that correct?
  - A. That's correct.

MR. O'ROURKE: No further questions.

ALJ CHILES: Thank you.

Ms. Napier, redirect?

MS. NAPIER: Yes, your Honor, just a few

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questions.

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## REDIRECT EXAMINATION

4 By Ms. Napier:

- Q. Mr. Bialczak, do you know the effective date of 5727.75, approximately? If you know.
- A. June 2010? September 2010? I don't remember exactly.
- Q. Okay. And you testified before a hearing before the Ohio Power Siting Board in 2009, correct?
  - A. Yes, ma'am.
- Q. Okay. And so your testimony did not include portions of 5727.75; is that correct?
  - A. That statute didn't exist in 2009.
- Q. So with regard to 5727.75, just to clarify your testimony in response to Mr. Petricoff, the Ohio Department of Development would not approve or deny the certification of the qualified energy project until all the requirements of paragraph (F) are met?
- A. That's my understanding of how that's supposed to work. Now, again, what the statute says and in practice would be two different things.

  That's how the Department of Development, you know, things work out procedurally sometimes, this is what

the statute says, but in practice corners get cut sometimes. But I have no way of knowing that that's what the Department of Development's doing.

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By the terms of the statute that's how the exemption is supposed to be enacted is once all those requirements are met.

When we drafted the Administrative Code rules in chapter 122, we wanted to give the Development director a little bit of leeway with regard, and the taxpayer, with regard to meeting those requirements. So the director can give, I think the term of art is a "qualified exemption" which allows the exemption while some of these requirements are in the process of being met, and if those requirements are ultimately not met, then the qualified exemption is lost.

- Q. Do you know, in those administrative rules, do they set forth which requirements or is that a broad-based discretion of the requirements that are in the process of being met?
- A. Again, because those aren't rules that pertain to the Department of Taxation, my recollection from having read them a few times is that it's a broad-based application of, you know, Well, we don't have the county engineer's sign-off

yet but we're going to get it. Okay, when are you going to get it. A date might be given. Okay, well, we're going to give you a qualified exemption pending you getting the county engineer to sign off on what the county engineer has to sign off on.

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Or if you have -- or if the taxpayer has an established relationship with a local educational institution with regard to jobs training, but they're in the process of doing that, so Development could give a qualified exemption and then, of course, the taxpayer would have to come forward with information showing that they actually did do that.

- Q. So, for instance, the county commissioners may not have ruled on approving or passing a resolution that's required, that could -- during that time before the resolution is passed there could be a qualified approval by the Department of Development; is that your testimony?
- A. Well, don't forget that these wind projects are so big that sometimes they go into more than one county. So what Development is looking for pursuant to the Administrative Code rules and 5727.75 is notification from the county commissioners that they are approving the project for exemption.

If one county approves it and another

county doesn't, if you have a multicounty taxpayer, the county that doesn't approve it, that doesn't prevent the wind project from being installed in the county, but it does prevent that wind project from gaining tax exemption in that particular county.

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So the wind company's tangible personal property and real property would be subject to tax if the county commissioners don't issue their approval.

- Q. So, just to clarify, so if the county board of commissioners, at least if it's within one county, does not approve or pass a resolution approving the qualified energy project, the director may still be able to grant that under the Ohio Administrative Code?
- A. Well, the director can give it a qualified -- can say that it qualifies, but it's not going to gain any tax exemption because, and I forget which rule it is, but it's specifically set forth in the Ohio Administrative Code rules in chapter 122 that any county for which the county commissioners don't grant an exemption, the taxpayer does not get an exemption.
- Q. And in order to receive the qualified energy project certification does there need to be an approval by the Ohio Power Siting Board of a siting

certificate?

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- A. Yes, ma'am.
- Q. Other than that requirement is there any bearing that the Ohio Power Siting Board has on the Department of Development certifying it as a qualified energy project?
  - A. No, ma'am.
- Q. So they're basically two different processes.
  - A. That is correct.
- Q. So if the Ohio Power Siting Board sets some requirements such as training and -- emergency training or with regard to road maintenance which are also included in 5727.75, in your opinion, could there be some overlap or duplication?
- A. Between what the Ohio Power Siting Board requires and what the statute requires?
  - Q. Yes.
  - A. There potentially could be.
  - Q. Okay.
- A. But just to clarify, for exemption purposes, in order to get that exemption from the Department of Development, the taxpayer is going to have to comply with 5727.75 requirements with regard to training and the particulars of how to do that are

set forth in the rules and that's, again, more a

Department of Development issue than a Taxation

issue, but unless the taxpayer meets those

requirements set forth in the statute and the rules,

Development has a basis not to grant the exemption.

- Q. Just turning to personal property tax, does wind turbine personal property, can they obtain an accelerated depreciation schedule?
  - A. No.

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- Q. Okay.
- A. I hesitated because I didn't know like if you were referring to what you could get under federal like for like a modified accelerated cost recovery. We don't have that type of mechanism in Ohio law, it's this is the true value computation that's applied. If the taxpayer has information showing that the true value computation does not reflect the true value of his property, then we can consider that information in making an adjustment to the true value, but there's no accelerated depreciation.
- Q. And do you know if any wind projects have gone through that process of trying to reduce their depreciation schedule for useful life?
  - A. I am not aware of any.

Q. Do you know if the jobs that are set forth in the requirements are permanent or temporary? Is there some qualification as to what types of jobs are Ohio-based for the 5727.75 qualified energy project?

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A. Well, certainly the installation of the -- and the creation of the wind farm, they're looking at a certain percentage of Ohio jobs for the construction workers. It has to be at least 50 percent. Anything below 50 percent can cost the wind turbine company an exemption.

With regard to ongoing jobs, that's more of a Development issue. I think that is addressed in chapter 122 of the Administrative Code. That's the best I can answer to that question.

Q. Okay. And in being involved with the drafting of this, you had indicated that the requirement of the PILOT was to compensate the local governments for loss of tax revenue due to the exemption and the requirements that were set forth for the alternative -- I'm sorry, for the qualified energy project; can you tell me why that was important at the time?

MR. PETRICOFF: Objection. That goes beyond the scope of the cross. That's going back to

his original testimony.

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ALJ CHILES: Ms. Napier.

MS. NAPIER: I believe that it was addressed in response to Mr. Petricoff's questioning the basis for 5727.75. I was just trying to get a clarification.

ALJ CHILES: Can you read the question back for me, please.

(Record read.)

ALJ CHILES: Did you have something to add, Mr. Petricoff?

MR. PETRICOFF: Yes, I was just going to say the cross was about, in addition, explored tax burdens. It did not explore that aspect of it.

MS. PARCELS: Your Honors, I believe he might have elaborated on that question in my initial cross as well.

ALJ CHILES: The objection is overruled, but I think you need to keep your scope of questioning narrow in this area.

MS. NAPIER: And I believe this might be my last question, or my second-to-last question.

ALJ CHILES: Thank you.

A. The PILOT was implemented in order to compensate the locals for some of the lost tax

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2 MS. NAPIER: Thank you. I have no

3 further questions.

ALJ CHILES: Thank you.

Recross, Ms. Parcels?

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### RECROSS-EXAMINATION

By Ms. Parcels:

Q. You indicated the PILOT was to compensate locals for lost tax revenue, and in my initial cross you said it's a possibility the city of Urbana or any other local entity might have, so to speak, a shot at those funds depending on how the county treasurer and others want to divvy that up.

Can I direct your attention to the Staff
Report, should be a purple-copied exhibit up there.

If you could turn to page 8, that page is
intentionally blank, but on the facing page there's a
map. If you're in the map section, you've gone too
far. It's the very first page of the map section.

Is that the overview map? Are you looking at it?

- A. (Indicating.)
- Q. Do you see some gray shaded areas on that map?

A. Yes, ma'am.

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- Q. Would you agree those gray shaded areas are municipalities marked Urbana, Mutual, and Mechanicsburg?
  - A. Yes, ma'am.
- Q. Does it appear any turbines are located within the boundaries of those municipalities?
- A. Well, they're outside the gray -- the boundaries of the wind turbine farm are outside of the gray areas.
- Q. Okay. So if there are no turbines actually within the municipalities, would you say, then, that there is a lesser likelihood that those municipalities would share in any PILOT or current -- under either tax system, whether it's the current tax system or the PILOT, that any of the municipalities shown on that map would share in any tax revenue?
- A. Under the current tax system those municipalities would not receive any public utility personal property tax generated by a wind farm. I can't say with regard to the PILOT system because, again, that is a local matter that the state did not want to have any say in. In other words, we wanted to give the locals autonomy as to how they're going to use any funds generated from the PILOT.

Q. Okay. And you also indicated that -well, you also indicated that the PILOT would be
based on the number of Ohio-domiciled employees and
that there might be some potential for municipal
income tax revenue. Is that based on where the
employees have their domiciles or where the office
for the wind facility's located?

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A. It gets complicated when you talk about municipal income taxes because of jurisdictions, and generally it is -- there is a reciprocity agreement if someone lives in one municipality and works in another municipality with regard to sharing of municipal income taxes.

So if someone lived, let's say, in Urbana but worked on the wind farm, well, again, I have to conjecture here because I don't know if there's any type of reciprocity agreement between Urbana and the other districts that might be involved in this, okay? Say there isn't. Then my understanding of municipal income tax would be that you're going to be paying to Urbana.

- Q. If you're an Urbana resident or if the corporate office is in Urbana, or both?
- A. Well, the corporate office would be irrelevant. It's going to be where the employee

lives or works.

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- Q. Okay. But would you agree that if someone's working on a turbine in the wind farm, that they are working outside of the municipality of this overview map?
- A. Based upon that map it looks as if they would be working outside the municipality, that's correct.
  - Q. Like in a township.
- A. Yes, it could be possibly in a township.

MS. PARCELS: Okay. Nothing further,

12 your Honors. Thank you.

ALJ CHILES: Thank you.

14 Mr. Van Kley.

MR. VAN KLEY: Nothing for us.

ALJ CHILES: Mr. Petricoff?

17 MR. PETRICOFF: No further questions,

18 your Honor.

19 ALJ CHILES: Mr. O'Rourke?

MR. O'ROURKE: Just one, briefly.

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# 22 RECROSS-EXAMINATION

23 By Mr. O'Rourke:

Q. In response to Ms. Napier's question, she was asking you about the 302 computation and you said

that a wind company or perhaps any public utility personal property taxpayer could not abide by the schedule, the 302, if they could show you that the 302 computation does not accurately capture true value. What would be some of the ways that they could show you that the 302 computation does not accurately capture true value?

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A. If their usage of the equipment or through their usage of the equipment the equipment doesn't last as long, they have some type of special circumstance that detracts from the industry norm, that perhaps all the wind turbines they bought were improperly manufactured and they all fizzled after five years, but this is total conjecture. I don't know what could go wrong with a wind turbine that would generate that type of result where we could reduce the valuation, that's just because I'm not familiar enough with that industry with regard to what could mechanically go wrong.

But, generally, I guess I'll talk in more general terms, if there's mechanical reasons why those or usage reasons why those wind turbines don't last the 30 years, that would be a consideration we could make in reducing the valuation of the property. What those particular reasons might be, I couldn't

say.

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- Q. And to make out a claim they would need to show some sort of appraisal or documentary evidence, mathematical computation?
- A. Probably, more than just an appraisal. We'd probably be looking for tangible evidence that shows that, you know, we had 1,000 wind turbines installed and in the course of five years 80 percent of them quit functioning. Oh, wow. Okay, well, now you have some tangible evidence that we can look at, something substantive that shows that your situation, your peculiar situation is subject to review because the standard true value computation doesn't reflect the true value of the property versus just coming in with an appraisal.

An appraisal is just an educated guess, and we have a standard true value computation that's set forth in statute and has been approved judicially and it shows the prima facie correct true value of the property.

So an appraisal is just someone else's opinion. We would not go just off an appraisal. The taxpayer would need to show something more substantive is wrong with the property, that they have special and unusual circumstances that the true

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     value computation doesn't reflect the true value.
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                  MR. O'ROURKE: Thank you. Nothing
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      further.
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                  ALJ CHILES:
                               Thank you.
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                  I have no questions so you are excused.
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                  THE WITNESS:
                                Thank you.
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                  ALJ CHILES: Thank you.
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                  (Witness excused.)
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                  ALJ CHILES: Ms. Napier.
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                  MS. NAPIER: Your Honor, the county and
11
     townships would request that the direct testimony of
12
     Stanley Bialczak which is marked as County and
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     Township Exhibit 6 be admitted into evidence.
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                  ALJ CHILES: Are there any objections to
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     the admission of County and Townships Exhibit 6?
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                  MR. PETRICOFF: No objection.
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                  ALJ CHILES: Hearing none, County and
      Townships Exhibit 6 shall be admitted.
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                  (EXHIBIT ADMITTED INTO EVIDENCE.)
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                  ALJ CHILES: At this point, since we're
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     very close to noon, we will take our lunch break. We
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     will reconvene at 1 o'clock. Thank you.
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                  (At 11:57 a.m. a lunch recess was taken
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     until 1:00 p.m.)
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2292 1 Monday Afternoon Session, November 26, 2012. 2 3 4 ALJ TAUBER: Let's go back on the record. 5 Ms. Napier. 6 MS. NAPIER: Yes, your Honor. County and townships would call Kyle Wendel to the stand. 7 8 ALJ TAUBER: Mr. Wendel, please raise 9 your right hand. 10 (Witness sworn.) 11 Thank you. ALJ TAUBER: 12 (EXHIBIT MARKED FOR IDENTIFICATION.) 13 14 KYLE J. WENDEL 15 being first duly sworn, as prescribed by law, was 16 examined and testified as follows: 17 DIRECT EXAMINATION 18 By Ms. Napier: 19 Mr. Wendel, can you state your full name 20 and business address for the record. 21 A. It's Kyle J. Wendel. The address is 22 Van Wert County Engineer, 220 South Market, Van Wert, 23 Ohio, 45891. 24 Q. And your current position? 25 A. County engineer.

- Q. And you have in front of you what has been marked as County and Township Exhibit 7; is that correct?
  - A. Correct.

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- Q. Is Exhibit 6 a true copy of your direct testimony? I'm sorry. Seven. Excuse me. Seven.
  - A. I did have actually a few changes.
  - Q. Okay. Let's go with your first change.
  - A. Do you want me to go --
- Q. Yeah. You indicated to me that your last question, the last question on --
- A. Yeah, on page 1, "Were you consulted at any time by the OPSB staff regarding your opinion," actually, the answer would be yes, and it was after the project to check for completion.
  - Q. And on page 2.
- A. Would you just like for me to just go through each one of these changes?
  - Q. Yes.
- A. Okay. The second question, "Did the developer on the project in your county improve the roads and bridges, if applicable, before beginning construction?" And I think it said "Yes." Well, I wanted to paraphrase, say make sure it was some of the roads and bridges, not all. Just what was deemed

necessary.

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- Q. Okay.
- A. The third one down, "Were the improvements made upon your request?" And "Mainly, yes." The developer had an outside firm perform structural testing to determine which roads needed improvement. After negotiation we developed an improvement plan.
  - Q. Okay.
- MR. SETTINERI: I'm sorry to interrupt.

  I'm trying to write this down as we go.
- 12 ALJ TAUBER: Yeah, could you please 13 repeat that.
  - MR. PARRAM: Could we go back to the prior question actually? I just want to make sure I got it.
- 17 ALJ TAUBER: Absolutely.
- Let's start with your first correction
  you note.
- 20 THE WITNESS: The first correction was
  21 the last remark on the first page, "Were you
  22 consulted at any time by the OPSB staff regarding
  23 your opinion as to transportation or road/bridge
  24 issues in your county?" And the answer was: "Yes,
  25 after the project, to check for completion."

1 MR. PARRAM: Okay. 2 ALJ TAUBER: The second correction. 3 THE WITNESS: Okay. This was the second question down on page 2, "Did the developer of the 4 5 project in your county improve the roads and bridges, 6 if applicable, before beginning construction?" And I added the words "some of the roads" so it didn't 7 8 imply that all roads and bridges were improved. 9 MR. SETTINERI: If I may interrupt 10 quickly. "Yes. It was necessary, in my opinion, for 11 some of the roads to be improved"? 12 THE WITNESS: That's correct. 13 MR. SETTINERI: Thank you, sir. 14 Third one down, "Were the improvements 15 made upon your request?" And it was "Mainly, yes. 16 The developer had an outside firm" -- and here's 17 where we added -- "perform structural testing to 18 determine which roads needed improvement. After 19 negotiation we developed an improvement plan." 20

ALJ CHILES: Could you repeat that one more time, please.

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THE WITNESS: Okay. "Mainly, yes. The developer had an outside firm perform structural testing to determine which roads needed improvement. After negotiation we developed an improvement plan."

ALJ TAUBER: So that's the second
sentence?

THE WITNESS: This is actually the third
one down on page 2.

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ALJ TAUBER: Okay. And then could you repeat the last sentence of that?

THE WITNESS: "After negotiation we developed an improvement plan."

ALJ TAUBER: Thank you.

THE WITNESS: And then the next one at the bottom on page 2, "What issues were set forth in the road use agreement in which your office was involved?" It says, "Mainly it spelled out penalties for signage, loads and use of unauthorized routes as well as requiring payment by the developer of a road inspector for the county." And then this was added: "It also included a fee payable to our office to recover our time spent on addressing -- drive pipe sizing, addressing, et cetera."

ALJ TAUBER: I'm going to ask you again to read it one more time. Just read it slow so we can catch up to you.

THE WITNESS: This is the sentence that was added at the end of the answer: "It also included a fee payable to our office to cover our

time spent on addressing, drive pipe sizing, et cetera."

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ALJ TAUBER: Thank you.

on page 2, "Did you take issue with any of the terms of the road use agreement or omissions from terms of the road use agreement?" And then the third line down, well, I'll just read it, "One important issue I had was that the developer disputed that the road agreement penalties included its responsibility for the actions of the subcontractors supplying materials" -- and now this part was added -- "from outside the project area."

Everybody with me?

Next sentence, "Therefore, the county had to enter into separate agreements with numerous subcontractors" -- and then this portion was added -- "for road bonds for loads hauled to the project area."

ALJ TAUBER: For road bonds for -THE WITNESS: For road bonds for loads

hauled to the project area.

MR. SETTINERI: Sir, if I can just go back to clarify for the record, on that same page your answer, second question down, "Yes" -- strike

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that, the third one down, you added "perform
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      structural testing," that phrase, did that replace
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     the language that was there previously, "propose some
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     of the improvements and we mostly agreed upon the
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      improvements"? Does that get deleted then?
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                  THE WITNESS: Yes, this would be in place
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     of that.
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                  MR. SETTINERI: Okay. Thank you.
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                  THE WITNESS: Moving on here, this will
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     be page 3, one, two, three, four, the fifth question
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     down, the response to that question would be --
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                  ALJ TAUBER:
                               The question is "Anything
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     else you would like to say to the OPSB?"
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                  MS. NAPIER: I think it's the one right
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     before it.
                  THE WITNESS: "In your opinion, do you
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     believe that there would be damage to your roads and
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     bridges, if applicable, in removing the turbines over
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19
     your roads and bridges?" And the response is:
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      "Damage would be likely."
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                  ALJ TAUBER: Does that replace "Of
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     course"?
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                  THE WITNESS: Yeah.
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                  MR. SETTINERI: Is that damage "will" be
25
      likely?
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THE WITNESS: Would.

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MR. SETTINERI: Would be likely. Thank you.

- Q. (By Ms. Napier) Mr. Wendel, other than those changes that you've set forth, any other -- do you believe this to be a true copy of your direct testimony?
- A. Actually, there is one other -- there's one other question that you asked me that I was reviewing this morning, and I'm trying to find it. It's regarding the road bond.
  - Q. I think you had talked to me about --
- A. Here we are. It's on page 3, and it's the second question down, "Did the developer post a bond or other financial assurance? If so, what point in the process did they post the bond or other financial assurance?" And I spoke here that they did post a bond.

I went back -- you understand this has just been far enough back that some of these things were discussed when we were putting this agreement together. We had other road agreements with other entities for hauling components in for this project which did have bonds. This one, in fact, did not have a road bond prepared.

We did have an escrow account set up in place of that to have cash available to do road repairs. We did not have a road bond; I wanted to clarify that.

- Q. So the developer did post money in an escrow account?
  - A. Correct. That's right.

ALJ TAUBER: So the sentence should be changed to read "The developer did post money in an escrow account"?

THE WITNESS: Yeah, that would suffice.

- Q. Was it prior to construction?
- A. Yes.

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ALJ TAUBER: So the sentence then reads "The developer did post money in an escrow account prior to construction"?

THE WITNESS: Sure.

Q. Thank you. And so --

MR. PARRAM: Would that also change the next question, "Did you, as the county engineer, set the amount of the bond?"

THE WITNESS: Yeah. Again, in the preliminary agreement I was looking at when we were proposing and working on this road bond, we were coming up with different amounts, we ended up

striking the amount from this road agreement.

MR. PARRAM: So what would your testimony be as to the second question?

THE WITNESS: No. No. Did not set an amount of bond. There was no bond.

- Q. So other than the first sentence everything else should be stricken, which would be "The developer did post money in an escrow account"?
  - A. Right.

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ALJ TAUBER: And then the second question on that page should read "Do you, as the county engineer, set the amount of the bond?" And the answer is "No."

THE WITNESS: Would be "no" or "not applicable," however you feel.

- Q. Did you set the escrow account?
- A. Yes. It was \$2 million.
- Q. Okay. So should the question be "set the amount of the escrow account"?
- A. That's entirely however you guys want it worded.
- MS. NAPIER: Would you like me to revise that question?
- ALJ TAUBER: In light of the revisions to

  Mr. Wendel's testimony, at this time do any of the

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     parties need to take time to review any of these
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     changes?
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                  MR. SETTINERI: No.
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                  ALJ TAUBER: Okay. Are there any other
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      changes you have to your testimony, Mr. Wendel?
 6
                  THE WITNESS: No.
 7
                  ALJ TAUBER: Is there anything you need
 8
      to add?
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                  MS. NAPIER:
                               I just want to make sure,
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      for the record, at least the question that's
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      following, it would be the third -- I'm sorry, the
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      second question on page 3, the question followed from
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      the previous question, it should say, "Did you, as
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      the county engineer, set the amount of the escrow
      account?" which he has indicated --
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                  ALJ TAUBER: Instead of "bond."
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                  MS. NAPIER: Yes, instead of "bond."
                  ALJ TAUBER: Will the answer remain "No,"
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      then?
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                  MS. NAPIER: I believe the answer is
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      "Yes."
2.2
                  THE WITNESS: The answer would be "Yes"
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      if we're going to call that the escrow account.
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                  MS. NAPIER: I think, because in the
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     previous question I asked him if the developer posted
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a bond or other financial assurance, and I think then he had said that was a bond, but, in essence, it's talking about another financial assurance.

ALJ TAUBER: I think we have that. Let me just read it one more time just to make sure we're all on the same page. So the question is: "Did you, as the county engineer, set the amount of the escrow bond?"

"Answer: Yes."

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THE WITNESS: I don't know if I'd call it an escrow bond. I would just call it escrow account.

And then the answer would be "Yes."

ALJ TAUBER: So we'll change it to "escrow account"?

MR. PARRAM: I'm sorry, but I'm just going to double-check. The first question on page 3, the answer to that is now just "Did the developer post money in an escrow account prior to construction," then period, strike the rest of that, correct? Strike the rest of that sentence?

ALJ TAUBER: That's what the Bench has.

MS. NAPIER: I think so.

MR. PARRAM: Okay. Then I'm good.

ALJ TAUBER: Is everybody on the same

25 page with the first question? Do you want to repeat

it one more time?

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Sounds like we're ready to proceed.

Q. (By Ms. Napier) So with those changes that you've made, if I asked you these questions today, would your answers be the same with those changes?

A. Yes.

MS. NAPIER: Thank you. I believe the witness is now available for cross-examination.

ALJ TAUBER: Thank you.

Ms. Parcels?

## CROSS-EXAMINATION

By Ms. Parcels:

- Q. Good afternoon, Mr. Wendel. In the changes to your direct testimony I just wanted to clarify something. You indicated on page 2, I think this was your fourth revision, that there was also the inclusion of a fee payable to the engineer's office to cover time spent on addressing and drive pipe sizing. Can you explain to me what drive pipe sizing is?
- A. Each turbine, or there sometimes were a set of two or a set of three turbines that used one access drive off of the public road system, and each

one of these drives was required to have its own address for, you know, emergency vehicle purposes, things of that nature, if there's an accident.

So we had to go out, issue addresses for each access drive, and in most cases, we're flat up in Van Wert, you know, each roadside ditch, if somebody puts a drive in, you need to have a drive pipe to allow for drainage through the ditch through the driveway and they're always different sizes. So, yeah, we had to have personnel go out and do that for each point of access.

- Q. Would drive pipes also be known as "culverts"?
  - A. Sure.

2.2

Q. Okay. I just wanted to clarify that.

And then you indicated that the addresses were assigned by your office for emergency personnel to reach those --

- A. Yeah. Exactly. We do addressing for anybody that, you know, builds a new construction or anything, you know. That's just what we do.
- Q. Did your engineer's office or, if you know, was it your responsibility to notify your local dispatch center of those new addresses or did the company do it?

A. No. No, we did it.

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- Q. Okay. And how many new addresses?
  - A. I knew you were going to ask me that.
  - Q. Approximately.
- A. Well, there were 152 turbines, I think roughly 20 in Paulding County, so we had about 130, and let's just say each drive had an average of two turbines off of it, some of them were one, some of them were three. Where was I at, 120? So let's say 60.
  - Q. Okay.
  - A. That's totally a rough estimate.
- Q. So not every turbine got an address, but every new driveway to access --
  - A. That's right.
- 16 O. -- the turbines --
- A. Some drives had multiple turbines with the drive access.
- Q. The then multiple turbine driveways would then all be the same street address?
  - A. Right.
  - Q. In your experience as county engineer is the condition of roads a factor in certain vehicular accidents?
    - A. Yes, it could come into play.

Q. Can you describe for me certain situations where there's damage to a road that can create conditions that can cause a traffic crash?

2.2

- A. I would say, you know, conditions of rutting in a roadway where your car tends to, you know, the wheels tend to pull towards a rut in the road, what we call blowouts in the roadway where the asphalt, stone, you know, chip seal, whatever, blows out in a certain area creating potholes, loose stone, those types of situations. Those could all be potential causes for an accident.
- Q. Okay. And you also spoke in your direct testimony about some of the subcontractors on the project and how the county had to enter separate agreements with them. Do you know if any of the loads that those subcontractors hauled came through the city of Van Wert?
  - A. Yes, some of them did.
- Q. Okay. So did the, if you know, did the city engineer's office also seek those sorts of agreements?
  - A. Yes. Yes.
- Q. So were those agreements signed onto by the county engineer and the city engineer and the subcontractors, or were they two sets of separate

agreements?

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- A. No; they obtained both permission, if you will, from the city and the county.
- Q. So the county and the city worked together on that process?
  - A. Right.

MS. PARCELS: Okay. Nothing further, your Honors. Thank you.

ALJ TAUBER: Thank you.

Mr. Van Kley.

MR. VAN KLEY: Thank you, your Honor.

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### CROSS-EXAMINATION

By Mr. Van Kley:

Q. Let me direct your attention to page 2 of your testimony, please. And why don't we talk briefly about the second question and answer on that page where you talk about some of the roads having to be improved before construction in order to prevent road failure.

Can you describe to me the process by which those roads were improved?

A. Yes. The developer contracted with an outside consultant, Westwood I believe was their name, they came in, they did core samples every half

mile of roadway to be affected. They also did subsurface radar testing. And then they came in and based on their haul plan sheet they determined roughly how many loads of concrete and aggregate, steel that were to go down each section of each road.

2.2

So once they had all this information in place, we tried to all make a determination of which roads we felt were adequate and which roads we felt were inadequate that would need, you know, up-front improvements prior to construction.

You know, we made it clear to them we're not going to have roads get totally destroyed, we've seen it happen on, you know, mega-dairy operations construction. So, you know, we told them flat out it's a fact some of these roads just aren't going to handle this, and they agreed.

- Q. Is there a particular name for the type of improvement that occurred on those roads?
- A. Well, the most extensive improvement they did was concrete stabilization where they ground up the existing road, they ground up up to 6 inches of base and stabilized with concrete, got it all back in place, then they came back with an inch and a quarter of asphalt over top so it's basically, for all intents and purposes, a new road.

And then a lot of these improvements were simply asphalt overlays to add strength.

Q. Okay. With regard to your third question and answer on page 2 of your testimony, you say "Mainly, yes. The developer had an outside firm propose some of the improvements and we mostly agreed upon the improvements." I'm sorry, I read the old testimony. Let me reread the new testimony.

"Mainly, yes. The developer had an outside firm perform structural testing to determine which roads needed improvement. After negotiation we developed an improvement plan."

Does this answer pertain to improvements made before the construction of --

A. Yes.

2.2

- O. -- the wind farm?
- A. Yes. This plan was for preconstruction improvements. But in that plan, you know, some of the improvements that were suggested were going to be, you know, no improvement prior to construction and then an overlay postconstruction. It just depended on the condition of each road as it was determined prior to construction. You know, if they felt it was going to handle the loads and need, you know, overlaid afterward, that's what we did.

Q. Did damage occur to the roads during the construction of the wind farm?

A. Yes.

2.2

- Q. What was done to repair the damage to the roads that occurred during construction?
- A. We had an on-sight road inspector that was looking out for our interests but was actually, by agreement, paid by the developer, but he was there for our interests.

This guy had retired from ODOT after 40 years, so I had total confidence in his capability, and he basically followed these projects around, anytime we had rutting, blowouts occur, he was right on it and, you know, these areas were marked and then they were milled out and repaired by Shelly Company, who is a state certified contractor. They'd mill out the damaged area and then fill it in with new asphalt which did create a patch.

- Q. Okay. So do the roads still have patches in them?
- A. Yes, some. Some do. Some were overlaid after construction. Some, you know, have patches in them.
  - Q. What do you mean by the term "overlaid"?
  - A. When I say "overlay," I mean the full

width of the road by a predetermined asphalt
thickness, whether it's an inch and a quarter or
2 inches depending on, you know, the amount that was
determined necessary, they would just do a complete
overlay of the entire road.

2.2

- Q. When, approximately, was the construction of the wind farm completed?
- A. I think the final, call them punch-list items were completed in the spring of this year.
- Q. And when were the holes in the roads either patched or overlaid?
- A. Well, let's see, that paving started last fall when the majority of the construction was complete and I do think some of it was finished up here in the spring.
- Q. Has the wind farm done any more repairs to the roads after the spring of 2012?
- A. No. I think things were complete in the spring.

MR. VAN KLEY: I have no further questions at this time.

ALJ TAUBER: Thank you.

Mr. Settineri.

MR. SETTINERI: Thank you, your Honors.

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### CROSS-EXAMINATION

By Mr. Settineri:

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- Q. Good afternoon, Mr. Wendel. My name is Mike Settineri with the Applicant, Champaign Wind. I just want to ask you a question. You mentioned that the term, you used the phrase I think "milled out," what does that mean?
- A. The road contractor would come in with an actual asphalt mill, grinder, whatever you want to call it, and they would actually grind out, and it would be a squared-off area, you know, that our road agent would paint the road at the limits of the damage, whether it was a crack or a blowout, whatever. Some of these were, you know, 20-feet long by 3-feet wide, some of them were 50 feet, it just varied.

And then the contractor would grind these damaged areas out down to the base and then return in with a patch crew, which is basically a small paver and asphalt, and fill them in and roll them down and now you've got a squared-off patch.

- Q. And if that patch isn't level with the existing road, is there anything you can do about that?
  - A. Yes. As a matter of fact, I don't know

if you're familiar with our job, what happened, but that exact situation occurred and we weren't happy with these patches, and we got with the developer, we got with Shelly Company, who is the asphalt contractor, and said, "We're not happy at all with these patches, they're rough."

And they came in with a, this is a different type of milling machine, it's a surface mill and, basically, you can set a portion of this mill on the existing road and then the other portion over the patch and it's just a really fine bit that will go through and mill it flush with the existing part of the road, and I'll tell you, it made a tremendous difference in the quality of it.

- Q. I assume it improved the quality.
- A. Yes.

2.2

- Q. Do you, as a normal course of business, when roads, township and county roads, are repaired, do you use that milling procedure?
- A. Not as a normal course of business, no, we don't.
- Q. And what about patching, do you use patching to repair county and township roads?
- A. On a very limited basis. You know, this was a different animal. Most cases we will do what

we call dura patching, which is more a chip seal type patch approach, but in most cases we do an improvement to a road, we're going to overlay it with asphalt or chip seal the entire road.

- Q. Okay. You also mentioned in your testimony about the county had to enter into separate agreements with numerous subcontractors for road bonds for loads hauled to the project area. Would those loads be what you would call an oversize load?
  - A. Yes.

2.2

- Q. And is that -- are you familiar with the statute that defines what an oversize load is?
  - A. Relatively.
- Q. Okay. Is that what -- when you say the word "oversize," would that fall into a statutory definition of what --
  - A. Yes.
- Q. Okay. And is it because they were oversized loads, did that give the county the authority to require them to enter into separate agreements?
  - A. That's correct.
- Q. You also mentioned on page 3 of your testimony that the developer in this instance provided money to put in an escrow account, correct?

A. That's right.

2.2

- Q. And I believe you'd mentioned you thought it was a \$2 million escrow account?
  - A. That's right.
- Q. In fact, though, was it a \$200,000 escrow amount that was required?
- A. Yeah, \$200,000 increments that were -- 200,000 was going to be in place at any given time, and it would be capped at \$2 million.
- Q. And what would trigger, so I understand it then, assume I'm the developer, I put money into an escrow account, \$200,000, what would require me to put more money in above the 200,000?
- A. If we approached you with, you know, damage control or repairs that are needed and the developer, for whatever reason we couldn't agree or they refused to do the work, then by agreement that money was available for us to use, and whatever time, you know, we start to, you know, get into that cash and we depleted it, we could have more added up to \$2 million.
- Q. Just so I understand, would the account balance be no more than 2 million, or would it be the total amount of money put into that account over the course of time would be no more than 2 million?

- A. The total amount would be no more than 2 million.
- Q. Was the county or townships required to draw on that escrow account?
  - A. No. No.

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- Q. And you mentioned in your testimony that you as a county engineer set the amount of the escrow account; is that correct?
  - A. That's right.
- Q. How did you come up with that \$200,000 amount?
- A. I think the \$200,000 was the developer's idea to have at any given time. We were more concerned about the total and, you know, I spoke with Jane on this amount earlier, I mean, there's -- it's not an exact science of what amount to put in there, but, you know, we just tried to take a look at the overall picture, we knew that, you know, at the same time we're trying to come up with that we knew we had this in place where they were going to check the damages, potential damages to roads and do up-front improvements.

So taking that into consideration you just tried to ballpark, you know, so we need to go in and put an inch and a quarter of asphalt over each

one of these roads, what's that going to cost; just to get you a ballpark number where to start.

- Q. So, in my own words then, essentially it was looking at the haul plan, looking at the roads that were used, and if the county or township had to come in and redo all those roads, here's a rough estimate of what that project would cost.
- A. Well, and that's not even all roads.

  That's taking into consideration the ones that they had already agreed or we're agreeing to improve as part of that agreement.
  - Q. Thank you.

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Just so we're clear for the record, the wind farm that we've been referencing, is that the Blue Creek Wind Farm?

- A. That's right.
- Q. And the developer on that project was Therdrola Renewables?
  - A. Right.
- Q. And are you familiar that Iberdrola used a subsidiary for that project called Heartland Wind?
  - A. Yes.
- Q. And Heartland Wind was the company that actually signed the road use agreement, correct?
  - A. I think that's correct.

Q. In terms of the signatories for the road use agreement am I correct, then, it was Van Wert, Paulding County, and various townships that signed it?

A. Yes.

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- Q. Do you view the county and the townships as the proper parties to execute this agreement?
  - A. Yes.
- Q. And the reason I ask that question, I'm just trying to understand in terms of should it be the county engineer that signs this agreement as well, in your opinion?
- A. If you're asking opinions, I would -- I think it would be less of a burden on me but more of a burden on the developer if they would enter into a contract with each entity such -- just, we've had conflicts with townships in our project, you know, rather than they're trying to get me, you know, into the fray, and I'd just as soon deal with the county roads and let them deal with the townships roads. If you're asking my opinion, I think that would work out.
- Q. Just for the record, how do you view the role of a county engineer as to county and township roads?

A. I can tell you in our county, you know, we maintain the county road system and all bridges on county and township roads, but when it comes to the township roads, the trustees make their own decisions, you know, as far as maintenance, when to chip seal, when to overlay, those kind of things. You know, we're not involved in any maintenance, mowing, plowing, we don't do anything on the township roads.

- Q. How do you assist the townships in their roads, if at all?
- A. We really, unless they, you know, call and ask us to come out and do specialty work such as dura patching or, you know, other, you know, heavy equipment-based projects that they would need our assistance on, we do it, but other than that, it's pretty limited.
- Q. Do you know, if you know, how many miles of county and township roads were involved in this project specifically in Van Wert County?
- A. You know, I knew this figure at one time and now I couldn't give you a good guess on that without looking.
- Q. As of today do you feel that all the county and township roads are in as good or better

condition as they were prior to construction of the wind farm?

A. Yes, I do.

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- Q. Isn't it true, then, that you submitted a correspondence to Ms. Kim Wissman, Executive Director of the Ohio Power Siting Board, to that effect?
  - A. Correct.
- Q. And fair to say that the issues that you had with the construction related to more what we call maybe drive quality versus safety?
- A. I never really felt that there was, due to road condition, I never felt that there was a major safety risk involved during the life of the project.
- Q. And then would the issue have been more so drive quality with patching and changing --
- A. We did have some issues with that and, again, they did come in there and do some major corrections on most of those areas.

MR. SETTINERI: Thank you, Mr. Wendel.

No further questions, your Honors.

ALJ TAUBER: Thank you.

Mr. Parram?

MR. PARRAM: Yes.

## CROSS-EXAMINATION

2 By Mr. Parram:

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- Q. Hi, Mr. Wendel.
- A. Hello.
- Q. My name is Devin Parram. I'm counsel on behalf of staff. I just have some follow-up questions for you today.

Mr. Settineri just asked you a question about a letter that you submitted to the Power Siting Board staff regarding the project in Van Wert; do you recall that?

A. Yes.

MR. PARRAM: Your Honors, may I approach the witness?

ALJ TAUBER: You may.

(EXHIBIT MARKED FOR IDENTIFICATION.)

- Q. Mr. Wendel, I've handed you a document that's been marked for purposes of identification as Staff Exhibit 3. This is a letter dated September 27th, 2012, and it was addressed to Ms. Kim Wissman of the Ohio Power Siting Board staff and is signed by you. Are you familiar with this document?
  - A. Yes.
  - Q. And what exactly is this document?
  - A. It's basically, in my own words, this is

me signing off on the conditions of the road, that they are adequate in my determination. I was letting the Power Siting Board know for project completion purposes.

- Q. And this is the specific letter you were just talking about with Mr. Settineri? Is this the same letter that you were referring to just a second ago?
  - A. I believe.

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- Q. And if you can take a look at the letter,

  I believe it's the second sentence, it starts "After
  extensive review."
  - A. Uh-huh.
  - Q. Do you see where I'm at there?
  - A. Uh-huh.
- Q. "... it is my opinion that Blue Creek Wind, LLC has met their obligations under condition 41(c) and the project's road use agreement concerning roadway restoration." Did I read that accurately?
  - A. I think so.
- Q. And just so we can clarify it, who is Blue Creek Wind, LLC?
- A. I got to tell you, I'm not an attorney
  and, you know, between Heartland Wind, Blue Creek
  Wind Farm, Blue Creek Wind, LLC, you know, I think

it's Iberdrola.

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- Q. Okay.
- A. But I'm not going to swear to that.
- Q. We don't need to go into details of that case, but would it be fair to say that Blue Creek
  Wind was the developer or the project -- or, the certificate holder for that project?
- A. I believe that's correct. It was

  Iberdrola through the life of the project and then,
  you know, changing the names, things like that for
  certificates, I don't fully understand that I'll just
  tell you right now. It was Iberdrola/Blue Creek
  Wind.
- Q. Things tended to be handed off a lot between these areas, but I wanted to make sure we were on the same page --
  - A. Yeah.
  - Q. -- it's the Blue Creek Wind Farm.

And also in that sentence you mentioned condition 41(c). Is condition 41(c) one of the conditions that was issued or contained in the certificate in that case?

A. I believe that it's the one that pertained to roads restored to as good or better condition than prior to the project.

- Q. And in drafting this letter did you have an opportunity to review condition 41?
- A. Yeah. In fact, I spoke with someone on the Power Siting Board, you know, to kind of coach me as to what the letter should say so, yeah, I used some of their verbiage to create this letter.
  - Q. Coach, you're saying?
  - A. Yeah.

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- Q. And you also mentioned that they have met their obligations under 41(c) and the project's road use agreement. This specific road use agreement, was that the road use agreement that Van Wert County entered into with the applicant?
- A. I think it was the Power Siting Board agreement.
- Q. When you say "the Power Siting Board agreement," what are you talking about there?
- A. I can't tell you the actual name of the document, again, it's been just long enough that I can't recall, but this is all -- this project operated under these Power Siting Board guidelines, but I can't tell you the name of the document.
- Q. In your letter you in the line where it says -- above "Dear Ms. Wissman," it says "In Regards: Blue Creek Wind Farm; Case

#09-1066-EL-BGN," I'd like to know, is case 09-1066, was that the case where an opinion and order was issued in this?

- A. That came directly from the Power Siting Board.
  - Q. Okay.

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A. I can't answer that.

MR. PARRAM: May I approach the witness, your Honor?

ALJ TAUBER: You may.

(EXHIBIT MARKED FOR IDENTIFICATION.)

- Q. Mr. Wendel, I've handed you a document that's been marked for purposes of identification as Staff Exhibit 4. It is titled "Joint Stipulation and Recommendation" in case No. 09-1066-EL-BGN. Are you familiar with this document?
- A. Yeah. I guess this answers your previous question.
  - Q. It's tied to it.
  - A. Yeah.
- Q. And if you could specifically, after the Introduction it states "Heartland Wind, LLC ('Heartland' or 'Applicant'), the Staff of the Ohio Power Siting Board . . . Ohio Farm Bureau." Does this appear to be an opinion and order that was

related to the Heartland Wind case that you are discussing in your letter to Ms. Kim Wissman?

A. Yes.

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- Q. If you could please turn to page 9 of this document. Are you there, Mr. Wendel?
  - A. I'm right there.
- Q. At the top of the page there is a condition listed as condition 41. Is that the condition that you refer to in your letter that has been marked as Staff Exhibit 4 [verbatim].
  - A. That's right, 41(c).
- Q. And so your letter was indicating that the Applicant, or Blue Creek Wind, had complied with this specific condition.
  - A. Right.
- Q. If you'd go to page 2 of your testimony, five questions down, the question reads: "Do you know whether the developer was mandated by the OPSB to improve the roads and bridges before construction of the project in your county?" And you answer: "I believe it was set forth in an order from the OPSB."
  - Did I read that correctly?
  - A. Yes.
- Q. And if you will look at condition 41 contained in Staff Exhibit 4, at the, I believe it's

the third sentence -- well, four lines down it states: "Any damage will be repaired promptly to its pre-construction state by the Applicant, under the guidance of the appropriate regulatory agency." Do you see that sentence there?

A. Yes.

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- Q. Is that the specific language that you were referring to in your question in your testimony?
  - A. Yes.
- Q. And let's talk specifically about -- I'm sorry. Let's talk specifically about condition 41(c) since in your letter that is what you indicated that they were in compliance with. Was it part of your review to ultimately determine that they had complied with 41(c)?
- A. Well, you know, based in part on our, you know, recommendations from our road inspector throughout the course of the project and then our own, you know, field review of these different segments of road, you know, and there were various, you know, levels of damage. Some roads had no damage, you know, some were, you know, you had a fair amount of patchwork on and anything in between. And we went and checked, you know, pretty much every roadway involved and made the determination that we

were satisfied with the, you know, the postconstruction work.

- Q. And you've mentioned on a couple of occasions this independent inspector that the county required or had out there inspecting the project.
  - A. Yeah.

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- Q. And you also indicated that this was a specific provision that was included in the road use agreement, correct?
  - A. That's correct.
- Q. So this was a specific provision that the county negotiated as part of the agreement.
  - A. Right.
- Q. And this specific provision, if the developer wasn't agreeable to that provision, the county could have ultimately said they wouldn't enter into the road use agreement; is that correct?
  - A. Sure.
- Q. And along the same lines, if you could turn to page 3 of your testimony, I'm sorry, I'm going to be bouncing around just a little bit, the last question, it says "Anything else you would like to say to the OPSB?" Your answer is: "Two of the terms of the road use agreement were critical to my office," and then you go on to describe what these

two terms were.

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These two terms were included in the same road use agreement that we were just discussing, correct?

- A. Yes.
- Q. And the county was able to include these two agreements -- two terms in the road use agreement and ultimately had them included as a result of negotiations.
  - A. Right.
- Q. But at the end of the day if the developer wasn't willing to agree to those two terms and include them in the road use agreement, the county could have decided not to enter into the road use agreement; is that correct?
  - A. That's exactly right.
- Q. And the developer would not have had I guess the authority to use the county roads if they would not have been able to enter into the road use agreement; is that right?
  - A. Not as things stood at that point, no.
- Q. I'm sorry, like I said, I was going to be jumping around little bit, but going back to Staff Exhibit 3, which is your letter to Kim Wissman of the Ohio Power Siting Board -- are you back at the

exhibit? Do you have that in front of you again?

- A. (Indicating.)
- Q. The very last sentence, "I feel that all County and Township roads are in as good or better condition than they were prior to construction." Did I read that correctly?
  - A. Yes.

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- Q. So is it fair to say that after Blue Creek Wind, LLC complied with condition 41, at the end of the day the roads were in as good or better condition as they were prior to construction?
  - A. That's correct.
- Q. There should be a copy of the Staff
  Report of Investigation in this case which is the
  Buckeye II case up there. It's purple. Firstly,
  have you had an opportunity to review the Staff
  Report of Investigation in this current pending case?
  - A. No.
- Q. Can you turn to page 56, please. Are you there?
  - A. Yes.
- Q. If you can go to condition 33 on that page, the second sentence, "Any damaged public roads and bridges shall be repaired promptly to their preconstruction state by the Applicant under the

guidance of the appropriate regulatory agency." Did
I read that correctly?

A. Yes.

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- Q. Is that the same exact sentence that was in condition 41 that we reviewed earlier?
  - A. I would say.
  - Q. Is that the same sentence?
- A. Well, I guess it's not exactly the same, but it's awful close if that's what you're after.
  - Q. That will work for me.

And if you can go down in that same block paragraph, second-to-last full sentence which should start off: "The Applicant shall also enter into a Road Use Agreement." Do you see where I'm at there?

- A. Yeah.
- Q. I'm back in condition 33 again of the Staff Report.
  - A. Yeah.
- Q. "The Applicant shall also enter into a Road Use Agreement with the County Engineer(s) prior to construction subject to Staff review and confirmation that it complies with this condition."

Would you agree that it was important as the county engineer for Van Wert County to have the ability to enter into or -- to have the ability to

enter into a road use agreement prior to construction in the county, in Van Wert County?

- A. Yes, that's an important step.
- Q. Would you agree with me that the sentence that I just read within condition 33 is an important provision to have in the condition in this particular case if a certificate is ever issued?
- A. You're asking my opinion if I feel a road use agreement is an important step?
- Q. As the county engineer for Van Wert

  County who had experience with a wind turbine

  project, in your opinion, this specific provision

  within condition 33, do you think that this would be
  an important provision to include from the county

  engineer's perspective?

A. Yes.

MR. PARRAM: That's all I have, your Honor. Thank you.

ALJ TAUBER: Thank you.

Ms. Napier, redirect?

MS. NAPIER: Yes, your Honor.

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REDIRECT EXAMINATION

By Ms. Napier:

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Q. Before I get really into the questions I

had prepared, on the staff counsel's last question to you, if we could look at the exhibit which he gave you from your, it would be Exhibit 4, it was from --

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- Q. -- Heartland Wind --
- A. Yeah.
- Q. -- 41, and our Staff Report paragraph 33. Can you look at the first sentence in each of those paragraphs.
  - A. Okay.
- Q. And in paragraph 41 in Heartland it talks about the applicant complying with upgrading; is that correct?
- A. Yes. "... comply with all of the requirements of the county engineer."
- Q. Was that an important, I guess in practice was that an important requirement?
  - A. Yes, that was.
- Q. And if you look in paragraph 33 in the first sentence, does it talk about upgrading in that sentence?
  - A. Talking about the first sentence?
- 23 O. Yes.
- A. It just says "repair damage." I guess I don't call that upgrading.

- Q. Okay. Is upgrading important to any project, in your opinion?
- A. Yes. If it's required, it's definitely important.
- Q. Was there a great deal of upgrading in your project?
  - A. Yes.

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- Q. Now, we had a lot of conversation and a lot of testimony regarding road use agreements. Did the staff, in your case, involve itself in the negotiations for the road use agreements?
  - A. The OPSB staff?
  - Q. Yes.
  - A. No.
- Q. Was it just you, between you and the applicant?
- A. Myself, the Paulding County engineer
  Travis McGarvey, and then the associated township
  trustees.
- Q. Okay. Was that a long process in negotiating those?
  - A. It was very long.
- Q. About how long?
- A. I want to say six to eight months.
- Q. Was it a positive experience, in your

opinion?

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- A. No.
- Q. Okay. Can you tell me why?
- A. There were too many -- there were too many entities trying to agree on, you know, fairly tight details of this thing. It was just too many people trying to get to agree.

Again, as I spoke to this gentleman here, it would sure be nice for me to just do a county agreement for the county roads and then, you know, maybe some townships disagree, to me, I would think they would want to be able to make their own decisions rather than hoping that I will do what they want done; you see what I'm saying?

So, yeah, it would be more of a headache for the developer, but that just keeps each entity separate that way and they can go after what they want to go after.

- Q. And you talk about the townships. So you don't, as a county engineer, you don't have any responsibility for township roads; is that correct?
- A. That's correct. We do, you know, on bridges on township roads, but not over the roads themselves.
  - Q. So your opinion could differ from a

township.

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- A. Yes.
- Q. And do you know, did it, in your situation, did township trustees disagree with your opinion?
  - A. Yes.
- Q. In talking about these road use agreements I believe you had responded to a question or two from Mr. Settineri about entering in -- having to enter into separate subcontractor road agreements. Just to clarify, did you indicate that those were just for oversize loads?
  - A. Yes.
  - Q. Okay.
  - A. Oversize and overweight.
- Q. And so if they were a repetitive subcontractor supplying materials, those would, in your opinion, be covered under the developer's agreement, like a concrete truck?
- A. Yes, because the concrete was being delivered from a specific area and it was within the project area itself. The loads I am concerned about are the ones that would be brought in from outside the county, whether it's from the north, south, east, or west, you didn't know where they were coming from

until they got into the designated project area, you know, how are we going to cover these roads that they travel upon as far as damages, so I had to deal with each entity separately and that was -- it won't happen again.

- Q. So I guess so we kind of understand the magnitude, how many additional subcontractor agreements did you enter into?
- A. I'm going to say it was around three or four with different entities, but, you know, you just -- trying to get all the routing worked out for each one, it was just -- and, you know, the potential damages for each, it was just, it didn't need to happen.
  - Q. And did you know beforehand that these --
  - A. No.

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- Q. -- entities were coming?
- A. No.
- Q. So when did you enter into those agreements?
- A. Once they, you know, we were contacted by these entities as they were ready to deliver their materials, whatever they may be, and they were oversize and overweight and needed to know what to do for permitting and this and that, and I, you know,

was intending on them to be covered under the blanket agreement, if you will, from Iberdrola, and that wasn't the case.

So we had to enter individual agreements with each of these and determine what routes they were going to take and, you know, how many loads. It was just a real headache.

- Q. So, in your opinion, would you believe it important to have those types of subcontractor agreements addressed in the order from the Board like developer agreements are?
- A. When you say "the Board" you mean the Power Siting Board.
  - Q. The Power Siting Board order.
- A. I think that would be nice because I had no idea, you know, something like this was going to take place, it was just one of the learn-the-hard-way situations, but it won't happen again.
- Q. All right. Do you have a timeframe in which your office would be -- need to review those type of agreements?
  - A. The secondary agreements with --
- 23 O. Yes.

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A. -- other outside -- I wouldn't want to enter into secondary agreements with them. It would

just be with the primary developer and then he could negotiate with the secondary suppliers and, you know, cover any potential damages under the existing agreement. I don't want to have to go into agreements with everybody else.

- Q. Okay. So you'd like to see it all as one.
  - A. All as one.

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- Q. Okay. I wanted to talk about this letter that is Staff Exhibit 3. And I'm not sure you had answered this in response to another question, but what precipitated this letter, you writing this letter?
- A. I had discussions, I think the guy's name was Mr. O'Dell from the Power Siting Board -- does that sound right?
  - Q. I don't know.
- A. Okay. Just he would call periodically to, you know, find out the status of the project, you know, and things were pretty well completed in the spring and finally, you know, the day came I said, "Hey, what do I need to do, you know, for final approval or whatever?" And that's when, you know, I was in contact with him.

I got the basic language of what the

letter needed to say, whether or not I agreed with how everything was in, you know, met the stipulations in 41(c), I said yes, it did. So that was the basis for writing that letter.

- Q. Were you speaking for everyone in the township -- all the townships, or were you just talking about in your opinion?
- A. I was speaking for myself, but apparently I have the final say in the whole thing, so, you know, it was game over for the townships as well.

MS. NAPIER: Thank you.

I have no further questions.

ALJ TAUBER: Before we go into recross, Mr. Wendel, I just want to clarify something real quick on the road use agreements.

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EXAMINATION

## By ALJ Tauber:

Q. Are you suggesting you wish a few things would be different with the road use agreements? I just want to make sure for the record we're clear on what happened with the road use agreements in your case and what you're recommending for this case.

So you said the road use agreements that you entered into were between yourself, the county

and township trustees, and the developer --

A. Right.

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- Q. -- is that correct?
- A. Right.
- Q. So you said that was not a positive experience?
- A. We had three townships in our county involved, the county engineer that was involved, the Paulding County engineer was involved, and I believe it was three and then it turned out being two townships in Paulding County, so we had five townships and two counties plus the boards of commissioners signed off as well.
  - Q. Between Paulding and Van Wert.
- A. Yes.
- Q. With the process, I guess what do you think would have streamlined the process more or would have made it --
- A. I'm not saying it would streamline it because it would actually probably be more cumbersome for the developer to agree with each township, but there's just a lot of people to get to agree on something.
- Q. So in negotiating with the townships or in working with the townships was that your

responsibility, ultimately, and the Paulding County engineer's responsibility?

A. Yes.

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- Q. And so you would suggest taking the responsibility away from the county engineers and placing it in the developer's responsibilities?
  - A. What responsibility is that? I'm sorry.
- Q. You said the responsibility of developing the road use agreements was your responsibility to work and the Van Wert County engineer's responsibility to work with local townships, correct?
  - A. Yeah.
- Q. So I just want to make sure I'm clear on your suggestion. You're suggesting that that responsibility be given to the developer so the developer deals with the townships and then deals with you separately? "You" being the county engineer.
- A. I guess I'm saying I don't see a big problem having a similar or same road agreement for all entities involved, but it would be nice to give the townships more of a voice in the final say: Is this road complete, is it as good as it was before, here's what we don't agree with. You know, they're putting a lot of heat on me when I don't necessarily

agree with what they're wanting me to say.

2 ALJ TAUBER: I think I follow. Thank

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Let's move into recross. Ms. Parcels?

MS. PARCELS: Thank you.

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## RECROSS-EXAMINATION

By Ms. Parcels:

- Q. I just wanted to clarify, you spoke about the road use agreements but you also spoke about subcontractor agreements, I wanted to clarify, those are two separate sets of agreements, correct?
  - A. That's right. That's right.
- Q. And you noted that the city engineer was party to some of the subcontractor agreements. Did the city come in at all with the road use agreements as a party with the developer?
  - A. No.
  - Q. Okay.
- A. These were separate agreements, you know, for specific loads that had to go through the city limits.
- Q. And then on Staff Exhibit 4, which is a stipulation and recommendation, it names all the parties that were involved in the Heartland

proceeding and, I just want to clarify, Van Wert

County was not a party as an intervenor in that

proceeding, was it? There on the very first page of
the joint stipulation.

- A. Can you ask the entire question again?
- Q. Sure. When you're looking at the joint stipulation and recommendation for the Heartland proceeding, the very first line after the Introduction names all of the parties that were involved in that proceeding. Van Wert County is not an intervenor -- was not an intervenor in that proceeding, was it?
  - A. I don't believe so, no.
- Q. So did you have any input in developing this Staff Exhibit 4 or the joint stipulation?
  - A. No.

MS. PARCELS: Nothing further, your Honors.

19 ALJ TAUBER: Thank you.

Mr. Van Kley?

MR. VAN KLEY: Thank you, your Honor.

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23 RECROSS-EXAMINATION

24 By Mr. Van Kley:

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Q. I believe you stated in response to one

of Ms. Napier's questions that in Staff Exhibit 3 you were speaking for yourself and it was game over for the townships as well, so let me follow up on that.

I take it from your answer that not all of the townships agreed with your assessment in Staff Exhibit No. 3 that all township roads are in as good or better condition than they were prior to construction?

- A. That's right. They didn't agree. Not all of them.
- Q. How many townships disagreed with your assessment?
  - A. One.

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- Q. And that was which township?
- A. Hoaglin.
- Q. Okay. With respect to Staff Exhibit 3, how long after the construction of the wind farm was completed did it take for, in your opinion, to place the county and township roads in as good or better condition than they were prior to construction?
- A. I believe that the final step in their postconstruction work was done in early-spring of 2012 when they came in and milled a lot of these patches that we all agreed that were rough.
  - Q. Okay.

- A. I think that was the final step.
- Q. And can you specifically tell me during what month of the spring that step was completed?
- A. Boy, I think March. I think it was March.
  - Q. Okay.

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MR. VAN KLEY: Your Honor, can I approach the witness?

ALJ TAUBER: You may.

MR. VAN KLEY: Your Honor, we'd like to mark this as UNU Exhibit 25.

ALJ TAUBER: The exhibit is so marked.

(EXHIBIT MARKED FOR IDENTIFICATION.)

- Q. All right. I've handed you what's been marked as UNU Exhibit No. 25. Do you recognize this as a letter that you signed?
  - A. Yes.
- Q. Okay. And this letter is dated June 6th, 2012, correct?
  - A. Yes.
- Q. So this letter was written after the last step in the repairs of the county and township roads that we've been discussing?
- A. Yes.
- 25 Q. Okay. And if you would take a look at

the third paragraph of the letter, it says, "After discussion, both the Township Trustees and the County Engineer agree that the condition of the road surfaces where patching occurred do not provide the same quality of ride as before construction began.

Because of this, it was requested of Iberdrola to provide an asphalt overlay covering Fife road from US 127 to Rumble (1 mile), Feasby Wisener road from US 127 to Rumble (1 mile), and Rumble road from Feasby Wisener to Wetzel (1 mile). Asphalt was also requested on Fife road east to T-E9 (approximately 1/4 mile) to cover patches in that section."

Did I read that paragraph correctly?

A. Yes.

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Q. Okay. And then in the fourth paragraph it states: "After the request for this work was made to Iberdrola, they agreed to work with Shelly Company, the paving contractor, to pave the Rumble road section due to poor asphalt conditions at the time of the pre-construction overlay. The sections in question on Fife and Feasby Wisener roads were denied for post-construction overlay as the developer felt that the repairs made were adequate."

Did I read that correctly?

A. Yes.

- Q. Okay. Now, let me ask you this: Were any of the roads mentioned in these two paragraphs of Exhibit 25 located in Hoaglin Township?
  - A. Yes.

2.2

- Q. Which ones?
- A. All of them.
- Q. So at the time that you wrote this letter it was your opinion that the roads identified in these paragraphs should have an asphalt overlay; is that correct?
- A. No. It was my opinion that they did not provide the same quality of ride as prior to construction.
- Q. Okay. And no work has been done on these roads since June 6th, 2012, by the wind developer or its contractors?
- A. They did come in and, again, they ground those patches down, but as far as the date, I can't tell you that for sure without going back to look.
- Q. Okay. But you've already stated, have you not, that you believe that work occurred in March of 2012?
- A. I believe so, but I think that those three roads in particular were done later, but as far as the exact date, I can't tell you for sure.

- Q. These roads did not have patches on them before the wind farm started construction?
  - A. No.

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- Q. But they do now.
- A. Yes. The Rumble Road section from Feasby Wisener to Wetzel does not have patches. The others do.

MR. VAN KLEY: All right. Thank you. I have no further questions.

ALJ TAUBER: Thank you.

Mr. Settineri?

MR. SETTINERI: Thank you, your Honors.

- - -

## RECROSS-EXAMINATION

By Mr. Settineri:

- Q. Mr. Wendel, you were just -- counsel just asked you about the work that was subsequently done I believe as to what was listed on UNU Exhibit 25. Do you recall getting correspondence from Iberdrola on July 30th regarding micromilling for the Hoaglin Township roads?
  - A. Yes.
- Q. And do you recall at that time that Iberdrola intended to complete the work by August 10th, 2012?

A. I believe that's correct.

2.2

- Q. So fair to say that the work that was done in Hoaglin Township to improve ride quality was done late-summer of 2012?
- A. That could very well be now that you say that, yes. Again, I wasn't clear on all the dates of what happened when and before and after what letter, but yes.
- Q. Quick question. Hoaglin Township, Milo Schaffner is the township trustee for Hoaglin Township, correct?
  - A. That's right.
- Q. What type of loads, if you know, did the subcontractors carry?

Let me back up. You mentioned that separate agreements had to be entered into with certain subcontractors for oversize and overweight loads. Do you know what kind of loads they were carrying?

A. There were a lot of subs that were carrying legal loads, but, again, the ones that we were, you know, mainly going into agreement over were the oversize/overweight.

I can give you one particular, it's -- we had a 500,000-pound transformer delivered to,

actually, a Hoaglin Township facility, you know, and the trailer itself is 200,000. So you've got a 700,000-pound, you know, load with one load. That's an extreme example, but, you know, they were all over the board, you know. The turbine components, it was just all over the board.

- Q. And when you say "subcontractors," were these transportation companies?
  - A. Yes.

2.2

- Q. You mentioned about having different agreements for townships, the county. If that was the case, let's say you have five townships, one county, you could potentially have, then, six separate agreements. Fair to say, then, that you could have potentially different standards in each of those agreements as to what is acceptable for a road repair?
- A. You know, maybe having that many separate agreements is a little overboard, but I guess what I'm implying is if the townships could have more of their own say on their roads as far as are they satisfied postconstruction, that's where I think, you know, I think things would have been a little bit smoother.
  - Q. But from the perspective of having a

consistent standard, potentially you wouldn't have a consistent standard.

- A. Potentially, correct.
- Q. All right. And that same issue could apply to what has to be improved versus what doesn't have to be improved prior to construction.
  - A. That's correct.

MR. SETTINERI: No further questions.

9 Thank you, sir.

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ALJ TAUBER: Thank you.

Mr. Parram?

MR. PARRAM: Just a couple questions,

13 your Honor.

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#### 15 RECROSS-EXAMINATION

16 By Mr. Parram:

Q. Mr. Wendel, Ms. Napier asked you a question regarding Staff Exhibit 4, condition 41 as it relates to the very first sentence for upgrading and repairing damage to the roads, and you indicated that you thought that was important on the project in Van Wert County.

Was it possible to include in the road use agreement any type of requirements as it relates to upgrading that the county would require as a

condition of the road use agreement that you could specifically indicate that these roads will be upgraded?

- A. Yeah, I believe that was part of the, you know, what was considered before we signed the road agreement was that, you know, preconstruction upgrade plan.
- Q. And do you still have Staff Exhibit 4 in front of you?
  - A. Yes.

2.2

- Q. Condition 41(a) provides for a preconstruction survey of the condition of the roads.
  - A. Right.
- Q. And (b), a postconstruction survey of the condition of the roads. Would those two things help indicate if a road needs to be upgraded?
  - A. Definitely.
- Q. And then you also had discussion regarding the difficulty of entering into contracts with subcontractors. Well, before I go to that, who would you think would be in a better position to determine if roads should be upgraded? Would you say that the Power Siting Board staff is in a better position or the county engineer is in a better position?

A. The county engineer.

2.2

- Q. And as it relates to entering into separate subcontracts, you indicated that there was some difficulty entering into separate subcontracts with different contractors; is that correct?
- A. I wouldn't call it difficulty. I would just call it a real pain.
- Q. Could this pain be avoided by specifically including a provision in the road use agreement that states that the developer will be held liable and make it clear that the contract is with the developer?
  - A. That is pretty much exactly right.
- Q. Okay. If you can look at UNU Exhibit 25 that Mr. Van Kley provided to you.
  - A. Yeah.
- Q. And he asked you some questions regarding Fife and Feasby Wisener Roads. Now, as of June 6th -- this letter is dated June 6th; is that correct?
  - A. That's right.
- Q. But after June 6th did the developer do any work on Fife and Feasby Wisener Roads?
- A. According to this gentleman's dates,
  which again I told you I wasn't real clear on the

dates, it sounds like that's when Iberdrola came back in and requested Shelly to do additional milling on those patches.

- Q. And then is it safe to assume that because of the subsequent work subsequent to June 6th, 2012, work that was done by Iberdrola, you concluded, as it states in Staff Exhibit 3, that the Applicant had met their obligations under condition 41?
  - A. That's right.
- Q. And that they were in compliance with the road use agreement.
  - A. Correct.

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- Q. And that also the roads were in as good or better condition than they were prior to construction.
  - A. That's right.
- Q. And I just wanted to clarify one more thing. As it relates to the project in Van Wert County, did the developer work on the roads as they were constructed or did they start working on the roads after the entire project was complete?
- A. Both. They did preconstruction upgrades on, you know, predetermined and agreed-upon road segments, and then others were determined they could

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wait till postconstruction.

So it's safe to
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- Q. So it's safe to say that some of the roads were being worked on while the project was still going?
- 5 A. That's right.

6 MR. PARRAM: Thank you. That's all I

7 have.

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8 ALJ TAUBER: Thank you.

9 Thank you, Mr. Wendel, you may be

10 excused.

11 (Witness excused.)

12 ALJ TAUBER: Ms. Napier.

MS. NAPIER: Yes, your Honor. County and townships would move to admit County and Township

15 Exhibit No. 7.

16 ALJ TAUBER: Are there any objections to
17 County and Townships Exhibit No. 7?

18 (No response.)

19 ALJ TAUBER: Hearing none, it shall be

20 admitted.

MS. NAPIER: Thank you.

22 (EXHIBIT ADMITTED INTO EVIDENCE.)

23 ALJ TAUBER: Mr. Parram.

MR. PARRAM: Yes, your Honor, staff would

25 move for the admission of Staff Exhibit 3 and Staff

2358 Exhibit 4 into evidence. 1 2 ALJ TAUBER: Are there any objections to Staff Exhibits No. 3 and No. 4? 3 4 (No response.) 5 ALJ TAUBER: Hearing none, they shall be admitted. 6 7 (EXHIBITS ADMITTED INTO EVIDENCE.) 8 ALJ TAUBER: Mr. Van Kley. 9 MR. VAN KLEY: Yes, we would move for admission UNU Exhibit No. 25. 10 11 ALJ TAUBER: Are there any objections to 12 UNU Exhibit 25? 13 (No response.) 14 ALJ TAUBER: Hearing none, it shall be admitted into the record. 15 16 (EXHIBIT ADMITTED INTO EVIDENCE.) 17 ALJ TAUBER: At this point, before we 18 move on to our next witness, we'll take a short 19 recess and reconvene at 2:40. Let's go off the 20 record. 21 (Recess taken.) 2.2 ALJ CHILES: Let's go ahead and go back 23 on the record. 24 Mr. Reilly.

MR. REILLY: Thank you, your Honor.

would call Stuart Siegfried to the stand.

ALJ CHILES: Please raise your right
hand.

(Witness sworn.)

ALJ CHILES: Thank you. You may be seated.

MR. REILLY: Your Honor, I provided to the court reporter and the Bench and all the parties a document that's been marked for identification purposes as Staff Exhibit No. 6.

ALJ CHILES: The exhibit is so marked.

(EXHIBIT MARKED FOR IDENTIFICATION.)

MR. REILLY: Thank you, your Honor.

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### STUART SIEGFRIED

being first duly sworn, as prescribed by law, was examined and testified as follows:

### DIRECT EXAMINATION

By Mr. Reilly:

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- Q. Mr. Siegfried, I've laid up there on the witness stand a document marked for identification purposes as Staff Exhibit No. 6. Can you find that for me, please.
- A. Yes, sir.
- Q. Could you take a look at that document.

And could you tell me what it is.

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- A. It's a copy of my prefiled testimony in this proceeding.
- Q. Do you know how that testimony came into existence, how that -- excuse me, do you -- strike that.

Do you know how that document came into existence?

- A. Yes. I drafted this.
- Q. Do you have any corrections or changes to your prefiled testimony?
  - A. No, sir.
- Q. Okay. If I were to ask you the questions that are shown in Staff Exhibit No. 6, would your answers be the same as those reflected in Staff Exhibit No. 6?
  - A. Yes.

MR. REILLY: With that, your Honor, we would move the introduction of Staff Exhibit No. 6 and offer Mr. Siegfried for cross-examination.

ALJ CHILES: Thank you. We'll reserve ruling on your motion until we're finished with his examination.

- Ms. Parcels?
- MS. PARCELS: Yes, thank you, your

Honors.

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# CROSS-EXAMINATION

By Ms. Parcels:

- Q. Good afternoon, Mr. Siegfried. I want to direct your attention to page 2 of your direct testimony, line 9, question 6, it says your testimony supports the PICN section beginning at page 46 of the Staff Report. And as I'm reading that page 46 I'm particularly curious about the liability insurance that starts at the bottom of page 46 and carries over to page 47. So I'll let you pause and take a look at that in the Staff Report.
  - A. Okay.
- Q. The sentence that has, it's actually the second sentence under that Liability Insurance section, it says, "According to the Applicant, it will maintain through the term of the facility . . . insure claims of 1 million per occurrence and 2 million in the aggregate."

And then over on the top of page 47 it says during the construction and operation phases the umbrella coverage will, at a minimum, insure against claims of 10 million per occurrence and 10 million in the aggregate. I'm curious, if you know, what would

be the cost of one individual turbine, if you know?

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- A. I'm sorry, the cost to insure one turbine or --
- Q. The cost of one turbine, because this is foundation for my next question. If you know the cost of a turbine, is it possible that the cost of one turbine, if it's more than \$10 million, if something goes wrong with that particular turbine, that the policy can be exhausted in one fell swoop then?

MR. REILLY: If we could, your Honor, if we could have that put into two questions, maybe one at a time. I heard two questions.

ALJ CHILES: Ms. Parcels.

MS. PARCELS: Again, I asked

Mr. Siegfried if he knew the cost of a single turbine.

- A. I know a cost generically, not for this particular project.
  - Q. That's fine.
- A. Approximately \$2 million per turbine is the number I've heard used on a few occasions.
  - Q. Is that the cost of the equipment itself?
  - A. And installation.
    - Q. And installation, okay.

If a turbine were to catch fire, would it be, then, destroyed and the cost of that equipment completely -- what's the word I'm looking for? If a turbine generically costs \$2 million and then it catches fire either during construction or during operation, then would you agree that the cost to replace the turbine would be approximately the same, \$2 million?

- A. I would think it would depend on a number of factors including the severity of the fire and the severity of the damage.
  - Q. Okay.

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- A. I don't think you can assume full replacement.
- Q. Okay. So feasibly, looking at the numbers that are cited here in the Staff Report of a \$10 million per occurrence for the umbrella coverage, it's feasible that if five turbines were completely destroyed, that could exhaust the policy if you understand the generic cost per turbine to be \$2 million?
- A. I'm sorry. Could you repeat that, please?
- Q. If you understand the generic cost to install a turbine, a new turbine, to be \$2 million,

- if -- say there were some occurrence that would completely destroy five turbines, then would you agree that the destruction of five turbines would exhaust that \$10 million policy?
- A. I don't know. I don't know the particulars of the policy and how that would be implemented.
- Q. On page 48 of the Staff Report under the heading titled "State and Local Tax" you had -- you did write this section here?
  - A. Correct.
- Q. Okay. Do you know if the payment in lieu of taxes would allocate any funding to the city of Urbana?
  - A. I do not know that.

MS. PARCELS: Nothing further, your

17 Honors. Thank you.

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ALJ TAUBER: Thank you.

Mr. Selvaggio?

MR. SELVAGGIO: Thank you, your Honor.

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# CROSS-EXAMINATION

- 23 By Mr. Selvaggio:
- Q. Mr. Siegfried, my name is Nick Selvaggio,
  I am the Champaign County Prosecutor and I, along

with my colleague Jane Napier, represent the county and the affected townships.

I'm going to ask you a number of questions today and it's neither my intent nor my desire to confuse you, so if at any time you're not sure what I'm asking, just let me know and I'll repeat it, okay?

A. Okay.

2.2

- Q. Initially you, in addition to your testimony, authored pages 46, 47, and 48 of the Staff Report; is that correct?
  - A. Yes, sir.
- Q. I presume that you read it before coming here to testify today. Are there any corrections that you would like to make to it?
  - A. No, sir.
- Q. Okay. The reason that I ask is I just have a few preliminary matters. On page 46 in the first full paragraph under "Public Interaction," in the last line of that paragraph it states: "The Applicant also indicated that it maintains an informational website for the project and has established an office located in Bellefontaine, Ohio."

Do you see that?

A. Yes, sir.

- Q. And it makes reference to a footnote 36, and if you look at the bottom of the page, that is "Application, Volume I," it says "page 151."
  - A. Yes, sir.
- Q. Would you please turn to Volume I, page 151.
  - A. Okay.
- Q. In the last paragraph on page 151 it's entitled "Public Interaction." Do you see that?
  - A. Yes, sir.
- Q. Would you read that paragraph to yourself and let me know if it's consistent with conveying information about an informational website or an office located in Bellefontaine.
- A. I would note the very bottom of page 151 refers to the company website. And in the application there does continue discussion of the public interaction on page 152 of the application as well.
- Q. Okay. And specifically in the third paragraph on page 152 it does talk about the Bellefontaine, Ohio, office; does it not?
  - A. Yes, sir.
    - Q. And then on page 153 at the very top it

speaks of the informational website for the facility; does it not?

A. Correct.

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Q. So would you suggest that this portion of the Staff Report be amended?

MR. SETTINERI: I'd just like to object, just for the record, to clarify what portion -- to be clear on what portion of the Staff Report you're referring to.

MR. SELVAGGIO: Thank you, sir. I'm speaking of footnote No. 36, the page number reference.

- A. No, actually. My footnote there is meant to apply to more than just that final sentence, and it's referring more to the discussion of the public interaction which does begin on page 151.
- Q. Oh, I see. So the entire paragraph after footnote 35, that entire paragraph is applicable to footnote 36?
- A. I can go through and confirm, but, again, the discussion of public interaction in the application begins at page 151, so that's what the footnote indicates. I can go back and confirm, if you'd like, whether it shows up on 151 or 152.
  - Q. Well, I'm just trying to get a sense

of -- I'm trying to get a sense from you as to what you believe, in your position, what you believe is able to be amended in the Staff Report and what's not able to be amended or what you would not amend.

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- A. I'm not proposing to amend anything in my section.
- Q. All right. And then if you would turn -or, if you would take a look on page 47, footnote 45,
  it makes reference to page 5, and footnote 45 is with
  regard to the second full paragraph under "Landowner
  Lease Agreements" on page 47 of the Staff Report. If
  you would do the same exercise and turn to page 5 in
  the application and tell me if the reference to the
  68 acres is made on page 5 of the application or is
  it actually made on page 4.
- A. No, it's actually made on page 5 under the paragraph beginning "Careful facility design." About midway through that paragraph there's a reference to the 68 acres.
- Q. Would you agree with me, if you look on page 4 under "Land Use Impacts," toward the -- the third-to-last sentence starting off with the words "The presence of the turbine bases, substation, and other ancillary structures will result in a cumulative conversion of approximately 68 acres of

land from its current use to built facilities
(.5 percent of the 13,500 acres of leased land)."

Would you agree with me that that sentence I just read is more representative of the sentence on page 47 that houses footnote 45 than the sentence that you pointed out on page 5 of the application?

- A. I'm afraid I don't understand your question.
- Q. Okay. If you take a look at the sentence on page 4 that I read of the application which references 68 acres and, essentially, less than 1 percent of the leased land and compare that sentence to the one on page 5 of the application that you indicated made reference to 68 acres being converted to built facilities -- do you see that?
  - A. Yes, sir.

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Q. -- okay, which one of those two sentences is more representative of your written sentence on page 47 that says "The Applicant estimates approximately 68 acres being permanently converted to hosting facility components representing less than 1 percent of the total leased project land"?

MR. REILLY: Objection. Relevance. I

MR. REILLY: Objection. Relevance. I mean, the documents speak for themselves.

ALJ CHILES: Mr. Selvaggio.

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MR. SELVAGGIO: The relevance is two-fold. Number one, the state -- I mean, the county and townships are looking for clarity in the staff's report. Secondly, if the staff member indicates that he does not believe that these are subject to amendment, it speaks volumes -- on just these technical references, the county believes it speaks volumes on whether or not potential conditions are ever modifiable. I mean, it really calls into question why are we here in the first place.

ALJ CHILES: Mr. Reilly.

MR. REILLY: These sections are not the conditions to start with. This is a discussion in the Staff Report of the public interest heading. These are not the conditions which -- the 70 conditions appear later.

Beyond that, the documents speak for themselves. I don't know how else to put it. I mean, he's asking, as I understand it, which of individual statements on pages 4 and 5 of the application is more representative in the witness's opinion of the witness's statement on page 47 of the Staff Report, the statement the witness wrote. They both support it.

MR. SELVAGGIO: Judge, may I state that in our first proceeding Mr. Margard in Buckeye Wind said ". . . the Staff Report, in essence, compromises [verbatim] the staff's direct testimony in this case," and that's on, for reference, Volume VII, transcript page 1726. So the staff report specifically adds to the direct testimony.

ALJ CHILES: Thank you.

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However, this is a separate proceeding from the proceeding that occurred three years ago, and the Bench is in agreement with Mr. Reilly so the objection is sustained.

MR. REILLY: Your Honor, just so -- the staff would still maintain that the Staff Report is the staff's position in the case.

We would not back away from Mr. Margard's statement that you just referenced.

ALJ CHILES: Thank you. But as to the relevancy of this particular line of questions, the objection is sustained.

MR. REILLY: Thank you, your Honor.

Q. (By Mr. Selvaggio) Mr. Siegfried, would you agree with me, then, that on page 5 there is no reference in the sentence that deals with 68 acres to any mention of any figure that deals with less than

1 percent?

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MR. REILLY: Objection. The statement on page 5 speaks for itself.

ALJ CHILES: Mr. Selvaggio.

MR. SELVAGGIO: Well, your Honor, on page 2 of the witness's direct testimony he says on line 10: "My testimony supports the Public Interest, Convenience, and Necessity (PICN) section beginning at page 46 of the Staff Report of Investigation (Staff Report) filed in this proceeding," so I'm trying to cross-examine him on his testimony which is supporting what he has proposed to have written on 46, 47, and 48.

ALJ CHILES: Mr. Selvaggio, can you rephrase your question so you're asking the witness that direct question, the information that you're trying to get, rather than referring to this portion of the -- I'm not really sure what you're referring to.

- Q. I'll try it this way: Mr. Siegfried, does your language -- does the Applicant's language on page 5 in the sentence that deals with 68 acres -- do you see that?
  - A. Yes, sir.
  - Q. -- does it make any reference to the

phrase "less than 1 percent"?

A. No.

2.2

- Q. On page 4 of the application in the sentence that deals with 68 acres of land does it make reference to a numerical value that is less than 1 percent?
  - A. Yes.
- Q. Given that page 5 does not and page 4 does, and given that your footnote on the bottom of page 47 of the Staff Report which references page 5 for that sentence, is it not more accurate to modify the Staff Report to making a reference from page 5 to page 4?

MR. REILLY: Objection. It's relevance and argumentative too.

ALJ CHILES: Mr. Selvaggio.

MR. SELVAGGIO: I'm just asking if it's more accurate.

MR. REILLY: He asked the question before, it's been objected to before, and the objection was sustained.

ALJ CHILES: The Bench's ruling stands, the objection is sustained.

MR. SELVAGGIO: I'm not seeking to violate the court's order. Am I permitted to ask a

similar question on the same topic?

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ALJ CHILES: It depends on what the question is. You can go ahead and ask the question if you want to and then if Mr. Reilly wants to object to it, he can object to it.

MR. SELVAGGIO: Okay.

- Q. (By Mr. Selvaggio) Mr. Siegfried, are you unwilling to seek modification of footnote No. 45?
  - MR. REILLY: Objection. Relevance.
- 10 ALJ CHILES: Sustained.
- Q. Mr. Siegfried, when did you first learn of the Buckeye II project?
- A. I don't recall exactly.
- Q. Would it have been in calendar year 2012?
  - A. I believe it would be prior to that.
- Q. Do you recall how much prior?
- A. Not exactly.
- Q. Okay. Somewhere in front of you is UNU
  19 Exhibit No. 8. Would you pull that for me, please.
- A. You said "UNU Exhibit 8"?
- 21 Q. Yes, sir.
- 22 A. The note from Megan Seymour?
- 23 Q. Yes, sir.
- 24 A. Okay, I have it.
- MR. REILLY: May I have a moment, please?

MR. SELVAGGIO: I'll wait till your counsel has his copy.

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MR. REILLY: Thank you.

- Q. Mr. Siegfried, you were employed -you've been employed by the Public Utilities
  Commission and the Power Siting Board for how long?
- A. I've been with the Public Utilities Commission since 1990.
  - O. Okay. And then the Power Siting Board?
  - A. Approximately in the last ten years.
- Q. Okay. UNU [verbatim] purports to be an e-mail that was sent to Michael Speerschneider. Do you know who Michael Speerschneider is?
  - A. Yes, I do.
  - Q. And who is he?
- A. He was the -- well, excuse me. He's involved with the Applicant, his exact title I don't recall. It might be Director of Permits.
- Q. Okay. And on this document you are carbon -- well, an e-mail that purports to be carbon copied to stuart.siegfried@puc.state.oh.us was named. Do you recognize that e-mail address?
  - A. That is my work address; yes, sir.
- Q. Okay. And it has a date at the upper right-hand corner of July 16th, 2009. Do you see

that?

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- A. Yes, sir.
- Q. Okay. On the second page of that document there purports to be a draft agenda that is scheduled to take place on July 17th, 2009, with EverPower, ODNR, OPSB, and the U.S. Fish and Wildlife Service regarding an Indiana bat. Do you see that?
  - A. Yes, sir.
  - Q. Did you attend that meeting?
- A. I don't recall.
- Q. Do you see the reference made to Buckeye Wind I and II?
  - A. Yes, sir.
- Q. Does that share the same title as this project?
  - A. Yes.
  - Q. Is it fair, then, sir, to say that you were at least sent correspondence as early as July 16th, 2009, with regard to a Buckeye Wind II project?
    - A. It appears so.
- Q. And in Buckeye I you wrote the Staff
  Report, correct? Or, well, you wrote the -- let me
  strike that.
- You sponsored the Staff Report for

- 1 testimonial purposes; is that correct?
- A. Yes.
- 3 MR. REILLY: Objection. Relevance.
- 4 Buckeye I isn't relevant here.
- 5 ALJ CHILES: Mr. Selvaggio.
- 6 MR. SELVAGGIO: Well, it's going to
- 7 | foundation as to his general knowledge.
- 8 ALJ CHILES: His general knowledge about
- 9 this project?
- MR. SELVAGGIO: Yes.
- 11 ALJ CHILES: All right, I'll allow it
- 12 | within that limited scope.
- Q. (By Mr. Selvaggio) So you sponsored the
- 14 testimony in Buckeye I?
- 15 A. I sponsored the Staff Report, yes, sir.
- Q. Or, I'm sorry, the Staff Report.
- 17 With regard to Buckeye II you are just
- 18 testifying on the public interest, convenience, and
- 19 | necessity; is that correct?
- 20 A. Yes.
- 21 Q. Can you share with me why, with regard to
- 22 the public interest, convenience, and necessity, you
- 23 | did not author any recommended conditions?
- MR. REILLY: Objection. Relevance.
- 25 ALJ CHILES: Mr. Selvaggio.

MR. SELVAGGIO: Well, Judge, on page 2 of the defendant or, I mean, of the witness's testimony, line 14, the question is: "Were you responsible for authoring any of the recommended conditions in the Staff Report?" And he said, "No." I believe it's very relevant to ask why.

ALJ CHILES: I'll allow the question.

Q. Mr. Siegfried, why?

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- A. I did not think any were warranted given the scope of the topics that I covered.
- Q. On page 46 of the Staff Report you spent a number of lines speaking of public interaction programs and you concluded by writing about an office located in Bellefontaine, Ohio. Would you share with me why you felt that the office in Bellefontaine, Ohio, was relevant?
- A. I think that local office would simply be part of their public interaction program.
  - Q. It would handle complaints?
  - A. It could be a point of contact.
  - Q. What county is Bellefontaine located in?
  - A. Champaign.
- Q. If I told you it was located in Logan, would that surprise you?
  - A. Yes.

Q. Okay. Assuming that Bellefontaine is located in Logan County, then would it make more sense to you to have public interaction in a community in which the turbines were selected -- were selected to be implemented than in a community out of the county?

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MR. REILLY: Objection. I don't understand the hypothetical. The witness testified that it would come as a surprise to him. I believe the witness testified it would come as a surprise to him to hear Bellefontaine was located in Logan County, and now we're dealing with a hypothetical that asked the witness to assume something that he said he did not believe?

ALJ CHILES: Mr. Selvaggio, do you want to rephrase your question?

MR. SELVAGGIO: Is the court willing to take judicial notice that Bellefontaine is in Logan County?

ALJ CHILES: It would really prefer if you would just rephrase your question. I don't think that the prior question and the witness's answer were clear to Mr. Reilly, so if you could just ask the question of the witness so that it's clear, that will be preferable.

- Q. Mr. Siegfried, if Bellefontaine is located in Logan County and not Champaign, would you be willing to recommend a condition for Champaign County residents that the Applicant maintain an office in Champaign County?
- A. Not necessarily. I don't think it has to be in the exact same county.
- Q. You specifically cited on page 46 that the Applicant has employed local residents as project developers. Are those local residents Champaign County residents or Logan County residents?
  - A. I don't know.

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- Q. You indicated in that same sentence on page 46 that the Applicant -- referencing the local residents have participated in local informational meetings. Were those local informational meetings in Champaign County or Logan County?
  - A. I'm sorry. Could you repeat that?
- Q. Yes. In that same sentence you wrote that "The Applicant has . . . employed local residents as project developers, who have participated in local informational meetings."

ALJ CHILES: Mr. Selvaggio, I'm sorry to interrupt you, but could you give us a page reference as well as a paragraph reference?

MR. SELVAGGIO: Yes, on page 46 of the Staff Report in the first paragraph, right in the middle.

ALJ CHILES: Thank you.

Do you need the question read back to you?

THE WITNESS: Please.

ALJ CHILES: Would you read the question back, please.

- Q. (By Mr. Selvaggio) On page 46 of the Staff Report, right in the middle where you state:
  "The Applicant has also employed local residents as project developers" -- and you said you didn't know whether those local residents were Champaign or Logan County residents -- "who have participated in local informational meetings," and I was asking you did those occur in Champaign County or in Logan County?
  - A. I do not know.
- Q. To conclude in reading that sentence on page 46, you also wrote: "... and hosted annual displays at the Champaign County Fair." Would you agree with me that we can presume that the Champaign County fair takes place in Champaign County?
  - A. Seems reasonable.
    - Q. Okay. So then the next sentence: "The

Applicant hosted its public information meeting at Triad High School in North Lewisburg," is North Lewisburg in Champaign County or in Logan County?

A. I don't know.

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- Q. Do you know, is Buckeye II located all within Champaign County, all within Logan County, or in half and half, or some portion thereof in either county?
  - A. It's entirely Champaign.
- Q. If it's entirely in Champaign and Bellefontaine is located entirely out of Champaign, would it make more -- would it be in the convenience of the local residents to have an office maintained in the county in which the project is cited?

MR. REILLY: Objection similar to that as before. He's asking him to assume something that the witness does not believe is true.

ALJ CHILES: I'll allow the witness to answer to the extent he holds an opinion on the subject.

- A. If you're asking if I'm opposed to them having one in Champaign County, no, I'm not.
- Q. Would you go so far as to recommend a condition that they do so?
  - A. No, I did not recommend such a condition.

Q. I know you didn't. Would you go so far as to recommend one now that you know or if you accept the fact that their office is not located in our county?

MR. SETTINERI: Object. Asked and answered about five minutes ago.

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MR. SELVAGGIO: I'm not sure I'm getting an answer that's why I keep asking for it.

MR. REILLY: I will add if he's looking for a particular answer, it's argumentative.

ALJ CHILES: Could you read back the question to me, please.

(Record read.)

ALJ CHILES: Sustained.

- Q. (By Mr. Selvaggio) Mr. Siegfried, what is the purpose of public interaction programs?
  - A. I'm not sure I understand the question.
- Q. Okay. Let's go back to the Staff Report on page 46 and the first sentence under Public Interaction. Do you see the heading "Public Interaction" on page 46?
  - A. Yes, sir.
- Q. You write: "An application for a certificate of environmental compatibility and public need must include a description of the Applicant's

public interaction programs." What is the purpose of public interaction programs as that term or that phrase is used to you?

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- A. What is the purpose of including it in the rule?
- Q. Well, if you want to answer that first, sure, but what I want to know is what's the purpose of a public interaction program?
- A. Well, as my understanding of what the intent of putting it in the rule is, is to include discussion on some of the -- I'm trying not to use the word "interaction" -- some of the dialogue perhaps that might occur between the Applicant and the community.
- Q. And so if the community has questions about any phase in the project, the Applicant can demonstrate that, look, we've undergone -- we've undertaken these activities to try to share information. Is that a fair statement?
  - A. Sounds fair.
- Q. And, presumably, as the process progresses is it fair to say that people may have more questions?
- A. I don't know that that's necessarily a fair assumption.

Q. Is it fair to assume that as construction begins and the reality hits our local residents that, hey, we've got something going on in our backyard, that they are going to look for more communicative avenues to pursue to answer their questions?

MR. REILLY: Objection to the foundation. There's been no foundation laid as to what anybody's going to think at any future date on any set of circumstances.

ALJ CHILES: Mr. Selvaggio, could you rephrase your question.

- Q. When they start building these things,
  Mr. Siegfried, are people going to get upset and want
  someone to talk to?
  - A. I don't know.

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Q. Well, I'm wondering why in Buckeye I there was a condition 48 that "The Applicant shall establish, maintain, and manage a toll-free . . . number for public contacts regarding the facility's operation," yet in Buckeye Wind II there's absolutely no condition that gives residents any avenue to communicate with anybody about any problem that they have with construction. Can you tell me why that is?

MR. REILLY: Objection. It calls for an interpretation of the conditions of the Buckeye II

Staff Report. If you look specifically at general condition No. 5, it requires the Applicant to submit a complaint resolution process.

ALJ CHILES: Mr. Selvaggio.

5 MR. REILLY: So it misstates the Staff

Report too.

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MR. SELVAGGIO: Really?

MR. REILLY: Condition No. 5.

MR. SELVAGGIO: Condition No. 5 has nothing to do with why there's no toll-free number.

MR. REILLY: Objection. Relevance.

MR. VAN KLEY: I would also object, your Honor, to the coaching of the witness that just occurred and ask that the Bench caution counsel against coaching the witness in the future by suggesting answers to that witness.

ALJ CHILES: I disagree that that's occurred so I'm not going to instruct anything to Mr. Reilly.

The objection is overruled. The witness may answer to the extent he holds an opinion on the subject.

THE WITNESS: Could I have it reread, please?

ALJ CHILES: Can you reread the question

for me.

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(Record read.)

- A. I can tell you that I did not personally draft the recommendation in Buckeye I so I don't know the rationale that went in there. I can tell you I did not think it was necessary to include it based on the conclusions I reached in this section. I'm not opposed to them having such a number, but I did not think it needed a condition.
- Q. Would you agree with me that a toll-free number for public contacts furthers the Applicant's public interaction program concept?
  - A. I think it's one avenue, yes.
- Q. Are there -- what other avenues can you think of?
  - A. Again, there could be local meetings, the website.
    - O. There could be a local office?
    - A. I believe there is a local office.
- Q. You believe it's in Champaign County, right?
  - A. I'm sorry?
- Q. Do you believe that local office is currently housed in Champaign County?
- 25 A. I believe it's in Bellefontaine.

- Q. In the city of Bellefontaine, correct?
- 2 A. Yes, sir.

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- Q. Okay. So are you willing to recommend a condition that proposes a toll-free telephone number for local residents?
- A. I think it's something staff could consider.
- Q. Did you read, in preparing for today's testimony, did you read the entire Staff Report in Buckeye II?
  - A. No, I did not.
- Q. On page 48 you make reference to state and local tax generation in those two paragraphs. Do you see that?
  - A. Yes, sir.
- Q. Okay. In making those conclusions are you assuming that the production tax credit will be extended at the end of this year?
  - A. No.
- Q. Are you familiar with the American Wind Energy Association?
  - A. Generally.
- Q. Are you familiar with their announcement made recently that they have warned that the loss of the tax credit will lead to 37,000 layoffs as demand

for new wind turbines and wind farms drops sharply?

A. No, sir.

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- Q. And are you familiar with Siemens Wind Energy?
  - A. I've heard of them.
- Q. Okay. Are you aware that, with regard to the extension of the production tax credit, that they announced in September that they would cut 110 temporary contract workers at its Hutchinson turbine immediately and lay off 146 regular employees in two months, meaning employment would be down for more than 400 jobs this summer to 150 jobs?
  - A. No, sir.
- Q. Are you assuming, then, in making the conclusion that the annual payment amount on page 48 in the second paragraph under State and Local Tax of over \$1 million, are you assuming that there will be, number one, enough turbines produced to be purchased and, number two, that there will be a market for wind energy?

MR. REILLY: I'm going to object. I don't understand what are "enough turbines to be purchased." Is there a number with that?

ALJ CHILES: I'm a little confused about that, too. Mr. Selvaggio, could you clarify a little

bit what you mean on that specific point.

- Q. Mr. Siegfried, on page 6 of the Staff
  Report, the very first sentence says, "The Applicant
  proposes to construct the Buckeye II Wind Farm with
  up to 56 wind turbines." Do you see that?
  - A. Yes, sir.

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- Q. On page 48 -- well, before I move off of page 6, that first sentence concludes by saying ". . . and 140 megawatts of capacity." Do you see that?
  - A. Yes, sir.
- Q. On page 48, in the second paragraph under State and Local Tax, you state: "If the Applicant pays the maximum PILOT of \$9,000 per megawatt, the annual payment amount would be approximately \$1,045,800." Do you see that?
  - A. Yes, sir.
- Q. In making that conclusion are you assuming that there will be sufficient wind turbine production and wind energy demand to meet that figure?
- MR. REILLY: If he knows. I mean, I'm confused. Is the question are there going to be 56 turbines? I mean, I'm confused as to what he means in the question.

ALJ CHILES: Are you referring to the number of wind turbines?

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MR. SELVAGGIO: Judge, I'm merely asking is he assuming that there will be enough wind turbine production with the elimination of the wind tax credit, I mean the --

ALJ CHILES: Assuming that there will be production of 56 wind turbines?

MR. SELVAGGIO: No. That there will be sufficient wind turbine production to enable the Applicant to purchase the 56 wind turbines.

MR. REILLY: Then I'm going to object for improper foundation. I don't understand where any of the numbers are coming from.

MR. SELVAGGIO: It's coming from the Staff Report that you introduced.

MR. REILLY: Where any of your numbers are coming from. I mean, I don't know what you're after.

ALJ CHILES: I'm a little confused as well. Can you read back the question to me, the last full question.

(Record read.)

ALJ CHILES: Just to try and clarify one more time, are you referring to 56 wind turbines will

be available on the market for purchase?

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MR. SELVAGGIO: Yes.

ALJ CHILES: Thank you. With that clarification.

- A. The sentence was simply intended as a calculation, simple math calculation. If there were not, if they did not ultimately build 56 turbines, excuse me, if they did not actually build 140 megawatts, then I think the number would differ.
- Q. Is it fair to say that there's a lot of assumptions in making the conclusion of that calculation?
- A. I would say that there are two primary assumptions in that.
- Q. On page 47 in the last paragraph under the heading "Landowner Lease Agreements" you've listed certain economic impacts that will result if this project goes forward. Do you see that?
  - A. Yes, sir.
- Q. I want to ask you about -- oh, as an aside, you made reference to Exhibit G, as in George, in setting forth some of those economic impacts, and that reference to Exhibit G was made in footnote No. 48. Do you see that?
  - A. Yes, sir.

- Q. Okay. Do you have Exhibit G in front of you by any chance?
  - A. Yes.

- Q. Okay. Now, bear with me as I try to reach some clarification here. In Exhibit G on page 1 I would ask you to take a look at the very first paragraph, right in the middle it says, "For the purposes of this study, the local economy includes Champaign, Logan, Union, Madison, Clark, Miami, and Shelby Counties." Do you see that?
- A. I'm sorry. You said Champaign, Logan, Union, Madison, Clark, Miami and Shelby Counties?
  - Q. Yes.
  - A. Yes, sir.
- Q. Okay. Do you know why the Applicant chose to study a multiregion economy as opposed to just Champaign County's local economy?
- A. I could speculate, but I did not have discussions with them on that topic.
- Q. Okay. On page 47 you used the word "local" on the last -- in the last sentence, I'm sorry, the last paragraph under "Landowner Lease Agreements," the last paragraph, in the first line where it says, "Annual lease payments will be provided to local landowners participating in the

project."

- A. Yes.
- Q. Is your version of "local" the same as Exhibit G's version of "local"? In other words, are we talking about the same meaning of the word "local"?

MR. REILLY: If we could clarify, your Honor, "local" there means -- "local" includes the multicounty region identified in paragraph -- on the first paragraph of page 1?

MR. SELVAGGIO: That's what I'm asking the witness.

MR. REILLY: Okay. I'm just clarifying that's what you mean by "local."

ALJ CHILES: Right. Could we clarify for the record that you're referring to Exhibit G, page 1, paragraph 1 following the term "the local economy includes" just for purposes of clarity on the record?

MR. SELVAGGIO: Yes, your Honor.

ALJ CHILES: Thank you.

Q. (By Mr. Selvaggio) So, in essence,
Mr. Siegfried, I just want to make sure, because this
issue's going to come up in some other questioning I
have, when you use the word "local," you yourself, do
you mean local as in Champaign County or local as is

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2395
      referenced in Exhibit G which means a multiregion
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     territory, or multicounty territory?
                  MR. SETTINERI: I'm going to object
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      just -- it would be helpful, when you're doing a
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     comparison between the use of "local," if you could
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     use a specific phrase in the Staff Report compared to
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     the exhibit. Did we say -- are we referring to local
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      landowners?
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                  ALJ CHILES: I believe we were.
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                  Is that correct?
                  MR. SELVAGGIO: Yes, your Honor.
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                  MR. SETTINERI: All right. Thank you
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     very much.
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                  THE WITNESS: I'm trying to recall the
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     question, but --
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                  ALJ CHILES: Do you need the question
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     reread?
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                  THE WITNESS: Please.
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                  ALJ CHILES: Could you please repeat the
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     question.
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                  (Record read.)
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             Α.
                  As I used the word "local" there on page
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      47 of the Staff Report, that's pertaining to the
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     project area.
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Now I would like you to turn to page 141

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Q.

of the application.

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- A. Okay.
- Q. Do you see in the paragraph right above the paragraph that has the notation "(3)," the paragraph right above that one that says, "Annual lease payments will be provided to local landowners participating in the Facility"?
  - A. Yes.
  - Q. Do you see that?

That almost reads word for word with what you wrote on page 47 of the Staff Report. Do you see that?

- A. Okay.
- Q. This section of the application has to do with the economic impact on the local commercial and industrial activities. And in that paragraph I made reference to on page 141 of the application it goes on to state that: "Like other local expenditures, the lease payments will also enhance the ability of participating landowners to purchase additional goods and services. To the extent that these purchases are made locally, they will have a broader positive effect on the local economy."

Do you see that?

A. Yes, sir.

Q. When you were doing the Staff Report and reviewing these pages in Exhibit G and the word "local" was used in that sense, in that broad sense, were you taking the position in your mind that "local" meant just Champaign County or "local" meant the, what we're going to call the seven-county region?

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MR. REILLY: Objection. Relevance. I think the important point is what "local" means in the Staff Report, not at any particular time in the past what anyone meant by "local" in their mind.

ALJ CHILES: Mr. Selvaggio.

MR. SELVAGGIO: Well, Judge, the staff has relied on Exhibit G and has relied on the application as noted in footnotes 36, 38, 39, 41, 43, 45, 47, 48, and 52 in coming to their conclusions.

ALJ CHILES: Could you read the question back to me, please.

(Record read.)

ALJ CHILES: I'll allow the witness to answer to the extent he holds an opinion on the matter.

A. I did not interpret it one way or the other. It's not directly addressed in my section of the Staff Report.

- Q. As you were determining the public interest, convenience, and necessity conditions did you concern yourself with the economic impact of the project as it applies to the direct impact, the indirect impact, and the induced impact of the project?
- A. I'm sorry. You said when considering the conditions?
- Q. I may have inartfully stated that so let me try to use your lingo. As you were considering the public interest, convenience, and necessity section and analyzing it and assessing it, did you consider the direct, indirect, and induced impact that this project would have economically in the footprint region?
  - A. Not to any significant extent.
- Q. You indicated on page 1 of your direct testimony on line 16 that, you state: "... my duties pertain almost exclusively to the implementation of the state's alternative energy portfolio standard." Do you see that?
  - A. Yes, sir.

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- Q. What does "implementation" mean?
- A. In that context it pertains to putting
  the statute into place and being part of the team

that manages that on a going-forward basis.

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- Q. Can you tell me more, because I'm not sure I understood what you said?
- A. Okay. It involved initially drafting the rule to put the statute, the portfolio standard statute, into effect as well as really daily operations with putting -- with implementing the standard, from certifying renewable facilities to reviewing compliance reports to reviewing potential rate impacts.
- Q. Do you have a hand in analyzing the potential economic benefits of clean energy policies and programs?

THE WITNESS: I'm sorry. Could I have that read back or repeated?

ALJ CHILES: Please.

(Record read.)

- A. Not directly.
- Q. I'm just trying to understand the answer. So do you participate in public policy discussions on clean energy resources for the state of Ohio?
  - A. It might depend on the context.
- Q. Well, let's talk about that a little bit, then. You have a Bachelor of Science degree in international business from Bowling Green; is that

correct?

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- A. Yes, sir.
- Q. And was part of your coursework in the study of economics?
  - A. Yes, sir.
  - Q. Macroeconomics?
  - A. It was part of it.
  - O. Microeconomics?
  - A. Yes, sir.
- Q. And so you have some knowledge as to what happens when income that's generated from the direct and the indirect effects is re-spent in the local economy?
  - A. As a conceptual matter?
- Q. Yes.
- A. Okay, yes.
  - Q. And you would agree with me that the wind project that we have before us today certainly has some macro- and microeconomic effects as they apply to the purchase of goods and services; fair statement?
  - A. I guess I would want to know how you're defining "macro" and "micro" here before I answer.
- Q. Okay. That's fair. Before we get to that, the application itself on page 138, and I can

pause if you'd like a minute to find it.

A. I'm there.

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- Q. Okay. It indicated that, in subparagraph (2), that: "Information provided in this section was obtained primarily from 'Assessing the Economic Impacts of Buckeye II Wind Farm,'" and then the second sentence: "In their evaluation of economic impacts, Camiros used the Job and Economic Development Impact Wind Model," also known as "JEDI." Do you see that?
  - A. Yes, sir.
  - Q. Are you familiar with the JEDI concept?
  - A. Only in passing.
- Q. Okay. As you reviewed these materials did you question the use of the model, the JEDI model?
  - A. As I was considering the lease payments?
- Q. As you were considering discussing the economic impact of this project in the public interest, convenience, and necessity portion of the Staff Report did you question the use of the JEDI model in your analysis?
- A. The economic topics covered in public interest, convenience, and necessity are the potential PILOT payments and the annual lease

- payments, and neither of which incorporates the JEDI model.
  - Q. So you did not consider the use of the model in your analysis.
    - A. I did not.

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- Q. Did you question the accuracy of the information that was provided in the application pertaining to the creation of jobs through the use of the JEDI model?
- A. I did not. There may have been other staff that did, but I did not.
- Q. Do you happen to know if any of the staff did?
- A. I do not know. I know that there is additional language in the Staff Report addressing economics that I did not draft.
  - Q. Would you point me to that?
  - A. Give me a second here.
  - Q. Yes, please. Take your time.
- A. There is some discussion on page 22 of the Staff Report.
  - Q. Do you know who wrote that portion?
- 23 A. No, I don't.
- MR. SELVAGGIO: Mr. Reilly, may we have the name of the individual that wrote that portion?

MR. REILLY: What are we looking at? I'm sorry.

MR. SELVAGGIO: The name of the person

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MR. REILLY: Let us talk about that at the break if we could.

that wrote the language under "Economics" on page 22.

MR. SELVAGGIO: Okay. And just so the court knows, we would ask that that person be made available for testimony.

MR. REILLY: I believe there was a requirement for witness lists, I believe there's a requirement for subpoenas, none of which have been made here, but we can address that when we get to it.

ALJ CHILES: Your request is noted for the record.

MR. VAN KLEY: I would also note that I believe the Board's rules prohibit subpoenas of Board members or staff members.

ALJ CHILES: I'm sorry. I didn't catch what you said. Could you repeat that.

MR. VAN KLEY: Yes. I believe the Board's rules prohibit us from obtaining subpoenas for staff members.

ALJ CHILES: Thank you.

MR. REILLY: Just to clarify, we can

discuss this when it comes up, if it comes up, about what the Board's rules allow and don't allow.

ALJ CHILES: We'll discuss that later. Thank you.

- Q. (By Mr. Selvaggio) Mr. Siegfried, subject to the court's ruling I'm just about done here. On page 3 of your testimony on lines 17 through 22 you answered a question that seeks to evaluate the staff's approach to evaluating the -- this section, the PICN section, for this proposed project from the other projects that have come before the Board. Do you see that?
  - A. Yes, sir.
- Q. And you state: "The approach used in this proceeding is consistent with the approach used in other wind applications that have been filed with the OPSB since the effective date of Chapter 4906-17, Ohio Administrative Code." Do you see that?
  - A. Yes, sir.
  - Q. What was the effective date?
  - A. I don't recall offhand.
  - Q. Was it before Buckeye Wind I or after?
- 23 A. After.

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- Q. It was after Buckeye Wind?
- 25 A. Yes, sir. Excuse me. After the filing

of the application in Buckeye Wind I.

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- Q. Okay. Yeah, I'm not -- again, I'm not trying to trick you or confuse you, I'm just trying to get a sense --
- A. Well, I didn't -- it could be different between when the certificate was issued, but the effective date was after the filing of the application.
- Q. Do you know, was it after the granting of the certificate in Buckeye Wind I?
  - A. I don't recall.
- Q. The reason I ask is that I noticed in Buckeye Wind I there were 9 pages of conditions and in Buckeye Wind II there were 13 pages of conditions, and in Buckeye Wind I there were 56 conditions and in Buckeye Wind II I believe there were 70 conditions. It just seems like the staff took a more aggressive or a more -- took a different approach.

Am I incorrect to conclude that the staff's approach was wrong, I'm sorry, to conclude that the staff's approach was different this time from the first time?

MR. SETTINERI: Object on relevancy grounds.

ALJ CHILES: Mr. Selvaggio.

ARMSTRONG & OKEY, INC., Columbus, Ohio (614) 224-9481

MR. SELVAGGIO: Judge, they opened up the door when they said "evaluating other proposed wind projects that have come before the OPSB."

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MR. SETTINERI: That's actually wind applications that have been filed with the OPSB since the effective date. Buckeye Wind was filed before the effective date.

MR. SELVAGGIO: That's not what the question asked.

ALJ CHILES: Could you read the question back to me, please.

MR. SELVAGGIO: I'm sorry, I meant the question on line 17 through 19 on page 3 of his testimony.

(Record read.)

ALJ CHILES: I believe the witness testified that the effective date of chapter 4906-17 was after Buckeye Wind I, so to the extent you wanted to ask about other wind projects that were subsequent to the effective date of that chapter, that may be relevant, but the objection is sustained.

MR. SELVAGGIO: Judge, the staff member has given, then, testimony that he cannot support with factual evidence and, therefore, the county would move that his answer to question 11 be

stricken. I don't know how to ask him a question if he doesn't know the factual basis to support his answer.

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MR. REILLY: Am I incorrect that the examination has been specific to Buckeye Wind I? I think the staff member has indicated a knowledge of Ohio Administrative Code chapter 4906-17. The staff witness was involved in Buckeye Wind I. I think he is well-qualified to testify as to the approach taken for evaluating public interest and necessity, and I think he's testified to that.

The fact that he hasn't maybe perhaps given the exact information that the prosecutor wants is no basis for you to strike it.

ALJ CHILES: Mr. Selvaggio, do you have a reply to that?

MR. SELVAGGIO: Yes, Judge. I simply asked him for the effective date of the chapter.

Now, I'm willing to accept judicial notice of the effective date of the chapter if Mr. Reilly will accept judicial notice that Bellefontaine is in Logan County.

ALJ CHILES: I think what we're addressing right now is your motion to strike the witness's answer. Do you want to reply to what

Mr. Reilly stated about the witness's answer to his question 11?

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MR. SELVAGGIO: Yes, Judge. The witness has not answered -- has not given a factual basis for his answer, has not shared with us the effective date, and all I'm wanting to know is what was the effective date. And he's indicated that he doesn't know.

MR. REILLY: Your Honor, the effective date of the rule is irrelevant to his general knowledge necessary to provide an answer on public interest, convenience, and necessity.

ALJ CHILES: The Bench is in agreement with Mr. Reilly, so the motion to strike the witness's answer is denied.

MR. SELVAGGIO: Thank you, your Honor.

- Q. (By Mr. Selvaggio) Mr. Siegfried, let's talk about your use of the word "approach" used in this proceeding as you have set it forth on line 20 of your direct testimony. Would you define the word "approach"?
- A. "Approach" as used in my testimony addresses the content of the PICN, the public interest, convenience, and necessity section, as well as the factors relied upon to reach the conclusion.

Q. Is it fair to say that the information set forth in pages 46, 47, and 48 in large part track the language of the application?

- A. The application was the primary source that we relied upon, yes.
- Q. And so, again, my question is it's fair to say that the majority of the language, it doesn't mean all of it, but a majority of the language tracks the Applicant's use.
- A. Again, I'm not sure what you mean by "tracks the use." The application was the primary document that we reviewed during the course of our investigation.
- Q. So is it fair to say, then, that if the document was the primary use, that you yourself did not go on any of the wind farm bus tours sponsored by the Champaign County Farm Bureau in '07 and '08?

MR. REILLY: If we could just be -- if we could just clarify, the document you referred to is the application?

ALJ CHILES: Is that correct? By "the document" are you referring to the application, the company's application?

MR. SELVAGGIO: Honestly, Judge, if I could have the question read back because I --

ALJ CHILES: Sure.

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2 Could you please reread it.

(Record read.)

MR. SELVAGGIO: Yes, your Honor, you're correct, for purposes of my question I mean the application.

- A. I'm sorry. I mean, if the question is did I go on that bus tour, the answer is no.
- Q. Okay. Did you attend the Champaign
  County fair or participate in any local informational
  meetings?
- A. I did not attend the fair. And I don't recall any other local informational meetings other than the public information meeting.
  - Q. The one in Triad?
  - A. Yes, sir.
- Q. Did you yourself interact with any Champaign County residents as to evaluating the quality of the public interaction programs?
  - A. Not to my knowledge.
- Q. Did you visit the local office in Bellefontaine, Ohio?
- A. No.
- Q. Would you agree with me that in Buckeye
  Wind I the certificate was issued after the effective

date of chapter 4906-17 of the Administrative Code?

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- A. As I indicated earlier, I don't recall.
- Q. If it was issued after the effective date, would Buckeye Wind I be mandated to follow the requirements of chapter 4906-17?

MR. REILLY: Objection. Calls for a legal conclusion.

ALJ CHILES: Mr. Selvaggio.

MR. SELVAGGIO: Judge, it doesn't, and I recognize he's not a lawyer, and I'm not asking for a legal opinion.

MR. REILLY: Yes, he is. The applicability of a rule is a legal opinion.

MR. SELVAGGIO: Judge, I believe he's a staff member who's required to determine in the future whether the Applicant is complying with Administrative Code --

ALJ CHILES: Thank you.

With the clarification that the witness is not an attorney --

Mr. Siegfried, you're not an attorney; is that correct?

THE WITNESS: Correct.

ALJ CHILES: -- the witness may answer the question to the extent he holds an opinion on the

matter.

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- A. I believe your question was if the certificate is issued after the effective date of 4906-17. Again, 4906-17 goes to the contents of the application, so are you then asking if it retroactively modifies a filing requirement?
- Q. If you know the answer -- if you can answer the question that I posed, if you would just say "yes" or "no."

THE WITNESS: Could I have the question repeated again?

ALJ CHILES: Could you reread the question, please.

MR. SELVAGGIO: Or "I don't know." (Record read.)

MR. SETTINERI: Object on the basis of relevancy. Buckeye I is not at issue in this proceeding, as well, the chapter relates to the contents of the application and, again, relevancy as to that point.

ALJ CHILES: Mr. Selvaggio.

MR. SELVAGGIO: Judge, this afternoon there were a number of opportunities for the county and townships to object to the questions posed by the staff and by the Applicant, and we chose not to in

the interest of trying to get all the information before the Board. I'm not really sure why this is such a sticking point with the staff. If he knows the answer, we believe that this instance deserves a response. If he doesn't know the answer, I guess we can move on.

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ALJ CHILES: I believe the witness indicated -- and correct me if I'm wrong -- that this is not a simple "yes" or "no" answer. So I'll allow the witness to answer the question, but I'm certainly not going to direct him to answer a simple "yes," "no," or "I don't know" if he feels that he needs more clarification than that.

Do you need the question reread?

THE WITNESS: I think I have it. And my nonlegal answer is it would not affect the application that was filed in Buckeye I.

Q. (By Mr. Selvaggio) One of the issues that Champaign County residents and government officials have in the evaluation of the proposed project is this idea that the staff merely restates the application in its findings.

In your portion of the Staff Report can you point to me one conclusion that you've made that does not reply -- does not rely on language from the

application?

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A. I believe the general topics I relied on in reaching my conclusion were addressed in the application.

MR. SELVAGGIO: Thank you. That's all I have.

ALJ CHILES: Thank you.

Mr. Van Kley?

MR. VAN KLEY: Thank you, your Honor.

## CROSS-EXAMINATION

By Mr. Van Kley:

- Q. While we're still on question and answer 11 of your direct testimony let me ask you another question about it. I see that the question asks whether the staff's approach to evaluating the PICN for the proposed project differed from that used when evaluating other proposed wind projects that have come before the Board. Do you see that?
  - A. Yes, sir.
- Q. But then your answer refers only to the other projects in which the wind applications were filed after the effective date of chapter 4906-17. Is there a particular reason why you limited your answer to just those applications?

- A. I think if you review the PICN sections for all of the wind projects that have come before the Board, you will see that a difference between the one application that came before 17 was effective compared to all of the others that have come since and part of that has to do with just the, beginning with the rule becoming effective and the required contents that are conveyed by the rule.
- Q. Did the staff's reports for Buckeye Wind come before or after the effective date of chapter 4906-17?
  - A. I don't recall.

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MR. VAN KLEY: Your Honor, I'd like to mark the next UNU exhibit as UNU Exhibit 26.

ALJ CHILES: So marked.

(EXHIBIT MARKED FOR IDENTIFICATION.)

MR. VAN KLEY: Permission to approach the witness.

ALJ CHILES: You may.

Q. Mr. Siegfried, I've handed you what has been marked as UNU Exhibit 26, and you will see that the front of that document is captioned "In the Matter of the Application of AEP Ohio Transmission Company . . . for a Certificate . . . for the Vassell Substation Project." Correct?

A. Yes, sir.

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- Q. And you recognize this document as an opinion, order, and certificate that has been issued by the Ohio Power Siting Board?
  - A. It appears to be.
- Q. Okay. And I'd like to refer you to page 3 of this document, and if you would go to the second paragraph on that page, you will see that the third sentence and the fourth sentence read as follows:

  "For the preferred site, a 765 kilovolt substation yard would be located on the northeast portion of the site with a 345/138 kilovolt substation yard to the southwest. With respect to the alternate site, a 765/345 kilovolt substation yard would be located on the western portion of the site with a 138 kilovolt substation yard to the southeast."

Did I read that correctly?

A. Yes, sir.

MR. SETTINERI: At this time, your
Honors, I'm going to just object. I don't believe
there's been a foundation laid that this witness is
familiar with this opinion and order other than he
recognized it as an opinion and order, and now we're
delving into questions about a transmission system
that's not relevant to this application. Maybe

counsel's going somewhere, but I'd like to make that objection now.

ALJ CHILES: Mr. Van Kley.

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MR. VAN KLEY: I haven't even asked the question yet.

ALJ CHILES: Go ahead and finish asking the question, please.

MR. VAN KLEY: Okay.

Q. (By Mr. Van Kley) Now would you go to page 15 of UNU Exhibit 26.

MR. SETTINERI: And, your Honors, again, I'm just going to object, lack of foundation. This witness is not familiar, we're reading into the record and asking questions of the witness saying:

Do you see this sentence? Yes. Now we're going to another page, so I assume there's going to be a question after we go through these.

MR. VAN KLEY: There indeed will be.

ALJ CHILES: Overruled at this point.

MR. VAN KLEY: All right.

Q. Going to page 15 now of UNU Exhibit 26, I'd like to refer you to the second paragraph under the heading "Staff Response," and the second sentence of that paragraph reads as follows: "Moreover, Staff points out that nothing contained in Rule 4906-5-04,

OAC, required AEP Transco to propose two completely different sites as part of its application."

Did I read that correctly?

A. Yes, sir.

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- Q. Okay. Now let me ask you some questions about this. First of all, you were in attendance during part of the hearing for the Vassell substation project that is described in UNU Exhibit 26; were you not?
  - A. I don't believe so.
  - O. No?
  - A. No, sir.
- Q. Did you participate in preparing the Staff Report for the Vassell substation project that is described in UNU Exhibit 26?
- A. I don't -- not to my recollection, no. I may have had a peripheral editing role, but I don't think I authored any sections in that report.
- Q. Okay. Well, let me just ask you this question, then, from your independent knowledge.

  Isn't it true that the Ohio Power Siting Board does not require a preferred and an alternate site for a facility to be on completely different sites but allows them, instead, to overlap with each other?

Are we talking wind facilities here, or are we talking transmission facilities?

3 ALJ CHILES: Can you clarify,

4 Mr. Van Kley?

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MR. VAN KLEY: Yes. I'm talking about -- let's just make sure we have the right definition.

ALJ CHILES: Thank you.

- Q. I'm talking about any electrical generation facility that is subject to Ohio Power Siting Board certification.
- A. It's my understanding that an alternate site is not required for electric generating facilities.
  - Q. For no electrical generating facilities?
  - A. For generating facilities, correct.
- Q. Well, I guess I'm confused by your answer. Let me just see if I can get some background to understand it. In your -- based on your understanding, under what circumstances is a facility that is subject to Ohio Power Siting Board's certificates required to propose both a preferred and alternate facility?
- A. I mean, when you say "facility" there, just anything under the Board jurisdiction?
  - Q. Correct.

- A. Again, I don't believe it's required for generation. I do believe an alternate is required for electric transmission lines, and I believe it is also required for electric substations.
- Q. Okay. Let's just move on to another topic for a little bit here. Are you familiar with the blade throw that occurred at Timber Road II wind farm?
  - A. I'm familiar, yes, sir.

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- Q. Okay. What, if any, involvement have you had with that incident?
- MR. REILLY: Objection. Relevance. It's a completely different project.

ALJ CHILES: Mr. Van Kley.

MR. VAN KLEY: I guess we've sat through ten days now of testimony about how Timber Road II's blade throw is relevant including Mr.

Speerschneider's testimony that all information concerning blade throws or lack thereof that have ever transpired at wind farms of the size that -- or, wind turbines of the size of the class that we're dealing with here, Mr. Poore's testimony of the same thing where he testified that he could look at data concerning blade throws at other facilities that have

turbine models in the same class even though they're

not of the six models that are listed in the application and still considered, and that all that information was relevant.

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So I don't know how we can at this point say that this information is not relevant at this point; it certainly is.

ALJ CHILES: Thank you. The objection is overruled.

- Q. The question that was on the table is:
  Can you describe what involvement, if any, you've had
  with regard to the blade throw at Timber Road II?
- A. I have had some discussions, internal discussions with staff, just to learn a bit more about the event. I have been involved in discussions of what that event might mean in the context of postconstruction mortality monitoring. That's probably about the extent of it.
- Q. Okay. With which staff members have you had these discussions?

MR. REILLY: Objection. Relevance. The identity of the staff members is not relevant to anything.

ALJ CHILES: Mr. Van Kley.

MR. VAN KLEY: Well, I can move on and ask what they talked about, I suppose. Seems to be

that we're simply establishing some foundation for the next questions concerning the content of those discussions.

ALJ CHILES: The objection is sustained, I think we need to move on.

MR. VAN KLEY: Okay.

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- Q. (By Mr. Van Kley) So what have you learned about that incident?
- A. I learned that there was an incident. I believe that a single turbine -- I believe it was in April of this year, late-April perhaps. I believe the company and the actual turbine manufacturer is involved with an investigation as to the cause of the incident. I believe that there has been something filed in that particular case docket.
- Q. Have you had any conversations with Champaign Wind about that incident?
  - A. No, I have not.
- Q. Going back to the question I asked about siting facilities where -- in instances where you acknowledge that a preferred and an alternate facility must be submitted as part of a certification process, can you tell me in those instances whether it is the Board's position that the two sites, that is the alternate and the preferred site, can overlap?

MR. SETTINERI: Object. Relevancy. The witness testified that electric generating facilities don't require alternative sites so, therefore, it's not relevant. This is not a transmission proceeding.

ALJ CHILES: Mr. Van Kley.

MR. VAN KLEY: We heartily disagree with

the witness's legal conclusion, therefore, with regard at least to the facts we'd like to elicit the facts from him with regard to situations in which preferred and alternative sites or alternate sites are required, whether they may overlap, because it would have a bearing on this case.

ALJ CHILES: Overruled.

- Q. Do you need the question read back?
- A. Please. I'm sorry.

  ALJ CHILES: Please reread the question.

(Record read.)

- A. I do believe that there's a certain percentage of overlap that is permitted.
  - Q. Okay. All right. Thank you.

21 MR. VAN KLEY: No further questions.

ALJ CHILES: Thank you.

23 Mr. Settineri?

MR. SETTINERI: No questions, your

25 Honors.

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2424 1 ALJ CHILES: Mr. Reilly. 2 MR. REILLY: Could I have a moment, your 3 Honor? 4 ALJ CHILES: Of course. 5 MR. REILLY: We have no questions, your 6 Honor. 7 Thank you, Mr. Siegfried. 8 ALJ CHILES: Thank you, Mr. Reilly. 9 I just have a couple questions for you. 10 On page 46 of the Staff Report in the considerations 11 discussed as far as public interest, convenience, and 12 necessity, the last section there on that page 46 13 talks about liability insurance. What is the purpose of liability insurance in your opinion or in your 14 15 understanding? 16 THE WITNESS: My understanding is that it 17 is to offer compensation in the event of damage, some 18 sort of event, an incident. 19 ALJ CHILES: Offer compensation to, would 20 that be to the public or would that be to the 21 company? 2.2 THE WITNESS: To the public. 23 ALJ CHILES: To the public. 24 THE WITNESS: Yes. 25 ALJ CHILES: Okay. I have no other

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     questions. Thank you very much. You're excused.
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                  (Witness excused.)
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                  ALJ CHILES: Mr. Reilly.
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                               Thank you, your Honor.
                  MR. REILLY:
     would move the introduction of Staff Exhibit No. 6.
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                  ALJ CHILES: Are there any objections to
     the admission of Staff Exhibit 6?
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                  MR. SELVAGGIO: Yes, Judge. For purposes
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     of the record, the county would renew its objection
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     and move to strike lines 20 through 22.
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                  ALJ CHILES: Thank you. Your renewal is
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     noted for the record, but your motion to strike is
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     denied.
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                  Hearing no other objections, Staff
     Exhibit 6 will be admitted.
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                  (EXHIBIT ADMITTED INTO EVIDENCE.)
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                  ALJ CHILES: Mr. Van Kley.
                  MR. VAN KLEY: We're not moving UNU
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     Exhibit 26 at this time.
                  ALJ CHILES: Thank you.
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                  All right. Is there anything further to
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     come before us today?
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                  MR. SELVAGGIO: Yes, Judge. The county
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     and townships would again renew its request that the
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      staff member who authored the economics portion on
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page 22 of the Staff Report be made available for questioning.

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MR. REILLY: Your Honor, the staff would object to that. I mean, first of all, it's a terrible precedent to surprise the staff like this, beyond that, there has been a procedural order in effect in this case for some time. The fact of the matter is that while the Public Utilities Commission staff is not subject to subpoena, Mr. Van Kley is wrong, the Ohio Power Siting Board staff is, and the county and anybody else could have subpoenaed them to this hearing; they did not. If they're not here, it's the county's fault.

Moreover, what I think the county is asking for now is discovery, very belatedly, discovery on the staff, and the staff is not subject to discovery under the Board's rules.

ALJ CHILES: Thank you.

At this time the Bench is going to take your request, Mr. Selvaggio, under advisement and we will decide that issue tomorrow. So, with that, we are adjourned until 9 o'clock tomorrow.

MR. SELVAGGIO: May I just ask the court to, since counsel spoke of precedent, if the court would direct its attention, respectfully, to Volume

VII, pages starting with pages 1716 through 1728 with regard to precedent of calling additional staff members to provide direct testimony.

ALJ CHILES: Sir, what document are you referring to?

MR. SELVAGGIO: It's under the Buckeye Wind, which now would be Buckeye Wind I, and it's the direct examination and cross of Mr. Siegfried.

ALJ CHILES: All right. The Bench will take that under advisement.

Mr. Reilly, do you have something to add?

MR. REILLY: I am not familiar with it, I

will confess that. I don't know why whatever

happened in the circumstances of the prior proceeding

would be -- of one prior proceeding would be

precedent in all future proceedings of the Board. I

would object, I do not think it is precedent in this

proceeding. Certainly not controlling.

ALJ CHILES: Thank you. Thank you. That is noted, and we will address that tomorrow. With that, we are adjourned until 9 o'clock tomorrow. Thank you.

(The hearing adjourned at 4:40 p.m.)

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## CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Monday, November 26, 2012, and carefully compared with my original stenographic notes.

Maria DiPaolo Jones, Registered Diplomate Reporter and CRR and Notary Public in and for the State of Ohio.

My commission expires June 19, 2016.

11 (MDJ-4086)

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Summary: Transcript of Champaign Wind, LLC hearing held on 11/26/12 - Volume IX electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Jones, Maria DiPaolo Mrs.