

Exhibit No.:
Issue(s): Staff/Intervenor Position;
Property Tax Communications;
Routing
Witness: James Jontry, P.E., P.M.P.
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Ameren Transmission Company
of Illinois
File No.: EA-2015-0146
Date Testimony Prepared: November 16, 2015

MISSOURI PUBLIC SERVICE COMMISSION

File No. EA-2015-0146

SURREBUTTAL TESTIMONY

OF

JAMES JONTRY, P.E., P.M.P.

ON

BEHALF OF

AMEREN TRANSMISSION COMPANY OF ILLINOIS

**St. Louis, Missouri
November, 2015**

SURREBUTTAL TESTIMONY

OF

JAMES JONTRY, P.E., P.M.P

FILE NO. EA-2015-0146

1 **Q. Please state your name and business address.**

2 A. My name is James Jontry, and my business address is 1901 Chouteau Avenue,
3 St. Louis, Missouri 63103.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by Ameren Services Company (“Ameren Services”) as a
6 Senior Project Manager in the Transmission Department.

7 **Q. Are you the same James Jontry who filed direct testimony in this case?**

8 A. Yes, I am.

9 **Q. What is the purpose of your surrebuttal testimony?**

10 A. The purpose of my surrebuttal testimony is to briefly address the Staff’s and
11 the Neighbors’ position on the Project, to address the contacts we have had with the public
12 on the Project, explain communications regarding property taxes, and address the impact of
13 attempting to simply follow property boundaries instead of following the route discussed in
14 the direct and surrebuttal testimonies of Mr. Wood.

15 **Q. The Staff of the Commission has recommended approval of the Mark**
16 **Twain Project (the “Project”), with certain conditions which ATXI has for the most**
17 **part indicated are acceptable, but Neighbors United Against Ameren’s Power Line (the**
18 **“Neighbors”) are expressing strong opposition to the Project through surrebuttal**

1 **testimony and testimony given at the local public hearings held by the Commission.**

2 **How do you respond?**

3 A. As ATXI President Maureen Borkowski indicates, we are pleased that the
4 Staff recognizes the merits of the Project and has recommended that a certificate of
5 convenience and necessity (“CCN”) be issued, with certain conditions. Ms. Borkowski
6 addresses those conditions in her surrebuttal testimony as do, where appropriate, other ATXI
7 witnesses. Ms. Borkowski also addresses the Neighbors’ general opposition to the Project
8 and issues related to a few instances of claimed insensitivity on ATXI’s part in its dealings
9 with some of the stakeholders. Let me be very clear that I echo Ms. Borkowski’s comments
10 and I, too, sincerely apologize if anyone with whom we have dealt sincerely felt that any of
11 our dealings were lacking in dignity and respect. We understand that some are, and I believe
12 were from the beginning, inalterably opposed to the Project. New transmission line projects
13 are never popular. We will continue to work hard to explain the Project and answer
14 questions, and to allay concerns and fears folks may have.

15 **Q. You indicated earlier you were going to address your communications**
16 **regarding property taxes. What is the issue regarding property tax revenues?**

17 A. ATXI witness Joe LaMacchia addresses the facts regarding property taxes in
18 detail in his surrebuttal testimony, but since I have had communications with county officials
19 on those matters, I need to correct some misinformation that appears to exist. This
20 misinformation appears to arise from the Neighbors’ general opposition to the Project and
21 their claims that it is not in the public interest, as reflected in their rebuttal testimony. As Mr.
22 LaMacchia explains, because ATXI does not provide electric service to the general public,
23 early-on there was some question about how property taxes would be assessed, collected and

1 then distributed. As Mr. LaMacchia also explains, there were two possibilities: local or
2 statewide assessment. As our tax experts have worked through the issues in consultation
3 with the State Tax Commission, we believe the Project will be assessed statewide, with
4 distributions of taxes to come to each of the five counties through which the Project will be
5 built. I am not an expert in these matters, which is why Mr. LaMacchia is addressing them,
6 but that is my basic understanding.

7 Early on I communicated some preliminary estimates of local property tax revenues
8 to each of the counties once the line was in service under both scenarios, either local or
9 statewide assessment. While the figures varied some depending on the assessment approach
10 used, the differences were fairly minor – within 5-9% of each other. After we had
11 communicated those figures, we realized that they had been calculated using the total Project
12 cost estimates, which included interests in the real estate (i.e., easements and the substation
13 site) and that the real estate interests had not been broken out and handled correctly in
14 developing the estimates. Again, I am not an expert on how the assessments and calculations
15 are done, but it is my understanding that real estate interests are handled differently in the
16 calculations and this affected the accuracy of the initial estimate. As Mr. LaMacchia
17 explains in his surrebuttal testimony, when the estimates were refined to account for the
18 proper handling of the real estate interests the figures changed.

19 **Q. Did the figures change substantially?**

20 A. As Mr. LaMacchia explains, the estimated property taxes arising from the
21 Project based on a statewide assessment went up for all five of the counties by just under
22 17%. Based upon the statewide assessment approach, Mr. LaMacchia estimates that the
23 annual property taxes once the line is in service, per county, will range from a low of

1 approximately \$504,000 in Knox County to a high of approximately \$1.15 million for Adair
2 County, annually.

3 **Q. Is it true that the information you provided was misleading or**
4 **inaccurate?**

5 A. Absolutely not. We were clear that the information consisted of estimates.
6 The fact that the estimates changed does not indicate we were trying to mislead anyone, and
7 we had no such intention. As Mr. LaMacchia explains, at this point any tax figures can only
8 consist of estimates, but as his testimony also makes clear, the estimates are reasonable and
9 perhaps conservative, and fairly reflect the expected tax benefits from the Project once it is in
10 service.

11 **Q. At the time you filed your direct testimony line design was in a very early**
12 **stage. Please update the Commission on where the design efforts stand.**

13 A. The plans and specifications are being provided with the surrebuttal testimony
14 of David Endorf. We will, however, be working with each and every landowner to try to
15 locate structures in the most optimal locations on each parcel, balanced against engineering
16 needs and the need to adhere to the basic route for the line. The surrebuttal testimonies of
17 ATXI witnesses Doug Brown and David Endorf discuss how we work with the landowners.

18 **Q. The route selected by ATXI has been criticized by the Neighbors for not**
19 **following property lines and crossing in a straight line across open land or fields. How**
20 **do you respond?**

21 A. As stated in Mr. Wood's testimonies, as well as the surrebuttal testimony of
22 David Endorf, several factors were used in the selection of the route. One of those factors is
23 the need to avoid unreasonably increasing the length of the line and to minimize the use of

1 expensive angle structures which would be required if we “zig-zagged” the project route
2 along property boundaries. This is because the cost of a transmission line project is directly
3 affected by the length of a line and the types of structures used in its construction. Not only
4 are angle structures up to four times more expensive than tangent structures, but as Mr.
5 Endorf states in his surrebuttal testimony, adding angles increases the number of poles and
6 foundations that would be needed, which further increases the cost of the project and its
7 impact.

8 **Q. Can you estimate what simply following property boundaries would add**
9 **to the construction costs for the project?**

10 A. I cannot provide a definitive estimate without actually designing and
11 engineering a line that simply follows all property boundaries. However, looking at the
12 number of parcels where such angle structures would not be needed given the route we have
13 chosen, I have conservatively estimated that the increased construction costs alone would be
14 approximately \$30 million, a 30 percent increase in construction costs. Because the line
15 would also be longer, more right-of-way would be required as well and additional
16 landowners could be impacted by the project.

17 **Q. Does this conclude your surrebuttal testimony?**

18 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Ameren Transmission)
Company of Illinois for Other Relief or, in the Alternative,)
a Certificate of Public Convenience and Necessity)
Authorizing it to Construct, Install, Own, Operate,) File No. EA-2015-0146
Maintain and Otherwise Control and Manage a)
345,000-volt Electric Transmission Line from Palmyra,)
Missouri, to the Iowa Border and an Associated Substation)
Near Kirksville, Missouri.)

AFFIDAVIT OF JAMES JONTRY

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

James Jontry, being first duly sworn on his oath, states:

1. My name is James Jontry. I work in St. Louis, Missouri, and I am employed by Ameren Services Company.


2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Ameren Transmission Company of Illinois consisting of 5 pages, ~~and XXXXX~~ all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.



James Jontry

Subscribed and sworn to before me this 16th day of November, 2015.



Notary Public

My commission expires:

