

Exhibit No.:
Issues: Property owner contacts;
route selection; effect on
property values
Witness: Geoffrey D. Douglass
Sponsoring Party: Union Electric Company
Type of Exhibit: Surrebuttal Testimony
Case No.: EO-2002-351
Date Testimony Prepared: September 4, 2002

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EO-2002-351

SURREBUTTAL TESTIMONY

OF

GEOFFREY D. DOUGLASS

ON

BEHALF OF

**UNION ELECTRIC COMPANY
d/b/a AmerenUE**

**St. Louis, Missouri
September, 2002**

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

Application of Union Electric Company)	
for Permission and Authority to Construct,)	
Operate, Own and Maintain a 345 kilovolt)	Case No. EO-2002-351
Transmission Line in Maries, Osage and)	
Pulaski Counties, Missouri)	
("Callaway-Franks Line"))	

AFFIDAVIT OF GEOFFREY D. DOUGLASS

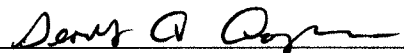
STATE OF MISSOURI)
) ss
COUNTY OF ST. LOUIS)

Geoffrey D. Douglass, being first duly sworn on his oath, states:

1. My name is Geoffrey D. Douglass. I work in St. Louis, Missouri and I am employed by Ameren Services Company as Director of the Real Estate Department.

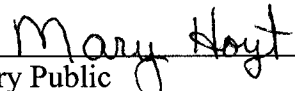
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 11 pages, which has been prepared in written form for introduction into evidence in the above-referenced docket.

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



Geoffrey D. Douglass

Subscribed and sworn to before me this 4th day of September, 2002.



Notary Public

My commission expires: 4-1-2006

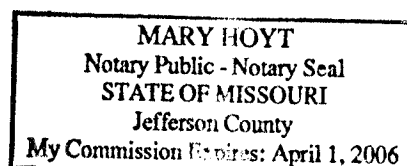


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SURREBUTTAL TESTIMONY

OF

GEOFFREY D. DOUGLASS

CASE NO. EO-2002-351

Q. Please state your name and business address.

A. My name is Geoffrey D. Douglass. My business address is One Ameren

Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63166-6149.

Q. Are you the same Geoffrey D. Douglass that filed Direct Testimony in this
ding?

A. Yes, I am.

Q. What is the purpose of your Surrebuttal Testimony in this proceeding?

A. I will respond to the testimony submitted by the Concerned Citizens of Family and Heritage. In particular, I will respond to issues concerning contacts with property owners, selection of the route and its effect on property values.

I. CONTACTS WITH PROPERTY OWNERS

Q. In their Rebuttal Testimony, each of the 38 members of the Concerned Owners of Family Farms and Heritage that submitted testimony were asked if they had been contacted by AmerenUE for the purpose of discussing where the line would go and possible alternatives. Most of them indicated that they had not been contacted (for example, see the Rebuttal Testimony of Linus and Florence Kever at page 2, and Mary Harbes at page 2). Please respond.

A. I believe their answers suggest that we have not explained the planned project
we not made an earnest effort to notify interested parties. Those suggestions are

1 incorrect. Nearly all of the property owners whose properties lie within the proposed route,
2 including those submitting Rebuttal Testimony, have been contacted by us in some fashion.
3 As I discussed in my Direct Testimony at pages 3-6, we put a lot of effort into notifying as
4 many people as we could by numerous means. We sent approximately 175 letters to persons
5 we believed to be the owners of the properties that would be crossed, and we notified county
6 officials and state representatives and senators covering this area. News reports about the
7 workshops appeared in the local media. Our initial letter (attached as Schedule 1 to my
8 Direct Testimony) specifically asked the recipient to pass the information we were providing
9 along to any others whom the recipient might know who would be interested in the line. We
10 held two workshops, the Commission held a Public Hearing, and we met with a large group
11 of Intervenors in Linn, Missouri on July 1, 2002. Numerous AmerenUE personnel were
12 available to answer questions and provide information at each of these workshops, hearings,
13 and meetings. After the more formal presentations and group question and answer sessions,
14 we talked with numerous property owners who wanted to talk with us personally. With the
15 exception of the April 22, 2002 Public Hearing in Linn, Missouri, which we did not oppose,
16 each of the steps we have taken to try to notify interested persons were taken voluntarily in
17 good faith and were not required by any rule or regulation, including any Commission
18 requirement. We have been completely above-board about what we are planning to do.

19 **Q. Were you able to notify every single property owner whose property**
20 **would be crossed by the proposed line?**

21 A. It is possible we missed a few initially, but as the information I discuss above
22 indicates, we notified a very high percentage. In those cases where we subsequently
23 discovered we had missed someone, we called the property owners and sent them

1 information on the line and offered to meet with them individually. In addition, as changes
2 have been made to the route as a result of input from various property owners, the property
3 owner list has been updated to include additional properties that were not affected by the
4 original proposed route.

5 **Q. Have you taken any steps to determine how successful your notification**
6 **efforts have been?**

7 A. I would note that of the 38 Intervenors who submitted testimony, 32 were sent
8 my initial letter, and I believe that of the 6 who were not on our initial mailing list there are
9 one or two such persons whose property is not within the proposed route. It is certainly
10 possible that for some reason they did not receive a letter, but we used addresses we obtained
11 from the current County Assessor records. Also, 17 of those submitting Rebuttal Testimony
12 actually attended one or more of the workshops as evidenced by the attendance registration
13 list (some of the Intervenors who have submitted testimony are connected to the same
14 property, and more than 20 of them attended the April 22, 2002 Public Hearing. We have
15 also met personally with some of them. As mentioned above and as I discussed in more
16 detail in my Direct Testimony at page 6, we also held an additional meeting with the
17 Concerned Citizens of Family Farms and Heritage on July 1, 2002. Prior to that meeting we
18 solicited specific, written comments from the Intervenors about their specific concerns as
19 they pertain to their individual properties. We evaluated those specific concerns according to
20 the criteria I discussed in my Direct Testimony at pages 7-9. Unfortunately, many of the
21 written comments that were submitted to us simply stated that they did not want the line at
22 all. Regardless, we will personally talk with every person whose property will be crossed
23 and will try to work with them when we can.

1 **Q. I take it that you would therefore disagree with Mr. McDaniel's**
2 **suggestion made at page 22 of his Rebuttal Testimony that there are a great number of**
3 **property owners who were not contacted.**

4 A. Yes. The information I have suggests that a very high percentage of the
5 property owners whose property will be crossed by the proposed line have been sent a letter,
6 have attended one or more workshops, hearings, or meetings, or have talked with us
7 personally. In many cases, they have attended more than one event and have talked with us
8 personally.

9 **Q. Some property owners acknowledge that they were invited to the**
10 **information workshops and a subsequent public hearing, but are concerned they were**
11 **not contacted individually (for example, see Mr. McDaniel's Rebuttal Testimony at**
12 **page 2, and Mary Lois Arbes's Rebuttal Testimony at page 2). Why haven't you**
13 **contacted all property owners individually?**

14 A. All property owners will be contacted individually. In general, we do not
15 make these personal contacts until we have surveyed the easement area and determined a fair
16 and just consideration for the easement that we will need. At that point we will meet with
17 each property owner to show them how the line will cross their property, explain the terms of
18 the easement and discuss clearing and construction procedures and schedules. On the
19 properties where we already have an easement we will still contact the property owners to
20 discuss the clearing and construction procedures and schedule. After construction is
21 complete we will contact the property owners again to make sure the work was done
22 properly. If there is any damage to the property that was not fixed by the contractor we will
23 have the problem fixed or compensate the owner for the damages. If any of the property

1 owners, over whose property we already have an easement or over whose property we need
2 an easement, desire to talk with us personally before we initiate those contacts we certainly
3 would do so. We will not simply show up for construction one day without having first had
4 personal contact with the property owners.

5 **Q. Have you had any individual meetings with property owners?**

6 A. Yes. In some cases property owners were not able to attend the workshop but
7 still wanted information on the project so we offered to meet with them. This was done for
8 Claire Kramer since she lives in St. Louis and it was not convenient for her to travel to Linn
9 or Vienna. We also met individually with property owners who had a house or other
10 structure that might be within the proposed right of way. This was done in advance to look
11 for ways to mitigate the impact on those properties. We have also had other personal
12 meetings with property owners who wanted to meet with us about the line.

13 **Q. Mr. McDaniel asserts, at page 2 of his Rebuttal Testimony that UE will**
14 **not talk to him. Is that correct?**

15 A. No. I have provided my telephone number to all of the property owners, both
16 in my initial letter (which Mr. McDaniel testified at the Commission's Public Hearing that he
17 did receive), and at other meetings, and to my knowledge Mr. McDaniel has not tried to
18 contact me with any questions. Mr. McDaniel attended our workshop in Linn, Missouri as
19 evidenced by his name that appears on the attendance register, and we were available during
20 and after the meeting to talk with him. As I discussed above, we have not initiated personal
21 contact with those from whom we need an easement, like Mr. McDaniel. My review of
22 Mr. McDaniel's testimony and of interviews he has given to local media indicate that
23 Mr. McDaniel's goal at this point in time is to stop or delay the line because he has made

1 clear that he simply does not want the line near him or in this area. I remain willing to talk to
2 Mr. McDaniel personally about his concerns at any time. And, again, if the Commission
3 approves our request we certainly will contact him personally to discuss an appropriate
4 location for the easement and fair and just compensation to be paid to him for it.

5 **Q. Do you have any comment on Mr. McDaniel's statement at page 22 of his**
6 **Rebuttal Testimony to the effect that your efforts are for a mere "public relations**
7 **effort"?**

8 A. If Mr. McDaniel means to suggest that a "public relations effort" means that
9 we do not really mean what we say or that we do not want or care about public input then he
10 is mistaken. The informational workshops are an opportunity for us to present the project to
11 everyone that will be effected at the same time and allow for meaningful input from the
12 property owners. It is an opportunity to try to begin to establish a cooperative relationship
13 with the property owners that will be affected by the construction project. For example, as I
14 discussed in my Direct Testimony at pages 6-8, prior to the first public workshop we had
15 talked to some property owners near the Southern end of the route who had requested we
16 make some changes to the route that caused it to deviate from what was planned all along
17 from the time AECI first acquired the easements. We considered making those changes in
18 good faith, but the clear consensus at the workshop was that making that change to benefit
19 these few owners was contrary to the expectations of more owners who had granted
20 easements many years ago, and had made plans based upon the location that had been
21 discussed at that time. We essentially went back to the original route based upon that
22 meaningful input. The fact that we cannot accommodate every request made by individual
23 property owners to address their particular concern does not mean that we are not doing our

1 best to balance our need to build the line in the interest of the greater public as a whole with
2 individual concerns.

3 **II. ROUTE SELECTION**

4 **Q. Mr. McDaniel has suggested (see Mr. McDaniel's Rebuttal Testimony at**
5 **pages 7-8) that an alternate route would be to construct the line between Bland**
6 **Substation and Franks Substation. Would a route on either side of the Bland-Franks**
7 **line have less of an overall impact on the public than the proposed route from Chamois**
8 **to Franks?**

9 **A.** No. We are quite familiar with that area because, as Mr. McDaniel notes, we
10 have a line there now. The types of properties and uses of those properties along the existing
11 Bland-Franks route are quite similar to the properties we will cross along the proposed
12 Callaway-Franks route. Mr. McDaniel suggests that we impact some residences and other
13 structures on the proposed Callaway-Franks route, which is true, although the number of
14 affected structures is relatively low in relation to the length of the line, which is a long
15 transmission line. In short, if we were to accept Mr. McDaniel's suggestion we would
16 simply impact a different large group of family farmers who are much like the members of
17 the Concerned Citizens of Family Farms and Heritage. They too own family farms in rural
18 Central Missouri. They too grow row crops, have timber, cut hay, raise cattle, and in many
19 cases live on the farms. We have every reason to believe that they too chose to live in rural
20 Missouri for the reasons the Concerned Citizens of Family Farms and Heritage give in their
21 Rebuttal Testimony. There is no legitimate reason, other than to accommodate the specific
22 property owners who have intervened in this case, to move the line over near the existing
23 Bland-Franks route and there are several reasons not to do so.

1 **Q. What are some of those reasons?**

2 A. First, as Mr. Mitchell testifies in his Surrebuttal Testimony, the Callaway-
3 Franks line provides an electrically superior route that is more reliable than a Bland-Franks
4 route. In addition the new Loose Creek substation we are putting in near Linn provides an
5 additional outlet for us to serve Mid-Missouri customers where we need it, and the
6 connection AECI/Central Electric gain at Central Electric's Rich Fountain Substation
7 provides the same benefits for them. A parallel Bland-Franks line is less desirable in
8 delivering those electrical benefits. Second, as I discuss above, Mr. McDaniel is simply
9 asking us to impact another group of landowners, with one key difference: None of the
10 landowners Mr. McDaniel would have us impact were paid for easements that were intended
11 from the time they were granted to accommodate a 345 kV line along substantially the very
12 route we are following. None of these other property owners therefore had an expectation
13 that a line would be built.

14 **Q. What about Mr. McDaniel's contention that the Bland-Franks area is**
15 **"zoned" for transmission lines while the proposed Callaway-Franks route is not?**

16 A. I completely disagree. Most of the proposed route also already has an existing
17 H-frame transmission line, and again, for 20 years the land through which most of the
18 proposed Callaway-Franks line crosses has had an existing transmission line easement
19 purchased for this very purpose.

20 **III. EFFECT ON PROPERTY VALUES**

21 **Q. All or nearly all of the 38 Intervenors who submitted Rebuttal Testimony**
22 **essentially testified that no one would ever buy their property if the line is built (for**

example, see Rebuttal Testimony of Mr. Edward Schafer, Jr. at pages 2-3; Mr. Bernard Samson at pages 2-3). Please comment on that assertion.

A. I have been involved in dealing with properties over which transmission lines exist for more than 15 years, and in my experience, transmission lines have little if any effect on the overall value of a property. This has been the conclusion in studies conducted by AmerenUE and other utilities across the country as well. This is especially true for large rural parcels where it is very common to have a transmission line crossing it. It is true that there are exceptions to this general rule. For example, we certainly understand that our need to remove the Drennan's house essentially amounts to a total taking of their entire small, 1-acre parcel and home. As a result, we have had their property appraised and have offered to buy the entire parcel for its appraised, fair market value. We have discussed and are willing to discuss other options, such as buying nearby replacement property in the same community and school area, moving the home to such property, or other similar alternatives. We recognize that there are situations where the line has a great impact on the particular property. We believe that is not true in the vast majority of cases.

Q. With the exception of a unique situation such as with the Drennans, will these properties become “unsaleable”?

A. No. As noted above, these properties will not be affected substantially by the line. One hundred and five (105) property owners granted an easement for the transmission line in the late 1970's. Since that time, sixty-eight of the properties have sold to other people and the easement would have been noted in the abstract or title insurance report for every such sale. The properties have sold nevertheless. That indicates that the line will not make the properties “unassailable”. In addition, there already exists a very similar line on most of

1 these properties. Again, the properties are bought and sold anyway. If the properties were
2 rendered “unsaleable” by a transmission line those sales would not occur.

3 **Q. What other evidence do you have to support your views?**

4 A. While I have substantial experience in this area, I am not an appraiser so we
5 have asked Mr. David Nunn, MAI, SRA, to provide his professional opinion based upon his
6 work in this area and on his experience. As evidenced by Mr. Nunn’s Surrebuttal Testimony,
7 he firmly concludes that the line in the vast majority of cases will have a minimal effect on
8 the value of the properties and certainly will not render them unassailable.

9 **IV. SUMMARY**

10 **Q. In your opinion, has the process followed by AmerenUE been open, fair,**
11 **and reasonable, and has it resulted in choosing the best available route taking into**
12 **account the needs of the public, and the impact to the public as a whole?**

13 A. Yes. We have worked for nearly a year to notify those who would be
14 affected, and have provided them thorough and honest information about our plans and the
15 needs our plans address. We continue to do so. We will have personal contact with
16 everyone before we begin any work, and for those who were not compensated for easements
17 previously, we will pay just compensation before any work will be done. When selecting a
18 route that extends 54 miles in length, some property owners will be affected more than others
19 and without question there will be property owners who will not want the line, who will want
20 changes that cannot be made, and who will never be satisfied with the line or what they are
21 paid. We wish that any such dissatisfaction could be entirely avoided, and we try to be
22 sensitive to individual property owner concerns. We must, however, act in the overall public
23 interest to build lines when they are needed, where they are needed, while minimizing to the

1 extent we can the impact on the overall public. In the cases where a home or other structure
2 is located within the proposed right of way we have contacted those owners early in the
3 process in an attempt to address their concerns. This process will continue throughout the
4 easement negotiations and all property owners will be fairly compensated. The right of way
5 for approximately 43 miles of the route has already been acquired through negotiations. The
6 owners of those properties have been aware that a transmission line was to be built on the
7 easements and developed and utilized their property accordingly. It would be a greater
8 overall impact on the public as a whole to abandon those easements and shift the route of the
9 line to another, different large group of property owners who would be impacted in precisely
10 the same way as the Intervenor. And, as Mr. Mitchell testifies, such an alternative route
11 would actually be a less desirable electrical solution. Therefore, by utilizing the existing
12 easements along a route that parallels an existing transmission line a majority of the way, this
13 route will have the least overall impact on the public as a whole.

14 **Q. Does this conclude your Surrebuttal Testimony?**

15 **A.** Yes, it does.