

Issue(s): CCN for Brickyard Hills
Wind Project – Opposition
Witness: Tanya Zimmerman
Type of Exhibit: Direct Testimony
Sponsoring Party: DeKalb County, Missouri
File No.: EA-2019-0021
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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. EA-2019-0021

**DIRECT TESTIMONY
OF
TANYA ZIMMERMAN, ASSESSOR
DEKALB COUNTY, MISSOURI
ON BEHALF OF
DEKALB COUNTY, MISSOURI
INTERVENOR IN CASE**

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Tanya Zimmerman and my business address is 1st Floor County Courthouse, P.O. Box 77, Maysville, Missouri 64469.

Q. What is your position with DeKalb County, Missouri.

A. I am the elected county assessor for DeKalb County, Missouri.

Q. Please describe your duties and responsibilities as the elected assessor for DeKalb County, Missouri.

A. As the assessor for the county, I am the primary elected official whose duties include the valuation of real and personal property located within the political boundaries of DeKalb County, Missouri. After determining the value of the real and personal property located within the political boundaries of DeKalb County, I am responsible for calculating the percentage of the total property values against which the real and personal properties taxes are to be determined. Commercial real property is taxed at the rate of 32% of the valuation that I place on the real property which is then multiplied by the tax rate provided to the county for each taxing district in the county that assesses a property tax. Personal property is taxed at the rate of 33 and 1/3% of the valuation that I place on the property which is then multiplied by the tax rate

1 provided to the county for each taxing district in the county that assesses a tax. I also determine
2 whether certain properties are eligible to be exempt from taxation by the county.

3 In assessing wind tower, I determine the cost of a turbine @ 40% obsolescence multiplied
4 by 32% (commercial assessment value – 60% of full value) to arrive at a current year's assessed
5 value.

6 I also serve as a member of the DeKalb County body that hears challenges to the tax rates
7 that I determine are proper for a particular taxpayer. In any appeal beyond the county
8 concerning the tax rate to be applied, I am one of the defendants/respondents in such a matter.

9 **Q. What is the purpose of your testimony in this proceeding?**

10 A. The purpose of my testimony is to oppose Ameren's application for a certificate
11 of Convenience and Necessity (CCN) for a wind generation project that is located in Atchison
12 County, Missouri, a case in which the decision can have a negative impact on DeKalb County
13 tax revenues, and in support of preserving the taxes assessed and collected from a non-regulated
14 company who currently owns the wind tower project in DeKalb County, and from removing the
15 local taxing authority's ability to assess property taxes collectible for DeKalb County taxing
16 entities, the subject of which may be determined in this proceeding. I am also opposing the
17 merger of the non-Public Service Commission regulated wind project owners with Ameren or
18 other Public Service Commission regulated entities which are under the jurisdiction of the Public
19 Service Commission.

20 **II. TAX CALCULATION PROCESS**

21 My direct testimony addresses the real and personal property tax assessments to be made
22 by my office in carrying out my statutory duties to properly assess properties in DeKalb County,
23 Missouri.

1 Each wind tower that is assessed in DeKalb County by my office is valued as its
2 constructed cost. That cost is then adjusted by 32% to arrive at the value to which tax rates of
3 the various taxing districts in which the wind tower is located is applied arriving at a particular
4 tax amount for each tower. In addition, the real property, a one-half acre site on which the wind
5 tower is located (\$2500.00), is assessed at the property tax rate for each of the taxing districts in
6 which the wind tower is located arriving at a particular tax amount for each tower.

7 In DeKalb County, we have calculated that the wind power projects developers will pay
8 \$ 2,725,999.16 in the aggregate per the current tax year for each wind tower and paid out to each
9 taxing district according to the district's tax rate. See attached Exh. DeKalb #1. The formula
10 applied to each tower is subject to some level of depreciation for the first four (4) years of
11 operation (first two years at 40%; the 3rd & 4th years at 37%; and thereafter level at 35%). I
12 calculate the tax amounts and the reported tax rates for the wind tower project as constructed
13 with allowable depreciation. This method of calculation was affirmed by the State Tax
14 Commission Case No. 11-55000 (June 25, 2013) which was affirmed in the case entitled *Lost*
15 *Creek Wind, LLC v. Ruth A. Ross, Assessor, DeKalb County*, Case No. 13DK-CC00105 (June 5,
16 2014). See attached Exh. DeKalb #2 and DeKalb #3.

17 If the Public Service Commission allows Ameren to prevail in its application, the taxing
18 districts in DeKalb County will lose all of the local tax revenues that support all of the
19 governmental services provided in the county, including road and bridge construction and
20 maintenance, educational programs of the school districts, the providing of emergency
21 communication services such as those provided by central 9.1.1 dispatch, the ambulance and fire
22 districts, and health care services to citizens of DeKalb County.

1 If Ameren prevails in its application there will no appreciable local taxes collected and
2 used in DeKalb County, and the taxes applicable to entities regulated by the Public Service
3 Commission whose taxes are then assessed through the State Tax Commission and such taxes
4 will be distributed throughout all of the other counties in Missouri.

5 **III. SUMMARY AND CONCLUSIONS**

6 From the information that I have as provided to this Commission by Ameren and the data
7 that I have as the DeKalb County assessor, the only advantage of the approval of the application
8 is to reduce Ameren's tax rate as well as to reduce the tax rates of other Public Service
9 Commission regulated entities who purchase wind tower projects owned by non-regulated
10 entities. The great disadvantage of the approval of the application is to deprive the citizens and
11 taxing entities of DeKalb County of the tax revenues that will be paid by the unregulated
12 developer of the wind power project that will be avoided in the future if Ameren's application is
13 granted and the wind power project is transferred to a Public Service Commission regulated
14 entity.

15 There will be no more electric power generated if the application is granted than if it is
16 denied. From this testimony and the record provided by Ameren, it can be concluded that great
17 harm will be inflicted on the citizens of DeKalb County if the application is granted. No harm
18 will be placed on Ameren and certainly there is no necessity to gain the desired electric power
19 through this PSC process by Ameren because Ameren can just as easily purchase the power from
20 the wind towers owned by the non-regulated owners as it can obtain the power as if it owned the
21 towers. The difference is in taxation, not availability of power to help Ameren meet its energy
22 needs in compliance with the law and to meet its customers' energy needs.

IV. RELIEF REQUESTED

The Public Service Commission should deny Ameren's application for Certificate of Necessity and Need because the Ameren has not proven under the applicable standards that there is a need for Ameren to own the wind power project in order to obtain the electric power that Ameren asserts it needs to serve its customers. When balancing the public good produced by local taxation by local taxing districts against the lack of benefit to the public by Ameren's application and the losses to the citizens of DeKalb County, it is clear that the application must be denied.

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri for)
Permission and Approval and a Certificate of)
Public Convenience and Necessity Authorizing)
It to Construct a Wind Generation Facility.)

STATE OF MISSOURI)
COUNTY OF DEKALB) ss

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