

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

In the Matter of an Investigation into an)	
Incident in December 2005 at the Taum)	
Sauk Pumped Storage Project Owned and)	Case No. ES-2007-0474
Operated by the Union Electric Company,)	
doing business as AmerenUE.)	

PUBLIC COUNSEL’S RESPONSE TO STAFF’S INITIAL INCIDENT REPORT

COMES NOW the Office of the Public Counsel and for its Response to Staff’s Initial Incident Report states as follows:

1. On October 24, 2007, the Staff of the Commission filed its Initial Incident Report. On October 26, the Commission issued an order setting November 7 as the deadline for responses to that report. Public Counsel files this response pursuant to that order.

2. Public Counsel commends the Staff on a very thorough review of the Taum Sauk disaster. Public Counsel strongly supports the Staff Recommendations in the report, and offers the following suggestions to make them more effective. Public Counsel’s proposed additions to the Staff Recommendations are shown in **bold**.

1. That any and all costs, direct and indirect, associated with the Taum Sauk incident be excluded from rates on an ongoing basis. This includes, but is not limited to, the exclusion of rebuilding costs and treating the facility as though its capacity is available for dispatch modeling, **and as though its capacity is available for sales of regulatory capacity, ancillary services, etc.**

2. That appropriate accounting treatment be given to the monies expended **and internal resources used** to rebuild the Taum Sauk plant in order to protect the interests of Missouri ratepayers.

3. That UE shall submit to Staff, on an ongoing basis, its accounting treatment for all transactions relating to the reconstruction of the Taum Sauk plant.

4. That a single, on-site, supervising engineer shall be assigned to oversee all engineering projects at a given UE facility. This supervising engineer shall be responsible and accountable for the satisfactory completion of the work, shall have all necessary authority, including authority to determine when, and

whether, the unit may be released for operation, and shall report to an officer of UE.

5. That UE's **board members**, officers, executives and managers shall work only for UE and shall not simultaneously work for affiliates of UE or for UE's parent.

6. That only UE's **board of directors**, officers, executives and managers shall be authorized to make decisions affecting UE's facilities, **operations** and services.

7. That these internal controls shall be reflected in UE's policies, procedures and job descriptions.

8. That UE shall implement a "whistleblower" program whereby employees may report safety concerns directly to UE's officers without exposure to retaliation. Any such reports shall be immediately communicated to Staff.

9. That UE shall designate an officer or executive as its system-wide safety officer. This officer shall have appropriate duties and authority in order to act effectively to protect UE's assets and system, its employees and customers, as well as the general public, private and public property, from undue risk.

10. That UE shall produce and file, within 90 days hereof, its plan for implementing these recommendations.

WHEREFORE, Public Counsel respectfully submits the foregoing Response to Staff's Initial Incident Report.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ **Lewis R. Mills, Jr.**

By: _____

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 7th day of November 2007:

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