

August 20, 2010

Steven Reed  
Secretary  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102



RE: 4 CSR 240-4.010 notice

Dear Mr. Reed:

In accordance with the requirements of 4 CSR 240-4.020, et. seq, attached is a copy of the written communication made with Commissioners on August 17<sup>th</sup> and 18<sup>th</sup> and a memorandum summary of the substance of the communication at the same meeting. These meetings were the subject of previous notice letters filed on August 13<sup>th</sup> and 16<sup>th</sup>.

Although the attachments are marked Confidential, they are available for public view.

Sincerely,

*/s/ Thomas M. Byrne*

Thomas M. Byrne  
Managing Associate General Counsel

RE: Meetings with PSC in the Commission's Agenda Room

Date: August 17 and 18, 2010 (3 separate meetings)

Attendees from the PSC at 3:00 on August 17:

Commissioner Davis, Commissioner Jarrett, Mark Hughes, Janet Wheeler

Duration of the meeting: approximately 1 hour

Attendees from the PSC at 2:00 on August 18

Chairman Clayton, Commissioner Gunn, Richard Moore, Cherlyn Voss

Duration of the meeting: approximately 1.5 hours

Attendees from the PSC at 3:00 on August 18

Commissioner Kenney, Joshua Harden

Duration of the meeting: approximately 30 minutes

Attendee from OPC at all 3 meetings: Lewis Mills

Attendees from AmerenUE at all 3 meetings: Warner Baxter, Steve Kidwell, Tom Byrne, Gaye Suggett

Attendee from Local #1439 at 2:00 on August 18: Mark Staffne

Subject: General Regulatory Issues

- Mr. Baxter discussed the organizational change that will take place on October 1, 2010. Steve Kidwell will become VP of Corporate Development, Ameren Services and Warren Wood of MEDA will become VP of Regulatory and Legislative Affairs for AmerenUE.
- Mr. Baxter discussed the formation of Ameren's new transmission company and stated it was formed to focus on regional projects, but stressed that local reliability projects will continue to be served by AmerenUE. Maureen Borkowski will continue to play an important role in AmerenUE transmission.
- Mr. Baxter discussed the environmental concerns that are directly affecting AmerenUE. He stated over the past few years the EPA has been issuing notice of violations of New Source Review requirements to owners of coal plants, and AmerenUE recently received a notice of violations. He stated AmerenUE has been doing a good job lowering and managing emissions, and feels the violations are unwarranted. Discussion has been on-going with the EPA, but at some point these notices could result in litigation.
- Mr. Baxter discussed potential future environmental regulations that will have tremendous cost implications (See Attachment 1). He stated that AmerenUE is currently in the process of trying to understand the implications, provide analysis and determine how customers will be affected (See Attachment 2,). Mr. Baxter said that it is important to look for comprehensive solutions that address all of these environmental issues rather than address the requirements on a piecemeal basis. Mr. Baxter said a public-private partnership will be very important in determining how to address these issues. MEDA is organizing a group to have a voice in the discussions of how, when, and to what extent coal will be diversified. Broader discussions could possibly be held at the PSC. Mr. Baxter said that the electric utility industry is approaching a point of inflection where significant decisions will have to be made about future generation.

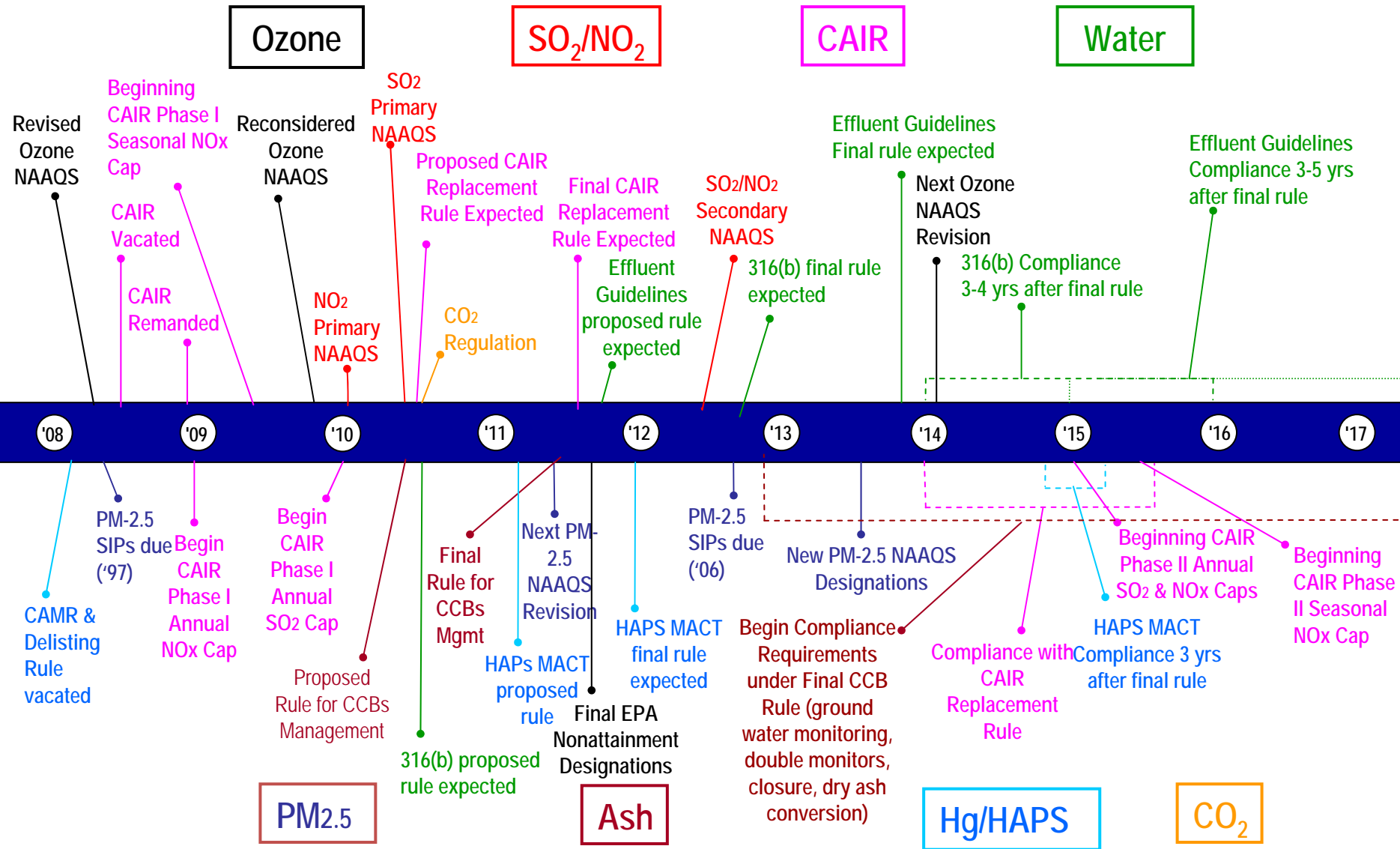
- Mr. Baxter mentioned the current rulemaking proceedings at the PSC and suggested clarity is needed around those rules.

#### Additional Discussion

- Commissioner Davis expressed concern regarding the impact on customers of the socialization of the costs of building new regional transmission projects.
- Chairman Clayton discussed the importance of on-going meetings regarding AmerenUE's involvement in MISO/transmission issues as Commissioners and other stakeholders are involved in many aspects of the process.
- Chairman Clayton and Commissioner Gunn expressed frustration regarding the confusion and lack of compromise in the Renewable Energy Standard (RES) and Energy Efficiency rules.
- Chairman Clayton thanked Mr. Baxter for AmerenUE's participation in the Center leak survey, and said no safety concerns were found.
- Commissioner Kenney expressed an interest in carbon sequestration technology. Mr. Baxter said that in his view the jury is still out on whether large scale carbon sequestration will be viable.
- Mr. Baxter said that AmerenUE will cooperate with Commissioner Kenney on his initiative to continue work on the RES rule. Commissioner Kenney said there are 3 objectives in clarifying the language regarding geographic sourcing, and although they are competing they are not mutually exclusive: 1) satisfy the requirements of the statute, 2) allow for economic development in Missouri, 3) minimize the impact on ratepayers. Commissioner Kenney would like interested parties to answer specific questions in the open docket by October 1.

# Attachment 1

## Possible timeline for environmental regulatory requirements for the utility industry



## Attachment 2

# Potential technical solutions to comply with environmental regulations

<b>Regulatory Driver</b>	<b>Potential Technical Solutions</b>
Coal Combustion Residual (CCR) Rule	Close existing ash ponds; convert to dry bottom ash and fly ash handling; Dry disposal to approved landfill instead of pond
Clean Air Transport Rule (Clean Air Interstate Rule Replacement)	Switch to lower sulfur fuels; installation of SO <sub>2</sub> and NO <sub>x</sub> control technology, i.e. FGD and SCR
Revisions to Ambient Air Quality Standard (National Ambient Air Quality Standards - NAAQS) Fine Particulate (PM <sub>2.5</sub> ); NO <sub>2</sub> ; Ozone; SO <sub>2</sub>	Installation of SO <sub>2</sub> and NO <sub>x</sub> control technology, i.e. FGD and SCR; Installation of baghouses or upgrades of existing ESP
Clean Water Act Section 316(b) Protection of Aquatic Life	Installation of fine mesh screens on cooling water intake structures
Clean Water Act Section 316(a) Thermal Standards	Installation of closed cycle cooling towers
MACT for Hazardous Air Pollutants (Maximum Achievable Control Technology)	Installation of SO <sub>2</sub> and NO <sub>x</sub> control technology, i.e. FGD and SCR; Installation of ACI for mercury control
MPS for Mercury, NO <sub>x</sub> and SO <sub>2</sub> (Multi-Pollutant Standard)	Installation of SO <sub>2</sub> and NO <sub>x</sub> control technology, i.e. FGD and SCR; Installation of ACI for mercury control
Clean Air Act Regulation of Greenhouse Gases	Installation of CCS; Purchase of allowances and offsets if regulation allows
Revision to Steam Electric Effluent Guidelines Limitations	Installation of wastewater treatment plants