

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 28th day
of March, 2012.

The Staff of the Missouri Public Service Commission,)	
)	
Complainant,)	
v.)	<u>File No. EC-2011-0420</u>
)	
Union Electric Company, d/b/a)	
Ameren Missouri,)	
Respondent.)	

**ORDER APPROVING
UNANIMOUS STIPULATION AND AGREEMENT**

Issue Date: March 28, 2012

Effective Date: April 27, 2012

Syllabus: In this order, the Commission approves the Stipulation and Agreement entered into between the Staff of the Missouri Public Service Commission and Union Electric Company d/b/a Ameren Missouri.

Background

Ameren owns and operates the Taum Sauk pumped storage facility, a hydroelectric generating station in Reynolds County, Missouri. In June of 2011, the facility automatically shut off. Ameren did not report the incident to the manager of the Energy Department of the Missouri Public Service Commission. After inspection and consultation over a two-week period, a decision was made to fully repair the unit at a cost of approximately \$11 million.

The governing rule is Commission rule 4 CSR 240-3.190 (3), which states:

Every electric utility shall report to the manager of the Energy Department of the commission, by the end of the first business day following discovery, the information in subsections (3)(A) - (E).

(A) Details of any accident or event at a power plant involving serious physical injury or death or property damage in excess of \$200,000;

(B) Forced outages of any nuclear generating unit that could reasonably be anticipated to last longer than 3 days.

(C) Forced outages of any fossil-fuel fired generating unit with an accredited capacity of greater than 100 megawatts that reasonably could be anticipated to last longer than 3 days, when the unit is forced out due to a common occurrence.

(D) Reduction of coal inventory below a 30-day supply and reductions of oil inventory below 50% of normal oil inventory; and

(E) Loss of transmission capability that could limit the output of a generating plant.

The Staff of the Commission and Ameren disagree on whether the above rule required Ameren to report the outage. Ameren argues that this was not an “accident or event” but rather a “forced outage” and thus falls under subsection “(B), above.” Thus, because the unit is hydroelectric rather than nuclear, there was no reporting requirement.

Staff, on the other hand, argues that the phrase “accident or event”, in subsection (A), is broad enough to encompass this type of incident. Notwithstanding, Staff reasons that under these circumstances penalties against Ameren Missouri are not warranted.

The Agreement

The parties have stipulated to the facts and have filed an agreement. Although it maintains that it is not required to do so, Ameren agrees to provide reports in any future incidents at hydroelectric plants. Also, as part of the agreement, the parties requests that

the Commission issue an order determining the proper interpretation of 4 CSR 240-3.190(3) and whether under the rule, Ameren should have reported the incident. And, if the Commission determines that the rule does not require reporting of this incident, then the parties would support an amendment to the rules.

Discussion

The Office of the Public Counsel did not join in the Agreement. Commission rule 4 CSR 240-2.115 allows 7 days for a party to file an objection to a stipulation and agreement. If no objection is filed, the Commission may treat the agreement as unanimous.

Staff and the company filed this Agreement on December 29, 2011. More than 7 days have since expired. The Commission will therefore treat the Agreement as unanimous. Based upon the Commission's independent and impartial review of the Agreement, the Commission finds the Agreement is just and reasonable and in the public interest. The Commission will approve the Agreement, direct the parties to abide by the terms therein and will incorporate the Stipulation and Agreement's provisions into this Order.

This is a complaint case. The parties have resolved their dispute and the Staff of the Commission does not intend to seek penalties. Although the parties have resolved their dispute, they now ask the Commission to "hypothetically" offer an interpretation of its rule. The Commission will not do so. For the Commission to interpret the rule would serve no purpose other than to make an abstract policy statement that would have no binding effect on the parties or the Commission in future cases. If Staff or any other party believes the rule should be clarified, they are free to offer such rule revisions for the Commission's consideration under established procedures.

THE COMMISSION ORDERS THAT:

1. The Unanimous Stipulation and Agreement is approved and the parties are directed to abide by its terms.
2. This order shall become effective on April 27, 2012.
3. This file shall be closed on April 28, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett and Kenney,
CC., concur.

Jones, Senior Regulatory Law Judge