

In Re: Union Electric Company's)
2008 Utility Resource Filing Pursuant) **Case No. EO-2007-0409**
to 4 CSR 240- Chapter 22)

AmerenUE failed to include a portfolio that represents a very aggressive approach for the achievable potential of the demand-side portfolio by leveling penetration after the first years, constraining incentive costs and other issues, which did not allow the Company to fully evaluate the impact that reductions under an

aggressive portfolio could have on the magnitude of the Company's next capacity addition prior to making major commitments to that capacity addition.

Public Counsel agrees with DNR about the above described deficiency and believes it is important to address this deficiency before Union Electric Company (UE) makes a commitment to move forward with building Callaway 2 or any other new base load plant, or before the idea of Callaway 2 becomes so ingrained in UE's corporate culture that objective analysis is problematic.

4. As noted in subsection D. of paragraph 57 of the Joint Filing, Sierra Club describes, on page 6 of its report, how "the overnight costs and O&M costs given for US-EPR are unrealistically low and not consistent with the rule."

It is also important to address this deficiency before UE makes a commitment to move forward with building Callaway 2. Prior to making a decision to move forward with Callaway 2, it is vitally important for UE to have a reasonable estimate of the expected capital costs and a credible analysis of the risk that costs will vary from this estimate. This capital cost estimate and risk analysis should be subject to a rigorous review by this Commission to ensure that consumers are protected from being harmed by massive cost overruns due to miscalculations about the ultimate cost to consumers of this resource option.

The initial nuclear power plant building boom that occurred in this country during the 1970s and 1980s was distinguished by the massive cost overruns associated with many of the plants built during that time. Attachment A contains two slides from a presentation made by electric utility expert Paul L. Jaskow at the University of Paris on May 19, 2006. The second slide shows the extent of the massive cost overruns that occurred during the first nuclear building boom in the US when it was not unusual for utilities to incur 2 or 3 times the amount of costs that were initially estimated at the time decisions were made to build the plants.

5. Public Counsel requests that the Commission establish a procedural schedule, including pre-filed testimony and a hearing, where the parties can present evidence to the Commission regarding the unresolved deficiencies listed on pages 21 – 23 of the Joint Filing. Prefiled testimony and an evidentiary hearing in this case will aid the Commission in making the determinations under 4 CSR 240-22.080(13), which requires the Commission to:

issue an order which contains findings that the electric utility's filing pursuant to this rule either does or does not demonstrate compliance with the requirements of this chapter, and that the utility's resource acquisition strategy either does or does not meet the requirements stated in 4 CSR 240-22.010(2)(A)–(C)....

In addition to recommending that the Commission make the findings described above in 4 CSR 240-22.080(13) due to the serious unresolved deficiencies that have been cited by some of the interveners in this case, Public Counsel will propose remedies for the Commission to order that UE comply with, in order to protect ratepayers from the consequences of the unresolved deficiencies.

WHEREFORE Public Counsel respectfully submits these Comments in Response to Other Parties' Comments.

Respectfully submitted,

OFFICE OF THE Public Counsel

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties this 12th day of September 2008.

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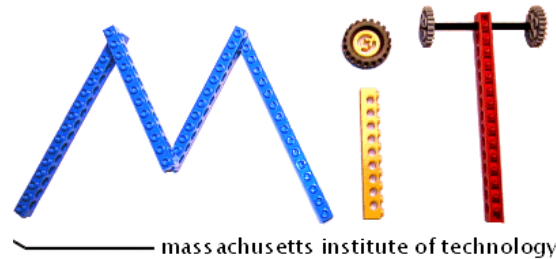
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PROSPECTS FOR NUCLEAR POWER A U.S. PERSPECTIVE

Paul L. Joskow



University of Paris – Dauphine
May 19, 2006

HISTORICAL U.S. CONSTRUCTION COST EXPERIENCE

75 (pre-TMI) plants operating in 1986:
\$2002/kWe

<u>Construction Started</u>	<u>Estimated Overnight Cost</u>	<u>Actual Overnight Cost</u>	<u>% OVER</u>
1966-67	\$ 560/kWe	\$1,170/kWe	209%
1968-69	\$ 679	\$2,000	294%
1970-71	\$ 760	\$2,650	348%
1972-73	\$1,117	\$3,555	318%
1974-75	\$1,156	\$4,410	381%
1976-77	\$1,493	\$4,008	269%

Source: U.S. EIA

Attachment A