

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 29th day of
December, 2005.

Application of Union Electric Company, d/b/a)	
AmerenUE, for Approval of Decommissioning)	<u>Case No. EO-2006-0098</u>
Cost Estimate for Callaway Plant and Funding)	
Level of Nuclear Decommissioning Trust Fund)	

ORDER APPROVING UNANIMOUS STIPULATION AND AGREEMENT

Issue Date: December 29, 2005

Effective Date: January 9, 2006

Syllabus: This order approves the Unanimous Stipulation and Agreement among the Staff of the Commission, the Office of the Public Counsel, and Union Electric Company, d/b/a AmerenUE.

On August 31, 2005, AmerenUE asked the Commission to approve its decommissioning cost estimate and current funding level of its nuclear decommissioning trust fund. AmerenUE further asked the Commission to find that the annual funding level contributed to the decommissioning trust fund is included in AmerenUE's current cost of service for ratemaking purposes.

In its application, AmerenUE asks the Commission to approve its current annual funding level of \$6,486,378 to its decommissioning trust fund. AmerenUE states that prior to its Illinois customers being transferred to AmerenCIPS, Missouri ratepayers were responsible for \$6,214,184 of that amount, with Illinois ratepayers paying the difference.

Now, in accord with the Commission's order approving the Metro East Property Transfer,¹ the annual Missouri decommissioning expense and contribution amount rose to \$6,486,378 to reflect the Missouri ratepayers increased liability due to AmerenUE no longer having Illinois ratepayers. Because AmerenUE seeks to contribute the same funding amount the Commission authorized in Case No. EO-2004-0108, AmerenUE states that no tariff filing is required.

On December 15, 2005, AmerenUE, the Staff of the Commission, and the Office of the Public Counsel filed a Unanimous Stipulation and Agreement. The parties agree that AmerenUE shall continue its Missouri retail jurisdiction expense accruals and trust fund payments at the level the Commission approved in Case No. EO-2004-0108, without any change in its Missouri retail jurisdictional rates. The parties further agree that the annual decommissioning costs of \$6,486,378 are, and should continue to be, included in AmerenUE's cost of service and reflected in its current rates for ratemaking purposes. In addition, the parties agree that the Commission should assign a 98.40% jurisdictional demand allocator to AmerenUE.² Also on December 15, Staff filed a Recommendation, in which it supported the agreement.

¹ Commission Case No. EO-2004-0108, Report and Order on Rehearing, p. 68 (February 10, 2005). According to the parties' Unanimous Stipulation and Agreement, that order contained a typographical error that transposed the second and third digits from the right in the annual contribution amount to the Missouri jurisdictional sub-account. Because the error had an insignificant impact on funding, AmerenUE used the actual ordered amount as its present annual contribution amount.

² Commission Rule 4 CSR 240-20.070(4)(C) states that unless the Commission orders otherwise, the amounts to be contributed annually for Missouri jurisdictional customers shall be computed based on the jurisdictional allocator used in the company's last general rate case. The parties agree that the current allocator fails to incorporate such significant amounts as the Metro-East Property Transfer and the Noranda contract, and could result in inadequate funding. In AmerenUE's economic analysis, AmerenUE used a 98.40% pro forma jurisdictional allocator to incorporate those significant events. The parties agree to that allocator.

The parties agreed that AmerenUE's 2005 Cost Study, which TLG Services, Inc., a consulting engineering firm, completed on August 29, 2005, and AmerenUE's economic analysis shall be received into evidence. The Commission has considered that evidence, the application, the Unanimous Stipulation and Agreement, and the Staff Recommendation. The Commission finds that AmerenUE's currently effective rates include an annual amount of \$6,486,378 for decommissioning expense.

IT IS THEREFORE ORDERED:

1. That the Unanimous Stipulation and Agreement filed on December 15, 2005, is approved.
2. That Union Electric Company d/b/a AmerenUE's retail jurisdiction annual decommission expense accruals and trust fund payments shall continue at the current level of \$6,486,378.
3. That the current nuclear decommissioning costs for Union Electric Company d/b/a AmerenUE shall be included in its current costs of service and be reflected in its current rates for ratemaking purposes.
4. That Union Electric Company d/b/a AmerenUE's 2005 Cost Study meets the requirements of Commission Rule 4 CSR 240-3.185(3).
5. That Union Electric Company d/b/a AmerenUE, or its trustee, shall file on a prospective basis in Case No. EO-2006-0098, one copy of the quarterly reports required by Commission Rule 4 CSR 240-3.185(1) and (2).
6. That, under Commission Rule 4 CSR 240-20.070(4)(C), the Commission approves the use of a jurisdictional demand allocator of 98.4% for Union Electric Company d/b/a AmerenUE's Missouri jurisdictional customers.

7. That this order shall become effective on January 9, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton and Appling, CC., concur

Pridgin, Regulatory Law Judge