

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

In the Matter of the Application of Union Electric	)	
Company d/b/a Ameren Missouri for Authority to Sell	)	<b><u>Case No. EO-2014-0149</u></b>
and Repurchase Coal and Lease Property	)	

**STAFF UPDATE TO RECOMMENDATION TO GRANT WITH CONDITIONS  
AUTHORITY TO SELL AND REPURCHASE COAL AND TO LEASE PROPERTY**

**COMES NOW**, the Staff of the Missouri Public Service Commission ("Staff") and, for its update to its recommendation that the Commission, with conditions, authorize Union Electric Company d/b/a Ameren Missouri to sell and repurchase coal and lease property, states:

1. On November 19, 2013, Ameren Missouri filed an application with this Commission seeking the authority required by § 393.190.1, RSMo. for it to sell coal and lease a portion of its property located at its Labadie Energy Center to Larkwood Energy, LLC. It also, pursuant to 4 CSR 240-2.080(14), requested the Commission act on the application expeditiously, but by no later than January 1, 2014.

2. On November 20, 2013, the Commission set an intervention date and ordered Staff to file its recommendation on the application by December 11, 2013. No one has sought to intervene.

3. On December 11, 2013, Staff filed its Staff Recommendation recommending with certain conditions the Commission authorize Ameren Missouri to sell coal and lease site space to Larkwood Energy at its Labadie Energy Center so that Larkwood can refine the coal before Ameren Missouri burns it to reduce NO<sub>x</sub> and, SO<sub>2</sub> or mercury emissions.

4. In its Staff Recommendation, Staff stated that it planned to conduct a site visit of the Labadie plant on December 13, 2013, to further review the sale and lease as proposed in the Application, and that it planned to file a supplement to its memorandum to report on what it observed there relating to this case.

5. On December 13, 2013, Staff met with Company personnel and toured the Labadie plant. The details of which are stated in Staff's attached memorandum marked Appendix A.

6. The information obtained on the December 13, 2013 Labadie plant site visit has had no impact on Staff's recommendation filed on December 11, 2013.

**WHEREFORE**, Staff continues to recommend that the Commission issue an order authorizing Union Electric Company d/b/a Ameren Missouri to sell and repurchase coal and lease property as requested in its application subject to the conditions set out in the December 11, 2013 Staff Recommendation. Staff continues to recommend the Commission grant Applicant the requested expedited treatment pursuant to 4 CSR 240-2.080(14).

Respectfully submitted,

**/s/ Alexander Antal**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 17<sup>th</sup> day of December, 2013.

**/s/ Alexander Antal**

## **MEMORANDUM**

TO: Missouri Public Service Commission Official Case File No. EO-2014-0149, In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Authority to Sell and Repurchase Coal and Lease Property

FROM: Jerry Scheible, P.E., Utility Regulatory Engineer- Engineering Analysis

/s/ Daniel I. Beck    12/17/2013                      /s/ Alex Antal    12/17/2013  
Engineering Analysis / Date                      Staff Counsel's Department / Date

SUBJECT: Staff Recommendation to Grant Requested Authority Subject to Conditions - Updated

DATE: December 17, 2013

## **OVERVIEW**

On November 19, 2013, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed an Application and Motion for Expedited Treatment with the Missouri Public Service Commission seeking authority to sell coal, and lease a small portion of its property at the Labadie Energy Center ("Labadie plant"), as part of a program to utilize refined coal in order to lower costs and reduce emissions. The Staff of the Missouri Public Service Commission ("Staff") filed a recommendation regarding Ameren Missouri's Application on December 11, 2013, that included three conditions. In the cover pleading for that recommendation Staff stated, "Staff plans to file a supplement to its memorandum in this case to report on what it observes there related to this case. Staff anticipates the site visit will have no impact on its recommendation." As anticipated, Staff's observations and information learned from Ameren Missouri personnel at the Labadie Energy Center have not impacted Staff's recommendation.

### **DISCUSSION**

During the site visit to the Labadie Energy Center on December 13, 2013, Staff met with Ameren Missouri personnel and toured the center. Similar to the previous transactions in File Nos. EO-2012-0146 and EA-2013-0502, the contractor that will be treating the coal, Larkwood Energy, LLC (“Larkwood”), is in the process of installing the equipment that will be used, should Ameren Missouri’s Application be approved. The attached photo displays two large silos located near the coal conveyor belt that were installed to store chemicals that will be used in the Chem-Mod process. Ameren Missouri stated it expects that all of the equipment will be in place by the first or second week of 2014.

### **STAFF RECOMMENDATION**

Staff’s observations and the information it obtained from Ameren Missouri personnel during the December 13, 2013 site visit do not change Staff’s recommendation of December 11, 2013, that the Commission issue an order authorizing Union Electric Company d/b/a Ameren Missouri to sell and repurchase coal and lease property as requested in its application subject to the conditions set out in paragraph five and the attached memorandum labeled “Appendix A.”



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**OF THE STATE OF MISSOURI**

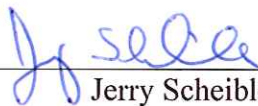
In the Matter of the Application of Union )  
Electric Company d/b/a Ameren Missouri )  
for Authority to Sell and Repurchase Coal )  
and Lease Property )

Case No. EO-2014-0149

**AFFIDAVIT OF JERRY SCHEIBLE, P.E.**

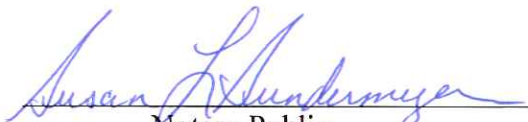
STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

Jerry Scheible, P.E., of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
Jerry Scheible, P.E.

Subscribed and sworn to before me this 17<sup>th</sup> day of December, 2013.



  
\_\_\_\_\_  
Notary Public