

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Collaborative Workshop)
Ordered by the Commission, on its Own Motion,)
to Consider the Most Efficient and Cost-Effective)
Manner to Construct and Finance a Potential)
Second Nuclear Generating Unit at the Callaway)
Nuclear Plant Site.)

Case No. EW-2009-0275

NOTICE REGARDING EXTERNAL COMMUNICATIONS

Issue Date: March 5, 2009

On March 3, 2009 my office received the attached document by electronic mail
from William Cochran regarding Callaway II.

Respectfully submitted,



Robert M. Clayton III
Chairman

Dated at Jefferson City, Missouri,
on this 5th day of March 2009.

Parish, Dana

Subject: FW: Ameren fallacies

-----Original Message-----

From: Wm Cochran [mailto:wcochran@lakeozark.net]
Sent: Tuesday, March 03, 2009 10:33 AM
To: letters@post-dispatch.com
Cc: Clayton, Robert; Murray, Connie; mopco@ded.mo.gov
Subject: Ameren fallacies

Callaway II fallacies : 1) Ameren says "The unit will cost 6 Billion". 2) Nuclear energy is clean energy. 3) Construction work in progress (CWIP) will 'be less expensive for ratepayers' , 1)Ameren claims-The unit will cost 6 Billion. In 1975 Union Electric (Ameren) claimed Callaway I would cost approximately \$700 million. UE's filed rate case in 1985 identified that Callaway I cost approximately \$3.5 Billion. It's sister plant Kansas City Power and Light's "Wolf Creek" ,unit also cost \$3.5 Billion.

If Callaway II cost escalates at same 500% rate as Callaway I (500% \times \$700 million=\$3.5 Billion) then Callaway II's cost will somewhere around \$30 billion (500% \times \$6 billion).

There is a MoPSC Commission Rule that requires Ameren to establish a separate "Decommissioning Trust Fund" that sets aside funds collected thru MoPSC tariff riders requiring Ameren to have the Decommissioning Trust fully funded at the end of Callaway I's "Depreciated whole life" of 27 years. The best estimates by MoPSC consultants was that it would cost as much to decommission Callaway I as it cost to build it. 2) Nuclear energy is clean energy. The lethal half life of unprocessed nuke fuel rod isotopes is 100,000 + years. President Carter in 1977, issued a statement on nuclear policy that began with a commitment to defer indefinitely the commercial reprocessing and recycling of plutonium.

Carter's veto of S 1811 denied commercial reprocessing of nuke fuel rods because reprocessing creates nuke weapon grade plutonium. Without reprocessing the lethal half life of nuke fuel rods is 100,000 + years. With reprocessing it is still 3000 + years.

President Obama has declared Yucca Mountain, planned nuclear-waste storage facility in Nevada, which has been 20 years and more than \$9 billion in the making , a dead issue. See <http://blogs.wsj.com/environmentalcapital/2009/02/26/nuclear-waste-yucca-mountains-scrapped-so-what-now/>.

As a result Callaway I's used nuke fuel rods are stored on site at Callaway and the storage pool is filling up!

There will be no place to store Callaway II alleged "clean" used fuel rods for 1 day much less 100,000+ years 3)Construction work in progress (CWIP) will 'be less expensive for ratepayers . Allowing CWIP into rate base means Ameren will be able to file an annual rate case to add its latest construction work in progress into the rate base. At a total cost of \$30 Billion over estimated 10 years to build Callaway II means Ameren will be adding \$3 Billion to rates annually for 10 years. Then when the plant starts up Ameren will be collecting thru tariffs another \$30 Billion over the following 27 years for the Decommission Trust Fund to decommission Callaway II.