

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

In the Matter of an Investigation of the Cost	)	
to Missouri's Electric Utilities Resulting from	)	<u>File No. EW-2012-0065</u>
Compliance with Federal Environmental	)	
Regulations	)	

**AMENDED UPDATED STAFF REPORT
AND RECOMMENDATION TO ALLOW FILE TO REMAIN OPEN**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), through the Staff Counsel's Office, and files its *Amended Updated Staff Report and Recommendation to Allow File to Remain Open*. In support thereof, Staff states as follows:

1. On September 24, 2013, the Missouri Public Service Commission ("Commission") issued an *Order Directing Staff to Update Its Report Regarding the Cost of Compliance with New Federal Environmental Regulations*. In said Order, the Commission directed Staff "as the leader of a working group including utility, industrial, consumer, and environmental stakeholders, shall investigate and file an updated report regarding the cost of compliance with Federal environmental regulations no later than December 19, 2013." The Commission desired that the updated report take into account developments regarding environmental regulation, including, but not limited to recent changes in the Clean Air Act, in particular Sections 111(b) and 111(d) of that Act.

2. Staff's *Updated Report* filed on December 19, 2013 was filed in "highly confidential" and "non-proprietary"/"public" versions. The Staff this date is filing an *Amended Updated Report*, which is completely "non-proprietary"/"public." Previously, certain information on pages 12, 13, and 15, and all of Appendix D, were designated as "highly confidential."

3. In addition to classifying information in Appendix D as “non-proprietary”/“public,” there have been changes to portions of Appendix D principally regarding Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri”) information based on discussions with Ameren Missouri. In the Staff’s December 19, 2013 *Updated Report*, the source of the information in Appendix D, regarding Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”), Ameren Missouri, and The Empire District Electric Company (“Empire”), are the presentations made by KCP&L-GMO, Ameren Missouri, and Empire at the EW-2012-0065 workshop on October 28, 2013. In the Staff’s *Amended Updated Report* filed today, the source of the information in Appendix D, regarding KCP&L and GMO, is the September 2013 10-Q U.S. Securities and Exchange Commission filing of KCP&L.

4. The narrative portion of the Staff’s *Updated Report* filed on December 19, 2013 ended in mid-sentence on the last page of Appendix C, which is page 58 of that *Updated Report*. The Staff’s *Amended Updated Report* filed today completes that partial sentence and adds six more sentences to complete the narrative that now appears on page 55, which is now the last page of Appendix C.

5. The Staff’s December 19, 2013 *Updated Report* stated that based on current information, not including effluent or coal combustion residuals (“CCR”) cost estimates, the overall capital cost to Missouri electric utilities and potentially their customers would be in the approximate range of \$2,968,100,000 to \$3,211,100,000. The Staff further stated that including effluent and CCR cost estimates would raise the total capital cost range to \$4,758,130,000 to \$5,001,130,000. It was noted that these

estimates were based on compliance with the rules that have been issued or are likely to be issued. An explanation of the derivation of these numbers was found at pages 23-24 of the December 19, 2013 *Updated Report*. That explanation is found at pages 23-24 of the *Amended Updated Report* filed today, and these numbers have not changed as a result of changes to Appendix D. Appendix D shows Ameren Missouri's and Empire's environmental regulations compliance options and estimated capital costs, and KCP&L's and GMO's environmental compliance projects and estimated capital costs.

6. Staff recommends that the Commission allow this File to remain open. Staff anticipates the need to file supplemental information as issues are further identified and additional actions are taken by the relevant regulatory agencies.

WHEREFORE, Staff submits its *Amended Updated Staff Report and Recommendation to Allow File to Remain Open*.

Respectfully submitted,

/s/ Steven Dottheim

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Amended Updated Staff Report and Recommendation to Allow File to Remain Open* have been transmitted by electronic mail to all individuals in the attached list this 3rd day of April, 2014.

/s/ Steven Dottheim

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