BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Amended Application of Union Electric Company d/b/a Ameren Missouri for Acceptance of Its Triennial Filing of Cost Estimates for Callaway Energy Center Decommissioning, Including the Independent Spent Fuel Storage Installation, and Approval of the Funding Level of the Nuclear Decommissioning Trust Fund.	))))))))	**Case No. EO-2023-0448**

AMEREN MISSOURI'S POSITION STATEMENT

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or “Company”), and hereby submits its Position Statement for the issues contained in the List of Issues[1] filed on April 11, 2025:

I. Introduction

Ameren Missouri filed its amended application seeking approval of its decommissioning cost estimates for the Callaway Energy Center ("Callaway" or "Plant") and for the Callaway Independent Spent Fuel Storage Installation ("ISFSI"), as well as the continuation of the funding level of its nuclear decommissioning trust fund at the current $6,758,605 annual amount, with $6,082,745 allocated to plant decommissioning and $675,860 allocated to ISFSI decommissioning on March 4, 2024.[2] On February 7, 2025, Ameren Missouri and Staff of the Missouri Public Service Commission ("Staff") filed a Non-Unanimous Stipulation and Agreement ("Stipulation").

[1] In preparing this list of issues, the parties attempted to obtain consensus on the descriptions of the issues. The parties listed the two contested issues the Office of Public Counsel identified in its opposition to the Settlement. Ameren Missouri, however, notes the Office of Public Counsel did not contest the other provisions of the Non-Unanimous Stipulation and Agreement and the non-contested issues listed below do not reflect all the non-contested issues. Ameren Missouri agreed to include all issues in this list to avoid the need to file multiple lists of issues.
[2] On August 17, 2023, the Commission granted the Company's request for a waiver from Commission Rule 20 CSR 4240-20.70(4) and allowed the Company to file on December 1, 2023, in File No. EE-2024-0019. Ameren Missouri filed its Application along with the 2023 Study and on December 1, 2023.

The Stipulation reduces the customer contribution to zero and outlines parameters for managing the trust. The Stipulation is reasonable and should be approved by the Commission.

The Office of Public Counsel ("OPC") filed its partial opposition to the Settlement on February 14, 2025. While OPC agrees with reducing customer contributions to zero, OPC contends that the Commission should not acknowledge the Company will continue to manage the market value of trust with a 65% equity allocation and 35% fixed income allocation. OPC also opposes the $50 million dollar trigger that allows the Company to request approval to reinstate the customer contributions if the projected nuclear decommissioning trust balance is lower than the estimated decommissioning costs. As outlined below, the Stipulation is reasonable and the Commission should adopt the Stipulation, including the two provisions that OPC identified as objectionable.

II. List of Issues

A. Uncontested Issues

1. **What will it cost to decommission Ameren Missouri's Callaway Unit 1 nuclear generating unit and Independent Spent Fuel Storage Installation sited at Ameren Missouri's Callaway Energy Center at the end of Ameren Missouri's current Callaway Unit 1 NRC license —October 18, 2044?**

Company Position:

At this time, Ameren Missouri provided the best estimate for the decommissioning costs in 2044. The decommissioning cost estimates in 2023 dollars was provided in Attachment 3 of the Stipulation. The estimated costs in Attachment 3 are reasonable and should be approved by the Commission. The Stipulation requests the Commission recognize the 2023 Cost Study[3] and that the Commission find that Ameren Missouri's Application and 2023 Cost Study meet the

[3] Attachment 3 to the Amended Application was prepared by TLG, titled *Decommissioning Cost Analysis for the Callaway Energy Center* and filed on December 1, 2023, and March 4, 2024.

requirements of 20 CSR 4240-20.070(4). The 2023 Study estimates the decommissioning cost for the DECON alternative to be $1,097,947,000 (in 2023 Dollars) for the decommissioning period, which is 3.834% higher than the 2020 estimate of $1,046,835,000 (in 2020 Dollars) for the same decommissioning period.

The cost estimate in Attachment 3 is comprehensive in that it covers both the Plant and ISFSI decommissioning, segregating the costs for each type of decommissioning obligation. TLG estimated the total cost to decommission Plant and the ISFSI, employing the DECON alternative, as $1,097,947,000 in 2023 dollars. Of this total, $1,085,651,000 is attributable to Plant decommissioning and $12,296,000 is attributable to ISFSI decommissioning.[4]

The Stipulation notes that the total Plant and ISFSI decommissioning costs estimated in 2024 dollars is $1,162,825,986.[5] It is important that the date of the nuclear decommissioning fund balance is tied to an updated decommissioning cost estimate. Consequently, if the Commission uses the 2024 year-end balance of the nuclear decommissioning trust fund, the Commission must also use an updated decommissioning cost estimate to match the dollars in the same year when comparing the actual fund balance with an estimated cost.

See Stipulation at page 11, paragraphs 2 and 3, *see also* Danel E. Deschler's Direct Testimony at 5, lines12-22 and page 6, lines 1-8.

2. **What is the appropriate current annual amount for Ameren Missouri's ratepayers to contribute to Ameren Missouri's Callaway Energy Center Nuclear Decommissioning Trust Fund (inclusive of the Independent Spent Fuel Storage Installation) for that fund to have neither greater nor lesser than the amount necessary to carry out the decommissioning of Callaway Unit 1 and the Independent Spent Fuel Storage**

[4] The estimate is based on an assumed 60-year plant operating life, and reflects the use of off-site, low-level radioactive waste processing to minimize the volume designated for controlled disposal.
[5] The figure was derived by applying an assumed 4.70% rate of inflation to the total Plant decommissioning cost in 2023 dollars.

Installation at the end of the NRC Callaway Unit 1 license life—presently October 18, 2044?

Company Position:

The Stipulation is reasonable and should be adopted by the Commission. The Stipulation requests the Commission reduce the amount of customer contributions to zero. OPC does not oppose the reduction of customer contributions to zero. The Company will reduce the amount of customer contributions in its compliance tariffs in File No. ER-2024-0319 on June 1, 2025, and respectfully requests a determination on this issue in this docket by May 27, 2025, so that the tariffs can properly reflect the reduced contributions.

The Stipulation request is reasonable and should be adopted by the Commission. Amended Attachment 4 to the Stipulation provides Ameren Missouri's analysis of the required funding level in 2023 dollars. Please note that the analysis contained in Amended Attachment 4 requests neither an increase nor a decrease to the aggregate funding amount for the consolidated Plant and ISFSI decommissioning. The ISFSI decommissioning fund assets are lower than the estimated costs to conduct the ISFSI decommissioning. Ameren Missouri will update the Commission in future filings if the fund is not growing fast enough to meet the estimated costs for ISFSI decommissioning in future triennial filings.

See Stipulation at page 12, paragraphs 4 and 5.

B. Contested Issues:

1. **Is it reasonable for the trustee to continue to maintain a trust fund asset allocation of 65% equities and 35% bonds when the trust balance is currently sufficient to cover the estimated decommissioning costs in the most recent triennial filing?**

Company Position:

Yes, it is reasonable for the trustee to continue to maintain an asset allocation of 65% equities and 35% fixed income. The record supports the allocation and is consistent with the Commission's rules. Amended Attachment 4 of the Amended Application, and included as part of the Stipulation, indicates the assumption of asset allocation of 65% equities and 35% fixed income as well as the tax implications in the modeling for the projected balances of the nuclear decommissioning trust. Amended Attachment 4 at pages 5 and 9. Specifically, on page 9 of the Amended Attachment 4, the analysis demonstrates the 65% equity/35% fixed income allocation offers the highest probability of success to ensure the nuclear decommissioning fund is adequately funded.

To support its position, OPC simply states "the value of the decommissioning fund assets exceeds the updated decommissioning cost estimate, the estimated decommissioning cost inflation rate will drive the return require to preserve the real value of the fund (*i.e.* preserve the fund's capital)." Public Counsel's Objection to Settlement, paragraph 8. OPC does not recommend the Commission direct the Company to follow a different allocation or provide any analysis of how a different allocation of the funds would preserve the balance and still maintain sufficient funds to meet the estimated decommissioning costs in 2044.

Most importantly, OPC does not provide any analysis showing how the tax implications will impact the fund balance. As Ameren Missouri stated in surrebuttal testimony, the Company did not evaluate the tax implications associated with trying to preserve capital as OPC contemplates. Reallocating the fund requires selling equities to reallocate to fixed income assets and with the sale, the nuclear decommissioning fund will incur taxes based on any of the gains. Daniel E. Deschler's Surrebuttal Testimony at pages 14-15. It is unknown how much the fund balance would be reduced and whether that balance would be sufficient to meet the decommissioning costs.

In contrast, Ameren Missouri's consultant evaluated the tax implications associated with rebalancing the assets with an allocation targets of 65% equity and 35% fixed income as the assumptions in the stochastic model. Amended Attachment 4 at pages 5 and 9; Deschler Surrebuttal Testimony at 14. Ameren Missouri presented analysis showing the 65% equity and 35% fixed income asset allocation offers the highest probability of success to adequately fund the trust to meet the decommissioning obligations. *See* Amended Attachment 4 at page 9; Deschler Surrebuttal Testimony at 14-15.

Additionally, it is reasonable for the Commission to include the asset allocation as part of the Commission's order to memorialize the investment goals for the nuclear decommissioning trust. The information allows the Commission to record investment goals and track progress in subsequent reviews. This allocation also ensures the trustee is managing the funds consistent with the Commission's rules. As OPC points out, rule 20 CSR 4240-20.070(5)(E)3 provides that "[t]he trustee or investment manager(s) shall invest the tax-qualified trust assets and non-tax-qualified trust assets only in assets that are prudent investments for assets held in trust and **in a manner designed to maximize the after-tax return on funds invested**, consistent with the conservation of the principal, subject to the limitations specified as follows: … 3. A utility's total book value of investments in equity securities in all of its decommissioning trusts shall not exceed sixty-five percent (65%) of the trust funds' book value." 20 CSR 4240-20.070(5)(E)3, *emphasis added* and cited in Public Counsel's Objection to Settlement, paragraph 6.

OPC's proposal is unreasonable because it does not acknowledge the investment goals or the tax implications from selling equities to rebalance the portfolio of the nuclear decommissioning trust. Furthermore, acknowledging the investment goal to keep the allocation at 65% equities and 35% fixed income allows the Commission to effectively track information on how the funds are managed. Consequently, the Commission should approve the Stipulation.

See Stipulation at page 13, paragraph 8, bullet point 8; Deschler Direct Testimony at page 6, line 9-22 and page 7, lines 1-9; Deschler Surrebuttal Testimony at pages 14-15; David Murray Rebuttal Testimony at 19, lines 5-23.

2. Is it reasonable for the Commission to approve a customer contribution cost trigger of $50 million before the company can request to resume customer contributions to the fund in a future triennial filing?

Company Position:

Yes, it is reasonable for the Commission to approve a customer contribution cost trigger of $50 million before Ameren Missouri can request to resume customer contributions to the fund in the next triennial filing.

The requested trigger does nothing more than allow the Company the opportunity to request the resumption of customer contributions in a future triennial filing. Any party to that proceeding will be free to contest that request, and the Commission is under no obligation to grant it if the facts and circumstances do not support it. The trigger level is merely an acknowledgement that it is unreasonable to not to begin contributions if the nuclear decommissioning fund is underfunded and might result in customers paying higher contributions in the future.

See Stipulation at page 14, paragraph 9.

WHEREFORE, Ameren Missouri respectfully requests the Missouri Public Service Commission give due consideration of the Company's Statement of Position on the Issues and approve the Non-Unanimous Stipulation and Agreement.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on the service list via electronic mail (e-mail) on this 18th of April 2025.

/s/ Jennifer S. Moore
Jennifer S. Moore