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 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	)))))))	**File No. EO-2023-0448**

BRIEF OF STAFF

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through the undersigned counsel, and for its *Brief* respectfully states:

Introduction

On December 1, 2024, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed its application ("Application"), pursuant to Commission Rule 20 CSR 4240-20.070(4), requesting approval of its triennial filing of cost estimates for Callaway Energy Center ("Callaway") decommissioning, including the Independent Fuel Storage Installation ("ISFSI"), and approval of the funding level of the Nuclear Decommissioning Trust Fund ("Fund"). Ameren Missouri subsequently filed an amended application on March 4, 2024.

The United States Nuclear Regulatory Commission ("NRC") establishes minimum amounts necessary for licensees to provide reasonable assurance that funds will be available for the decommissioning process under 10 CFR 50.75(a) (2002). Federal regulations also subject decommissioning funding to the jurisdiction of state public utility commissions.

Section 392.292, RSMo (2016) requires that "the amounts collected from ratepayers and paid into such trust funds will be neither greater nor lesser than the amounts necessary to carry out the purposes of the trusts."

The Application requests approval of the Company's decommissioning cost estimates for Callaway and for the ISFSI, as well as the continuation of the funding level of its Fund at the current $6,758,605 annual amount, with $6,082,745 allocated to Callaway decommissioning and $675,860 allocated to ISFSI decommissioning. Ameren Missouri also requested that the Commission find that the $6,758,605 annual funding level of its Fund be included in the Company's current cost of service for ratemaking purposes and confirm that this funding level is based on the parameters and assumptions set forth in the Application.

Staff filed its *Staff Recommendation* in response to Ameren Missouri's Application on June 3, 2024, recommending that the Commission exclude the $6,758,605 annual customer contribution from the Company's current cost of service for ratemaking purposes.[1] Staff was concerned that the requested annual customer contribution amount did not meet the statutory requirement under § 392.292, RSMo that "the amounts collected from ratepayers and paid into such trust funds will be neither greater nor lesser than the amounts necessary to carry out the purposes of the trusts."[2]

Staff, Ameren Missouri, and the Office of the Public Counsel ("OPC") subsequently filed testimony in this matter. Following talks amongst the parties, an agreement was reached to lower the annual customer contribution amount from Ameren Missouri's proposed $6,758,605 to $0. Ameren Missouri and Staff filed a *Non-Unanimous Stipulation and Agreement* ("Agreement") on February 7, 2025, wherein it was agreed to lower the annual customer contribution amount to $0. However, due to the inclusion of terms regarding the Fund's equitable allocation and a trigger amount that must be met before the Company can request a resumption of customer contributions,

[1] Exhibit 12, *Staff Recommendation*, pg. 9.
[2] *Id*.

the OPC objected to the Agreement on February 14, 2025. The Commission subsequently ordered a procedural conference, and the evidentiary hearing was held on April 29, 2025.

Argument

Four issues are before the Commission, including two uncontested issues. Staff's overall position is that the Commission should approve the Agreement filed by Staff and Ameren Missouri on February 7, 2025.

I. UNCONTESTED ISSUES

A. 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?

The estimated 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 is $1,097,947,000 in 2023 dollars.[3]

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

[3] *Id*, pg. 1; *see also* Exhibit 1, *Direct Testimony of Daniel E. Deschler*, pg. 6, ln. 7-8.

The appropriate 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) should be adjusted to $0.[4]

II. CONTESTED ISSUES

A. 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?

Yes. This is the only proposed allocation, and complies with Commission Rule 20 CSR 4240-20.070(5)(E)3, which states:

> A utility's total book value of investments in equity securities shall not exceed sixty-five percent (65%) of the trust funds' book value…

As also noted in the *Staff Recommendation*, this allocation will be maintained until the fund begins to de-risk in 2040; at that time, the total projected 5-year forecast will be shifted to 50% cash and 50% fixed income investments.[5]

As to including the current allocation in a Commission order, Staff notes that prior Commission orders regarding Ameren Missouri's triennial filings have included the Fund's allocation.[6]

As OPC witness Mr. Murray points out, the OPC would like to see a more comprehensive analysis of the allocation, including evaluations regarding de-risking, but there is not enough in the record for the Commission to do that.[7] As noted by Ameren Missouri witness Mr. Daniel E. Deschler, the Company's consultant Willis Towers Watson modeled different allocation scenarios

[4] Transcript Vol. 2, pg. 38, ln. 7-10 and pg. 52, ln. 9-10.
[5] Ex. 12, pg. 2.
[6] EO-2021-0050, *Order Approving Stipulation and Agreement*, pg. 5; EO-2018-0051, *Order Approving Stipulation and Agreement*, pg. 4; EO-2015-0253, *Order Approving Stipulation and Agreement*, pg. 4; EO-2012-0070, *Order Approving Stipulation and Agreement*, pg. 3.
[7] Transcript Vol. 2, pg. 70, ln. 22-25 and pg. 71, ln. 1-11.

before determining the 65/35 mix "was the ideal point because that's the point at which you maximize their -- you have the highest degree of probability of success of funding Page the decommissioning at the time of decommissioning with that 65/35 mix."[8]

If the Commission would like to see scenarios where the Fund de-risks sooner, or believes a change in the allocation is warranted, this would be better handled in a future triennial filing, following a Commission order for more robust analysis and testimony from the parties. Ameren Missouri's next triennial filing will be in 2026.

B. 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?

As a signatory to the Agreement, it is Staff's position that it is reasonable for the Commission to approve the provision limiting Ameren Missouri's ability to request a resumption of customer contributions to the fund in a future triennial filing only if the balance of the trust becomes deficient by $50 million from the projected cost for decommissioning at the time of the next triennial filing.

As explained by Staff witness Mr. Randall Jennings, without the Commission order including the $50 million trigger, Ameren Missouri is free to request a resumption of customer contributions in its next triennial filing,[9] regardless of the balance. If the Commission were to order the trigger,

> Customers would have a longer period of no contributions given the trigger as long as the trigger's not met, correct.[10]

In Staff's opinion, the $50 million trigger request is reasonable.

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[8] *Id*, pg. 35, ln. 23-25 and pg. 36, ln. 1-2.
[9] *Id*, pg. 54, ln. 1-5.
[10] *Id*, ln. 6-13.

Conclusion

In light of the above, Staff requests that the Commission issue an order approving the *Non-Unanimous Stipulation and Agreement* reached between Staff and Ameren Missouri, filed on February 7, 2025.

WHEREFORE, Staff respectfully submits its *Brief* regarding this matter, and requests that the Commission grant the relief requested herein.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that copies of the foregoing have been electronically mailed to all parties and/or counsel of record on this 7th day of May, 2025.

/s/ Travis J. Pringle