

**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: February 3, 2009

On January 29, 2009 I received the attached document by electronic mail from
external email address: wcochran@lakeozark.net.

Respectfully submitted,


Robert M. Clayton III
Chairman

Dated at Jefferson City, Missouri,
on this 3rd day of February 2009.

Clayton, Robert

From: Wm Cochran [wcochran@lakeozark.net]
Sent: Thursday, January 29, 2009 12:43 PM
To: Clayton, Robert
Subject: Senator Scott and Barnitz bill

Dont figure this is an ex parte communication since the bill is still pending in legislature. This is just a roadmap to get your "staff" to do something useful if you can find an Engineer or Economist to lobby before the legislature on the distortion of the Scott Barnitz bill :

Dear Mr. Dunn. If your alleged "newspaper" continues to follow the Republican line of lying to people you will go the way of the Chicago Tribune, Miami Herald , probably the New York Times and countless other propaganda rags.

1) "The Missouri ...Renewable Energy Construction Act" sponsored by Senators Scott and Barnitz cannot be applied to Nuclear used rods. Pres Carter executive signing eliminated any "reprocessing" of spent nuclear fuel rods as the recycled nuke "waste" could be used/converted to weapon grade plutonium.

2) Construction work in progress is not allowed under "Proposition 1" . Proposition 1 was created by a voter initiated petition to require power plants to be "fully operational and used for service". See the MoPSC Orders ER-80-48 on "fully operational" and ER 85-128 on "used for service" requirements.

3) "Low cost power"- what a lie. That was the selling point on "sister nuke units at 1100 mw-UE's Callaway and KCP&L's Wolf Creek. Those units were going to produce "energy too cheap to meter". UE and KCP&L got construction permits from MoPSC in 1976 on their "estimates" of \$700 million each unit. When they came into rate cases in 1985 to include these units in rate base the cost each was \$3.5 billion !! \$3.5 Billion 24 years ago -- try a present value in 2009 dollars of \$3.5 Billion at a "6% safe rate" inflation . Fully Operational exclusion of a KCP&L base load unit, based on Commission adoption of my testimony on "Fully Operational and used for service" was upheld thru the 8th Circuit. Evidently KCP&L/UE petition was rebuked by the US Supreme Court based on the robust 8th Circuit upholding Commission order ER 80-48. They didn't even try on same exclusion of a nuclear unit from MoPSC Order ER 85-128.

4) "Instead they will gradually cover financing costs...slowly rising... otherwise... Callaway II would cost \$2 to \$3 billion more than necessary and likely would not be feasible due to capital constraints"

This is your biggest lie and propaganda that would make Georg Gobbels blush. SEE below website all attached links - <http://climateprogress.org/2008/06/13/nuclear-power-part-2-the-price-is-not-right/>

If you had done a simple google search as a real journalist you would have found the above website and all its links See statements made by Florida Power and Light , MidAmerican Nuclear Energy Company and Progress Energy on their "Estimates of one nuke unit at 1100 Mw (size of proposed Callaway II) would be \$7 to \$9 Billion.

Progress Energy's "estimate" of \$8.5 Billion for one unit sounds like UE's 1976 estimate of \$700 million for Callaway I since :

"Amazingly, the utility won't even stand behind the exorbitant tripled cost for the plant. In its filing with state regulators, Progress Energy warned that its new \$17 billion estimate for its planned nuclear facility is "nonbinding" and "subject to change over time." (Climateprogress.org)

5) The only statement in this propaganda article that is somewhat true is "likely would not be feasible due to capital constraints" . First the banks , even with presidents and CEO's sitting on utility boards - as they were for Callaway I and Wolf Creek- won't touch these ventures. WHY? Because even the \$7 to \$9 Billion is a bogus number to them. These units with their "Cost plus" awarded contracts will balloon like Callaway I and Wolf Creek at 400 to 500% making the rate base addition in 10 years to be \$35 to \$40 Billion. And yes under Scott and Barnitz Bill UE will be allowed to file annual rate cases including the cost of construction and finance charges in rates. So the ratepayer will be picking up annual rate base additions of \$3 to \$4 billion at UE's present rate of return of 10.2% every year. 10% (RoR) x \$4 Billion x 10 years = \$4 billion just at present value in year zero -What a deal!!!!!! These numbers make your "would cost \$2 to \$3 billion more than necessary" a great bargain for rate payers. Add the yearly depreciation expense (Nuke units have a 27 year depreciable

life) and the subsidy of nuke waste at Yucca Mountain - if that ever gets to be a done deal which is highly doubtful. Add the lethal half life of nuke waste at 100,000 years plus (would be 3000 years under Carter banned reprosessing) and try and put a present value on that subsidy- "Clean and renewal" what a joke. No one can predict the geological stability of anyplace for 100,000 years.