

AMEREN UE
CASE NO.: ER-2007-0002

REQUESTED BY: BILL DUNKEL
REQUESTED FROM: Staff Depreciation
DATE OF REQUEST: 12/26/2006

FILED³

APR 20 2007

Missouri Public
Service Commission

Information Requested:

Regarding the Staff proposed depreciation rates as shown on Schedule JLM-2 and page 7 of the Staff Direct Testimony of Mathis that:

For each account, I took the actual net salvage for the past 5 years and divided it by the original cost of plant retired during those same 5 years. For a few accounts, an unusually high or low net salvage amount was excluded to eliminate a percentage amount that may cause the average to become skewed.

(a) Is it correct that for the nuclear plant, a separate account is maintained that is intended to cover the demolition of the plant after its final retirement? If "no", explain the answer.

Response: Yes.

(b) Ameren UE proposes 0% Net Salvage for all of the Nuclear accounts. Is it reasonable to expect that one reason Ameren UE proposed 0% is because much of the cost of removal of the nuclear plant will be covered by the separate nuclear demolition fund? If "no", explain the answer.

Response: Yes.

(c) Is it correct that in the Staff proposal, the costs associated with the nuclear demolition account are included in the revenue requirement in addition to the amounts shown on Schedule JLM-2? If "no", explain the answer.

Response: Yes.

(d) For Account 322, the Staff Net Salvage shown on Schedule JLM-2 is -37%. In that calculation of the 3.10% recommended depreciation rate, was that -37% applied to all the expense or investment, including the investment (or depreciation expense associated with that investment) that would be retired as part of the final retirement of the Plant?

Response: Yes. However the amount of final retirement is not yet known.

OPC Exhibit No. 461
Case No(s). ER-2007-0002
Date 3/27/07 Rptr. MV

461

(e) If the answer to part (d) is no, Provide the workpapers that show what portion of the investment or expense did not have the -37% applied to it.

(f) Assume that it could be determined (using the curve and final retirement date), that 40% of the account 322 investment would retire as a interim retirement, and 60% would retire as part of the final retirement. Since the final retirement investment cost of removal will be paid for from the nuclear demolition account, would it be a correct calculation to apply the -37% to the 40 % that would retire as interim retirements, and 0% to the 60% that would retire in the final retirement (since the nuclear demolition account will pay for that cost-of-removal) ? If "no", explain the answer.

Response: Yes.

THIS RESPONSE INCLUDES:

☐ Printed Materials 2 Total Pages ☐ Magnetic Media Number of disks or
Please number each section of multiple pages as: tapes
File formats for data:

 # of Total #

LIST PRINTED MATERIALS AND/OR FILES INCLUDED:

The information provided to the Office of the Public Counsel in response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present known facts to the undersigned. The undersigned agrees to immediately inform the Office of the Public Counsel if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information.

DATE RECEIVED: 12-29-06

SIGNED BY: [Signature]

TITLE: Utility Engineering Specialist