

## CALLAWAY ENERGY CENTER DECOMMISSIONING TRUST FUND HISTORY

1. In 1984 in Ameren Missouri's (then d/b/a Union Electric Company ("UE")) Callaway rate case, Ameren Missouri and the Staff stipulated that the decommissioning cost of the Callaway Energy Center was \$120 million in 1983 dollars. As a result of the Commission's Callaway *Report and Order*, Ameren Missouri's Missouri retail jurisdictional annual trust fund payment requirement was set at \$2.9 million. *Re Union Electric Co.*, Case Nos. EO-85-17 and ER-85-160, 27 Mo.P.S.C.(N.S.) 183, 249 (1985). In Case No. EO-91-300, which was Ameren Missouri's first filing pursuant to 4 CSR 240-20.070,<sup>1</sup> a *Unanimous Stipulation and Agreement* was accepted by the Commission which identified the cost in 1990 dollars to immediately decommission Callaway, as if it had completed 40 years of service, as being \$347 million and set Ameren Missouri's Missouri retail jurisdiction annual trust fund accrual and payment requirement as \$6,214,184. The great increase in the cost estimate was due principally to a major increase in the projected cost charged by licensed facilities for disposal of low-level radioactive waste. (Low-level radioactive waste should not be confused with high-level radioactive waste and spent nuclear fuel. The federal fee, which was collected with each kilowatt hour of electricity generated by Callaway, relates to disposal facilities for high-level radioactive waste and spent nuclear fuel, not disposal facilities for low-level radioactive waste.)

2. Ameren Missouri's Missouri retail jurisdiction annual decommissioning expense accrual and trust fund payment was again set by the Commission at \$6,214,184, in Case No. EO-94-81, *Re Union Electric Co.*, 3 Mo.P.S.C.3d 68 (1994); Case No. EO-97-86, *Re Union Electric Co.*, 7 Mo.P.S.C.3d 117 (1998); Case No. EO-2000-205, *Re Union Electric Co.*, 8 Mo.P.S.C.3d 497 (2000); and Case No. EO-2003-0083, *Re Union Electric Co.*, 12 Mo.P.S.C.3d 68 (2002). In

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<sup>1</sup> Prior to April 30, 2003, 4 CSR 240-3.185 Submission of Reports Pertaining to the Decommissioning of Electric Utility Plants was contained in 4 CSR 240-20.070 Decommissioning Trust Funds.

Case Nos. EO-94-81, EO-97-86, EO-2000-205 and EO-2003-0083, *Unanimous Stipulation and Agreements* were accepted by the Commission which identified the costs in 1993, 1996, 1999 and 2002 dollars, respectively, to immediately decommission Callaway, as if it had completed 40-years of service, as being \$371,511,680, \$419,975,000, \$509,451,856 and \$515,339,000, respectively.

3. In Case No. EO-2004-0108, the Commission addressed decommissioning trust funding along with the transfer of Ameren Missouri's MetroEast (Illinois) service territory and property to AmerenCIPS as Ameren Missouri's Missouri jurisdictional demand allocator increased to 97.92% post-transfer. In its *Report and Order on Rehearing* in that case, *Re Union Electric Co.*, 13 Mo.P.S.C.3d 266 (2005), the Commission ordered an increase in Ameren Missouri's annual Missouri decommissioning expense and contribution amount from \$6,214,184 to \$6,486,378<sup>2</sup> to reflect the increased liability for decommissioning costs assumed by Missouri ratepayers. In Case Nos. EO-2004-0108, EO-2006-0098, and EO-2009-0081, a methodology was utilized by which Missouri ratepayers were responsible for less than 100% of Ameren Missouri's decommissioning liability. Ameren Missouri serves wholesale customers, such as municipalities, with power from Callaway. The provision of service to other than Missouri retail ratepayers was recognized by the utilization of an allocation methodology with a Missouri jurisdictional demand allocator of less than 100% to Missouri retail customers. In File No. ER-2011-0028, Ameren Missouri commenced a methodology of the Missouri jurisdictional demand allocator for Callaway increased to 100%; the annual accrual increased to \$6,758,605. The Staff followed this methodology in the Ameren Missouri general rate increase case File No. ER-2012-

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<sup>2</sup> *Report and Order on Rehearing* in Case No. EO-2004-0108 contains a typographical error that transposed the second and third digits in the annual contribution amount to the Missouri jurisdictional subaccount. (See 13 Mo.P.S.C.3d at 297 and 304 compared to 13 Mo.P.S.C.3d at 296). Because this error has an insignificant impact on trust fund funding, Ameren Missouri used this actual ordered amount as its present annual contribution amount.

0166; Ameren Missouri did not perform an allocation. Callaway was treated as allocated 100% to the Missouri retail jurisdiction; municipal customers, sales, and costs were treated as off-system customers, sales, and costs. The \$6,758,605 of annual decommissioning expense accrual was included in the determination of Ameren Missouri retail customer rates approved by the Commission as part of *Re Union Electric Co.*, File No. ER-2011-0028 (July 13, 2011) and the Missouri jurisdictional demand allocator was reflected as 100%. Ameren Missouri and the Staff followed this methodology in File No. EO-2012-0070, Ameren Missouri's most recent prior Triennial Decommissioning Update, and File No. ER-2012-0166, Ameren Missouri's most recent general rate increase case.

4. In the four triennial decommissioning cost study cases prior to Case No. EO-2004-0108, Ameren Missouri's Missouri retail jurisdiction, annual trust fund accrual and payment requirement remained at \$6,214,184, as that amount was determined to be adequate for the funding of decommissioning expenses. In Case No. EO-2004-0108, the Missouri retail jurisdiction annual trust fund accrual and payment requirement was increased to \$6,486,378 to reflect the increased liability for decommissioning costs assumed by the Missouri retail ratepayers as a result of the MetroEast Property Transfer. In Case No. EO-2006-0098, a *Unanimous Stipulation and Agreement* was accepted by the Commission which identified the costs in 2005 dollars to immediately decommission Callaway, as if it had completed 40 years of service, as being \$586,515,200. Ameren Missouri's Missouri retail jurisdiction annual trust fund accrual and payment requirement remained at \$6,486,378, as that amount was determined to be adequate for the funding of future decommissioning expenses. The 2011 Cost Study estimated the decommissioning cost for the DECON alternative to be \$754,500,000 in 2011 dollars, which was 8.7% higher than the 2008 estimate of \$693,907,000 (Case No. EO-2009-0081) and

represented approximately a 2.83% annualized escalation rate over the 3-year period. Ameren Missouri's economic analysis found the annual contribution of \$6,758,605 to the nuclear decommissioning trust fund to be reasonable.