

**Ameren's Rate Hike Request for their negligent acts regarding the
Taum Sauk Hydroelectric Plant Breach**

**THE REAL STORY - Ameren Attempts to Assault Missouri Consumers
Once Again! An Open letter to Missouri Consumers**

If you are a concerned Missouri citizen effected by Ameren's constant rate hike requests, please read the following.

Yes, they are asking Missouri Consumers to pay for their own negligence.

Am I angry? You bet I am! I'm not even an Ameren electric customer, but read on and you'll see why!

Please download a .pdf version of this report and repost or email it to other concerned Ameren customers and citizens. If you already downloaded the .pdf, share with Facebook and Twitter followers and any other method you choose. Send to your State and Federal Representative.

Stand up for justice and don't get fooled again! Thank you.

Mr. Nixon, you have failed us.

The following is an Associated Press Article that was released nationwide on Saturday and was printed in many Missouri newspapers. My blood pressure surged while reading it and I felt I had to respond with the other side of the story. Once again, we can unfortunately, likely count on our politicians and the powers that be, to make the wrong decision about the rate hikes which will include making customers pay for part of the breach and Ameren's negligence. Ameren's insurance companies paid for most of the loss, and now Ameren wants consumers to pay the balance. Is it fair for Ameren to be totally "let off the hook" for their own negligence? To this day, those businesses directly effected by the breach, who suffered tremendous financial loss for years following the breach, remain uncompensated for their losses due specifically to the State's settlement with Ameren, their own negligence and the 5 year closing of Johnson's Shut-ins State Park.

Let Ameren off the hook for their own negligence? I think NOT! Please DO NOT let Ameren further humiliate and undermine Missouri consumers. Let the little guys win for a change.

The lack of accurate reporting in the following article is my main beef and "last straw". This appeared in St. Louis Today (online version of the St. Louis Post Dispatch), Springfield News Leader, Columbia Missourian, Jefferson City, Kansas City, Southeast Missourian, and many, many more newspapers around rest of the US.

My response to the Associated press, the author and YOU follows this article.

Sincerely,
Glee Suntrup
Black River
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P.S. Adding insult to injury: We are not Ameren electric customers here on Black River and in the surrounding area. Thanks goodness we are serviced by Black River Electric. You see, all the power generated by the Taum Sauk Plant is sold during peak hours of need, at the highest costs possible, to other areas and other states!

Analysis: Missouri utility regulators consider costs for reconstruction of Taum Sauk reservoir

CHRIS BLANK Associated Press
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JEFFERSON CITY, Mo. — More than five years after the catastrophic collapse of a utility's reservoir sent a billion gallons of water tumbling down a southeastern Missouri mountain, Ameren Missouri has built a new and better replacement. Now, the power company wants to recover from its electric customers some of the cost for building it, sparking criticism from consumer advocates.

The dispute comes as regulators at the Missouri Public Service Commission are considering an electric rate increase requested by St. Louis-based Ameren Missouri. The power company contends customers benefit from a new Taum Sauk reservoir that is safer and will last longer. It wants a portion of the nearly \$500 million cost for building the replacement reservoir added to the rate base to be collected from electric customers over time.

Critics, including the state public counsel who represents customers before regulators, argue electric customers should not be forced to pay and that Ameren previously has said its ratepayers would not be on the hook for the collapse of the initial reservoir.

"But for the fact they ran the thing so badly that they destroyed it, we wouldn't have any of these costs," public counsel Lewis Mills told The Associated Press this past week.

Ameren Missouri says the new Taum Sauk reservoir has improved seismic considerations, can produce more energy and will be in operation longer. A spokeswoman for the utility said it has upheld the promise that ratepayers would not face the costs of the collapse and that what it is seeking are allowed.

Ameren Missouri stated in a written argument filed with the Public Service Commission for its rate case that "enhancements provide incremental benefits to customers, in the form of a safer, or more efficient, or more productive, or longer lasting upper reservoir." The utility added: "It is only fair that customers, as the beneficiary of those enhancements, pay for them."

Missouri utility regulators could make their decision later this month about how to handle Taum Sauk and the entire requested rate increase. Ameren, which has about 1.2 million customers in Missouri, is asking for an increase of more than \$200 million.

Although it is only a piece in the broader electric rate case, the Taum Sauk issue has plenty of history.

In December 2005, the 50-acre reservoir near Lesterville about 110 miles southwest of St. Louis overflowed and collapsed. It emptied in 12 minutes, and the wash of water swept away the home of the park superintendent, critically injuring his three children.

The utility, called AmerenUE at the time, reached a November 2007 settlement with state officials that called for the company to pay for rebuilding Johnson's Shut-Ins State Park, pay to extend the Katy Trail along the utility's Rock Island Railroad and give \$56.2 million for an economic development fund in Reynolds County.

Ameren also agreed not to charge customers for the costs of the accident with the caveat that it could seek recovery for "enhancements, costs incurred due to circumstances or conditions that are currently not

reasonably foreseeable and costs that would have been incurred" even if Taum Sauk had not collapsed. Regulators were not part of that settlement.

The original Taum Sauk started operation in 1963, and the new reservoir started in April 2010. Water flows down the mountain and turns turbines. At night when electrical demand is low, the water is pumped back to the top of the mountain.

In the power company's current rate case, one of the issues has become how to determine what is an "enhancement" in the new reservoir and what costs were likely eventually to have occurred even without the collapse of the original. Ameren Missouri and the staff for the Public Service Commission say some of the costs for the new Taum Sauk reservoir qualify. The public counsel, the Consumers Council of Missouri and Missouri AARP contend they do not.

"How can we trust them when they say, 'We made errors, and it's our problem and we'll fix it and consumers won't,' and then they come asking us for it?" said Joan Bray, the president for the Consumers Council of Missouri.

Ameren argues the new reservoir is better and that the original would have needed to be rebuilt or retired even without the 2005 collapse following an impending federal inspection. Spokeswoman Rita Holmes-Bobo said the criticism has come despite the legal facts surrounding Taum Sauk and the settlement.

"The costs we are seeking to recover would have been incurred by the company in the absence of the failure of the upper reservoir in 2005. Additionally our request is exactly what our agreement with the attorney general's office allows us to do," Ameren spokeswoman Rita Holmes-Bobo said.

Part of the disagreement over the Taum Sauk costs stems from how to measure whether a feature of the new plant is an "enhancement." Ameren Missouri compares the new Taum Sauk reservoir to the characteristics of the original. Meanwhile, the public counsel points to how the new reservoir stacks up against current construction and licensing standards rather than the reservoir that collapsed.

During a recent meeting among regulators, Public Service Commission member Terry Jarrett said they got little help with trying to determine exactly what was meant in the legal settlement by "enhancements."

"It's like everybody else punted and left it to us to decide," Jarrett said. "So I guess that they can shoot arrows at us if we decide it the way they don't like it."

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EDITOR'S NOTE — Chris Blank has covered state government and politics for The Associated Press since 2005.

[My response letter follows.](#)

Reference:

Analysis: Missouri utility regulators consider costs for reconstruction of Taum Sauk reservoir

July 3, 2011

Dear Editor, Mr. Blank and concerned readers,

Wouldn't you know it? Not only was it mandated by the state of Missouri at the time of the settlement, customers could not be held to pay for Ameren's negligence, this story's account of the settlement is totally inaccurate. There is much, much more to this sad tale. Even though then Attorney General, Jay Nixon (now Governor of Missouri), promised for two years he would make certain the tourism and ancillary service businesses, who suffered tremendous and devastating losses due to the breach, would be fairly compensated within the settlement between the State and Ameren, it sadly was not included in the settlement document at all. Additionally, only \$7 million dollars (not \$56.2 million as the article states) was allocated to Reynolds County or the "area directly effected by the breach" which also includes the Arcadia Valley, in a portion of Iron County close by. The \$7 million was doled out to and controlled by the board of The Taum Sauk Fund, also set up by the Attorney General's office. In addition, instead of going to bat for us, our elected state senators and representatives did nothing to help. In fact, our representative at the time, State Representative J. C. Kuessner made certain he received over \$18 million of the State's settlement for his pet project in Shannon County, nowhere near the area effected. JoAnne Emerson, State Representative in the US House of Representatives, was just a no show and couldn't be bothered with things at home.

Six years after the reservoir collapse, the money still sits there "invested". You see, the Attorney General also mandated that only non-profit 501(C)3

organizations could receive grants from the fund he set up, totally eliminating any possibility of the for-profit tourism businesses and services "directly effected" to prove and recover from their losses. Additionally, even the area Chambers of Commerce and area tourism association cannot receive funding because they do not fall within the strict guidelines of a 501(C)3 non-profit.

The Board of the Taum Sauk Fund was also hand-picked by the Attorney General's Office. They continue their control and hand pick their successors on the board. Not one board member is from Lesterville, the tourism town on Black River, most directly effected. The small percentage of funding allocated has gone to the board members' cronies and pet projects not located here in the "effected area". To date, they have only granted funds on the interest generated by the original funding. The rest of the money sits there "invested" for "their grandchildren and future generations", as several board members have stated. Those board members who have attempted to do the right thing have been thwarted at every turn. The settlement was for "tourism and economic development in the area directly effected by the reservoir breach", as the Taum Sauk Fund articles and by-laws clearly dictate. Because of the closing of Johnson's Shut-ins and the pollution to the crystal clear Black River, the tourism and related businesses in the region suffered tremendous financial losses and have for years. Several have since been forced to close their doors, unable to weather the storm.

During the reconstruction of Johnson's Shut-ins and the reservoir, many tons of rock and concrete were crushed in to fine sand at the sites. Over this time period, when high water occurred (a normal part of the seasonal changes in the river), over 6 feet of sand was deposited along the beaches and property owners downstream from the reconstruction. All the tourism businesses, float businesses and campground owners spent small fortunes to bring in heavy equipment operators to remove masses amount of sand covering their properties in order to conduct business. Even though this has never happened before or since in the history of Black River, Ameren refused to admit any responsibility and their insurance representatives followed suit. Those that made claims were denied. I for one, had to spend over \$20,000 one year for the removal of Ameren's sand on our property. My claim for reimbursement was denied.

The Lesterville School system was and continues to be funded by the sizeable taxes paid by Ameren (directly related to the reservoir and property owned in Reynolds County). Yes, the Lesterville School system received a sizeable portion of the settlement with the State of Missouri and fine levied by the Federal Energy Regulatory Commission upon Ameren, and rightfully so. For quite some time, rebuilding the reservoir was in doubt. Without the

rebuilding of the reservoir, the school system was in great jeopardy of losing the majority of its funding. But, to me, this does not fall within the definition of "economic development" as the article states, or tourism.

This is the real story behind the story. Ameren was no longer "on the hook" to compensate those directly affected, specifically because of the State's settlement with Ameren. The prevailing attitude is "Poor Ameren, they've paid enough"! Mr. Blank, I respectfully suggest further investigative reporting would be much more interesting to your readers.

Unfortunately, further light shown on the matter will sadly reveal what is all too common in our political/economic system; broken promises by our elected officials who are reliant, dependent upon and controlled by the greedy and powerful corporations and special interest groups who fund their political campaigns to stay in office. What has happened to justice for the "little guy"?

Respectfully submitted,

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