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DISTRICT 21

Senator Bill Stouffer - Cultivating Rural Missouri.

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The Stouffer Report: To Build a Second Power Plant or Not to Build

Save money now, or save it later? This is always a debate when an opportunity comes along for business expansion. Should we cough up the money it takes to build a new facility or save funds now for hard times?

<u>AmerenUE</u> provides electricity and natural gas to millions of customers throughout Missouri and Illinois. Today, Ameren is working to try to build a second nuclear power plant in Callaway County.

<u>Senate Bill 228</u> calls for repealing the existing construction while in progress (CWIP) legislation in order to help AmerenUE build the second plant in Callaway. Construction while in progress simply allows a company to charge customers while building something. Voters outlawed this in 1976.

The current CWIP law prevents charging ratepayers for the cost of constructing a power plant until it is fully operational and ready for service. By repealing this law, it would allow Ameren to charge electric customers for project costs while the power plant is being built. If the law is repealed, ratepayers could see a cost increase immediately. Basically, ratepayers would fund the construction of the plant as it is being built.

Supporters of this bill say although paying for something before you see any outcome may be frustrating, it is more practical to pay gradually than for utility rates to skyrocket when the building is finished. Therefore, it is cheaper in the long run. A second Callaway nuclear plant is also predicted to supply thousands of jobs over several years. With our economy the way it is, it is difficult for many of us to fathom spending more money on utilities than we already are. However,

spending this money now may save us money in the long run.

The opponents of the CWIP law say that the risk for ratepayers is too great a burden to bear. With our economy, many people can hardly afford to pay the bills they have now. Paying for a second reactor would add to this. Under CWIP, ratepayers will pay for all of the investment even though they are not yet reaping the benefits. If the project fails or is abandoned, they will also absorb the loss. Another concern is the safety of the transportation and long-term disposal of the nuclear waste because it is dangerous to the environment.

There have been many e-mails, letters and phone calls to the capitol about Senate Bill 228. Some senators received more than 300 phone calls in one day opposing this bill because they do not want to pay the large amount of money required for the construction of this plant. Others have received letters supporting it. I encourage you to respond with your opinions because, as always, what you think helps us make the right decision.

Senator Stouffer serves the counties of Carroll, Chariton, Cooper, Howard, Lafayette, Macon, Ray, Saline, and a part of Clay.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by e-mail at bstouffer@senate.mo.gov.

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