BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

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In the Matter of:       : Project Number
Taum Sauk Pumped       : No. P-2277
Storage Project       :
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Scoping Meeting held at the offices of the
Department of Conservation, Elm Street Conference Center, 1738 East Elm Street, in the City of
Jefferson City, State of Missouri, on the 12th day of March, 2006, before Julie K. Kearns, RPR, CCR MO,
and CSR IL.
APPEARANCES:

Thomas J. LoVullo
Senior Fisheries Biologist
FEDERAL ENERGY REGULATORY COMMISSION
888 First Street, N.E.
Washington, DC 20426

PANEL MEMBERS:

Mike Menne - VP of Environmental Health Safety,
AmerenUE
Peggy Harding - FERC, Chicago Director
Pete Yarrington - FERC Senior Fisheries Biologist
Frank Calcagno - FERC Division of Dam Safety and Inspections, Senior Engineer
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MR. LoVULLO: Let's get started, please.

Good morning, everyone. Thanks for coming. My name is T. J. LoVullo and I'm with FERC, Federal Energy Regulatory Commission, in Washington, D.C. And before I get started, I'd like to thank the Missouri Department of Natural Resources for providing the venue. It's a very nice facility for us here.

And I'd like to introduce the people with me today from FERC as well as -- well, Ameren is also here and they're going to give a short presentation. I'll go into agenda. I don't know if you picked it up. There is extra copies over at the front there. Just briefly I'll go over this, what's kind of in store for us today.

To my far right is Mike Menne, who is with Ameren. He's the Vice President of Environmental Health Safety. Peggy Harding, who's out of our Chicago regional office -- the Commission has five regional offices and one's in Chicago and Peggy is the director of that office. Pete Yarrington is Senior Fisheries Biologist from Washington, D.C. Frank Calcagno is a Senior Engineer in our Division of Dam Safety and Inspections, and Paul Rizzo, who is a consultant for Ameren.

Before I go into the agenda, we've gotten
a number of calls concerning Part 12 versus relicensing and why this process is going under Part 12. And so I'd like Peggy just to address that very briefly, then I'll talk a little bit about scoping and then the remainder of the agenda.

MS. HARDING: First of all, I'd like to thank you all for coming today. We appreciate the time you've taken from your busy schedules to come and talk with us and we'd like to encourage you to share any concerns or questions that you have with the proposed rebuilding of the upper reservoir.

As T. J. mentioned, my name is Peggy Harding. I'm the Regional Engineer for Dam Safety. I'm in the Midwest region out of Chicago and we will be part of the process as we go forward with the proposed rebuilding.

One of the things that we've seen so far, we've had a number of letters of correspondence from individuals concerned about why this is -- the rebuilding is being done under Part 12 versus as a relicense initiative. Our attorneys in our D.C. office have studied this at length and the short answer is that the dam breached and because it breached, we're going into a rebuilding and this falls under Part 12 or the dam safety portion of the
regulations. So this in a nutshell is why it is being done under Part 12 of the regulations.

What I'd like to do is rather than take a lot of time and belabor the point, I'd like to assure every one of you that have sent letters in that you will get an individual response from the Commission addressing the individual concerns that you had on this matter. And with this I'd like to leave the topic and return it to T. J. and we can begin the meeting. Thank you.

MR. LoVULLO: I notice Andrea Shriver sitting and she's also -- I forgot to mention her earlier. She's with the Federal Energy Regulatory Commission in Washington and Andrea is an ecologist and she'll be working on the environmental document. And that's what brings us here today, the environmental document, the scoping process.

We're here to hear from the agencies, the resource agencies, and time permitting after that, some comments from the general public or from NGOs. Also, tonight there is a meeting in Lesterville, which is principally for the general public. And that's at seven o'clock this evening.

As you noticed, we have a court reporter and all comments will be recorded. The comments
will be provided to the Commission and then we will put them online and they'll be available through the Commission's website. And at the end of today, I'll put up the address for sending in comments as well as for reading other comments that have been sent to the Commission.

As you came in, there was a sign-up sheet. And for the agencies, the first part of the meeting is going to be with the agencies, hearing their comments on a proposed rebuild, and then following that, if there's additional time, we will hear from the NGOs, nongovernmental organizations, and the general public and I will take them in order as they -- as you signed in. And then I'll divide up that time. If there's half hour left and there's 10 people, three minutes or something along that line.

So to begin, any general questions on the process? I realize I'm setting myself up here and opening it up, but any general questions on the process for what's going to happen this morning?

Great. All right. From the list, I can see -- let's see, there's a number of -- of course, the DNR is here and MDC.

And the licensee has been in consultation with all of the state agencies during the
development of their proposal and so there's been a lot of correspondence back and forth and perhaps you've seen that if you've gone into the Commission's website. You can read those comments that have gone back and forth and Ameren's response to some of the concerns expressed by the resource agencies.

So I'm seeing here a lot of -- when you're requesting to make a comment, that the agencies aren't -- is there an agency -- okay. Thank you.

DRU BUNTIN: Well, I think -- and I know we don't want to belabor this point, but I think it's kind of critical as to how the agencies are going to pursue this and that is we had already provided scoping comments on the relicensure process, so I'm trying to understand how -- what issues you're looking to be addressed in this NEPA proceeding versus what we have already submitted on relicensure. I'm Dru Buntin with the Department of Natural Resources.

MR. LoVULLO: When you give a comment or you speak, if you can give your name and your affiliation and if it's just general public, you can just say representing self. So the question was the difference in this NEPA process from the relicensing
which is currently underway.

And in this NEPA process, the document that we're putting together is looking solely at the rebuild proposal and the environmental effects associated with that, environmental being both biological as well as human, the socioeconomic, air pollution, land use, those types of issues. So the NEPA document we're looking at is very focused on the sole issue of the rebuild.

And the comments today, too, that we receive, our request is to hear and to focus us in a direction and to help us look at how to best analyze those environmental concerns coming to the agencies and to the public so that we can hear what you have to say and direct us towards are you looking at this or are you looking at that, and again, in regard to the rebuild of the upper reservoir.

Yes. I was remiss. Thanks, Pete. Before we get to the comments, if there are any, Mike Ameren (sic) is going to talk for a brief moment and then introduce Paul Rizzo with a slide presentation about the rebuild. Then, following that, we'll get into the comments. Excuse me, Mike Menne.

MR. MENNE: Thank you, Mr. LoVullo. Good morning. My name is Mike Menne. I'm Vice President
of Environmental Safety and Health for Ameren and on behalf of Ameren, I would like to thank the Federal Energy Regulatory Commission for holding this important meeting this morning with the agencies and stakeholders involved in the Taum Sauk rebuild project.

It's gratifying to see you all here today to offer your comments and thoughts on the potential environmental impact of the rebuild of the upper reservoir. The information that FERC gathers here today will be critical for how the agency decides what further analysis and study to move forward with to complete an environmental document on the rebuild.

Having said that, I'd like to introduce Mr. Paul C. Rizzo. Paul Rizzo is a three-degree graduate from Carnegie Mellon University, including his Doctorate in Civil Engineering. He's a Registered Professional Engineer in about 40 states including the state of Missouri. He's a specialist in large dams, especially dams in high seismic areas and constructed with roller compacted concrete or RCC dams. He founded Paul C. Rizzo Associates in 1984, a firm that is internationally recognized for dam construction and dam safety expertise.
Mr. Rizzo's firm is the engineer of record and construction manager for the Saluda Dam remediation project in South Carolina. This project won the Outstanding Project and Leadership Award for 2005, which is kind of the profession's equivalent of the Oscar for a civil engineering project. His firm is currently working on dam projects in Georgia, Texas, Peru, Iraq, Madagascar and Kenya and has recently completed dam projects in Chile, Macedonia, Romania and Venezuela.

Rizzo & Associates have been working with Ameren for more than a year. Their task has been not only to evaluate our rebuild options, but to help us understand what happened early on the morning of December 14, 2005. Their guidance and counsel has been invaluable to us over the past 18 months and we really look forward to working with them in the future. I know you'll all be interested in hearing Mr. Paul Rizzo's explanation of our rebuild plans, so without any further introduction, I turn it over to Paul Rizzo.

PAUL RIZZO: Thank you, Mike. I'm going to speak a little bit about the conditions of the damn as it existed prior to December 14, just a few slides on that, and then I'm going to discuss the
rebuild concept. I'm going to focus on a number of details that are different from the two dams and some of the design criteria, such as earthquake criteria, that have been brought up in some of the correspondence with Ameren for the past couple of months.

There will be a lot of pictures, some work slides and for those who are familiar with a little bit about dam construction, I think you'll find it quite interesting and it is a fascinating process. It's a world class project in our profession because of its size and the type of dam that it is.

(Presentation by Mr. Rizzo held off the record.)

PAUL RIZZO: That is the last of my slides, I believe. Yes. Okay. Thank you for your time. We have lots of exhibits in the back that will amplify many of the things I said here today and I'll be back there to answer any questions. Thank you.

MR. MENNE: I guess as we get the lights back on, I just wanted to mention that in association with the rebuild, Ameren did prepare an environmental report. The report was sent to 18 state and federal resource and regulatory agencies
and Indian tribes and over a hundred citizens, park interests, environmental groups from federal, state, local political leaders who represent the Taum Sauk area.

We did receive some comments on the early drafts of this report by Department of Natural Resources and Department of Conservation. The comments that we received from them as well as the report and our responses to those comments was submitted to FERC on February 2 and all of that information has been available and is available on their electronic website.

Subsequent to the time that we submitted that report, we have received and continue to receive some comments from other interested parties that the report was sent to and, in addition, we discussed the report with representatives from the U.S. Army Corps of Engineers and the U.S. Fish and Wildlife Service.

It should be noted that -- I want to reemphasize what Mr. LoVullo said earlier, that the environmental report that we put together strictly covered the environmental impact of the rebuild of the upper reservoir. We did receive some comments that were outside that scope, however, Ameren
intends to respond to all -- all questions and
comments that we had in writing and prepare a
summary of -- we will do that for -- to each of the
individuals or organizations that sent us comments.
We are then preparing a summary of all comments and
our responses to them and that will be submitted to
FERC in the near future. And with that, I'll turn
it back over to Mr. LoVullo.

MR. LoVULLO: Thanks, Paul. That was very
informative. Okay. Now I think I'm back on track
in terms of the comments. We have a couple of
question marks for people who -- with the DNR who
had indicated that they may want to give comments.
And I'll go to Mr. Childers. Do you want to present
a comment? You had a question mark next to your
name.

DOYLE CHILDERS: At this time I don't
believe so. I think probably the comments that we
made earlier through my staff would be appropriate.

MR. LoVULLO: Okay. Anyone else with the
DNR? All right. Let me see.

MR. CALCAGNO: I didn't see any comments.

Go ahead, but I didn't see any.

MR. LoVULLO: All right. I just want to
make sure I get all the agencies first. That's EDU.
Okay. We'll go to the NGOs and the general public. First up is Dave Malan.

DAVE MALAN: Oh, I didn't expect to be called on this early.

MR. LoVULLO: Likewise.

DAVE MALAN: I thought maybe I'd get five minutes at five minutes till 11.

MR. LoVULLO: We do have some time. And we have -- one moment, please.

DAVE MALAN: Sure.

MR. LoVULLO: -- three commenters.

DAVE MALAN: I'm sorry.

MR. LoVULLO: Three commenters. And if somebody would like to comment who didn't initially sign, you're certainly welcome to it. However --

DAVE MALAN: You mean three other nonagency commenters? Okay. But there are no agencies anymore.

MR. LoVULLO: Correct.

DAVE MALAN: No.

MR. LoVULLO: Okay. So given that --

DAVE MALAN: I'm glad I came to this meeting and didn't put all my marbles in the Lesterville basket. Okay.

MR. LoVULLO: I'm not going to -- no, no.
Stay. But I'm not going to divide up the remaining
time. But feel free. Go ahead.

DAVE MALAN: Thank you. Well, first, I
want to say that I appreciate the -- Mr. Rizzo gave
me a few minutes before the meeting to discuss some
very minor details and some of what I had submitted
about 4:30 this morning when I left O'Fallon,
Missouri, I sent an e-mail to a bunch of people. If
anyone would like a copy of that, why see me and
give me your e-mail address, I'll send it to you.

I'm a retired Missouri architect. I've --
my name is David Malan, if anybody didn't hear that.
I've also done a lot of -- I'm an outdoor
enthusiast, primarily hiking and photography. Years
ago I fell in love with the Taum Sauk Johnson's
Shut-Ins area. Two and a half weeks before the
breach, I was hiking down the ravine that became the
so-called Scour Canyon where the water flooded into
the state park. I told a friend that this was a
great creek to hike along in hot, dry weather
because the creek flowed all year round because it
was fed by the leaks from the reservoir. That kind
of becomes the basis of some of my concerns now.

Talking also to Pete Yarrington before the
meeting, some of my comments were kind of something
new to him, so I guess I'll start with that. For about 40 years, everybody that went swimming in Johnson's Shut-Ins was profiting from the fact that every night water was being pumped to the uphill reservoir, some of it was leaking from the reservoir, as I say, even as late as two and a half weeks before the breach when I was in that area. That water entered the Black River above the Shut-Ins and thus raise the water level in the Shut-Ins.

So one of my concerns, it may be very remote, is that by the time the Shut-Ins gets all cleaned up and swimming is resumed and buildings are rebuilt and all that kind of stuff, that at some point somebody may say, "Oh, this isn't as much fun to swim here anymore. The rocks are bigger than they were before."

Well, that will mean -- what that will really mean is that the water level is lower and it will be lower -- now, of course, during heavy rains there will be plenty of water going through there, but in between those rains, the water level is going to be lower because it will not have the leakage that came from the old reservoir.

So at some point someone may think that,
well, maybe we need to talk to Ameren to see if we can get some water released from the reservoir so that we can at least on summer weekends raise the water level in the Shut-Ins and thus bring the people back to the Shut-Ins who got used to swimming there for years and years.

So at that point Ameren would say, "Oh, well, gee, that's going to cost a lot of money. We've got to chop a hole through this new roller compacted concrete dam we've erected. You know, that's going to cost a lot of money. We're going to have to shut the plant down for weeks or months and it's going to cost a lot of money."

So I'm -- I don't know whether I'm urging this to Ameren, to FERC, to both, to the general public, whoever, to see if a little time can't be devoted to seeing what would you do if somebody wants some water later released from the reservoir so it will flow down through this canyon and into the Black River and make swimming as attractive as it was before. If that could be studied a little bit now, perhaps a -- some kind of a stub pipe could be placed through the wall at an appropriate point with all the appropriate shut-off valves and so on so that if the water later is desired to be
released, it won't cost so much money and take so much time to make that happen.

The needs of the swimmers in the Shut-Ins might dovetail very closely with another group. A letter was posted on the FERC electronic library last April from a group of kayakers. I am not a kayaker, so I have no vested interest in this, just as an architect I try to look at the overall needs of everybody that's involved in a project.

Both the people who want to swim in the Shut-Ins and the kayakers, I think, would both be satisfied as a -- you know, if at least some water could be released for a couple of hours on Saturdays and Sundays of summer weekends. The kayakers are primarily younger people who are working or who are in school, so they're not your retired people, like me, who can go down there in the middle of the week.

Swimmers, of course, most of the swimmers are there on the weekend or at least there's so many you have to wait in line to get in sometimes, to get into the state park. So water could be released at noon on Saturdays and Sundays of summer weekends, could serve the needs of both the kayakers and the swimmers.

Now, the kayakers, though, however, who do
pay fees to have water released from other hydroelectric plants in the country, none of which however seem to be pump storage plants, but from regular dams, they pay fees for using, you know, for being -- for having that water released. So they will not be surprised if they are asked to pay a fee for this, but that fee might not be enough to pay for the cost of constructing a course down through this canyon.

At that point, although this is something they may not be too enthused about, but it may help share -- just like they could share the cost of releasing the water with the state park, the swimmers, the cost of building their course could be shared with another group, perhaps people who go skateboarding.

As most of you know, every parking lot in America has a sign that says no skateboarding, so there are probably a lot of frustrated skateboarders who would be just thrilled that during the week when there's no water flowing down this canyon for the kayakers, if that course could be designed, that they could skate down that course. Usually they skate -- by the way, skateboarding started as an activity in empty swimming pools, I found out. The
curvature of a swimming pool, skateboarders started
casting down one side and up the other side, and as
you've seen Tony Hawk do these triple somersaults
and land on his skateboard again, you know, just
amazing. So perhaps the kayakers and the
skateboarders could share the same course.

So -- and a few other things. So there
may be a whole bunch of groups, a whole bunch of
needs that could converge and eventually this could
become a very attractive recreation area. Perhaps
the area could even be used for skiing in the winter
perhaps.

And at some point, if enough activity, a
private entrepreneur may say, "Wow" -- and there's
enough spectators who want to see these
activities -- "I'm going to talk to the state parks
about putting a ski lift maybe up one side of the
canyon and down the other side." So there could be
all kinds of -- this could become an attraction that
might rival some of the other primary attractions in
the state of Missouri. Those are all dreams, but I
wanted to mention those.

In addition to releasing water -- and I
think from what Mr. Rizzo explained to me, he's
already got some things in the plans that would
do -- which we could collect whatever leakage water
does occur from or under or whatever, the new dam
could be channeled to such a place and could be
released down the canyon, even if it's only once a
month, that could provide an additional scenic and
recreational feature and could also flush out the
pools that maybe get a little stagnant in between
rains.

Okay. Is it appropriate to ask for
questions or not?

MR. LoVULLO: No.

DAVE MALAN: Okay. Thank you very much.

MR. LoVULLO: You're welcome. Thank you, sir. Susan Flader.

SUSAN FLADER: My name is Susan Flader. I'm a past president and executive committee member
of the Missouri Parks Association, which is a
citizen organization concerned with protection,
enhancement and interpretation of Missouri state
parks and historic sites. We have about 2400
members statewide.

And I suppose most of my comments have to
do with things that will be deemed outside the
footprint of the current structure. I'm also a
historian in my other life. I teach history at the
University of Missouri and have done some work on the history of this area and of the initial Taum Sauk power plant.

And our major concern is that by foreclosing discussion now of a broader array of issues, we are foreclosing discussion -- we are literally precluding a consideration of other alternatives. And we think that this is particularly unfortunate in view of the history of this project, which never had the kind of public hearings and oversight at the beginning back in the 1960s that it should have had.

This project was built, it was completed and it was put into operation in 1963 without a federal license. There was a suit brought by the Federal Power Commission to challenge that and to argue that this project needed a federal license. It went to the U.S. Supreme Court and the U.S. Supreme Court agreed with the Federal Power Commission in 1965. Then the license was given and it was made retroactive to 1960.

Now we're in a situation where that license is about to expire on June 30, 2010 and if this reservoir is allowed to be rebuilt without considering the broader issues that are at stake in
this area, especially with the extraordinary resources that are much more recognized today than they were back in the 1960s, the extraordinary resources of biodiversity and sheer wildness. This area has become an -- iconic for the best scenery, the best place to go in the Ozarks to appreciate wild Missouri. And we think that issues like that need to be considered and should legitimately be considered as part of the review process.

In addition, this project had a catastrophic failure in 2005. It also, by the way, had been an award-winning dam and it failed catastrophically. We know that it will not be constructed in the way that it was constructed back in the 1960s, but then we didn't know until recently the way that it was constructed back in the 1960s. When I did the research on this, I said -- because I found somewhere in the record that it was built of quarried rock, not rubble.

And we think that there needs to be consideration of the circumstances of this failure which could have resulted in the loss of hundreds of lives at almost any other time of the year. If it had happened on the weekend instead of on a Monday morning, on a very, very cold Monday morning in
December, there would have been more loss of life. Anybody who was in that campground probably would not have gotten out alive.

And we think that that constitutes -- the approval by FERC of the rebuilding of the upper reservoir constitutes a major federal action that calls forth the need for a full, formal, environmental impact statement with adequate review and adequate comment by the public, not just down in Lesterville, but in major cities and around Missouri. We think that must be done. This is a major action and it requires that kind of a process with full public input and discussion.

I think it's particularly sad that we have not heard from any of the state agencies at this meeting today. I don't -- I asked whether DNR had submitted comments or whether they were going to submit comments and I was told they were not submitting comments. Now I learn this morning that they have submitted comments, which I haven't seen.

But we have submitted comments as a part of this process. They were not posted on the FERC website as of Friday when I checked. I don't know how long it takes for things like that to get up. It's been almost a month. And I could go through
some of those -- some of those comments, some of our concerns, even within the rebuild, the footprint of the rebuild.

But our major concern is for the need for a full discussion of issues that go beyond the immediate rebuild of the upper reservoir and consider the larger array of issues that are at stake here. The environmental report did not even mention the St. Francois Mountains natural area or if it did, there might have been one fleeting mention, no discussion of the impact. That is the largest natural area in the state, more than 7,000 acres.

And there is additional land that is owned by Ameren on Church Mountain that ought to be a part of that natural area that has been requested to be a part of that natural area. And the impact of construction alone will have an impact in that area. It may have an impact on the species of conservation concern, it will certainly have an impact on visitor use, unless visitor use continues to be barred from that area, as I understand it still is along the two trails, the Boy Scout Trail and the Taum Sauk Trail, that traversed that area.

I don't believe those trails are open yet
beyond Devil's Tollgate. And I don't know whether
they will be open during the course of construction.
If they are, there will certainly be a major impact.
If they aren't, it will be even more of a major
impact because public access will be barred from the
area.

We are particularly concerned about the
overflow release structure releasing to Taum Sauk
Creek. Taum Sauk Creek is a state outstanding
resource water. It is not in the particular point
on the creek that the release structure would
release overflow to, but that is only because that
is on Ameren's land and the state outstanding
resource water designation was largely limited to
publicly owned land.

But the quality of that stream and the
importance of that riparian -- natural
riparian stream side, which is very unique in the
Ozarks -- most streams have been much more impacted
by sediment over the centuries than that stream has
been. The importance of that stream is such that it
should not be put at jeopardy by this overflow
release structure.

We believe that there needs to be study of
an alternative to release the water so that it goes
directly into the East Fork Black River arm of the reservoir rather than the Taum Sauk Creek arm of the reservoir. And that might help also with the engineering for the water going into Johnson's Shut-Ins that was brought up by the previous speaker. So that doesn't mean that we want it to go down the original scour channel into Johnson's Shut-Ins State Park either, but it could -- there could certainly be consideration of releasing from somewhere on the southwest side of the reservoir.

We are very much concerned about water quality aspects of the construction process. When Ameren drained the reservoir some years ago to put in the lining in order to stop the leaks, this is in the early -- early in this current century, we understand that people who were monitoring along Taum Sauk Creek in East Fork Black River found continual and additional siltation that was resulting from just the relining of the reservoir.

So we think there needs to be particular attention to the problems of water quality and turbidity. Turbidity is very devastating to the sorts of creeks that these are and there needs to be particular attention to that problem and not just written off as, oh, well, that's the inevitable
consequence of doing this kind of a construction project.

We're also concerned about water flow in the Black River, not only in the lower reservoir, but also below the lower reservoir and we share the concern about water in the Shut-Ins. If the dam weren't there at all, the upper reservoir weren't there at all, which of course would be far preferable, we would get along without the additional water in the Shut-Ins, but it might be a good idea to arrange some kind of a way to provide water in low flow periods.

We think that the environmental review needs to have up to 2005 data on water flow that was not present in the original environmental report. It stopped as of September 2002. I don't know why. Did you have a question about that?

MS. HARDING: No.

SUSAN FLADER: And although we heard what seemed like genuine assurances about the planning for eventual possibility of earthquakes in this area of the magnitude of the famed New Madrid earthquakes, we really think that there needs to be an independent panel, seismic panel, convened to deal with seismic safety standards.
Our overriding concern of the Missouri Parks Association in this matter really is that as a condition of the rebuild, we think that Ameren ought to be required to deed its property on Church Mountain and in the Taum Sauk Creek valley to the State for addition to state parks and the St. Francois Mountains natural area in that vicinity.

We think that it is unthinkable for Ameren to go ahead with a second unit on Church Mountain as they had proposed in 2001 and as we understand was included in their report to the Missouri Public Service Commission in 2005 just before the breach of the upper reservoir. We don't know what the time table of that plan is, but in any case, we think that we should foreclose now the possibility of a second unit on Church Mountain and that that ought to be required as a condition of the rebuild.

Your guidelines say that the past, present and reasonably foreseeable future actions are topics that may be discussed and the opportunities for mitigation -- protection mitigation and enhancement are legitimate concerns for this meeting and we think that that Church Mountain reservoir that Ameren has proposed is a reasonably foreseeable future action and that it needs to be foreclosed at
this time and that land deeded to the State of Missouri for management as part of the state park and natural area complex in that area.

I thank you very much.

MR. LoVULLO: Lastly, that has signed up, is Dan, and I can't make out your last name.

DAN SHERBURNE: Sherburne.

MR. LoVULLO: Thank you. Say it again for the court reporter.

DAN SHERBURNE: Dan Sherburne. I'm Research Director for the Missouri Coalition for the Environment. It looks like I have an hour and a quarter; is that right? Perhaps not.

MR. LoVULLO: Fifteen minutes.

DAN SHERBURNE: I can probably do less than that.

MR. LoVULLO: And then if you need additional time -- let's go for 15 minutes --

BECKY DENNEY: Excuse me, but I did sign a list to speak, also. I don't know where your list is, but --

MR. LoVULLO: Here. So, okay, you can go next. So about 15 minutes, please. And then if we have additional time, we'll allow -- if people need to -- if they wish to leave, we will stay here for
the whole allotted time. If people want to come
back up and give additional comments, we will
listen, the court reporter will take it, we'll get
the opportunity for folks that if they want to
leave, they can leave, but we'll start with 15
minutes.

DAN SHERBURNE: Okay. Well, on a flight
to New Orleans I took last week, which of course is
the site of another kind of disaster, I looked out
the window and lo and behold below me was Taum Sauk
in all its glory. It was a truly splendid view.
You could see all the features of the area and all
the relationships of those features.

UNKNOWN SPEAKER: Excuse me, could you
please speak a little louder? I can't quite make
out what you're saying.

DAN SHERBURNE: Okay. I was just talking
about a plane trip. But what you could see was the
dry bowl of the upper reservoir with a hole blown
out in its side. There was a scour carved down the
hillside of Profitt Mountain, now a permanent scar
on the landscape. That emptied into Johnson's
Shut-Ins State Park where the deluge thrust a young
family across the valley and nearly killed them. If
at another time of year, as Professor Flader noted,
people could have been killed there.

As it was it was mostly demolished and covered in sediment, boulders and rebar. Downstream from that is a lower reservoir which is still heavily loaded with sediment. Below that is the East Fork of the Black River where the water is a nasty green in the words of a local resident there. It's well over a year past the event. Not far below that was the town of Lesterville. Had the lower dam failed, it wouldn't have taken long for the waters to have flooded the town.

So in sort of zooming back from that view, you see the facility in its full setting -- of the park, of the town, the surrounding parkland and natural areas of the St. Francois Mountains -- everything that it uses, depends on and affects in one way or another.

This is the context that is addressed in the licensing process. That process requires this kind of holistic view, including the environmental setting, economic and social impacts, competing or alternative uses and interests, the operational history of the facility and a projected need for and use of the energy produced. That view cannot be acquired without comprehensive data collection on
all relevant factors, rigorous review and analysis
of the data and input and comments from agencies and
public on the data and analysis, as well as
alternative uses of the resource. That's why it
takes five years.

The issuance of a license is also an
occasion for setting conditions on the facility in
order to mitigate impacts and protect resources.
That cannot occur in any effective manner without
intimate knowledge of the affected environment and
how the facility's operation could interact with it.
This is why licensing involves a full-scale NEPA
process that addresses the entire footprint of the
operation, reviews the proposed project's potential
impacts and examines alternatives to the proposed
operation. It is a process that must not be
short-circuited.

The relicensing process for the Taum Sauk
plant started in early 2005 with public meetings to
identify issues and concerns. Comments were raised
on a number of issues concerning serious
environmental and economic effects of the operation
of the facility, principally on the East Fork of the
Black River, on the aquatic and riparian habitat it supports and on the businesses and recreational
users who rely upon it.

Much of that had to do with Ameren's practice of stopping flows from the lower reservoir into the East Fork, periodically drying it up, in order to rebuild capacity lost to leakage and evaporation. The Missouri Department of Natural Resources and Conservation Department shortly thereafter began significant data collection efforts in and around the East Fork to better understand the environmental impacts of that practice, which, by the way, was in violation of Ameren's license.

At the same time, Ameren was to produce a series of major studies on the full spectrum of issues relating to the current and proposed operation of the facility. These studies, which are an important component of its application for a new license, were going to be made available to stakeholders for review and comment in 2006. These studies have not been seen and, as far as I can tell, have not been done.

Once the reservoir collapsed, it appears that all that work stopped if, in fact, it ever started. While that's understandable given the immediate needs for a massive cleanup effort, it leaves the relicensing process in question. How is
Ameren possibly going to meet the June 2008 application deadline for which those studies are required? And how then will the entire process, which involves a full-scale NEPA review, be done by the time the current license expires in 2010?

Instead of addressing its licensing requirements and getting that process back on track, and instead of fulfilling its obligations to remove sediment from the lower reservoir and the East Fork and restore habitat in those areas, Ameren has chosen to put its efforts towards pushing for rebuilding the upper reservoir. That will have two major impacts.

First, it will mean that there will be two processes, rebuilding and relicensing, that will require the time and resources of state and federal agencies, as well as interested groups and citizens. Both processes will need to conform to NEPA requirements for input from and consultation with agencies over similar, but not fully overlapping issues. In other words, by working through rebuilding and relicensing separately, there will be a lot of duplication of effort and considerable waste of government time and resources.

The second impact is that the rebuilding
process, coming first, will effectively preempt much
of the analysis and many of the decisions that
should be made in the broader context of
relicensing. It would presume in advance what the
relicensing is to establish, namely whether the
license should, in fact, be reissued and, if so,
what form the reservoir and its operation should
take in context of the entire facility.

A rebuilt reservoir would create facts on
the ground that would be impossible to ignore in
relicensing, restricting data collection and
analysis to the then existing options and precluding
the discussion of alternatives beyond those options.
And those facts would be created after much less
vigorous environmental review before relicensing
than they would receive during relicensing.

Mandatory conditions on the construction
and operation of the reservoir that could have been
imposed during relicensing would no longer be
available to mitigate significant impacts. Not only
would the rebuilding -- not only would rebuilding
the upper reservoir further delay the relicensing
process, it would render much of that process's
purpose and ability to protect resources moot.

The Relicensing process should be brought
back on track with Ameren's considerable resources focused on producing the needed and long-awaited studies in support of its application. Rebuilding the upper reservoir should be addressed in the relicensing so that the proposed plan and alternatives to it may be fully and publicly examined and the best option, in terms of the entire operation, ultimately chosen.

There is too much at stake to put hasty and possibly poor decisions on the ground while crippling the vital relicensing process. And we should not be subjecting state and federal agencies to the demands of two separate NEPA processes given the limited time and resources available to them.

The FERC scoping document invites input into the range of issues and scope of analysis to be covered in its environmental document. Returning to the view from the plane, we believe that any modification or repair of the facility that brings the entire system back into operation has to be addressed holistically.

Certainly once the upper reservoir is rebuilt, the plant will resume its consumption and generation of electricity. Its cumulative effects, then, must include the entire suite of
environmental, economic and social impacts to which
the people and resources of the area would once
again be subject.

In this case, given the remaining and
persistent damage to the East Fork, the scope would
have to be expanded to include impacts on the
restoration efforts themselves. We believe that an
environmental impact statement would be necessary to
address the full range of issues implicated in a
rebuild and thus restart of this facility. We'll
draw attention here to only a few of the issues we
feel should be included in this analysis.

During the initial phase of the
relicensing, there was testimony from local
residents and others that flows from the local
reservoir to the East Fork of the Black River were
intermittently reduced and even shut down, to be
resumed be in surges. Many of the consequences of
this interrupted flow regime are obvious, structural
damage to the stream, alterations of aquatic
vegetation, loss of fish habitat and damage to local
canoe outfitter businesses.

Ameren acknowledges it cannot maintain a
continuous flow or run of river through the lower
reservoir, but must withhold some of the water that
enters the reservoir from the East Fork to maintain water levels in its system. And again, they wish to do so or have that option available to them during the rebuilding process itself. This practice is in violation of its license, however, and has had apparent effects on the river and its users. There needs to be a full assessment of these environmental and economic impacts.

Much of the local economy is based on tourism, including the thousands of visitors to Johnson's Shut-Ins as well as recreational users of the area's trails and rivers. With a shutdown of the Shut-Ins, restrictions on trail use and continuing damage to water quality in the East Fork, local resident -- local restaurants, motels and outfitters have suffered substantially from the loss of visitors. The long-term impacts to the local economy, particularly given the uncertainty of cleanup efforts in the lower reservoir in the East Fork, need to be addressed.

This facility, according to Ameren, uses about 35 percent more energy than it produces. While the price differential between energy used and produced allows Ameren to make a tidy profit on the spot market, the environmental cost of this net loss
of energy, in terms of carbon emissions from the
coal-fired power plants that feed Taum Sauk, needs
to be determined and taken into account in terms of
gauging the plant's real efficiency and impact.

The current operational and environmental
baseline for Taum Sauk is not the functioning
facility covered by its current license. Instead,
it is a reservoir with a hole in it, another largely
filled with sediment and no power generation. The
current no action alternative includes not
rebuilding and decommissioning the facility.

We believe that either the no action
alternative or a new alternative should be -- should
be pursued as well that will look at removal of the
entire facility and restoration of the site. The
analysis of this alternative should address the full
range of its environmental and economic benefits.

We were quite surprised to see that the
Scoping Document did not include public safety as
one of the areas of concern. Certainly impacts to
public safety should be addressed for both the
rebuilding of the upper reservoir and the
relicensing of the facility, particularly given
Ameren's history at Taum Sauk.

The breach of the upper reservoir was not
an act of God, but the outcome of multiple acts of management negligence. The consent agreement with FERC signed by Ameren alleged four violations of notification requirements, seven violations of sound and prudent operation requirements and four violations of its license. All of these were significant in themselves and contributed to the collapse. Together they reveal a long-standing pattern of putting corporate profits well above public well-being.

Until Ameren acknowledges this pattern of disregard for public safety, no one should accept on its face its claim that the reservoir will have a failsafe design. But more important, no one, not FERC, not the State, not the public, should accept the claim that Ameren, in its operations and management decision-making, can be entrusted with public safety.

Quite simply, Ameren should not be allowed to rebuild before establishing its commitment to the public interest in the relicensing process. Instead, the full analysis of the facility that can only come with relicensing should be pursued before any additional construction takes place. Thank you.

MR. LoVULLO: Thank you. And now Becky
Denney.

BECKY DENNEY: When I signed in, I made it hard to read, so it was my fault that it couldn't be read. Yes, I'm Becky Denny. I represent the Missouri Sierra Club and we have commented in the past and our last comments to Ameren on the report that -- the environmental report that they sent out were pretty much what we -- you know, where we still stand on these things.

I did want to -- well, there are a couple of things that have -- you know, I've heard today or haven't heard, actually, because the big thing that I want to mention is that I'm really disappointed that we haven't heard or seen any comments by DNR. They -- I was quite impressed when that relicensing process started because there were some very interesting comments that they had sent out. That was, what, a year and a half or two years ago.

And I was impressed by those comments and very interested, but at this point we -- I haven't read anything or seen anything on the FERC site. And there were comments by MDC, so, you know, at least we know what some of the things that that state agency has worked on, but I would appreciate if those comments were made public at some point.
And the other thing -- another thing, I do want to thank, actually, the fact that in a lot of cases some of these reports have been made public. The Rizzo report was public and, in fact, I appreciate the slides and the description of the dam. I can understand why, if I were an engineer, you know, I would be very interested in the project.

I did have a question there and it's simply maybe I have heard and just don't remember, but the Saluda Dam, I was -- I will find this out later, I'm sure, I don't know what the shape is, if that's the same shape as the Taum Sauk reservoir, a basin-type shape or if that's a dam, you know, across a valley. But I will find that out. But I can understand that it was a -- you know, an important project.

And another thing is that the reports that you've heard today, the two environmentalist groups, I agree essentially with, I think, everything that they've said and even other -- the other comments were talking about recreation and outdoors types of things and how important, you know -- and how much we do value this area and use it. And that also goes on with the fact that this is a conservation opportunity area, this whole project area is in that
area, and it's considered high quality for Missouri and for our animals and plants and geology. Even though we don't have endangered species, we have things that we want to preserve and that have been preserved over a long period of time and this whole area can help with that.

The -- the other -- another thing is that the -- we're -- we believe the process is backwards because there should be relicensing, this should take a while. The normal flow of the East Fork should be -- should be studied, restored and studied, and the lake -- the lower reservoir needs to be restored in some way and we believe that that should, you know, take into consideration a great deal of habitat restoration.

As far as -- we have commented on and do believe that they are -- there should be the overflow of release structure and this should -- you know, this was -- has been a real -- this is where the real problem -- the seriousness may be the collapse of the dam could have been prevented and so there must be one, but on the other hand, we don't see a viable place for that because we don't think it should be flowing into the East Fork and we don't think it should be flowing into the Taum Sauk Creek.
So that -- we think that is a really serious problem.

And again, we think the process is backwards and more study needs to be taken of the East Fork and more study of sediment problems. A very high quality environmental report needs to be done. We found that -- the ones that have been put out to be very lacking in a number of areas.

And I guess the two things that are critical results of this process, which is not specifically the rebuild process, but the whole process in looking at the value of this area and things that we have in the past commented in our letters, one is that Church Mountain and Taum Sauk Creek should be deeded to the State of Missouri, you know, and owned by the State of Missouri because this is a high-quality -- part of a high-quality land and this will protect for the future citizens of Missouri Taum Sauk Mountain State Park and Johnson Shut-Ins State Park and that whole area which should be -- you know, that whole area should be -- has the status of a national park system and we own that, though it's not, you know, simply owned by the nation, but it's -- we're responsible for that as Missourians.
And so that is, you know, a very important area to us and, in fact, I was standing and taking pictures from the -- from the reservoir for my parents and taking pictures of the valley about a month before that happened because they can't get there anymore. But -- you know, to that area at all.

But the -- and the last thing that I -- we want to mention, the Sierra Club, Missouri Sierra Club has stated that we believe that there should be a permanent trust fund set up for the Reynolds County schools. There were some funds from FERC that went to the County and they -- this was a good thing, but this was very inadequate for, you know, the kinds of problems that happened because of the collapse.

And we would -- as I say, we would repeat that we would like a permanent trust fund set up for the County schools. If they're -- you know, if this is part of a settlement from Ameren, that would -- you know, we think that that would be appropriate. If there is some other way of setting this up, simply Ameren pay recompense in some way, then we think that is a very appropriate thing to support the area in this way and we believe that this is
something that we should all be thinking of and to
take care of our future citizens and to take care of
this area. So thank you very much.

MR. LoVULLO: Is there anyone else who --

DRU BUNTIN: Got a question. Dru Buntin
from the Department of Natural Resources. I think,
to explain a little bit of the reticence of the
state agencies to provide comments, there's an issue
that needs to be addressed by FERC and that is we
provided comments in March of 2005 prior to the
breach when the relicensure process had already
begun. Does FERC foresee the relicensure process
being suspended curing this -- this NEPA process
that, as you've explained to us, is confined only to
the rebuild or are these going to proceed on
parallel tracks?

And certainly we have -- we have copies of
the comments that we provided to FERC in March of
2005 and we also can provide those that are
interested with the copies of the comments that we
provided on the environmental report. Certainly
that was not intentional that those not be made
public.

MR. LoVULLO: I'll address that comment.

First of all, we are nondecisional staff and when
the application came to rebuild the upper reservoir, relicensing was already underway. It has not been suspended. However, the purpose of this public meeting and the scoping with the public meeting this evening as well is to further gain insight and comments on the rebuilding aspect of the upper reservoir. So they are proceeding both parallel at this time. Not being the decisional person, perhaps that can change in the future, but right now they're proceeding on parallel tracks.

DRU BUNTIN: Because I might mention that many of the issues that were raised by the speaker -- speakers, such as recreational impacts, in-stream flow, you know, many of those issues were covered in our relicensing comments. So I think the fact that you're not hearing comments has a bit to do with the confusion over how these two tracks are going to proceed in conjunction with one another. What is the current status of the relicensure process or who do we need to address that question to, I guess?

MR. LoVULLO: Okay. The Commission is set up in the Office of Energy Projects. There's three divisions for hydro and then there's also the certificates for pipelines, which is a separate
division. But in hydro, there's three divisions and we have licensing, post licensing and compliance, as well as dam safety. And in the division of licensing, that -- the relicensing of the Taum Sauk project is in that division and that's with Ann Miles. She's the director of that division.

Any other comments that someone would like to make concerning the rebuilding aspect?

KURT SCHAEFER: Kurt Schaefer with the Department of Natural Resources and I just want to make it clear, to follow up on what Dru was just saying, do we need to reincorporate the comments that we made on the relicensure into this proceeding in order to have those on the record?

MR. LoVULLO: If they're applicable, yes. Yes, you do.

KURT SCHAEFER: Then on the record I'm going to go ahead and request that and if we need to submit that in writing, we'll certainly do that as well. But again, I think this stems from the issue of a distinction that we're not quite sure of between the rebuilding and the relicensure. Thanks.

MR. LoVULLO: Whether you provided public comments or you have written comments, you can -- and you wish to provide written comments, you can
file those with the secretary of the commission and
in the public notice as well as the scoping
document, the address is there, but -- do you have
that slide? In case you don't have it.

It's important to put the project number
when you send in comments so that it is associated
with the Taum Sauk project. All the public comments
will be addressed in our environmental document and
they will be -- the transcripts from today's meeting
will be available online as soon as possible.

And to address, someone had mentioned that
they filed comments about a month ago. I'm not sure
what happened with those. If you have them with
you, I can accept them and get them into the record
as well. I will also look into it when I get back.

Any last-minute comments?

DOYLE CHILDER: I noted on your -- on the
instructions here, it gave the number for this, but
it gave it as a slightly different number. It was
just FERC number 2277 rather than this, so if anyone
give that, they might be copying it off this and
it's not the same number.

MR. LoVULLO: Thank you. We are migrating
to a new tracking system and they're going to be
using five digits, so whether it's 02277 or 2277, it
will still go in the same place, but thank you for pointing that out.

MS. HARDING: As far as getting data out of the library, they can use the --

MR. LoVULLO: I'm not sure. You want to say it?

MS. HARDING: As far as looking up comments on our e-library system, the coding under docket number, do not put the zero in there. It's case sensitive, capital P dash 2277, no zero. Otherwise you won't get the project. It's our e-library system, so all the filings made, anything that we've sent out, anything that Ameren's filed in, the comments, that will be how you do it. Now, he's asking for your comments coming in because of the new system, we'll get it correct, but anything on your e-library does not carry that zero and there's no space.

MR. LoVULLO: Peggy reminded me, too, on e-library, there was also a service from the Commission's web page which is FERC, F-E-R-C, dot G-O-V, pretty simple, but there's an opportunity to e-subscribe. And you may e-subscribe for any hydroelectric project that the Commission regulates, as well as the Taum Sauk project. And if you
e-subscribe, you will receive everything that comes in to the Commission that is filed with the Commission and all of our correspondence back to the licensee.

And it's different from being on the mailing list. If you're on the mailing list, you will receive orders and notices only from the Commission. You won't receive any letters, you won't receive what is being filed with the Commission from the licensee.

But if you e-subscribe, every time something is filed under P-2277, you'll get a little pop-up in your e-mail saying something was filed or a letter went out from the Commission. So e-subscribing is probably -- if you want to stay in touch concerning this issue or the project, is a lot better than being on the mailing list.

DAVE MALAN: Does that mean that you then still have to go to the e-library website -- you're not e-mailing each of those people the documents, you're just telling them those documents have just been filed on e-library?

MR. LoVULLO: Correct.

DAVE MALAN: They then have to go to e-library to see them.
MR. LoVULLO: Correct. And you can print it off of there as well. Okay. I want to thank everybody. Anyone else? Peggy.

MS. HARDING: Before we close, I'd like to speak to the comment on public safety. I'd like you all to be aware that we are all very committed to the public safety of the project from the licensee, to the designers, to FERC. Everyone involved is very aware of the need to consider this very important aspect of the project.

Although it was not specifically included in your list of topics, we encourage you, if you have any comments, send them in, they will be considered, but we all are very dedicated and aware of our responsibilities. Thank you.

WARREN WITT: You had a thing on the agenda to talk about tonight's meeting.

MR. LoVULLO: Thank you. We will be going from here to Lesterville where there will be a public meeting going on at the Lesterville High School from seven o'clock until 9 P.M. and, again, the same general forum in terms of a presentation by Mr. Rizzo and then accepting comments from the public as well. Thank you very much for coming.
CERTIFICATION

I, Julie K. Kearns, Certified Shorthand Reporter within and for the States of Missouri and Illinois, DO HEREBY CERTIFY that I was present at the proceedings on the date and at the place aforementioned and that the aforesaid proceedings were had as appears herein, and that this is a true and accurate record of said proceedings.

IN WITNESS WHEREOF, I have hereunto subscribed my name this the 16th day of March, 2007.

______________________________
Julie K. Kearns, CCR, CSR, RPR