

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D. C. 20426

OFFICE OF ENERGY PROJECTS

August 15, 2007

In reply refer to:
P-2277
NATDAM No. MO30041

Mr. Thomas L. Hollenkamp
Chief Dam Safety Engineer
Ameren Services
One Ameren Plaza
1901 Chouteau Avenue
St. Louis, MO 63166-6149

RE: Authorization to Proceed with Construction: Taum Sauk Upper Reservoir
Reconstruction

Dear Mr. Hollenkamp:

I hereby authorize Ameren Services to start construction for the Taum Sauk (Project No. 2277) Upper Reservoir Reconstruction, contingent upon completing the following items:

1. The submittal, review and approval of the final Quality Control and Inspection Program (QCIP) as discussed by our letter dated August 3, 2007.
2. The submittal, review and approval of the final design, plans and specifications which reflect the recommendations of the Board of Consultants (BOC) and previous Federal Energy Regulatory Commission (FERC or Commission) staff's comments on the preliminary design submittals. These documents have been discussed and modified on numerous occasions, and the final modifications must be agreed upon by you, your design consultant, your BOC, and FERC staff. Our review comments as discussed in our August 2 and August 3, 2007 letters should be addressed in the final design, and the Plans and Specifications.
3. Your submittal and our approval of a plan and schedule for refilling the reservoir that satisfies the established engineering and environmental criteria.

Upon awarding the construction contract, we would like to meet with you, your design consultant, the BOC, and the contractor, to make all parties aware of FERC's authority in the construction process. Given the critical nature of this construction with regard to dam safety and public safety, establishing clear lines of

communication prior to construction is essential. We encourage you to obtain all necessary permits as expeditiously as possible.

Commission staff has prepared an environmental assessment (EA) which examined the proposed action as well as staff's alternative. As you know, the draft EA was issued June 7, 2007, for the proposed reconstruction of the upper reservoir, and it was circulated to the public for review and comment. The draft EA was revised in light of comments received, and a final EA was issued August 14, 2007. The final EA is available in the Commission's public files for this proceeding and via eLibrary on FERC.gov.

The final EA identified a potential negative impact to terrestrial and soil resources that could result from clearing and grubbing forested areas for construction staging areas. The deforestation and removal of vegetation in the proposed laydown and staging areas can cause a negative impact to terrestrial resources unless the area is revegetated. Without proper reforestation practices there may be the potential for nuisance or invasive plant species to colonize the area. Reseeding of these areas needs to be done with the goal of restoring the area back to pre-cleared conditions. In order to mitigate for the loss of forest and terrestrial habitat, the final EA recommends that the licensee develop a reforestation plan in consultation with the resource agencies, for Commission approval.

The final EA also indicated that there may be a temporary short-term impact to recreational opportunities during the construction of the upper reservoir. Since the December 2005 failure event, all recreational opportunities at the project have been closed. Although the licensee proposed to keep all recreation amenities closed during construction, there appears to be no reason why a number of the recreational facilities at the lower reservoir cannot be reopened during this period. The final EA stated that limited access to the lower reservoir for fishing, hiking, wildlife viewing, and picnic areas should be available. The final EA recommends that the licensee, in consultation with the resource agencies, should develop a plan, for Commission approval, to provide limited recreational opportunities at the lower reservoir.

Lastly, the final EA recognizes that the licensee and resource agencies are currently completing consultation regarding the wetlands created by leakage from the previous upper reservoir dike and a Flow Management Plan. The final EA recommends that the Flow Management Plan be filed with the Commission for approval to help ensure minimal impacts to resources during construction and refilling periods, and to confirm the results of the licensee's consultation with the resource agencies.

The final EA concluded that the proposed rebuilding of the upper reservoir of the Taum Sauk Project, with staff's recommended mitigation measures, would not constitute a major federal action significantly affecting the quality of the human environment. Enclosed is a list of environmental requirements that are consistent with the recommendations of the final EA and must be complied with during the reconstruction of the upper reservoir.

The authorization for the reconstruction of the upper reservoir is based on the entire record developed by Commission staff, AmerenUE, the independent consultants, and the various entities which have been consulted or have provided comments to the Commission.

Sincerely,

J. Mark Robinson
Director
Office of Energy Projects

Enclosure