

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held at its office  
in Jefferson City on the 31st  
day of July, 1992.

In the matter of the application of Union Electric )  
Company for approval of additional investment manager )  
for the nuclear decommissioning trust fund, for ) Case No. EO-93-11  
approval of investment manager contract, and for )  
approval of amendments to trust agreement. )  
)

**ORDER APPROVING INVESTMENT MANAGER  
AND AMENDMENTS TO TRUST AGREEMENT**

On July 10, 1992, Union Electric Company (UE) filed an Application requesting that the Commission approve: (1) UE's selection of an additional investment manager for its nuclear decommissioning trust fund, (2) the contract with the additional investment manager, and (3) amendments to the trust agreement. The request was made pursuant to 4 CSR 240-2.060 and 4 CSR 240-20.070(4)(A).

UE is a Missouri corporation duly organized and existing under the laws of the State of Missouri, with its principal place of business located at 1901 Chouteau, St. Louis, Missouri 63103, that is engaged in the business of supplying electricity and gas in parts of Missouri. On September 21, 1990 in Case No. EO-91-12, the Commission granted approval of UE's nuclear decommissioning trust fund agreement, which agreement has Boatmen's Trust Company as the fund trustee and sole investment manager. In this Application, UE is not requesting that Boatmen's Trust Company be removed as investment manager for the Missouri jurisdictional funds previously contributed to the fund or for existing and future contributions applicable to the Illinois, Iowa, and FERC jurisdictions. Boatmen's Trust Company will continue to serve as trustee for the entire decommissioning trust fund. In this Application, UE is seeking approval of its selection of Mississippi Valley Advisors, Inc. (MVA) as an additional investment

manager of the fund. UE states that MVA is intended to serve as investment manager for future Missouri jurisdictional contributions, until this fund attains approximately the same value as the one managed by Boatmen's Trust Company. At that point, it is expected that contributions will be alternated between the two funds so that they remain at comparable values.

In selecting MVA as an additional manager of the fund, UE evaluated five prospective firms to serve as the additional investment manager. UE used six major criteria in this evaluation: (1) management fees, (2) investment philosophy, (3) risk, (4) experience of personnel, (5) performance, and (6) amount of tax-exempt securities under management. UE determined from the evaluation that MVA was the best choice for the position.

UE has attached a contract with MVA to its Application, marked as Enclosure A, for which it requests Commission approval.

UE also has attached to its Application as Enclosure B, the present trust fund agreement with Boatmen's Trust Company and as Enclosure C, the "Amendment" to the said trust fund agreement. The Amendments recognize additional investment managers in the trust fund agreement as well as clarify that inspection and audit expenses incurred by the trust will be paid by the trust.

On July 27, 1992 the Commission's Staff (Staff) filed its recommendation approving UE's Application in full.

The Commission, upon consideration of the Application with Enclosures A, B, and C, and the Staff's recommendation, determines that it would be reasonable for UE to have an additional investment manager for its decommissioning trust fund in that diversification will be the result, which should lower the overall risk for the decommissioning trust fund. The Commission further finds that the criteria and evaluation methodologies used by UE in its selection process were reasonably intended to arrive at the best choice for the additional trust fund manager. The Commission further finds that MVA is a reasonable choice

and that the contract between UE and MVA attached to the Application as Enclosure A is in proper form. The Commission further finds that the Amendments to the decommissioning trust fund agreement attached as Enclosure C to UE's Application are proper in that they provide for the additional investment manager to the fund and provide for reasonable inspection and audit expenses.

IT IS THEREFORE ORDERED:

1. That the Amendments attached to Union Electric Company's Application as Enclosure C, which amend Union Electric Company's nuclear decommissioning trust fund attached to its application as Enclosure B, are hereby approved.

2. That Union Electric Company's selection of Mississippi Valley Advisors, Inc., as an additional investment manager of its nuclear decommissioning trust fund is hereby approved.

3. That Union Electric Company is hereby authorized to enter into the investment management contract attached to its Application as Enclosure A with Mississippi Valley Advisors, Inc.

4. That this order shall become effective on the 11th day of August, 1992.

BY THE COMMISSION

*Brent Stewart*

Brent Stewart  
Executive Secretary

(S E A L)

McClure, Chm., Perkins and  
Kincheloe, CC., concur.  
Mueller and Rauch, CC., absent.