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3. Applicant has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment, or decision has occurred within three years of the date of this Application, except for the appeal of its 2012 rate case, Case No. ER-2012-0166, which is currently pending in the Court of Appeals for the Western District of Missouri, Case No. WD75980.

4. Applicant has no overdue annual report or assessment fees.

II. REQUEST FOR AUTHORITY TO SELL COAL AND LEASE PLANT PROPERTY

5. This Application seeks approval by the Commission pursuant to Section 393.190.1 RSMo. for the sale of an initial approximately **[REDACTED]** tons of Powder River Basin coal and **[REDACTED]** tons of Illinois Basin coal from Applicant's coal pile at the Sioux Energy Center to GS RC Sioux, LLC ("GS RC"), a wholly owned subsidiary of the Goldman Sachs Group, Inc., and continued sales of coal for the Sioux Energy Center for the remainder of the

term of the transaction between Applicant and GS RC, described further below. The coal will either be sold at the mine or out of inventory, but in either case at a price that is equal to the cost for the month at the delivery point for the specific type of coal that is being sold. GS RC will refine the coal using a proprietary process (known as "Cycleclean") designed to reduce emissions from the coal, and then resell the coal back to Ameren Missouri at the same price for use at the plant. In addition, Ameren Missouri seeks authority to lease a small portion of its plant site to GS RC so that GS RC can place coal refinement facilities on the site during the term of this transaction. The coal refinement equipment is owned by Clean Coal Solutions/AM-S, LLC ("Clean Coal Solutions"), but it will be utilized by GS RC for coal refinement.

6. This transaction has been designed to qualify under Internal Revenue Code Section 45, which authorizes a tax credit for the use of "refined coal." Tax credits are available if during the required testing there is at least a 20% reduction in nitrogen oxide ("NOx") emissions and at least a 40% reduction in either sulfur dioxide ("SO2") or mercury emissions. In order to comply with the applicable Internal Revenue Code provisions, the coal must be sold to a coal refiner (in this case GS RC), refined, and then bought back by Ameren Missouri for use in power generation. GS RC is responsible for demonstrating the test results satisfy Internal Revenue Code standards, and for all costs associated with the process including the cost of refinement equipment, labor, materials, and testing. Certification test results from the Sioux Energy Center in May 2013 met the IRS emission reduction targets for both mercury and nitrogen oxide emissions.

7. Ameren Missouri, as the host utility, will receive payments of **[REDACTED]** per month for the site license fee from GS RC over a period of approximately 8 years, as well as a fee for coal yard services of **[REDACTED]** per month, with annual inflation index adjustments

applicable to each payment. It is expected that this program will produce revenues of approximately **[REDACTED]** annually, with a total estimated benefit over the term of the contract of **[REDACTED]**. Ameren Missouri will pay no capital or other costs for the installation of the facilities, or any operating costs associated with the Cyclean process.

8. Ameren Missouri has also negotiated an option to purchase a membership interest which would allow it to own an equity interest in the coal refining facilities. However, if Ameren Missouri chooses to exercise that option, prior to exercising the option Ameren Missouri commits to making a presentation to the Commission and the parties to this case explaining its decision to do so.

9. Copies of the executed documents underlying the described transaction are attached hereto as Appendix A. These documents consist of a Coal Purchase Agreement, a Refined Coal Sale Agreement, a Refined Coal Facility and Coal Yard Site License Agreement, a Coal Yard Services Agreement, an Option Agreement for Purchase of Membership Interest Agreement, and a Security Agreement with GS RC; a parental guarantee with Goldman Sachs Group, Inc.; and two agreements with Clean Coal Solutions—an agreement that will be triggered if Ameren Missouri decides to exercise the option to purchase a membership interest, and an agreement giving Ameren Missouri the right to purchase the equipment upon termination of the transaction. Amendments to certain agreements are also included in Appendix A.

10. The Commission previously approved a very similar transaction for Ameren Missouri's Rush Island Energy Center in File No. EO-2012-0146 in its *Order Regarding Application for Approval of the Sale of Coal for Refinement and the Lease of Property at the Rush Island Plant*, issued December 7, 2011. In that proceeding, the Commission imposed the

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following conditions, all of which would be acceptable to Ameren Missouri as modified to fit this transaction:

- a) No ratemaking determination is being made in this order relative to the sale of coal and the lease of a portion of the property of Ameren Missouri at the Rush Island Plant over [the term of the transaction].
- b) No ratemaking determination is being made in this order regarding the exclusion of the per-ton handling and license fee in the Company's FAC.
- c) Ameren Missouri shall notify the Commission at least 30 days prior to exercising the Option Agreement for Purchase of Membership Interest.
- d) Prior to exercising the Option Agreement for Purchase of Membership Interest, and as soon as practical once the decision is made to take the action, Ameren Missouri shall make a presentation to the Commission and the parties to this case explaining their decision to exercise this Option.
- e) Should Ameren Missouri exercise the Option Agreement for Purchase of Membership Interest it shall identify any assets it acquires from that agreement, including, but not limited to, any tax credits.
- f) Ameren Missouri shall not sell, transfer or encumber any tax credits it may receive as a result of exercising the Option Agreement for Purchase of Membership Interest. The phrase "sell, transfer or encumber" encompasses the term "assignment" as used in the Option Agreement.
- g) If Ameren Missouri decides to suspend, terminate or otherwise modify the terms of the ...[transaction] agreements..., the Company will notify the Commission and the parties of the changes by filing a notice with the Commission as soon as practical, once the decision has been made to take the action.

File No. EO-2012-0146, *Order Regarding Application for Approval of the Sale of Coal for Refinement and the Lease of Property at the Rush Island Plant*, (Issued December 7, 2011), p. 8.

11. The Commission must approve the proposed transaction if it is not detrimental to the public interest. See 4 CSR § 240-3.110(1)(D). See also *State ex rel. Fee Fee Trunk Sewer v. Litz*, 596 S.W.2d 466, 468 (Mo. App. 1980) ("The obvious purpose of [Section 393.190] is to ensure the continuation of adequate service to the public served by the utility. The Commission

may not withhold its approval of the disposition of assets unless it can be shown that such disposition is detrimental to the public interest.” (citing *State ex. rel. City of St. Louis v. PSC*, 335 Mo. 448, 73 S.W.2d 393, 400 (Mo. banc 1934)).

12. The proposed sale of the coal and lease of property will cause no detriment to the public interest, and in fact will benefit the public since mercury and perhaps other emissions from the Sioux Energy Center will be reduced by the Cyclean process performed by GS RC. Moreover, payments made by GS RC to Ameren Missouri will offset plant operations and maintenance expenses, to the benefit of Ameren Missouri and its customers.

13. The proposed sale of the coal and lease of the property should have no impact upon the tax revenues of the political subdivision in which the assets are located.

III. MOTION FOR EXPEDITED TREATMENT

14. Pursuant to 4 CSR 240-2.080(14), Ameren Missouri respectfully seeks expedited treatment of this matter and requests that the Commission act as soon as possible, but in any event by July 17, 2013. Ameren Missouri engaged in lengthy negotiations with the counterparties to the agreements underlying this transaction to ensure that its interests and its customers’ interests would be fully protected, and this Application is being filed as soon as it reasonably could have been under the circumstances. Circumstances that delayed the Company’s ability to file this Application until now include GS RC’s need to obtain a Private Letter Ruling from the Internal Revenue Service and the completion of contract amendments to the originally negotiated agreements. Ameren Missouri met with the Commission Staff and Office of the Public Counsel regarding this transaction prior to making this filing, and the Company is serving all parties to its most recent rate case, Case No. ER-2012-0166, with this filing. This request is nearly identical to a request previously approved by the Commission for

the Company's Rush Island Energy Center and as the Commission indicated in its Order approving that transaction relating, no hearing is required. There is good cause for the Commission to expedite its approval of this application, so that the environmental and financial benefits of this transaction can be realized as soon as reasonably possible. Because of the limitations in the federal tax laws, the term of this transaction is limited to September 13, 2021. Each day that goes by reduces the value of this transaction for Ameren Missouri, its customers and the general public. Further, there will be no negative effect on Ameren Missouri's customers or the general public if the Commission acts by the date requested.

WHEREFORE, Ameren Missouri respectfully requests that the Commission approve the sale of an initial amount of **[REDACTED]** tons of Powder River Basin coal and **[REDACTED]** tons of Illinois Basin coal in the coal pile at the Sioux Energy Center to GS RC Sioux, LLC, continuing sale of coal for refinement during the term of the proposed transaction, and the lease of property at the Sioux Energy Center pursuant to a program under which tax credits will be authorized, as more fully described herein.

Respectfully submitted,

/s/ Thomas M. Byrne

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**ATTORNEYS FOR
UNION ELECTRIC COMPANY
d/b/a AMEREN MISSOURI**

VERIFICATION

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

MIKE G. MUELLER, being duly sworn on oath, deposes and says that he is the Vice President of Energy Trading and Fuels Commodities of Union Electric Company d/b/a Ameren Missouri, that he has read the foregoing Application, knows the contents thereof, and that the information contained in that application is true and correct to the best of his knowledge and belief, and that he has proper authority to verify the Application.

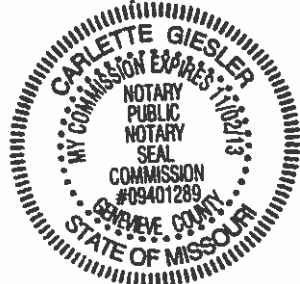
UNION ELECTRIC CO. d/b/a AMEREN MISSOURI

BY: 
MIKE G. MUELLER

Subscribed and sworn to before me, the undersigned Notary Public in and for the county and state aforesaid, on the 28 day of May, 2013.


Notary Public

My Commission expires:



CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the public version of the foregoing Application has been e-mailed, this 28th day of May, 2013, to all counsel of record in Case No. ER-2012-0166. In addition, a true and correct copy of the Highly Confidential version of the foregoing Application has been e-mailed to the Commission Staff and the Office of the Public Counsel.

/s/ *Thomas M. Byrne*
Thomas M. Byrne

APPENDIX A

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- 1) Sioux Coal Purchase Agreement (March 22, 2012)
- 2) Sioux Coal Purchase Agreement – Amended & Executed (April 17, 2013)
- 3) Sioux Refined Coal Sale Agreement (March 22, 2012)
- 4) Sioux Refined Coal Sale Agreement – Amended & Executed (April 17, 2013)
- 5) Sioux Refined Coal Facility & Coal Yard Site License (March 22, 2012)
- 6) Sioux Refined Coal Facility & Coal Yard Site License – Amended & Executed (April 17, 2013)
- 7) Sioux Coal Yard Services Agreement (March 22, 2012)
- 8) Sioux Coal Yard Services Agreement – Amended & Executed (April 17, 2013)
- 9) Sioux Option Agreement for Purchase of Membership Interest (March 22, 2012)
- 10) Sioux Security Agreement (March 22, 2012)
- 11) Sioux CSS - Letter Agreement re Refined Coal Production Facility (March 22, 2012)
- 12) Sioux CSS - Purchase Right Agreement (March 22, 2012)
- 13) Sioux Option Agreement – Amended & Executed (April 17, 2013)
- 14) Sioux CCS & UEC Purchase Right Agreement – Amended & Restated (April 2013)

****ALL DOCUMENTS IN APPENDIX A ARE HIGHLY CONFIDENTIAL**

**THE
REMAINDER
OF
APPENDIX A
IS HIGHLY
CONFIDENTIAL
IN ITS ENTIRETY**