

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union)	
Electric Company d/b/a Ameren Missouri for)	
an Order Authorizing the Issuance and of up to)	Case No. EF-2012-0463
\$550,000,000 Aggregate Principal)	
Amount of Additional Long-Term Indebtedness.)	

RESPONSE TO STAFF RECOMMENDATION

COMES NOW Union Electric Company d/b/a Ameren Missouri (Company or Ameren Missouri), and in response to *Staff's Recommendation to Partially Approve Union Electric Company's Application to Issue Debt Securities Subject to Conditions (Staff Recommendation)*, respectfully represents and states:

1. On June 29, 2012, Ameren Missouri filed an application seeking authority to issue and sell certain new long-term indebtedness, which would be used to refinance other long-term indebtedness bearing higher interest rates. Ameren Missouri asked for the Missouri Public Service Commission (Commission) to issue an order on the request no later than August 1, 2012.

2. On July 20, 2012, the Commission Staff (Staff) filed its *Staff Recommendation*, which recommended approval of the request to refinance long-term debt, but which recommended that the Commission deny the request to give Ameren Missouri the option to use some or all of the proceeds to refinance short-term debt. The *Staff Recommendation* also contained seven conditions the Staff requested the Commission impose on its approval.

3. It is apparent from the *Staff Recommendation* that Staff is concerned that Ameren Missouri might refinance some of its short-term debt in a manner that the Staff suggests would allow the proceeds of Ameren Missouri's debt issuances to provide financial support to Ameren Corporation's unregulated Illinois generating company, Ameren Energy Generating Company

(the Staff Recommendation refers to this entity as GenCo). Given the concern voiced in the *Staff Recommendation*, although believing the concern to be without foundation or credibility,¹ Ameren Missouri is withdrawing that part of its Application that requested the option to use some of the proceeds of the requested debt issuance to refinance short-term debt. Consequently, Ameren Missouri requests that the Commission treat this Response as an amendment to its *Application* to the extent necessary to remove any request for permission to use the proceeds from this financing to redeem a part of the Company's short-term debt. The primary purpose of this financing was never to redeem short-term debt, and the Company only included that request in the event that the tender offer was not as successful as expected and the Company had a sizable short-term debt balance. However, the potential advantages of redeeming short-term debt with these proceeds do not justify prolonging this financing case and perhaps delaying a Commission order approving the financing.

5. Amending the *Application* to remove the request to have the option to use the proceeds to refinance portions of its short-term debt also renders the concern voiced by Staff² moot. Moreover, it renders two of the conditions requested by Staff (the second and the fourth conditions) moot because both of them related to that part of the *Application* relating to the short-term debt refinancing request

6. Ameren Missouri accepts the remaining conditions with one exception respecting condition seven. This is because condition seven requests information which is as equally available to Staff as it is to Ameren Missouri and because the condition is open-ended in terms of

¹ The Company's Application, verified by Ameren Missouri Assistant Treasurer Ryan J. Martin, indicated that it would not use the proceeds from this financing for any purpose other than repayment of Ameren Missouri's prior indebtedness and outstanding current short-term *Ameren Missouri* debt.

² On page two of the pleading to the Staff Recommendation, Staff stated that the Commission "rejected and ruled against" the Company's position on providing a capitalization schedule for short term debt redemption in Case No. EF-2009-0226. Staff's statement is incorrect. Contrary to this assertion, the Commission did not reject anything in that case. The Staff filed a recommendation and the Company accepted the recommendation. The Commission was not called upon to settle any disputed issue.

how long it should remain in place. Ameren Missouri is willing to agree to a condition that requires it to provide current credit rating agency reports published on Ameren Missouri, Ameren Corporation or GenCo's corporate credit quality or the credit quality of securities issued by those entities as well as any report published between now and the date the Company executes the proposed financing transactions. It is not, however, appropriate to require Ameren Missouri to provide these documents, especially for an affiliate over which it has no control, on a permanent basis.

WHEREFORE, for the foregoing reasons, Ameren Missouri respectfully requests the Commission to issue its order deeming the Company's *Application* to be amended to remove the request for authority to have the option to use the proceeds of this financing to repay short-term debt, and:

- (i) Authorizing the Company to issue and sell up to \$550,000,000 aggregate principal amount of New Indebtedness at any time during the 1-year period after the effective date of the order, subject to conditions 1, 3, 5 and 6 contained in the *Staff Recommendation* and condition 7 contained in the *Staff Recommendation*, but modified as outlined herein;
- (ii) authorizing the Company to enter into, execute, deliver and perform the necessary agreements, indentures, notes and other documents relative to the New Indebtedness;
- (iii) authorizing the Company to do any and all other things not contrary to law or the rules and regulations of the Commission, incidental, necessary or appropriate to the performance of any and all acts specifically to be authorized in such order; and

- (iv) containing such other provisions as the Commission may deem just and proper.

Respectfully submitted,

/s/ *Wendy K. Tatro*

Wendy K. Tatro, Bar #60261
Associate General Counsel
Union Electric Company
d/b/a Ameren Missouri
P.O. Box 66149 (MC 1310)
1901 Chouteau Avenue
St. Louis, MO 63166-6149
(T) 314-554-3484
(F) 314-554-4014
AmerenMOService@ameren.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on the following parties on the 25th day of July, 2012.

Office of General Counsel
Missouri Public Service Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
GenCounsel@psc.mo.gov

Tanya K. Alm
Missouri Public Service Commission
200 Madison Street, Suite 800
P.O.Box 360
Jefferson City, MO 65102
tanya.alm@psc.mo.gov

Office of Public Counsel
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

/s/ Wendy K Tatro

Wendy K. Tatro