

**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 Issue and Sale of Up to)
\$250,000,000 Aggregate Principal Amount of)
Additional Long-term Indebtedness.)

File No. EF-2015-0202

STAFF RECOMMENDATION

COMES NOW, the Staff Counsel’s Office on behalf of the Staff of the Missouri Public Service Commission and files the Staff Recommendation respecting the February 13, 2015 Application of Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) for an Order authorizing the issue and sale of up to \$250,000,000 aggregate principal amount of additional long-term indebtedness, under Sections 393.180 and 393.200 RSMo., 4 CSR 240-3.120, 4 CSR 240-3.220, and 4 CSR 240-2.060, and respecting the February 13, 2015 Motion of Ameren Missouri for Expedited Treatment under 4 CSR 240-2.080(14). In response, the Staff states as follows:

1. Applicant proposes to use the proceeds from the issue and sale of the New Indebtedness, after deduction of commissions or discounts paid to underwriters in connection with the New Indebtedness, first mortgage bonds or other forms of secured indebtedness (including senior secured debt securities secured by a corresponding series of first mortgage bonds): (1) to pay at maturity \$114,000,000 principal amount of the Applicant’s 4.75% Senior Secured Notes due April 1, 2015, and (2) to refinance short-term debt consisting of commercial paper borrowings issued to investors through a dealer from the Applicant’s commercial paper program and/or borrowings under a credit agreement with various financial institutions under which Applicant is a borrower. First mortgage bonds issued as collateral for other debt shall not count toward the

authorized amount applied for in this proceeding. The borrowings will be used solely by the Ameren Missouri.

2. Ameren Missouri requested expedited treatment so that (a) the Order of the Commission can be issued by March 20, 2015, (b) the Order can be effective no later than March 27, 2015, and (c) Ameren Missouri can thereby finance within a limited window caused by the release dates of Ameren Missouri's earnings report and required Security and Exchange Commission filings. Ameren Missouri also requested that the Commission Order be effective for a one-year term from its effective date.

3. On February 17, 2015, the Commission issued an Order Directing Staff To File Recommendation, and the Commission directed the Staff to file its recommendation no later than March 12, 2005.

4. The Staff recommends that the Commission approve the Application submitted by Ameren Missouri in this case subject to the following conditions:

- (A) That nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, and that the Commission reserve the right to consider the rate making treatment to be afforded the financing transaction and its impact on cost of capital, in any later proceeding;
- (B) That the Company shall file with the Commission within 10 days of issuance of any financing authorized pursuant to a Commission order in this proceeding, a report including the amount of secured indebtedness issued, date of issuance, interest rate (initial rate if variable), maturity date, redemption schedules or special terms, if any, use of proceeds, estimated expenses, and loan or indenture agreement concerning each issuance;
- (C) That the Company shall file with the Commission any information concerning communication with credit rating agencies concerning any such issuance;
- (D) That Ameren Missouri be required to file a five-year capitalization expenditure schedule in future finance cases;

- (E) That Ameren Missouri be required to file in future finance cases whereby the use of proceeds includes the repayment of short-term debt which cannot be linked to the repayment of long-term debt, a schedule that reconciles short-term debt incurred for purposes of long-term capital projects specifically and individually disclosed in quarterly and annual filings with the Securities and Exchange Commission. For those capital expenditures not categorized in Securities and Exchange Commission filings, Ameren Missouri shall provide an aggregate sum of the miscellaneous expenditures; and
- (F) That the Commission's grant of authority shall expire one year from the effective date of the order in this proceeding.

WHEREFORE the Staff recommends that the Commission approve the Application submitted by Ameren Missouri on February 13, 2015 in this case subject to the conditions set out above.

Respectfully submitted,

/s/ Steven Dottheim

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Staff Recommendation* have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 12th day of March, 2015.

/s/ Steven Dottheim