

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 4th day of
March, 2009.

In the Matter of the Application of Union Electric Company,)
d/b/a AmerenUE, for an Order Authorizing the Issue and)
Sale of up to \$350,000,000 Aggregate Principal Amount of)
Additional Long-Term Indebtedness.)
File No. EF-2009-0266

ORDER GRANTING FINANCING APPLICATION

Issue Date: March 4, 2009

Effective Date: March 13, 2009

On January 16, 2009, Union Electric Company, d/b/a AmerenUE, filed an application for authority to issue and sell up to \$350,000,000 aggregate principal amount of additional long-term indebtedness. The indebtedness would be in the form of first mortgage bonds or other forms of secured indebtedness, including senior secured debt securities secured by a corresponding series of first mortgage bonds. On February 18, 2009, AmerenUE supplemented its application by filing its financial statements and capitalization ratios as required by 4 CSR 240-3.120(1)(E) and 4 CSR 240-3.220(1)(E).

AmerenUE proposes to use the loan proceeds from the sale of the new indebtedness to refinance short-term debt which consists of borrowings under credit agreements with various financial institutions, and to pay expenses related to the financing transactions.

The Staff of the Commission filed its verified Staff Recommendation on February 27, 2009. Staff recommends that the Commission approve the application

subject to eight conditions.¹ AmerenUE filed a response stating that it accepts Staff's proposed conditions.

Based on AmerenUE's application and the Staff Recommendation, the Commission will authorize AmerenUE to issue and sell up to \$350,000,000 aggregate principal amount of additional long-term indebtedness in the forms proposed in the application. The indebtedness shall be issued for the purpose refinancing short-term debt and paying the expenses related to the financing transactions. In addition, the authorization shall be conditioned as requested by Staff.

As required by Section 393.200, RSMo 2000, the Commission finds that "the money, property or labor to be procured or paid for by the" issuance of debt as proposed in AmerenUE's application is or will be reasonably required for the purposes as specified in the application and this order. Furthermore, the Commission finds that "such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income."

THE COMMISSION ORDERS THAT:

1. Union Electric Company, d/b/a AmerenUE, is authorized to issue and sell up to \$350,000,000 aggregate principal amount of new indebtedness, as described in its application with the conditions as set out below.

2. Union Electric Company, d/b/a AmerenUE, may enter into, execute, deliver, and perform the necessary agreements, indentures, notes, and other documents relative to the new indebtedness and may do any and all other things not contrary to law or to the rules, regulations, and orders of the Commission, which are incidental, necessary, or appropriate to complete the transactions.

¹ *Staff Recommendation*, filed February 27, 2009, pp. 2-3.

3. The Commission's approval of this application is conditioned upon Union Electric Company, d/b/a AmerenUE's compliance with the following conditions:

A. Nothing in this order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, and the Commission reserves the right to consider the rate making treatment to be afforded these financing transactions, and their effect on cost of capital, in any later proceeding.

B. AmerenUE shall file with the Commission within ten days of issuance of any financing authorized in this order, 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. The interest rate for any debt issuance covered by the application is not to exceed the greater of (i) ten percent or (ii) a rate that is consistent with similar securities of comparable credit quality and maturities issued by other issuers.

D. AmerenUE shall file with the Commission any information concerning communication with credit rating agencies regarding this issuance.

E. The funds acquired through issuance of securities under this application shall be used to refinance AmerenUE's short-term debt as represented in the application.

F. AmerenUE shall first refinance any inter-company affiliate debt if the cost of that debt is higher than other short-term debt AmerenUE has outstanding,

unless AmerenUE has a valid reason for not doing so. In such case, AmerenUE shall file with the Commission an explanation for not doing so. AmerenUE shall report in its Cost Allocation Manual each affiliate transaction event when it borrows money at interest rates higher than available from non-affiliated lenders or pays off non-affiliated debt with lower interest rates than is charged for affiliate debt. Each such transaction shall contain the justification for AmerenUE entering into such a transaction.

G. AmerenUE shall file a five-year capitalization expenditure schedule in future cases involving the refinancing of short-term debt.

H. This grant of authority shall expire one year from the effective date of this order.

4. This order shall become effective on March 13, 2009.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Clayton, Chm., Murray, Davis,
Jarrett, and Gunn, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge