

**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)	<u>Case No. EF-2014-0227</u>
Up to \$350,000,000 Aggregate)	
Principal Amount of Additional Long-term)	
Indebtedness.)	

**STAFF'S RESPONSE TO COMMISSION ORDER
DIRECTING FILING (STATUS REPORT)**

COMES NOW the Missouri Public Service Commission Staff ("Staff"), by and through Staff Counsel's Office, and in response to the Commission's February 18, 2014 *Order Directing Filing*, ordering the Staff to file on March 5, 2014 either a recommendation or a status report indicating when the Staff plans to file a recommendation, states as follows:

1. On February 14, 2014, Union Electric Company d/b/a Ameren Missouri filed an Application for permission and authority to issue and sell up to \$350,000,000 aggregate principal amount of additional long-term indebtedness and a Motion for Expedited Treatment.

2. Personnel for Ameren Missouri and various members of the Staff had a conference call on February 5, 2014 at which time Ameren Missouri advised the Staff of the impending filing of File No. EF-2014-0227 and Ameren Missouri's planned request for expedited treatment. The Staff discussed timing with Ameren Missouri.

3. The Staff submitted Data Requests to Ameren Missouri on February 20, 2014 and a follow-up data request to Ameren Missouri on February 26, 2014. The Staff is still waiting for some information from Ameren Missouri respecting "Ameren." Unfortunately the request for this information lead to some question whether Staff was

referring to “Ameren Missouri” or “Ameren Corp.,” and if “Ameren Corp.” information, why would the Staff be requesting the Ameren Corp. (“Ameren”) information.

4. The reference in the Staff Data Request is to Ameren and the request for the information is because of the interrelated nature of the financings of Ameren Missouri and Ameren. Rating agency assessments of Ameren Missouri’s credit ratings reflect that Ameren’s business and financial risk influence or have a direct impact on Ameren Missouri’s credit rating. In fact, Standard & Poor’s recently upgraded Ameren Missouri’s credit rating because of Ameren’s decision to divest its merchant generation operations. In the fourth quarter of 2013 Ameren Missouri borrowed \$105 million from Ameren because Ameren Missouri had yet to establish its commercial paper program. Ameren Missouri’s cash flows made it possible for Ameren to have access to funds to lend to Ameren Missouri. Ameren Missouri paid Ameren \$460 million in dividends in 2013, which was \$62 million above Ameren Missouri’s earnings of \$398 million. If Ameren Missouri had simply retained \$60 million of the cash it produced, it would have been able to reduce the amount it borrowed from Ameren. Clearly Ameren Missouri is not being financially managed independently of Ameren. The Staff believes it is important to analyze the impact of Ameren Missouri’s requests for financing authority on Ameren’s financial condition since these companies are linked. The Commission just approved an Ameren Missouri – Ameren shared credit facility in File No. EF-2014-0094. The Commission should also note that Staff received and analyzed Ameren financial information in File No. EF-2009-0266. If Ameren Missouri provided to the Staff the information remaining outstanding to Staff’s Data Requests, the Staff should be able to file its recommendation in a matter of days.

5. Also, paragraph 10 of the Ameren Missouri Application indicates that financial statements and capitalization ratios as of January 31, 2014 will be filed with the Commission as soon as they are available, which was anticipated by Ameren Missouri to be on filed or about February 21, 2014. This information was filed just a short while ago along with some additional outstanding information.

WHEREFORE the Staff files its response (status report) to the Commission's February 18, 2014 *Order Directing Filing*.

Respectfully submitted,

/s/ Steven Dottheim

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Staff's Response To Commission Order Directing Filing (Status Report)* have been transmitted electronically to all counsel of record this 5th day of March, 2014.

/s/ Steven Dottheim