

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held by telephone  
and internet audio conference  
on the 9<sup>th</sup> day of September,  
2020.

In the Matter of the Application of Union )  
Electric Company d/b/a Ameren Missouri for )  
an Order Authorizing the Issue and Sale of )  
Additional Long-Term Indebtedness Related )  
to Wind Investments )

**File No. EF-2021-0011**

**ORDER APPROVING APPLICATION FOR FINANCE AUTHORITY**

Issue Date: September 9, 2020

Effective Date: September 19, 2020

On August 11, 2020, Union Electric Company d/b/a Ameren Missouri submitted an application requesting authority to issue and sell up to \$550 million aggregate principal amount of additional long-term indebtedness to partially finance the acquisition of \$1.2 billion worth of wind generation facilities.<sup>1</sup> The acquisitions are scheduled to occur in the fourth quarter of 2020.<sup>2</sup> By issuing and selling the \$550 million of long-term indebtedness, Ameren Missouri will avoid the need to finance the acquisitions with a large amount of short-term indebtedness, which mitigates risk and preserves liquidity.

Ameren Missouri requested expedited Commission approval such that the authority granted would be effective on or before September 26, 2020, and also that the

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<sup>1</sup> Ameren Missouri's application was filed pursuant to Sections 393.180, 393.190, and 393.200, RSMo (2016), and Commission Rules 20 CSR 4240-2.060, 20 CSR 4240-2.080(14), 20 CSR 4240-4.017, and 20 CSR 4240-10.125. Unless otherwise stated, all statutory citations are to the Revised Statutes of Missouri, as codified in the year 2016.

<sup>2</sup> The information regarding the specific wind generation facility acquisitions is contained in File Nos. EA-2018-0202 and EA-2019-0181.

authority remain effective for a one-year term from its effective date.<sup>3</sup> Additionally, Ameren Missouri requested waiver of the Commission's sixty-day notice of case filing requirement.

On August 31, 2020, the Staff of the Missouri Public Service Commission (Staff) filed its recommendation that the Commission approve Ameren Missouri's finance authority request, subject to certain recommended conditions. The Commission directed that any responses to Staff's recommendation be filed no later than noon, September 4, 2020. On September 3, 2020, Ameren Missouri responded with its agreement to Staff's recommended conditions.<sup>4</sup> No other responses were received.

Section 393.190, RSMo, and Commission Rule 20 CSR 4240-10.125 require Ameren Missouri to obtain the Commission's authority to issue debt securities. *In Re Laclede Gas Co. v. Public Serv. Comm'n.*,<sup>5</sup> states that Sections 393.180 and 393.200, RSMo, authorize public utilities to issue long-term financing when necessary for the purposes enumerated in the statute.<sup>6</sup> If Ameren Missouri's request falls within the enumerated purposes and is necessary or reasonably required, the Commission may grant the request.<sup>7</sup>

After review of Ameren Missouri's application and of Staff's recommendations, the Commission concludes that granting Ameren Missouri's request accords with its stated

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<sup>3</sup> Motion for Expedited Treatment, Request for Waiver, and Application for Financing Authority, filed August 11, 2020, para. 19.

<sup>4</sup> Included in its September 3, 2020, filing, Ameren Missouri supplemented its application to add the resolution of the Board of Directors as required under 20 CSR 4240-10.125(1)(D).

<sup>5</sup> 526 S.W.3d 245 (Mo. App. W.D. 2017).

<sup>6</sup> "The power of gas corporations, electrical corporations, water corporation, or sewer corporations to issue stocks, bond, notes and other evidences of indebtedness and to create liens upon their property situated in this state is a special privilege, the right of supervision, regulation, restriction and control of which is and shall continue to be vested in the state, and such power shall be exercised as provided by law and under such rules and regulations as the commission may prescribe." Section 393.180, RSMo.

<sup>7</sup> *In re: Laclede Gas Co.v. Mo. Pub. Serv. Com'n.* 526 S.W.3d 245 (Mo. App. 2017).

purposes, that the financing authorization proposed in the application is or will be reasonably required for those stated purposes, and that such purposes are not in whole, or in part reasonably chargeable to operating expenses or to income. The Commission, accordingly, finds that the request satisfies Section 393.200, RSMo. Ameren Missouri's request for financing authorization will be granted subject to Staff's recommended conditions which were agreed to by Ameren Missouri.

Finally, the Commission will grant Ameren Missouri's request for waiver of the sixty-day case filing notice requirement under 20 CSR 4240-4.017. The Commission finds good cause exists for waiver based on Ameren Missouri's verified declaration that it had no communication with the Commission regarding substantive issues likely to arise in this file within 150 days before filing its application.

In order to accommodate Ameren Missouri's unobjected-to request for expedited treatment, the Commission will make this order effective in less than thirty days.

**THE COMMISSION ORDERS THAT:**

1. The sixty-day notice of case filing requirement is waived for good cause found pursuant to 20 CSR 4240-4.017(1)(D).

2. Ameren Missouri's request for financing authorization is granted subject to Staff's recommended conditions, set out as follows:

1. Nothing in this Order shall be considered a finding by the Commission of the value of this transaction for rate making purposes. The Commission reserves the right to consider the rate making treatment to be afforded the financing transaction and its impact on cost of capital, in any later rate proceeding;
2. Ameren Missouri 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. In addition, the Company shall also provide any analyses performed to determine that the terms for the debt it decided to issue were the most reasonable. The analysis should include, but is not limited to, indicative pricing information provided by investment banks;

3. Ameren Missouri shall file with the Commission any information concerning communication with credit rating agencies concerning any such issuance;
  4. Ameren Missouri shall file with the Commission as a non-case related submission in EFIS under "Resources" - "Non-Case Related Query" - "Ordered Submission" any credit rating agency reports published on Ameren Missouri's or Ameren's corporate credit quality or the credit quality of its securities;
  5. Ameren Missouri shall file a five-year capitalization expenditure schedule in future finance cases;
  6. Ameren Missouri shall 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
  7. The Commission's grant of authority shall expire one year from the effective date of the order in this proceeding.
3. Ameren Missouri is authorized to execute all documents and take all actions necessary for the above-described transactions.
4. This order shall become effective on September 19, 2020.
  5. This file may be closed on September 20, 2020.



**BY THE COMMISSION**

A handwritten signature in dark ink, reading "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and  
Holsman CC., concur.

Hatcher, Regulatory Law Judge