

**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 Additional Long-Term Indebtedness            )

**Case No. EF-2021-0176**

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through undersigned counsel, and for its *Staff Recommendation* in this matter hereby states:

1. On March 26, 2021, Union Electric Company, d/b/a Ameren Missouri (“Ameren”) filed an application with the Commission seeking permission and authority to issue and sell up to \$650 million aggregate principal amount of additional long-term indebtedness, as outlined under Sections 393.180 and 392.200, RSMo, as well as Commission Rules 20 CSR 4240-10.125, 20 CSR 4240-2.060, 20 CSR 4240-2.060, 20 CSR 4240-2.080(4), and 20 CSR 4240-4.017.<sup>1</sup>

2. Ameren indicated in its application that proceeds will be used to “fund capital expenditures and/or refinance short-term debt consisting of commercial paper borrowings and potentially money pool borrowings and/or credit facility borrowings.”<sup>2</sup> This includes the amount of Ameren’s short term debt as of March 25, 2021, which is \$193,150,000.<sup>3</sup>

3. Ameren further requested expedited approval of its application on an expedited basis, by April 28, 2021, so that it may implement the requested financings on or before May 12, 2021.

---

<sup>1</sup> Amended Application, pg. 1, filed April 19, 2021.

<sup>2</sup> *Id.*, pg. 5, para. 10.

<sup>3</sup> *Ibid.*

4. On March 30, 2021, the Commission ordered Staff to respond expeditiously by filing either a recommendation or, in the alternative, a status report stating when Staff plans to file its recommendation, no later than April 16, 2021.

5. Following Staff's review of Ameren's application, Staff and Ameren held a brief meeting on April 15, 2021 concerning the impact of Section 386.300, RSMo, and the potential need to charge fees for any amounts over the \$193,150,000 of Ameren's short-term debt as of March 25, 2021.

6. Staff sent follow-up data requests on April 15, 2021, to address its concerns. Ameren also informed Staff that it would file an amended application to further clarify its request.

7. Following these discussions with Ameren, Staff informed the Commission that it would file its recommendation in this matter no later than April 23, 2021, to give Ameren time to respond to Staff's data requests, file an amended application, and to ensure that the Commission had the necessary time to issue an order on the amended application by Ameren's requested date of April 28, 2021.

8. On April 19, 2021, Ameren filed an amended application and responses to Staff's data requests.

9. Staff has reviewed Ameren's initial application filed on March 26, 2021, the amended application filed on April 19, 2021, as well as responses to various data requests, and has summarized its conclusion in its *Memorandum*, attached hereto as Appendix A, and incorporated by reference.

10. Section 393.200, RSMo (2016) and Commission Rule 20 CSR 4240-10.125 require Ameren to obtain the Commission's authority to issue debt securities.

11. When reviewing financing applications, Staff applies the standard of “not detrimental to the public standard.”

12. Consistent with Section 393.200, RSMo, the proposed issuance of debt securities is or will be reasonably required for the purposes specified in Ameren’s application, and that such purposes are not in whole, or in part, reasonably chargeable to operating expenses or income.

13. Staff has verified that Ameren’s projected capital expenditure plan supports the need for the \$650 million long-term debt, and concludes that the proposed transaction, as outlined in the amended application filed April 19, 2021, is not detrimental to the public interest, subject to the imposition of certain conditions as outlined herein and within Appendix A.

**WHEREFORE**, Staff recommends the Commission determine that Ameren’s amended application, as filed on April 19, 2021, is not detrimental to the public interest, and that the Commission approve the application, subject to the following conditions:

1. 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 rate proceeding;
2. That the Company shall file with the Commission within ten (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 the analysis, to include but not be limited to, indicative pricing information provided by investment banks it performed to determine that the terms for the debt it decided to issue were the most reasonable at the time;
3. That the Company shall file with the Commission any information concerning communication with credit rating agencies concerning any such issuance;

4. That the Company 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. That Ameren Missouri be required to file a five-year capitalization expenditure schedule in future finance cases;
6. 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;
7. That the Commission’s grant of authority shall expire one year from the effective date of the order in this proceeding; and
8. That any debt issuance not used for refinancing outstanding short-term debt be subject to a fee payable to the Missouri Public Service Commission, per Section 386.300, RSMo.

Respectfully submitted,

**/s/ Travis J. Pringle**

Travis J. Pringle  
Missouri Bar No. 71128  
Associate Counsel  
Attorney for the Staff of the  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Mo 65102-0360  
(573) 751-4140 (Telephone)  
(573) 751-9285 (Facsimile)  
(Email) [travis.pringle@psc.mo.gov](mailto:travis.pringle@psc.mo.gov)

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all parties and/or counsel of record on this 23<sup>rd</sup> day of April, 2021.

**/s/ Travis J. Pringle**