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 $150,000,000 Aggregate Principal Amount of Additional Long-Term Indebtedness	)))))	**File No. EF-2016-0300**

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its *Staff Recommendation* suggests the Commission approve the Ameren Missouri Motion to Modify Order Approving Application And Request for Expedited Treatment. In support thereof, the Staff states as follows:

1. On April 29, 2016, Ameren Missouri filed an Application for permission and authority under Sections 393.180 and 393.200 RSMo, 4 CSR 240-3.120, 4 CSR 240-3.220 and 4 CSR 240-2.060 to issue and sell, from time to time, in one or more transactions, up to $150,000,000 aggregate principal amount of additional long-term indebtedness.

2. Ameren Missouri proposed to issue and sell the up to $150,000,000 aggregate principal amount of New Indebtedness in one or a combination of the following forms, with such terms and provisions as were subsequently described in its Application: first mortgage bonds or other forms of secured indebtedness (including senior secured debt securities secured by a corresponding series of first mortgage bonds). Ameren Missouri stated, among other things, that the price to be paid to it for the various series of the New Indebtedness would not be less than 92% or more than 100% of the aggregate principal amount thereof.

3. On May 26, 2016, the Staff filed its Staff Recommendation, suggesting that the Commission approve the Application submitted by Ameren Missouri subject to a list of enumerated conditions. On May 27, 2016, Ameren Missouri filed its Response To Staff's Recommendation in which it stated it agreed to the conditions provided for in the Staff's Recommendation of May 26, 2016.

4. On June 1, 2016, the Commission issued an Order Approving Application stating in "Orders: 1 - Union Electric Company d/b/a Ameren Missouri's application filed on April 29, 2016, is granted subject to the conditions recommended by the Commission's Staff . . ."

5. On June 13, 2016, Ameren Missouri filed a Motion To Modify Order Approving Application And Request For Expedited Treatment. Ameren Missouri stated that "[it] finds that market conditions have changed such that it may be able to issue the New Indebtedness at a price to be paid to [Ameren Missouri] that would be greater than 100% of the aggregate principal amount." The maximum price approved by the Commission in its June 1, 2016, Order Approving Application is 100%. Ameren Missouri requests a modification to the June 1, 2016, Order Approving Application in order that Ameren Missouri may issue the New Indebtedness at a price paid to Ameren Missouri that will not be less than 92% of the aggregate principal amount thereof, but does not set a maximum price.

6. Attached as Exhibit 1 is the Staff's Memorandum Recommendation which suggests approval of Ameren Missouri Motion to Modify Order Approving Application And Request for Expedited Treatment. The Staff's Memorandum Recommendation states, in part:

> . . . Ameren Missouri has encountered more favorable capital market conditions than those anticipated at the time it specified it did not anticipate issuing the debt at more than 100% of par value. The lower capital costs may allow Ameren Missouri to issue the same amount of debt at higher price to par, which would result in a lower cost of debt to Ameren Missouri and eventually to ratepayers. Consequently, relaxing this specified term in the Application and granted in the Commission's Order Approving Application may benefit ratepayers.
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> For the above reason, Staff recommends the Commission approve the Ameren Missouri Motion to Modify Order Approving Application and Request for Expedited Treatment that limited the price of the bonds to 100% of par value.

WHEREFORE the Staff recommends that the Commission approve the Ameren Missouri Motion to Modify Order Approving Application And Request for Expedited Treatment.

Respectfully submitted,

/s/ Steven Dottheim
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 14th day of June, 2016.

/s/ Steven Dottheim

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EF-2016-0300, Union Electric Company, d/b/a Ameren Missouri

FROM: David Murray, Financial Analysis

/s/ David Murray 06/14/2016	/s/ Steven Dottheim 06/14/2016
Project Coordinator / Date	Staff Counsel's Office / Date

SUBJECT: Staff Recommendation to Approve Union Electric Company's, d/b/a Ameren Missouri ("Ameren Missouri"), Request to Modify the Order in File No. EF-2016-0300.

DATE: June 14, 2016

COMMENTS:

On June 13, 2016, Ameren Missouri filed a request for the Commission to Modify its Order Approving Ameren Missouri's Application assigned File No. EF-2016-0300. The Commission stated in its June 1, 2016 Order Approving Application "Orders: 1 - Union Electric Company d/b/a Ameren Missouri's application filed on April 29, 2016, is granted subject to the conditions recommended by the Commission's Staff . . ." Ameren Missouri has encountered more favorable capital market conditions than those anticipated at the time it specified it did not anticipate issuing the debt at more than 100% of par value. The lower capital costs may allow Ameren Missouri to issue the same amount of debt at higher price to par, which would result in a lower cost of debt to Ameren Missouri and eventually to ratepayers. Consequently, relaxing this specified term in the Application and granted in the Commission's Order Approving Application may benefit ratepayers.

For the above reason, Staff recommends the Commission approve the Ameren Missouri Motion to Modify Order Approving Application and Request for Expedited Treatment that limited the price of the bonds to 100% of par value.

Exhibit 1

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application for an Order Authorizing the Issue and Sale of Up to $150,000,000 Aggregate Principal Amount of Additional Long-Term Indebtedness	)))))	File No. EF-2016-0300

AFFIDAVIT OF DAVID MURRAY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW DAVID MURRAY and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

DAVID MURRAY

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 14th day of June, 2016.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2016
Commission Number: 12412070

Notary Public