

**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) **File No. EF-2023-0151**

STAFF RECOMMENDATION

COMES NOW Staff of the Missouri Public Service Commission, by and through counsel, and for its Staff Recommendation in this matter submits the accompanying Memorandum and in support thereof respectfully states as follows:

1. On January 5, 2023, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) submitted an application, pursuant to Sections 393.180 and 393.200, RSMo., 20 CSR 4240-10.125, 20 CSR 4240-2.060, 20 CSR 4240- 2.080(14), and 20 CSR 4240-4.017, requesting authority to issue and sell up to \$500,000,000 aggregate principal amount of additional long-term indebtedness (“New Indebtedness”) to fund capital expenditures and/or refinance its short-term debt.

2. The Company also requested waiver of the 60-day notice requirement under 20 CSR 4240-4.017(1)(D) and expedited treatment of its application in accordance with 20 CSR 4240-2.080(14) so that the Commission’s order will become effective no later than February 26, 2023.

3. By its order issued on January 5, 2023, the Commission directed Staff to file a recommendation no later than February 1, 2022, regarding Ameren Missouri’s application.

4. As discussed in detail in the accompanying Memorandum, Staff recommends that the Commission approve the application submitted by Ameren Missouri, 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 thirty (30) 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 be given authority to enter into agreements in order to use, at its discretion, derivative instruments such as interest rate swaps, treasury locks, forward-starting swaps, caps, collars or other derivatives, to manage the risk associated with interest rate fluctuations and other financial exposures that may occur before the issuance of the New Long-Term Debt;
4. That the Company shall file with the Commission any information concerning communication with credit rating agencies concerning any such issuance;
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 Ameren Missouri provide a certified copy of the resolutions of Applicant's Board of Directors prior to financing;
8. Should any proceeds from the issuance and sale of the New Indebtedness exceed the Applicant's short-term debt balance on the date prior to issuance and be used to fund near-term capital expenditures, Ameren Missouri will pay appropriate fees to the Commission; and
9. That the Commission's grant of authority shall expire three years from the effective date of the order in this proceeding.

WHEREFORE Staff recommends the Commission issue an order approving the application submitted by Ameren Missouri, subject to the conditions set forth above, on an expedited basis, and waiving the 60-day notice requirement under 20 CSR 4240-4.017(1)(D).

Respectfully submitted,

/s/ J. Scott Stacey

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 25th day of January, 2023.

/s/ J. Scott Stacey