

Missouri Public Service Commission

Respond Data Request

Data Request No.	0555
Company Name	Office of the Public Counsel (OPC)-(All)
Case/Tracking No.	ER-2022-0337
Date Requested	2/16/2023
Issue	Rate of Return - Cost of Capital (Equity/Debt)
Requested From	David Murray
Requested By	Jeff Keevil
Brief Description	Leverage
Description	On page 16, line 9-10, in his Rebuttal Testimony, Mr. Murray stated, "There is no reason Ameren Missouri's capital structure should be less levered than Ameren Corp's capital structure." (1) Please provide evidence of this statement. (2) Please explain what would be proper reasons that Ameren Missouri's capital structure should be less levered than Ameren Corp's capital structure. Requested by: Seoung Joun Won (Seoungjoun.won@psc.mo.gov).
Response	(1) Ameren Missouri's consolidated business-risk profile is based on a pure-play regulated natural gas and electric utility company (100% of its assets are regulated utility operations). Ameren Corp has a similar business-risk profile as Ameren Missouri (in fact approximately 50% of Ameren Corp's assets are its ownership in Ameren Missouri), in that its subsidiaries are predominately 100% regulated electric and gas utility companies. In fact, S&P assigns the same "Excellent" business risk profile ("BRP") to Ameren Corp and Ameren Missouri. Under S&P's methodologies, companies with equivalent BRP's can incur similar amounts of financial risk (i.e. the use of debt) and maintain the same credit profile. (2) The only rational reason Ameren Missouri's capital structure should be less levered than Ameren Corp's capital structure is if Ameren Missouri's BRP is riskier than Ameren Corp's BRP.
Objections	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **ER-2022-0337** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Office of the Public Counsel (OPC)-(All)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Office of the Public Counsel (OPC)-(All)** and its employees, contractors, agents or others employed by or acting in its behalf.

Security :	Public
Rationale :	NA