

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EF-2022-0164, Union Electric Company d/b/a Ameren Missouri

FROM: Randall T. Jennings, Financial and Business Analysis Division

/s/ Seoung Joun Won 05/31/2022
Financial & Business Analysis / Date

/s/ Jeff Keevil 05/31/2022
Staff Counsel's Office / Date

SUBJECT: Staff Recommendation concerning whether the information in the Notice of Filing Compliance Items and the accompanying attachments comply with the Commission's Order.

DATE: May 31, 2022

COMMENTS:

Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri," "Company," or "Applicant"), a subsidiary of Ameren Corporation, is a Missouri corporation with its principal office and place of business at One Ameren Plaza, 1901 Choteau Avenue, St. Louis, Missouri 63103. The Applicant is in the business of providing electricity and gas utility services in portions of Missouri as a public utility under the jurisdiction of the Commission.

On February 3, 2022, Ameren Missouri submitted an application, pursuant to Sections 393.180 and 393.200, RSMo., requesting authority to issue and sell up to \$525 Million aggregate principal amount of additional long-term indebtedness ("New Indebtedness") to fund capital expenditures and/or refinance its short-term debt. However, any proceeds from the issuance and sale of the New Indebtedness in an amount that exceeds the Applicant's short-term debt balance on the date prior to issuance will be used to fund near-term capital expenditures.¹ At the time of application, the Applicant stated its short-term debt as of February 3, 2022 was ** [REDACTED]

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On February 28, 2022 Staff filed a recommendation including seven (7) 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;

¹ Ameren Missouri Application, Page 9 Paragraph 16.

² Ameren Missouri Application, Page 5 Paragraph 11.

** **Denotes Confidential Information** **

2. That the Company shall file with the Commission within thirty (30) days of issuance of any financing secured by the Mortgage Indenture 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 MO’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. Fee will be filed if the New Indebtedness is an amount that exceeds the Applicant’s short-term debt balance on the date prior to issuance or will not be used to discharge, refund or retire outstanding indebtedness; and
7. That the Commission’s grant of authority shall be limited to \$525 million and shall expire one year from the effective date of the order in this proceeding.

On March 9, 2022, the Commission issued an Order Approving Application for Financing Authority incorporating the seven conditions listed above.

On April 29, 2022, Ameren Missouri filed a Notice of Filing Compliance Items, along with certain items purported to be in compliance with the enumerated conditions of the Commission’s March 9, 2022, Order Approving Application for Financing Authority.

On May 4, 2022, the Commission issued its Order Directing Staff to File Recommendation on Financing Compliance (“Order”) in which the Commission directed Staff to file, no later than May 13, 2022, a recommendation as to (1) whether the information in Ameren Missouri’s Notice of Filing Compliance Items and the accompanying attachments comply with the Commission’s Order Approving Application for Financing Authority and (2) whether this file is ready to be closed.

On May 11, 2022, Staff filed an Initial Response stating that after reviewing the documents submitted by Ameren Missouri on April 29, 2022, the file should not be closed at that time due to Staff having additional questions for Ameren Missouri and pending data requests not being due until after May 13, 2022.

On May 13, 2022, the Commission issued its Order Extending Time to File Recommendation granting Staff an extension of time to June 13, 2022 to file a status report or a recommendation as to (1) whether the information in Ameren Missouri's Notice of Filing Compliance Items and the accompanying attachments comply with the Commission's Order Approving Application for Financing Authority issued on March 9, 2022, and (2) whether this file is ready to be closed.

On May 16, 2022, May 18, 2022 and May 23, 2022, Ameren Missouri responded to data requests submitted by Staff for additional information. After reviewing the documents submitted, Staff has determined the status of the following seven conditions:

1. Ameren Missouri is not required to submit anything to ensure compliance as this statement applies to future rate cases,
2. Ameren Missouri has met the terms of compliance by submitting a Securities Issuance Summary, Prospectus Supplement, Indicative Pricing Update, Balance sheet, and Daily Liquidity Summary,³
3. Ameren Missouri has met the terms of compliance by submitting copies of communications with credit rating agencies,⁴
4. Ameren Missouri has met the terms of compliance by submitting copies of communications with credit rating agencies,⁵
5. Ameren Missouri is not required to submit anything at this time to ensure compliance as this requirement applies to future finance cases,
6. Ameren Missouri has met the terms of compliance by submitting documentation listing the proceeds from the new indebtedness along with the balances of outstanding indebtedness prior to and after the new indebtedness indicating the proceeds were used to discharge or retire outstanding indebtedness⁶, and
7. Ameren Missouri has met the terms of compliance by submitting documentation listing the proceeds from the new indebtedness as not exceeding \$525 Million and completing the transaction prior to the listed deadline.⁷

RECOMMENDED CONDITIONS:

Staff recommends that the Commission close this file.

³ Notice of Filing Compliance Items and Staff Data Requests 0009 and 0012

⁴ Notice of Filing Compliance Items Attachment 2

⁵ Ibid

⁶ Notice of Filing Compliance Items Attachment 1 Part 1 and Staff Data Requests 0010, 0011 & 0012

⁷ Notice of Filing Compliance Items Attachment 1 Part 1

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

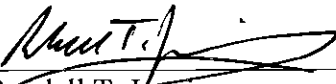
In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for An Order) **File No. EF-2022-0164**
Authorizing the Issue and Sale of Additional Long-Term)
Indebtedness)

AFFIDAVIT OF RANDALL T. JENNINGS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW Randall T. Jennings and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation on Financing Compliance, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

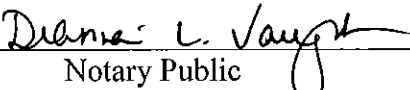
Further the Affiant sayeth not.



Randall T. Jennings

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 31st day of May, 2022.



Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377