



recovery of the Company's undepreciated investment in Rush Island and other Energy Transition Costs related to Rush Island and associated Financing Costs is just and reasonable and in the public interest and may be financed through issuance of the Securitization Bonds.

2. The Company's analysis demonstrates that the use of Securitization Bonds to finance the Energy Transition Costs versus the traditional method of recovery and financing such costs is estimated to produce \$75,809,623 of Quantifiable Benefits.

3. The Company's evidence in this case will also establish that the Company's decision, made in December 2021, to retire Rush Island in lieu of installing expensive pollution control equipment was reasonable and prudent and in its customers' best interest.

4. As discussed in greater detail below, this Petition is supported by pre-filed testimony from ten witnesses, as follows: Mark C. Birk, Jim Williams, Mitchell J. Lansford, Steven Wills, Katrina T. Niehaus, John P. Reed, Steven Whitworth, Matt Michels, Jeffrey R. Holmstead, and Karl Moor.

## **II. GENERAL INFORMATION**

5. Union Electric Company is a Missouri corporation doing business under the fictitious name of Ameren Missouri, in good standing in all respects, with its principal office and place of business located at One Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri 63103. The Company is engaged in providing electric and natural gas utility services in portions of Missouri as a public utility under the jurisdiction of the Missouri Public Service Commission ("Commission"). There is already on file with the Commission a certified copy of Applicant's Articles of Incorporation (See File No. EA-87-105), which is incorporated herein by this reference. The Company's Fictitious Name Registration as filed with the Missouri Secretary of State is on

file with the Commission (See File No. EN-2011-0069). A Certificate of Good Standing is attached as Schedule A.

6. Filing, notices, orders and other correspondence concerning this filing should be addressed to the undersigned counsel and to:

Steve Wills  
Director, Regulatory Affairs  
Ameren Missouri  
1901 Chouteau Ave  
PO Box 66149  
St. Louis, MO 63166-6149  
[swills@ameren.com](mailto:swills@ameren.com)

7. Ameren Missouri has no pending action or final unsatisfied judgment or decision against it from any state or federal agency or court which involves customer service or rates, which action, judgment, or decision has occurred within three years of the date of this Application.

8. The Company has no overdue annual report or assessment fees.

9. The 60-day notice for this filing was submitted on July 28, 2023, in accordance with Section 386.1700.2(3)(a)b.

10. Ameren Missouri requests a Commission decision not later than two hundred fifteen days from the date of the filing of this petition, as provided for by Section 393.1700.2(3)(a)a.

### **III. RUSH ISLAND AND THE PRUDENCE OF DECISION TO RETIRE**

11. As further detailed in the Direct Testimony of Jim Williams, Rush Island is a two generating unit coal-fired generation facility located in Jefferson County, near Festus, Missouri, with a combined net summer capacity of 1,178 megawatts (“MW”). It began operations in 1976 and for resource planning purposes had been assumed to retire in 2039.

12. Rush Island has been the subject of protracted litigation in the United States District Court for the Eastern District of Missouri (“District Court”) with the Environmental Protection Agency (“EPA”) over whether the Company should have obtained a construction permit under the New Source Review (“NSR) provisions of the federal Clean Air Act (“CAA”) prior to completing certain projects during maintenance outages at Rush Island in 2007 and 2010.

13. In 2021, after the completion of Ameren Missouri’s appeal of the District Court’s September 30, 2019 Remedy Order (“Remedy Order”), which required installation of expensive environmental control equipment at the Plant no later than March 2024, Ameren Missouri considered whether it would be in its customers’ best interest to install the equipment contemplated by the Remedy Order or to retire the Plant in the near-term in lieu of such installation. As part of its consideration, Ameren Missouri analyzed the net present value of revenue requirement (“NPVRR”) of installing the equipment and operating the Plant through 2039 versus the NPVRR of retiring the plant in the near-term and avoiding the equipment installation costs. This analysis, addressed in the Direct Testimony of Company witness Matt Michels, made clear that retirement of the Plant was in its customers’ best interest.<sup>3</sup>

14. As discussed in the Direct Testimony of Company witness Mark Birk, in December 2021, Ameren Missouri filed a Motion to Modify the Remedy Order seeking permission to retire Rush Island in lieu of installing the expensive equipment. On August 1, 2023, Ameren Missouri filed a supplemental brief in support of its request to modify the District Court’s ruling, asking the court to approve a specific retirement date, October 15, 2024. On September 30, 2023, the District Court granted Ameren Missouri’s request and modified the Remedy Order to order retirement of the Plant no later than October 15, 2024.

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<sup>3</sup> The Company had also performed such an analysis in its 2020 triennial IRP. That analysis also indicated that it would not be in its customers’ best interest to install such equipment at this stage of the Plant’s remaining life.

15. Section 393.1700.1(7)(a) requires that the Commission find that the retirement of Rush Island is reasonable and prudent. Specifically, the statute provides that "Pretax costs with respect to a retired or abandoned or to be retired or abandoned electric generating facility that is the subject of a petition for a financing order filed under this section [can be financed using securitization] *where such early retirement or abandonment is deemed reasonable and prudent by the commission* through a final order issued by the commission..."<sup>4</sup> As noted earlier, and discussed in the Direct Testimony of Company witness Michels, retirement of Rush Island instead of retrofitting the plant with expensive pollution control equipment is clearly in customers' best interest.

16. Moreover, while the statutory question in this securitization case is whether the retirement decision was a reasonable and prudent one, per section 393.1700.1(7)(a), the Company's evidence -- from the direct testimony Messrs. Birk, Holmstead, Moor, Reed, and Whitworth -- convincingly demonstrates that the Company made decisions that were reasonable, prudent, and in its customers' best interests relating to the circumstances that led to the need for the Company to make a retirement versus retrofit decision in 2021. Simply stated, those witnesses direct testimonies demonstrate the prudence and reasonableness of the Company's actions based upon what it knew or should have known at the time of every relevant decision.

17. While it is true that the outcome of more than a decade of federal court litigation regarding environmental permitting at the plant resulted in a finding that the Company failed to obtain NSR permits when it should have, and ultimately necessitated the retrofit versus retirement decision, any question arising now from that litigation is not whether the federal court determined after-the-fact that the Company's conclusions about the required permits were incorrect. The Court

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<sup>4</sup> Section 383.1700.1(7)(a) (emphasis added).

did make that determination. Any question today is completely different, that is, any question today is whether the Company acted prudently, based on what it knew or should have known at the time without applying hindsight. The Commission itself so stated when it addressed allegations of imprudence in the only other coal plant securitization case decided by the Commission thus far, involving Liberty's Asbury plant, stating:

The standard for the evaluation of whether costs are, or are not, prudently incurred is built on four principles. First, prudence relates to actions and decisions. Costs themselves are neither prudent nor imprudent. It is the decision or action that led to cost incurrence that must be reviewed and assessed, not the results of those decisions. In other words, prudence is a measure of the quality of decision-making, and does not reflect how the decisions turned out. The second feature is a presumption of prudence, which is often referred to as a rebuttable presumption. The burden of showing that a decision is outside of the reasonable bounds falls, at least initially, on the party challenging the utility's actions. The third feature is the total exclusion of hindsight from a properly constructed prudence review. A utility's decisions must be judged based upon what was known or reasonably knowable at the time of the decision being made by the utility. Information that was not known or reasonably knowable at the time of the decision being made cannot be considered in evaluating the reasonableness of a decision and subsequent information on "how things turned out" cannot influence the evaluation of the prudence of a decision. The final feature is that decisions being reviewed need to be compared to a range of reasonable behavior; prudence does not require perfection, nor does prudence require achieving the lowest possible cost. This standard recognizes that reasonable people can differ and that there is a range of reasonable actions and decisions that is consistent with prudence. Simply put, a decision can only be labelled as imprudent if it can be shown that such a decision was outside the bounds of what a reasonable person would have done under those circumstances.<sup>5</sup>

Under these standards, Ameren Missouri's actions were demonstrably prudent.

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<sup>5</sup> *Amended Report and Order*, File No. EO-2022-0193, *citing* In the Matter of Union Electric Company of St. Louis, Missouri, for authority to file tariffs increasing rates for electric service provided to customers in the Missouri service area of the Company, and In the Matter of the determination of in-service criteria for the Union Electric Company's Callaway Nuclear Plant and Callaway rate base and related issues, 27 Mo. P.S.C. (N.S.) 164, 194 (1984), *quoting*, *In re. Consolidated Edison Company of New York, Inc.* 45 P.U.R., 4<sup>th</sup>, 1982.

#### IV. STATUTORY REQUIREMENTS FOR PETITION

18. Section 393.1700.2(1) requires that a Petition for a Financing Order address seven specific topics.<sup>6</sup> Each topic is identified in the table below. The table also indicates where each is addressed in this Petition and in which piece of Direct Testimony.

<b>Statutory Citation</b>	<b>Petition</b>	<b>Supporting Testimony</b>
393.1700.2(1)(a); Description of electric generating facility to be early retired.	Paragraph 11	Jim Williams
393.1700.2(1)(b); Energy Transition Costs.	Paragraphs 19	Mitch Lansford
393.1700.2(1)(c); Indicator of whether Electrical Corporate proposes to finance all or a portion of Energy Transition Costs using Securitized Utility Tariff Bonds.	Paragraph 19	Mitch Lansford
393.1700.2(1)(d); Estimate of Financing Costs.	Paragraph 20	Mitch Lansford
393.1700.2(1)(e); Estimate of the Securitized Utility Tariff Charge.	Paragraph 40	Steven Wills
393.1700.2(1)(f); Comparison of the Net Present Value of Costs to Customers Estimated from Securitized Utility Tariff Bonds versus the Costs of Traditional Method of Financing and Recovery.	Paragraph 39	Mitch Lansford
393.1700.2(1)(g); Proposed future ratemaking process to reconcile any differences between Securitized Utility Tariff Costs and final Securitized Costs incurred.	Paragraph 37	Steven Wills

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<sup>6</sup> This subsection of the statute also requires direct testimony in support of the Petition.

## V. ENERGY TRANSITION AND FINANCING COSTS

19. As of September 1, 2024, the Company estimates it will have \$475,235,629 of undepreciated investment in Rush Island. The undepreciated investment is by far the largest portion of the Energy Transition Costs that Ameren Missouri seeks to finance through the issuance of Securitization Bonds. Other Energy Transition Costs include costs such as decommissioning, materials and supplies inventory, and the costs of the abandoned coal pile, to name a few. The total Energy Transition Costs<sup>7</sup> are \$512,760,332, as detailed in Schedule MJL-D1 to Company witness Lansford's direct testimony.

20. Ameren Missouri estimates that up-front Financing Costs to issue the Securitization Bonds will be approximately \$6,606.609<sup>8</sup> and the estimated annual ongoing Financing Costs to service the Securitization Bonds over the life of the Securitization Bonds will be approximately \$791,883.<sup>9</sup>

## VI. SECURITIZATION PROCESS

21. Instead of the utility financing and recovering the costs that make up the Energy Transition Costs through the traditional recovery method (i.e., in rate cases) using the utility's weighted average cost of capital, the Commission can allow these costs to be financed and recovered through relatively lower cost Securitization Bonds. The Securitization Bonds will be secured by Securitized Utility Tariff Property, as defined in Section 393.1700.1(18) (the "Securitized Property"), which consists in part to an irrevocable right to impose, bill, charge,

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<sup>7</sup> Also referred to herein as "Securitized Utility Tariff Costs."

<sup>8</sup> See Schedule MJL-D3 to Company witness Lansford's Direct Testimony. This estimated amount does not include the Commission's costs.

<sup>9</sup> See Direct Testimony of Mitchell Lansford. Please note that the sum of the Energy Transition Costs (\$512,760,332) and the estimated upfront financing costs (\$6,606.609) are hereinafter defined as the "Securitized Balance".



collect and receive Securitized Utility Tariff Charges (“Charge” or the “Charges”) that are subject to periodic adjustment to correct for any overcollection or undercollections or to otherwise ensure the timely payment of the Securitization Bonds and Financing Costs and other required amounts and charges. The Securitized Property is sold by the utility to a wholly owned, bankruptcy-remote Special Purpose Entity (“SPE”) that issues the Securitization Bonds.

22. The SPE is created for the limited purpose of acquiring and administering the Securitized Property, including the right to impose, bill, charge, collect and receive the Charges and to issue the Securitization Bonds. The securitization process results in the issuance of highly rated Securitization Bonds, typically with a AAA or equivalent rating, which results in a lower cost of capital as compared with traditional methods of financing and recovery. The issuance of the Securitization Bonds will raise sufficient capital to:

- A. Reimburse the electrical corporation for its approved Energy Transition Costs,
- B. Pay the associated up-front Financing Costs related to issuing the Securitization Bonds, and
- C. Maintain the structure to ensure timely payment of debt service on the Securitization Bonds, ongoing Financing Costs and other required amounts and charges with respect to the Securitization Bonds.

23. Several components of the up-front Financing Costs will vary depending upon the size of the final issuance of the Securitization Bonds. The U.S. Securities and Exchange Commission (“SEC”) registration fee and the underwriters’ fees are typically proportional to the amount of a Securitization Bond issuance. Other up-front Financing Costs (such as legal, consulting and accounting fees and expenses, rating agency fees, printing expenses, and trustee costs) will not be known until the Securitization Bonds are issued and final invoices are submitted.

Finally, the costs associated with the performance of the Commission's responsibilities in connection with approving or rejecting this Petition for a Financing Order ("Commission Costs") are also considered up-front Financing Costs under Section 393.1700.1(8) and Section 393.1700.2(4)(a) and will not be known until final invoices are submitted. Accordingly, final up-front Financing Costs will not be known until after the final terms of the issuance of the Securitization Bonds have been established.

24. The Securitization Bonds can be issued in a registered public offering or an unregistered exempt offering. They will be structured to achieve the highest possible credit rating from rating agencies, consistent with flexibility granted by the Commission regarding the terms and conditions of the Securitization Bonds, as contemplated by Section 393.1700.2(3)(c)g and Section 393.1700.2(3)(g). In either case, there will be extensive marketing of the Securitization Bonds to ensure a broad solicitation of potential unaffiliated investors.

25. To the extent that the SPE established in the securitization process, pursuant to Section 393.1700.5(1)(c), may be viewed as an affiliate of Ameren Missouri, the Company requests that the Commission find that its Affiliate Transactions Rule, 20 CSR 4240-20.015 ("Rule"), does not apply under the circumstances of this proceeding. As explained in the Direct Testimony of Company witness Niehaus, the SPE's activities will be restricted to the limited purpose of acquiring the Securitized Property, issuing the Securitization Bonds, and paying principal and interest on the Securitization Bonds to the bondholders. The SPE will be overseen by an independent director or manager to ensure that it only takes actions consistent with its obligations as the holder of the equity interest in the Securitized Property. Alternatively, Ameren Missouri requests that the Commission grant a waiver of the Rule in this case, pursuant to Section

10(A)(1) of the Rule and 20 CSR 4240-2.015 and 2.060(4) for good cause shown, given the nature of the SPE as described above.

26. The structure of the securitization process and the issuance of the Securitization Bonds is described in the Direct Testimony of Company witness Niehaus (see Figure KN-3).

27. To facilitate the securitization, a bankruptcy-remote SPE, which will have purchased the Securitized Property at the time of the issuance of the Securitization Bonds, will issue the Securitization Bonds and transfer the net proceeds from the sale to Ameren Missouri as consideration for Ameren Missouri's transfer of the Securitized Property to the SPE. Therefore, the SPE will be the transferee, purchaser, acquirer, assignee, or pledgee of the Securitized Property. See Section 393.1700.5(1)(c), (e).

28. To maximize the benefits to customers from the securitization, it is necessary to obtain AAA-equivalent credit ratings for the Securitization Bonds. Among the necessary elements to obtain such a credit rating are:

(A) The nonbypassability of the Charges, provided by Section 393.1700.2(3)(c)d;

(B) A true sale of the Securitized Property to a bankruptcy-remote issuer which will be the Company's SPE, as recognized in Section 393.1700.5(3)(a);

(C) A mandatory periodic formula-based true-up mechanism, as provided for by Section 393.1700.2(3)(c)e, to adjust the Charges to ensure the timely payment of Securitization Bond's debt service, on-going Financing Costs and other required amounts and charges;

(D) The requirement that the Commission will not amend, modify, or terminate the Financing Order or otherwise adjust the Charges, except for the periodic true-ups, as required by Section 393.1700.2(3)(f);

(E) The pledge to the Securitization Bonds' holders of the Securitized Property to secure the Securitization Bonds and ensure the timely payment of the Charges, as permitted by Section 393.1700.2(3)(d), as well as Section 393.1700.5(2);

(F) A statutory pledge that neither the State of Missouri nor the Commission may impair the rights of the Securitization Bonds' holders, as provided by Section 393.1700.11(1)(a)-(d);

(G) Provisions for successor servicers and related fees, as discussed by Company witness Niehaus's Direct Testimony, and

(H) A demonstration that the proposed transaction structure is designed to satisfy specific rating agency stress case cash flow scenarios, which is also discussed by Company witness Niehaus.

29. Section 393.1700.2(3)(c) requires that a Financing Order include 14 elements (listed as "a" through "n" in that provision), some of which have been discussed above. The proposed form of Financing Order, attached as Schedule B to this Petition, includes these elements:

(A) The amount of the Energy Transition Costs to be financed using the Securitization Bonds, and a finding that their recovery is "just and reasonable" and "in the public interest." It shall also describe and estimate the amount of Financing Costs that may be recovered through the Charges and specify the period over which the Energy Transition Costs and the Financing Costs may be recovered. [Section 393.1700.2(3)(c)a; Financing Order, p. 30.]

(B) A finding that the proposed issuance of Securitization Bonds and the imposition and collection of the Charge are “just and reasonable and in the public interest.” It must also find that they “are expected to provide qualifiable net present value benefits to customers as compared to recovery of the components of [Energy Transition Costs]... that would have been incurred absent the issuance of [the Securitization Bonds] ....” [Section 393.1700.2(3)(c)b; Financing Order, p. 30.]

(C) A finding that the “proposed structuring and pricing of the [Securitization Bonds] are reasonably expected to result in the lowest [Charges] consistent with market conditions at the time the [Securitization Bonds] are priced and the terms of the financing order.” [Section 393.1700.2(3)(c)c; Financing Order, p. 30.]

(D) A requirement that for so long as the Securitization Bonds are outstanding and until all Financing Costs have been paid in full, “the imposition and collection of [Charges] ... authorized under” the Financing Order “shall be nonbypassable and paid by all existing and future retail customers receiving electrical service from the electrical corporation or its successor or assignees under Commission-approved rate schedules, except for customers receiving electrical service under special contracts as of August 28, 2021, even if a retail customer elects to purchase electricity from an alternative electric supplier following a fundamental change in regulation of public utilities” in Missouri. Ameren Missouri had two customers receiving electrical service under special contracts on August 28, 2021 that need to be excluded from this obligation. [Section 393.1700.2(3)(c)d; Financing Order, p. 42.]

(E) A “formula-based true-up mechanism for making, at least annually, expeditious periodic adjustments” in the Charges, and for making any adjustments “to

correct for any overcollection or undercollection” of Charges or “to otherwise ensure the timely payment of” the Securitization Bonds, Financing Costs, and other required amounts and charges payable under the Securitization Bonds. [Section 393.1700.2(3)(c)e; Financing Order, p. 21.]

(F) A description of the Securitized Property that is created in favor of an electrical corporation, or its successors or assignees, and is used “to pay or secure” the Securitization Bonds and approved Financing Costs. [§393.1700.2(3)(c)f; Financing Order, p. 31.]

(G) A statement of the “degree of flexibility to be afforded the electrical corporation in establishing the terms and conditions” of the Securitization Bonds, “including, but not limited, to repayment schedules, expected interest rates, and other financing costs.” [Section 393.1700.2(3)(c)g; Financing Order, p. 53.]

(H) A statement of how the Charges “will be allocated among retail customer classes.” [Section 393.1700.2(3)(c)h; Financing Order, p. 20.]

(I) A requirement that after the terms of an issuance of the Securitization Bonds have been established and before the issuance of the Securitization Bonds, the electrical corporation determines the resulting initial Charge in accordance with the Financing Order, and that the initial Charge “be final and effective upon the issuance” of the Securitization Bonds “with such Charge to be reflected on a compliance tariff sheet bearing such charge.” [Section 393.1700.2(3)(c)i; Financing Order, p. 8.]

(J) A “method of tracing funds” collected as Charges or other proceeds of the Securitized Property and “determining that such method should be deemed the method of tracing such funds and determining the identifiable cash proceeds of any” Securitized

Property subject to the Financing Order. [Section 393.1700.2(3)(c)j; Financing Order, p. 39.]

(K) A statement specifying a “future ratemaking process to reconcile any differences between the “actual securitized” utility tariff costs financed by the securitized tariff bonds and “the final securitized utility tariff costs incurred...” by the electrical corporation or assignee, provided that “any such reconciliation shall not affect the amount of” the Securitization Bonds or the Charges paid by customers. [Section 393.1700.2(3)(c)k; Financing Order, p. 38.]

(L) A “procedure that shall allow the electrical corporation to earn a return, at the cost of capital authorized” by the Commission “on any moneys advanced” by the electrical corporation “to fund reserves, if any, or capital accounts established under the terms of any indenture” or other agreements “pertaining to the” Securitization Bonds. [Section 393.1700.2(3)(c)l; Financing Order, p. 30.]

(M) A procedure “for the treatment of accumulated deferred income taxes and excess deferred income taxes in connection with the retired or abandoned electric generating facility” [Section 393.1700.2(3)(c)m, Financing Order, p. 28.]

(N) An “outside date, which shall not be earlier than one year after the date the Financing Order is no longer subject to appeal, when the authority to issue” the Securitization Bonds that is granted in such Financing Order “shall expire.” [Section 393.1700.2(3)(c)n; Financing Order, p. 52.]

30. The Financing Order shall also specify the form and contents of the Issuance Advice Letter (“IAL”), described below. See § 393.1700.2(3)(h). A proposed form of the Issuance Advice Letter is attached to the form of Financing Order attached to this Petition as Schedule B.

31. When the actual structure and pricing of the Securitization Bonds are determined, no later than one day after that occurs, an IAL will be provided by Ameren Missouri to the Commission advising of the pricing, terms, and conditions of the Securitization Bonds, as well as the best available estimate of total up-front Financing Costs and an estimate of annual ongoing Financing Costs. The Commission may designate members of its Staff (who may be advised by independent advisors and counsel) to opine on the reasonableness of the pricing, terms, and conditions of the Securitization Bonds on an expedited basis. Neither Staff nor its advisors have authority to direct how Ameren Missouri places the Securitization Bonds to market but the Staff and its advisors are permitted to attend all meetings convened by Ameren Missouri to address the placement of the Securitization Bonds to market. Unless the Commission directs that the Securitization Bonds not be issued in a disapproval letter that is issued prior to noon on the fourth business day after the Commission receives the IAL, the Company may proceed with the issuance of the Securitization Bonds. This process is described in Section 393.1700.2(3)(h), as well as in the Direct Testimony of Company witness Niehaus, p. 36.



**VII. SECURITIZED UTILITY TARIFF CHARGES, PROCESS TO RECONCILE DIFFERENCES, AND DEFERRAL OF BASE RATE IMPACTS AFTER BOND PROCEEDS ARE RECEIVED**

32. Pursuant to a servicing agreement between Ameren Missouri and the SPE, the Company will act as the initial servicer for the SPE of the Charges to be securitized for the Energy Transition Costs. As the servicer, Ameren Missouri will bill, receive, and collect the Charges from its retail customers and will remit these collections to an indenture trustee for each series of Securitization Bonds on behalf of and for the account of the SPE.

33. Ameren Missouri, as the servicer, will be responsible for making any required or allowed true-ups of the Charges, as provided in the Financing Order. The Charges collected by the Company under the servicing agreement will be calculated to ensure the collection of an amount sufficient to make timely payments of principal and interest on the Securitization Bonds and the on-going Financing Costs and other required amounts and charges. The Charges will be allocated to the various customer classes in the manner determined by the Commission and set forth in the Financing Order.

34. The Charges will be billed, received, and collected pursuant to Ameren Missouri's Securitized Utility Tariff Rider (Rider SUR), a draft of which is attached as Schedule SMW-D1 to the Direct Testimony of Company witness Steve Wills.

35. The Company envisions that implementation of the tariff sheets necessary to effectuate the Charge will occur in two steps, as outlined in the Direct Testimony of Steve Wills. In the first step, the exemplar tariff sheets setting forth the Securitized Utility Tariff Rider ("Schedule SUR"), attached as Schedule SMW-D1 to Mr. Wills' Direct Testimony will be ordered to be used by the Commission as a compliance tariff filing made by Ameren Missouri as directed in the Financing Order. Then, in the second step, the tariff sheet setting forth the rate elements of

the Charge applicable to the Company's various customer classes and calculated in the basis of the final pricing, terms and conditions of the Securitization Bonds as detailed in the IAL will be submitted by the Company as a compliance tariff filing at the time it provides the IAL to the Commission. Assuming the Commission allows the Securitization Bonds to be issued, the compliance tariff will become effective as a matter of law on the date the Securitization Bonds are issued, as required by Section 393.1700.2(3)(c)i.

36. To synchronize the collection of the Charges with the first payment on the Securitization Bonds, the Charges will become effective as of the date of the issuance of the Securitization Bonds. Ameren Missouri will make at least annual adjustments to the Charges to (a) correct for any undercollection or overcollection, or (b) ensure the timely payment of the Securitization Bonds, ongoing Financing Costs, and other required amounts and charges payable under the Securitization Bonds, pursuant to Section 393.1700.2(3)(c)e.

37. Because the Company is proposing to include the estimated amounts for certain items in its Energy Transition Costs, like decommissioning and environmental compliance costs which cannot be known precisely in advance, and the upfront Financing Costs are also not known precisely in advance, the Company requests a regulatory account (asset or liability) to reconcile any differences between the estimates provided within this proceeding and the actual costs. An amortization of the balance of the regulatory account will be included in the Company's revenue requirement in future general rate proceedings. Such reconciliation shall not affect the amount of Securitization Bonds or the Charges paid by customers.

38. In order to avoid double recovery of costs relating to the Rush Island Energy Center, the Company requests authority to defer the related amounts included in the revenue requirement used to set customer rates in File No. ER-2022-0337 beginning when the Company receives

proceeds from the securitization financing requested in this petition. The Company quantified the annual amount of costs relating to the Rush Island Energy Center and included in the revenue requirement used to set current general rates at \$74,597,019.

### **VIII. SECURITIZATION BENEFIT TO CUSTOMERS**

39. Section 393.1700.2(1)(f) requires Ameren Missouri to demonstrate that the issuance of the Securitization Bonds and the imposition of the Charges to recover the Energy Transition Costs and Financing Costs “are expected to provide quantifiable net present value benefits to customers.” Accordingly, Ameren Missouri has prepared a comparison of (a) the net present value of the costs to customers estimated to result from the issuance of the Securitization Bonds with (b) the costs that would result from applying the traditional method of financing and reflecting the Energy Transition Costs in customer rates. This analysis can be found in the direct testimony of Mr. Lansford.

40. Ameren Missouri estimates, based on the assumed interest rates discussed by Company witness Niehaus's direct testimony, that the Charges necessary to recover the timely payment of the debt service on the Securitization Bonds and the Financing Costs are \$4,334,773 per month over a period of 15 years or \$780 million over the course of the 15 years.

41. If Ameren Missouri were not relying on the Securitization Law and rather amortized its undepreciated Rush Island amount over a 15-year period of equal length with a carrying charge equal to the Company’s weighted average cost of capital, it would need to recover about \$5 million per month from customers, with such payments totaling approximately \$901 million for the 15-year period. The above figures are expressed in nominal dollars. Expressed in discounted dollars, the issuance of the Securitization Bonds and the imposition of the Charges are

expected to provide quantifiable net present value benefits to retail customers of approximately \$76 million, as summarized in Table 2 below:

**Table 2**

	<b>Securitization</b>	<b>Amortization 15 Years</b>
NPV of total payments discounted at WACC <sup>10</sup>	\$487,682,987	\$563,492,610
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NPV Securitization Benefit	-----	\$75,809,623

42. Company witness Wills explains how the Charges will be allocated among retail customer classes by kWh in his Direct Testimony and in accompanying schedule SMW-DX. Although the exact calculation of the Charges cannot be made until the final terms of the Securitization Bonds are known, the Company estimates that the initial Charge on the monthly electric bill of an Ameren Missouri residential customer using 1,021 kilowatts (“kWh”) of electricity will be \$1.71 per month. The Charge is necessary to ensure the timely payment of the Securitization Bonds, ongoing Financing Costs, and other required amounts and charges payable in connection with the Securitization Bonds over a period of approximately 15 years as discussed in the testimony of Company witness Niehaus. A summary of the estimated charge for each customer class is provided in Table 3:

**Table 3**

Rate Schedule	Avg. Usage (kWh)	Monthly Bill Impact
1(M) - Residential	1,021	\$1.71
2(M) - Small General Service	1,819	\$3.06
3(M) - Large General Service	56,381	\$94.72
4(M) - Small Primary Service	439,209	\$715.91
11(M) - Large Primary Service	4,703,685	\$7,667.01

<sup>10</sup> Agreed upon per the Stipulation and Agreement resolving File No. ER-2022-0337.

**WHEREFORE**, Ameren Missouri respectfully requests that the Commission, no later than 215 days from the date of the filing of this Petition as required by Section 393.1700.2(3)(a)a.:

- a. Grant authorization for the recovery and financing of the Company's Energy Transition Costs related to Rush Island via securitization as provided for by Section 393.1700;
- b. Find that the Company's Energy Transition Costs and up-front Financing Costs are just and reasonable and in the public interest and appropriately financed by debt secured by the Charges;
- c. Find that the retirement of Rush Island was reasonable and prudent;
- d. Issue a Financing Order consistent with the Financing Order attached to this Petition as Schedule B, which addresses the requirements of Section 393.1700, including the elements of Section 393.1700.2(3)(c), and the expectation of credit rating agencies so that the Company may accomplish the proposed securitization transaction;
- e. Approve the proposed Charges;
- f. Approved the proposed Rider SUR;
- g. Find that the Commission's Affiliate Transaction Rule does not apply to the facts of this case or, alternatively, grant a waiver from its requirements pursuant to 20 CSR 4240-10(A)(1) and 20 CSR 4240-2.060(4) for good cause shown; and
- h. Provide such other and further reliefs as the Commission deems appropriate under the circumstances.

Respectfully submitted,

/s/ Wendy K. Tatro

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/s/ James B. Lowery

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**Attorneys for Union Electric Company  
d/b/a Ameren Missouri**

**CERTIFICATE OF SERVICE**

The undersigned certifies that true and correct copies of the foregoing have been e-mailed to Staff and the Office of the Public Counsel, as listed below, on this 21<sup>st</sup> of November, 2023.

General Counsel’s Office  
Missouri Public Service Commission  
P.O. Box 360  
200 Madison Street, Suite 800  
Jefferson City, Missouri 65102  
[gencounsel@psc.mo.gov](mailto:gencounsel@psc.mo.gov)

Office of the Public Counsel  
P.O. Box 2230  
200 Madison Street, Suite 650  
Jefferson City, MO 65102-2230  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)

*/s/ Wendy K. Tatro*

\_\_\_\_\_

Wendy K. Tatro

# STATE OF MISSOURI



**John R. Ashcroft**  
**Secretary of State**

**CORPORATION DIVISION**  
**CERTIFICATE OF GOOD STANDING**

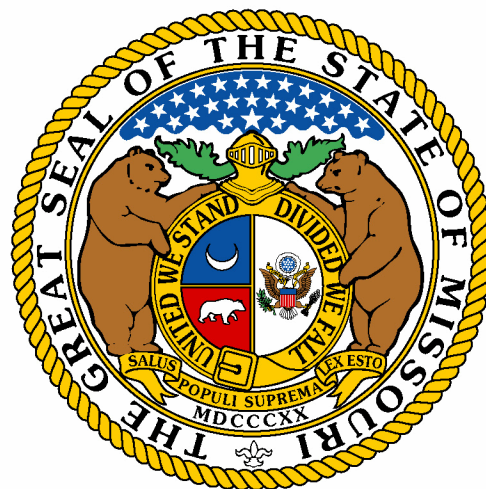
I, JOHN R. ASHCROFT, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

***UNION ELECTRIC COMPANY***  
***00040441***

was created under the laws of this State on the 21st day of November, 1922, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 13th day of June, 2023.

  
Secretary of State



Certification Number: CERT-06132023-0068



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

In the Matter of the Petition of Union Electric            )  
Company d/b/a Ameren Missouri for a                        )  
Financing Order Authorizing the Issuance                ) File No. EF-2024-0021  
of Securitized Utility Tariff Bonds for                    )  
Energy Transition Costs related to                         )  
Rush Island Energy Center.                                 )

**FINANCING ORDER APPROVING ISSUANCE OF  
SECURITIZED UTILITY TARIFF BONDS**

**I.     Procedural History**

On November \_\_, 2023, Union Electric Company d/b/a Ameren Missouri “(Ameren Missouri” or the “Company”) filed a verified petition for financing order seeking authority to issue Securitized Utility Tariff Bonds (“Securitized Bonds”) to finance the recovery of Energy Transition Costs<sup>1</sup> associated with the retirement of one of its coal-fired generating plants, Ameren Missouri’s Rush Island Energy Center (“Rush Island” or the “Plant”). That petition was assigned File No. EF-2024-0021.

The Commission granted intervention to the following parties: [    ]

The parties pre-filed direct, rebuttal, and surrebuttal testimony. An evidentiary hearing was held on [\_\_\_\_], 2024. The parties filed post-hearing briefs on [\_\_\_\_] and [\_\_\_\_].

Rush Island has been the subject of protracted litigation in the United States District Court for the Eastern District of Missouri (“District Court”) with the Environmental Protection Agency (“EPA”) over whether the Company should have obtained a construction permit under the New Source Review (“NSR”) provisions of the federal Clean Air Act (“CAA”) prior to completing certain projects during maintenance outages at Rush Island in 2007 and 2010.

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<sup>1</sup> Capitalized terms not otherwise defined in this Petition have the meaning given them in Section 393.1700.1, RSMO (Cum. Supp. 2023).

In 2021, after the completion of Ameren Missouri’s appeal of the District Court’s September 30, 2019 Remedy Order (“Remedy Order”), which required installation of expensive environmental control equipment at the Plant no later than March 31, 2024, Ameren Missouri considered whether it would be in its customers’ best interest to install the equipment contemplated by the Remedy Order or to retire the Plant in the near-term in lieu of such installation. As part of its consideration, Ameren Missouri analyzed the net present value of revenue requirement (“NPVRR”) of installing the equipment and operating the Plant through 2039 versus the NPVRR of retiring the Plant in the near-term but avoiding the equipment installation costs. This analysis made clear that retirement of the Plant was in customers’ best interests.

In December 2021, Ameren Missouri filed a motion to modify (the “Motion”) the Remedy Order seeking permission to retire Rush Island in lieu of installing the expensive equipment. On August 1, 2023, Ameren Missouri filed a supplemental brief in support of its request to modify the District Court’s ruling, asking the court to approve a specific retirement date, October 15, 2024. On September 30, 2023, the District Court issued its Order granting Ameren Missouri’s request to retire Rush Island by October 15, 2024.

## **II. Description of Securitization**

### **a. Findings of Fact**

1. In connection with the planned retirement of Rush Island, Ameren Missouri seeks to recover Energy Transition Costs associated with the retirement, including the undepreciated investment in Rush Island and any facilities ancillary thereto, costs related to plant closure and decommissioning net of scrap and salvage proceeds, other capital and operating costs, accrued

carrying charges, and deferred expenses, as well as the cost of retiring any existing indebtedness, fees, costs and expenses and pretax costs previously incurred related to the retirement of Rush Island occurring before August 28, 2021, less applicable tax benefits of accumulated and excess deferred income taxes, insurance proceeds, through the issuance of Securitized Bonds pursuant to HB 734, Section 393.1700, RSMo, (Cum. Supp. 2023) effective August 28, 2021 (the “Securitization Law”)<sup>2</sup>.

2. Securitization is a process authorized for the first time in Missouri by the legislature in the 2021 general legislative session with the adoption of the Securitization Law.

3. Securitization is the financing of the purchase of a property right from a utility with the proceeds of securities issued by an entity whose credit quality is separated from that of the utility to attain higher credit ratings and lower financing costs. The utility sells the property right to impose, bill, charge, collect and receive a dedicated charge and other entitlements and property created by a financing order, known as securitization property, to a newly established bankruptcy-remote special purpose entity (“SPE”) in a transaction that is a “true sale” for bankruptcy purposes.

4. A “true sale” transaction passes title, legal and equitable, to a SPE entity so that a bankruptcy court would not be expected to overturn the transaction and declare securitization property to be owned by a debtor utility in the event of bankruptcy and therefore subject to creditor actions.

5. The securitization property will be composed of Ameren Missouri’s rights and interests created under this Financing Order, including the irrevocable right to impose, bill, charge,

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<sup>2</sup> All statutory references are to the Revised Statutes of Missouri, Cum. Supp. 2023, unless otherwise specified.

collect, and receive from Ameren Missouri's retail electric customers the "Securitized Utility Tariff Charge" (as defined herein and also referred to as the "SUTC"), in amounts sufficient to pay principal and interest on the Securitized Bonds when due and ongoing Financing Costs.

6. The SUTC will be paid by all existing and future retail customers receiving electrical service from Ameren Missouri or its successors or assignees.

7. Pursuant to the Securitization Law, Ameren Missouri will transfer the irrevocable right to impose, bill, charge, collect and receive the SUTC and its other rights under the financing order to a newly created SPE to separate the credit rating of the Securitized Bonds from Ameren Missouri's credit rating.

8. The SPE is formed to acquire the securitization property, issue the Securitized Bonds, pledge its assets to the trustee under the indenture, enter into related contracts, and perform other limited activities related to those basic purposes. The SPE is prohibited from engaging in other activities and will have no assets other than the securitization property and related assets. Obligations relating to the Securitized Bonds are the SPE's only significant liabilities.

9. Under securitization, the Commission authorizes the issuance of Securitized Bonds to finance the recovery of certain Energy Transition Costs. Securitization will allow Ameren Missouri to immediately recover Energy Transition Costs from the retirement of Rush Island. The issuance of Securitized Bonds mitigates rate increases that would otherwise be necessary to recover those costs.

10. Securitization saves ratepayers money because the costs of securitization are lower than traditional ratemaking. The interest rate paid on AAA rated Securitized Bonds is lower than the interest rate that would be applied to Ameren Missouri's carrying charges if recovered through

traditional ratemaking.

**b. Conclusions of Law<sup>3</sup>**

A. Ameren Missouri is an electrical corporation as defined in Section 386.020(15), RSMo. (2016).

B. Section 393.1700.2(1), RSMo. allows an electrical corporation, which includes Ameren Missouri, to petition the Commission for a financing order to allow for issuance of Securitized Utility Tariff Bonds to finance Energy Transition Costs for a retired or to be retired electric generating facility, in this case Rush Island.

C. “Energy transition costs” are defined by Section 393.1700.1(7), RSMo. as including all of the following:

- i. Pretax costs with respect to a retired or abandoned or to be retired or abandoned electric generating facility that is the subject of a petition for a financing order filed under this section where such early retirement or abandonment is deemed reasonable and prudent by the commission through a final order issued by the commission, include, but are not limited to, the undepreciated investment in the retired or abandoned or to be retired or abandoned electric generating facility and any facilities ancillary thereto or used in conjunction therewith, costs of decommissioning and restoring the site of the electric generating facility, other applicable capital and operating costs, accrued carrying charges, and deferred expenses, with the foregoing to be reduced by applicable tax benefits of accumulated and excess deferred income taxes, insurance, scrap and salvage proceeds, and may include the cost of retiring any existing indebtedness, fees, costs, and expenses to modify existing debt agreements or for waivers or consents related to existing debt agreements;
- ii. Pretax costs that an electrical corporation has previously incurred related to the retirement or abandonment of such an electrical generating facility occurring before August 28, 2021;

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<sup>3</sup> Issues are divided for purposes of organization and clarity only. Conclusions of law are cumulative; each set of conclusions incorporates conclusions stated for any previous issues, as necessary. Some issues may not require additional conclusions of law.

D. The term “bonds” means Securitized Bonds or securitized utility tariff bonds as defined in Section 393.1700.1(15), RSMo.

E. The term “Securitization Property” means Securitized Utility Tariff Property as defined in Section 393.1700.1(18), RSMo or securitization property.

F. “Securitized utility tariff charge” is defined in Section 393.1700.1(16), RSMo as:

the amounts authorized by the Commission to repay, finance, or refinance securitized utility tariff costs and financing costs and that are, except as otherwise provided for in this section, nonbypassable charges imposed on and part of all retail customer bills, collected by an electrical corporation or its successors or assignees, or a collection agent, in full, separate and apart from the electrical corporation’s base rates, and paid by all existing or future retail customers receiving electrical service from the electrical corporation or its successors or assignees under commission-approved rate schedules, except for customers receiving electrical service under special contracts as of August 28, 2021, even if a retail customer elects to purchase electricity from an alternative electricity supplier following a fundamental change in regulation of public utilities in this state;

G. Ameren Missouri seeks to recover its Energy Transition Costs associated with the retirement of Ameren Missouri’s Rush Island by issuing Securitized Bonds, in this case.

### **III. The Issues**

1. The Securitization Law mandates that the Commission’s order regarding the petitions for securitization authority include certain findings and other provisions. This order will meet all requirements of the statute. Not all of those requirements are contested. The order will first address the issues contested by the parties and then will address the additional statutory requirements that were not contested.

2. [State contested issues as reflected on Issues List, outline Findings of Fact, Conclusions of Law, and the Decision on each contested issue.]

#### **IV. Uncontested Matters**

##### **a. Findings of Fact**

##### *Financing Costs and Amount of Securitized Utility Tariff Costs to be Financed.*

1. The actual amount of up-front Financing Costs of the Securitized Bonds will not be known until the Securitized Bonds are sold and such amounts are approved in the issuance advice letter. The actual amount of certain ongoing Financing Costs relating to the Securitized Bonds may not be known until such costs are incurred.

2. Ameren Missouri will use the proceeds from the sale of the Securitization Property to recover costs incurred as a result of the retirement of Rush Island, consisting of Energy Transition Costs and Financing Costs, in accordance with the Securitization Law and this Financing Order.

3. The proposed structuring and pricing of the Securitized Bonds are reasonably expected to result in the lowest Securitized Utility Tariff Charges consistent with market conditions at the time the Securitized Bonds are priced and the terms of this Financing Order.

4. The Securitized Bonds will be secured by Securitization Property that shall be created in favor of Ameren Missouri or its successors or assignees and that shall be used to pay or secure the Securitized Bonds and approved Financing Costs. The Securitization Property principally consists of the right to receive revenues from the Securitized Utility Tariff Charges.

5. It is appropriate that Ameren Missouri be authorized to establish the terms and conditions of the Securitized Bonds, including, but not limited to, repayment schedules, expected interest rates, and other Financing Costs, except as expressly limited in this Financing Order. The

Staff's designated representatives, financial advisors, other advisors and outside counsel (the "Finance Team") will review the complete terms and conditions of the Securitized Bonds, the calculations of the initial Securitized Utility Tariff Charges, the expected and actual up-front and ongoing Financing Costs, and the net present value calculations set forth in the issuance advice letter.

6. After the final terms of the Securitized Bonds have been established and before the issuance of such bonds, it is appropriate for Ameren Missouri to determine the resulting initial Securitized Utility Tariff Charges in accordance with this Financing Order, and that such initial charges be final and effective upon the issuance of such Securitized Bonds with such charges to be reflected on a compliance tariff sheet bearing such charges that will be submitted to the Commission at the same time as the issuance advice letter.

7. Ameren Missouri proposed a method of tracing funds collected as Securitized Utility Tariff Charges, or other proceeds of Securitization Property.

8. Ameren Missouri shall earn a return, at the weighted average cost of capital ("WACC"), plus applicable federal, state, and local income or excise taxes, as authorized from time to time by the Commission in Ameren Missouri's rate proceedings, on any moneys advanced by Ameren Missouri to fund the capital subaccount established under the terms of the indenture or other financing documents pertaining to the Securitized Bonds. This return shall be included as an ongoing Financing Cost to be paid through the collection of Securitized Utility Tariff Charges.

9. It is appropriate that Ameren Missouri shall be authorized to issue Securitized Bonds pursuant to this Financing Order for an "effective period" commencing with the date of this Financing Order and extending 24 months following the date on which this Financing Order



becomes final and no longer subject to any appeal. If, at any time during the effective period of this Financing Order, there is a severe disruption in the financial markets of the United States, it is appropriate for the effective period to be extended in consultation with the Finance Team to a date which is not less than 90 days after the date such disruption ends.

*Issuance Advice Letter*

10. As the actual structure and pricing of the Securitized Bonds will be unknown at the time this Financing Order is issued, prior to the issuance of the Securitized Bonds, Ameren Missouri will provide an issuance advice letter to the Commission following the determination of the final terms of the Securitized Bonds no later than one day after the pricing of the Securitized Bonds. The issuance advice letter will include total up-front Financing Costs for the issuance. The form of such issuance advice letter, which shall indicate the final structure of the Securitized Bonds and provide the best available estimate of total ongoing Financing Costs, is set out in Appendix A to this Financing Order. The issuance advice letter shall report the initial Securitized Utility Tariff Charges and other information specific to the Securitized Bonds to be issued, as required under this Financing Order. The issuance advice letter will demonstrate the quantifiable net present value savings from the issuance of the Securitized Bonds as compared to the traditional method of financing. Ameren Missouri may proceed with the issuance of the Securitized Bonds unless, prior to noon on the fourth business day after the Commission receives the issuance advice letter, the Commission issues a disapproval letter directing that the Securitized Bonds as proposed shall not be issued and the basis for that disapproval.

11. If the actual up-front Financing Costs are less than the up-front Financing Costs included in the principal amount of the Securitized Bonds, the amount of such unused funds

(together with interest, if any, earned on the investment of such funds) will be returned to customers in a general rate proceeding. If the actual up-front Financing Costs are more than the up-front Financing Costs included in the principal amount of the Securitized Bonds, Ameren Missouri will have the right to be reimbursed for such prudently incurred excess amounts through the establishment of a regulatory asset to be recovered through an amortization in general rate proceedings.

12. Ameren Missouri will submit a draft issuance advice letter to the Finance Team for review not later than two weeks before the expected date of commencement of marketing the Securitized Bonds. The Finance Team will review the issuance advice letter and provide timely feedback to Ameren Missouri based on the progression of structuring, marketing and pricing of the Securitized Bonds.

13. The issuance advice letter for the Securitized Bonds must be submitted to the Commission not later than one day after the pricing of the Securitized Bonds. The Finance Team may request such revisions to the issuance advice letter as may be necessary to ensure the accuracy of the calculations and information included and that the requirements of the Securitization Law and of this Financing Order have been met. The initial Securitized Utility Tariff Charges and the final terms of the Securitized Bonds set forth in the issuance advice letter must become effective on the date of issuance of the Securitized Bonds (which must not occur before the fifth business day after pricing of the Securitized Bonds) unless before noon on the fourth business day after the Commission receives the issuance advice letter the Commission issues a disapproval letter directing that the Securitized Bonds as proposed shall not be issued and the basis for that disapproval.

*Structure of the Proposed Securitization Special Purpose Entity*

14. For purposes of issuing the Securitized Bonds, Ameren Missouri will create a bankruptcy-remote SPE, which will be a Delaware limited liability company with Ameren Missouri as its sole member. The SPE will be formed for the limited purpose of acquiring the Securitization Property, issuing securitized utility bonds in one or more tranches, and performing other activities relating thereto or otherwise authorized by this Financing Order. The SPE will not be permitted to engage in any other activities and will have no assets other than Securitization Property and related assets to support its obligations under the Securitized Bonds. Obligations relating to the Securitized Bonds will be the SPE's only material liabilities. These restrictions on the activities of SPE and restrictions on the ability of Ameren Missouri to take action on the SPE's behalf are imposed to achieve the objective that the SPE will be bankruptcy-remote and not affected by a bankruptcy of Ameren Missouri or any other person. The SPE will be managed by a board of directors or a board of managers with rights and duties similar to those of a board of directors of a corporation. As long as the Securitized Bonds remain outstanding, the SPE will be overseen by at least one independent director or manager whose approval will be required for any bankruptcy-related actions and certain other major actions or organizational changes. The SPE will not be permitted to amend the provisions of the organizational documents that relate to bankruptcy-remoteness of the SPE without the consent of the independent directors or managers. Similarly, the SPE will not be permitted to institute bankruptcy or insolvency proceedings or to consent to the institution of bankruptcy or insolvency proceedings against it, or to dissolve, liquidate, consolidate, convert, or merge without the consent of the independent director or manager. Other restrictions to facilitate bankruptcy-remoteness may also be included in the organizational documents of the SPE as required by the

rating agencies.

15. The initial capital of the SPE will be not less than 0.50 percent of the original principal amount of the Securitized Bonds issued by the SPE. Adequate funding of the SPE at this level is intended to protect the bankruptcy-remoteness of the SPE.

*Statutory Requirements*

16. The SPE will issue Securitized Bonds in one or more series consisting of one or more tranches. The aggregate principal amount of all tranches of the Securitized Bonds issued under this Financing Order must not exceed the principal amount approved by this Financing Order. The SPE will pledge to the indenture trustee, as collateral for payment of the Securitized Bonds, the Securitization Property, including the SPE's right to receive the Securitized Utility Tariff Charges as and when collected, and certain other collateral described herein.

17. Concurrent with the issuance of any of the Securitized Bonds, Ameren Missouri will sell to the SPE the Securitization Property, consisting of all of the following: (a) Ameren Missouri's rights and interests under this Financing Order, including the right to impose, bill, charge, collect, and receive Securitized Utility Tariff Charges authorized under this Financing Order and to obtain periodic adjustments to such charges as provided in this Financing Order and (b) all revenues, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests specified in this Financing Order, regardless of whether such revenues, collections, claims, rights to payment, payments, money, or proceeds are imposed, billed, received, collected, or maintained together with or commingled with other revenues, collections, rights to payment, payments, money, or proceeds. This transfer will be structured so that it will qualify as a "true sale" within the meaning of Section 393.1700.5.(3), RSMo and that such rights will become

Securitization Property concurrently with their sale to the SPE as provided in Section 393.1700.2.(3)(d), RSMo. By virtue of the transfer, the SPE will acquire all of the right, title, and interest of Ameren Missouri in the Securitization Property arising under this Financing Order.

*Credit Enhancement and Arrangements to Enhance Marketability*

18. Ameren Missouri is permitted to recover the ongoing costs of any credit enhancements and arrangements to enhance marketability, as ongoing Financing Costs, if such credit enhancements are required by the rating agencies to achieve the highest possible credit rating on the Securitized Bonds and subject to consultation with the Finance Team. If the use of more than de minimis original issue discount, credit enhancements, or other arrangements is proposed by Ameren Missouri, Ameren Missouri must provide the Finance Team with copies of all cost-benefit analyses performed by or for Ameren Missouri that support the request to use such arrangements. This finding does not apply to the collection account or its subaccounts to be established under the indenture set forth in this Financing Order.

*Securitized Utility Tariff Property*

19. Securitization Property and all other collateral will be held and administered by the indenture trustee under the indenture.

*Servicer and the Servicing Agreement*

20. Ameren Missouri, as the initial servicer of the Securitization Property, will enter into a servicing agreement with the SPE, as owner of the Securitization Property. The servicing agreement may be amended, renewed or replaced by another servicing agreement subject to certain conditions set forth therein. The entity responsible for carrying out the servicing obligations under

any servicing agreement is the servicer. Ameren Missouri will be the initial servicer but may be succeeded as servicer by another entity under certain circumstances detailed in the servicing agreement and as authorized by the Commission. Under the servicing agreement, the servicer is required to, among other things, impose, bill, charge, collect and receive the Securitized Utility Tariff Charges for the benefit and account of the SPE, make the periodic true-up adjustments of Securitized Utility Tariff Charges required or permitted by this Financing Order, and account for and remit the Securitized Utility Tariff Charges to or for the account of the SPE in accordance with the remittance procedures contained in the servicing agreement and the indenture without any charge, deduction or surcharge of any kind. Under the terms of the servicing agreement, if any servicer fails to perform its servicing obligations in any material respect, the indenture trustee acting under the indenture to be entered into in connection with the issuance of the Securitized Bonds, may, or, upon the instruction of the requisite percentage of holders of the outstanding amount of Securitized Bonds, must, appoint an alternate party to replace the defaulting servicer, in which case the replacement servicer will perform the obligations of the servicer under the servicing agreement. The obligations of the servicer under the servicing agreement and the circumstances under which an alternate servicer may be appointed will be more fully described in the servicing agreement. The rights of the SPE under the servicing agreement will be included in the collateral pledged to the indenture trustee under the indenture for the benefit of holders of the Securitized Bonds.

21. The obligations to continue to provide service and to collect and account for Securitized Utility Tariff Charges will be binding upon Ameren Missouri and any other entity that provides electrical services to a person that is a retail customer located within Ameren Missouri's

service area as it exists on the date of this Financing Order, or that became a retail customer for electric services within such service area after the date of this Financing Order, and is still located within such area.

22. To the extent that Ameren Missouri assigns, sells or transfers any interest in its transmission or distribution system (or any portion thereof) to an assignee,<sup>4</sup> Ameren Missouri will enter into a contract with that assignee that will require the entity acquiring such facilities to continue operating the facilities to provide electric services to Ameren Missouri's customers, subject to approval of the Commission and in accordance with the other conditions set forth in the servicing agreement and this Financing Order.

*Securitized Utility Tariff Bonds*

23. The SPE will issue and sell Securitized Bonds in one or more series consisting of one or more tranches. The legal final maturity date of the Securitized Bonds will not exceed 17 years from the date of issuance. The legal final maturity date and principal amounts of each tranche will be finally determined by Ameren Missouri in consultation with the Finance Team, consistent with market conditions and indications of the rating agencies, at the time the Securitized Bonds are priced, but subject to ultimate Commission review through the issuance advice letter process. Subject to the conditions and criteria set forth in this Financing Order, Ameren Missouri will retain sole discretion regarding whether or when to assign, sell, or otherwise transfer any rights concerning Securitization Property arising under this Financing Order, or to cause the issuance of

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<sup>4</sup> The term assignee means any corporation, limited liability company, general partnership or limited partnership, public authority, trust, financing entity, or other legally recognized entity to which an interest in securitized utility tariff property is transferred, other than as security, including any assignee of that party. See § 393.1700.1.(2), RSMo.

any Securitized Bonds authorized in this Financing Order, subject to the right of the Commission to issue a disapproval letter.

*Security for Securitized Utility Tariff Bonds*

24. The payment of the Securitized Bonds and related Financing Costs authorized by this Financing Order is to be secured by the Securitization Property created by this Financing Order and certain other collateral as described herein. The Securitized Bonds will be issued under an indenture administered by the indenture trustee. The indenture will include provisions for a collection account for the series and subaccounts for the collection and administration of the Securitized Utility Tariff Charges and payment or funding of the principal and interest on the Securitized Bonds and ongoing Financing Costs in connection with the Securitized Bonds approved in this Financing Order. In accordance with the indenture, a collection account will be established as a trust account to be held by the indenture trustee as collateral to ensure the payment of the principal, interest, and ongoing Financing Costs approved in this Financing Order related to the Securitized Bonds in full and on a timely basis. The collection account will include the general subaccount, the capital subaccount, and the excess funds subaccount, and may include other subaccounts.

*The General Subaccount*

25. The indenture trustee will deposit the remittances of the Securitized Utility Tariff Charges that the servicer remits to the indenture trustee for the account of the SPE into one or more segregated trust accounts and allocate the amount of those remittances to the general subaccount. The indenture trustee will on a periodic basis apply money in this subaccount to pay principal of



and interest on the Securitized Bonds, to pay ongoing Financing Costs and to replenish any draws on the capital subaccount. The funds in the general subaccount will be invested by the indenture trustee in short-term high-quality investments, and such funds (including, to the extent necessary, investment earnings) will be applied by the indenture trustee to pay principal of and interest on the Securitized Bonds and ongoing Financing Costs in accordance with the terms of the indenture.

*The Capital Subaccount*

26. Ameren Missouri will make a capital contribution to the SPE, which the SPE will deposit into the capital subaccount. The amount of the capital contribution will be not less than 0.50 percent of the original principal amount of the Securitized Bonds, although the actual amount will depend on tax and rating agency requirements. The capital subaccount will serve as collateral to ensure timely payment of principal of and interest on the Securitized Bonds and all other components of the total securitized revenue requirement. Any funds drawn from the capital account to pay these amounts due to a shortfall in remittances of will be replenished through future remittances of the Securitized Utility Tariff Charges. The funds in the capital subaccount will be invested by the indenture trustee in short-term high-quality investments, and such funds (including investment earnings) will be used by the indenture trustee to pay principal of and interest on the Securitized Bonds and all other components of the total securitized revenue requirement. Ameren Missouri will be authorized to receive a return on the capital contribution at the WACC, plus applicable federal, state, and local income or excise taxes, as authorized from time to time, as ongoing Financing Costs recoverable through the Securitized Utility Tariff Charges. Upon payment of the principal amount of all Securitized Bonds and the discharge of all obligations that may be paid by use of Securitized Utility Tariff Charges, all amounts remaining in the capital subaccount

at that time, will be released to the SPE for payment to Ameren Missouri. Ameren Missouri will account for any investment earnings on funds in the capital subaccount in a reconciliation in a general rate case and such amounts will be credited to ratepayers.

*The Excess Funds Subaccount*

27. The excess funds subaccount will hold any remittances of Securitized Utility Tariff Charges and investment earnings on the collection account in excess of the amounts needed to pay current principal of and interest on the Securitized Bonds and to pay other total securitized revenue requirements (including, but not limited to, replenishing the capital subaccount). Any balance in or allocated to the excess funds subaccount on a true-up adjustment date will be subtracted from the total securitized revenue requirement (as described in finding of fact number 35) for purposes of the true-up adjustment. The money in the excess funds subaccount will be invested by the indenture trustee in short-term high-quality investments, and such money (including investment earnings thereon) will be used by the indenture trustee to pay principal and interest on the Securitized Bonds and other total securitized revenue requirements.

*Other Subaccounts*

28. Other credit enhancements in the form of subaccounts may be utilized for the transaction provided that the use of such subaccounts is consistent with the Securitization Law and subject to consultation with the Finance Team. For example, Ameren Missouri does not propose use of an overcollateralization subaccount. Absent special, unforeseen circumstances, an overcollateralization subaccount does not appear to be necessary to obtain AAA ratings for the proposed Securitized Bonds. If Ameren Missouri subsequently determines in consultation with the

Finance Team that use of an overcollateralization subaccount or other subaccount is necessary to obtain AAA ratings from the credit agencies or will otherwise increase the quantifiable net present value benefits of the securitization, Ameren Missouri may implement such additional subaccounts to reduce Securitized Utility Tariff Charges.

*General Account Provisions*

29. The collection account and the subaccounts described above are intended to provide for full and timely payment of scheduled principal of and interest on the Securitized Bonds and all other components of the total securitized revenue requirement. If the amount of Securitized Utility Tariff Charges remitted to the general subaccount is insufficient to make all scheduled payments of principal and interest on the Securitized Bonds and to make payment on all of the other components of the total securitized revenue requirement, the excess funds subaccount and the capital subaccount will be drawn down, in that order, to make those payments. Any deficiency in the capital subaccount due to such withdrawals must be replenished to the capital subaccount on a periodic basis through the true-up process. In addition to the foregoing, there may be such additional accounts and subaccounts as are necessary to segregate amounts received from various sources, or to be used for specified purposes. Such accounts will be administered and utilized as set forth in the servicing agreement and the indenture. Upon the maturity of the Securitized Bonds and the discharge of all obligations in respect thereof, remaining amounts in the collection account, other than amounts that were in the capital subaccount, will be released to the SPE and equivalent amounts will be credited by Ameren Missouri to customers. In addition, upon the maturity of the Securitized Bonds, any subsequently collected Securitized Utility Tariff Charges shall be credited to retail customers.

*Securitized Utility Tariff Charges—Imposition and Collection, Nonbypassability, and Alternative Electric Suppliers*

30. In the event the State of Missouri permits third-party billing, the Securitized Utility Tariff Charges must continue to be collected by a third-party biller and remitted to the SPE.

31. Securitized Utility Tariff Charges will be identified on each customer's bill as a separate line item and include both the rate and the amount of the charge on each bill. Each customer bill shall include a statement to the effect that the SPE is the owner of the rights to Securitized Utility Tariff Charges and that Ameren Missouri is acting as servicer for the SPE. The tariff applicable to customers shall indicate the Securitized Utility Tariff Charges and the ownership of the charge.

32. If any customer does not pay the full amount it has been billed, the amount collected will be prorated among charge categories in proportion to their percentage of the overall bill, with the first dollars collected attributed to past due balances, if any.

33. Ameren Missouri will collect Securitized Utility Tariff Charges from all existing or future retail customers receiving electrical service from Ameren Missouri or its successors or assignees under Commission-approved rate schedules, except for customers receiving electrical service under special contracts<sup>5</sup> as of August 28, 2021, even if a retail customer elects to purchase electricity from an alternative electricity supplier following a change in regulation of public utilities in Missouri. Any such existing or future retail customer within such area may not avoid Securitized Utility Tariff Charges by switching to another electrical corporation, electric cooperative, or municipally owned utility on or after the date this Financing Order is issued.

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<sup>5</sup> See Section 393.1700.1.(19), RSMo.

34. The imposition and collection of Securitized Utility Tariff Charges set forth in this Financing Order is reasonable and is necessary to ensure collection of Securitized Utility Tariff Charges sufficient to support recovery of the Securitized Utility Tariff Costs and Financing Costs approved in this Financing Order. The form of Securitized Utility Tariff Rider included in this Financing Order is reasonable and these tariff provisions will be filed before any Securitized Bonds are issued under this Financing Order.

*Setting the Securitized Utility Tariff Charge to be Collected from Missouri Retail Customers*

35. As used in this Financing Order, the total securitized revenue requirement is the required securitized revenues for a given period (e.g., annually or semi-annually) due under the Securitized Bonds. Each total securitized revenue requirement includes: (a) the principal amortization of the Securitized Bonds in accordance with the expected amortization schedule (including deficiencies of previously scheduled principal for any reason); (b) periodic interest on the Securitized Bonds (including any accrued and unpaid interest); (c) ongoing Financing Costs consisting of the servicing fee, rating agencies' fees, trustee fees, legal and accounting fees, other ongoing fees and expenses approved herein, and the costs, if any, of maintaining any credit enhancement; (d) bad debts net of prior recovery period collections; and (e) for each of (a) through (d), any variations calculated through a reconciliation of the current period total securitized revenue requirement actuals to the projections, forecasts, or estimates to the extent that actuals are available. The initial total securitized revenue requirement for the Securitized Bonds issued under this Financing Order will be updated in the issuance advice letter, subject to review and consultation with the Finance Team.

36. The Securitized Utility Tariff Costs and Financing Costs that will be recovered through the Securitized Utility Tariff Charges authorized by this Financing Order are allocated to all applicable customers on the basis of loss-adjusted energy sales. The Securitized Utility Tariff Costs applicable to customers served at each voltage level is accomplished by first dividing the sum of the amounts described above by the forecasted recovery period retail sales to all applicable customers (adjusted to transmission voltage by the voltage level expansion factor applicable to each service voltage).

*True-Up of Securitized Utility Tariff Charges*

37. The servicer of the Securitized Bonds will use a formula-based true-up mechanism to make periodic, expeditious adjustments, at least annually, to the Securitized Utility Tariff Charges to:

- (a) correct any undercollections or overcollections that may have occurred and otherwise ensure that the SPE receives remittances from Securitized Utility Tariff Charges that are required to satisfy the total securitized revenue requirement, including without limitation any overcollections or undercollections caused by defaults, during the time since the last true-up; and
- (b) ensure the billing of Securitized Utility Tariff Charges necessary to generate the collection of amounts sufficient to timely provide all payments of scheduled principal and interest (or deposits to sinking funds in respect of principal and interest) and any other amounts due in connection with the Securitized Bonds (including ongoing Financing Costs and amounts required to be deposited in or

allocated to any collection account or subaccount) during the period for which such adjusted Securitized Utility Tariff Charges are to be in effect.

38. The servicer will make true-up adjustment filings with the Commission semi-annually.

39. True-up filings will be incorporated into the next recovery period based upon the cumulative differences, regardless of the reason, between the total securitized revenue requirement (including scheduled principal of and interest payments on the Securitized Bonds) designed to be recovered during the current recovery period and the amount of remittances of the Securitized Utility Tariff Charges to the indenture trustee received during the current recovery period from application of the current rate then in effect. To ensure adequate revenues from the Securitized Utility Tariff Charges to fund the total securitized revenue requirement and to avoid overcollections and undercollections over time, some required data contemplated to be actual may be projected or forecasted as of the time of filing the tariff (including projections of uncollectible Securitized Utility Tariff Charges; projections of payment lags between the billing and collection of the Securitized Utility Tariff Charges; and forecast retail sales for the recovery period). To the extent projected or forecasted data is used in calculating the Securitized Utility Tariff Charges, such projections and forecasts will be reconciled in future calculations of the Securitized Utility Tariff Charges through a true-up adjustment.

40. At the time of each true-up adjustment, the servicer will provide a new total securitized revenue requirement amount for the coming recovery period which shall incorporate any variations calculated through a reconciliation of the current recovery period new total securitized revenue requirement actuals to the projections, forecasts, or estimates to the extent that

actuals are available. The servicer will provide its best available forecasted sales for the coming recovery period, and all supporting information. The true-up amount will be included in the calculation of the total securitized revenue requirement applicable to the next recovery period.

*Interim True-Up*

41. In addition to semi-annual true-up adjustments, the servicer will make interim true-up adjustments as necessary (or quarterly beginning 12 months prior to the final scheduled payment date of the last tranche of a series of the Securitized Bonds):

- (a) if the servicer forecasts that collections of Securitized Utility Tariff Charges will be insufficient to make all scheduled payments of principal, interest, and other amounts in respect of the Securitized Bonds on a timely basis during the current or next succeeding payment period; or
- (b) to replenish any draws upon the capital subaccount.

*Additional True-Up Provisions*

42. Each true-up adjustment filing will be filed not less than 30 days before the date on which the revised Securitized Utility Tariff Charges will take effect. Each true-up adjustment filing will set forth the servicer's calculation of the true-up adjustment to the Securitized Utility Tariff Charges. Within 30 days after receiving a true-up adjustment filing, the Commission will either approve the request or inform Ameren Missouri of any mathematical or clerical errors in its calculation. If the Commission informs Ameren Missouri of mathematical or clerical errors in its calculation, Ameren Missouri will correct its error and refile its request. The time frames previously described in this paragraph will apply to a refiled request.



*Lowest Securitized Utility Tariff Charges*

43. The proposed transaction structure includes (but is not limited to):
- (a) the use of the SPE as issuer of the Securitized Bonds, limiting the risks to securitized utility tariff bond holders of any adverse impact resulting from a bankruptcy proceeding of Ameren Missouri or any other person;
  - (b) the right to impose, bill, charge, collect and receive Securitized Utility Tariff Charges that are nonbypassable and which must be trued-up at least annually, but may be trued-up more frequently to assure the timely payment of the debt service and other ongoing Financing Costs;
  - (c) additional collateral in the form of a collection account that includes a capital subaccount funded in cash in an amount equal to not less than 0.50 percent of the original principal amount of the Securitized Bonds and other subaccounts resulting in greater certainty of payment of interest and principal to investors and that are consistent with the IRS requirements that must be met to receive the desired federal income tax treatment for the securitized utility tariff bond transaction;
  - (d) protection of securitized bondholders against potential defaults by a servicer that is responsible for billing and collecting the Securitized Utility Tariff Charges from existing or future retail customers;
  - (e) benefits for federal income tax purposes including (i) the transfer of the rights under this Financing Order to the SPE not resulting in gross income to Ameren Missouri and the future revenues under the Securitized Utility Tariff Charges being included

- in Ameren Missouri's gross income under its usual method of accounting, (ii) the issuance of the Securitized Bonds and the transfer of the proceeds of the Securitized Bonds to Ameren Missouri not resulting in gross income to Ameren Missouri, and (iii) the Securitized Bonds constituting obligations of Ameren Missouri; and
- (f) the Securitized Bonds will be marketed using underwriting and marketing processes reviewed in consultation with the Finance Team, through which market conditions and investors' preferences, with regard to the timing of the issuance, the terms and conditions, related maturities, and other aspects of the structuring, marketing and pricing, will be determined, evaluated and factored into the structuring, marketing and pricing of the Securitized Bonds.

44. To ensure that customers receive the quantifiable net present value benefits due from the proposed securitization and so that the proposed securitized bond transaction will be in accordance with the quantifiable net present value benefits test set forth in Section 393.1700.2.(3)(c), RSMo, it is necessary that (i) the issuance advice letter demonstrates that the proposed issuance of Securitized Bonds and the imposition and collection of the Securitized Utility Tariff Charge are just and reasonable and in the public interest; and will provide quantifiable net present value benefits to customers as compared to recovery of the components of securitized utility tariff costs that would have been incurred absent the issuance of Securitized Bonds, (ii) the scheduled final payment date of the last tranche of Securitized Bonds will not exceed 15 years from the date of issuance (although the legal final maturity of the Securitized Bonds may extend to 17 years from the date of issuance) and (iii) Ameren Missouri otherwise satisfies the requirements of this Financing Order.

*Use of Proceeds*

45. Upon the issuance of Securitized Bonds, the SPE will use the net proceeds from the sale of the Securitized Bonds (after payment of up-front Financing Costs) to pay Ameren Missouri the purchase price of the Securitization Property. Ameren Missouri's receipt of the proceeds from the sale of the Securitization Property will cover the Energy Transition Costs incurred by Ameren Missouri in connection with the retirement of Rush Island approved herein.

**b. Conclusions of Law**

The Commission makes the following conclusions of law:

- A. Ameren Missouri is an electrical corporation, as defined in Section 393.1700.1(6).
- B. Ameren Missouri is entitled to file a petition for a financing order under Section 393.1700, RSMo.
- C. The Commission has jurisdiction and authority over Ameren Missouri's petition under Section 393.1700.2, RSMo.
- D. The Commission has authority to approve this Financing Order under Section 393.1700.2, RSMo.
- E. Notice of Ameren Missouri's petition was provided in compliance with Section 393.1700.2.(3)(a)b., RSMo.
- F. The Securitization Law permits an electrical corporation request a Commission order authorizing it to finance Securitized Utility Tariff Costs, including its Energy Transition Costs.
- G. Energy transition costs are defined in Section 393.1700.1.(7), RSMo as (a) pretax

costs with respect to a retired or abandoned or to be retired or abandoned electric generating facility that is the subject of a petition for a financing order filed under the Securitization Law where such early retirement or abandonment is deemed reasonable and prudent by the commission through a final order issued by the Commission, including, but not limited to, the undepreciated investment in the retired or abandoned or to be retired or abandoned electric generating facility and any facilities ancillary thereto or used in conjunction therewith, costs of decommissioning and restoring the site of the electric generating facility, other applicable capital and operating costs, accrued carrying charges and deferred expenses, with the foregoing to be reduced by the net present value of applicable tax benefits of accumulated and excess deferred income taxes, insurance, scrap and salvage proceeds, and may include the cost of retiring any existing indebtedness, fees, costs, and expenses to modify existing debt agreements or for waivers or consents related to existing debt agreements; and (b) pretax costs that an electrical corporation has previously incurred related to the retirement or abandonment of such an electric generating facility occurring before August 28, 2021. Securitized Utility Tariff Costs are defined Section 393.1700.1.(17), RSMo to include either Energy Transition Costs or Qualified Extraordinary Costs, as the case may be. Financing Costs are defined in Section 393.1700.1.(8), RSMo to include: (i) interest and acquisition, defeasance, or redemption premiums payable on securitized utility tariff bonds; (ii) any payment required under an ancillary agreement and any amount required to fund or replenish a reserve account or other accounts established under the terms of any indenture, ancillary agreement, or other financing documents pertaining to securitized utility tariff bonds; (iii) any other cost related to issuing supporting, repaying, refunding, and servicing securitized utility tariff bonds, including servicing fees, accounting and auditing fees, trustee fees, legal fees, consulting fees, structuring adviser fees,

administrative fees, placement and underwriting fees, independent director and manager fees, capitalized interest, rating agency fees, stock exchange listing and compliance fees, security registration fees, filing fees, information technology programming costs, and any other costs necessary to otherwise ensure the timely payment of securitized utility tariff bonds or other amounts or charges payable in connection with the bonds, including costs related to obtaining the financing order; (iv) any taxes and license fees or other fees imposed on the revenues generated from the collection of Securitized Utility Tariff Charges or otherwise resulting from the collection of Securitized Utility Tariff Charges, in any such case whether paid, payable, or accrued; (v) any state and local taxes, franchise, gross receipts, and other taxes or similar charges, including Commission assessment fees, whether paid, payable, or accrued; and (vi) any costs associated with performance of the Commission's responsibilities under the Securitization Law in connection with approving, approving subject to conditions, or rejecting a petition for a financing order, and in performing its duties in connection with the issuance advice letter process, including costs to retain counsel, one or more financial advisors, or other consultants as deemed appropriate by the Commission and paid pursuant to the Securitization Law.

H. The SPE constitutes an assignee of Ameren Missouri as defined in Section 393.1700.1.(2), RSMo when an interest in the Securitization Property created under this Financing Order is transferred to SPE.

I. The holders of the Securitized Bonds and the indenture trustee will each be a Financing Party as defined in Section 393.1700.1.(10), RSMo.

J. The SPE may issue Securitized Bonds in accordance with this Financing Order.

K. The issuance of Securitized Bonds and the imposition and collection of Securitized

Utility Tariff Charges approved in this Financing Order satisfies the requirements of Sections 393.1700.2.(3)(c)a., b. and c., RSMo mandating that (1) the amount of Securitized Utility Tariff Costs to be financed using Securitized Bonds and the recovery of such costs is just and reasonable and in the public interest; (2) the proposed issuance of Securitized Bonds and the imposition and collection of Securitized Utility Tariff Charges are just and reasonable and in the public interest and are expected to provide quantifiable net present value benefits to customers as compared to recovery of the components of Securitized Utility Tariff Costs that would have been incurred absent the issuance of Securitized Bonds; and (3) the proposed structuring and pricing of the Securitized Bonds are reasonably expected to result in the lowest Securitized Utility Tariff Charges consistent with market conditions at the time the Securitized Bonds are priced and the terms of the financing order.

L. Ameren Missouri is permitted to earn a return, at the weighted average cost of capital authorized from time to time, on any moneys advanced by Ameren Missouri to fund reserves, if any, or capital accounts established under the terms of the indenture, any ancillary agreement, or other financing documents pertaining to the Securitized Bonds. Ameren Missouri shall account for any investment earnings on funds in such capital accounts in a future reconciliation pursuant to Section 393.1700.2.(3)(c)l., RSMo.

M. This Financing Order adequately describes the amount of Financing Costs that Ameren Missouri may recover through Securitized Utility Tariff Charges and specifies the period over which Ameren Missouri may recover Securitized Utility Tariff Charges and Financing Costs in accordance with the requirements of Section 393.1700.2.(3)(c)a., RSMo.

N. The method approved in this Financing Order for allocating the Securitized Utility

Tariff Charges satisfies the requirements of Section 393.1700.2.(3)(c)h., RSMo.

O. As provided in Section 393.1700.2(3)(f), RSMo, at the time the Securitization Property is transferred from Ameren Missouri to the SPE, this Financing Order is irrevocable and, except for changes made pursuant to the formula-based true-up mechanism authorized herein, the Commission may not amend, modify, or terminate the financing order by any subsequent action or reduce, impair, postpone, terminate, or otherwise adjust Securitized Utility Tariff Charges approved in this Financing Order.

P. As provided in Section 393.1700.2.(3)(d), RSMo, the Securitization Property identified herein will become Securitization Property under the Securitization Law when it is sold to the SPE.

Q. (a) All rights and interests of Ameren Missouri under this Financing Order, including the right to impose, bill, charge, collect, and receive Securitized Utility Tariff Charges authorized in this Financing Order and to obtain periodic adjustments to such charges as provided in this Financing Order and (b) all revenues, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests specified in this Financing Order, regardless of whether such revenues, collections, claims, rights to payment, payments, money, or proceeds are imposed, billed, received, collected, or maintained together with or commingled with other revenues, collections, rights to payment, payments, money, or proceeds that are sold to the SPE under the Securitization Property sale agreement, will be Securitized Utility Tariff Property within the meaning of Section 393.1700.1.(18), RSMo, are assignable and will become “Securitization Property” when they are first transferred to SPE.

R. As provided by Section 393.1700.5.1.(a), RSMo, upon its sale to the SPE, the

Securitization Property specified in this Financing Order will constitute an existing, present intangible property right or interest therein, notwithstanding that the imposition and collection of Securitized Utility Tariff Charges depends on Ameren Missouri performing its servicing functions relating to the collection of Securitized Utility Tariff Charges and on future electricity consumption, as provided by Section 393.1700.5.(1)(a), RSMo. The Securitization Property will exist regardless of whether or not the revenues or proceeds arising from the property have been billed, have accrued, or have been collected; and (b) notwithstanding the fact that the value or amount of the property is dependent on the future provision of service to customers by the electrical corporation or its successors or assignees and the future consumption of electricity by customers.

S. The Securitization Property specified in this Financing Order will continue to exist until the Securitized Bonds issued pursuant to this Financing Order are paid in full and all Financing Costs and other costs of such Securitized Bonds have been recovered in full as provided in Section 393.1700.5.(1)(b), RSMo.

T. Upon the transfer by Ameren Missouri of Securitization Property to the SPE, the SPE will have all of the rights, title, and interest of Ameren Missouri with respect to such Securitization Property, including the right to impose, bill, charge, collect, and receive the Securitized Utility Tariff Charges authorized by this Financing Order.

U. The Securitized Bonds issued under this Financing Order will be “securitized utility tariff bonds” within the meaning of Section 393.1700.1.(15) , RSMo, and the Securitized Bonds and holders thereof will be entitled to all of the protections provided under Section 393.1700.11, RSMo.

V. Amounts that are authorized by this Financing Order or the tariffs approved hereby



are “Securitized Utility Tariff Charges” as defined in Section 393.1700.1.(16), RSMo, and the amounts collected from retail customers with respect to such Securitized Utility Tariff Charges are Securitized Utility Tariff Charges as defined in Section 393.1700.1.(16), RSMo.

W. As provided in Section 393.1700.5.(1)(e), RSMo, the interests of SPE and the indenture trustee in the Securitization Property and in the revenues and collections arising from the Securitization Property will not be subject to setoff, counterclaim, surcharge, or defense by Ameren Missouri or any other person or in connection with the reorganization, bankruptcy, or other insolvency of Ameren Missouri or any other entity.

X. The methodology approved in this Financing Order to true-up the Securitized Utility Tariff Charges satisfies the requirements of Section 393.1700.2.(3)(c)e., RSMo.

Y. Upon the sale from Ameren Missouri to the SPE of the Securitization Property, the servicer will be able to recover the Securitized Utility Tariff Charges associated with such Securitization Property only for the benefit of the SPE in accordance with the servicing agreement.

Z. As provided in Section 393.1700.3.(5), RSMo, Ameren Missouri retains sole discretion regarding whether to cause the Securitized Bonds to be issued, including the right to defer or postpone such sale, assignment, transfer, or issuance. Ameren Missouri may abandon the issuance of Securitized Bonds under this Financing Order by filing with the Commission a statement of abandonment and the reasons therefor.

AA. The sale of the Securitization Property from Ameren Missouri to the SPE will be an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, Ameren Missouri’s right, title, and interest in, to, and under the Securitization Property if the sale agreement governing such sale expressly states that the sale is a sale or other absolute transfer in accordance

with Section 393.1700.5.(3)(a), RSMo. Upon the sale in accordance with the previous sentence, pursuant to Section 393.1700.5.(3)(b), RSMo the characterization of the sale as an absolute transfer and true sale and the corresponding characterization of the property interest of the SPE will not be affected or impaired by the occurrence of (a) the commingling of Securitized Utility Tariff Charges with other amounts; (b) the retention by Ameren Missouri of (i) a partial or residual interest, including an equity interest, in the Securitization Property, whether direct or indirect, or whether subordinate or otherwise, or (ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of Securitized Utility Tariff Charges; (c) any recourse that the SPE may have against Ameren Missouri; (d) any indemnification rights, obligations, or repurchase rights made or provided by Ameren Missouri; (e) the obligation of Ameren Missouri to collect Securitized Utility Tariff Charges on behalf of the SPE; (f) Ameren Missouri acting as the servicer of the Securitized Utility Tariff Charges or the existence of any contract that authorizes or requires Ameren Missouri, to the extent that any interest in Securitization Property is sold or assigned, to contract with the SPE or any financing party that it will continue to operate its system to provide service to its customers, will collect amounts in respect of the Securitized Utility Tariff Charges for the benefit and account of the SPE or such financing party, and will account for and remit such amounts to or for the account of such assignee or financing party; (g) the treatment of the sale, conveyance, assignment, or other transfer for tax, financial reporting, or other purposes; (h) the granting or providing to bondholders a preferred right to the Securitization Property or credit enhancement by Ameren Missouri or its affiliates with respect to such Securitized Bonds; or (i) any application of the formula-based true-up mechanism.

BB. As provided in Section 393.1700.5.(2)(b), RSMo, a valid and binding security

interest in the Securitization Property in favor of the indenture trustee will be created at the later of the time this Financing Order is issued, the indenture is executed and delivered by the SPE granting such security interest, the SPE has rights in the Securitization Property or the power to transfer rights in the Securitization Property, or value is received for the Securitization Property. Upon the filing of a financing statement with the office of the secretary of state as provided in the Securitization Law, a security interest in Securitization Property shall be perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, and regardless of whether the parties have notice of the security interest in accordance with Section 393.1700.5.(2)(c), RSMo. Without limiting the foregoing, upon such filing a security interest in Securitized Utility Tariff Charges shall be perfected against all claims of lien creditors, and shall have priority over all competing security interests and other claims other than any security interest previously perfected in accordance with the Securitization Law.

CC. As provided in Section 393.1700.5.(3)(c), RSMo, the transfer of an interest in Securitization Property to SPE will be perfected against all third parties, including subsequent judicial or other lien creditors, when a notice of that transfer has been given by the filing of a financing statement in accordance with Section 393.1700.7, RSMo.

DD. As priority of the sale perfected under Section 393.1700.5., RSMo will not be impaired by any later modification of this Financing Order or Securitization Property or by the commingling of funds arising from Securitization Property with other funds. Any other security interest that may apply to those funds, other than a security interest perfected under Section 393.1700.5., RSMo, is terminated when they are transferred to a segregated account for the SPE or a financing party. Any proceeds of the Securitization Property shall be held in trust for the SPE.

EE. As provided in Section 393.1700.5.(2)(f), RSMo, if a default occurs under the Securitized Bonds that are securitized by the Securitization Property, the indenture trustee may exercise the rights and remedies available to a secured party under the Missouri Uniform Commercial Code, including the rights and remedies available under part 6 of article 9 of the Missouri Uniform Commercial Code, and (a) the Commission may order that amounts arising from the related Securitized Utility Tariff Charges be transferred to a separate account for the indenture trustee's benefit, to which their lien and security interest may apply and (b) on application by the indenture trustee, the Circuit Court for the County of St. Louis, will order the sequestration and payment to the indenture trustee of revenues arising from the Securitized Utility Tariff Charges. As provided in Section 393.1700.5(2)(f), RSMo, if a default occurs under the Securitized Bonds, on application by or on behalf of the financing parties, the Circuit Court for St. Louis County, Missouri must order the sequestration and payment to those parties of revenues arising from the Securitized Utility Tariff Charges.

FF. As provided by Section 393.1700.9., RSMo, (a) neither the State of Missouri nor its political subdivisions are liable on the Securitized Bonds approved under this Financing Order, and the Securitized Bonds are not a debt or a general obligation of the State of Missouri or any of its political subdivisions, agencies, or instrumentalities, nor are they special obligations or indebtedness of the State of Missouri or any agency or political subdivision and (b) the issuance of Securitized Bonds approved under this Financing Order does not, directly, indirectly, or contingently, obligate the State of Missouri or any agency, political subdivision, or instrumentality of the state to levy any tax or make any appropriation for payment of the Securitized Bonds, other than in their capacity as consumers of electricity.

GG. Under Section 393.1700.11.(1), RSMo, the State of Missouri and its agencies, including the Commission, have pledged for the benefit and protection of bondholders, the owners of the Securitization Property, other financing parties and Ameren Missouri, that the State and its agencies will not (a) alter the provisions of the Securitization Law, (b) take or permit any action that impairs or would impair the value of Securitization Property or the security for the Securitized Bonds or revises the securitized utility tariff costs for which recovery is authorized, (c) in any way impair the rights and remedies of the bondholders, assignees, and other financing parties or (d) except for changes made pursuant to the true-up mechanism authorized under this Financing Order and the Securitization Law, reduce, alter, or impair Securitized Utility Tariff Charges until any and all principal, interest, premium, Financing Costs and other fees, expenses, or charges incurred, and any contracts to be performed, in connection with the Securitized Bonds have been paid and performed in full. The SPE is authorized under Section 393.1700.11.(2), RSMo and this Financing Order to include this pledge in the Securitized Bonds and related documents. The pledge does not preclude limitation or alteration if full compensation is made by law for the full protection of the Securitized Utility Tariff Charges collected pursuant to this Financing Order and of the bondholders and any assignee or financing party entering into a contract with Ameren Missouri.

HH. This Financing Order will remain in effect and unabated notwithstanding the reorganization, bankruptcy, or other insolvency proceedings, merger or sale of Ameren Missouri, its successors, or assignees.

II. Pursuant to Section 393.1700.2.(3)(a)c., RSMo, this Financing Order is subject to judicial review only in accordance with Sections 386.500 and 386.510.

JJ. This Financing Order meets the requirements for a financing order under the

Securitization Law.

**V. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law reflected in this Financing Order, the Commission issues the following orders:

1. **Approval of Petition.** The petition of Ameren Missouri for the issuance of a financing order under Sections the Securitization Law is approved, subject to the conditions and criteria provided in this Financing Order.

2. **Approval of Cost Recovery.** The retirement of Rush Island was reasonable and prudent and recovery by Ameren Missouri of the Energy Transition Costs and Financing Costs approved herein is just and reasonable and in the public interest.

3. **Authority to Securitize.** Ameren Missouri is authorized in accordance with this Financing Order to finance and to cause the issuance of Securitized Bonds with a principal amount equal to the sum of (a) the Securitized Utility Tariff Costs at the time Securitized Bonds are issued *plus* (b) up-front Financing Costs, which includes (i) underwriters discounts and commissions, (ii) legal and accounting costs, (iii) the cost of original issue discount, credit enhancements and other arrangements to enhance marketability as in accordance with ordering paragraph 11.G., (iv) rating agency fees, (v) United States Securities and Exchange Commission filing fees, and (vi) any costs of the Commission associated with its responsibilities under the Securitization Law in connection with this Financing Order, and in performing its duties in connection with the structuring, marketing and pricing of the Securitized Bonds and the issuance advice letter process (including any costs of the Commission's designated representatives, financial advisors and other advisors (including outside bond counsel)). If the actual up-front Financing Costs are less than the up-front

Financing Costs included in the principal amount of the Securitized Bonds, the amount of such unused funds (together with interest, if any, earned from the investment of such funds) will be returned to customers in a general rate proceeding. If the actual up-front Financing Costs are more than the up-front Financing Costs included in the principal amount of the Securitized Bonds, Ameren Missouri will have the right to be reimbursed for such prudently incurred excess amounts through the establishment of a regulatory asset to be recovered through an amortization in general rate proceedings.

4. **Recovery of Securitized Utility Tariff Costs.** Ameren Missouri is authorized to recover \$512,760,332 of its Securitized Utility Tariff Costs related to the retirement of Rush Island. The up-front Financing Costs are estimated to be \$6,606,609 plus the cost of the Commission's and Commission Staff's advisors and counsel, which will be updated through the issuance advice letter process.

5. **Tracing Funds.** Ameren Missouri's proposed method of tracing funds collected as Securitized Utility Tariff Charges, or other proceeds of Securitization Property, shall be used to trace such funds and to determine the identifiable cash proceeds of any Securitization Property subject to this Financing Order under applicable law.

6. **Third Party Billing.** If the State of Missouri or this Commission decides to allow billing, collection, and remittance of the Securitized Utility Tariff Charges by a third-party supplier within Ameren Missouri's service territory, such authentication will be consistent with the rating agencies' requirements necessary for the Securitized Bonds to receive and maintain the targeted triple-A rating.

7. **Provision of Information.** Ameren Missouri must take all necessary steps to ensure

that the Commission and its designated representatives and their financial and other advisors are provided sufficient and timely information as provided in this Financing Order in order to fulfill their obligations under the Securitization Law and this Financing Order.

8. **Issuance Advice Letter.** Ameren Missouri shall submit a draft issuance advice letter to the Finance Team for review not later than two weeks before the expected date of commencement of marketing the Securitized Bonds; provided that such draft issuance advice letter will be revised as necessary and re-submitted to the Finance Team if the expected date of commencement of marketing is delayed. With the agreement of the Finance Team, the actual date of the commencement of marketing may be a date other than the expected date. The Finance Team will review the draft issuance advice letter and provide timely feedback to Ameren Missouri based on the progression of structuring and marketing of the Securitized Bonds. Not later than one day after the pricing of the Securitized Bonds and before issuance of the Securitized Bonds, Ameren Missouri shall provide the Commission an issuance advice letter in substantially the form of the issuance advice letter attached as Appendix A to this Financing Order. Ameren Missouri shall provide a written certificate to the Commission certifying that the issuance of the Securitized Bonds (i) complies with this Financing Order and (ii) complies with all other applicable legal requirements (including all requirements of the Securitization Law), and (iii) that the issuance of the Securitized Bonds and the imposition of the Securitized Utility Tariff Charges will provide quantifiable net present value benefits to customers as compared to the use of traditional utility financing and recovery mechanisms. Furthermore, Ameren Missouri and each lead underwriter for the Securitized Bonds shall provide written certification to the Commission that the structuring, marketing and pricing of the Securitized Bonds will result in the lowest Securitized Utility Tariff



Charges consistent with market conditions at the time the Securitized Bonds are priced and the terms of this Financing Order. Ameren Missouri and the lead underwriters for the Securitized Bonds may request that such certificates be provided on a confidential basis. The issuance advice letter must be completed, must evidence the actual dollar amount of the initial Securitized Utility Tariff Charges and include other information specific to the Securitized Bonds to be issued. The issuance advice letter will demonstrate the ultimate amounts of quantifiable net present value benefits. In addition, if more than de minimis original issue discount, credit enhancements, or arrangements to enhance marketability are used, the issuance advice letter must include certification that such original issue discount, credit enhancements, or other arrangements are reasonably expected to provide benefits as required by this Financing Order. All amounts which require computation shall be computed using the mathematical formulas contained in the form of the issuance advice letter in Appendix A to this Financing Order and the Securitized Utility Tariff Rider. Electronic spreadsheets with the formulas supporting the schedules contained in the issuance advice letter must be included with such letter. The Finance Team may request such revisions to the issuance advice letter as may be necessary to assure the accuracy of the calculations and information included and that the requirements of the Securitization Law and this Financing Order. The initial Securitized Utility Tariff Charges and the final terms of the Securitized Bonds set forth in the issuance advice letter will become effective on the date of issuance of the Securitized Bonds (which must not occur before the fifth business day after pricing) unless before noon on the fourth business day after the Commission receives the issuance advice letter, the Commission issues a disapproval letter directing that the Securitized Bonds as proposed shall not be issued and the basis for that disapproval.

9. **Approval of Tariff.** The form of Securitized Utility Tariff Rider attached as Appendix B to this order is approved. Before the issuance of any Securitized Bonds under this Financing Order, Ameren Missouri must file compliance tariff sheets that conform to the form of the Securitized Utility Tariff Rider tariff provisions attached to this Financing Order, but with rate elements left blank. With its submission of the issuance advice letter, Ameren Missouri shall also submit compliance tariff sheets, bearing an effective date no earlier than five business days after its submission, containing the rate elements of the Securitized Utility Tariff Charges. That compliance tariff sheets shall become effective on the date the Securitized Bonds are issued with no further action of the Commission unless the Commission issues a disapproval letter as described in Ordering Paragraph 8.

10. **Securitized Utility Tariff Charges**

A. **Imposition and Collection.** Ameren Missouri is authorized to impose on and the servicer is authorized to collect from all existing and future retail customers, except for customers receiving electrical service under special contracts as of August 28, 2021<sup>6</sup> located within Ameren Missouri's service area as such service area exists on the date this Financing Order is issued and other entities which, under the terms of this Financing Order or the tariffs approved hereby, are required to bill, pay, or collect Securitized Utility Tariff Charges, Securitized Utility Tariff Charges in an amount sufficient to provide for the timely recovery of the aggregate total securitized revenue requirements (including payment of principal of

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<sup>6</sup> Ameren Missouri has two special contract customers as of August 28, 2021.

and interest on the Securitized Bonds), as approved in this Financing Order. When a customer remits payment for the customer's monthly utility bill, the first dollars collected shall be attributed to past due balances, if any. To the extent that a customer remits an amount less than the full amount due for a given prior or current period, the amount of the payment that is attributed to covering the Securitized Utility Tariff Charges shall be prorated based on the relative proportion of those Securitized Utility Tariff Charges to the total amount due for utility service in that prior or current period bill.

**B. SPE's Rights and Remedies.** Upon the sale by Ameren Missouri of the Securitized Utility Tariff Charges to the SPE, the SPE will have all of the rights and interest of Ameren Missouri with respect to such Securitization Property, including, without limitation, the right to exercise any and all rights and remedies with respect thereto, including the right to authorize disconnection of electric service and to assess and collect any amounts payable by any retail customer in respect of the Securitization Property.

**C. Collector of Securitized Utility Tariff Charges.** Ameren Missouri or any subsequent servicer of the Securitized Bonds shall bill a customer or other entity, which, under the terms of this Financing Order or the tariffs approved hereby, is required to bill or collect Securitized Utility Tariff Charges for the Securitized Utility Tariff Charges attributable to that customer.

**D. Collection Period.** The scheduled final payment date of Securitized Bonds may not exceed 15 years and the legal final maturity of such tranche of the

Securitized Bonds may extend to 17 years from the date of issuance.

E. **Allocation.** Ameren Missouri shall allocate the Securitized Utility Tariff Charges in the manner described in this Financing Order.

F. **Nonbypassability.** Ameren Missouri shall collect and remit the Securitized Utility Tariff Charges in accordance with this Financing Order.

G. **True-Ups.** Ameren Missouri shall file true-up adjustments of the Securitized Utility Tariff Charges as described in this Financing Order.

H. **Ownership Notification.** The servicer shall ensure that each retail customer bill that includes the securitized utility tariff charge meets the notification of ownership and separate line item requirements set forth in this Financing Order.

#### 11. **Securitized Utility Tariff Bonds**

A. **Issuance.** Ameren Missouri is authorized to cause the SPE to issue one or more series of Securitized Bonds as specified in this Financing Order. The securitized utility must be denominated in United States Dollars.

B. **Up-front Financing Costs.** Ameren Missouri may finance up-front Financing Costs in accordance with the terms of this Financing Order, which provides that the total amount for up-front financing cost, which includes (i) underwriters' discounts and commissions, (ii) legal fees, (iii) auditor fees, (iv) structuring advisor fees, (v) the cost of original issue discount, credit enhancements and other arrangements to enhance marketability as discussed in ordering paragraph 11.G., (vi) information technology programming costs, (vii) rating agency fees, (viii) United States Securities and Exchange Commission registration fees, and (ix)

any costs of the Commission associated with its responsibilities under the Securitization Law in connection with this Financing Order, and in performing its duties in connection with the structuring, marketing and pricing of the Securitized Bonds and the issuance advice letter process (including any costs of the Commission's designated representatives, financial advisors and other advisors (including outside counsel)).

C. **Ongoing Financing Costs.** Ameren Missouri may recover its actual ongoing Financing Costs through its Securitized Utility Tariff Charges set forth in Appendix C to this Financing Order. The amount of ongoing Financing Costs is subject to updating in the issuance advice letter in consultation with the Finance Team to reflect a change in the size of the securitized bond issuance and other information available at the time of filing the issuance advice letter. As provided in ordering paragraph 12.B., a servicer, other than Ameren Missouri or its affiliates, may collect a servicing fee higher than that set forth in Appendix C to this Financing Order, if such higher fee is approved by the Commission and would not cause any of the then current credit ratings of the Securitized Bonds to be suspended, withdrawn or downgraded.

D. **Collateral.** All Securitization Property and other collateral must be held and administered by the indenture trustee under the indenture as described in Ameren Missouri's petition. The SPE must establish a collection account with the indenture trustee as described in finding of fact number 24. Upon payment of the principal amount of all Securitized Bonds authorized in this Financing Order and

the discharge of all obligations in respect thereof, all amounts in the collection account, including investment earnings, must be released by the indenture trustee to the SPE for distribution in accordance with ordering paragraph 11.E.

E. **Distribution Following Repayment.** Following repayment of the Securitized Bonds authorized in this Financing Order and release of the funds held by the indenture trustee, the servicer, on behalf of the SPE, must credit to retail customers, the final balance of the subaccounts (other than principal remaining in the capital subaccount), whether such balance is attributable to principal amounts deposited in such subaccounts or to interest thereon, remaining after all other Financing Costs have been paid. The SPE shall also credit to retail customers any subsequently collected Securitized Utility Tariff Charges.

F. **Funding of Capital Subaccount.** The capital contribution by Ameren Missouri to be deposited into the capital subaccount shall be funded by Ameren Missouri and not from the proceeds of the sale of Securitized Bonds at an amount not less than 0.50 percent of the original principal amount of the Securitized Bonds and required by tax and rating agency requirements at the time of issuance determined in consultation with the Finance Team. Ameren Missouri is authorized to receive a return on the capital contribution at the WACC, plus applicable federal, state, and local income or excise taxes, authorized from time to time. Upon payment of the principal amount of all Securitized Bonds and the discharge of all obligations in respect thereof, all amounts in the capital subaccount, will be released to the SPE for payment to Ameren Missouri, with any investment earnings on funds in the

capital account to be accounted for in a future reconciliation process under Section 393.1700.2.(3)(c)k., RSMo.

G. **Original Issue Discount, Credit Enhancement.** Ameren Missouri may provide original issue discount or provide for various forms of credit enhancement, including letters of credit, an overcollateralization subaccount or other accounts, surety bonds, and other mechanisms designed to promote the credit quality or marketability of the Securitized Bonds to the extent permitted by and subject to the terms of this Financing Order only if Ameren Missouri certifies that such arrangements are reasonably expected to provide benefits greater than their cost and such certifications are agreed with by the Finance Team. Except for a de minimis amount of original issue discount, any decision to use such arrangements to enhance credit or promote marketability must be made in consultation with the Finance Team. Ameren Missouri may not enter into an interest rate swap, currency hedge, or interest rate hedging arrangement. This ordering paragraph does not apply to the collection account or its subaccounts approved in this Financing Order.

H. **Recovery Period.** The Commission authorizes Ameren Missouri to recover the Securitized Utility Tariff Costs and Financing Costs over a period not to exceed 17 years from the date the Securitized Bonds are issued, although this does not prohibit recovery of Securitized Utility Tariff Charges for service rendered during the 17-year period but not actually collected until after the 17-year period.

I. **Amortization Schedule.** The Securitized Bonds shall be structured to provide Securitized Utility Tariff Charges that are based on substantially

levelized annual revenue requirements over the expected life of the Securitized Bonds and allocated on the basis of loss-adjusted energy sales, subject to modification in accordance with this Financing Order.

J. **Finance Team Participation in Bond Issuance.** The Commission, acting through its Finance Team, may participate with Ameren Missouri in discussions regarding the structuring, marketing and pricing of the Securitized Bonds. The Finance Team has the right to provide input to Ameren Missouri and collaborate with Ameren Missouri in all facets of the structuring, marketing and pricing bond processes, including but not limited to, (1) the selection process for the underwriters, including with respect to allocations and economics; (2) the structure of the bonds; (3) the bonds credit rating agency application; (4) the underwriters' preparation, marketing and syndication of the bonds; (5) the pricing of the bonds and the certifications provided by Ameren Missouri and the underwriters; (6) all associated costs, (including up front and ongoing Financing Costs), servicing and administrative fees and associated crediting; (7) bond maturities; (8) reporting templates; (9) the amount of any capital contributions; (10) credit enhancements; and (11) the initial calculations of the Securitized Utility Tariff Charges. The foregoing and other items may be reviewed during the entire course of the Finance Team's process. The Finance Team's review will begin immediately following this Financing Order becoming non-appealable and will continue until the issuance advice letter becomes effective. The Finance Team will not have authority to direct how Ameren Missouri places the Securitized Bonds to market, but it shall be



permitted to attend meetings convened by Ameren Missouri, and participate in calls, e-mails, and other communications relating to the structuring, marketing, pricing and issuance of the Securitized Bonds, or be subsequently informed of the substance of those communications. The Commission retains authority over enforcing the terms of this Financing Order, and the Finance Team' process may petition the Commission for relief for any actual or threatened violation of the terms of the Financing Order.

K. **Use of the SPE.** Ameren Missouri must use one<sup>7</sup> SPE, a bankruptcy-remote special purpose entity, to issue the Securitized Bonds authorized under this Financing Order. The SPE must be funded with an amount of capital that is sufficient for the SPE to carry out its intended functions and to avoid the possibility that Ameren Missouri would have to extend funds to the SPE in a manner that could jeopardize the bankruptcy remoteness of SPE.

## 12. **Servicing**

A. **Servicing Agreement.** The Commission authorizes Ameren Missouri to enter into the servicing agreement with the SPE and to perform the servicing duties approved in this Financing Order. Without limiting the foregoing, in its capacity as initial servicer of the Securitization Property, Ameren Missouri is authorized to calculate, impose, bill, charge, collect and receive for the account of the SPE, the Securitized Utility Tariff Charges authorized in this Financing Order,

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<sup>7</sup> Ameren Missouri may use one or more SPE if issuing through more than one series of securitized bonds. Such SPE shall be a Special Purpose Entity that is formed and wholly owned by Ameren Missouri.

as adjusted from time to time to meet the total securitized revenue requirements as provided in this Financing Order; and to make such filings and take such other actions as are required or permitted by this Financing Order in connection with the periodic true-up adjustments described in this Financing Order. The servicer is entitled to collect servicing fees in accordance with the provisions of the servicing agreement; provided that the annual servicing fee payable to Ameren Missouri while it is serving as servicer (or to any other servicer affiliated with Ameren Missouri) must not at any time exceed 0.05 percent of the original principal amount of the Securitized Bonds. The annual servicing fee payable to any servicer not affiliated with Ameren Missouri must not at any time exceed 0.60 percent of the original principal amount of the Securitized Bonds unless such higher rate is approved by the Commission and would not cause any of the then current credit ratings of the Securitized Bonds to be suspended, withdrawn, or downgraded.

**B. Replacement of Ameren Missouri as Servicer.** Upon the occurrence of a servicer termination event under the servicing agreement, the financing parties may replace Ameren Missouri as the servicer in accordance with the terms of the servicing agreement. The servicing fee of the replacement servicer shall not exceed the applicable maximum servicing fee unless approved as specified in ordering paragraph 12.A, the replacement servicer must not begin providing service until the date the Commission approves the appointment of such replacement servicer. No entity may replace Ameren Missouri as the servicer in any of its servicing functions with respect to the Securitized Utility Tariff Charges and

the Securitization Property authorized by this Financing Order, if the replacement would cause any of the then current credit ratings of the Securitized Bonds to be suspended, withdrawn, or downgraded.

C. **Amendment of Agreements.** The parties to the servicing agreement, administration agreement, indenture, and Securitization Property purchase and sale agreement may amend the terms of such agreements; *provided* that no amendment to any such agreement shall result in an increase of ongoing Financing Costs without the approval of the Commission. Any amendment to any such agreement that may have the effect of increasing ongoing Financing Costs must be provided to the Commission along with a statement as to the possible effect of the amendment on the ongoing Financing Costs. If after 30 days of providing of such amendment to the Commission there has been no objection to the amendment by the Commission, such amendment shall be deemed approved by the Commission.

D. **Collection Terms.** The servicer shall remit collections of the Securitized Utility Tariff Charges to the SPE or the indenture trustee for the SPE's account in accordance with the terms of the servicing agreement.

E. **Federal Securities Law Requirements.** Each other entity responsible for collecting Securitized Utility Tariff Charges from retail customers must furnish to the SPE or Ameren Missouri or to any successor servicer information and documents necessary to enable the SPE or Ameren Missouri or any successor servicer to comply with their respective disclosure and reporting requirements, if any, with respect to the Securitized Bonds under federal securities laws.

13. **Administration Agreement.** The Commission authorizes Ameren Missouri to enter into an administration agreement with the SPE to provide the services covered by the administration agreements. The fee charged by Ameren Missouri as administrator under that agreement must not exceed \$50,000 per annum plus reimbursable third-party costs.

14. **Structure of the Securitization.** Ameren Missouri shall structure the issuance of the Securitized Bonds and the imposition and collection of the Securitized Utility Tariff Charges as set forth in this Financing Order.

15. **Use of Proceeds.** Upon the issuance of Securitized Bonds, the SPE shall pay the net proceeds from the sale of the Securitized Bonds (after payment of up-front Financing Costs) to pay Ameren Missouri the purchase price of the Securitization Property. The proceeds from the sale of the Securitization Property shall recover the Energy Transition Costs incurred by Ameren Missouri in connection with the retirement of Rush Island approved herein.

16. **Continuing Issuance Right.** In accordance with Section 393.1700.2(3)(f), RSMo, Ameren Missouri has the continuing irrevocable right to cause the issuance of Securitized Bonds in one or more series in accordance with this Financing Order for a period commencing with the date of this Financing Order and extending 24 months following the later of (i) the date on which this Financing Order becomes final and no longer subject to any appeal or (ii) an order with respect to the retirement of Rush Island and recovery of related costs becomes final and no longer subject to appeal. If, at any time during the effective period of this Financing Order, there is a severe disruption in the financial markets of the United States, the effective period may be extended with the approval of the Commission's designated representatives to a date which is not less than 90 days after the date such disruption ends.

17. **Binding on Successors.** This Financing Order, together with the Securitized Utility Tariff Charges authorized in it, shall be binding on Ameren Missouri and any successor to Ameren Missouri that provides transmission and distribution service directly to retail customers in Ameren Missouri's service area as it exists on the date of this Financing Order, any other entity that provides transmission or distribution services to retail customers within that service area, and any successor to such other entity. In this paragraph, a successor means any entity that succeeds to any interest or obligation of its predecessor, including by way of bankruptcy, reorganization or other insolvency proceeding, merger, consolidation, conversion, assignment, pledge or other security, by operation of law or otherwise.

18. **Flexibility.** Subject to compliance with the requirements of this Financing Order, Ameren Missouri and the SPE are afforded flexibility in establishing the terms and conditions of the Securitized Bonds, including the final structure of the SPE, repayment schedules, term, payment dates, collateral, credit enhancement, required debt service, interest rates, use of original issue discount, and other Financing Costs.

19. **Effectiveness of Order.** This Financing Order will become effective on [\_\_\_\_], 2024. However, no Securitization Property is created hereunder, and Ameren Missouri is not authorized to impose, bill, charge, collect, and receive Securitized Utility Tariff Charges until the Securitization Property has been sold to the SPE in conjunction with the issuance of the Securitized Bonds.

20. **Regulatory Approvals.** All regulatory approvals within the jurisdiction of the Commission that are necessary for the recovery of the approved Securitized Utility Tariff Charges associated with the Securitized Utility Tariff Costs that are the subject of the petition and for all

related transactions contemplated in the petition are granted

21. **Payment of Commission's Costs for Professional Services.** Ameren Missouri shall pay all costs of the Commission in connection with the petition, this Financing Order and the proposed transaction, including, but not limited to, the Commission's outside attorneys' fees and the fees of any financial or other advisors from the proceeds of the Securitized Bonds on the date of issuance as up-front Financing Costs.

22. **Effect.** This Financing Order constitutes a legal financing order for Ameren Missouri under the Securitization Law. The Commission finds this Financing Order complies with the Securitization Law. A financing order gives rise to rights, interests, obligations, and duties as expressed in the Securitization Law. It is the Commission's express intent to give rise to those rights, interests, obligations, and duties by issuing this Financing Order. Ameren Missouri and the SPE are directed to take all actions as are required to effectuate the transactions approved in this Financing Order, subject to compliance with the conditions and criteria established in this Financing Order.

23. **All Other Motions Denied.** The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

## FORM OF ISSUANCE ADVICE LETTER

\_\_\_\_\_ Day of \_\_\_\_\_ 2023 Case No. \_\_\_\_\_

### MISSOURI PUBLIC SERVICE COMMISSION

#### **SUBJECT: ISSUANCE ADVICE LETTER FOR SECURITIZED UTILITY TARIFF BONDS**

Pursuant to the Financing Order adopted in *Petition of Union Electric Company d/b/a Ameren Missouri for a Financing Order*, Case No. (the “Financing Order”), UNION ELECTRIC COMPANY D/B/A AMEREN MISSOURI (“Petitioner”) hereby submits, no later than one day after the pricing date of the Securitized Utility Tariff Bonds, the information referenced below. This Issuance Advice Letter is for the 202[4] Securitized Utility Tariff Bonds, tranches A-1 through A-[ ]. Any capitalized terms not defined in this letter have the meanings ascribed to them in the Financing Order.

#### **PURPOSE**

This filing establishes the following:

- (a) the total amount of Securitized Utility Tariff Costs and Financing Costs being financed;
- (b) the amounts of quantifiable net present value savings;
- (c) confirmation of compliance with issuance standards;
- (d) the actual terms and structure of the Securitized Utility Tariff Bonds being issued;
- (e) the initial Securitized Utility Tariff Charge for retail customers; and
- (f) the identification of the Special Purpose Entity (SPE).

#### **SECURITIZED UTILITY TARIFF COSTS AND FINANCING COSTS BEING FINANCED**

The total amount of Securitized Utility Tariff Costs and Financing Costs being financed (the “Securitized Balance”) is presented in Attachment 1.

#### **COMPLIANCE WITH ISSUANCE STANDARDS**

The Financing Order requires Petitioner to confirm, using the methodology approved therein, that the actual terms of the Securitized Utility Tariff Bonds result in compliance with the standards set forth in the Financing Order. These standards are:

1. The financing of Energy Transition Costs and Financing Costs will provide quantifiable net present value benefits to retail customers, greater than would be achieved compared to the traditional method of financing with respect to the energy transition costs in retail customer rates (See Attachment 2, Schedule D);

2. The Securitized Utility Tariff Bonds will be issued in one series comprised of one or more tranches having a scheduled final payment date of [ ] years and legal final maturities not exceeding [ ] years from the date of issuance of such series (See Attachment 2, Schedule A);
3. The Securitized Utility Tariff Bonds may be issued with an original issue discount, [additional credit enhancements, or arrangements to enhance marketability] provided that the Petitioner certifies that the original issue discount, is reasonably expected to provide quantifiable net present value benefits greater than its cost; and
4. The structuring, marketing and pricing of the Securitized Utility Tariff Bonds is certified by the Petitioner to result in the lowest Securitized Utility Tariff Charges consistent with market conditions at the time the Securitized Utility Tariff Bonds were priced and the terms of the Financing Order.
5. The amount of Securitized Utility Tariff Costs to be financed using Securitized Utility Tariff Bonds are \$ .
6. The recovery of such Securitized Utility Tariff Costs is just and reasonable and in the public interest.
7. The estimate of the amount of Up-Front and Ongoing Financing Costs that may be recovered through Securitized Utility Tariff Charges is \$ .
8. The period over which the Securitized Utility Tariff Costs and Financing Costs may be recovered is [ ] years.
9. The Securitized Utility Tariff Charges are subject to adjustments by the formula-based true-up mechanism approved in the Financing Order.
10. For so long as the Securitized Utility Tariff Bonds are outstanding and until all Financing Costs have been paid in full, the imposition and collection of the Securitized Utility Tariff Charges authorized under the Financing Order are nonbypassable and will be paid by all existing and future retail customers receiving electrical service from the Petitioner or its successors or assignees.
11. The Securitized Utility Tariff Property is created in favor of the Petitioner and shall pay and secure the Securitized Utility Tariff Bonds.
12. The proposed issuance of Securitized Utility Tariff Bonds and the imposition and collection of a Securitized Utility Tariff Charge are just and reasonable and in the public interest and are expected to provide quantifiable net present value benefits to customers as compared to recovery of the components of the Securitized Balance that would have been incurred absent the issuance of Securitized Utility Tariff Bonds.



**ACTUAL TERMS OF ISSUANCE**

Securitized Utility Tariff Bonds: \_\_\_\_\_

Securitized Utility Tariff Bond Issuer: [SPE]

Trustee: \_\_\_\_\_

Closing Date: \_\_\_\_\_, 202[4]

Bond Ratings: [S&P AAA(sf), Moody’s Aaa(sf)]

Amount Issued: \$ \_\_\_\_\_

Securitized Utility Tariff Bond Upfront Financing Costs: See Attachment 1, Schedule B.

Securitized Utility Tariff Bond Ongoing Financing Costs: See Attachment 2, Schedule B.

Tranche	Coupon Rate	Scheduled Final Payment	Legal Final Maturity
A-1	___%	—	—

Effective Annual Weighted Average Interest Rate of the Securitized Utility Tariff Bonds:	[___]%
Life of the Securitized Utility Tariff Bonds:	_____ Years
Weighted Average Life of the Securitized Utility Tariff Bonds:	_____ Years
Call provisions (including premium, if any):	N/A
Target Amortization Schedule:	Attachment 2, Schedule A
Scheduled Final Payment Dates:	Attachment 2, Schedule A
Legal Final Maturity Dates:	Attachment 2, Schedule A
Payments to Investors:	Semi-annually Beginning _____, 20____
Initial annual Servicing Fee as a percent of original Securitized Utility Tariff Bond principal balance:	0.05%

**INITIAL SECURITIZED UTILITY TARIFF CHARGE**

Table I below shows the current assumptions for each of the variables used in the calculation of the initial Securitized Utility Tariff Charges.

<b>TABLE I</b>	
<b>Input Values For Initial Securitized Utility Tariff Charges</b>	
Applicable period: from _____ to _____	
Forecasted retail kWh/kW sales for the applicable period:	\$ _____
Securitized Utility Tariff Bond debt service for the applicable period	\$ _____
Percent of billed amounts expected to be charged-off:	\$ _____
Forecasted % of Billing Paid in the Applicable Period:	\$ _____
Forecasted retail kWh/kW sales billed and collected for the applicable period.	\$ _____
Forecasted annual ongoing financing costs (excluding debt service):	\$ _____
Initial Securitized Utility Tariff Bond outstanding balance:	\$ _____
Target Securitized Utility Tariff Bond outstanding balance as of: ___/___/___:	\$ _____
Total Securitized Revenue Requirement for applicable period:	\$ _____

**IDENTIFICATION OF SPE**

The owner of the Securitized Utility Tariff Property will be: **[SPE]**. \_\_\_\_\_

**EFFECTIVE DATE**

In accordance with the Financing Order, the Securitized Utility Tariff Charge shall be automatically effective upon the Petitioner’s receipt of payment in the amount of \$\_\_\_\_\_ from **[SPE]**, following Petitioner’s execution and delivery to **[SPE]** of the Bill of Sale transferring Petitioner’s rights and interests under the Financing Order and other rights and interests that will become Securitized Utility Tariff Property upon transfer to **[SPE]** as described in the Financing Order.

**NOTICE**

Copies of this filing are being furnished to the parties on the attached service list. Notice to the public is hereby given by filing and keeping this filing open for public inspection at Petitioner's corporate headquarters.

**AUTHORIZED OFFICER**

The undersigned is an officer of Petitioner and authorized to deliver this Issuance Advice Letter on behalf of Petitioner.

Respectfully submitted,

UNION ELECTRIC COMPANY  
D/B/A AMEREN MISSOURI

By:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:  
\_\_\_\_\_

**ATTACHMENT 1 SCHEDULE A**

**CALCULATION OF SECURITIZABLE BALANCE**

Securitized Utility Tariff Costs to be financed: \$\_\_\_\_\_

Upfront Financing Costs \$\_\_\_\_\_

**SECURITIZABLE BALANCE** \$\_\_\_\_\_

**ATTACHMENT 1 SCHEDULE B**

**ESTIMATED UPFRONT FINANCING COSTS**

<b>UP-FRONT FINANCING COSTS</b>	
Legal Fees	\$ _____
Underwriters' Fees	\$ _____
Structuring Advisor Fee (including discount)	\$ _____
Accountant's Fee	\$ _____
Structuring Advisor's Fee	\$ _____
Information Technology Programming Costs	\$ _____
Costs of the Commission	\$ _____
Original Issue Discount	\$ _____
SEC Filing Fee	\$ _____
Bond Rating Fees	\$ _____
Miscellaneous Fees (i.e. Printer/EDGARization Costs)	\$ _____
<b>TOTAL UP-FRONT FINANCING COSTS FINANCED</b>	<b>\$ _____</b>

**Note: Differences that result from the Estimated Up-front Financing Costs financed being more or less than the Actual Upfront Financing Costs incurred will be resolved through the process described in the Financing Order.**

<b><u>ATTACHMENT</u></b> <b><u>2</u></b> <b><u>SCHEDULE A</u></b>
<b>SECURITIZED UTILITY TARIFF BOND REVENUE REQUIREMENT  INFORMATION</b>

<b>TRANCHE</b>				
Payment Date	Principal Balance	Interest	Principal	Total Payment
	\$ _____			
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**ATTACHMENT 2 SCHEDULE B**

**ONGOING FINANCING COSTS**

	<b>ANNUAL AMOUNT</b>
Servicing Fee (Ameren Missouri as Servicer) (0.05% of initial Securitized Utility Tariff Bond principal amount)	\$ _____
Administration Fee	\$ _____
Trustee's Fees	\$ _____
Auditing/Accounting Fees	\$ _____
Legal Fees/Expenses	\$ _____
Rating Agency Surveillance Fees	\$ _____
Return on Capital Account	\$ _____
Printing/Edgarizing Fees	\$ _____
Independent Manager's Fees	\$ _____
Miscellaneous	\$ _____
	\$ _____
<b>TOTAL ONGOING FINANCING COSTS (with Ameren Missouri as Servicer – equal to 0.05% of principal amount)</b>	\$ _____
Ongoing Servicers Fee (Third Party as Servicer) (not to exceed 0.60% of principal amount)	\$ _____
<b>TOTAL ONGOING FINANCING COSTS (Third Party as Servicer)</b>	\$ _____

**Note: The amounts shown for each category of operating expense on these attachments are the expected expenses for the first year of the Securitized Utility Tariff Bonds. Securitized Utility Tariff Charges will be adjusted at least semi-annually to reflect any changes in Ongoing Financing Costs through the true-up process described in the Financing Order.**

ATTACHMENT 2 SCHEDULE C

**CALCULATION OF SECURITIZED UTILITY TARIFF CHARGES**

Year	Securitized Utility Tariff Bond Payments <sup>1</sup>	Ongoing Costs <sup>2</sup>	Total Nominal Securitized Utility Tariff Charge Requirement <sup>3</sup>	Present Value of Securitized Utility Tariff Charges <sup>4</sup>
1	\$ _____	\$ _____	\$ _____	\$ _____
2	\$ _____	\$ _____	\$ _____	\$ _____
3	\$ _____	\$ _____	\$ _____	\$ _____
4	\$ _____	\$ _____	\$ _____	\$ _____
5	\$ _____	\$ _____	\$ _____	\$ _____
6	\$ _____	\$ _____	\$ _____	\$ _____
7	\$ _____	\$ _____	\$ _____	\$ _____
8	\$ _____	\$ _____	\$ _____	\$ _____
9	\$ _____	\$ _____	\$ _____	\$ _____
10	\$ _____	\$ _____	\$ _____	\$ _____
11	\$ _____	\$ _____	\$ _____	\$ _____
12	\$ _____	\$ _____	\$ _____	\$ _____
13	\$ _____	\$ _____	\$ _____	\$ _____
14	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total</b>	\$ _____	\$ _____	\$ _____	\$ _____

<sup>1</sup> From Attachment 2, Schedule A.

<sup>2</sup> From Attachment 2, Schedule B.

<sup>3</sup> Sum of Securitized Utility Tariff Bond payments and ongoing costs.

<sup>4</sup> Calculated in accordance with the methodology cited in the Financing Order.



**ATTACHMENT 2 SCHEDULE D**

**COMPLIANCE WITH SECTION 393.1700**

Quantifiable Benefits Test:<sup>5</sup>

	<b>Securitization</b>	<b>Amortization 15 Years</b>
NPV of total payments discounted at WACC	\$487,682,987	\$563,492,610
NPV Securitization Benefit	-----	\$75,809,623

---

<sup>5</sup> Calculated in accordance with the methodology cited in the Financing Order.



The following actions were taken in connection with the design, marketing, structuring and pricing of the bonds:

- Included credit enhancement in the form of the true-up mechanism and an equity contribution of 0.50% of the original principal amount.
- Registered the Securitized Utility Tariff Bonds with the Securities and Exchange Commission to facilitate greater liquidity.
- Achieved preliminary Aaa(sf)/AAA(sf) ratings from at least two of the three major rating agencies with final Aaa(sf)/AAA(sf) ratings a condition of closing.
- Selected underwriters that have relevant experience and execution capability.
- Provided the preliminary prospectus by e-mail to prospective investors.
- Allowed sufficient time for investors to review the preliminary prospectus and to ask questions regarding the transaction.
- Arranged for the issuance of rating agency pre-sale reports during the marketing period.
- During the period that the Securitized Utility Tariff Bonds were marketed, held daily market update discussions with the underwriting team to develop recommendations for pricing.
- Had multiple conversations with all of the members of the underwriting team before and during the marketing phase in which we stressed the requirements of the Financing Order.
- Developed and implemented a marketing plan designed to give each of the underwriters incentive to aggressively market the Securitized Utility Tariff Bonds to their customers and to reach out to a broad base of potential investors, including investors who have not previously purchased this type of security.
- Provided potential investors with access to an internet roadshow for viewing on repeated occasions at investors' convenience.
- Adapted the Securitized Utility Tariff Bond offering to market conditions and investor demand at the time of pricing. Variables impacting the final structure of the transaction were evaluated including the length of average lives and maturity of the Securitized Utility Tariff Bonds and interest rate requirements at the time of pricing so that the structure of the transaction would correspond to investor preferences and rating agency requirements for AAA ratings, while meeting the requirements of the Financing Order. [After evaluation, incorporated the use of original issue discount to investors consistent with the expectation that it would provide greater benefit than its cost.]
- Worked with underwriters (and their counsels) to finalize documentation in accordance with established standards for transactions of this sort and the terms of the Financing Order.
- Additional points may be added upon final completion of the marketing plan.



Based upon information reasonably available to the officers, agents, and employees of the Petitioner, the Petitioner hereby certifies that (i) the issuance of the Securitized Utility Tariff Bond complies with the Financing Order, (ii) the issuance of the Securitized Utility Tariff Bond complies with all other applicable legal requirements, (iii) that the issuance of the Securitized Utility Tariff Bonds and the imposition of the securitized utility tariff charges are expected to provide quantifiable net present value benefits to customers as compared to recovery of the components of securitized utility tariff costs that would have been incurred absent the issuance of securitized utility tariff bonds, and (iv) the structuring, marketing and pricing of the Securitized Utility Tariff Bonds, as described in the issuance advice letter, will result in the lowest Securitized Utility Tariff Charges consistent with market conditions at the time the Securitized Utility Tariff Bonds were priced and the terms of the Financing Order (including the amortization structure, if any, ordered by the Commission), all within the meaning of Sections RSMo 393.1700- 2.(b) and (c). Petitioner further certifies that it reasonably expects the small amount of original issue discount associated with the bonds to provide benefits greater than its costs.

UNION ELECTRIC COMPANY D/B/A  
AMEREN MISSOURI

By:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

MO.P.S.C. SCHEDULE NO. 6

6th Revised

SHEET NO. 90

CANCELLING MO.P.S.C. SCHEDULE NO. 6

5th Revised

SHEET NO. 90

APPLYING TO

**MISSOURI SERVICE AREA**

**SECURITIZED UTILITY TARIFF RIDER  
Rider SUR**

**VI. APPLICABILITY**

**VII.** The collection of securitized utility tariff charges authorized under a financing order shall be nonbypassable and paid by all existing and future retail customers receiving electrical service from the Company or its successors or assignees under Commission-approved rate schedules (except for customers receiving electrical service under special contracts on August 28, 2021), even if a retail customer elects to purchase electricity from an alternative electric supplier following a fundamental change in regulation of public utilities in this state.

This Securitized Utility Tariff Rider is applicable to energy consumed under the Company’s various rate schedules, except for customers receiving electrical service under special contracts on August 28, 2021. Charges pursuant to this Rider SUR shall be presented on each customer’s bill as a separate line item including the rate applicable to each kWh and the amount of the total charge and include a statement to the effect that the a Special Purpose Entity (“SPE”) is the owner of the rights to charge and that Company is acting as servicer for the SPE. Rider SUR shall remain applicable to each kWh for so long as the securitized utility tariff bonds are outstanding and until all financing costs have been paid in full, and any necessary true-ups have been made.

Rider SUR was authorized in Case No. EF-2024-0021. A SPE, or its successors or assignees, as applicable, is the owner of the securitized utility tariff property which includes all rights to impose, bill, charge, collect, and receive the relevant Securitized Utility Tariff Charge and to obtain periodic adjustment to such charges. Company, as servicer, or other third-party servicer, shall act as SPE’s collection agent for the relevant Securitized Utility Tariff Charge, separate and apart from the other rates, riders, and charges specified in this Tariff.

DATE OF ISSUE XXXXXXXX XX, 2024

DATE EFFECTIVE XXXXX XX, 2024

ISSUED BY Mark C. Birk  
NAME OF OFFICER

Chairman & President  
TITLE

St. Louis, Missouri  
ADDRESS

MO.P.S.C. SCHEDULE NO. 6

Original

SHEET NO. 90

CANCELLING MO.P.S.C. SCHEDULE NO. 6

SHEET NO. 90

APPLYING TO

MISSOURI SERVICE AREA

**SECURITIZED UTILITY TARIFF RIDER  
Rider SUR**

**VIII. RATE DETERMINATION**

Rates under this Rider SUR will be adjusted at least semi-annually in order to ensure that the expected collection of amounts authorized in Case No. ER-2024-0021, and in accordance with the provisions of RSMo Section 393.1700, are adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the bonds and pay on a timely basis other financing costs.

Rider SUR rates shall be calculated by dividing the total periodic securitized revenue requirement by the forecasted period projected sales including distribution losses and multiplied by the voltage expansion factor, as shown in the following formula:

$$SUR_x = ((TSRR + T + A) \div S_{RP}) \times VAF_x$$

where:

$SUR_x$  = Rider SUR Rate for the period, applicable to indicated VAF;

$TSRR$  = Total Securitized Revenue Requirement shall consist of all securitized utility tariff costs, including principal and interest due during the recovery period related to securitized energy transition and financing costs, along with ongoing costs required to service the securitized utility tariff bonds during the recovery period, as approved under the financing order;

$T$  = The Total Securitized Revenue Requirement True-up Amount for any variations calculated in accordance with the True-up Formula set forth in this Rider SUR below;

$A$  = An allowance to the extent necessary to align revenue recovery with payment obligations. This allowance will be returned to customers as a credit periodically to reduce the charge;

$S_{RP}$  = Applicable Recovery Period estimated kWh representing the expected retail component of the Company's load settled at its MISO CP node (AMMO.UE or successor node), plus the metered net energy output of any generating station operating within its certificated service territory as a behind the meter resource in MISO, the output of which served to reduce the Company's load settled at its MISO CP node (AMMO.UE or successor node);

$VAF_x$  = Expansion factor by voltage level<sup>13</sup>

$VAF_{Sec}$  = Expansion factor for Secondary Voltage Service

$VAF_{Prim}$  = Expansion factor for Primary Voltage Service

<sup>13</sup> The expansion factors shall match the Voltage Adjustment Factors in effect from time-to-time under Rider FAC.

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APPLYING TO MISSOURI SERVICE AREA

- VAF<sub>HV</sub> = Expansion factor for High Voltage Service
- VAF<sub>Trans</sub> = Expansion factor for Transmission Voltage Service

**SECURITIZED UTILITY TARIFF RIDER  
Rider SUR**

**IX. RECOVERY PERIODS**

“Recovery Period” (RP) means the period for which a given SUR Rate is in effect. The initial Recovery Period shall begin on the effective date of the first tariff providing an effective SUR Rate, and conclude the day prior to the next occurring subsequent RP until the TSRR has been paid in full.

RPs will generally be 6 months in duration except where additional filings have been made prior to the completion of a previously established RP as required to accommodate a True-Up. If an RP is less than 6 months in duration, the recovery period amounts for the components of the SUR Rate determination and related calculations shall be adjusted accordingly.

To accommodate timing of filings to establish or change the SUR Rate, some required data contemplated to be actual may be projected as of the time of filing. To the extent projected data for one or more months is used to calculate SUR Rates, in subsequent SUR Rate filings such projections will be reconciled against actual data as it becomes available.

**X. TRUE-UP**

The Company as servicer shall semi-annually file proposed Rider SUR Rates implementing a True-Up bearing a 30-day effective date. At the servicer’s discretion, SUR Rate filings implementing a True-Up may be made more frequently as necessary with a 30-day effective date. Workpapers and necessary documentation supporting each element of the TSRR shall be included under affidavit with each SUR Rate filing. At the time of each True-Up, the servicer will provide a new TSRR amount for the coming RP which shall incorporate any variations calculated through a reconciliation of the current period TSRR actuals to estimates to the extent that actuals are available.

SURR Rate filings implementing a True-Up and incorporating revised SURR calculations shall be made quarterly beginning twelve months prior to the final scheduled payment date of the last tranche of each series of the securitized utility tariff bonds.

**XI. TRUE-UP FORMULA**

$T = \text{Periodic Payment Requirement}_{\text{Current RP}} - \text{SUTC Remittances}_{\text{Current RP}}$   
where:

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Periodic Payment Requirement = The portion of the TSRR used to calculate the current SUR Rates applicable to the current RP.

SUTC Remittances = The SUR revenue received or projected to be received during the current RP resulting from the application of the current SUR Rates.

To accommodate timing of SUR Rate filings, some required data contemplated to be actual may be projected as of the time of filing. To the extent projected data for one or more months is used to calculate SUR Rates, in subsequent SUR Rate filings, such projections will be reconciled against actual data as it becomes available.

At the time of each True-Up, the servicer will provide a new TSRR amount for the coming RP which shall incorporate any variations calculated through a reconciliation of the current period TSRR actuals to estimates to the extent that actuals are available.

**XII. ADDITIONAL TERMS**

1. Treatment of partial payments on customer bills – when a customer remits payment for the customer's monthly utility bill, the first dollars collected shall be attributed to past due balances, if any. To the extent that a customer remits an amount less than the full amount due for a given prior or current period, the amount of the payment that is attributed to covering charges under Rider SUR shall be prorated based on the relative proportion of those SUR charges to the total amount due for utility service in that prior or current period bill.
  
2. Treatment for Net Metering Rates – For customers subject to billing under the Net-metering Easy Connection Act (Act), if the electricity supplied by the Company exceeds the electricity generated by the customer-generator during a billing period, the customer-generator shall be billed the applicable SUR Rate for each kWh as netted pursuant to the terms of the Act and this tariff. If the electricity generated by the customer-generator exceeds the electricity supplied to by the Company during a billing period, the customer shall not be issued a credit based on the SUR Rate applicable to each kWh as netted pursuant to the terms of the Act and this tariff, nor shall the SUR Rate be considered to be part of the avoided fuel cost of the Company for purposes of the Act. For customers who are authorized to back-flow energy under some other provision of law, or for any portion of back-flowed energy that exceeds that authorized under the terms of applicable net-metering provisions, the SUR Rate shall be applicable to each kWh provided by the Company, without any offset.
  
3. Differences between the actual securitized utility tariff costs financed by securitized utility tariff bonds and the final securitized utility tariff costs incurred by the Company or assignee, shall be tracked by Company or assignee and included in a regulatory liability or regulatory asset account, as appropriate, to be reconciled in Ameren Missouri's next general rate case.

DATE OF ISSUE XXXXXXXX XX, 2024

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APPLYING TO MISSOURI SERVICE AREA

4. Filing Procedure

Initial Rate Filing - In accordance with the provisions of section 393.1700.2(3)(h), prior to the issuance of bonds, the Company shall submit to the Commission, no later than one business day after the pricing of the securitized utility tariff bonds, an issuance advice letter and revised Schedule SUR tariff sheets bearing a proposed effective date, which shall be the date the securitized utility tariff bonds are to be issued. The issuance advice letter shall report the initial securitized utility tariff charges and other information specific to the securitized utility tariff bonds to be issued, as the Commission may require. The Company may proceed with the issuance of the securitized utility tariff bonds unless, prior to noon on the fourth business day after receipt of the issuance advice letter, the Commission issues a disapproval letter directing that the securitized utility tariff bonds as proposed shall not be issued and the basis for that disapproval.

For all filings - On or before each filing, the Company shall prepare and file under affidavit the workpapers and supporting documentation supporting the Total Securitized Revenue Requirement and SUR Rates being filed, ensuring that all SUR Rates in effect for a current period are published at all times bills are rendered for service at that rate, and an SUR Rate is not applied to usage that occurred prior to the effective date of the SUR Rate.

**SECURITIZED UTILITY TARIFF RIDER  
SUR**

**XIII. Calculation of Current Securitized Utility Tariff Rate**

DATE OF ISSUE XXXXXXXX XX, 2024

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APPLYING TO

**MISSOURI SERVICE AREA**

Applicable to service provided on [EFFECTIVE DATE] through [End date of RP].

Total Securitized Revenue Requirement (TSRR)		\$XX,XXX,XXX
Securitized Revenue Requirement True-Up (T)	+	\$XX,XXX,XXX
Allowance (A)	+	\$XX,XXX,XXX
Estimated Recovery Period Sales (SRP)	÷	XX,XXX,XXX,XXX
SUR Rate	=	\$X.XXXXXX/kWh

**XIV. Loss Adjusted SUR Rates**

Secondary Voltage Adjustment Factor(VAF <sub>SEC</sub> )		1.0539
Secondary (SUR Rate x VAF <sub>SEC</sub> )	=	\$X.XXXXXX/kWh

Primary Voltage Adjustment Factor(VAF <sub>PRI</sub> )		1.0222
Primary (SUR Rate x VAF <sub>PRI</sub> )	=	\$X.XXXXXX/kWh

High Voltage Adjustment Factor(VAF <sub>HV</sub> )		1.0059
Substation (SUR Rate x VAF <sub>HV</sub> )	=	\$X.XXXXXX/kWh

Transmission Adjustment Factor(VAF <sub>TRANS</sub> )		.9928
Transmission (SUR Rate x VAF <sub>TRANS</sub> )	=	\$X.XXXXXX/kWh