

## **ISSUANCE ADVICE LETTER**

11<sup>th</sup> Day of December 2024

Case No. EF-2024-0021

### **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. EF-2024-0021 (the “Financing Order”), UNION ELECTRIC COMPANY D/B/A AMEREN (“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 Series 2024-A Securitized Utility Tariff Bonds. 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 Costs”) 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 and recovery 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 tranche having a scheduled final payment date of 15 years and a legal final maturity of 17 years from the date of issuance of such series (See Attachment 2, Schedule A);
3. The Securitized Utility Tariff Bonds will be issued with an original issue discount. The original issue discount is certified by the Petitioner to provide quantifiable net present value benefits greater than its cost (See Attachment 3);
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 (See Attachment 3);
5. The amount of Securitized Utility Tariff Costs including carrying costs to be financed using Securitized Utility Tariff Bonds are \$465,718,464<sup>1</sup>;
6. The recovery of such Securitized Utility Tariff Costs is just and reasonable and in the public interest;
7. The estimates of the amount of Upfront and annual Ongoing Financing Costs that may be recovered through Securitized Utility Tariff Charges are \$10,402,536 and \$8,152,271<sup>2</sup>, respectively; and
8. The period over which the Securitized Utility Tariff Costs and Financing Costs may be recovered is 17 years.

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<sup>1</sup> Carrying costs included in this summation total \$4,299,654.

<sup>2</sup> Includes a levelized cost of income taxes over the expected bond term of \$7,421,096. Per the Financing Order, the first approximately \$25.6 million of income tax costs shall not be recovered as an ongoing financing cost and the initial rate shall reflect \$0 for income tax costs as an ongoing financing cost.

## ACTUAL TERMS OF ISSUANCE

Securitized Utility Tariff Bonds: Securitized Utility Tariff Bonds, Series 2024-A

Securitized Utility Tariff Bond Issuer: Ameren Missouri Securitization Funding I, LLC

Trustee: The Bank of New York Mellon Trust Company, N.A.

Closing Date: December 20, 2024

Bond Ratings: S&P AAA(sf), Moody's Aaa(sf)

Amount Issued: \$476,121,000

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	4.850%	10/01/2039	10/01/2041

Effective Annual Interest Rate of the Securitized Utility Tariff Bonds:	4.848%
Scheduled Life of the Securitized Utility Tariff Bonds:	<u>15</u> Years
Weighted Average Life of the Securitized Utility Tariff Bonds:	<u>8.53</u> Years
Call provisions (including premium, if any):	None
Target Revenue Requirement Schedule:	Attachment 2, Schedule A
Scheduled Final Payment Date:	October 1, 2039 Attachment 2, Schedule A
Legal Final Maturity Date:	October 1, 2041 Attachment 2, Schedule A
Payments to Investors:	Semi-annually, October 1st and April 1st Beginning October 1, 2025
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 <sup>3</sup> : from December 20, 2024, to September 30, 2025	
Forecasted retail kWh/kW sales for the applicable period:	22,123,956,791
Securitized Utility Tariff Bond debt service for the applicable period	\$ 35,408,909.45
Percent of billed amounts expected to be charged-off:	0.29%
Forecasted % of Billing Paid in the Applicable Period:	86.53%
Forecasted retail kWh/kW sales billed and collected for the applicable period.	18,937,207,514
Forecasted ongoing financing costs (excluding debt service) <sup>4</sup> :	\$ 548,380.50
Initial Securitized Utility Tariff Bond outstanding principal balance:	\$ 476,121,000.00
Target Securitized Utility Tariff Bond outstanding principal balance as of: December 20, 2024	\$ 476,121,000.00
Total Revenue Requirement for applicable period:	\$ 35,957,289.95

### IDENTIFICATION OF SPE

The owner of the Securitized Utility Tariff Property will be: Ameren Missouri Securitization Funding I, LLC.

### EFFECTIVE DATE

In accordance with the Financing Order, the Securitized Utility Tariff Charge shall be automatically effective on December 20, 2024, the date the Securitized Utility Tariff Bonds are issued.

<sup>3</sup> This represents usage months of December 20, 2024 through September 30, 2025.

<sup>4</sup> Forecasted ongoing financing costs for the applicable period represents approximately nine months of costs for the initial Total Securitized Revenue Requirement (TSRR) payment to align with the longer initial recovery period. Subsequent periods will reflect six months.

**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: Darryl T. Sagel

Title: Vice President and Treasurer

**ATTACHMENT 1**  
**SCHEDULE A**  
**CALCULATION OF SECURITIZED UTILITY TARIFF COSTS**  
**AND FINANCING COSTS**

Securitized Utility Tariff Costs including carrying costs to be financed: \$465,718,464

Upfront Financing Costs: \$10,402,536

**TOTAL COSTS TO BE FINANCED: \$476,121,000**

**ATTACHMENT 1**

**SCHEDULE B**

**ESTIMATED UPFRONT FINANCING COSTS<sup>5</sup>**

<b>UP-FRONT FINANCING COSTS</b>	
Legal fees (Company, Issuer, Trustee, and Underwriter)	\$ 3,560,483
Underwriters' fees	\$ 1,904,484
Accountant's Fee	\$ 200,000
Structuring Advisor's Fee	\$ 255,000
Information Technology Programming Costs	\$ 20,000
Costs of the Commission	\$ 3,650,000
Original Issue Discount	\$ 54,516
SEC Registration Fee	\$ 52,469
SEC Filing Fee	\$ -
Bond Rating Fees	\$ 547,539
Miscellaneous Fees (i.e Printer/EDGARisation Costs)	\$ 158,046
<b>TOTAL UP-FRONT FINANCING COSTS FINANCED</b>	<b>\$ 10,402,536</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.**

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<sup>5</sup> Total may not add up due to rounding.

**ATTACHMENT 2  
SCHEDULE A**

**SECURITIZED UTILITY TARIFF BOND REVENUE REQUIREMENT  
INFORMATION**

<b>Date</b>	<b>Balance</b>	<b>Principal</b>	<b>Coupon</b>	<b>Total Payment</b>
12/20/2024	476,121,000			
10/01/2025	458,736,577	17,384,423	18,024,486	35,408,909
04/01/2026	447,171,774	11,564,803	11,124,362	22,689,165
10/01/2026	435,321,667	11,850,107	10,843,916	22,694,022
04/01/2027	423,179,218	12,142,449	10,556,550	22,698,999
10/01/2027	410,737,215	12,442,003	10,262,096	22,704,099
04/01/2028	397,988,267	12,748,947	9,960,377	22,709,325
10/01/2028	384,924,803	13,063,464	9,651,215	22,714,679
04/01/2029	371,539,063	13,385,740	9,334,426	22,720,166
10/01/2029	357,823,098	13,715,966	9,009,822	22,725,788
04/01/2030	343,768,759	14,054,339	8,677,210	22,731,549
10/01/2030	329,367,700	14,401,059	8,336,392	22,737,452
04/01/2031	314,611,366	14,756,333	7,987,167	22,743,500
10/01/2031	299,490,994	15,120,372	7,629,326	22,749,698
04/01/2032	283,997,602	15,493,392	7,262,657	22,756,048
10/01/2032	268,121,989	15,875,614	6,886,942	22,762,556
04/01/2033	251,854,724	16,267,265	6,501,958	22,769,223
10/01/2033	235,186,145	16,668,578	6,107,477	22,776,056
04/01/2034	218,106,353	17,079,792	5,703,264	22,783,056
10/01/2034	200,605,202	17,501,151	5,289,079	22,790,230
04/01/2035	182,672,298	17,932,904	4,864,676	22,797,580
10/01/2035	164,296,989	18,375,309	4,429,803	22,805,112
04/01/2036	145,468,361	18,828,628	3,984,202	22,812,830
10/01/2036	126,175,231	19,293,130	3,527,608	22,820,738
04/01/2037	106,406,140	19,769,092	3,059,749	22,828,841
10/01/2037	86,149,344	20,256,795	2,580,349	22,837,144
04/01/2038	65,392,814	20,756,530	2,089,122	22,845,652
10/01/2038	44,124,220	21,268,594	1,585,776	22,854,370
04/01/2039	22,330,930	21,793,290	1,070,012	22,863,302
10/01/2039	0	22,330,930	541,525	22,872,456



**ATTACHMENT 2**  
**SCHEDULE B**  
**ONGOING FINANCING COSTS<sup>6</sup>**

	<b>ANNUAL AMOUNT</b>
Servicing Fee (.05% of bond issuance amount)	\$ 238,061
Administration Fee	\$ 50,000
Trustee Fees and Expenses	\$ 7,500
Auditing/Accounting Fees	\$ 75,000
Legal Fees/Expenses	\$ 35,000
Rating Agency Surveillance Fees	\$ 56,500
Return on Capital Account	\$ 199,114
Printing/Edgarizing Fees	\$ 10,000
Independent Manager's Fees	\$ 10,000
Bad Debt	\$ -
Miscellaneous	\$ 50,000
Income Taxes	\$ 7,421,096
<b>TOTAL ONGOING FINANCING COSTS (with Ameren Missouri as Servicer)</b>	<b>\$ 8,152,271</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.**

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<sup>6</sup> Includes a levelized cost of income taxes over the expected bond term of \$7,421,096. Per the Financing Order, the first approximately \$25.6 million of income tax costs shall not be recovered as an ongoing financing cost and the initial rate shall reflect \$0 for income tax costs as an ongoing financing cost.

**ATTACHMENT 2**  
**SCHEDULE C**  
**CALCULATION OF SECURITIZED UTILITY TARIFF CHARGES<sup>7</sup>**

<b>Year</b>	<b>Securitized Utility Tariff Bond Payments</b>	<b>Ongoing Costs</b>	<b>Total Nominal Securitized Utility Tariff Charge Requirement</b>	<b>Present Value of Securitized Utility Tariff Charges</b>
1	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 51,274,526
2	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 47,903,431
3	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 44,753,972
4	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 41,811,578
5	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 39,062,634
6	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 36,494,422
7	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 34,095,059
8	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 31,853,446
9	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 29,759,209
10	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 27,802,660
11	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 25,974,746
12	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 24,267,011
13	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 22,671,552
14	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 21,180,988
15	\$ 45,036,101	\$ 8,152,271	\$ 53,188,371	\$ 19,788,423
<b>Total</b>	<b>\$ 675,541,513</b>	<b>\$ 122,284,059</b>	<b>\$ 797,825,571</b>	<b>\$ 498,693,655</b>

<sup>7</sup> Ongoing costs includes a levelized cost of income taxes over the expected bond term of \$7,421,096. Per the Financing Order, the first approximately \$25.6 million of income tax costs shall not be recovered as an ongoing financing cost and the initial rate shall reflect \$0 for income tax costs as an ongoing financing cost.

**ATTACHMENT 2**  
**SCHEDULE D**  
**COMPLIANCE WITH SECTION 393.1700**

Quantifiable Benefits Test:<sup>8</sup>

<u>DESCRIPTION</u> (A)	<u>SECURITIZATION</u> (B)	<u>AMORTIZATION:</u> <u>15 YEARS</u> (C)
Energy Transition Costs (incl. carrying)	465,718,464	465,718,464
Upfront financing costs	10,402,536	3,650,000
<b>Total</b>	<b>476,121,000</b>	<b>469,368,464</b>
Carrying cost	4.85%	6.82%
Incremental Income Taxes	-	7,241,631
Term (years)	15	15
Monthly payment	3,753,008	4,584,399
Ongoing financing costs, including income taxes (monthly)	679,356	618,425
Monthly revenue requirement	4,432,364	5,202,824
Total payments	797,825,571	936,508,317
<b>Securitization benefit</b>		<b>138,682,746</b>
Discount Rate (6.82%)	6.82%	6.82%
NPV payments discounted @ Discount Rate	498,693,655	585,379,527
<b>NPV securitization benefit</b>		<b>86,685,872</b>

<sup>8</sup> Calculated in accordance with the methodology cited in the Financing Order.

## ATTACHMENT 3

### FORM OF PETITIONER'S CERTIFICATION

Date: December 11, 2024

Missouri Public Service Commission  
200 Madison Street  
P.O. Box 360  
Jefferson City, MO 65102-0360

Re: *Petition of Union Electric Company d/b/a Ameren Missouri for a Financing Order*, File No. EF-2024-0021

Union Electric Company d/b/a Ameren Missouri (the "Petitioner") submits this Certification pursuant to Ordering Paragraph No. 8 of the Financing Order in *Petition of Union Electric Company d/b/a Ameren Missouri for a Financing Order*, File No. EF-2024-0021 (the "Financing Order"). All capitalized terms not defined in this letter have the meanings ascribed to them in the Financing Order.

In its issuance advice letter dated December 11, 2024, the Petitioner has set forth the following particulars of the Securitized Utility Tariff Bonds:

Name of Securitized Utility Tariff Bonds: Securitized Utility Tariff Bonds, Series 2024-A  
SPE: Ameren Missouri Securitization Funding I, LLC  
Closing Date: December 20, 2024  
Amount Issued: \$476,121,000  
Expected Amortization Schedule: See Attachment 2, Schedule A to the Issuance Advice Letter  
Distributions to Investors (quarterly or semi-annually): semi-annually  
Coupon Rate: 4.850%  
Yield: 4.848%

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

- Conducted an RFP process for the selection of the underwriters and considered the results and recommendations of a broad universe of respondents.
- Selected underwriters that have relevant experience and execution capability in order to achieve Savings Standard (as defined below).
- Developed bond allocations, examined underwriter compensation and examined the design of the preliminary price guidance with the input from, and in collaboration with, the Finance Team to achieve the Savings Standard.

- 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.
- Pursued and received a green bond designation for the Securitized Utility Tariff Bonds to expand the pool of potential investors.
- Arranged for the issuance of rating agency pre-sale reports during the marketing period.
- Sought advice from the underwriters on the:
  - Structure to achieve the Savings Standard.
  - Pool of investors to target, rating agencies to use and number of rating agencies, marketing tools, length of process, pricing process and pricing strategy/movements/tightening to achieve the Savings Standard.
- Allowed the Finance Team to review, provide input and collaborate during regular meetings on subjects including: (i) the selection process for the underwriters including with respect to the syndicate group size, selection process, participants, 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 upfront financing costs 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.
- During the period that the Securitized Utility Tariff Bonds were marketed, held regular market update discussions with the underwriting team to develop recommendations for pricing.
- Had multiple conversations with all of the members of the underwriting team and the Finance 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 market the Securitized Utility Tariff Bonds to the underwriters' customers and to reach out to a broad base

of potential investors, including investors who may not have previously purchased this type of security.

- Developed Intex model with the structuring advisor in order to provide a CDI file to prospective investors required for their investment and portfolio monitoring needs.
- Developed an electronic roadshow presentation to highlight positive credit characteristics of the Securitized Utility Tariff Bonds.
  - Instructed the underwriters to widely circulate details of the offering in the electronic roadshow to structured finance and corporate investors. Held live roadshow with investors.
- Provided potential investors with access to an internet roadshow for viewing on repeated occasions at investors' convenience.
- Reached out to a broad universe of investors and included a broader investor list provided by the Finance Team.
- Offered one-on-one meetings with potential investors as part of the marketing process.
- Allowed sufficient time for investors to review the preliminary term sheet and preliminary prospectus and to ask questions regarding the transaction.
- 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 tranche structure, the length of average lives, 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.
- Analyzed order book and advice from the underwriters as to whether additional tightening would better achieve the Savings Standard.

For purposes of this certification, the term "Savings Standard" means (i) the issuance of the Securitized Utility Tariff Bonds and the imposition of the Securitized Utility Tariff Charges 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 the Securitized Utility Tariff Bonds and (ii) the structuring,

marketing and pricing of the Securitized Utility Tariff Bonds resulted 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.

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 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 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: Darryl T. Sagel

Title: Vice President and Treasurer