

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

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri)
for an Order Authorizing Applicant to Convey)
to and Lease Back From Audrain County,)
Missouri, Certain Real Property and)
Improvements and to Execute and Perform the)
Necessary Agreements Under Section 100.010)
Through 100.200 RSMo, for the Purpose of)
Constructing Applicant's Electric Generating)
Facility in Audrain County, Missouri.)

File No. EF-2025-_____

APPLICATION AND MOTION FOR WAIVER

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company"), pursuant to Sections 393.180, 393.190, and 393.200, RSMo, and 20 CSR 4240-2.060, 20 CSR 4240-10.125, and 20 CSR 4240-4.017, and requests the Missouri Public Service Commission ("Commission") authorize Ameren Missouri to convey and lease back from Audrain County, Missouri ("County") certain land and improvements and to issue, execute and perform the necessary agreements and instruments (including such that constitute evidence of the Applicant's indebtedness) under Sections 100.010 through 100.200 RSMo, and Article VI Section 27(b) of the Missouri Constitution, (collectively, the "Act"), for the purpose of implementing payments in lieu of taxes ("PILOT") for the benefit of the Company's customers. In support thereof, the Company states as follows:

Background

1. 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 provides electric and natural gas utility services in portions of Missouri and is a

public utility subject to the jurisdiction of the Commission. A certified copy of the Company's Articles of Incorporation was previously filed in Case No. EA-87-105, and is incorporated herein by reference. The Company's Fictitious Name Registration as filed with the Missouri Secretary of State's Office was previously filed in Case No. EA-2019-0181, and is incorporated herein by reference. A Certificate of Corporate Good Standing for the Company is attached as **Schedule A**.

2. Filings, notices, orders, and other correspondence and communications concerning this Application should be addressed to the undersigned counsel and to:

Steven Wills
Director, Regulatory Affairs
Ameren Missouri
1901 Chouteau Avenue
P.O. Box 66149
St. Louis, MO 63166-6149
swills@ameren.com

3. 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 the Application, other than matters currently pending before the Commission.

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

Chapter 100 PILOT

5. On March 21, 2024, the Commission issued its *Order Approving Stipulation and Agreement And Granting Certificates of Convenience and Necessity* in EA-2023-0286 that granted the Company a certificate of convenience and necessity to construct, install, own, operate, maintain, and otherwise control and manage a 50 MW solar generation facility to be constructed in Audrain County (referred to as the "Vandalia Project").

6. Consistent with other Company generation, including its Penno Creek and Audrain gas-fired generation, the Company has entered into a Chapter 100 financing arrangement with the County for its Vandalia Project.¹ As detailed below, Chapter 100 arrangements allow project owners to implement PILOT arrangements in lieu of paying property taxes otherwise called for by state law, to the benefit of customers, since all PILOT arrangements are designed to result in net PILOT payments that are less than the property tax payments that would otherwise be required by state law. Attached hereto as **Schedule B-HC** is the Vandalia Project *Plan For An Industrial Development Project And Cost/Benefit Analysis*.

7. Specifically, the Company seeks permission to enter into agreements with the County to convey the Vandalia Project site and the improvements thereon to the County in exchange for the County's issuance of taxable industrial development revenue bonds in an amount up to \$60,000,000 and the County's lease of the Vandalia Project to the Company for a term of approximately 25 years and subject to a lease containing a provision that allows the Company to terminate the lease at any time prior to the conveyance of the Audrain Project to the County if the approvals sought from the Commission in this Application are not obtained.

8. Pursuant to the Act, the County is authorized to issue revenue bonds to promote economic development in the County. The bonds will be issued by the County pursuant to the Act and a trust indenture between the County and a corporate trustee. The Company will purchase the bonds. The principal amounts of the bonds when issued will equal the amounts advanced by the Company to fund the costs of the Vandalia Project transferred to the County by the Company. The

¹ The Company's Huck Finn solar facility is also subject to a Chapter 100 arrangement put into place by the project developer prior to Ameren Missouri's acquisition of the facility pursuant to authority given Ameren Missouri by the Commission in File No. EA-2022-0244.

trust indenture will provide the specific terms and details of the bonds. The trust indenture will also contain various provisions, covenants, and agreements to protect the security of the bondholder (initially the Company), including the following: (a) pledging and assigning the rents, revenues, and receipts of the Vandalia Project; (b) describing the redemption provisions and other features of the bonds; (c) setting forth the form of the bonds; (d) establishing the various funds and accounts to handle bond proceeds and revenues of the Vandalia Project and setting forth covenants regarding the administration and investment of such funds and accounts by the trustee bank; (e) setting forth the duties of the trustee bank; (f) defining events of default and provisions for enforcing the rights and remedies of the bondholder in such events; (g) restricting the issuance of additional bonds and the terms upon which the same may be issued and secured. The bonds will be special limited obligations of the County payable solely from the rental payments to be made by the Company pursuant to the lease, and in the event of a default by the Company, the rents, revenues, and receipts of the County derived from the Project. The bonds will also be secured by a deed of trust and security agreement granted by the County encumbering the Vandalia Project. The interest on the bonds will be subject to state and federal income taxes.

9. The Company will transfer the Vandalia Project to the County pursuant to a special warranty deed and bill of sale. Concurrently with the issuance of the bonds, the County will lease the Vandalia Project pursuant to the lease between the County and the Company. The lease terms will be the same as the final maturity of the bonds and will be net lease, with the Company being responsible for rental payments in an amount sufficient to pay the debt service on the bonds. The Company will be responsible to maintain, insure, operate and pay any taxes related to the Vandalia Project. The Company will have the option, at any time during the term of the lease, to terminate

the grant agreement early, and to purchase the County's interest in the Vandalia Project upon providing for the payment equal to the outstanding balance of the principal of and interest on the bonds. Additionally, at the end of the 25-year lease term, the Company must purchase the County's interest in the Vandalia Project by paying a nominal fee to the County. During the term of the lease, the Company: (a) will be responsible to operate and control the Vandalia Project; (b) has the right, at its own expense, to make certain additions, modifications or improvements to the Vandalia Project; (c) may assign its interests under the agreement or sublease the Vandalia Project while remaining responsible for payments under the leases; (d) covenants to maintain its corporate existence during the term of the bonds; and (e) agrees to indemnify the County for any liability the County might incur as a result of its participation in the transactions. The Company will record the lease as a capital lease on its accounting books and records.

10. While the Company acknowledges that the Lease is technically an "evidence of indebtedness" pursuant to Sections 393.180 and 393.200. (and, as such, the Company seeks the Commission's authority to proceed thereunder), the Company states that no additional permanent capital is raised as a result of entering into the lease. The proposed transfer and lease arrangement of the Vandalia Project is being utilized to provide economic incentives to the County. The County's ownership of the Vandalia Project during the term of the bonds and lease is expected to result in property tax savings of approximately *** [REDACTED] *** to the Company as compared to property taxes that would otherwise be due under state law, offset by annual PILOT payments as provided in the grant agreements. A portion of each PILOT payment is expected to be distributed to local taxing jurisdictions at the option of the County. Because PILOT payments are expected to be allocated to the political subdivisions by the County, the impact on other taxing

jurisdictions is not known by the Company. The proposed arrangement will not be detrimental to the public interest but advantageous to the interests of the Company and its service to customers, and the public will be inconvenienced hereby, as a result of savings as compared to centrally assessed property tax payments that would otherwise be due under state law in the absence of the Chapter 100 PILOT arrangement. Attached hereto as **Schedule C-HC** is the *Solar Property Tax Analysis* demonstrating the benefit to the Company's customers.

11. A five-year capitalization expenditure schedule is not being filed with this Application because, as explained in paragraph 10 above, the Company is not raising additional long-term capital as part of these transactions. As such, the Company requests a variance from 20 CSR 4240-10.125(1)(G).

12. No fee is required pursuant to Section 386.300.2 because the proposed issuance of an evidence of indebtedness will not in effect result in additional borrowings by the Company.

13. A copy of the Secretary's Certificate verifying the authority of the Company's signatory to enter into the proposed transactions is attached hereto as **Schedule D**.

14. Fully executed copies of the instruments necessary to implement the Chapter 100 PILOT arrangement with the County are attached hereto as **Schedule E**.

15. The Company requests a variance from 20 CSR 4240-10.125(1)(E). Good cause exists as the Chapter 100 PILOT arrangement will not impact the balance sheet or income statement.

MOTION FOR WAIVER OF 20 CSR 4240-4.017

16. The Company requests a waiver from the 60-day notice requirement of 20 CSR 4240-4.017, which states, in relevant part:

Any person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case...

17. Pursuant to 20 CSR 4240-4.017(1)(D), waivers of the 60-day notice requirement may be granted for good cause shown. The rule further provides that good cause includes "a verified declaration from the filing party that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case..."

18. As indicated in the verified declaration below, the Company has not had any communications with the office of the Commission (as defined by 20 CSR 4240-4.015(10)) regarding any substantive issue likely to be in this case during the preceding 150 days. Consequently, good cause exists to grant the requested waiver.

WHEREFORE, Ameren Missouri respectfully requests the Commission issue an order:

- (i) Authorizing the Company to convey and lease back from the County the Vandalia Project site and the improvements thereon;
- (ii) Authorizing the Company to issue, execute and perform the necessary agreements and instruments (including such that constitute evidence of the Company's indebtedness) under the Act for the purpose of constructing the Vandalia Project;
- (iii) Authorize the Company to do any and all other things incidental, necessary or appropriate to the performance of any and all acts specifically authorized by the Commission in its orders;
- (iv) Grant variances from 20 CSR 4240-10.125(1)(E) and (1)(G) for good cause shown;
- (v) Grant a waiver from 20 CSR 4240-4.017 for good cause shown; and
- (vi) For such further relief that the Commission deems necessary.

Respectfully submitted,

/s/ Jennifer L. Hernandez

Jennifer L. Hernandez, Mo Bar #59814

Corporate Counsel

Wendy K. Tatro, Mo Bar #60261

Director and Assistant General Counsel

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**ATTORNEYS FOR UNION ELECTRIC
COMPANY d/b/a AMEREN MISSOURI**

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to Staff of the Missouri Public Service Commission at staffcounsel@psc.mo.gov and the Office of the Public Counsel at opcservice@opc.mo.gov this 10th day of March 2025.

/s/ Jennifer L. Hernandez

VERIFIED DECLARATION

I hereby declare that neither Ameren Missouri nor any other person on its behalf has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the one hundred fifty (150) days immediately preceding the filing of the Application regarding any substantive issue likely to be addressed in this case.

Under penalty of perjury, I declare that the foregoing declaration is true and correct to the best of my knowledge, information and belief.

/s/ Warren Wood
Vice President Regulatory and Legislative Affairs
Ameren Missouri

AFFIDAVIT


State of Missouri)
)
City of St. Louis) ss

I, Ajay K. Arora, having been duly sworn upon my oath, state that I am the Senior Vice President and Chief Development Officer for Ameren Missouri, that the foregoing Application and schedules are true and correct to the best of my knowledge, information, and belief, and that I possessed the authority to execute and deliver the proposed transactions and bind the Company thereto.



Ajay K. Arora
Senior Vice President and Chief Development
Officer
Ameren Missouri

Subscribed and sworn before me this 4th day of March 2025.



Notary Public

My Commission Expires 08/24/2025

