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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. EA-2025-0238

DIRECT TESTIMONY

OF

DARRYL T. SAGEL

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

**St. Louis, Missouri
June 2025**

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DIRECT TESTIMONY

OF

DARRYL T. SAGEL

FILE NO. EA-2025-0238

I. INTRODUCTION

1

2 **Q. Please state your name and business address.**

3 A. My name is Darryl T. Sagel. My business address is One Ameren Plaza,
4 1901 Chouteau Avenue, St. Louis, Missouri 63103.

5 **Q. By whom and in what capacity are you employed?**

6 A. I am employed by Ameren Services Company ("Ameren Services"), a
7 wholly-owned subsidiary of Ameren Corporation ("Ameren"), as Vice President and
8 Treasurer. I also serve as Vice President and Treasurer of Union Electric Company d/b/a
9 Ameren Missouri ("Ameren Missouri" or "Company"). Ameren Services provides various
10 corporate support services to Ameren's subsidiaries, including Ameren Missouri, such as
11 accounting, legal, financial, and treasury services.

12 **Q: Who are you testifying for?**

13 A. I am testifying on behalf of Ameren Missouri.

14 **Q. What are your current job duties and responsibilities?**

15 A. As Treasurer of Ameren and the Company, I am responsible for all areas of
16 the treasury functional area, including corporate finance, cash and investment management,
17 credit risk management, investor relations, investor services, and corporate development.
18 Within the areas of corporate finance, I am responsible for, among other things, managing
19 Ameren's and its subsidiaries' capital raising and capital structures, including their short-

1 term and long-term financing activities, such as debt and equity issuances and credit facility
2 arrangements. I am also responsible for monitoring and managing Ameren's and its
3 subsidiaries' liquidity positions, key credit metrics, and debt agreement compliance,
4 overseeing relationships with credit rating agencies and banks, and monitoring capital
5 markets for key developments and emerging risks and opportunities, among other
6 corporate finance-related activities.

7 **Q. Please describe your educational and professional background.**

8 A. See my Statement of Qualifications, which is attached as Appendix A to my
9 direct testimony.

10 **Q. Have you previously testified in any proceedings before the Missouri**
11 **Public Service Commission ("Commission" or "PSC") or before any other utility**
12 **regulatory agency?**

13 A. Yes. I have previously testified before this Commission, as well as before
14 the Illinois Commerce Commission.

15 **II. PURPOSE AND SUMMARY OF TESTIMONY**

16 **Q. What is the purpose of your direct testimony?**

17 A. The purpose of my testimony is to describe the Company's plan to finance
18 new generation assets that match the needs identified in the Company's recently filed Preferred
19 Resource Plan, which includes the Big Hollow Combustion Turbine Generator ("CTG") and
20 Battery Energy Storage System ("BESS") Projects in File No. EA-2025-0238 (in combination,
21 the "Projects"). Specifically, I will discuss the Company's ability to finance the Projects,
22 including an overview of the Company's current investment grade credit ratings, available
23 liquidity, and its access to debt and equity capital markets to finance the projects during

Direct Testimony of
Darryl T. Sagel

1 construction as well as on-going operations and maintenance of the generating facilities.

2 **Q. Are you sponsoring any schedules in connection with your direct**
3 **testimony?**

4 A. No.

5 **III. FINANCIAL ABILITY**

6 **Q. Please briefly describe the project and the anticipated total project**
7 **costs excluding an Allowance for Funds Used During Construction.**

8 A. The Big Hollow CTG Project will consist of four (4) simple cycle
9 combustion turbine generators and the Big Hollow BESS Project is a battery energy storage
10 system, both of which will be located at the site of the now retired Rush Island coal-fired
11 facility in Jefferson County, Missouri. Ameren Missouri is developing each project
12 separately, each of which will be constructed under separate engineering, procurement and
13 construction ("EPC") contracts in accordance with the Company's technical specifications.

14 The Big Hollow CTG Project's base case cost estimate is approximately *** ____
15 _____***, and the Project is expected to enter commercial operation in 2028. The Project's
16 risk-adjusted cost estimate is *** _____*** which includes additional contingency.

17 The Big Hollow BESS Project's base case cost estimate is approximately *** ____
18 _____*** and is expected to enter commercial operation between 2027 and 2028 and to
19 be fully in service no later than September 1, 2028. The Big Hollow BESS Project's risk-
20 adjusted cost estimate is *** _____*** which includes additional contingency.

21 Additional details on the Big Hollow BESS Project are outlined in the Direct
22 Testimony of Company witness Scott Wibbenmeyer. Company witness Christopher
23 Stumpf outlines the project details specific to the Big Hollow CTG Project.

1 **Q. Does Ameren Missouri have the financial ability to acquire, construct,**
2 **install, own, manage, maintain, and control the Projects?**

3 A. Yes. Ameren Missouri has proven experience financing the purchase,
4 development, construction, and operation of generating assets that serve Missouri customers.
5 Ameren Missouri currently owns and operates approximately 10 GW of generating capacity.

6 **Q. How does Ameren Missouri typically finance its capital investments,**
7 **including new generation assets?**

8 A. The Company typically funds its capital investments through a combination of
9 operating cash flow, short-term and long-term debt issued by the Company and, on occasion,
10 cash contributed as equity from Ameren that is sourced from third party common stock
11 investors. For certain generation investments, including battery storage investments such as the
12 BESS Project, the Company may utilize or monetize (through transfer) investment tax credits
13 to help support initial funding. The Company does not perceive short-term debt as a permanent
14 source of capital and therefore normally finances its broad portfolio of projects initially with
15 short-term debt until such time that short-term debt balances exceed index eligibility levels for
16 long-term debt issuance (i.e., greater than \$300 million) so as to provide investor liquidity in the
17 instrument and derive an attractive all-in coupon.

18 **Q. Does the Company plan to finance the Projects using the aforementioned**
19 **mix of sources?**

20 A. Yes.

1 **Q. How does Ameren Missouri determine the appropriate mix of debt and**
2 **equity capital to finance its investments?**

3 A. A key corporate imperative for Ameren Missouri is to maintain a healthy capital
4 structure that supports the financial integrity of the Company and ensures access to requisite
5 capital at a reasonable cost and on reasonable terms in both strong and weak markets.
6 Consequently, the Company manages its capital structure and its financing mix in order to retain
7 strong investment grade credit ratings that provide ongoing access to debt and equity capital at
8 a market-competitive cost and under market-competitive terms and conditions through various
9 market cycles.

10 **Q. Does the Company have access to available credit and other liquidity to**
11 **help finance the Projects?**

12 A. Yes, the Company has adequate short-term liquidity and access to incremental
13 short-term liquidity as needed. Ameren Missouri's liquidity needs are typically supported
14 through the use of available cash, drawings under committed credit agreements, commercial
15 paper issuances, and/or affiliate borrowing (money pool) agreements. The Company maintains
16 a revolving credit facility (shared with Ameren) that has identified borrowing sub-limits
17 separately for Ameren and for the Company. Specifically, Ameren Missouri's liquidity position
18 is supported by the \$1.4 billion Missouri credit facility that is scheduled to mature in December
19 2028.¹ Ameren Missouri's borrower sub-limit under this credit facility is currently \$1.0 billion.
20 In addition, a money pool arrangement among Ameren's regulated subsidiaries allows excess
21 cash to be loaned to and borrowed by subsidiaries as needed.

¹ Due to one lender declining to consent to a December 2024 credit facility extension, the Missouri credit facility capacity will decline by approximately \$27 million in December 2027.

1 **Q. Does the Company also have access to long-term capital markets to provide**
2 **permanent financing for the projects?**

3 A. Yes. Ameren Missouri has been an active historical issuer of long-term debt
4 capital to support its capital program over time. As of May 31, 2025, the Company had \$7.849
5 billion of outstanding long-term debt.² Continued access to the long-term debt markets is
6 bolstered by its strong investment grade credit ratings. In addition, the Company has future
7 access to parent company (Ameren) capital through infusions of equity sourced by common
8 stock projected to be issued by Ameren.

9 **Q. What are Ameren Missouri's current issuer and senior secured debt credit**
10 **ratings?**

11 A. Currently, Ameren Missouri's issuer credit ratings at Standard and Poor's
12 Ratings Services ("S&P") and Moody's Investor Services ("Moody's") are BBB+ and Baa1,
13 respectively. The Company's senior secured debt credit ratings at S&P and Moody's are A and
14 A2, respectively.

15 **Q. Do you consider Ameren Missouri's credit ratings to be securely**
16 **investment grade, thereby ensuring access to necessary capital at a reasonable cost and**
17 **on reasonable terms.**

18 A. Yes.

19 **Q. Does this conclude your direct testimony?**

20 A. Yes, it does.

² This figure does not include the \$0.476 billion of securitized utility tariff bonds arising from the Rush Island securitization.

APPENDIX A
STATEMENT OF QUALIFICATIONS

DARRYL T. SAGEL

1 My name is Darryl T. Sagel. My business address is One Ameren Plaza, 1901
2 Chouteau Avenue, St. Louis, Missouri, 63103. I am employed by Ameren Services
3 Company as Vice President and Treasurer. As Treasurer, I am responsible for all areas of
4 the treasury functional area of Ameren Corporation and its subsidiaries, including
5 corporate finance, cash and investment management, insurance, credit risk management,
6 investor services and corporate development. Within the areas of corporate finance, I am
7 responsible for, among other things, managing Ameren Corporation's and its subsidiaries'
8 capital raising initiatives and capital structure, including their short-term and long-term
9 financing activities, such as debt and equity issuances and credit facility arrangements. I
10 am also responsible for monitoring and managing Ameren's and its subsidiaries' liquidity
11 positions, key credit metrics, and debt agreement compliance, overseeing relationships
12 with credit rating agencies and banks, and monitoring capital markets for key
13 developments, emerging risks, and opportunities, among other corporate finance-related
14 activities.

15 I received my Bachelor of Arts degree in Quantitative Economics in 1994 from
16 Stanford University.

17 I have more than 30 years of experience in various finance and strategy roles. Upon
18 graduating from college in 1994, I joined the Investment Research Department at Goldman
19 Sachs, & Co. based in New York City, where I aided in the research coverage of
20 approximately 100 domestic and international electric and gas utility companies. In 1996,

1 I transferred to Goldman Sachs' Investment Banking Division, within which I advised
2 energy and utility clients in the U.S. and internationally in raising capital and structuring
3 merger and acquisition (M&A) transactions. In 2000, I took a position at Morgan Stanley
4 & Co., working within the company's Mergers & Acquisitions group and focusing
5 predominantly on assisting global power and utilities clients on M&A-related matters.
6 After over three years on the Morgan Stanley investment banking platform, in 2003, I
7 moved to Lazard Freres & Co. (Lazard), where I continued to originate and execute
8 financial advisory assignments for a broad range of domestic and international power and
9 utility companies and alternative energy companies. For several years during my tenure, I
10 was a Partner and co-head of Lazard's North American Power & Utilities practice. In 2010,
11 I left Lazard to join Rothschild Inc. to head its North American Power & Utilities group.
12 In total, I amassed over 18 years of experience as an investment banker covering the broad
13 power & utilities sector, working on a wide array of transformative and incremental M&A
14 transactions, corporate restructurings, and capital raising initiatives. In mid-2012, I joined
15 Ameren Services as Director of Corporate Development, overseeing the company's M&A
16 functional area, as well as originating and executing direct investment and corporate
17 partnership opportunities. I was promoted to Assistant Vice President, Corporate
18 Development in 2016 and again promoted to Vice President, Corporate Development in
19 2017. In July 2018, I inherited oversight of all of Ameren's treasury functions and my title
20 changed to Vice President and Treasurer.

In the Matter of the Application of Union Electric)
 Company d/b/a Ameren Missouri for Permission and)
 Approval and Certificate of Public Convenience and) File No.: EA-2025-0238
 Necessity Authorizing it to Construct a New Generation)
 Facility and Battery Energy Storage System)

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

My name is Darryl T. Sagel, and hereby declare on oath that I am of sound mind and lawful age; that I have prepared the foregoing *Direct Testimony*; and further, under the penalty of perjury, that the same is true and correct to the best of my knowledge and belief.

Sworn to me this 26th day of June 2025.