

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

In the Matter of the Application of UNION)	
ELECTRIC COMPANY d/b/a AmerenUE)	
for an Order authorizing the issue and sale)	Case No.
of up to \$1,500,000,000 aggregate principal)	
amount of additional long-term indebtedness.)	

APPLICATION

COMES NOW, Union Electric Company d/b/a AmerenUE ("Applicant"), and in support of its Application for permission and authority, under Sections 393.180 and 393.200, RSMo. 2000, and 4 CSR 240-2.060 to issue and sell up to \$1,500,000,000 aggregate principal amount of additional long-term indebtedness ("New Indebtedness"), respectfully represents and states:

1. Applicant is a corporation duly organized and existing under and by virtue of the laws of the State of Missouri, with its executive office at One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103. Applicant is engaged in providing electric and gas utility services in portions of Missouri as a public utility under the jurisdiction of this Commission. It is also engaged in providing electric and gas utility services in portions of Illinois as a public utility under the jurisdiction of the Illinois Commerce Commission. Applicant is a subsidiary of Ameren Corporation which is a registered public utility holding company under the Public Utility Holding Company Act of 1935 ("PUHCA"). The Applicant has previously filed with the Commission in Case No. GO-98-486 a Fictitious Name Registration as filed with the Missouri Secretary of State's Office and said documents are incorporated by reference herein. The Applicant's Certificate of Good Standing from the Missouri Secretary of State's Office is

attached hereto as Exhibit 1 and made a part hereof. The Applicant has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this Application. No annual report or assessment fees are overdue.

2. Communications in regard to this Application should be addressed to Ronald S. Gieseke and Ronald K. Evans, Attorneys for the Applicant, whose address is Ameren Services Company, P.O. Box 66149, MC 1310, St. Louis, MO 63166-6149.

3. Applicant proposes to issue and sell from time to time, in several transactions, up to \$1,500,000,000 aggregate principal amount of New Indebtedness in one or a combination of the following forms with such terms and provisions as hereinafter described in this Application: first mortgage bonds or other forms of secured indebtedness, and promissory notes or other forms of unsecured indebtedness (including subordinated deferrable interest debentures).

4. Applicant proposes to use the proceeds from the issuance and sale of the New Indebtedness to refund, discharge, or retire its outstanding indebtedness and preferred stock, whether at maturity or otherwise, as described in Exhibit 2 hereto (which has been designated as "Proprietary" under the Commission's standard protective order being sought in this proceeding) and to pay related redemption premiums and expenses. With proceeds from the New Indebtedness, Applicant may seek to extend the existing maturity of outstanding indebtedness by refinancing at or after maturity or through early redemption prior to maturity. Applicant will issue a series of the New Indebtedness for the purpose of refinancing/redeeming outstanding indebtedness prior to its stated maturity only if, in its judgment, such issuance is expected to result in interest savings or reduce interest rate volatility or uncertainty.

Due to timing constraints, such as notice requirements to redeem outstanding indebtedness, Applicant may not be able to immediately utilize the proceeds of an issuance of a series of the New Indebtedness to retire or redeem outstanding debt. In such event, the proceeds from the issuance of the series of New Indebtedness will be added to Applicant's general funds and temporarily utilized. When the timing constraints are satisfied, such funds will be used for the purposes specified herein.

5. Statement of the general terms and conditions of the New Indebtedness:

a. The New Indebtedness will be issued at prices and on terms to be determined at the times of sale. The principal amount, rate and date of payment of interest, maturity, initial public offering price, redemption provisions, if any, and other specific terms of each series of the New Indebtedness will be determined based upon prevailing market conditions. The price to be paid to Applicant for the various series of the New Indebtedness will not be less than 95% nor more than 105% of the principal amount thereof; the terms of maturity for the various series of the New Indebtedness will not exceed 40 years; the interest rate when issued will not exceed the greater of (i) 9.00%, or (ii) a rate that is consistent with similar securities of comparable credit quality and maturities issued by other issuers; and one or more series of the New Indebtedness may include terms providing that the series will not be redeemable at all for a certain period of time.

b. The various series of the New Indebtedness will be offered to the public or privately placed or a combination of both through commercial or investment banking firms or groups of firms selected through negotiation and/or competitive bidding. Sales of the series of the New Indebtedness could be through underwriters or dealers, directly to a limited number of purchasers or to a single purchaser, or through agents designated by Applicant. Compensation to

be paid for underwriting or privately placing the New Indebtedness will be determined based on prevailing financial market conditions.

c. The New Indebtedness, if senior secured debt securities, will be issued under an indenture dated August 15, 2002, between Applicant and The Bank of New York, as trustee, a copy of which is attached hereto as Exhibit 3 and made a part hereof. To date, Applicant has issued a total of \$471,000,000 principal amount of senior secured debt securities under this indenture pursuant to authorization from this Commission granted in Case No. EF-2000-385.

d. The New Indebtedness, if first mortgage bonds, will be issued under the Indenture of Mortgage and Deed of Trust dated June 15, 1937, as amended May 1, 1941, April 1, 1971, February 1, 1974, July 7, 1980, February 1, 2000 and August 15, 2002, between Applicant and The Bank of New York, as successor trustee, as supplemented by one or more supplemental indentures relating to the first mortgage bonds (collectively the "Mortgage"). A copy of Applicant's Indenture of Mortgage and Deed of Trust was filed with this Commission in Case No. 9,632; a copy of the May 1, 1941 Amendment was filed with this Commission in Case No. 10,050; a copy of the April 1, 1971 Amendment was filed with this Commission in Case No. 17,177; a copy of the February 1, 1974 Amendment was filed with this Commission in Case No. 17,960; and a copy of the July 7, 1980 Amendment was filed with this Commission in Case No. EF-80-306; all of which are incorporated herein by reference. A copy of the February 1, 2000 Amendment and a copy of the August 15, 2002 Amendment are attached hereto as Exhibit 4 and Exhibit 5, respectively, and made a part hereof. Applicant may issue first mortgage bonds with a "fall-away" provision, which allows at some future date for the bonds to no longer be secured by

the Mortgage and become unsecured obligations, a feature of some of the bonds which have been issued pursuant to authorization from this Commission granted in Case No. EF-2000-385.

e. The New Indebtedness, if subordinated deferrable interest debentures ("Debentures"), will be issued under documents similar to those previously described in Commission Case No. EF-95-421. Interest payments on the Debentures will be fully tax deductible. In addition, Applicant anticipates, based on its prior experience with this form of security, that as long as the Debentures are subordinate to its senior indebtedness and interest payments are deferrable at least five (5) years, then the Debentures should receive a substantial degree of equity treatment for purposes of assessing Applicant's creditworthiness by one or more of the rating agencies. Accordingly, the Debentures would provide Applicant with the benefit of tax deductions for its interest payments while enhancing the Applicant's creditworthiness and supporting its ability to maintain solid credit ratings.

f. Applicant proposes to issue the New Indebtedness under existing authority from the Securities and Exchange Commission or under new authority to be obtained in the form of a "shelf-registration" filed with that agency for such securities issued in public transactions.

6. Applicant believes that from time to time it is appropriate to increase or decrease indebtedness which carries floating rates of interest. Interest rates periodically experience broadening and narrowing of the spread between short- and long-term interest rates. Applicant responds to this market opportunity by increasing or decreasing its use of debt securities with variable (floating) short-term interest rates. Depending on future economic conditions, Applicant may need to replace existing securities with more or less floating rate securities. Therefore, Applicant requests that flexibility to issue the New Indebtedness in either fixed or floating rate modes or to provide such flexibility in the terms and conditions of each series.

7. Promptly after the issuance and sale of each series of New Indebtedness, Applicant will submit to the Commission's Financial Analysis Department a report of the final terms and conditions of each series. If such issuance was completed for the purpose of achieving interest savings, the related report will also include a net present value savings calculation indicating the amount of savings resulting from the refunding or redemption.

8. A certified copy of the resolutions of Applicant's Board of Directors authorizing the issuance and sale of the New Indebtedness is attached hereto as Exhibit 6 and made a part hereof.

9. The financial statements of Applicant as of March 31, 2003, as specified in 4 CSR 240-3.120(1)(E), are attached hereto as Exhibit 7 (certain portions of which have been designated as "Proprietary" under the Commission's standard protective order being sought in this proceeding) and made a part hereof.

10. The capitalization ratios of Applicant as of March 31, 2003, were: short-term debt, 7 percent; long-term debt and unamortized discount and premium, 39 percent; preferred stock, 2 percent; and common equity, 52 percent. Giving effect to the financial transactions noted in Applicant's Exhibit 2 and the timing, size and other assumptions used to develop the pro-forma accounting entries noted in Applicant's Exhibit 7, the capitalization ratios as of March 31, 2003, would be: short-term debt, 0 percent; long-term debt and unamortized discount and premium - 51 percent; preferred stock - 2 percent; and common equity - 47 percent.

11. A five-year capitalization expenditure schedule is not being filed with this Application because the proceeds of the New Indebtedness will be used to discharge, refund or retire outstanding indebtedness.

12. No fee will be required pursuant to Section 386.300, RSMo. 2000 because the proposed issuances of New Indebtedness will be used to discharge, refund or retire indebtedness.

13. The issuance and sale of the New Indebtedness, as proposed and described herein, will not be detrimental to the public interest, and is reasonably required.

14. Recognizing the timing of the maturities and earliest redemption dates of the debt described in Exhibit 2 hereto, plus to provide Applicant flexibility with respect to the issuance of the New Indebtedness given dynamic and rapidly changing market conditions, Applicant requests that the order or orders of this Commission in this proceeding remain effective for a three year term with Applicant authorized to request an extension of such term by filing an application ninety (90) days prior to the expiration of the three year term. The Commission authorized similar time periods in Case No. EF-2000-385.


WHEREFORE, for the foregoing reasons, AmerenUE respectfully requests the Commission to issue its order as follows:

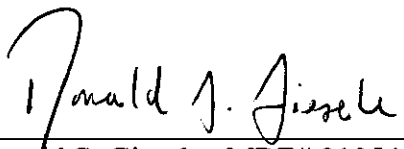
- (i) authorize Applicant to issue and sell up to \$1,500,000,000 aggregate principal amount of New Indebtedness, as hereinabove set forth, at any time after the effective date of the order or orders;
- (ii) authorize Applicant to enter into, execute, deliver and perform the necessary agreements, indentures, notes and other documents relative to the New Indebtedness; and
- (iii) authorize Applicant to do any and all other things not contrary to law or the rules and regulations of the Commission, incidental, necessary or appropriate to the performance of any and all acts specifically to be authorized in such order or orders; and

that the Commission make such order or orders as it may deem just and proper.

Dated at St. Louis, Missouri this 22nd day of May, 2003.

UNION ELECTRIC COMPANY
d/b/a AmerenUE

By 
Jerre E. Birdsong
Vice President and Treasurer



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Ronald K. Evans, MBE# 22597
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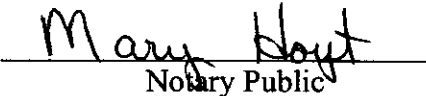
VERIFICATION

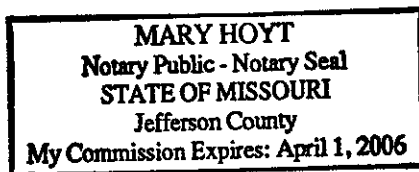
STATE OF MISSOURI)
)
CITY OF ST. LOUIS) SS

I, Jerre E. Birdsong, first being duly sworn upon oath, depose and say that I am Vice President and Treasurer of UNION ELECTRIC COMPANY d/b/a AmerenUE, a Missouri corporation; that I have read the above and foregoing Application by me subscribed and know the contents thereof; that said contents are true in substance and in fact, except as to those matters stated upon information and belief, and as to those, I believe same to be true.


Jerre E. Birdsong

Subscribed and sworn to before me this 22nd day of May, 2003.


Notary Public



PUBLIC VERSION

**OUTSTANDING INDEBTEDNESS OF
UNION ELECTRIC COMPANY SUBJECT TO
DISCHARGE, REFUND OR RETIREMENT
AS DESCRIBED IN THE APPLICATION**

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