

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 of up	)	Case No. EF-2003-0514
to \$1,500,000,000 Aggregate Principal Amount	)	
of Additional Long-Term Indebtedness.	)	

REPORT

TO THE MISSOURI PUBLIC SERVICE COMMISSION:

Pursuant to ORDERED: C, E and H of the Order Granting Application For Authority To Issue And Sell Additional Indebtedness issued on June 24, 2003 and effective July 4, 2003, Union Electric Company d/b/a AmerenUE ("AmerenUE" or the "Company") hereby reports as follows:

1. On June 24, 2003, the Commission entered its Order Granting Application For Authority To Issue And Sell Additional Indebtedness (the "Order") authorizing AmerenUE, among other things, to issue and sell up to \$1,050,000,000 aggregate principal amount of long-term debt. ORDERED: C, E and H of the Order requires the Company to file with the Commission: (a) a report of the final terms and conditions of each series of securities as they are issued, including, but not limited to, the aggregate principal amount to be sold or borrowed, price information, estimated expenses, portion subject to fee schedule, and the loan or indenture agreement concerning each issuance (Ordered: C); (b) any information concerning communication with credit rating agencies concerning each issuance (Ordered: E); and (c) any information concerning the use of the funds from the issuance with regard to redemption of any outstanding long-term debt, including net present value calculations indicating the amount of interest cost savings (Ordered: H) .
2. On July 28, 2003, the closing was held for the sale by the Company of its \$200,000,000 principal amount 5.10% Senior Secured Notes due 2018 (the "Senior Secured Notes"). Concurrently with the issuance of the Senior Secured Notes, the Company issued a series of first mortgage bonds - First Mortgage Bonds, Senior Notes Series DD (the "Series DD First Mortgage Bonds") - with terms identical to the Senior Secured Notes. The Senior Secured Notes will be secured by the Series DD First Mortgage Bonds (to be held by a trustee) until the date at which all of the Company's first mortgage bonds issued under its first mortgage indenture are retired through payment, redemption or otherwise. Upon this date, the Senior Secured Notes will cease to be secured by the Series DD First Mortgage Bonds (which will be cancelled) and will become senior unsecured obligations.

The Senior Secured Notes were sold to the underwriters listed below for further sale to the public. Additional terms of the Senior Secured Notes to which the Company's obligation is subject are as follows:

Maturity	August 1, 2018 (15 years)
Public Offering Price	\$199,894,000 (99.947%) *
Underwriting Commission	\$ 1,500,000 (0.750%) *
Underwriters	Goldman, Sachs & Co. Wachovia Capital Markets, LLC Barclays Capital Inc. BNP Paribas Securities Corp. BNY Capital Markets, Inc.
Interest Rate	5.10%
Redemption Provisions	N/A

Estimated Other Expenses  
Portion Subject to Fee Schedule


\$250,000  
None as proceeds were used entirely to  
refund, discharge or retire outstanding  
evidences of indebtedness

\*expressed as a percentage of the principal amount

3. The Senior Secured Notes were issued under an indenture dated August 15, 2002 between AmerenUE and the The Bank of New York, as trustee, a copy of which was attached as Exhibit 3 to AmerenUE's application in this case. The Series DD First Mortgage Bonds were issued under a Supplemental Indenture dated July 15, 2003 to the Indenture of Mortgage and Deed of Trust dated June 15, 1937, as amended and supplemented, between AmerenUE and The Bank of New York, as trustee, a copy of which is attached hereto as Appendix A.
4. Credit ratings letters received from Moody's, S&P and Fitch in connection with the offering of the Senior Secured Notes are attached hereto as Appendix B.
5. AmerenUE's prior indebtedness to be refinanced by the Senior Secured Notes are the Company's \$75,000,000 principal amount 7.15% first mortgage bonds due August 1, 2023 (the "7.15% Bonds"); the Company's \$100,000,000 principal amount 7.65% first mortgage bonds which matured July 15, 2003 (the "7.65% Bonds") by reducing \$100,000,000 of short-term debt temporarily incurred to fund such maturity pending the closing of the Senior Secured Notes; and \$21,000,000 to reduce the Company's short-term debt. The net proceeds (after deduction of underwriters' fees) from the Senior Secured Notes will also be used to pay a portion of the redemption premium incurred in connection with the early redemption of the 7.15% Bonds and issuance costs.
6. As a result of refinancing the 7.15% Bonds, the Company expects to realize interest savings, on a net present value basis, of about \$7.3 million over the term of the Senior Secured Notes. The 7.15% Bonds are to be redeemed August 27, 2003. The Company has invested proceeds from the Senior Secured Notes necessary to effectuate the redemption in short-term investments which investments are segregated from other investments of the Company. Although the Company is effectively refinancing the maturity of the 7.65% Bonds, savings will also result from the new indebtedness incurred to finance the maturity of this prior indebtedness. The interest rate on the Senior Secured Notes, 5.10%, is 255 basis points less than that of the 7.65% Bonds. This interest rate differential equates to about \$2.6 million ( $\$100,000,000 \times 2.55\%$ ) of annual interest savings on a pre-tax basis.

Dated at St. Louis, Missouri, this 31st day of July, 2003.

UNION ELECTRIC COMPANY  
d/b/a AmerenUE

By   
Jerre E. Birdsong  
Vice President and Treasurer