

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 May 18, 2004, the closing was held for the sale by the Company of its \$104,000,000 principal amount 5.50% Senior Secured Notes due 2014 (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 FF (the "Series FF First Mortgage Bonds") with terms identical to the Senior Secured Notes. The Senior Secured Notes will be secured by the Series FF 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 FF 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	May 15, 2014 (10 years)
Public Offering Price	\$103,645,360 (99.659%) *
Underwriting Commission	\$ 676,000 (0.650%) *
Underwriters	Barclays Capital Inc. Citigroup Global Markets Inc. Lazard Freres & Co. LLC NatCity Investments, Inc.
Interest Rate	5.50%
Redemption Provisions	Make-whole provision, Treasury + 0.15%
Estimated Other Expenses	\$250,000

Portion Subject to Fee Schedule

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 FF First Mortgage Bonds were issued under a Supplemental Indenture dated May 1, 2004 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 Investors Service, Standard & Poor's Rating Services and Fitch Ratings in connection with the offering of the Senior Secured Notes are attached hereto as Appendix B.
5. The net proceeds (after deduction of underwriters' fees) from the Senior Secured Notes will be used to (a) redeem prior to maturity \$100,000,000 principal amount of the Company's outstanding 7% First Mortgage Bonds due January 15, 2024 (the "7% Bonds") and (b) pay a portion of the redemption premium incurred in connection with the early redemption of the 7% Bonds and costs of the issuance.
6. As a result of refinancing the 7% Bonds, the Company expects to realize interest savings on a net present value basis, of about \$3.7 million of the term of the Senior Secured Notes. The 7% Bonds are to be redeemed June 17, 2004. The Company has invested proceeds from the Senior Secured Notes necessary to effectuate the redemption in short-term investments which are segregated from other investments of the Company.

Dated at St. Louis, Missouri, this 24<sup>th</sup> day of May, 2004.

UNION ELECTRIC COMPANY  
d/b/a AmerenUE

By   
Jerre E. Birdsong  
Vice President and Treasurer