

UNION ELECTRIC COMPANY
BALANCE SHEET
December 31, 2007
(In Millions, Except Share Amounts)

	Per Books	Pro Forma Adjustments (See Page 4)	As Adjusted
ASSETS:			
Property and plant, at original cost:			
Electric	\$ 12,889	-	\$ 12,889
Gas	332	-	332
Other	69	-	69
	13,290	-	13,290
Less accumulated depreciation and amortization	6,293	-	6,293
	6,997	-	6,997
Construction work in progress:			
Nuclear fuel in process	102	-	102
Other	451	-	451
Total property and plant, net	7,550	-	7,550
Investments and other assets:			
Nuclear decommissioning trust fund	307	-	307
Other	535	4 (D)	539
Total investments and other assets	842	4	846
Current assets:			
Cash and cash equivalents	185	(2) (AA)	183
Accounts receivable - trade, net	191	-	191
Unbilled revenue	118	-	118
Other accounts and notes receivable	332	-	332
Materials and supplies, at average cost -			
Fossil fuel	129	-	129
Other	172	-	172
Other	50	-	50
Total current assets	1,177	(2)	1,175
Regulatory assets:			
Deferred income taxes	248	-	248
Other	448	-	448
Total regulatory assets	696	-	696
Total Assets	\$ 10,265	2	\$ 10,267
CAPITAL AND LIABILITIES:			
Capitalization:			
Common stock, \$5 par value, 102.1 shares outstanding	\$ 511	-	\$ 511
Other paid-in capital, principally premium on common stock	1,120	(1) (C)	1,119
Retained earnings	1,855	3 ***	1,858
Accumulated other comprehensive income	3	-	3
Total common stockholder's equity	3,489	2	3,491
Preferred stock not subject to mandatory redemption	113	(33) (B)	80
Long-term debt	3,208	33 (A),(B)	3,241
Total capitalization	6,810	2	6,812
Current liabilities:			
Current maturity of long-term debt	152	-	152
Short-term debt	82	-	82
Accounts and wages payable	527	-	527
Taxes accrued	81	-	81
Other	209	-	209
Total current liabilities	1,051	-	1,051
Accumulated deferred income taxes	1,274	-	1,274
Accumulated deferred investment tax credits	85	-	85
Regulatory liabilities	227	-	227
Other deferred credits and liabilities	818	-	818
Total Capital and Liabilities	\$ 10,265	2	\$ 10,267

*** Amount equals change in net income available to common stockholder resulting from pro forma adjustments to the statement of income

UNION ELECTRIC COMPANY
STATEMENT OF INCOME
Year Ended December 31, 2007
(In Millions)

	Per Books	Pro Forma Adjustments (See Page 4)	As Adjusted
OPERATING REVENUES:			
Electric	\$ 2,787	\$ -	\$ 2,787
Gas	174	-	174
Other	2	-	2
Total operating revenues	2,963	-	2,963
OPERATING EXPENSES:			
Fuel and purchased power	804	-	804
Gas	104	-	104
Other Operations & Maintenance	902	-	902
Depreciation and amortization	333	-	333
Income taxes	137	-	137
Other taxes	234	-	234
Total operating expenses	2,514	-	2,514
OPERATING INCOME	449	-	449
OTHER INCOME AND (DEDUCTIONS):			
Allowance for equity funds used during construction	5	-	5
Miscellaneous, net	82	-	82
Total other income and (deductions)	87	-	87
INCOME BEFORE INTEREST CHARGES	536	-	536
INTEREST CHARGES:			
Interest	209	(1) (E)	208
Allowance for borrowed funds used during construction	(15)	-	(15)
Net interest charges	194	(1)	193
NET INCOME	342	1	343
PREFERRED STOCK DIVIDENDS	6	(2) (E)	4
NET INCOME AVAILABLE TO COMMON STOCKHOLDER	\$ 336	\$ 3	\$ 339

UNION ELECTRIC COMPANY
STATEMENT OF CASH FLOWS
Year Ended December 31, 2007
(In Millions)

	Year ended 12/31/2007	Pro Forma Adjustments	Pro Forma Cash Flow
Cash Flows From Operating Activities:			
Net income	\$ 342	\$ 1	\$ 343
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sales of emission allowances	(5)		(5)
Depreciation and amortization	333	-	333
Amortization of nuclear fuel	37	-	37
Amortization of debt issuance costs and premium/discounts	6	-	6
Deferred investment taxes and investment tax credits, net	1	-	1
Other	(6)	-	(6)
Changes in assets and liabilities:			
Receivables	(186)	-	(186)
Materials and supplies	(65)	-	(65)
Accounts and wages payable	62	-	62
Taxes accrued	12	-	12
Assets, other	40	-	40
Liabilities, other	(1)	-	(1)
Pension and other postretirement obligations	18	-	18
Net cash provided by operating activities	<u>588</u>	<u>1</u>	<u>589</u>
Cash Flows From Investing Activities:			
Capital expenditures	(625)	-	(625)
Nuclear fuel expenditures	(68)	-	(68)
Changes in money pool advances	3	-	3
Purchases of securities - nuclear decommissioning trust fund	(142)	-	(142)
Sales of securities - nuclear decommissioning trust fund	128	-	128
Sales of emission allowances	4	-	4
Net cash used in investing activities	<u>(700)</u>	<u>-</u>	<u>(700)</u>
Cash Flows From Financing Activities:			
Dividends on common stock	(267)	-	(267)
Dividends on preferred stock	(6)	2	(4)
Premium paid to redeem preferred stock	-	(1)	(1)
Capital issuance costs and premiums paid to reacquire debt	(3)	(4)	(7)
Changes in short term debt	(152)	-	(152)
Intercompany note payable - Ameren	(77)	-	(77)
Redemptions, repurchases, and maturities:			
Long-term debt	(4)	(214)	(218)
Preferred stock	-	(33)	(33)
Issuances:			
Long-term debt	424	247	671
Capital contribution from parent	380	-	380
Other	1	-	1
Net cash provided by financing activities	<u>296</u>	<u>(3)</u>	<u>293</u>
Net change in cash and cash equivalents	<u>\$ 184</u>	<u>\$ (2)</u>	<u>\$ 182</u>

UNION ELECTRIC COMPANY
PRO FORMA ADJUSTING ENTRIES
December 31, 2007
(In Millions)

		Debit	Credit
Entry A	Cash	<u>247</u>	
	Long-term Debt		247
	To record new indebtedness by Applicant of proposed New Indebtedness.		
Entry B	Long-term Debt	214	
	Preferred Stock	33	
	Cash		247
	To record repayment of \$214mm outstanding long-term debt and redemption of \$33mm preferred stock.		
Entry C	Premium to Redeem Preferred Stock	1	
	Cash		1
	To record premium paid to redeem preferred stock.		
Entry D	Unamortized Debt Expense	2	
	Unamortized Loss on Reacquired Debt	2	
	Cash		4
	To record debt issuance and underwriting fees on new debt, and premium on early redemption of unsecured subordinated debt.		
Entry E	Cash	3	
	Interest Expense		1
	Preferred Dividends		2
	To record decrease in interest expense (tax effect is immaterial, not shown), and decrease in preferred dividends, as a result of new debt and redemption of preferred stock.		

Cash Journal Entry Summary:

Journal Entry	Account	Debit	Credit
A	Cash	247	
B	Cash		247
C	Cash		1
D	Cash		4
E	Cash	3	
		<u>250</u>	<u>252</u>
AA	Net		<u>2</u>

NOTE: there are no journal entries for the additional debt issuance cost amortization or for amortization of loss on reacquired debt, as these amounts are less than \$250,000 per year.

**Calculations
AmerenUE**

	Balance (millions) at 12/31/2007	Interest Rate	Amount (millions)
Current Annual Interest			
First Mortgage Bonds due May 1, 2008	\$ 148.0	6.75%	\$ 9.990
Unsecured Subordinated Debt due December 15, 2036	\$ 65.5	7.69%	5.037
Total Current Annual Interest			\$ 15.027
New Annual Interest	\$ 246.5	5.75%	14.174
Increase (Decrease) in Interest			\$ (0.853)
Preferred Dividends			
7.64% series preferred stock	\$ 33.0	7.64%	\$ 2.52
Premium Paid to Redeem Preferred Stock			
Call price 101.7%	\$ 33.0	1.70%	\$ 0.56
Debt Issuance Cost Amortization			
Total debt issuance costs (dollars)	\$ 246.5	0.65%	\$ 1.60
Amortization period			10
Annual expense			\$ 0.16
Unamortized Loss on Recquired Debt			
Unsecured Subordinated Debt @ 103.461%	\$ 65.5	3.461%	\$ 2.27
Amortization period			10
Annual expense			\$ 0.23

**Selected Pro Forma Credit Ratios
AmerenUE**

Capital Component	Percentage of Capital	Capital Dollars as of 12/31/07	Pro Forma Adjustments	Pro Forma Capital Dollars	Pro Forma Percentage of Capital
Common Equity	53.11%	3,489	2	3,491	53.12%
Preferred Stock	1.72%	113	-33	80	1.22%
Long-Term Debt	43.93%	2,886 (a)	33	2,919	44.42%
Short-Term Debt	1.25%	82	0	82	1.25%
	100.00%	6,570	2	6,572	100.00%

(a) - excludes Peno Creek and Audrain long term capital lease obligations of \$82 million and \$240 million, respectively

**Selected Pro Forma Financial Ratios
AmerenUE**

	Ratios as of 12/31/07	Pro-Forma Ratios
Funds From Operations (FFO) Interest Coverage	3.39x	3.41x
FFO to Total Debt	22.72% (a)	22.52% (a)
Total Debt to Total Capital	46.38% (a)	46.86% (a)

(a) - excludes Peno Creek and Audrain long term capital lease obligations of \$82 million and \$240 million, respectively, and current portion on the Peno Creek lease of \$4 million

Formulas:

FFO Interest Coverage:	Net income from continuing operations, depreciation and amortization, deferred income taxes, and other non-cash items / Gross interest incurred before subtracting capitalized interest and interest income.
FFO to Total Debt :	Net income from continuing operations, depreciation and amortization, deferred income taxes, and other non-cash items / Long-term debt + current maturities + commercial paper, and other short-term borrowings.
Total debt to Total Capital	Long-term debt + current maturities, commercial paper, and other short-term borrowings/Long-term debt + current maturities, commercial paper, and other short-term borrowings + shareholders' equity (including preferred stock) + minority interest