

UNION ELECTRIC COMPANY
BALANCE SHEET
March 31, 2008
(In Millions, Except Share Amounts)

	Per Books	Pro Forma Adjustments (See Page 4)	As Adjusted
ASSETS:			
Property and plant, at original cost:			
Electric	\$ 12,947	-	\$ 12,947
Gas	335	-	335
Other	74	-	74
	13,356	-	13,356
Less accumulated depreciation and amortization	6,350	-	6,350
	7,006	-	7,006
Construction work in progress:			
Nuclear fuel in process	205	-	205
Other	482	-	482
Total property and plant, net	7,693	-	7,693
Investments and other assets:			
Nuclear decommissioning trust fund	291	-	291
Other	429	2 (D)	431
Total investments and other assets	720	2	722
Current assets:			
Cash and cash equivalents	-	(8) (AA)	(8)
Accounts receivable - trade, net	205	-	205
Unbilled revenue	102	-	102
Other accounts and notes receivable	298	-	298
Materials and supplies, at average cost -			
Fossil fuel	145	-	145
Other	158	-	158
Other	84	-	84
Total current assets	992	(8)	984
Regulatory assets:			
Deferred income taxes	246	-	246
Other	465	-	465
Total regulatory assets	711	-	711
Total Assets	\$ 10,116	\$ (6)	\$ 10,110
CAPITAL AND LIABILITIES:			
Capitalization:			
Common stock, \$5 par value, 102.1 shares outstanding	\$ 511	-	\$ 511
Other paid-in capital, principally premium on common stock	1,119	-	1,119
Retained earnings	1,799	(6) ***	1,793
Accumulated other comprehensive income	(7)	-	(7)
Total common stockholder's equity	3,422	(6)	3,416
Preferred stock not subject to mandatory redemption	113	-	113
Long-term debt	2,980	314 (A)	3,294
Total capitalization	6,515	308	6,823
Current liabilities:			
Current maturity of long-term debt	381	-	381
Short-term debt	208	(208) (B)	-
Intercompany notes payable	122	(106) (C)	16
Accounts and wages payable	210	-	210
Taxes accrued	49	-	49
Other	203	-	203
Total current liabilities	1,173	(314)	859
Accumulated deferred income taxes	1,281	-	1,281
Accumulated deferred investment tax credits	84	-	84
Regulatory liabilities	237	-	237
Other deferred credits and liabilities	826	-	826
Total Capital and Liabilities	\$ 10,116	\$ (6)	\$ 10,110

*** 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
Twelve Months Ended March 31, 2008
(In Millions)

	Per Books	Pro Forma Adjustments (See Page 4)	As Adjusted
OPERATING REVENUES:			
Electric	\$ 2,851	\$ -	\$ 2,851
Gas	182	-	182
Other	1	-	1
Total operating revenues	<u>3,034</u>	<u>-</u>	<u>3,034</u>
OPERATING EXPENSES:			
Fuel and purchased power	860	-	860
Gas	110	-	110
Other Operations & Maintenance	886	-	886
Depreciation and amortization	327	-	327
Income taxes	152	(3) (F)	149
Other taxes	238	-	238
Total operating expenses	<u>2,573</u>	<u>(3)</u>	<u>2,570</u>
OPERATING INCOME	461	3	464
OTHER INCOME AND (DEDUCTIONS):			
Allowance for equity funds used during construction	11	-	11
Miscellaneous, net	83	-	83
Total other income and (deductions)	<u>94</u>	<u>-</u>	<u>94</u>
INCOME BEFORE INTEREST CHARGES	555	3	558
INTEREST CHARGES:			
Interest	202	9 (E)	211
Allowance for borrowed funds used during construction	(15)	-	(15)
Net interest charges	<u>187</u>	<u>9</u>	<u>196</u>
NET INCOME	368	(6)	362
PREFERRED STOCK DIVIDENDS	<u>6</u>	<u>-</u>	<u>6</u>
NET INCOME AVAILABLE TO COMMON STOCKHOLDER	<u>\$ 362</u>	<u>\$ (6)</u>	<u>\$ 356</u>

UNION ELECTRIC COMPANY
STATEMENT OF CASH FLOWS
Twelve Months Ended March 31, 2008
(In Millions)

	Year ended 3/31/2008	Pro Forma Adjustments	Pro Forma Cash Flow
Cash Flows From Operating Activities:			
Net income	\$ 368	\$ (6)	\$ 362
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sales of emission allowances	(3)		(3)
Depreciation and amortization	327	-	327
Amortization of nuclear fuel	39	-	39
Amortization of debt issuance costs and premium/discounts	6	-	6
Deferred investment taxes and investment tax credits, net	7	-	7
Other	(12)	-	(12)
Changes in assets and liabilities:			
Receivables	(93)	-	(93)
Materials and supplies	(68)	-	(68)
Accounts and wages payable	5	-	5
Taxes accrued	(48)	-	(48)
Assets, other	34	-	34
Liabilities, other	23	-	23
Pension and other postretirement obligations	22	-	22
Net cash provided by operating activities	<u>607</u>	<u>(6)</u>	<u>601</u>
Cash Flows From Investing Activities:			
Capital expenditures	(622)	-	(622)
Nuclear fuel expenditures	(147)	-	(147)
Changes in money pool advances	(22)	-	(22)
Purchases of securities - nuclear decommissioning trust fund	(184)	-	(184)
Sales of securities - nuclear decommissioning trust fund	170	-	170
Sales of emission allowances	2	-	2
Net cash used in investing activities	<u>(803)</u>	<u>-</u>	<u>(803)</u>
Cash Flows From Financing Activities:			
Dividends on common stock	(264)	-	(264)
Dividends on preferred stock	(6)	-	(6)
Capital issuance costs	(3)	(2)	(5)
Changes in short term debt	(240)	(208)	(448)
Intercompany note payable - Ameren, net	(92)	(106)	(198)
Redemptions, repurchases, and maturities:			
Long-term debt	(4)		(4)
Issuances:			
Long-term debt	424	314	738
Capital contribution from parent	380	-	380
Other	1	-	1
Net cash provided by financing activities	<u>196</u>	<u>(2)</u>	<u>194</u>
Net change in cash and cash equivalents	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (8)</u>

UNION ELECTRIC COMPANY
PRO FORMA ADJUSTING ENTRIES
March 31, 2008
(In Millions)

		Debit	Credit
Entry A	Cash	314	
	Long-term Debt		314
	To record proposed new indebtedness by Applicant		
Entry B	Short-term Debt	208	
	Cash		208
	To record repayment of outstanding short-term debt with new debt proceeds		
Entry C	Intercompany Notes Payable	106	
	Cash		106
	To record repayment of outstanding short-term debt with new debt proceeds		
Entry D	Unamortized Debt Expense	2	
	Cash		2
	To record payment of debt issuance and underwriting fees on proposed new Indebtedness		
Entry E	Interest Expense	9	
	Cash		9
	To record increase in interest expense resulting from change in debt		
Entry F	Cash	3	
	Income Taxes		3
	To record income tax benefit of reduced net income		

Cash Journal Entry Summary:

Journal Entry	Account	Debit	Credit
A	Cash	314	
B	Cash		208
C	Cash		106
D	Cash		2
E	Cash		9
F	Cash	3	
		317	325
AA	Net	-8	

NOTE: there are no journal entries for the additional debt issuance cost amortization as this amount is only \$204,000

**Expense Calculations
AmerenUE**

	Balance (millions) at 3/31/08	Interest Rate	
Current Annual Interest Expense			
Short-term Debt	\$ 208	3.38%	\$ 7
Intercompany Notes Payable	\$ 106	3.35%	<u>4</u>
			11
New Annual Interest Expense			
Long-term Debt	\$ 314	6.30%	<u>20</u>
Additional Interest Expense			9
Income Taxes (benefit)			<u>(3)</u>
Net Income Decrease			<u><u>\$ 6</u></u>

	Whole Dollars
Additional debt issuance Amortization	
Total debt issuance costs	\$ 2,041,000
Amortization period (years)	<u>10</u>
Annual expense (not material to calculation)	<u><u>\$ 204,100</u></u>

**Selected Pro Forma Credit Ratios
AmerenUE**

Capital Component	Percentage of Capital	Capital Dollars as of 3/31/2008	Pro Forma Adjustments	Pro Forma Capital Dollars	Pro Forma Percentage of Capital
Common Equity	49.57%	3,422	-6	3,416	49.52%
Preferred Stock	1.64%	113	-	113	1.64%
Long-Term Debt	44.02%	3,039 (a)	314	3,353	48.61%
Short-Term Debt	4.78%	330	-314	16	0.23%
	100.00%	6,904	-6	6,898	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 3/31/2008	Pro-Forma Ratios
Funds From Operations (FFO) Interest Coverage	3.62x	3.44x
FFO to Total Debt	21.75% (a)	21.58% (a)
Total Debt to Total Capital	48.77% (a)	48.81% (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

