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St. Louis, Missouri 63103
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November 7, 1995

HAND-DELIVERED

Mr. David L. Rauch
Executive Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: In the matter of the Application of Union Electric Company for an order authorizing: (1) certain merger transactions involving Union Electric Company; (2) the transfer of certain Assets, Real Estate, Leased Property, Easements and Contractual Agreements to Central Illinois Public Service Company; and (3) in connection therewith, certain other related transactions.
MPSC Docket No. EM-96-149

Dear Mr. Rauch:

Enclosed for filing on behalf of Union Electric Company in the above matter are an original and fourteen (14) copies of the following:

1. Application; and
2. Direct Testimony of Messrs. Mueller, Brandt, Rainwater, Birdsong, Baxter, Flaherty and Kimmelman and Ms. Borkowski.

Kindly acknowledge receipt of this filing by stamping as filed a copy of this letter and returning it to the undersigned in the enclosed envelope.

Sincerely,

Steve Sullivan/bb

Steven R. Sullivan
Attorney

SRS/bb
Enclosure(s)
cc: Office of Public Counsel (2)

FILED
NOV 7 - 1995
MISSOURI
PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF MISSOURI

FILED
NOV 7 - 1995
MISSOURI
PUBLIC SERVICE COMMISSION

In the matter of the Application of Union Electric)
Company for an order authorizing: (1) certain)
merger transactions involving Union Electric)
Company; (2) the transfer of certain Assets, Real)
Estate, Leased Property, Easements and Contractual)
Agreements to Central Illinois Public Service)
Company; and (3) in connection therewith, certain)
other related transactions.)

Case No. EM-96-149

APPLICATION

COMES NOW Union Electric Company ("UE"), a Missouri corporation, and for its Application to the Missouri Public Service Commission ("Commission"), pursuant to Chapter 393, RSMo. 1994, and 4 CSR 240-2.060(3) & (4), for an order authorizing: (1) certain merger transactions involving Union Electric Company; (2) the transfer of certain Assets, Real Estate, Leased Property, Easements and Contractual Agreements; and (3) in connection therewith, certain other related transactions, respectfully states as follows:

1. UE is a Missouri corporation, in good standing in all respects, with its principal office and place of business located at 1901 Chouteau Avenue, St. Louis, Missouri 63103. UE is engaged in providing electric, gas and steam heating services in portions of Missouri as a public utility under the jurisdiction of the Commission. UE is also engaged in providing electric and gas service in portions of Illinois. There is already on file with the Commission a certified copy of UE's Articles of Incorporation and Certificate of Corporate Good Standing (see MPSC Case No. EA-87-105) and said documents are incorporated herein by reference and made a part hereof for all purposes.

2. CIPSCO Incorporated ("CIPSCO") is an Illinois corporation and the parent corporation to its wholly-owned subsidiary Central Illinois Public Service Company ("CIPS"). CIPS is an electric and gas utility in the State of Illinois and is an Illinois corporation. In addition, CIPSCO is the parent corporation to its wholly-owned subsidiary CIPSCO Investment Company ("CIPSCO Investment"). CIPSCO Investment is an Illinois corporation and manages approximately \$100 million in non-utility investments.

3. Arch Merger, Inc. ("Arch Merger") is a newly formed Missouri Corporation and a wholly-owned subsidiary of Ameren Corporation ("Ameren"). Ameren is also a newly formed Missouri corporation which is owned 50 percent by UE and 50 percent by CIPSCO. Arch Merger and Ameren were formed for the purpose of facilitating the merger.

4. Pleadings, notices, orders and other correspondence concerning this Application and proceeding should be addressed to:

Steven R. Sullivan
Attorney
Union Electric Company
P.O. Box 149 (MC 1310)
1901 Chouteau Ave.
St. Louis, MO 63166

5. Pursuant to the terms and conditions of the "Agreement and Plan of Merger" between UE and CIPSCO dated August 11, 1995 (the "Agreement"), a copy of which is attached to the testimony of Mr. Gary L. Rainwater and is being filed simultaneously herewith, Arch Merger will be merged with and into UE, and CIPSCO will be merged with and into Ameren. The final resulting corporate structure will be that UE, CIPS and CIPSCO Investment will become wholly-owned subsidiaries of Ameren (collectively, the

"Merger Transactions"). The Merger Transactions are intended to result in a tax-free exchange and will be accounted for as a "pooling of interests".

6. As a result of the Merger Transactions, each outstanding share of UE Common Stock will be converted into the right to receive one share of Ameren Common Stock, and each outstanding share of CIPSCO Common Stock will be converted into the right to receive 1.03 shares of Ameren Common Stock. After the Mergers, Ameren will become a registered public utility holding company under the Public Utility Holding Company Act of 1935.

7. Subject to the terms and conditions of the Agreement, UE will transfer to CIPS certain Assets, Real Estate, Leased Property, Easements and Contractual Agreements (collectively herein described as "Assets") which Assets generally constitute UE's retail electric and gas systems located in the State of Illinois which are necessary or useful in the performance of UE's duties to the Illinois public within its Illinois service territory with respect to the provision of retail electric and gas service (the "Transfer Transaction"). A list of the Assets being transferred is attached hereto as Schedule A and is incorporated herein by reference. The transfer does not include any of UE's electric transmission or generating assets located in the State of Illinois and does not include any assets located in the State of Missouri.

8. The transfer of the Assets by UE to CIPS will be at depreciated cost or "book value" so that no gain or loss will result from the transaction. As consideration for the Transfer Transaction, UE and CIPS will enter into a System Support Agreement for the sale

of approximately 600 mW (a portion being firm and non-firm) and related energy and an amendment to the Interconnection Agreement between UE, Illinois Power and CIPS. The System Support Agreement and amendment to the Interconnection Agreement will be submitted to the Federal Energy Regulatory Commission ("FERC") for approval. The System Support Agreement will provide for sales of electricity substantially equivalent to the customer load for the Illinois customers of UE being transferred to CIPS and will be for a minimum term of 30 years. Accordingly, no detriment to Missouri ratepayers will result from the Transfer Transaction.

9. The Transfer and Merger Transactions will not result in any immediate change in UE's Missouri electric or gas rates.

10. The Transfer Transaction and Merger Transactions are not detrimental to the public interest because: (1) UE anticipates that the combined savings achieved in the first ten years following consummation of these transactions will amount to \$590 million, a substantial portion of which will be realized in Missouri; (2) the transfer of the Assets will not result in any increased costs to UE's Missouri customers, since UE's power pool costs now allocated to Illinois customers will remain with Illinois customers through a wholesale power sale to CIPS; and (3) the transfer of the Assets will not result in any reduced level of service or reliability for those retail customers presently being served by UE in Missouri subject to the jurisdiction of the Commission.

11. The \$590 million in savings will be achieved primarily through: (1) eliminating duplication in corporate and administrative services; (2) joint dispatch (i.e., dispatching UE

and CIPS electric generation as though it were a single system); and (3) decreased gas reserve margins and lower pipeline demand charges.

12. The costs necessary to complete the above-referenced transactions and to create the anticipated \$590 million in savings over the first ten years following completion of the merger amount to approximately \$273 million. The vast majority of these costs have occurred or will occur within the first two years following completion of the merger. UE requests that a ratable portion of these costs be offset against merger savings attributable to the Company's Missouri electric and gas operations and that the remaining merger savings be shared equally with ratepayers during the first 10 years following the merger. UE and CIPS will seek comparable cost of service treatment in Illinois and at the FERC. UE requests no specialized treatment for the merger-related savings that will occur following this initial ten-year period.

13. As a result of the Transfer Transaction and related System Support Agreement between UE and CIPS, UE will seek FERC approval to transfer the future nuclear decommissioning trust funding obligations which are currently the responsibility of the UE's Illinois electric customers to its FERC-regulated wholesale customers. UE and CIPS will also enter into a Joint Dispatch agreement which will govern the joint dispatch of their generating systems and a General Services agreement governing the performance of intercompany services. The Joint Dispatch Agreement and System Support Agreement will both be filed with FERC. The General Services Agreement will be filed with the SEC.

14. A certified copy of the resolutions of the Board of Directors of UE authorizing

the consummation of the transactions contemplated by this Application is attached hereto as Schedule B and made a part hereof.

15. UE's balance sheet and income statement, with adjustments showing the results of the transfer of the Illinois properties, is attached hereto as Schedule C and made a part hereof for all purposes.

16. None of the assets to be transferred are located within the State of Missouri. Therefore, the proposed transaction will have no impact on the tax revenues of the political subdivisions in Missouri in which any of UE's structures, facilities or equipment are located.

17. Regulatory approvals of the proposed merger, transfer and assignment of the Assets and various other matters will be sought from the FERC, the Illinois Commerce Commission, the Nuclear Regulatory Commission, and the Securities Exchange Commission. The merger is subject to the review of the Federal Trade Commission and Department of Justice.

18. Closing of the sale will take place as promptly as possible after all regulatory approvals are obtained; provided, however, that the parties have proposed December 31, 1996, as the closing date. If all regulatory approvals have been received, the parties would close sooner than December 31, 1996. Although the projected closing is more than one year away, UE and CIPS desire to close on the Transfer Transaction and Merger Transactions as promptly as possible and, therefore, UE respectfully requests that this Application be expedited to the extent possible under the Commission's schedule. In order to facilitate a 1996 closing, and in light of the fact that some federal agencies will not act on an

application until all state approvals have been received, UE respectfully requests an Order of this Commission no later than May 1, 1996.

WHEREFORE, UE respectfully requests that the Commission issue its order:

(a) Authorizing UE to perform in accordance with the terms and conditions of the Agreement;

(b) Authorizing the Merger Transactions;

(c) Approving as reasonable and prudent the consideration received by UE from CIPS for the Assets;

(d) Authorizing UE to transfer the Assets (as listed on Schedule A hereto) to CIPS, which Assets generally constitute UE's Illinois-based franchise, works or system as are necessary or useful in the performance of UE's duties to the public within the Illinois service territory with respect to the provision of retail electric and gas service in Illinois, but excluding any of UE's transmission or generating assets located in the State of Illinois;

(e) Authorizing UE to offset a ratable portion of the merger costs against merger savings attributable to the Company's Missouri electric and gas operations and to share equally with ratepayers the remaining merger savings during the 10 years following the merger;

(f) Authorizing UE to enter into, execute and perform in accordance with the terms of all other documents reasonably necessary and incidental to the performance of the transactions which are the subject of the Agreement and this Application; and

(g) Granting such other relief as deemed necessary to accomplish the purposes

of the Agreement and this Application and to consummate the sale, transfer and assignment of the Assets and related transactions.

UE respectfully requests that this Application be processed as expeditiously as possible. Both UE and CIPS are anxious to close as promptly as possible and plan to do so as soon as all necessary regulatory approvals are obtained.

Respectfully submitted,

UNION ELECTRIC COMPANY



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James J. Cook
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DISTRIBUTION PLANT

EAST ST. LOUIS SUBSTATIONS

Ridge
Spare
Lake
Winstanley
Mitchell
French Village
Airport
Plum
Canal
Frey
Parks
National
Bond
Washington Park
Alorton
Broadview
Rosemont
Lansdowne
Fairview
Haydite
Pocket
Edgemont
Fairmont
Summit
Alta
Cahokia Sub #374 (138.0 to 13.8) Distribution only

ALTON SUBSTATIONS

Mississippi
Customer Substations
Hartford
Liberty
Fosterburg
Bethany
Humbert
South Roxana
Belt Line
Spring
Powhatan
Clifton

North Alton
Godfrey
Piasa
Rodgers
Alby
Brookside
Arrow Wood

Distribution Line Land and Land rights
Poles and Fixtures
Overhead Conductors and Devices
Conduit
Underground Conductor and Devices
Line Transformer
Services
Meters
Installation on Customer Premises
Street Lighting

GENERAL PLANT

East St. Louis Office
Alton Office
Alton Overhead Center
Microwave Sites
Quincy Transmission Work Headquarters
Office Furniture and Equipment
Transportation Equipment
Stores Equipment
Tools, Shop, and Garage Equipment
Laboratory Equipment
Power Operated Tools
Communications Equipment

PRODUCTION PLANT

Alton Peak Shaving Gas Plant

DISTRIBUTION PLANT

Structures and Improvements

Mains

Regulating Stations

Services

Meters

House Regulators

Industrial Regulating stations

Other Equipment

GENERAL PLANT

Office Furniture and Equipment

Transportation Equipment

Tools, Shop, and Garage Equipment

Laboratory Equipment

Power Operated Tools

Communications Equipment

CERTIFIED COPY OF RESOLUTIONS ADOPTED AT THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
UNION ELECTRIC COMPANY
HELD ON FRIDAY, AUGUST 11, 1995

RESOLVED, that the Board deems it advisable and in the best interests of the Company and its stockholders that:

(1) the Company enter into the Agreement and Plan of Merger (the "Merger Agreement"), by and among the Company, CIPSCO Incorporated ("CIPSCO"), Arch Holding Corp. ("Arch Holding") and Arch Merger Inc. ("Merger Sub") which provides for, among other things, (a) the merger (the "Arch Merger") of the Merger Sub with and into the Company, with the Company continuing as the surviving corporation and (b) the merger (the "CIPSCO Merger") of CIPSCO with and into Arch Holding, with Arch Holding continuing as the surviving corporation, all as set forth more fully in the Merger Agreement, which agreement has been presented to the Board of Directors at this meeting and which, together with all exhibits and schedules thereto, is attached hereto as Exhibit B and made a part hereof;

(2) the Company enter into the Stock Option Agreement by and between the Company and CIPSCO (the "CIPSCO Stock Option Agreement"), pursuant to which, among other things, CIPSCO will grant to the Company an option, subject to the terms and upon the conditions contained therein, to purchase shares of common stock of CIPSCO ("CIPSCO Common Stock"), which agreement has been presented to the Board of Directors at this meeting and which is attached hereto as Exhibit C and made a part hereof;

(3) the Company enter into the Stock Option Agreement by and between the Company and CIPSCO (the "Arch Stock Option Agreement"), pursuant to which, among other things, the Company will grant to CIPSCO an option, subject to the terms and upon the conditions contained therein, to purchase shares of the common stock of the Company ("Company Common Stock"), which agreement has been presented to the Board of Directors at this meeting and which is attached hereto as Exhibit D and made a part hereof;

and further

RESOLVED, that the Board of Directors hereby approves and adopts the Merger Agreement, the Arch Stock Option Agreement and the CIPSCO Stock Option Agreement (collectively, the "Transaction Documents") and authorizes and approves the transactions which are contemplated thereby, including the Arch Merger; that the proper officers of the Company be and hereby are authorized and directed for and on behalf of the Company to execute and deliver the Transaction Documents, in substantially the forms presented to the Board of Directors, with such changes therein as the proper officers executing the same, with the advice of

counsel, may approve, the execution thereof by any such officer conclusively to evidence the due authorization thereof by this Board of Directors; and further

RESOLVED, that the Board of Directors finds that the transactions contemplated by the Merger Agreement are fair to and in the best interests of the Company and its stockholders; and further

RESOLVED, that as of the Effective Time, as defined in the Merger Agreement, all (i) option plans, (ii) stock plans, (iii) any related options and option agreements and (iv) other agreements granting rights in stock of the Company, shall be amended such that references therein to Company Common Stock shall automatically become references to common stock of Arch Holding, and that the proper officers of the Company be and hereby are authorized and directed for and on behalf of the Company to take such actions as are necessary to effect such amendments; and further

RESOLVED, that the Board of Directors finds it in the best interests of the Company, its stockholders and the holders of options to purchase Company Common Stock that no such options be accelerated as a result of the Arch Merger; and further

RESOLVED, that the Chief Executive Officer of the Company be and hereby is authorized and directed to call a special meeting of stockholders of the Company (the "Special Meeting") for such time, date and place as the Chief Executive Officer may deem appropriate or desirable; and further

RESOLVED, that the Merger Agreement and the transactions contemplated thereby be submitted to stockholders of the Company for approval and adoption as a single proposal (the "Proposal") at the Special Meeting; and further

RESOLVED, that the Board of Directors finds that the Proposal and the transactions contemplated thereby are fair to and in the best interests of the Company and its stockholders, and, subject to the further exercise of its fiduciary duties, recommends that the stockholders of the Company vote for approval and adoption of the Proposal; and further

RESOLVED, that Charles W. Mueller and James C. Thompson be and hereby are appointed as proxies, with full power of substitution, for the Special Meeting; and further

RESOLVED, that the Company hereby reserves for issuance such number of shares of Company Common Stock as shall be necessary to permit the Company to perform its obligations under Arch Stock Option Agreement (subject to adjustment as provided therein), and the Company hereby authorizes the issuance of any and

all shares of Company Common Stock reserved for issuance upon exercise by CIPSCO of the option granted to it pursuant to the terms of the Arch Stock Option Agreement, and when issued in accordance with the terms thereof such shares shall be validly issued, fully paid and nonassessable;

and further

RESOLVED, that in connection with the Transaction Documents and the transactions contemplated thereby, the proper officers and agents of the Company be and hereby are authorized and directed, in the name and on behalf of the Company, to prepare, execute and file all applications, reports, schedules, statements, petitions, consents, information and other documents required to be filed by the Company in connection with consummation of the transactions contemplated by the Transaction Documents pursuant to (i) applicable statutes of the States of Missouri and Illinois, (ii) the Securities Act of 1933, as amended, (iii) the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (iv) the Public Utility Holding Company Act of 1935, as amended, (v) the Federal Power Act, (vi) the Atomic Energy Act, (vii) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, (viii) any applicable requirements of any applicable foreign or state securities or Blue Sky laws, (ix) any applicable requirement of the New York Stock Exchange or any other stock exchange upon which securities of the Company may be listed or traded, and (x) any other applicable legal requirements of the United States or any state thereof or of any country other than the United States (collectively the "Required Filings"), to execute personally or by attorney-in-fact and file or cause to be filed such Required Filings, and thereafter to execute personally or by attorney-in-fact and file or to cause to be filed any amendments or supplements to any of the foregoing, and to cause such Required Filings and any amendments thereto to become effective or otherwise be approved; and further

RESOLVED, that the proper officers of the Company be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Company to execute personally or by attorney-in-fact and to file or cause to be filed with the Securities and Exchange Commission (the "SEC") a proxy statement under the Exchange Act relating to the transactions contemplated by the Transaction Documents, and thereafter to execute personally or by attorney-in-fact and file or to cause to be filed any amendments or supplements to the foregoing, and to cause said proxy statements and any amendments thereto to be cleared in accordance with the Exchange Act and the General Rules and Regulations of the SEC thereunder; and that Donald E. Brandt and James C. Thompson be and hereby are designated as the persons authorized to receive notices and communications from the SEC with respect to any filing with the SEC; and further

RESOLVED, that the proper officers of the Company be and hereby are authorized in the name of and on behalf of the Company to take any and all action which the officer or officers so acting may deem necessary or advisable to effect

the registration or qualification (or exemption therefrom) of the securities of the Company for issue, offer, sale or trade under the Blue Sky or securities laws of any state of the United States of America or of any foreign country, and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take all further action which they, or any of them, may deem necessary or advisable in order to effect and maintain any such registration or qualification for as long as they deem necessary or as required by law;

and further

RESOLVED, that the Arch Merger and other transactions contemplated by the Merger Agreement be, and they hereby are, approved, pursuant to Paragraph (2) of Section 351.459 of the Missouri General and Business Corporation Law (the "MGBCL") (relating to interested shareholder transactions), such that the otherwise applicable provisions of Section 351.459 of the MGBCL be rendered inapplicable to the Arch Merger and the other transactions contemplated by the Merger Agreement; and further

RESOLVED, that the entering into of the Merger Agreement by the Company pursuant to and in accordance with the resolutions herein, shall, pursuant to Paragraph (4) (i) of Section 351.015 of the MGBCL (defining "control share acquisition"), render inapplicable to the Merger and the other transactions contemplated by the Merger Agreement any otherwise applicable provisions of Section 351.407 of the MGBCL (relating to control shares acquisition procedures);

and further

RESOLVED, that the Board of Directors hereby adopts, as if expressly set forth herein, the form of any and all resolutions required by any authority to be filed in connection with any applications, reports, filings, consents to service of process, powers of attorney, issuer's covenants and other papers, instruments and documents if (i) in the opinion of an officer of the Company executing the same, the adoption of such resolutions is necessary or advisable and (ii) the Secretary or an Assistant Secretary of the Company evidences such adoption by inserting in this Unanimous Consent of Directors in lieu of Board of Directors Meeting copies of such resolutions, which will thereupon be deemed to be adopted by the Board of Directors with the same force and effect as if originally set forth herein; and further

RESOLVED, that each of the officers of the Company is, in accordance with the foregoing resolutions, authorized in the name and on behalf of the Company, to prepare, execute and deliver any and all certificates, agreements, instruments, reports, schedules, statements, consents, documents and information with respect to the transactions contemplated by the foregoing resolutions, to make any filings

pursuant to federal, state and foreign laws, to do or cause to be done all other actions deemed necessary, appropriate or advisable in order to comply with the applicable laws and regulations of any jurisdiction (domestic or foreign), to pay all necessary and reasonable fees and expenses incurred in connection with the Transaction and to take all other actions necessary to effectuate and carry out the purposes and intent of the foregoing resolutions and to permit the transactions contemplated thereby to be lawfully consummated.

I hereby certify that the foregoing is a true and correct copy of resolutions adopted at the special meeting of the Board of Directors of Union Electric Company, held pursuant to due notice on Friday, August 11, 1995 at the General Office Building of the Company, St. Louis, Missouri, and that such resolutions are still in full force and effect.

OCT 5 1995


Secretary

UNION ELECTRIC COMPANY
BALANCE SHEET
June 30, 1995
(Thousands of Dollars)

ASSETS	Per Books	Pro Forma Adjustments (See Sch. 4)	As Adjusted	CAPITALIZATION AND LIABILITIES	Per Books	Pro Forma Adjustments (See Sch. 4)	As Adjusted
PROPERTY AND PLANT:				CAPITALIZATION:			
Utility Properties				Common stock, \$5 par value, authorized 150,000,000 shares - outstanding			
Tangible, at original cost				102,123,834 shares (excluding 42,990 at par value in treasury)	\$ 510,619		\$ 510,619
Electric	\$ 7,850,625	\$ (126,574) (A)	\$ 7,724,051	Other paid-in capital, principally premium on common stock	717,669		717,669
Gas	167,376	(21,181) (A)	146,195	Retained earnings	1,023,809	(66,527) (A)	964,153
Other	982		982			12,556 (B)	
Nuclear fuel	176,119		176,119			(1,414) (C)	
Miscellaneous intangible at original cost	162		162			(4,271) (H)	
Total utility properties	8,195,264	(147,755)	8,047,509	Total common stockholders' equity	2,252,097	(59,656)	2,192,441
Less accumulated depreciation and amortization	2,802,665	(81,228) (A)	2,715,836	Preferred stock not subject to mandatory redemption	218,497		218,497
		(5,601) (F)		Preferred stock subject to mandatory redemption	650		650
Total utility properties, net	5,392,599	(60,926)	5,331,673	Long-term debt	1,861,835		1,861,835
Non-utility property, at cost, net of accumulated depreciation of \$536	1,520		1,520	Unamortized (discount) and premium on debt	(9,857)		(9,857)
Total property and plant, net	5,394,119	(60,926)	5,333,193	Total long-term debt	1,851,978		1,851,978
				Total capitalization	4,323,222	(59,656)	4,263,566
DEFERRED CHARGES AND OTHER ASSETS:				ACCUMULATED DEFERRED TAXES ON INCOME			
Unamortized debt expense	11,665		11,665		1,368,260	(10,761) (B)	1,357,499
Nuclear decommissioning trust fund	64,342		64,342	ACCUMULATED DEFERRED INVESTMENT TAX CREDIT			
Other	59,659		59,659		169,611	(1,795) (B)	167,816
Total deferred charges and other assets	135,666		135,666	REGULATORY LIABILITY			
					222,546		222,546
REGULATORY ASSET:				ACCUMULATED PROVISION FOR NUCLEAR DECOMMISSIONING			
Deferred income taxes	720,995		720,995		66,015		66,015
CURRENT ASSETS:				OTHER DEFERRED CREDITS			
Cash and special deposits	3,679	(164,909) (D)	3,679		152,666		152,666
		119,832 (E)		CURRENT LIABILITIES:			
		35,205 (F)		Current maturity on long-term debt	65,181		65,181
		9,872 (G)		Accounts payable	72,680		72,680
Environmental bond trust fund	647		647	Wages payable	33,357		33,357
Accounts receivable - trade	178,207		178,207	Bank loans	25,400	9,872 (G)	35,272
Less allowance for doubtful accounts	(6,239)		(6,239)	Taxes accrued	101,600		101,600
Unbilled Revenue	110,103		110,103	Interest accrued	48,244		48,244
Other accounts and notes receivable	17,099		17,099	Dividends declared	3,301		3,301
Materials and supplies, at average cost - Fossil fuel	42,460	(911) (C)	41,549	Other	62,608		62,608
- Gas stored underground	8,645	(141) (C)	8,504	Total current liabilities	412,371	9,872	422,243
Construction and maintenance	94,073	(362) (C)	93,711	TOTAL CAPITALIZATION AND LIABILITIES	\$ 6,714,691	\$ (62,340)	\$ 6,652,351
Other	15,237		15,237				
Total current assets	463,911	(1,414)	462,497				
TOTAL ASSETS	\$ 6,714,691	\$ (62,340)	\$ 6,652,351				

This balance sheet reflects the accepted accounting practices of the Company. It does not include the notes usually accompanying the published financial statements of the Company. However, this balance sheet reflects all adjustments which are, in the opinion of management, necessary to a fair statement of financial position as of June 30, 1995 and should be considered in conjunction with the notes to financial statements included in the Company's annual report to the Commission.

UNION ELECTRIC COMPANY
STATEMENT OF INCOME
Year Ended June 30, 1995
(Thousands of Dollars)

	<u>Per Books</u>	<u>Pro Forma Adjustments (See Sch. 4)</u>	<u>As Adjusted</u>
OPERATING REVENUES:			
Electric	\$ 1,959,548	\$ (155,228) (D)	\$ 1,924,152
		119,832 (E)	
Gas	84,969	(9,681) (D)	75,288
Steam	445		445
Total operating revenues	<u>2,044,962</u>	<u>(45,077)</u>	<u>1,999,885</u>
OPERATING EXPENSES:			
Operations			
Fuel and purchased power	388,099	(6,097) (F)	382,002
Other	372,613	(8,551) (F)	364,062
Total operations	<u>760,712</u>	<u>(14,648)</u>	<u>746,064</u>
Maintenance	218,341	(7,428) (F)	210,913
Depreciation and nuclear decommissioning	230,450	(5,601) (F)	224,849
Current income taxes	217,414	(4,062) (F)	213,352
Deferred income taxes - net	(18,739)		(18,739)
Deferred investment tax credit - net	(6,182)		(6,182)
Taxes other than income taxes	211,271	(9,067) (F)	202,204
Total operating expenses	<u>1,613,267</u>	<u>(40,806)</u>	<u>1,572,461</u>
NET OPERATING INCOME	<u>431,695</u>	<u>(4,271)</u>	<u>427,424</u>
OTHER INCOME AND (DEDUCTIONS):			
Allowance for equity funds used during construction	5,539		5,539
Miscellaneous - net	(1,162)		(1,162)
Net other income and (deductions)	<u>4,377</u>	<u>-</u>	<u>4,377</u>
INCOME BEFORE INTEREST CHARGES	<u>436,072</u>	<u>(4,271)</u>	<u>431,801</u>
INTEREST CHARGES:			
Interest and amortization of net expense on debt and loss on reacquired debt	143,000		143,000
Allowance for borrowed funds used during construction	(6,326)		(6,326)
Total interest charges - net	<u>136,674</u>	<u>-</u>	<u>136,674</u>
NET INCOME	<u>299,398</u>	<u>(4,271)</u>	<u>295,127</u>
PREFERRED STOCK DIVIDENDS	<u>13,251</u>		<u>13,251</u>
EARNINGS ON COMMON STOCK	<u>\$ 286,147</u>	<u>\$ (4,271) (H)</u>	<u>\$ 281,876</u>

This statement reflects the accepted accounting practices of the Company. It does not include the notes usually accompanying the published financial statements of the Company. However, this statement reflects all adjustments which are, in the opinion of management, necessary to a fair statement of results for the period and should be considered in conjunction with the notes to financial statements included in the Company's annual report to the Commission.