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Prepared by: Ron Bible

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Issue/Subject: rate of return

Case No: EC-2002-1

Company: AmerenUE

CINERGY NYSE-CIN

RECENT PRICE 35 | P/E RATIO 13.3 (Trailing: 13.3; Median: 11.0) | RELATIVE P/E RATIO 0.86 | DIV'D YLD 5.3% | VALUE LINE

TIMELINESS 3 Raised 6/9/00
SAFETY 2 New 1/13/95
TECHNICAL 3 Lowered 1/5/01
BETA .60 (1.00 = Market)

High:	21.8	21.2	28.8	26.8	29.6	27.8	31.1	34.3	39.1	39.8	34.8	35.3
Low:	16.3	16.7	18.6	22.3	23.9	20.8	23.4	27.5	32.0	30.8	23.4	20.0

Target Price Range 2003 | 2004 | 2005

2003-05 PROJECTIONS

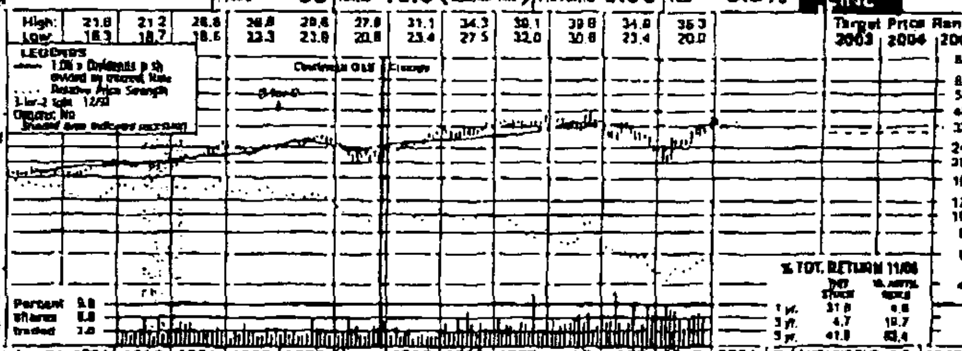
	Price	Gain	Ann'l Total Return
High	40	(+15%)	9%
Low	30	(-15%)	2%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	2	0
to Sell	0	0	0	0	0	0	1	2	0

Institutional Decisions

	1Q2000	2Q2000	3Q2000
to Buy	169	197	121
to Sell	114	119	119
Hld's(000)	102357	97615	95...



% TOT. RETURN 11/00

	THIS STOCK	VL ARITH. INDEX
1 yr.	31.8	6.6
3 yr.	4.7	19.7
5 yr.	41.8	83.4

Cinergy was formed on October 24, 1994 through the merger of Cincinnati Gas & Electric and PSI Resources. Each common share of Cincinnati Gas & Electric was exchanged for 1.00 share of Cinergy, while each common share of PSI Resources was exchanged for 1.023 Cinergy shares. Pre-merger data are figures for Cincinnati Gas & Electric only and are not comparable to Cinergy data.

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	© VALUE LINE PUB., INC.	03-05
18.41	17.52	17.66	18.80	18.84	18.25	20.57	27.59	37.04	37.36	47.60	52.70	Revenues per sh	61.90
3.92	3.70	3.88	3.87	3.13	3.98	3.99	4.15	4.02	4.34	4.90	5.30	"Cash Flow" per sh	5.75
2.75	2.21	2.04	2.16	1.30	2.22	2.19	2.30	1.97	2.10	2.55	2.75	Earnings per sh A	2.80
1.60	1.65	1.65	1.68	1.72	1.72	1.71	1.80	1.80	1.80	1.80	1.84	Div'd Decl'd per sh B	1.96
4.78	4.04	2.54	2.28	3.09	3.08	2.05	2.06	2.32	2.63	2.75	3.00	Cap'l Spending per sh	2.20
17.81	16.70	18.18	17.25	15.56	16.17	16.38	16.10	16.02	15.70	17.45	18.40	Book Value per sh C	21.15
78.12	84.88	86.39	88.06	155.20	157.67	157.68	157.74	158.68	158.52	158.20	158.40	Common Shs Outst'g F	160.00
7.3	10.0	11.0	12.5	17.6	11.8	14.1	14.9	17.6	14.2	10.7		Avg Ann'l P/E Ratio	12.0
.54	.64	.72	.74	1.17	.80	.88	.86	.92	.81	.70		Relative P/E Ratio	.80
8.0%	7.4%	6.8%	6.2%	7.4%	6.5%	5.6%	5.3%	5.2%	6.1%	6.6%		Avg Ann'l Div'd Yield	5.0%
1438.5	1518.1	1563.6	1751.7	2924.2	3031.4	3242.7	4352.8	5876.3	5937.9	7560	8400	Revenues ($mill)	9900
234.7	207.0	202.3	214.0	226.7	378.0	360.0	472.0	318.1	340.8	410	446	Net Profit ($mill)	470
22.6%	30.9%	32.2%	31.7%	40.2%	36.7%	37.2%	34.5%	28.0%	38.0%	38.0%	38.0%	Income Tax Rate	38.0%
67.0%	32.9%	8.7%	3.1%	6.1%	2.7%	2.0%	1.7%	.5%	1.2%	1.0%	1.0%	AFUDC % to Net Profit	1.0%
48.4%	47.5%	47.7%	48.7%	48.4%	46.3%	47.7%	44.2%	49.7%	52.1%	54.0%	52.5%	Long-Term Debt Ratio	48.0%
41.9%	43.4%	43.0%	41.3%	43.1%	48.8%	48.6%	52.2%	46.5%	48.3%	45.0%	46.5%	Common Equity Ratio	50.0%
3399.3	3647.4	3795.0	3878.3	5687.5	5467.5	5313.7	4868.1	5230.3	5735.6	6100	6300	Total Capital ($mill)	6750
3578.5	3801.2	3645.4	3785.8	6109.9	6251.1	6289.6	6297.1	6344.5	6417.5	6400	6585	Net Plant ($mill)	6375
9.0%	7.7%	7.4%	7.8%	6.0%	8.9%	8.7%	11.8%	7.7%	7.7%	8.5%	8.5%	Return on Total Cap'l	8.5%
13.6%	10.8%	10.2%	11.0%	7.8%	12.9%	13.3%	17.4%	12.1%	12.4%	14.5%	15.0%	Return on Shr. Equity	12.5%
15.2%	11.5%	10.6%	12.4%	7.8%	13.8%	13.4%	18.1%	12.3%	12.8%	14.5%	15.0%	Return on Com Equity D	13.5%
5.4%	3.0%	2.0%	2.8%	NMF	3.1%	2.8%	6.9%	1.1%	1.8%	4.0%	5.0%	Retained to Com Eq	4.5%
62%	77%	83%	80%	115%	75%	81%	63%	91%	85%	71%	67%	All Div'ds to Net Prof	68%

CAPITAL STRUCTURE as of 9/30/00
Total Debt $3873.4 mill. Due in 5 Yrs $1726.0 mill.
LT Debt $3033.1 mill. LT Interest $183.2 mill.
(LT interest earned: 4.4x)
Pension Liability $55.8 mill. in '99 vs. $108.6 in '98
Pfd Stock $62.8 mill. Pfd Div'd $5.1 mill.
848,485 shs. 3.5% to 6.875% ($100 par); callable at $100 to $108 a sh.;
317,924 shs. 4.16% to 4.32% $25 par, call. at $25.

Common Stock 158,867,661 shs. as of 10/31/00
MARKET CAP: $5.6 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	1997	1998	1999
% Change Retail Sales (KWH)	+5.2	+3.8	+0.7
Avg. Indust. Use (MWH)	2672	2795	2898
Avg. Indust. Revs. per KWH (¢)	3.87	3.88	3.86
Capacity at Peak (Mw)	10936	10938	11014
Peak Load, Summer (Mw)	9951	10833	10878
Annual Load Factor (%)	60.4	59.0	57.3
% Change Customers (yr-end)	+1.5	+1.7	+1.8
Fixed Charge Cov. (%)	331	240	295

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '97-'99 to '03-'05
Revenues	6.0%	12.5%	10.5%
"Cash Flow"	1.0%	4.0%	5.0%
Earnings	-3.0%	3.0%	5.5%
Dividends	2.0%	1.5%	1.5%
Book Value	.5%	-1.0%	4.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1997	1010	885.8	1355	1102	4352.8
1998	1348	1188	1876	1384	5876.3
1999	1402	1278	1782	1478	5937.9
2000	1583	1770	2300	1907	7560
2001	2000	1900	2450	2050	8400

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1997	.72	.35	.53	.70	2.30
1998	.67	.16	.69	.45	1.97
1999	.80	.37	.33	.60	2.10
2000	.81	.47	.58	.69	2.55
2001	.80	.50	.66	.68	2.75

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1997	.45	.45	.45	.45	1.80
1998	.45	.45	.45	.45	1.80
1999	.45	.45	.45	.45	1.80
2000	.45	.45	.45	.45	1.80
2001					

BUSINESS: Cinergy Corp. is a holding company formed through the merger of Cincinnati Gas & Electric and PSI Resources. Supplies elect. (89% of revs.) to 1,400,000 customers and natural gas (11%) to 478,000 customers in Ohio, Kentucky, and Indiana. Elect. (Gas) revs.: resid. 41% (66%); commer., 26% (26%); indust., 27% (4%); other 4% (4%). The primary metal and chemical industries are the largest customers. Fuel costs: 38% of revenues. '99 deprec. rate: 2.9%. Est'd plant age: 12 years. Prime fuels: coal, 91%; purchased power, 6%; other, 3%. Has 8,850 employees, 84,825 common stockholders. Chmn., Pres. & CEO: James E. Rogers. Inc.: Delaware. Address: 139 East 4th St., Cincinnati, OH 45202. Tel.: 513-381-2000. Internet: www.cinergy.com.

Cinergy faces retail electric competition in Ohio. Effective January 1st, the company's retail customers were allowed to select their energy supplier. At the same time, residential ratepayers received a 5% reduction in the generating portion of their bill, and their rates were frozen through 2005. On the plus side, CIN was authorized to recover transition costs of more than $1 billion over 10 years. The cost of purchased power from the summer of 2000 for up to five years will be included as transition costs. Moreover, the commission approved the transfer of generating assets to a wholly owned unregulated subsidiary. After the transfer, the company will be able to sell the plants' output without commission oversight. It might be noted that CIN's retail electric operations in Indiana are not subject to competition. The state is still studying the likely effect of deregulation there.

The company has reached a tentative settlement over violations of pollution control standards. The U.S. Environmental Protection Agency (EPA) had charged Cinergy with breaches of The Clean Air Act. The suit called for civil penalties of up to $27,500 per day for each of several violations since March 1, 2000. In response to the EPA's request for information regarding CIN's planned expenditures for pollution control, the company stated its intention to invest $700 million in new equipment. The agreement will have no immediate impact on electric rates paid in Ohio, since the state's residential rates are frozen for the next five years under the deregulation law.

We think earnings moved higher in 2000. Power marketing operations, which produced heavy losses in 1999, probably broke even last year. Too, a 3% increase in kilowatt-hour sales added about $0.10 a share to net. And savings continued to accrue from the 1994 merger of Cincinnati C&E and PSI Resources. Thus, despite higher interest expense, we estimate 2000 earnings rose 21% to $2.55 a share. A further gain is likely this year.

The high yield might interest income-oriented investors. Moreover, dividend growth prospects to 2003-2005 are near the industry norm. But at the stock's recent price, total returns are unexciting.

Arthur H. Medalie *January 5, 2001*

(A) EPS diluted. Excl. nonrecurring gain (losses): '93, ($4.55); '96, (12¢); '97, (89¢); '98, (32¢); '99, 43¢. Next egs. rpt. due late Jan.
(B) Next div'd mtg. about Jan. 19. Goes ex about Jan. 26. Div'd payment dates: about 15th of Feb., May, Aug., Nov. ■ Div'd reinvest. plan avail. (C) Incl. def. chgs. In '99, $8.83/sh.
(D) Rate base: net original cost. Allowed on com. eq.: Ohio in '93, 11.37%-12.00%; Indiana in '96: 11.0%. Earned avg. com. eq. '99: 12.8%. Regul. Clim.: Above Avg. (E) Pro Forma. (F) In mill., adjust. for split.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	15
Earnings Predictability	55

CONSTELL'N EGY GP, NYSE-CEG

RECENT PRICE 42.70	P/E RATIO 14.1 (Trailing: 18.0, Median: 14.0)	RELATIVE P/E RATIO 0.89	DIV'D YLD 1.1%	VALUE LINE

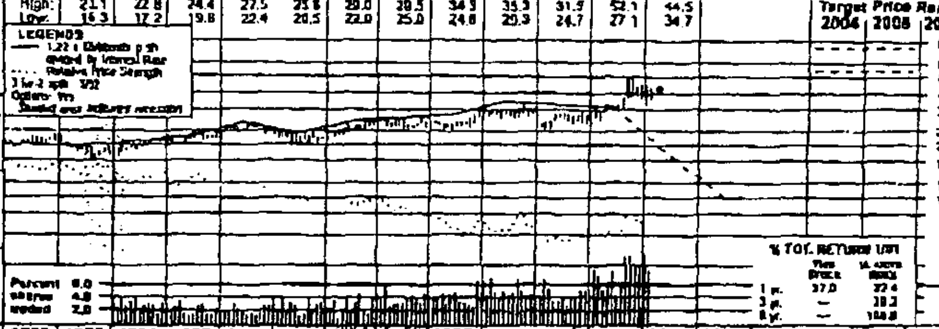
TIMELINESS 3 Raised 1/5/01
SAFETY 2 Lowered 1/20/92
TECHNICAL 3 Raised 2/2/01
BETA .50 (1.00 = Market)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
High:	21.1	22.8	24.4	27.5	25.8	29.0	29.5	34.3	35.3	31.9	52.1
Low:	16.3	17.2	19.8	22.4	20.5	22.0	25.0	24.8	29.3	24.7	27.1

(2001 column continues: High 44.5, Low 34.7)

Target Price Range 2004 | 2005 | 2006

LEGENDS
— 1.22 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-2 split 3/92
Options: Yes
Shaded area indicates recession



2004-06 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+75%)	16%
Low	55	(+30%)	8%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	1	1	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	1	0	0

Institutional Decisions

	1Q2000	2Q2000	3Q2000
to Buy	106	128	140
to Sell	134	110	131
Hld's(000)	87346	87501	73837

Percent shares traded 6.0 / 4.0 / 2.0

% TOT. RETURN 1/01

	THIS STOCK	VL ARITH. INDEX
1 yr.	37.0	27.4
3 yr.	—	38.2
5 yr.	—	108.8

1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	© VALUE LINE PUB., INC.	04-06
14.88	15.56	15.28	15.67	18.63	17.81	19.41	17.33	18.27	18.88	19.28	21.36	22.40	22.50	25.32	25.77	28.30	30.80	Revenues per sh	40.50
3.40	3.75	3.84	3.98	3.45	2.91	3.08	3.10	3.45	3.83	4.59	4.45	4.88	4.53	4.57	5.78	7.15	7.80	"Cash Flow" per sh	8.85
1.87	2.10	2.31	2.31	2.03	1.40	1.52	1.63	1.85	1.93	2.02	1.85	1.97	2.08	2.18	2.30	3.05	3.35	Earnings per sh A	4.50
1.12	1.19	1.25	1.32	1.39	1.40	1.40	1.43	1.47	1.51	1.56	1.59	1.63	1.67	1.68	1.68	.78	.48	Div'd Decl'd per sh B	.56
2.19	2.52	2.74	3.06	4.05	4.42	3.60	2.71	3.21	3.27	2.48	2.44	2.53	2.27	2.82	7.13	10.20	8.85	Cap'l Spending per sh	8.40
12.91	13.82	14.83	15.85	16.80	17.10	17.00	17.83	17.84	18.42	18.07	18.56	19.44	19.58	20.01	20.95	23.10	25.15	Book Value per sh C	32.55
117.83	117.98	118.37	118.95	120.52	121.21	126.69	143.70	146.03	147.53	147.53	147.67	147.67	149.29	149.58	150.50	151.50	152.50	Common Shs Outst'g E	154.50
7.7	10.0	9.1	9.1	10.4	13.7	13.2	13.6	13.8	11.8	12.4	14.7	14.0	16.3	13.2	16.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
.83	.88	.81	.76	.79	1.02	.84	.82	.82	.77	.83	.92	.81	.80	.75	1.05			Relative P/E Ratio	.85
7.7%	5.7%	6.0%	6.3%	6.6%	7.3%	7.0%	6.5%	5.8%	6.6%	6.2%	5.9%	5.6%	5.3%	5.8%	4.6%			Avg Ann'l Div'd Yield	.9%

CAPITAL STRUCTURE as of 12/31/00
Total Debt $4080 mill. Due in 5 Yrs $2365 mill.
LT Debt $3160 mill. LT Interest $205.0 mill.
(LT interest earned: 3.9x)
Pension Liability None
Pfd Stock $190.0 mill. Pfd Div'd $13.2 mill.
Incl. 400,000 shs. 7.125% preference, callable 7/1/03; 500,000 shs. 6.97% pref., call. 10/1/03; 400,000 shs. 6.70% pref., call 1/1/04; 600,000 shs. 6.99% pref., call. 10/1/05, all $100 par, not subj. to mand. redemption

Common Stock 150,500,000 shs.
MARKET CAP: $6.4 billion (Large Cap)

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	© VALUE LINE PUB., INC.	04-06
2459.5	2491.3	2668.7	2783.0	2934.8	3153.2	3307.8	3358.1	3786.2	3878.5	4275	4700	Revenues ($mill)	6255
235.7	264.3	309.3	323.8	338.0	310.8	320.3	327.7	339.0	358.5	475	520	Net Profit ($mill)	710
27.7%	28.1%	30.8%	32.2%	33.4%	34.9%	36.8%	35.2%	35.4%	39.1%	40.0%	40.0%	Income Tax Rate	40.0%
18.0%	8.9%	7.3%	10.4%	8.5%	8.3%	5.2%	4.1%	2.9%	1.0%	1.5%	1.0%	AFUDC % to Net Profit	1.0%
46.8%	43.4%	47.1%	44.6%	43.9%	45.3%	44.5%	49.7%	44.7%	48.0%	48.5%	48.5%	Long-Term Debt Ratio	47.5%
42.1%	48.3%	43.7%	46.0%	47.5%	47.9%	48.8%	47.3%	52.0%	48.5%	48.0%	48.0%	Common Equity Ratio	48.5%
5111.1	5476.3	5986.3	5791.5	5922.1	5980.4	6180.3	6209.6	6758.4	8602.3	7165	7830	Total Capital ($mill)	10235
4773.9	4965.3	6195.0	5418.8	5407.6	5464.4	5861.5	5856.7	5521.1	6844.0	7800	8500	Net Plant ($mill)	11000
8.5%	8.8%	6.9%	7.2%	7.3%	8.7%	6.8%	8.5%	7.5%	6.9%	8.0%	8.0%	Return on Total Cap'l	8.5%
8.8%	8.5%	9.8%	10.1%	10.3%	9.7%	10.1%	10.3%	10.7%	10.7%	13.0%	12.0%	Return on Shr. Equity	13.0%
8.9%	8.8%	10.2%	10.4%	10.6%	9.8%	10.1%	10.3%	10.9%	11.0%	12.0%	13.5%	Return on Com Equity D	13.5%
.7%	1.3%	2.1%	2.3%	2.5%	1.4%	1.8%	2.0%	2.5%	3.0%	10.0%	11.0%	Retained to Com Eq	11.0%
94%	90%	82%	80%	78%	87%	84%	81%	78%	74%	28%	16%	All Div'ds to Net Prof	14%

ELECTRIC OPERATING STATISTICS

	1997	1998	1999
% Change Retail Sales (KWH)	-1.2	+2.4	+1.7
Avg. Indust. Use (MWH)	1017	996	926
Avg. Indust. Revs. per KWH (¢)	4.63	4.51	4.70
Capacity at Peak (Mw)	6741	6422	6522
Peak Load, Summer (Mw)	5940	6045	6383
Annual Load Factor (%)	56.0	57.4	56.7
% Change Customers (yr-end)	+.7	+.8	+1.2
Fixed Charge Cov. (%)	241	256	283

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '98-'00 to '04-'06
Revenues	4.0%	5.0%	8.5%
"Cash Flow"	3.0%	7.5%	10.5%
Earnings	-.5%	3.0%	13.0%
Dividends	2.5%	2.5%	-17.5%
Book Value	2.5%	2.0%	8.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	866.1	767.6	934.0	790.4	3358.1
1999	832.3	820.0	970.4	1063.5	3786.2
2000	902.2	861.4	981.8	1036.5	3878.5
2001	1075	950	1100	1150	4275
2002	1175	1045	1220	1260	4700

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.50	.39	1.08	.09	2.08
1999	.55	.45	.91	.27	2.18
2000	.48	.28	.98	.56	2.30
2001	.63	.52	1.30	.60	3.05
2002	.78	.60	1.37	.60	3.35

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1997	.40	.40	.41	.41	1.62
1998	.41	.41	.42	.42	1.66
1999	.42	.42	.42	.42	1.68
2000	.42	.42	.42	.42	1.68
2001	.42	.12			

BUSINESS: Constellation Energy Group, a holding company, sells electricity (66% of revenues) and gas (15%) service, through its Baltimore Gas and Electric subsidiary, in central Maryland to a population of 2.5 million. The remaining 20% of revenues are derived from the nonregulated business, Constellation Ener. 2000 elec. rev. sources: resid'l, 43.2%; com'l, 43.4%; ind'l, 9.5%; other, 3.9%. '00 gas rev. sources: resid'l, 57.6%; com'l, 20.2%; ind'l, 4.4%; other, 17.9%. Prime fuels: nuclear, 42.3%; coal, 53.5%; other, 4.2%. Fuel & pur. pwr. costs above 20% of elec. revs. Has 9,000 employees, 55,225 com. stkhldrs. '00 deprec. rate: 5.0%. Chrmn., Pres. & CEO: C. H. Poindexter. Inc.: MD. Addr.: P.O. Box 1475, Baltimore, MD 21203. Tel.: 410-783-5920. Web: www.constellationenergy.com.

Constellation Energy Group may well execute its plan to split into two publicly traded companies later this year. Prompted by industry deregulation, management has decided to divide operations along the lines of wholesale generation and marketing, which will trade under a new Constellation Energy Group stock, and retail energy distribution and services, which will trade as BGE Corp. CEG stockholders would receive one common share in each of the new companies for each of their shares. Management is seeking tax-free status for the transaction from the Internal Revenue Service. Various other federal (DOJ, FTC, FERC, NRC, SEC) approvals are also required. There do not appear to be any major obstacles to the breakup.

The wholesale business is building up its plant base. We look for controlled capacity to exceed 30,000 megawatts by 2005, giving the new CEG the scale to compete in a deregulated environment. The current base totals 9,000 MWs, most of which is coal and nuclear generation. By this summer, the company hopes to add 1,050 MWs of gas-fired peaking capacity and take majority control (1,550 MWs) of the 1,757 MW Nine Mile Point nuclear facility in New York. Additional nuclear purchases and development of coal plants may be in the cards, since the cost of oil and gas generation has risen significantly in recent time. Goldman, Sachs & Co. has agreed to lend marketing support and invest $250 million (for a 17.5% stake) in the merchant business. The potential for strong revenue growth and wide operating margins suggests 20%-25% annual earnings growth and above-average 3- to 5-year, stock-price appreciation.

Income investors may be attracted to the distribution business. BGE Corp. would continue to serve over one million electricity and about 600,000 gas customers within the economically stable area of central Maryland. We believe that management can effectively meet the challenges of increasing competition and fuel costs, which are pressuring margins. Dividend growth likely will be 3%-5% a year, and the yield should be close to or above the industry average. The initial annual payout is set at $0.48 a share.

David M. Reimer *March 9, 2001*

(A) Basic earnings. Excl. extra. items: '97, 25¢; '00, 644¢. Incl. writedowns from real estate invests., fin'l invests., and ventures: '97, 31¢; '98, 7¢; '99, 27¢. Next egs. rpt due late Apr. (B) Next div'd meet. May 18; ex date June 8. Div'd pmt. dates early Jan., Apr., July, Oct. ■ Div'd reinvest. plan avail. (C) Incl. def'd chgs. '00: $4.20/sh. (D) Rate base determ.: fair val. Rate allowed on com. eq.: 11.75%-elec. ('93); 11.05%-gas ('99). Earned on '99 avg. com. eq., 8.8%. Regulatory Climate: Average. (E) In mill., adj'd for split. Excludes ESOP shares.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	25
Earnings Predictability	60

POTOMAC ELEC. PWR. NYSE-POM

RECENT PRICE 22.40 | P/E RATIO 11.4 (Trailing: 11.0; Median: 14.0) | RELATIVE P/E RATIO 0.72 | DIV'D YLD 5.2% | VALUE LINE

TIMELINESS 4 Raised 6/4/99
SAFETY 2 Lowered 12/15/95
TECHNICAL 4 Lowered 2/2/01
BETA .55 (1.00 = Market)

High:	24.0	25.1	27.5	28.5	28.6	28.3	27.4	28.8	27.8	31.8	27.9	24.9
Low:	18.0	19.8	22.6	23.8	18.3	18.4	23.8	21.0	23.1	21.3	18.1	20.2

Target Price Range 2004 | 2005 | 2006

LEGENDS
— 1.15 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

2004-06 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+35%)	12%
Low	25	(+10%)	8%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2000	2Q2000	3Q2000
to Buy	82	98	88
to Sell	100	76	91
Hld's(000)	48125	43675	40310

Percent shares traded 6.0 / 4.0 / 2.0

% TOT. RETURN 1/01

	THIS STOCK	VL ARITH. INDEX
1 yr.	-4.8	22.4
3 yr.	0.2	38.2
5 yr.	11.9	109.8

1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	© VALUE LINE PUB., INC.	04-06
12.60	14.51	14.10	14.29	14.25	14.18	13.87	14.01	14.63	15.42	15.83	16.96	15.73	17.41	20.89	22.05	26.05	28.50	Revenues per sh	31.35
2.00	3.29	3.34	3.42	3.32	2.84	2.90	2.94	3.30	3.30	3.43	3.74	3.63	3.84	4.20	3.98	3.73	4.35	"Cash Flow" per sh	4.80
1.80	2.08	2.11	2.14	2.16	1.82	1.87	1.68	1.95	1.79	1.89	1.86	1.68	1.79	1.87	1.82	2.00	2.35	Earnings per sh A	2.80
1.08	1.18	1.30	1.38	1.46	1.52	1.58	1.60	1.64	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.17	1.00	Div'd Decl'd per sh B ■	1.00
2.04	2.32	2.55	2.69	3.32	4.21	3.69	3.13	2.74	2.64	1.85	1.52	1.49	1.74	1.69	1.85	1.30	1.40	Cap'l Spending per sh	1.40
10.71	11.94	12.51	13.22	14.23	14.39	15.45	15.95	16.66	16.54	15.79	15.94	15.72	15.84	16.12	18.80	17.30	18.00	Book Value per sh C	22.75
84.10	94.43	94.45	94.46	97.91	99.71	111.11	114.50	117.80	118.25	118.40	118.50	118.60	118.53	118.63	118.80	101.70	97.00	Common Shs Outst'g D	92.50
11.3	11.0	11.1	10.1	9.8	12.8	11.7	13.0	11.7	11.7	12.7	13.8	14.2	14.0	14.1	16.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	10.9
.87	.75	.74	.84	.74	.95	.75	.91	.81	.77	.85	.86	.82	.73	.80	.87			Relative P/E Ratio	.85
7.2%	5.2%	5.6%	6.4%	6.0%	7.3%	7.1%	8.4%	8.1%	7.9%	7.7%	6.5%	7.0%	6.6%	6.3%	7.0%			Avg Ann'l Div'd Yield	3.6%

CAPITAL STRUCTURE as of 9/30/00 F

Total Debt $3368 mill. Due in 5 Yrs $1216 mill.
LT Debt $2807 mill. LT Interest $180.0 mill.
(LT interest earned: 2.8x)

Pfd Stock $215.3 mill. Pfd Div'd $14.4 mill.
Incl. about 825,675 shs. $2.28 to $2.46 pfd. cum., $50 par, call. at $51 a sh.; about 984,000 shs. $3.40 pref., $50 par; $125 million, 7.375%, trust originated pfd. secs.

Common Stock 111,384,716 shs.
MARKET CAP: $2.4 billion (Mid Cap)

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	© VALUE LINE PUB., INC.	04-06
1582.1	1601.6	1725.2	1823.1	1876.1	2010.3	1863.5	2063.9	2478.0	2621.9	2835	2700	Revenues ($mill)	2900
210.2	200.8	241.6	227.2	217.4	237.0	214.4	232.0	241.6	208.0	235	240	Net Profit ($mill)	275
28.2%	27.3%	31.2%	34.5%	44.7%	25.1%	39.1%	38.0%	32.8%	61.2%	36.0%	38.0%	Income Tax Rate	38.0%
15.7%	14.8%	9.5%	8.3%	4.3%	6.0%	6.8%	2.4%	2.1%	.5%	.5%	.5%	AFUDC % to Net Profit	.5%
44.8%	43.0%	41.6%	46.5%	48.1%	47.2%	49.2%	48.4%	57.3%	47.2%	44.6%	46.0%	Long-Term Debt Ratio	46.5%
48.0%	49.8%	51.2%	47.9%	45.4%	46.2%	44.5%	45.0%	38.2%	47.3%	45.6%	44.5%	Common Equity Ratio	48.5%
3504.3	3676.0	3817.3	4084.4	4122.4	4087.5	4191.2	4189.0	5003.3	3337.4	3816	3725	Total Capital ($mill)	4330
3708.9	3931.3	4131.1	4280.3	4400.3	4423.2	4488.3	4571.2	4624.4	2772.0	3010	3065	Net Plant ($mill)	3155
7.0%	7.2%	7.8%	7.2%	6.8%	7.4%	6.7%	7.1%	6.2%	7.8%	7.5%	8.0%	Return on Total Cap'l	8.0%
10.3%	9.8%	10.8%	10.7%	10.2%	11.0%	10.1%	10.8%	11.3%	9.0%	11.5%	12.0%	Return on Shr. Equity	12.0%
11.5%	10.2%	11.5%	10.8%	10.7%	11.7%	10.6%	11.4%	11.8%	10.3%	12.0%	12.5%	Return on Com Equity E	12.5%
1.8%	.4%	1.8%	.8%	-.2%	1.7%	.1%	1.0%	1.5%	.4%	6.5%	4.0%	Retained to Com Eq	8.0%
85%	97%	85%	93%	98%	90%	98%	92%	88%	98%	59%	44%	All Div'ds to Net Prof	39%

ELECTRIC OPERATING STATISTICS

	1997	1998	1999
% Change Retail Sales (KWH)	.8	+2.0	+2.8
Avg. Resid'l Use (KWH)	10830	10873	11091
Avg. Resid'l Cost per KWH (¢)	8.40	8.39	8.38
Capacity at Peak (Mw)	6808	6808	6808
Peak Load, Summer (Mw)	5849	5807	5927
Annual Load Factor (%)	54.2	64.6	58.8
% Change Customers (yr-end)	+.8	+.7	+1.2
Fixed Charge Cov. (%)	246	269	289

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '97-'99 to '04-'06
Revenues	2.5%	4.0%	8.0%
"Cash Flow"	1.5%	4.0%	3.0%
Earnings	-2.0%	-.5%	7.0%
Dividends	2.0%	.5%	-7.0%
Book Value	2.0%	-.5%	5.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	380.4	528.5	750.8	404.2	2063.9
1999	511.0	804.7	868.1	502.0	2476.0
2000	529.2	651.1	836.7	605.0	2621.9
2001	570	800	850	605	2825
2002	540	665	870	620	2700

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.03	.46	1.23	.04	¤1.79
1999	.08	.61	1.25	d.07	1.87
2000	.07	.47	1.04	.05	¤1.82
2001	.15	.32	1.27	.08	2.00
2002	.23	.41	1.35	.16	2.35

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1997	.415	.415	.415	.415	1.66
1998	.415	.415	.415	.415	1.66
1999	.415	.415	.415	.415	1.66
2000	.415	.415	.415	.415	1.66
2001	.415	.25			

BUSINESS: Potomac Electric Power Co. supplies electricity to 700,811 customers in Washington, D.C. (41% of sales) and in adjoining areas of Maryland (59%). 1999 rev. breakdown: residential, 30.6%; commercial, 16.7%; government, 18.0%; other, 0.8%. There are no major industries that operate in the company's service area. Prime fuels (1999): coal, 82%; oil, 13%; gas, 5%. Fuel & purchased power costs: 48.2% of revenues. '99 deprec. rate: 4.0%. Pepco Holdings, Inc. (PHI) is the company's nonregulated subsidiary. Has 3,605 employees, 65,255 common stockholders. Chmn and CEO: John M. Derrick, Jr.; Pres. and COO: D. Wraase. Inc.: Dist. of Columbia & Virginia. Addr.: 1900 Pennsylvania Ave. N.W., Wash., D.C. 20068. Tel.: 202-872-2000. Web: www.pepco.com.

Potomac Electric Power Co. has set an aggressive target date to complete its purchase of Conectiv. Management believes that it can close the $5.4 billion transaction (including $3.2 billion in assumed debt and preferred stock) in 12 months, or by the end of the first quarter of 2002. Usually, utility mergers take 18 months or more to complete. Federal (FERC, SEC, and DOJ) and local regulators (MD, Wash., D.C., DE, NJ, and VA), as well as stockholders, must give their approvals. PEPCO investors would exchange their common shares for common shares in the new holding company one for one. Conectiv stockholders may elect to receive $25.00 in cash or stock in the combined company, subject to 50/50 proration and a $19.50-$24.50 PEPCO stock collar; this represents about a 30% premium. Also, those investors would see their annual dividend rise $0.12, to $1.00 a share.

Recent asset sales will help finance the deal. PEPCO has sold power plants with a total generating capacity of 5,200 megawatts (MWs) to Mirant Corp. (formerly Southern Energy Inc.) for $2.75 billion. The company has also sold a stake (166 MWs) in a 1,711 MW plant to an Allegheny Energy/PPL Corp. venture for $156 million. After payments of roughly $845 million in taxes, a $525 million long-term debt paydown, $170 million in rate credits, and a $150 million investment in Starpower, a cable partnership with RCN, the remaining proceeds will go to finance part of the equity value of the acquisition, pay down $200 million in debt and buy back up to $450 million in common stock. The combined company's capital structure should be solid, with a 60/40 total debt-to-equity ratio.

Stock in the enlarged company likely would produce worthwhile 3- to 5-year total returns for income investors. PEPCO has cut its annual dividend, but the new company should achieve a better long-term income growth rate, thanks to greater cost leverage. Going forward, we expect improved share-price performance and modest dividend gains. There appear to be no major hurdles to the deal. Still, before committing, investors should note that PEPCO stock is not especially attractive on a stand-alone basis.

David M. Reimer — *March 9, 2001*

(A) Based on diluted shs. Excludes nonrecur. gains (losses): '97, (28¢); '98, (4¢); '99, 11¢; '00, net $1.34. Next egs. rpt. due late Apr. (B) Next dividend meeting Apr. 27. Goes ex June 8. Div'd payment dates: 30th of Mar., June, Sep., Dec. ■ Div'd reinvest. plan avail. (C) Includes deferred charges. In '99: $3.47/sh. (D) In mill. (E) Rate allowed on com. eq. in MD: NA; DC: 11.1% (95); earned on '99 average com. eq., 13.5%. Reg. climate: Avg. (F) Excl. PHI. (G) No ind'l sales. (H) Does not add due to change in diluted secs outstanding.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	15
Earnings Predictability	75

1 0 yrs 42.55 — 32.72
avg = 37.64

5 yrs. 44.40 — 33.14
38.77 avg.

AMEREN NYSE-AEE

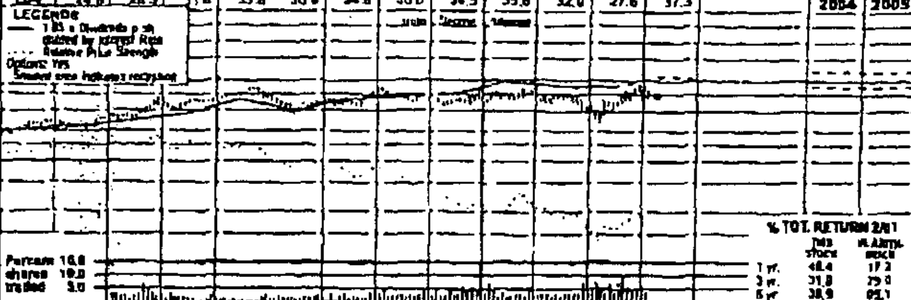
RECENT PRICE 39.75 | P/E RATIO 11.8 (Trailing: 11.9; Median: 13.0) | RELATIVE P/E RATIO 0.75 | DIV'D YLD 6.4% | VALUE LINE

TIMELINESS 4 Lowered 3/16/01
SAFETY 1 Raised 3/17/97
TECHNICAL 4 Lowered 3/30/01
BETA .55 (1.00 = Market)

High:	30.0	38.8	38.8	44.6	39.5	42.0	44.1	43.0	44.3	42.9	48.8	48.0
Low:	24.8	28.5	31.8	35.8	30.8	34.8	36.0	34.5	35.8	32.0	27.6	37.3

Target Price Range 2004 | 2005 | 2006

LEGENDS
— 1.03 x Dividends p sh divided by Interest Rate
···· Relative Price Strength
Options: Yes
Shaded area indicates recession



3 yrs.
44.7 — 31.7
38.22

2004-06 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+40%)	13%
Low	45	(+15%)	9%

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	1	1	1	0	0
to Sell	0	0	0	0	1	0	1	0	0

Institutional Decisions

	2Q2000	3Q2000	4Q2000
to Buy	84	95	121
to Sell	117	110	108
Hld's(000)	54892	53570	52449

Percent shares traded 15.0 / 10.0 / 5.0

% TOT. RETURN 2/01

	THIS STOCK	VL ARITH. INDEX
1 yr.	48.4	17.2
3 yr.	31.8	79.0
5 yr.	38.9	95.1

Ameren was formed on December 31, 1997 through the merger of Union Electric and CIPSCO. Each common share of Union Electric was exchanged for 1.00 share of Ameren, while each common share of CIPSCO was exchanged for 1.03 Ameren shares. Premerger data are for Union Electric only and are not comparable to Ameren data.

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	© VALUE LINE PUB., INC.	04-06
20.53	19.73	20.23	20.13	20.59	22.15	24.24	24.18	25.68	28.10	31.65	31.10	Revenues per sh	35.00
6.24	4.98	4.83	5.13	5.14	5.12	4.98	5.35	5.36	6.11	6.45	5.90	"Cash Flow" per sh	4.15
3.01	2.65	2.77	3.01	2.95	2.86	2.44	2.82	2.81	3.33	3.40	3.55	Earnings per sh A	3.80
2.18	2.26	2.34	2.40	2.46	2.51	2.54	2.54	2.54	2.54	2.54	2.54	Div'd Decl'd per sh B ■	2.69
2.32	2.56	2.61	3.08	3.05	3.16	2.77	2.37	4.16	3.49	4.75	4.00	Cap'l Spending per sh	3.37
20.62	21.10	21.80	22.22	22.71	23.08	22.00	22.27	22.52	23.30	24.15	25.15	Book Value per sh C	28.70
102.12	102.12	102.12	102.12	102.12	102.12	137.22	137.22	137.22	137.22	137.20	137.20	Common Shs Outst'g D	137.20
10.1	13.4	14.6	17.6	12.6	13.8	13.5	14.2	13.5	11.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.5
.88	.81	.86	.76	.84	.88	.89	.74	.77	.73			Relative P/E Ratio	.85
6.8%	6.4%	5.8%	6.0%	6.6%	6.3%	6.7%	6.3%	6.7%	6.9%			Avg Ann'l Div'd Yield	5.5%
2098.1	2015.1	2066.0	2056.1	2102.7	2260.4	3326.5	3318.2	3521.6	3855.8	4045	4270	Revenues ($mill)	4800
321.6	284.7	297.2	320.8	314.1	304.8	347.3	386.1	397.8	460.9	466	500	Net Profit ($mill)	650
40.9%	38.7%	37.7%	39.2%	40.0%	39.5%	40.3%	40.1%	39.4%	38.0%	38.0%	38.0%	Income Tax Rate	38.0%
2.7%	2.6%	3.9%	3.5%	5.1%	4.4%	3.7%	3.0%	3.8%	2.9%	3.0%	3.0%	AFUDC % to Net Profit	3.0%
42.7%	41.1%	42.1%	42.3%	41.0%	41.1%	43.9%	41.0%	42.4%	44.4%	48.0%	48.5%	Long-Term Debt Ratio	45.5%
51.9%	53.5%	52.6%	52.8%	53.9%	53.9%	52.4%	54.8%	53.5%	51.8%	50.5%	50.0%	Common Equity Ratio	51.5%
4055.0	4042.1	4152.0	4311.7	4302.0	4372.6	5760.2	5580.7	5772.4	6178.9	6545	6895	Total Capital ($mill)	7085
5110.8	5201.4	5285.0	5344.6	5435.4	5382.7	6987.1	6928.0	7185.2	7705.7	8670	8270	Net Plant ($mill)	8770
10.0%	8.7%	8.6%	8.1%	8.0%	8.5%	7.5%	8.7%	8.2%	8.9%	8.8%	8.5%	Return on Total Cap'l	8.5%
13.8%	11.9%	12.3%	12.9%	12.4%	11.8%	10.7%	12.1%	12.0%	13.7%	12.5%	12.5%	Return on Shr. Equity	13.0%
14.6%	12.9%	12.8%	13.6%	13.0%	12.4%	11.1%	12.6%	12.5%	14.3%	14.0%	14.0%	Return on Com Equity E	12.8%
4.0%	1.8%	2.0%	2.8%	2.2%	1.5%	.1%	1.2%	1.2%	3.4%	3.5%	4.0%	Retained to Com Eq	4.5%
74%	88%	85%	80%	84%	88%	99%	90%	91%	77%	75%	72%	All Div'ds to Net Prof	69%

CAPITAL STRUCTURE as of 12/31/00
Total Debt $2992.6 mill. Due in 5 Yrs $1144.8 mill.
LT Debt $2745.1 mill. LT Interest $193.5 mill.
(Incl. debt discount of $8.0 mill.)
(LT interest earned: 6.6x)

Pension Liability None

Pfd Stock $235.2 mill. Pfd Div'd $12.7 mill.
1,137,695 shs. $3.50 to $7.64 cum. (no par), stated at liquid. value; 1,657,500 shs. $1.735, $25 par. 800,000 shs. 4.00% to 6.625%.

Common Stock 137,215,482 shs.

MARKET CAP: $5.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	1997	1998	1999
% Change Retail Sales (KWH)	..	+4.0	-1.0
Avg. Indust. Use (MWH)	1471	1854	1868
Avg. Indust. Revs. per KWH (¢)	4.33	4.41	4.37
Capacity at Peak (Mw)	11312	11444	11697
Peak Load, Summer (Mw)	9978	10582	11048
Annual Load Factor (%)	55.0	54.7	51.9
% Change Customers (yr-end)	+.8	+.5	+1.1
Fixed Charge Cov. (%)	303	406	442

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '97-'99 to '04-'06
Revenues	2.5%	4.5%	NMF
"Cash Flow"	.5%	1.0%	NMF
Earnings	.5%	1.0%	NMF
Dividends	2.5%	1.5%	NMF
Book Value	2.0%	.5%	NMF

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	700.6	821.8	1117	678.8	3318.2
1999	735.0	859.4	1194	734.3	3521.6
2000	825.4	940.3	1195.4	894.7	3855.8
2001	875	960	1250	930	4000
2002	930	1040	1300	1000	4270

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.29	.61	1.73	.19	2.82
1999	.40	.63	1.82	d.04	2.81
2000	.45	.83	1.87	.18	3.33
2001	.48	.80	1.90	.22	3.40
2002	.63	.82	1.05	.25	3.55

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1997	.635	.635	.635	.635	2.54
1998	.635	.635	.635	.635	2.54
1999	.635	.635	.635	.635	2.54
2000	.635	.635	.635	.635	2.54
2001	.635				

BUSINESS: Ameren Corp. is a holding company formed through the merger of Union Electric and CIPSCO. Supplies elect. and gas to 1,400,000 customers in Missouri (73% elect. revs.) and Illinois (27%). Elect. revs.: resid., 41%; commer., 38%; indust., 19%; other, 4%. Largest indust. customers: primary metals (including coke production), chemicals, transportation equipment, petroleum refining. 1999 fuels: coal, 68%; nuclear, 18%; hydro, 3%, interchange, d6%. Fuel costs, 31% of revs.; labor costs, 12%. 1999 deprec. rate: 3.0%. Est'd plant age: 17 years. Has 7,345 employees, 118,020 stockholders. Chrmn., CEO, and Pres.: Charles W. Mueller. Inc.: Missouri. Address: 1901 Chouteau Street, St. Louis, Missouri 63166. Telephone: 314-621-3222. Internet: www.ameren.com.

Ameren plans new construction to meet rising energy demand. Faced with 2% yearly growth in electricity usage and a low reserve margin, it is obvious that the company will need new peaking units shortly. Accordingly, it has begun building 35 natural gas-fired turbines in Illinois. These units will have a total capacity of 3,000 megawatts. They will be completed in the next five years. The cost of the package is estimated at $1.1 billion. The facilities will be placed in an unregulated Illinois subsidiary, together with CIPSCO's 2,900 megawatts already in operation. They will serve native load but will also sell a portion of their output at competitive rates in the open market. Ameren's strategy of concentrating on plant expansion rather than on nonutility businesses points to steady but unspectacular earnings growth for the next several years.

Financing the program should not be burdensome. The capital budget through 2004, which includes upgrades to existing assets, will average about $630 million annually. Since internally generated funds will not be sufficient to cover these outlays, management plans to issue long-term debt to bridge the shortfall. In view of AEE's strong finances, it should be able to borrow at reasonable rates. What's more, due to the plowback of a portion of profits to retained earnings, the increased debt will not leverage the capital structure.

Earnings may edge higher this year. For one thing, 2000's $0.11-a-share charge resulting from the company's withdrawal from the Midwest Independent System Operator will be absent this year. For another, retail energy sales are headed higher, and the company will save $27 million from the termination of two coal supply contracts. On the down side, credits to customers under the alternative rate plan will be higher than they were last year. In all, we estimate a 2% gain in 2001 earnings to $3.40 a share and further improvement next year. For now, the stock is untimely.

We expect no dividend hike for another two years, due to the need to preserve cash for the heavy capital program. But some investors might be attracted by the above-average yield and the company's strong finances. On balance, we rate Ameren an average electric utility holding.

Arthur H. Medalie — *April 6, 2001*

(A) EPS basic. Excl. nonrecur. gain: '92, 18¢. Next egs. report due late Apr. (B) Next div'd meeting about Apr. 24. Next ex date about June 6. Div'd pymt. dates: March 31, June 30, Sept. 30, Dec. 29. ■ Div'd reinvestment plan avail. (C) Incl. deferred chgs. In '99, $5.83/sh. (D) Rate base: orig. cost depreciated. Rate allowed in MO on common equity in '96, 12.5%; earned on average com. eq. in '99: 12.5%. Regul. Clm.: Average. (E) In millions.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	10
Earnings Predictability	85

ALLEGHENY ENERGY NYSE-AYE

RECENT PRICE	34.24	P/E RATIO	8.1 (Trailing: 8.8 Median: 11.0)	RELATIVE P/E RATIO	0.44	DIV'D YLD	5.1%	VALUE LINE

TIMELINESS 3 Raised 9/4/00
SAFETY 1 Raised 9/12/97
TECHNICAL 4 Lowered 12/7/01
BETA .60 (1.00 = Market)

													Target Price Range 2004 2005 2006
High:	21.1	23.3	24.3	28.4	28.5	29.3	31.1	32.6	34.9	35.2	48.8	55.1	
Low:	17.0	17.4	20.8	23.4	19.8	21.5	28.0	25.5	28.6	28.2	23.6	33.3	

2004-06 PROJECTIONS

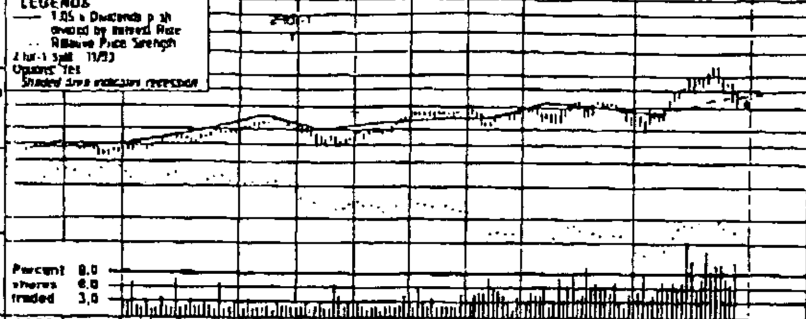
	Price	Gain	Ann'l Total Return
High	70	(+105%)	23%
Low	60	(+75%)	19%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	2	0	1	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	1	0	0	0	0	0	0	0

Institutional Decisions

	4Q2000	1Q2001	2Q2001
to Buy	188	148	212
to Sell	103	129	83
Hld's(000)	61258	92075	66340



% TOT. RETURN 10/01

	THIS STOCK	VL ARITH. INDEX
1 yr.	-8.1	-4.6
3 yr.	35.6	24.2
5 yr.	57.1	84.2

1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	© VALUE LINE PUB., INC.	04-06
18.21	16.75	19.24	20.87	21.39	21.48	21.04	20.25	19.82	20.55	21.84	19.10	19.35	21.01	25.43	35.33	96.00	102.40	Revenues per sh	118.10
3.02	3.49	3.55	3.50	3.48	3.48	3.54	3.52	3.62	3.76	4.15	3.88	4.47	4.36	5.11	4.36	6.45	7.00	"Cash Flow" per sh	8.00
1.80	2.02	2.03	1.98	1.86	1.81	1.81	1.83	1.88	1.51	2.04	1.73	2.30	2.15	2.70	2.11	4.05	4.40	Earnings per sh A	5.35
1.35	1.43	1.48	1.51	1.55	1.58	1.59	1.61	1.63	1.64	1.65	1.69	1.72	1.72	1.72	1.72	1.72	1.78	Div'd Decl'd per sh B ■	1.88
5.18	1.94	2.13	1.91	2.97	3.01	3.11	4.28	4.88	4.26	2.84	2.36	2.29	1.86	2.39	3.52	4.40	4.40	Cap'l Spending per sh	4.70
12.87	13.47	14.10	14.62	14.99	15.26	15.54	16.05	16.62	17.28	17.85	17.80	18.43	18.61	15.35	15.78	22.10	25.05	Book Value per sh C	28.10
100.51	101.74	102.98	104.27	105.58	108.98	108.45	113.90	117.66	119.29	120.70	121.84	122.44	122.44	110.44	110.44	125.00	125.50	Common Shs Outst'g E	127.00
8.7	10.7	9.9	9.6	10.3	10.5	11.2	12.3	14.0	11.8	12.0	17.2	12.6	14.3	11.8	15.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	11.0
.71	.73	.66	.80	.78	.78	.72	.75	.83	.78	.80	1.08	.73	.74	.67	1.04			Relative P/E Ratio	.75
8.7%	6.7%	7.4%	7.9%	8.1%	8.3%	7.9%	7.1%	6.2%	7.4%	8.7%	5.7%	5.9%	5.6%	5.4%	5.2%			Avg Ann'l Div'd Yield	2.9%

CAPITAL STRUCTURE as of 9/30/01
Total Debt $4673 mill. Due in 5 Years $2210 mill.
LT Debt $2728 mill. LT Interest $205 mill.
(LT interest earned: 5.2x;
Total interest coverage: 3.5x)

Pension Liability None
Pfd Stock $74.0 mill. Pfd Div'd $5.0 mill.
Incl. 650,881 shs. 3.60% to 4.80%, call at prices ranging from $102.21 to $110, cum. $100 par.

Common Stock 125,049,412 shs.
as of 11/14/01
MARKET CAP: $4.3 billion (Mid Cap)

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		04-06
2282.2	2308.7	2331.5	2451.7	2647.8	2327.6	2369.5	2576.4	2808.4	4011.9	12000	12850	Revenues ($mill)	15000
212.6	221.8	232.9	245.2	259.4	219.3	290.8	272.3	314.5	238.4	516	550	Net Profit ($mill)	745
35.9%	34.2%	35.5%	34.6%	37.7%	36.9%	38.6%	38.2%	37.8%	NMF	37.0%	37.0%	Income Tax Rate	38.0%
3.7%	7.9%	9.2%	8.0%	3.2%	2.7%	2.9%	1.8%	2.2%	3.1%	1.5%	1.5%	AFUDC % to Net Profit	1.5%
47.3%	48.1%	47.4%	47.7%	49.7%	50.6%	47.5%	49.7%	56.0%	58.5%	52.0%	52.5%	Long-Term Debt Ratio	43.5%
45.6%	45.0%	46.1%	45.1%	46.6%	45.6%	48.8%	46.4%	42.1%	39.8%	47.0%	47.5%	Common Equity Ratio	50.5%
3697.6	4057.5	4240.4	4563.1	4573.2	4738.3	4620.1	4383.3	4023.8	4374.2	5890	6625	Total Capital ($mill)	8115
4162.0	4439.9	4788.1	5057.4	5112.8	5296.2	5296.2	5234.1	5207.2	5539.3	6820	7150	Net Plant ($mill)	8175
7.7%	7.3%	7.3%	7.1%	7.3%	6.4%	8.2%	8.0%	9.7%	7.4%	10.8%	10.0%	Return on Total Cap'l	8.3%
10.9%	10.5%	10.4%	10.3%	11.3%	9.4%	12.0%	12.4%	17.8%	13.1%	18.5%	17.5%	Return on Shr. Equity	18.0%
11.3%	11.1%	11.0%	10.9%	11.6%	9.7%	12.5%	12.9%	18.1%	13.4%	18.3%	17.5%	Return on Com Equity D	16.0%
1.4%	1.3%	1.4%	1.5%	2.2%	2%	3.2%	2.6%	8.1%	2.6%	10.5%	10.5%	Retained to Com Eq	11.0%
89%	89%	88%	87%	82%	58%	76%	81%	67%	81%	43%	40%	All Div'ds to Net Prof	33%

ELECTRIC OPERATING STATISTICS

	1998	1999	2000
% Change Retail Sales (KWH)	+2.8	+2.8	+3.8
Avg. Indust. Use (MWH)	771.6	770.3	772.6
Avg. Indust. Revs. per KWH (¢)	3.83	3.63	3.80
Capacity at Peak (Mw)	8696	8892	9242
Peak Load, Winter (Mw)	7314	7788	7791
Annual Load Factor (%)	69.1	70.5	70.2
% Change Customers (yr-end)	+1.1	+1.2	+15.1
Fixed Charge Cov. (%)	306	340	301

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '98-'00 to '04-'06
Revenues	2.5%	6.0%	23.5%
"Cash Flow"	3.0%	3.5%	10.0%
Earnings	2.0%	3.5%	14.0%
Dividends	1.0%	1.0%	1.5%
Book Value	.5%	-1.5%	12.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	645.5	627.7	726.6	576.6	2576.4
1999	690.0	643.4	741.4	733.6	2808.4
2000	866.8	865.3	1058.5	1221.3	4011.9
2001	F1893.4	F2940.4	3682.0	3484.2	12000
2002	2060	3275	3785	3730	12850

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.84	.44	.68	.39	2.15
1999	.80	.58	.63	.69	2.70
2000	.14	.62	.69	.66	2.11
2001	F.53	F.98	1.32	.84	4.05
2002	1.00	1.05	1.42	.93	4.40

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1997	.43	.43	.43	.43	1.72
1998	.43	.43	.43	.43	1.72
1999	.43	.43	.43	.43	1.72
2000	.43	.43	.43	.43	1.72
2001	.43	.43	.43		

BUSINESS: Allegheny Energy (formerly Allegheny Power System), a holding company, distributes electricity through three subsidiaries in Pennsylvania, West Virginia, Maryland, Virginia, and Ohio. Regulated electricity and gas operations serve 1.7 mill. customers. 2000 elec. revs.: resid'l, 38.7%; commer'l, 20.4%; ind'l, 29.3%; other, 11.6%. Mining and metal products companies are the largest industrial customers. Acq'd Global Energy Markets 3/01. 2000 fuel mix: coal, 85.9%; oil and gas, 3.9%; hydro, .7%; other, 9.5%. 2000 fuel & purch. pwr costs, 85.5% of revs. '00 deprec. rate: 2.8%. Has 4,815 employees and 40,590 com. stkhldrs. Chrmn., CEO & Pres.: Alan J. Noia. Inc.: MD. Addr.: 10435 Downsville Pike, Hagerstown, MD 21740. Tel.: 301-790-3400. Web: www.alleghenyenergy.com.

Allegheny Energy is on track to meet its share-net goal for 2001. Despite weakened electricity demand and lower prices during the summer, the company reported strong September-quarter diluted share net of $1.32, nearly double the year-earlier result. Traditional regulated utility operations, which account for about three-quarters of net income, benefited from a stable central Maryland economy (versus the rest of the nation) and a successful fuel (coal and gas) hedging strategy. Too, giving a notable boost to overall revenue and earnings results was Allegheny Energy Global Markets. This subsidiary is made up of the energy trading business purchased from Merrill Lynch last March. Though the power demand/supply balance in the U.S. has tipped in favor of end-customers, AYE believes that it can maintain good growth by concentrating on areas where demand is strong (especially in the Northeast). We suspect that the positive momentum of the three most recent reporting periods carried into the current quarter. Share earnings should fall within AYE's target of $3.80-$4.10.

Management will delay an initial public offering of Allegheny Energy Supply. This year, many utilities have had difficulty forecasting national power requirements and fuel prices. As a result, profits have suffered and investors have moved out of the merchant power sector. AYE continues to pursue regulatory approval to offer up to an 18% interest in the supply business, but with stock valuations down, even if the go-ahead is given soon, action may not be taken, at least until mid-2002. In the meantime, the board of directors might approve a modest dividend hike. The planned IPO augurs well for investors if the stock market fully recovers.

The equity is ranked to match year-ahead market performance. It appears that Wall Street has discounted most utility stocks for the recent declines in electricity demand and increased trading risk. We've become more conservative toward AYE's 3- to 5-year prospects, but the company should come fairly close to attaining management's goal of lifting share net 10% a year. Top-quality AYE shares offer better total returns to 2004-2006 than the industry average.

David M. Reimer *December 7, 2001*

(A) Diluted egs. Excl. nonrecur. items: '94, 32¢; '95, d5¢; '98, d$2.44; '99, d48¢; '00, 3¢, 1Q, '01, d26¢. Incl. 52¢ co. restruc. chg. in '96; indust. restruc. chg. in '00, 70¢. Next egs rpt late Jan. (B) Next div'd meet. about Mar. 1. Goes ex Mar. 8. Div'd pmt. dates: 30th of Mar., June, Sep., Dec. ■ Div'd reinvest. plan avail. (C) Incl. def'd chgs in '00, $6.03/sh. (D) Rate base: varies. Return allowed on com. eq.: 10.85%-12.35%; earned on syr. avg. com. eq. in '00: 13.82%. Reg. Clm.: Avg. (E) In mill., adj'd for split. (F) Restated for acct'g inaccuracies.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	35
Earnings Predictability	65

N-7

ALLIANT ENERGY NYSE-LNT

RECENT PRICE	30.42	P/E RATIO	12.2 (Trailing: 13.5; Median: 14.0)	RELATIVE P/E RATIO	0.63	DIV'D YLD	6.6%	VALUE LINE

TIMELINESS 3 Raised 8/3/01
SAFETY 2 New 7/10/98
TECHNICAL 4 Lowered 12/21/01
BETA .55 (1.00 = Market)

High:	25.3	32.8	36.4	36.8	32.9	31.6	32.5	34.4	34.9	32.4	37.8	33.2	Target Price Range
Low:	20.0	22.8	28.6	31.3	26.4	27.3	27.5	28.8	28.0	25.2	25.8	27.5	2004 2005 2006

2004-06 PROJECTIONS

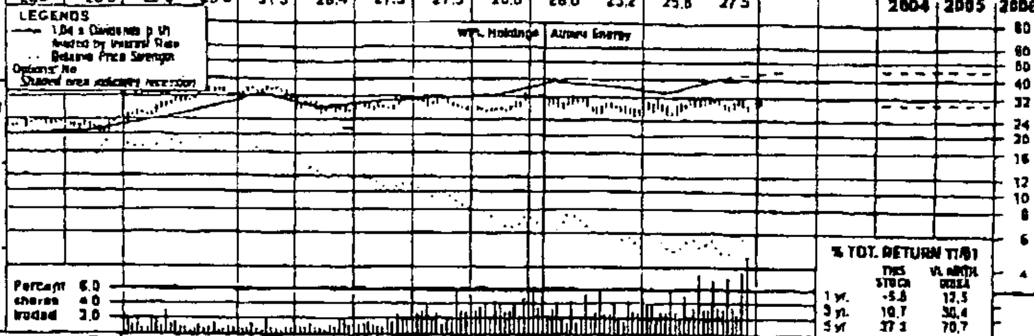
	Price	Gain	Ann'l Total Return
High	45	(+50%)	15%
Low	30	(Nil)	6%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	1	0	0
Options	17	0	0	0	0	0	0	0	0
to Sell	1	0	0	0	0	0	1	0	0

Institutional Decisions

	1Q2001	2Q2001	3Q2001
to Buy	72	81	86
to Sell	77	87	79
Hld's(000)	20130	21684	19500



Alliant Energy, formerly called Interstate Energy Corporation, was formed on April 21, 1998 through the merger of WPL Holdings, IES Industries, and Interstate Power. WPL stockholders received one share of Interstate Energy stock for each WPL share, IES stockholders received 1.14 Interstate Energy shares for each IES share and Interstate Power stockholders received 1.11 Interstate Energy shares for each Interstate Power share. Data prior to 1998 are for WPL Holdings only and are not comparable with Alliant Energy data.

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	© VALUE LINE PUB., INC.	04-06
24.22	23.88	25.40	26.52	28.23	30.31	29.86	27.45	27.83	30.44	32.40	31.30	Revenues per sh	35.20
4.71	4.56	4.32	4.93	5.13	5.11	5.60	4.85	5.71	6.57	6.10	6.80	"Cash Flow" per sh	7.35
2.43	2.11	2.11	2.74	2.33	2.27	1.90	1.26	2.19	2.47	2.40	2.60	Earnings per sh A	2.90
1.80	1.86	1.90	1.92	1.94	1.97	2.00	2.00	2.00	2.00	2.00	2.00	Div'd Decl'd per sh B■	2.00
3.40	4.52	4.91	4.01	3.05	4.81	4.10	4.79	6.08	13.50	8.60	6.75	Cap'l Spending per sh	6.75
17.09	17.61	19.15	19.43	19.42	19.74	19.79	20.89	27.29	25.79	28.40	27.00	Book Value per sh C	28.45
26.78	27.31	30.44	30.77	30.77	30.77	30.79	77.63	78.98	79.01	88.00	88.80	Common Shs Outst'g D	91.00
11.2	15.8	16.4	12.8	12.5	13.3	15.0	25.1	13.0	11.8	12.5		Avg Ann'l P/E Ratio	12.0
.72	.96	.97	.84	.84	.83	.86	1.31	.74	.77	.66		Relative P/E Ratio	.85
6.6%	5.6%	5.5%	6.7%	6.6%	6.5%	7.0%	6.3%	7.0%	6.9%	6.6%		Avg Ann'l Div'd Yield	5.6%
848.8	651.7	773.1	816.2	807.3	832.8	919.3	2130.9	2198.0	2405.0	2850	2780	Revenues ($mill)	3140
68.8	60.6	86.5	73.5	74.9	69.8	64.6	103.4	178.2	203.1	200	240	Net Profit ($mill)	265
31.6%	27.1%	27.4%	32.5%	32.5%	38.2%	30.8%	38.0%	40.3%	54.0%	40.0%	40.0%	Income Tax Rate	40.0%
1.9%	2.2%	1.8%	1.4%	.9%	1.3%	4.3%	6.8%	4.1%	4.3%	5.0%	4.0%	AFUDC % to Net Profit	4.0%
41.5%	43.6%	39.8%	40.5%	39.6%	35.2%	40.7%	47.3%	38.6%	47.0%	50.5%	51.0%	Long-Term Debt Ratio	48.5%
51.7%	50.2%	54.6%	54.1%	54.9%	59.0%	54.0%	48.2%	57.4%	50.2%	47.5%	47.0%	Common Equity Ratio	48.0%
885.2	958.8	1068.0	1105.9	1087.8	1029.9	1125.1	3262.9	3756.0	4061.4	4935	5110	Total Capital ($mill)	5335
1071.8	1132.9	1220.7	1266.3	1299.9	1294.9	1244.8	3101.7	3486.0	3719.3	4220	4445	Net Plant ($mill)	4970
9.5%	8.1%	8.0%	8.3%	8.3%	8.0%	7.4%	4.9%	6.1%	6.6%	5.5%	6.5%	Return on Total Cap'l	6.5%
13.3%	11.2%	10.3%	11.2%	11.4%	10.5%	8.7%	6.0%	7.9%	8.4%	8.0%	9.6%	Return on Shr. Equity	9.5%
14.2%	11.9%	10.7%	11.7%	12.0%	10.9%	10.1%	6.0%	8.0%	9.6%	8.0%	9.5%	Return on Com Equity E	10.0%
3.7%	5.1%	3.8%	3.5%	2.0%	1.0%	NMF	NMF	7%	1.9%	1.5%	2.0%	Retained to Com Eq	3.0%
75%	80%	87%	72%	84%	92%	100%	NMF	92%	81%	84%	78%	All Div'ds to Net Prof	70%

CAPITAL STRUCTURE as of 9/30/01
Total Debt $2732.2 mill. Due in 5 Yrs $1022.9 mill.
LT Debt $2208.8 mill. LT Interest $147.9 mill.
(LT interest earned: 2.8x)
Pension Liability none
Pfd Stock $113.8 mill. Pfd Div'd $6.7 mill.
449,765 shs. $100 par; 599,400 shs. $25 par; 1,127,787 shs. $50 par.

Common Stock 79,322,785 shs. as of 10/31/01

MARKET CAP: $2.4 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	1998	1999	2000
% Change Retail Sales (KWH)	+2.0	-2.5	+1.2
Avg. Indust. Use (MWH)	4858	4775	4721
Avg. Indust. Revs. per KWH (¢)	3.75	3.87	3.83
Capacity at Peak (Mw)	5281	6277	5188
Peak Load, Summer (Mw)	5228	5394	5397
Annual Load Factor (%)	69.8	71.1	67.3
% Change Customers (yr-end)	+1.2	+1.2	+1.1
Fixed Charge Cov. (%)	199	259	312

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '98-'00 to '04-'06
Revenues	2.5%	2.0%	3.5%
"Cash Flow"	2.5%	3.5%	5.5%
Earnings	-.5%	-2.5%	6.5%
Dividends	2.0%	1.0%	Nil
Book Value	4.5%	5.0%	3.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	556.3	491.0	555.3	528.3	2130.9
1999	546.9	486.1	598.3	568.7	2198.0
2000	674.1	523.9	503.2	703.8	2405.0
2001	852.7	611.8	666.1	719.2	2850
2002	700	640	730	710	2780

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.38	d.12	.67	.33	1.26
1999	.54	.22	.86	.57	2.19
2000	.56	.23	.91	.77	2.47
2001	.42	.29	.78	.91	2.40
2002	.50	.30	.95	.85	2.60

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.50	.50	.50	.50	2.00
1999	.50	.50	.50	.50	2.00
2000	.50	.50	.50	.50	2.00
2001	.50	.50	.50	.50	2.00
2002					

BUSINESS: Alliant Energy, formerly named Interstate Energy, is a holding company formed through the merger of WPL Holdings, IES Industries, and Interstate Power. Supplies elect. (69% of revs.), gas (17%), and other services (14%) in Wisconsin, Iowa, Minnesota, & Illinois. Revs. by state: WI, 55%; IA, 40%; MN, 3%; IL, 2%. Elect. rev. breakdown: resid., 34%; comm'l, 21%; ind'l, 30%; wholesale, 10%; other, 5%. Fuel sources, '00: coal & gas, 59%, nuclear, 16%; other, 2%; purch., 25%. Fuel costs: 42% of revs. '00 deprec. rate: 3.5%. Est'd plant age: 9 yrs. Has 7,882 empls., 60,883 com. stkhdrs. Chmn., Pres. & CEO: Erroll B. Davis Jr. Inc.: WI. Address: 222 West Washington Ave., P.O. Box 192, Madison, WI 53701-0192. Tel. 608-252-3311. Internet: www.alliant-energy.com.

Alliant is adding new capacity to cover rising energy usage. Since electricity demand in LNT's service area is growing at a 2%-3% annual rate and the company has to buy power during peak periods to meet its obligations, it is obvious that it will need new generation shortly. Accordingly, management plans to add 1,200 megawatts (mw) of plant in Iowa and 800 mw in Wisconsin. It expects to buy some units and build some itself. It has contracted to purchase the entire output for at least eight years of two 450 mw gas-fired peaking units being built by Calpine. The first facility was completed last fall. The second is scheduled to go on-line in 2003. The company also has an agreement with Panda Energy to develop an 1,100 mw unregulated plant in Michigan. To finance the expansion program, LNT has issued new common shares and long-term debt in amounts that will not unduly leverage the capital structure.

The company has filed for higher rates in Wisconsin. The April, 1998 merger that formed Alliant Energy required the three owners to maintain level rates for four years. With the expiration of the freeze, the Wisconsin P&L subsidiary applied for $105.0 million in higher electric rates, $26.1 million for gas operations, and $1.1 million for the water system. The increases are required to recover structural improvements, projected higher coal costs, and rising general business expenses. Management expects any increases granted will be effective next April.

We look for higher earnings in 2002. The gains will come largely from the nonutility sector. International operations should increase their contribution because of the addition of new plants in China and a likely increase of 6% to 8% in electricity usage in Brazil. On the domestic front, energy trading continues strong. Thus, despite higher interest expense and more common shares outstanding, we estimate 2002 earnings of $2.60 a share, up 8% from our 2001 estimate of $2.40 a share.

The yield is two full percentage points above the industry norm. But don't look for a dividend hike for a while because of the need to preserve funds for heavy capital outlays. On balance, we are neutral on these shares.

Arthur H. Medalie *January 4, 2002*

(A) Diluted EPS. Excl. nonrecur. gains (losses): '94, (11¢); '95, (43¢); '96, (4¢) and 11¢; '99, 32¢; '00, $2.56. Next egs. rpt. due late Jan. (B) Next div'd mtg. mid-Jan. Goes ex late Jan. Div'd pmt dates: Feb. 14, May 15, Aug. 15, Nov. 14. ■ Div'd reinvest. plan avail. (C) Incl deferred chgs. In '00: $294.0 mill., $3.72/sh. (D) In mill. (E) Rate base: Orig. cost. Rate allowed on com. eq. in '95, WI, 11.7%; in '98, IA, 11.4%; earned on avg. com. eq., '00: 9.3%. Regul. Clim.: WI, Above Avg.; IA, Below Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	NMF
Earnings Predictability	55

AMEREN NYSE-AEE

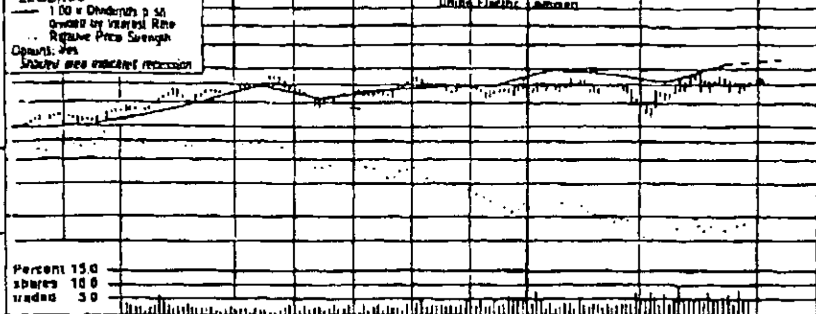
RECENT PRICE 42.30 | P/E RATIO 12.4 (Trailing: 13.1 Median: 13.0) | RELATIVE P/E RATIO 0.64 | DIV'D YLD 6.0% | VALUE LINE

TIMELINESS 3 Raised 11/2/01
SAFETY 1 Raised 7/17/92
TECHNICAL 4 Lowered 11/23/01
BETA .55 (1.00 = Market)

High:	30.0	38.8	38.8	44.6	39.5	42.0	44.1	43.8	44.3	42.9	46.9	48.0
Low:	24.8	28.5	31.8	35.8	30.8	34.6	38.0	34.5	35.6	32.0	27.6	38.5

LEGENDS
— 1.00 x Dividends p sh divided by Interest Rate
··· Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2004 | 2005 | 2006



2004-06 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+30%)	12%
Low	45	(+5%)	7%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	0	1	1	0	0	1	1
to Sell	1	0	0	1	0	0	0	1	1

Institutional Decisions

	1Q2001	2Q2001	3Q2001
to Buy	108	110	97
to Sell	111	100	115
Hld's(000)	58309	55812	56667

Percent shares traded 15.0 10.0 5.0

% TOT. RETURN 11/01

	THIS STOCK	VL ARITH. INDEX
1 yr.	-2.2	12.3
3 yr.	19.0	30.4
5 yr.	40.8	79.7

Ameren was formed on December 31, 1997 through the merger of Union Electric and CIPSCO. Each common share of Union Electric was exchanged for 1.00 share of Ameren, while each common share of CIPSCO was exchanged for 1.03 Ameren shares. Premerger data are for Union Electric only and are not comparable to Ameren data.

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	© VALUE LINE PUB., INC.	04-06
20.53	19.73	20.23	20.13	20.59	22.13	24.26	24.18	25.68	28.10	32.90	32.80	Revenues per sh	35.80
5.24	4.98	4.83	5.13	5.14	5.12	4.98	5.36	5.38	6.11	6.40	6.80	"Cash Flow" per sh	7.95
3.01	2.65	2.77	3.01	2.95	2.88	2.44	2.82	2.81	3.33	3.35	3.45	Earnings per sh A	3.75
2.18	2.26	2.34	2.40	2.46	2.51	2.54	2.54	2.54	2.54	2.54	2.54	Div'd Decl'd per sh B ■	2.62
2.32	2.54	2.61	3.08	3.05	3.18	2.77	2.37	4.16	6.77	6.43	4.80	Cap'l Spending per sh	3.21
20.62	21.19	21.60	22.22	22.71	23.06	22.00	22.27	22.52	23.30	24.05	24.85	Book Value per sh C	28.15
102.12	102.12	102.12	102.12	102.12	102.12	137.22	137.22	137.22	137.22	137.70	137.7	Common Shs Outst'g E	137.70
10.6	13.4	14.6	11.6	12.6	13.8	15.5	14.2	13.5	11.0	12.5		Avg Ann'l P/E Ratio	13.3
.68	.81	.86	.78	.84	.88	.89	.74	.77	.73	.85		Relative P/E Ratio	.80
6.9%	6.4%	5.8%	6.9%	6.6%	6.3%	6.7%	6.3%	6.7%	6.9%	8.2%		Avg Ann'l Div'd Yield	5.7%
2096.9	2015.1	2056.0	2056.1	2102.7	2260.4	3328.5	3318.2	3523.6	3855.8	4520	4510	Revenues ($mill)	4900
321.5	284.7	297.2	320.8	314.1	304.5	347.3	393.1	397.8	469.8	475	485	Net Profit ($mill)	520
40.9%	38.7%	37.7%	30.2%	40.0%	39.3%	40.3%	40.1%	39.4%	39.1%	39.0%	39.0%	Income Tax Rate	39.0%
2.7%	2.9%	3.9%	3.5%	4.1%	4.4%	3.7%	3.0%	3.6%	2.9%	2.0%	3.0%	AFUDC % to Net Profit	3.0%
42.7%	41.1%	42.1%	42.3%	41.0%	41.1%	43.5%	41.0%	42.4%	44.4%	47.0%	47.5%	Long-Term Debt Ratio	47.0%
51.9%	53.5%	52.6%	52.6%	53.9%	53.9%	52.4%	54.8%	53.5%	51.8%	49.5%	49.0%	Common Equity Ratio	50.0%
4055.0	4042.1	4192.0	4311.7	4302.0	4372.6	5750.2	5580.7	5773.4	6178.9	6690	7015	Total Capital ($mill)	7783
5118.6	5201.4	5265.0	5344.5	5455.4	5382.7	6987.1	6928.0	7165.2	7705.7	8170	8370	Net Plant ($mill)	8370
10.0%	8.7%	8.6%	9.1%	8.8%	8.5%	7.5%	8.7%	8.2%	8.9%	8.5%	8.5%	Return on Total Cap'l	8.5%
13.8%	11.9%	12.3%	12.9%	12.4%	11.8%	10.7%	12.1%	12.0%	13.7%	13.5%	13.5%	Return on Shr. Equity	13.0%
14.6%	12.5%	12.8%	13.6%	13.0%	12.4%	11.1%	12.6%	12.5%	14.3%	14.0%	14.0%	Return on Com Equity D	13.5%
4.0%	1.8%	2.0%	2.8%	2.2%	1.5%	1%	1.2%	1.2%	3.4%	3.5%	3.5%	Retained to Com Eq	4.0%
74%	88%	85%	80%	84%	88%	93%	90%	91%	77%	76%	74%	All Div'ds to Net Prof	71%

CAPITAL STRUCTURE as of 9/30/01
Total Debt $3317.8 mill. Due in 5 Yrs $1391.5 mill.
LT Debt $2811.1 mill. LT Interest $182.2 mill.
(Incl. debt discount of $2.0 mill.)
(LT interest earned: 5.0x)

Pension Liability $3.0 mill. in '00 vs. none in '99

Pfd Stock $235.2 mill. Pfd Div'd $12.7 mill.
1,137,596 shs. $3.50 to $7.64 cum (no par), stated at liquid. value, 1,657,500 shs. $1 735, $25 par 800,000 shs. 4.00% to 6.625%.

Common Stock 137,522,840 shs. as of 11/13/01

MARKET CAP: $5.8 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	1998	1999	2000
% Change Retail Sales (KWH)	+4.0	-1.0	+8.4
Avg. Indust. Use (MWH)	1654	1866	2030
Avg. Indust. Revs. per KWH (¢)	4.41	4.37	4.24
Capacity at Peak (Mw)	11444	11697	12919
Peak Load, Summer (Mw)	10591	11048	11640
Annual Load Factor (%)	54.7	51.9%	52.5
% Change Customers (yr-end)	+.5	+1.1	+.8
Fixed Charge Cov. (%)	406	442	455

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '97-'99 to '04-'06
Revenues	2.5%	4.5%	5.5%
"Cash Flow"	.5%	1.0%	6.0%
Earnings	-.5%	-1.0%	4.0%
Dividends	2.5%	1.5%	.5%
Book Value	2.0%	.5%	3.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	700.8	821.8	1117	678.6	3318.2
1999	735.9	858.4	1194	734.3	3523.6
2000	825.4	840.3	1195.4	894.7	3855.8
2001	1024	1057	1432	1007	4520
2002	1050	1080	1350	1030	4510

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.29	.61	1.73	.19	2.82
1999	.40	.65	1.82	d.04	2.81
2000	.45	.63	1.87	.18	3.33
2001	.43	.69	1.94	.29	3.35
2002	.45	.72	2.00	.28	3.45

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.635	.635	.635	.635	2.54
1999	.635	.635	.635	.635	2.54
2000	.635	.635	.635	.635	2.54
2001	.635	.635	.635	.635	2.54
2002					

BUSINESS: Ameren Corp. is a holding company formed through the merger of Union Electric and CIPSCO. Supplies elect. and gas to 1,800,000 customers in Missouri (73% elect. revs.) and Illinois (27%). Elect. revs.: resid., 41%; commer., 35%; indust., 18%; other, 6%. Largest indust. customers: primary metals, chemicals, transportation equipment, petroleum refining. 2000 fuels: fossil, 83%, nuclear, 19%; hydro, 2%; interchange, d4%. Fuel costs, 32% of revs.; labor costs, 12%. 2000 deprec. rate: 3.0%. Est'd plant age: 17 years. Has 7,342 employees, 107,587 stockholders. Chrmn & CEO: Charles W. Mueller. Pres.: Gary L. Rainwater. Inc.: Missouri. Address: 1901 Chouteau Street, St. Louis, Missouri 63166. Telephone: 314-621-3222. Internet: www.ameren.com

Ameren has a major building program under way. Last year, it added 820 megawatts to its generating portfolio. It currently has a commitment to buy four combustion turbine units in Missouri with a total capacity of 192 megawatts (mw) and has acquired a 50-mw plant in Illinois. These facilities are targeted for operation during the coming summer period of peak demand. All told, 710 mw of new power are planned for 2002. At this time, no additions are likely in 2003. Under consideration for the longer term are 325 mw each in 2004 and 2005. Whether these units will be regulated or unregulated and whether all will be completed will depend on need. Since cash flow from operations will not fully fund capital outlays for the next few years, management expects to issue long-term debt to bridge the gap. But that should not be a problem for AEE because of its strong finances.

The company seeks to extend its lapsed rate plan. The 1995 Missouri rate plan, which expired on July 2nd, granted the company a 14% return on equity and provided for sharing with ratepayers over that figure. The commission staff contended that AEE was overearning and recommended reducing annual electric revenues by $213 million to $250 million and lowering the allowed return to a range of 9.04% to 10.04%. The company filed a rebuttal to the staff's proposal and is negotiating with all pertinent parties with the intent of continuing a form of the expired incentive plan. A commission decision on the issue is due later this year. **The rate order will have an important bearing on 2002 earnings.** Elsewhere, positives include expected higher retail electric sales, savings from restructured coal contracts, and the absence of 2001's $0.11-a-share charge for withdrawing from the Midwest Independent System Operator. On the down side is the likelihood of reduced margins on energy trading. For now, we estimate 2002 earnings of $3.45 a share, up 3% from our 2001 estimate.

The high yield might attract income-oriented investors. But don't look for a dividend hike for a while because of the need to save cash for the building program. All told, we rate these high-quality shares an average utility holding.

Arthur H. Medalie *January 4, 2002*

(A) EPS basic. Excl. nonrecur. gain: '97, 16¢. Next egs. report due late Jan. (B) Next div'd meeting about Feb. 10. Next ex date about Mar. 6. Div'd pymt. dates: March 31, June 30, Sept. 30, Dec. 29. ■ Div'd reinvestment plan avail. (C) Incl. deferred chgs. In '99, $5.83/sh. (D) Rate base: orig. cost depreciated. Rate allowed in MO on common equity in '98: 14.0%; earned on average com. eq. in '00: 10.6%. Regul. Clim.: Average. (E) In millions.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	10
Earnings Predictability	85

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CINERGY NYSE-CIN

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD
32.84	11.8	(Trailing: 12.4 / Median: 13.0)	0.61	5.5%

VALUE LINE

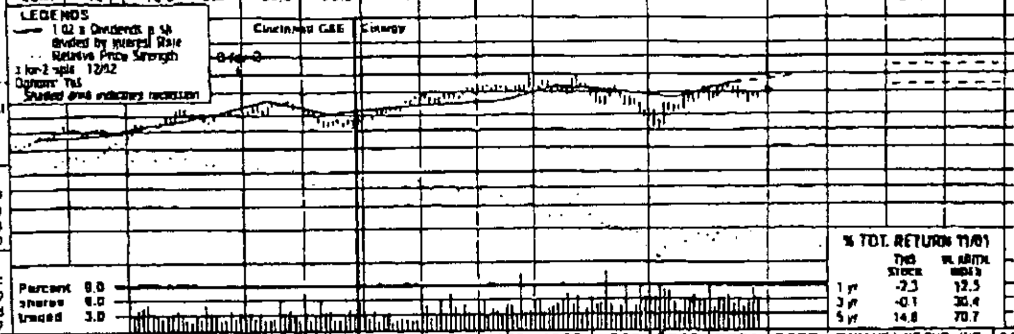
TIMELINESS 3 Raised 5/3/00

SAFETY 2 New 10/1/95

TECHNICAL 4 Lowered 12/28/01

BETA .55 (1.00 = Market)

													Target Price Range
High:	21.2	26.8	26.6	29.8	27.8	31.1	34.3	39.1	39.8	34.9	35.3	35.6	2004 / 2005 / 2006
Low:	18.7	18.5	22.3	23.9	20.8	23.4	27.5	32.0	30.8	23.4	20.0	28.0	



2004-06 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+35%)	12%
Low	35	(+5%)	7%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	4	0	0	0	0	0
to Sell	0	0	0	3	0	0	0	0	0

Institutional Decisions

	1Q2001	2Q2001	3Q2001
to Buy	122	134	132
to Sell	124	89	118
Hld's(000)	98539	100524	95697

Percent shares traded: 9.0 / 6.0 / 3.0

% TOT. RETURN 11/01

	THIS STOCK	VL ARITH. INDEX
1 yr	-2.3	12.5
3 yr	-0.1	30.4
5 yr	14.8	70.7

Cinergy was formed on October 24, 1994 through the merger of Cincinnati Gas & Electric and PSI Resources. Each common share of Cincinnati Gas & Electric was exchanged for 1.00 share of Cinergy, while each common share of PSI Resources was exchanged for 1.023 Cinergy shares. Premerger data are figures for Cincinnati Gas & Electric only and are not comparable to Cinergy data.

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	© VALUE LINE PUB., INC.	04-06
17.92	17.98	19.89	18.84	19.23	20.57	27.59	37.04	37.36	52.98	85.95	77.80	Revenues per sh	82.40
3.70	3.66	3.87	3.13	3.98	3.99	4.75	4.02	4.34	4.87	5.55	6.05	"Cash Flow" per sh	6.75
2.21	2.04	2.16	1.30	2.22	2.19	2.30	1.97	2.10	2.50	2.75	2.90	Earnings per sh A	3.10
1.65	1.63	1.68	1.72	1.72	1.74	1.80	1.80	1.80	1.80	1.80	1.80	Div'd Decl'd per sh B■	1.88
4.04	2.54	2.26	3.09	2.06	2.05	2.08	2.32	2.43	3.27	8.20	5.65	Cap'l Spending per sh	3.35
18.70	19.16	17.25	15.56	16.17	16.39	16.10	18.02	16.70	17.36	18.50	18.65	Book Value per sh C	23.40
84.69	86.39	88.06	155.20	157.67	157.68	157.74	158.66	158.92	158.97	158.39	158.40	Common Shs Outst'g F	165.00
10.0	11.9	12.5	17.8	11.3	14.1	14.9	17.6	14.2	11.0	11.5		Avg Ann'l P/E Ratio	13.0
.64	.72	.74	1.17	.80	.88	.86	.92	.81	.73	.60		Relative P/E Ratio	.85
7.4%	6.8%	6.2%	7.4%	6.5%	5.6%	5.3%	5.2%	6.1%	6.6%	5.6%		Avg Ann'l Div'd Yield	4.7%
1518.1	1553.4	1751.7	2924.2	3031.4	3242.7	4352.8	5876.3	5937.9	8422.0	13680	12400	Revenues ($mill)	13600
207.0	202.3	214.0	226.7	378.0	359.0	472.0	318.1	340.8	404.1	440	465	Net Profit ($mill)	505
30.3%	32.2%	31.7%	40.2%	36.7%	37.2%	34.5%	26.9%	38.0%	38.4%	38.0%	38.0%	Income Tax Rate	38.0%
32.9%	8.7%	3.1%	8.2%	2.7%	2.0%	1.2%	5%	1.2%	2.0%	3.0%	1.0%	AFUDC % to Net Profit	3.0%
47.5%	47.7%	43.7%	48.4%	48.3%	47.7%	44.2%	49.7%	52.1%	50.2%	50.5%	50.0%	Long-Term Debt Ratio	47.0%
43.4%	43.6%	41.3%	43.1%	46.6%	48.6%	52.2%	48.5%	46.3%	48.2%	48.3%	49.0%	Common Equity Ratio	52.0%
3647.4	3795.0	3678.3	5607.5	5467.5	5313.7	4868.1	5238.3	5735.6	5728.2	6085	6370	Total Capital ($mill)	7460
3881.2	3945.4	3785.6	6198.9	6251.1	6289.6	6297.1	6344.5	6417.5	6630.4	7850	8045	Net Plant ($mill)	8080
7.7%	7.4%	7.9%	6.0%	8.9%	8.7%	11.6%	7.7%	7.7%	8.4%	8.0%	8.0%	Return on Total Cap'l	8.5%
10.8%	10.2%	11.6%	7.8%	12.0%	13.3%	17.4%	12.1%	12.4%	14.2%	14.5%	14.9%	Return on Shr. Equity	13.0%
11.5%	10.6%	12.4%	7.9%	13.6%	13.4%	18.1%	12.3%	12.8%	14.5%	15.0%	15.0%	Return on Com Equity D	13.0%
3.0%	2.0%	2.8%	NMF	3.1%	2.8%	6.9%	1.1%	1.9%	4.1%	3.0%	5.5%	Retained to Com Eq	3.0%
77%	83%	80%	113%	79%	81%	83%	91%	88%	72%	68%	62%	All Div'ds to Net Prof	61%

CAPITAL STRUCTURE as of 9/30/01
Total Debt $4974.6 mill. Due in 5 Yrs $1797.6 mill.
LT Debt $3683.0 mill. LT Interest $186.0 mill.
(LT interest earned: 4.6x)
Pension Liability $20.9 mill. in '00 vs. $55.8 mill. in '99
Pfd Stock $62.8 mill. Pfd Div'd $4.2 mill.
552,451 shs. 3.5% to 6.875% ($100 par); callable at $100 to $108 a sh.
303,544 shs. 4.16% to 4.32% $25 par, call. at $25.

Common Stock 159,112,108 shs. as of 10/31/01
MARKET CAP: $5.2 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	1998	1999	2000
% Change Retail Sales (KWH)	+3.8	+6.7	-3.8
Avg. Indust. Use (MWH)	2791	2699	2880
Avg. Indust. Revs. per KWH (¢)	3.8	3.86	3.79
Capacity at Peak (Mw)	10936	11014	10996
Peak Load, Summer (Mw)	10411	10678	10141
Annual Load Factor (%)	59.0	57.3	63.8
% Change Customers (yr-end)	-1.7	+1.8	+2.0
Fixed Charge Cov. (%)	[illegible]	293	365

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '98-'00 to '04-'06
Revenues	8.5%	17.0%	11.5%
"Cash Flow"	1.0%	4.0%	7.5%
Earnings	-2.5%	3.0%	6.0%
Dividends	1.5%	1.0%	.5%
Book Value	--	5%	4.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	1348	1168	1976	1384	5876.3
1999	1402	1276	1782	1478	5937.9
2000	1583	1770	2300	2769	8422.0
2001	3707	3642	3324	3007	13680
2002	3100	2900	3300	3100	12400

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.67	.16	.69	.45	1.97
1999	.80	.37	.33	.60	2.10
2000	.87	.47	.54	.58	2.50
2001	.75	.51	.80	.69	2.75
2002	.80	.50	.85	.75	2.90

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1998	.45	.45	.45	.45	1.80
1999	.45	.45	.45	.45	1.80
2000	.45	.45	.45	.45	1.80
2001	.45	.45	.45	.45	1.80
2002					

BUSINESS: Cinergy Corp. is a holding company formed through the merger of Cincinnati Gas & Electric and PSI Resources. Supplies elect. (64% of revs.) to 1,480,000 customers, natural gas (35%) to 483,000 customers, other (1%), in Ohio, Kentucky, and Indiana. Elect. (Gas) revs.: resid. 40% (67%), commer. 29% (26%), indust. 27% (4%); other 4% (3%). The primary metal and chemical industries are the largest customers. Fuel costs: 35% of revenues. '00 deprec. rate, 2.9%-3.3%. Est'd plant age, 12 years. Fuels: coal, 90%, purchased power, 7%; other, 3%. Has 8,362 employees, 61,338 common stockholders. Chairman, President & CEO: James E. Rogers, Inc.: Delaware. Address: 139 East 4th St., Cincinnati, OH 45202. Tel.: 513-381-2000. Internet: www.cinergy.com.

Cinergy is expanding its energy merchant business. Last year, it bought 1,000 megawatts (mw) of gas-fired capacity from Enron. (Terms of the transaction were not disclosed.) It also built a 130-mw peaking unit at a cost of $70 million. And as a result of the dissolution of its joint venture with Duke Energy, it became the sole owner of a 640-mw gas-fired peaker. Too, CIN recently signed an agreement with BP Global Power for the construction of two natural gas cogeneration facilities. The plants' 800-mw output will be shared equally between the partners. Steam production of 3.5 million pounds per hour will be used by BP's refining and chemical sites. Finally, the company is building a 25-mw biomass unit in St. Paul. We expect CIN to seek additional plant locations as the opportunity arises.

The company has a tentative agreement with the U.S. Environmental Protection Agency covering air pollution issues. The pact calls for EPA to drop all challenges of past maintenance and repair activities at CIN's coal-fired plants. In exchange, the company would shut down or repower nine small coal-fired boilers and build four sulfur dioxide scrubbers starting in 2008. The cost of the work is estimated at $700 million. That's on top of CIN's previous commitment to install NOx controls for $800 million. Since cash flow from operations probably won't be sufficient to fund these expenditures, debt and common stock offerings will be needed to bridge the gap. We expect the company to file for higher rates to cover these costs.

Energy marketing and trading was a major contributor to 2001 earnings. We think it accounted for 45% of total profits last year and more than offset higher interest expense and a 5% reduction in residential rates in Ohio. What's more, though margins on this business will likely decline in 2002, marketing and trading should still help lift current-year earnings by 5% over our 2001 estimate of $2.75 a share.

The high yield might interest income-oriented investors. But dividend growth may be slow in coming because of the need to conserve cash for the capital spending program. All told, we rate CIN an average utility selection.

Arthur H Medalie *January 4, 2002*

(A) EPS diluted. Excl. extraord. gain (losses): '93, ($2.55); '96, (12¢); '97 (6¢); '98, (32¢); '99, 43¢. Next egs. rpt. due late Jan. (B) Next div'd mtg. mid-Jan. Goes ex late Jan. Div'd pmt dates: about 15th of Feb., May, Aug., Nov. ■ Div'd reinvest. plan avail. (C) Incl. def. chgs. In '00, $8.14/sh. (D) Rate base: net original cost. Allowed on com. eq.: Ohio in '93: 11.37%-12.68%; Indiana in '96: 11.0%. Earned avg. com. eq. '00: 14.7%. Regul. Clim.: Above Avg. (E) Pro Forma. (F) In mill., adjust. for split.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	15
Earnings Predictability	70

TOTAL P.11