

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union)	
Electric Company d/b/a AmerenUE for an)	
Order Authorizing the Issue and Sale of)	
up to \$1,500,000,000 Aggregate Principal)	Case No. EF-2003-0514
Amount of Additional Long-Term)	
Indebtedness.)	

**STAFF RECOMMENDATION REGARDING AMERENUE’S APPLICATION
TO SUPPLEMENT COMMISSION’S JUNE 24, 2003 FINANCING AUTHORIZATION**

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and recommends conditional approval of application of Union Electric Company d/b/a AmerenUE (“AmerenUE” or “Company”), for supplemental financing authority. In support thereof, the Staff respectfully states as follows:

1. On June 24, 2003, the Commission issued in this proceeding an Order authorizing the Company, subject to twelve conditions, to issue and sell, from time to time over a period of three years, \$1.05 billion aggregate principal amount of New Indebtedness. The New Indebtedness was to be issued in one or more combinations of the following forms: first mortgage bonds or other forms of secured indebtedness, and promissory notes or other forms of unsecured indebtedness (including subordinated deferrable interest debentures).

2. On May 10, 2005, AmerenUE filed in this proceeding, pursuant to “Ordered” paragraph 1.I. of the June 24, 2003 Order, an Application (“Supplemental Application”) to supplement the Company’s current borrowing authority. In its Supplemental Application, AmerenUE seeks an extension to July 4, 2008 of the current term of its authorization, which is due to expire on July 4, 2006. In addition, the Company seeks authorization to borrow an

additional \$778,000,000. When combined with the \$41,000,000 remaining under AmerenUE's current authorization, the total borrowing authority on a going-forward basis would amount to \$819,000,000.

3. In the attached Memorandum (Appendix A), the Staff presents the results of its analysis and recommends that the request be approved, subject to twelve conditions.

4. With the exception of condition 9, the recommended conditions set forth in Appendix A are essentially the same as those that were included in the Staff's June 2003 recommendation, filed in response to the Company's original application in this case. The above-mentioned "Ordered" paragraph 1.I, which corresponds to condition 9 of the Staff's original recommendation, requires AmerenUE to request any extension of the current three-year effective term at least ninety days before the expiration of said term. Condition 9 in the attached Memorandum clarifies that, while the Company may in the future seek a further extension of the *term* of authority now requested in its Supplemental Application, a new application will be required in the event that AmerenUE seeks a further increase in the *amount* of borrowing authority.

WHEREFORE, for the reasons stated in the attached Memorandum and subject to the twelve conditions set forth therein, the Staff recommends that the Commission issue an Order approving AmerenUE's Supplemental Application.

Respectfully submitted,

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/s/ Dennis L. Frey

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all counsel of record this 23rd day of June 2005.

/s/ Dennis L. Frey