

UNION ELECTRIC COMPANY
BALANCE SHEET
March 31, 2006
(In Millions, Except Share Amounts)

	Per Books	Pro Forma Adjustments (See Page 4)	As Adjusted
ASSETS:			
Property and plant, at original cost:			
Electric	\$ 11,984	-	\$ 11,984
Gas	303	-	303
Other	47	-	47
	12,334	-	12,334
Less accumulated depreciation and amortization	5,528	10 (E)	5,538
	6,806	(10)	6,796
Construction work in progress:			
Nuclear fuel in process	88	-	88
Other	190	-	190
Total property and plant, net	7,084	(10)	7,074
Investments and other assets:			
Nuclear decommissioning trust fund	259	-	259
Note Receivable - Affiliate	61	-	61
Other	546	4 (C)	550
Total investments and other assets	866	4	870
Current assets:			
Cash and cash equivalents	1	(7) (AA)	(6)
Accounts receivable - trade, net	144	-	144
Unbilled revenue	107	-	107
Other accounts and notes receivable	162	-	162
Materials and supplies, at average cost -			
Fossil fuel	67	-	67
Other	123	-	123
Other	51	(1) (B)	50
Total current assets	655	(8)	647
Regulatory assets:			
Deferred income taxes	285	-	285
Other	294	-	294
Total regulatory assets	579	-	579
Total Assets	\$ 9,184	\$ (14)	\$ 9,170
CAPITAL AND LIABILITIES:			
Capitalization:			
Common stock, \$5 par value, 102.1 shares outstanding	511	-	511
Other paid-in capital, principally premium on common stock	734	-	734
Retained earnings	1,697	(14) ***	1,683
Accumulated other comprehensive income	(33)	-	(33)
Total common stockholder's equity	2,909	(14)	2,895
Preferred stock not subject to mandatory redemption	114	-	114
Long-term debt	2,931	449 (A)	3,380
Total capitalization	5,954	435	6,389
Current liabilities:			
Current maturity of long-term debt	11	-	11
Short-term debt	445	(445) (B)	-
Intercompany notes payable	19	-	19
Accounts and wages payable	174	-	174
Taxes accrued	79	(4) (E)	75
Other	146	-	146
Total current liabilities	874	(449)	425
Accumulated deferred income taxes	1,286	-	1,286
Accumulated deferred investment tax credits	94	-	94
Regulatory liabilities	226	-	226
Other deferred credits and liabilities	750	-	750
Total Capital and Liabilities	\$ 9,184	\$ (14)	\$ 9,170

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

UNION ELECTRIC COMPANY
STATEMENT OF INCOME
Twelve Months Ended March 31, 2006
(In Millions)

	Per Books	Pro Forma Adjustments (See Page 4)	As Adjusted
OPERATING REVENUES:			
Electric	\$ 2,737	\$ -	\$ 2,737
Gas	175	-	175
Other	2	-	2
Total operating revenues	2,914	-	2,914
OPERATING EXPENSES:			
Fuel and purchased power	864	-	864
Gas	106	-	106
Other Operations & Maintenance	780	-	780
Depreciation and amortization	315	10 (E)	325
Income taxes	207	(8) (D),(E)	199
Other taxes	234	-	234
Total operating expenses	2,506	2	2,508
OPERATING INCOME	408	(2)	406
OTHER INCOME AND (DEDUCTIONS):			
Allowance for equity funds used during construction	7	-	7
Miscellaneous, net	57	-	57
Total other income and (deductions)	64	-	64
INCOME BEFORE INTEREST CHARGES	472	(2)	470
INTEREST CHARGES:			
Interest	135	12 (D)	147
Allowance for borrowed funds used during construction	(10)	-	(10)
Net interest charges	125	12	137
NET INCOME	347	(14)	333
PREFERRED STOCK DIVIDENDS	6	-	6
NET INCOME AVAILABLE TO COMMON STOCKHOLDER	\$ 341	\$ (14)	\$ 327

UNION ELECTRIC COMPANY
STATEMENT OF CASH FLOWS
Twelve Months Ended March 31, 2005
(In Millions)

	Year ended 12/31/05	+	Quarter ended 3/31/06	-	Quarter ended 3/31/05	=	Year ended 3/31/06	proforma adjustments	proforma cash flow
Cash Flows From Operating Activities:									
Net income	\$ 352		\$ 51		\$ 57		\$ 346	\$ (14)	\$ 332
Adjustments to reconcile net income to net cash provided by operating activities:									
Depreciation and amortization	324		80		76		328	10	338
Amortization of nuclear fuel	28		9		8		29	-	29
Amortization of debt issuance costs	5		1		2		4	-	4
Deferred income taxes, net	39		13		(11)		63	-	63
Deferred investment tax credits, net	(6)		(2)		(2)		(6)	-	(6)
Change in pension and other postretirement benefits	(16)		19		20		(17)	-	(17)
Other	11		(1)		2		8	-	8
Changes in assets and liabilities:									
Receivables, net	(82)		52		26		(56)	-	(56)
Materials and supplies	-		9		17		(8)	-	(8)
Accounts and wages payable	75		(202)		(153)		26	-	26
Taxes accrued	8		17		57		(32)	(4)	(36)
Assets, other	(36)		10		9		(35)	1	(34)
Liabilities, other	(4)		(1)		(1)		(4)	-	(4)
Net cash provided by operating activities	698		55		107		646	(7)	639
Cash Flows From Investing Activities:									
Capital expenditures	(787)		(375)		(117)		(1,045)	-	(1,045)
Nuclear fuel expenditures	(17)		(24)		(3)		(38)	-	(38)
Changes in money pool advances	-		-		(64)		64	-	64
Other	12		1		(1)		14	-	14
Net cash used in investing activities	(792)		(398)		(185)		(1,005)	-	(1,005)
Cash Flows From Financing Activities:									
Dividends on common stock	(280)		(42)		(60)		(262)	-	(262)
Dividends on preferred stock	(6)		(1)		(1)		(6)	-	(6)
Capital issuance costs	(5)		-		(1)		(4)	(4)	(8)
Changes in money pool borrowings	(2)		1		-		(1)	-	(1)
Changes in short term debt	(295)		365		9		61	(445)	(384)
Redemptions, repurchases, and maturities:									
Nuclear fuel lease	-		-		-		-	-	-
Long-term debt	(3)		-		-		(3)	-	(3)
Preferred stock	-		-		-		-	-	-
Issuances:									
Long-term debt	643		-		85		558	449	1,007
Capital contribution from parent	15		-		-		15	-	15
Other	(1)		1		-		-	-	-
Net cash used in financing activities	66		324		32		358	-	358
Net change in cash and cash equivalents	\$ (28)		\$ (19)		\$ (46)		\$ (1)	\$ (7)	\$ (8)

**UNION ELECTRIC COMPANY
PRO FORMA ADJUSTING ENTRIES
March 31, 2006
(In Millions)**

		Debit	Credit
Entry A	Cash	<u>449</u>	
	Long-term Debt		449
	To record new indebtedness by Applicant of proposed New Indebtedness.		
Entry B	Short-term Debt	445	
	Prepaid interest on short-term debt		1
	Cash		444
	To record repayment of \$445mm outstanding short-term debt less prepaid interest on short-term debt of \$1mm.		
Entry C	Unamortized Debt Expense	4	
	Cash		4
	To record payment of debt issuance and underwriting fees on proposed New Indebtedness.		
Entry D	Interest Expense	12	
	Income tax benefit		4
	Cash		8
	To record increase in interest expense, and related tax effect, resulting from change in debt		
Entry E	Depreciation Expense	10	
	Accrued taxes	4	
	Accumulated depreciation		10
	Income tax benefit		4

To record depreciation expense, and related tax effect, resulting from acquisition of CTs. Depreciation calculated straight-line over 25 years.

Cash Journal Entry Summary:

Journal Entry	Account	Debit	Credit
A	Cash	449	
B	Cash		444
C	Cash		4
D	Cash		8
		449	456
AA	Net		<u>7</u>

NOTE: there are no journal entries for the additional debt issuance cost amortization as this amount is less than \$200,000 per year.

**Expense Calculations
AmerenUE**

Current Annual Interest

445,000,000	4.95%	22,027,500
		<u>22,027,500</u>

New Annual Interest

449,000,000	6.35%	28,511,500
449,000,000		<u>28,511,500</u>

Additional Interest	<u>6,484,000</u>	tax 2,399,080
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Additional debt issuance Amortization

Total debt issuance costs	4,000,000
Amortization period	<u>30</u>
Annual expense	<u>133,333</u>

Depreciation Calculation

	<u>Life</u>		tax
240,000,000	25	9,600,000	3,552,000
(25 year life from Laura Moore)			

**Selected Pro Forma Credit Ratios
AmerenUE**

Capital Component	Percentage of Capital	Capital Dollars as of 3/31/06	Pro Forma Adjustments	Pro Forma Capital Dollars	Pro Forma Percentage of Capital
Common Equity	47.88%	2,909	-14	2,895	47.73%
Preferred Stock	1.88%	114	0	114	1.88%
Long-Term Debt	42.92%	2,608 (a)	449	3,057	50.40%
Short-Term Debt	7.32%	445	-445	-	0.00%
	<u>100.00%</u>	<u>6,076</u>	<u>-10</u>	<u>6,066</u>	<u>100.00%</u>

(a) - excludes Peno Creek and Audrain long term capital lease obligations of \$90 million and \$233 million, respectively

**Selected Pro Forma Credit Ratios
AmerenUE**

	Ratios as of 3/31/06	Pro-Forma Ratios
Funds From Operations (FFO) Interest Coverage	5.59x	5.11x
FFO to Total Debt	24.57% (a)	24.41% (a)
Total Debt to Total Capital	50.57% (a)	50.72% (a)

(a) - excludes Peno Creek and Audrain long term capital lease obligations of \$90 million and \$233 million, respectively, and current portion on both leases of \$10 million

Formulas:

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