UNION ELECTRIC COMPANY
1901 GRATIOT STREET
ST. LOUIS, MISSOURI

JOHN K. BRYAN
VICE PRESIDENT

MAILING ADDRESS:
P. O. BOX 149
ST. LOUIS, MISSOURI 63166

July 17, 1981

RECEIVED
JUL 21 1981
U.S. NUCLEAR REGULATORY COMMISSION

Mr. Harold R. Denton
Director of Nuclear Reactor Regulation
U. E. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Denton:

ULNRC-465

DOCKET NUMBER 50-483
CALLAWAY PLANT, UNIT 1
FINANCIAL QUALIFICATION INFORMATION

Reference: NRC letter dated April 30, 1981, from R. L. Tedesco

The referenced letter requested additional information concerning the financial qualifications of Union Electric. Transmitted herewith are responses to questions in the referenced letter. This submittal supplies the financial information requested in 10 CFR 50.33(f) which we committed to provide in our Operating License Application (ULNRC-326 dated October 19, 1979).

We are providing six copies of the requested information. By copy of this letter, we are also sending one copy directly to Mr. Jim Peterson (NRC). This information is hereby incorporated into the Callaway Application.

Very truly yours,

for John K. Bryan

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STATE OF MISSOURI)
)   S S
CITY OF ST. LOUIS)

Robert J. Schukai, of lawful age, being first duly sworn upon oath says that he is General Manager-Engineering (Nuclear) for Union Electric Company; that he has read the foregoing document and knows the content thereof; that he has executed the same for and on behalf of said company with full power and authority to do so; and that the facts therein stated are true and correct to the best of his knowledge, information and belief.

By Robert J. Schukai
Robert J. Schukai
General Manager-Engineering
Nuclear

SUBSCRIBED and sworn to before me this 17th day of July, 1981.

Barbara J. Pfaff
BARBARA J. PFAFF
NOTARY PUBLIC, STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 22, 1985
ST. LOUIS COUNTY

cc: Mr. Jim Peterson
U.S. Nuclear Regulatory Commission
4550 Montgomery Avenue
Room 2016
Bethesday, Maryland 20014

cc: Glenn L. Koester
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Washington, D. C. 20555

Question 1.a. Indicate the estimated annual cost by year to operate each unit of the subject facility for the first seven full years of each unit's commercial operation. The types of costs included in the estimates should be indicated and included (but not necessarily be limited to) operation and maintenance expense (with fuel costs shown separately), depreciation, taxes and a reasonable return on investment. (Enclosed is a form which should be used for each year of the seven year period.) Indicate the projected plant capacity factor (in percent) for each unit during each of the seven years. Provide separate estimates using 50 percent and 60 percent plant capacity factors.

1.b. Indicate the unit price per kWh experienced by each applicant on system-wide sales of electrical power to all customers for the most recent 12-month period.

Response 1.a. See Tables 1-1 through 1-24. Tables 1-1 through 1-8 provide the requested information for capacity factors which reflect historical capacity factors of similar nuclear units. Tables 1-9 through 1-16 and Tables 1-17 through 1-24 provide requested information for 50 percent and 60 percent capacity factors, respectively.

Transmission expense on Tables 1-1 through 1-24 represent annual right-of-way maintenance clearing, tower painting, and insulator and line maintenance.

1.b. The unit price of system-wide sales of electrical power to all customers for calendar year 1980 was (3.735¢)/kWh.

TABLE 1-1

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1983 (9 Months)

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 52.5%)	24,458
Other operating expenses.	10,100
Maintenance expenses.	6,800
Total nuclear power generation. . . .	41,358
Transmission expenses	68
Administrative and general expenses	
Property and liability insurance.	3,280
Other A.&G. expenses.	2,769
Total A.&G. expenses.	6,049
TOTAL O&M EXPENSES.	47,475
Depreciation expense.	31,526
Taxes other than income taxes	
Property taxes.	4,500
Other	16,603
Total taxes other than income taxes .	21,103
Current Income Taxes.	2,524
Deferred income taxes - net	56,486
Deferred investment tax credit adjustments - net	8,264
Return (rate of return: 11.25%)	123,898
TOTAL ANNUAL COST OF OPERATION. . . .	$291,276

TABLE 1-2

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1984

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 58%)	35,631
Other operating expenses	14,600
Maintenance expenses	9,700
Total nuclear power generation	59,931
Transmission expenses	97
Administrative and general expenses	
Property and liability insurance	3,900
Other A.&G. expenses	3,994
Total A.&G. expenses	7,894
TOTAL O&M EXPENSES	67,922
Depreciation expense	46,439
Taxes other than income taxes	
Property taxes	33,020
Other	23,266
Total taxes other than income taxes	56,286
Current Income Taxes	57,937
Deferred income taxes - net	26,576
Deferred Investment tax credit adjustments - net	(4,775)
Return (rate of return: 11.25%)	157,798
TOTAL ANNUAL COST OF OPERATION	$408,183

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TABLE 1-3

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1985

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 62%)	35,887
Other operating expenses.	15,700
Maintenance expenses.	10,400
Total nuclear power generation. . . .	61,987
Transmission expenses	104
Administrative and general expenses	
Property and liability insurance.	4,115
Other A.&G. expenses.	4,161
Total A.&G. expenses.	8,276
TOTAL O&M EXPENSES.	70,367
Depreciation expense.	49,642
Taxes other than income taxes	
Property taxes.	28,633
Other	22,474
Total taxes other than income taxes .	51,107
Current Income Taxes.	57,963
Deferred income taxes - net	19,658
Deferred Investment tax credit adjustments - net.	(3,438)
Return (rate of return: 11.25%)	148,986
TOTAL ANNUAL COST OF OPERATION. . . .	$394,285

TABLE 1-4

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1986

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 65%)	37,937
Other operating expenses	16,900
Maintenance expenses	11,300
Total nuclear power generation	66,137
Transmission expenses	113
Administrative and general expenses	
Property and liability insurance	4,308
Other A.&G. expenses	4,432
Total A.&G. expenses	8,740
TOTAL O&M EXPENSES	74,990
Depreciation expense	52,044
Taxes other than income taxes	
Property taxes	28,726
Other	22,005
Total taxes other than income taxes	50,731
Current Income Taxes	54,251
Deferred income taxes - net	16,038
Deferred Investment tax credit adjustments - net	(3,191)
Return (rate of return: 11.25%)	141,185
TOTAL ANNUAL COST OF OPERATION	$386,048

TABLE 1-5

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1987

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 67%)	42,071
Other operating expenses	18,200
Maintenance expenses	12,200
Total nuclear power generation	72,471
Transmission expenses	121
Administrative and general expenses	
Property and liability insurance	4,593
Other A.&G. expenses	4,715
Total A.&G. expenses	9,308
TOTAL O&M EXPENSES	81,900
Depreciation expense	53,645
Taxes other than income taxes	
Property taxes	28,819
Other	21,704
Total taxes other than income taxes	50,523
Current Income Taxes	52,599
Deferred income taxes - net	10,863
Deferred Investment tax credit adjustments - net	(3,080)
Return (rate of return: 11.25%)	134,325
TOTAL ANNUAL COST OF OPERATION	$380,775

TABLE 1-6

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1988

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 68%)	45,625
Other operating expenses	19,600
Maintenance expenses	13,100
Total nuclear power generation	78,325
Transmission expenses	131
Administrative and general expenses	
Property and liability insurance	4,814
Other A.&G. expenses	4,991
Total A.&G. expenses	9,805
TOTAL O&M EXPENSES	88,261
Depreciation expense	54,446
Taxes other than income taxes	
Property taxes	28,872
Other	22,390
Total taxes other than income taxes	51,262
Current Income Taxes	61,097
Deferred income taxes - net	13,376
Deferred investment tax credit adjustments - net	(3,505)
Return (rate of return: 11.25%)	127,875
TOTAL ANNUAL COST OF OPERATION	$392,812

TABLE 1-7

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1989

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 68%)	48,468
Other operating expenses	21,100
Maintenance expenses	14,100
Total nuclear power generation	83,668
Transmission expenses	141
Administrative and general expenses	
Property and liability insurance	5,071
Other A.&G. expenses	5,254
Total A.&G. expenses	10,325
TOTAL O&M EXPENSES	94,134
Depreciation expense	54,446
Taxes other than income taxes	
Property taxes	28,975
Other	21,887
Total taxes other than income taxes	50,862
Current Income Taxes	59,363
Deferred income taxes - net	7,064
Deferred investment tax credit adjustments - net	(3,549)
Return (rate of return: 11.25%)	121,666
TOTAL ANNUAL COST OF OPERATION	$383,986

TABLE 1-8

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1990

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 68+%)	51,538
Other operating expenses	22,800
Maintenance expenses	15,200
Total nuclear power generation	89,538
Transmission expenses	152
Administrative and general expenses	
Property and liability insurance	5,942
Other A.&G. expenses	5,553
Total A.&G. expenses	11,495
TOTAL O&M EXPENSES	101,185
Depreciation expense	54,446
Taxes other than income taxes	
Property taxes	29,053
Other	21,714
Total taxes other than income taxes	50,767
Current Income Taxes	59,205
Deferred income taxes - net	2,673
Deferred investment tax credit adjustments - net	(3,513)
Return (rate of return: 11.25%)	116,182
TOTAL ANNUAL COST OF OPERATION	$380,945

TABLE 1-9

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING UNIT: CALLAWAY PLANT, UNIT 1 FOR THE CALENDAR YEAR 1983 (9 Months)

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 50%)	23,928
Other operating expenses.	10,100
Maintenance expenses.	6,800
Total nuclear power generation. . . .	40,828
Transmission expenses	68
Administrative and general expenses	
Property and liability insurance.	3,280
Other A.&G. expenses.	2,769
Total A.&G. expenses.	6,049
TOTAL O&M EXPENSES.	46,945
Depreciation expense.	39,632
Taxes other than income taxes	
Property taxes.	4,500
Other	17,456
Total taxes other than income taxes .	21,956
Current Income Taxes.	9,350
Deferred income taxes - net	56,500
Deferred investment tax credit adjustments - net.	8,284
Return (rate of return: 11.25%)	123,575
TOTAL ANNUAL COST OF OPERATION. . . .	$306,242

TABLE 1-10

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1984

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 50%)	31,902
Other operating expenses	14,600
Maintenance expenses	9,700
Total nuclear power generation	56,202
Transmission expenses	97
Administrative and general expenses	
Property and liability insurance	3,900
Other A.&G. expenses	3,994
Total A.&G. expenses	7,894
TOTAL O&M EXPENSES	64,193
Depreciation expense	52,988
Taxes other than income taxes	
Property taxes	33,029
Other	23,496
Total taxes other than income taxes	56,525
Current Income Taxes	59,867
Deferred income taxes - net	26,540
Deferred investment tax credit adjustments - net	(4,782)
Return (rate of return: 11.25%)	156,876
TOTAL ANNUAL COST OF OPERATION	$412,207

TABLE 1-11

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1985

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 50%)	30,361
Other operating expenses	15,700
Maintenance expenses	10,400
Total nuclear power generation	56,461
Transmission expenses	104
Administrative and general expenses	
Property and liability insurance	4,115
Other A.&G. expenses	4,161
Total A.&G. expenses	8,276
TOTAL O&M EXPENSES	64,841
Depreciation expense	52,843
Taxes other than income taxes	
Property taxes	28,683
Other	22,008
Total taxes other than income taxes	50,691
Current Income Taxes	54,602
Deferred income taxes - net	19,523)
Deferred investment tax credit adjustments - net	(3,440)
Return (rate of return: 11.25%)	147,039
TOTAL ANNUAL COST OF OPERATION	$386,099

TABLE 1-12

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1986

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 50%)	29,873
Other operating expenses	16,900
Maintenance expenses	11,300
Total nuclear power generation	58,073
Transmission expenses	113
Administrative and general expenses	
Property and liability insurance	4,308
Other A.&G. expenses	4,432
Total A.&G. expenses	8,740
TOTAL O&M EXPENSES	66,926
Depreciation expense	52,843
Taxes other than income taxes	
Property taxes	28,827
Other	20,987
Total taxes other than income taxes	49,814
Current Income Taxes	46,587
Deferred income taxes - net	16,349
Deferred investment tax credit adjustments - net	(3,189)
Return (rate of return: 11.25%)	138,867
TOTAL ANNUAL COST OF OPERATION	$368,197

TABLE 1-13

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1987

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 50%)	31,274
Other operating expenses	18,200
Maintenance expenses	12,200
Total nuclear power generation	61,674
Transmission expenses	121
Administrative and general expenses	
Property and liability insurance	4,593
Other A.&G. expenses	4,715
Total A.&G. expenses	9,308
TOTAL O&M EXPENSES	71,103
Depreciation expense	52,843
Taxes other than income taxes	
Property taxes	29,007
Other	20,403
Total taxes other than income taxes	49,410
Current Income Taxes	47,932
Deferred income taxes - net	9,632
Deferred investment tax credit adjustments - net	(4,353)
Return (rate of return: 11.23%)	131,383
TOTAL ANNUAL COST OF OPERATION	$357,941

TABLE 1-14

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1988

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 50%)	34,130
Other operating expenses	19,600
Maintenance expenses	13,100
Total nuclear power generation	66,830
Transmission expenses	131
Administrative and general expenses	
Property and liability insurance	4,814
Other A.&G. expenses	4,991
Total A.&G. expenses	9,805
TOTAL O&M EXPENSES	76,766
Depreciation expense	52,988
Taxes other than income taxes	
Property taxes	28,706
Other	21,006
Total taxes other than income taxes	49,712
Current Income Taxes	55,669
Deferred income taxes - net	11,089
Deferred investment tax credit adjustments - net	(3,288)
Return (rate of return: 11.25%)	125,592
TOTAL ANNUAL COST OF OPERATION	$368,528

TABLE 1-15

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1989

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 50%)	35,781
Other operating expenses	21,100
Maintenance expenses	14,100
Total nuclear power generation	70,981
Transmission expenses	141
Administrative and general expenses	
Property and liability insurance	5,071
Other A.&G. expenses	5,254
Total A.&G. expenses	10,325
TOTAL O&M EXPENSES	81,447
Depreciation expense	52,843
Taxes other than income taxes	
Property taxes	28,858
Other	20,400
Total taxes other than income taxes	49,258
Current Income Taxes	51,579
Deferred income taxes - net	7,210
Deferred investment tax credit adjustments - net	(3,301)
Return (rate of return: 11.25%)	118,851
TOTAL ANNUAL COST OF OPERATION	$357,887

TABLE 1-16

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1990

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 50%)	37,610
Other operating expenses	22,800
Maintenance expenses	15,200
Total nuclear power generation	75,610
Transmission expenses	152
Administrative and general expenses	
Property and liability insurance	5,942
Other A.&G. expenses	5,553
Total A.&G. expenses	11,495
TOTAL O&M EXPENSES	87,257
Depreciation expense	52,843
Taxes other than income taxes	
Property taxes	29,089
Other	19,930
Total taxes other than income taxes	49,019
Current Income Taxes	47,991
Deferred income taxes - net	3,276
Deferred investment tax credit adjustments - net	(2,921)
Return (rate of return: 11.25%)	112,191
TOTAL ANNUAL COST OF OPERATION	$349,656

TABLE 1-17

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1983 (9 Months)

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 60%)	28,087
Other operating expenses	10,100
Maintenance expenses	6,800
Total nuclear power generation	44,987
Transmission expenses	68
Administrative and general expenses	
Property and liability insurance	3,280
Other A.&G. expenses	2,769
Total A.&G. expenses	6,049
TOTAL O&M EXPENSES	51,104
Depreciation expense	39,64[illegible]
Taxes other than income taxes	
Property taxes	4,500
Other	17,791
Total taxes other than income taxes	22,291
Current Income Taxes	11,942
Deferred income taxes - net	55,173
Deferred investment tax credit adjustments - net	8,535
Return (rate of return: 11.25%)	123,443
TOTAL ANNUAL COST OF OPERATION	$312,129

TABLE 1-18

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1984

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 60%)	37,446
Other operating expenses	14,600
Maintenance expenses	9,700
Total nuclear power generation	61,746
Transmission expenses	97
Administrative and general expenses	
Property and liability insurance	3,900
Other A.&G. expenses	3,994
Total A.&G. expenses	7,894
TOTAL O&M EXPENSES	69,737
Depreciation expense	53,000
Taxes other than income taxes	
Property taxes	32,981
Other	23,930
Total taxes other than income taxes	56,911
Current Income Taxes	63,471
Deferred income taxes - net	25,267
Deferred investment tax credit adjustments - net	(4,776)
Return (rate of return: 11.25%)	156,210
TOTAL ANNUAL COST OF OPERATION	$419,820

TABLE 1-19

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1985

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 60%)	34,652
Other operating expenses	15,700
Maintenance expenses	10,400
Total nuclear power generation	60,752
Transmission expenses	104
Administrative and general expenses	
Property and liability insurance	4,115
Other A.&G. expenses	4,161
Total A.&G. expenses	8,276
TOTAL O&M EXPENSES	69,132
Depreciation expense	52,855
Taxes other than income taxes	
Property taxes	28,577
Other	22,394
Total taxes other than income taxes	50,971
Current Income Taxes	57,583
Deferred income taxes - net	18,064
Deferred investment tax credit adjustments - net	(3,436)
Return (rate of return: 11.25%)	147,714
TOTAL ANNUAL COST OF OPERATION	$392,883

TABLE 1-20

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1986

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 60%)	35,541
Other operating expenses	16,900
Maintenance expenses	11,300
Total nuclear power generation	63,741
Transmission expenses	113
Administrative and general expenses	
Property and liability insurance	4,308
Other A.&G. expenses	4,432
Total A.&G. expenses	8,740
TOTAL O&M EXPENSES	72,594
Depreciation expense	52,855
Taxes other than income taxes	
Property taxes	28,693
Other	21,876
Total taxes other than income taxes	50,569
Current Income Taxes	53,483
Deferred income taxes - net	17,556
Deferred investment tax credit adjustments - net	(3,188)
Return (rate of return: 11.25%)	139,921
TOTAL ANNUAL COST OF OPERATION	$383,790

TABLE 1-21

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1987

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 60%)	38,161
Other operating expenses	18,200
Maintenance expenses	12,200
Total nuclear power generation	68,561
Transmission expenses	121
Administrative and general expenses	
Property and liability insurance	4,593
Other A.&G. expenses	4,715
Total A.&G. expenses	9,308
TOTAL O&M EXPENSES	77,990
Depreciation expense	52,855
Taxes other than income taxes	
Property taxes	28,801
Other	21,123
Total taxes other than income taxes	49,924
Current Income Taxes	48,350
Deferred income taxes - net	12,038
Deferred investment tax credit adjustments - net	(3,073)
Return (rate of return: 11.25%)	132,487
TOTAL ANNUAL COST OF OPERATION	$370,571

TABLE 1-22

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1988

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 60%)	40,472
Other operating expenses.	19,600
Maintenance expenses.	13,100
Total nuclear power generation. . . .	73,172
Transmission expenses	131
Administrative and general expenses	
Property and liability insurance.	4,814
Other A.&G. expenses.	4,991
Total A.&G. expenses.	9,805
TOTAL O&M EXPENSES.	83,108
Depreciation expense.	53,000
Taxes other than income taxes	
Property taxes.	28,895
Other	21,326
Total taxes other than income taxes .	50,221
Current Income Taxes.	53,016
Deferred income taxes - net	12,188
Deferred investment tax credit adjustments - net.	(3,506)
Return (rate of return: 11.25%)	126,112
TOTAL ANNUAL COST OF OPERATION. . . .	$374,139

TABLE 1-23

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1989

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 60%)	42,908
Other operating expenses	21,100
Maintenance expenses	14,100
Total nuclear power generation	78,108
Transmission expenses	141
Administrative and general expenses	
Property and liability insurance	5,071
Other A.&G. expenses	5,254
Total A.&G. expenses	10,325
TOTAL O&M EXPENSES	88,574
Depreciation expense	52,855
Taxes other than income taxes	
Property taxes	29,047
Other	20,910
Total taxes other than income taxes	49,957
Current Income Taxes	52,032
Deferred income taxes - net	7,533
Deferred investment tax credit adjustments - net	(3,549)
Return (rate of return: 11.25%)	119,439
TOTAL ANNUAL COST OF OPERATION	$366,841

TABLE 1-24

ATTACHMENT FOR ITEM NO. 1.a.
ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: CALLAWAY PLANT, UNIT 1
FOR THE CALENDAR YEAR 1990

(thousands of dollars)

Operation and maintenance expenses	
Nuclear power generation	
Nuclear fuel expense (plant factor 60%)	44,647
Other operating expenses	22,800
Maintenance expenses	15,200
Total nuclear power generation	82,647
Transmission expenses	152
Administrative and general expenses	
Property and liability insurance	5,942
Other A.&G. expenses	5,553
Total A.&G. expenses	11,495
TOTAL O&M EXPENSES	94,294
Depreciation expense	52,855
Taxes other than income taxes	
Property taxes	29,185
Other	20,619
Total taxes other than income taxes	49,804
Current Income Taxes	50,809
Deferred income taxes - net	3,221
Deferred investment tax credit adjustments - net	(3,501)
Return (rate of return: 11.25%)	114,253
TOTAL ANNUAL COST OF OPERATION	$361,735

Question 2. Indicate the estimated costs of permanently shutting down each unit of the facility, stating what is included in such costs, the assumptions made in estimating the costs, the type of shutdown contemplated, and the intended source of funds to cover these costs.

Response: The only type of shutdown contemplated for Callaway Unit 1 is decommissioning at the end of its useful life. Refer to the Environmental Report - Operating License Stage, Section 5.8 for a discussion of approaches to decommissioning. The two basic approaches discussed are Immediate Dismantlement and Safe Storage with Deferred Dismantlement.

The source of funds is through increased depreciation of the plant.

Question 3. Provide an estimate of the annual cost to maint in each unit of the shutdown facility in a safe condition. Indicate what is included in the estimate, assumptions made in estimating costs, and the intended source of funds.

Response: Refer to the Response to Question 2. The referenced ER Section includes costs for Safe Storage and Continuing Care for the Safe Storage with Deferred Dismantlement approach.

Question 4. If the facility is jointly-owned, provide copies of the joint participation agreement setting forth the procedures by which the applicants will share operating expenses and decommissioning costs.

Response: Callaway Plant Unit 1 is solely owned and operated by Union Electric Company.

Question 5. Provide copies of the prospectus for the most recent security issue and copies of the most recent SEC Form 10-K and 10-Q. Provide copies of the preliminary prospectus for any pending security issue. Submit copies of the Annual Report to Stockholders each year as required by 10CFR50.71(b).

Response: Copies of the following are attached:

a) The prospectus for our most recent security issue -- $150,000,000 of 15 3/8% First Mortgage Bonds due 1991.

b) SEC Form 10-K for 1980.

c) SEC Form 10-Q for the quarter ended March 31, 1981.

d) Preliminary prospectus for the sale of 3,000,000 shares of preferred stock. Such sale was scheduled for May 1981 but has been postponed and tentatively rescheduled for the fall of 1981.

Twenty-five copies of the Union Electric Company, 1980 Annual Report to Stockholders were submitted per 10CFR50.71(b) by ULNRC-444 dated May 15, 1981.

Question 6. Describe aspects of its regulatory environment including, but not necessarily limited to, the following: prescribed treatment of allowance for funds used during construction; rate base (original cost, fair value, other); accounting for deferred income taxes and investment tax credits; fuel adjustment clauses in effect or proposed; historical, partially projected, or fully projected test year.

Response: The ratemaking body having primary rate jurisdiction over UE's electric utility business is the Missouri Public Service Commission (Mo.P.S.C). In 1980, Missouri retail consumers accounted for 72% of the total company electric operating revenues and 62% of total kilowatt-hour sales. Other agencies regulating UE's electric rates are the Illinois Commerce Commission, the Iowa State Commerce Commission, and the Federal Energy Regulatory Commission (FERC).

UE's rate for determining Allowance for Funds Used During Construction (AFUDC) is calculated persuant to the requirements of FERC's Order No. 561 and the same rate is applied in all regulatory jurisdictions. None of the agencies regulating UE's electric rates permit the Company to include any Construction Work in Progress (CWIP) in rate base.

Electric rates authorized by the regulatory commissions in Missouri and Illinois are based upon both an original cost and a fair value rate base. The Report and Order of these two commissions in rate proceedings include a rate base determination on both an original cost and a fair value basis and both are considered in the electric rates approved. The Company's wholesale electric rates, as well as the retail rates in Iowa, are only based upon original cost rate base determinations.

The currently effective electric rates in all of the Company's four regulatory jurisdictions essentially reflect full income tax normalization. For income tax purposes, the Company computes depreciation using the most liberalized method allowed by the Internal Revenue Code. With respect to all property additions after 1974, and prior additions in Illinois, the reduction in taxes applicable to this liberalized depreciation, are accounted for as deferred income taxes and amortized over the estimated useful lives of the related properties. In addition, UE normalizes the income tax effects of the repair allowance, the debt component of AFUDC and taxes and expenses capitalized. The Company normalizes the additional investment tax credit

benefits resulting from the Tax Reduction Act of 1975 with respect to properties in all states. The Company is flowing-through to income only the 4% investment tax credit on Missouri and Iowa properties which are not "qualified progress expenditures" under the Tax Reduction Act of 1975.

On September 27, 1979 in compliance with an order of the Missouri Supreme Court, the Missouri Public Service Commission ordered the termination of UE's fuel adjustment clause (FAC) for Missouri retail customers effective October 1, 1979. Since that time, the additional revenues necessary to compensate for higher fuel costs have only been received via increased electric tariffs authorized by the Mo.P.S.C. in full scale rate proceedings. However, in recent Missouri rate decisions, the Mo.P.S.C. has authorized utilities to implement rates reflecting projected fuel costs, with the proviso that these fuel costs are to be reviewed at the time they become actual, the electric rates are to be adjusted and any overcollections resulting from estimating errors will be refunded with interest. Legislation authorizing the existence of a FAC was recently considered in the first regular session of 81st General Assembly of the Missouri legislature but a final vote was not taken before the session's June 15, 1981 temrination date. In all of its other regulatory jurisdictions, the Company has a FAC in effect.

The Mo.P.S.C. does not currently authorize electric rates based upon fully projected test years. It has, on a case-by-case basis, allowed the use of partially projected test years. In all cases where an historical test year is utilized, this Commission will recognize in the cost of service all known and measurable changes occurring prior to the operation of law date (approximately eleven months following the date of the Company's tariff filing). UE's electric rates in Illinois and Iowa are based upon historical test years, normalized for unusual and non-recurring conditions and annualized for revenue and expense changes which are known but only partially or not yet, reflected in the cost of service. The Company's wholesale electric rates are based upon a fully projected test year in accordance with the ratemaking practices of the FERC.

Question 7. Describe the nature and amount of its most recent rate relief action(s). In addition, indicate the nature and amount of any pending rate relief action(s). Use the attached form to provide this information. Provide copies of the submitted financially related testimony and exhibits of the staff and company in the most recent rate relief action or pending action. Furnish copies of the hearing examiner's report and recommendation, and final opinion last issued with respect to each participant, including all financially related exhibits referred to therein.

Response: On May 30, 1980, the Missouri Public Service Commission granted Union Electric a $22.5 million rate increase based on a negotiated settlement. In November, 1980, a $96.6 million rate increase was filed based on the forecast test year ending September 30, 1981. A negotiated settlement was approved by the Commission on July 13, 1981. It provided an increase of $49,975,000 exclusive of gross receipts taxes, to become effective on July 17, 1981. An additional increase to reflect the actual July 1981 coal costs, primarily the effect of the recent UMW labor contract, will be verified at a July 30, 1981 hearing and would become effective about August 15, 1981. This is estimated to add approximately $14,500,000 to the increase.

The Illinois Commerce Commission on April 15, 1981, granted Union Electric a $10.7 million rate increase based on a 1979 test year. No rate requests are pending.

On May 2, 1980, the Iowa State Commerce Commission granted Union Electric a $.5 million rate increase for the year 1978 and a $1.2 million rate increase for the year 1979. In December, 1980, a $3.6 million rate increase was filed based on the forecast test year ending September 30, 1981. The rates were placed in effect subject to refund on April 22, 1981. Hearings are scheduled to begin in September, 1981.

On March 27, 1981, the Federal Energy Regulatory Commission granted an increase of $8,835,000 for wholesale rates. These rates were effective on March 27, 1978. In May, 1981, a $19.1 million rate increase was filed based on the forecast year ending June 30, 1982. On July 2, 1981, the Commission allowed summary disposition of certain items, which reduced the Company's request to approximately $12.9 million. These revised rates were ordered to become effective, subject to refund, on July 9, 1981.

See Tables 7-1 through 7-4 for further detail on rate developments.

The following documents are attached:

1) Union Electric Company, Direct Testimony and Exhibits of W. E. Cornelius before the Missouri Public Service Commission, Case No. ER-81-180, (Sworn February 5, 1981).

2) Union Electric Company, Direct Testimony and Exhibits of Jerre E. Birdsong before the Missouri Public Service Commission, Case No. ER-81-180, (Sworn February 3, 1981).

3) Office of Financial Analysis, Missouri Public Service Commission, Direct Testimony and Exhibits of Ronald L. Shackelford before the Missouri Public Service Commission, Case No. ER-81-180, (Sworn May 27, 1981).

SNUPPS-C

TALLE 7-1

ATTACHMENT FOR ITEM NO. 7

RATE DEVELOPMENTS

	Missouri Electric
Granted	
Test year utilized	12 Months Ending 3-31-79
Annual amount of revenue increase requested-test year basis (000's). . .	$81,600 $55,596 Rev.(1)
Date petition filed.	7-06-79
Annual amount of revenue increase allowed-test year basis (000's). . .	$21,708
Percent increase in revenues allowed .	3.68%
Date of final order.	4-30-80
Effective date	5-30-80
Rate base finding (000's).	$1,312,254
Construction work in progress included in Rate base (000's).	None
Rate of return on rate base authorized	9.6%
Rate of return on common equity authorized	13.5%
Revenue Effect (000's)	
Amount received in year granted. . . .	$13,000
Amount received in subsequent year . . (If not available, annualize amounts received in year granted)	$22,500
Pending Requests	
Test year utilized	12 Months Ending 9-30-81
Amount (000's)	$96,610
Percent increase	15.08%
Date petition filed.	11-26-80
Date by which decision must be issued.	10-25-81
Rate of return on rate base requested.	10.88%
Rate of return on common equity requested	15.50%
Amount of rate base requested.	$1,432,330,000
Amount of construction work in progress requested for inclusion in rate base	None

(1) Total request was reduced to $55,596,000 as a result of the Commission's decision in Case No. ER-80-140 which eliminated the fuel rider but allowed current fuel costs to be rolled into the basic rates as of 10/1/79.

(2) On July 13, 1981, the Commission approved a negotiated settlement to provide an increase of $49,975,000, exclusive of gross receipts taxes, to become effective July 17, 1981. It also provides a mechanism for an additional increase of approximately $14,500,000 to reflect the effect of the recent UMW labor contracts on July, 1981 coal prices. These prices will be verified at a true-up hearings scheduled for July 30, 1981.

TABLE 7-2

ATTACHMENT FOR ITEM NO. 7

RATE DEVELOPMENTS

	Illinois Electric
Granted	
Test year utilized	1979
Annual amount of revenue increase requested-test year basis (000's).	$15,152
Date petition filed.	5-22-80
Annual amount of revenue increase allowed-test year basis (000's).	$10,700
Percent increase in revenues allowed . . .	10.04%
Date of final order.	4-15-81
Effective date	4-18-81
Rate base finding (000's).	$188,102
Construction work in progress included in Rate base (000's)	None
Rate of return on rate base authorized . .	10.92%
Rate of return on common equity authorized	15.30%
Revenue Effect (000's)	
Amount received in year granted.	$7,000
Amount received in subsequent year . . . . (If not available, annualize amounts received in year granted)	$11,000
Pending Requests	None

Test year utilized
Amount (000's)
Percent increase
Date petition filed
Date by which decision must be issued
Rate of return on rate base requested
Rate of return on common equity requested
Amount of rate base requested
Amount of construction work in progress
  requested for inclusion in rate base

SNUPPS-C

TABLE 7-3

ATTACHMENT FOR ITEM NO. 7

RATE DEVELOPMENTS

	Iowa Electric
Granted	
Test year utilized	1978
Annual amount of revenue increase requested-test year basis (000's) . . .	$2,748
Date petition filed.	5-01-78
Annual amount of revenue increase allowed-test year basis (000's). . . .	$1,233
Percent increase in revenues allowed . .	4.87%
Date of final order.	5-02-80
Effective date	6-01-78 - $498
. . . .	1-01-79 - $1,233
Rate base finding (000's).	$57,118,000
Construction work in progress included in Rate base (000's)	None
Rate of return on rate base authorized	9.18%
Rate of return on common equity authorized	12.50%
Revenue Effect (000's)	
Amount received in year granted.	$498
Amount received in subsequent year . . .	$1,233
(If not available, annualize amounts received in year granted)	
Pending Requests	
Test year utilized	12 Months Ending 9-30-81
Amount (000's)	$3,606
Percent increase	10.12%
Date petition filed.	12-23-80
Date by which decision must be issued. .	-
Rate of return on rate base requested. .	10.88%
Rate of return on common equity requested	15.50%
Amount of rate base requested.	$189,500,000
Amount of construction work in progress requested for inclusion in rate base .	None

TABLE 7-4

ATTACHMENT FOR ITEM NO. 7

RATE DEVELOPMENTS

	Federal Energy Regulatory Commission Electric (Wholesale)
Granted	
Test year utilized	12 Months Ending 9-30-78
Annual amount of revenue increase requested-test year basis (OCO's).	$14,975
Date petition filed.	9-26-77
Annual amount of revenue increase allowed-test year basis (000's).	$8,835
Percent increase in revenues allowed . . .	10.64%
Date of final order.	3-27-81
Effective date	3-27-78
Rate base finding (000's).	$221,876
Construction work in progress included in Rate base (000's)	None
Rate of return on rate base authorized . .	9.25%
Rate of return on common equity authorized	13.00%
Revenue Effect (000's)	
Amount received in year granted.	$6,600
Amount received in subsequent year	$8,800
(If not available, annualize amounts received in year granted)	
Pending Requests	
Test year utilized	12 Months Ending 6-30-82
Amount (000's)	$19,140 (1)
Percent increase	14.5%
Date petition filed.	5-8-81
Date by which decision must be issued. . .	----
Rate of return on rate base requested. . .	11.25%
Rate of return on common equity requested.	15.50%
Amount of rate base requested.	$244,255,000
Amount of construction work in progress requested for inclusion in rate base . .	None

(1) On July 2, 1981, the Commission granted summary disposition of certain items which reduced the request to approximately $12,900,000 and ordered these revised rates to become effective, subject to refund, on July 9, 1981.

Question 8.	Complete the enclosed form entitled, "Financial Statistics," for the most recent twelve-month period and for the previous three calendar years.
Response:	See Tables 8-1 through 8-4.

TABLE 8-1

UNION ELECTRIC COMPANY & SUBSIDIARIES

FINANCIAL STATISTICS ITEM 8

	12 month's ended (dollars in millions) 12/31/78	
Earnings available to common equity	$ 96.9	
Average common equity	768.3	
Rate of return on average common equity	12.6%	
Times total interest earned before FIT:		
Gross income (both including and excluding AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense. Including AFDC	2.98	
Excluding AFDC	2.80	
Times long-term interest earned before FIT:		
Gross income (both including and excluding AFDC) + current and deferred FIT ÷ long-term interest charges + amortization of debt discount and expense. Including AFDC	3.12	
Excluding AFDC	2.93	
Bond ratings (end of period)	A	
Standard and Poor's	A	
Moody's		
Times interest and preferred dividends earned after FIT:		
Gross income (both including and excluding AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends. Including AFDC	1.72	
Excluding AFDC	1.65	
AFDC (net)	$ 24.1	
Net income after preferred dividends	96.9	
%	24.9	
Market price of common	$13.375	
Book value of common	16.11	
Market-book ratio (end of period)*	83.0%	
Earnings avail. for common less AFDC + depreciaton and amortization, deferred taxes, and invest. tax credit adjust.-deferred.	$190.8	
Common dividends	67.6	
Ratio	2.82	
Short-term debt	$ 29.6	
Bank loans	14.4	
Commercial paper	15.2	
Capitalization (Amount & Percent)	$2,397.3	100.0%
Long-term debt	1,238.9	51.7
Preferred stock	322.4	13.4
Common equity	836.0	34.9

*If subsidiary company, use parent's data.

TABLE 8-2

UNION ELECTRIC COMPANY & SUBSIDIARIES

FINANCIAL STATISTICS ITEM 8

	12 month's ended (dollars in millions) 12/31/79	
Earnings available to common equity	$ 91.1	
Average common equity	850.6	
Rate of return on average common equity	10.7%	
Times total interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense. Including AFDC	2.33	
Excluding AFDC	2.04	
Times long-term interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ long-term interest charges + amortization of debt discount and expense. Including AFDC	2.67	
Excluding AFDC	2.33	
Bond ratings (end of period)	A	
Standard and Poor's	A	
Moody's		
Times interest and preferred dividends earned after FIT: Gross income (both including and excluding AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends. Including AFDC	1.48	
Excluding AFDC	1.35	
AFDC (net)	45.2	
Net income after preferred dividends	91.1	
%	49.6	
Market price of common	$12.00	
Book value of common	15.82	
Market-book ratio (end of period)*	75.9%	
Earnings avail. for common less AFDC + depreciaton and amortization, deferred taxes, and invest. tax credit adjust.-deferred.	$174.2	
Common dividends	75.5	
Ratio	2.31	
Short-term debt	$ 96.9	
Bank loans	36.6	
Commercial paper	60.3	
Capitalization (Amount & Percent)	$2,633.8	100.0%
Long-term debt	1,308.0	49.7
Preferred stock	395.4	15.0
Common equity	930.4	35.3

*If subsidiary company, use parent's data.

TABLE 8-3

UNION ELECTRIC COMPANY & SUBSIDIARIES

FINANCIAL STATISTICS ITEM 8

	12 month's ended (dollars in millions) 12/31/80	
Earnings available to common equity	$125.0	
Average common equity	954.0	
Rate of return on average common equity	13.1%	
Times total interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense. Including AFDC	2.46	
Excluding AFDC	2.11	
Times long-term interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ long-term interest charges + amortization of debt discount and expense. Including AFDC	2.81	
Excluding AFDC	2.41	
Bond ratings (end of period)	A-	
Standard and Poor's	A	
Moody's		
Times interest and preferred dividends earned after FIT: Gross income (both including and excluding AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends. Including AFDC	1.49	
Excluding AFDC	1.34	
AFDC (net)	69.9	
Net income after preferred dividends	125.0	
%	55.9	
Market price of common	$10.875	
Book value of common	15.78	
Market-book ratio (end of period)*	68.9%	
Earnings avail. for common less AFDC + depreciaton and amortization, deferred taxes, and invest. tax credit adjust.-deferred.	$184.9	
Common dividends	88.1	
Ratio	2.10	
Short-term debt	$140.9	
Bank loans	41.4	
Commercial paper	99.5	
Capitalization (Amount & Percent)	$2,916.2	100.0%
Long-term debt	1,479.2	50.7
Preferred stock	393.4	13.5
Common equity	1,043.6	35.8

*If subsidiary company, use parent's data.

TABLE 8-4

UNION ELECTRIC COMPANY & SUBSIDIARIES

FINANCIAL STATISTICS ITEM 8

	12 month's ended (dollars in millions) 3/31/81	
Earnings available to common equity	$116.7	
Average common equity	978.5	
Rate of return on average common equity	11.9%	
Times total interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense. Including AFDC	2.18	
Excluding AFDC	1.83	
Times long-term interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ long-term interest charges + amortization of debt discount and expense. Including AFDC	2.53	
Excluding AFDC	2.12	
Bond ratings (end of period)	BBB+	
Standard and Poor's	Baa	
Moody's		
Times interest and preferred dividends earned after FIT: Gross income (both including and excluding AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends. Including AFDC	1.37	
Excluding AFDC	1.23	
AFDC (net)	77.7	
Net income after preferred dividends	116.7	
%	66.6	
Market price of common	$10.875	
Book value of common	15.55	
Market-book ratio (end of period)*	69.9%	
Earnings avail. for common less AFDC + depreciaton and amortization, deferred taxes, and invest. tax credit adjust.-deferred.	$166.4	
Common dividends	92.1	
Ratio	1.81	
Short-term debt	$ 89.9	
Bank loans	52.9	
Commercial paper	37.0	
Capitalization (Amount & Percent)	$3,035.0	100.0%
Long-term debt	1,606.8	52.9
Preferred stock	393.4	13.0
Common equity	1,034.8	34.1

*If subsidiary company, use parent's data.

Question 5, Item a

PROSPECTUS

$150,000,000

Union Electric Company

First Mortgage Bonds, 15⅜% Series due 1991

Due February 1, 1991

The New Bonds will be redeemable at any time on and after February 1, 1988, in whole or in part, on 30 days' notice at a redemption price of 100%. See DESCRIPTION OF NEW BONDS.

Application will be made to list the New Bonds on the New York Stock Exchange.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discounts and Commissions(2)	Proceeds to Company(1)(3)
Per Unit	99.625%	.750%	98.875%
Total	$149,437,500	$1,125,000	$148,312,500

(1) Plus accrued interest from February 1, 1981 to date of delivery.
(2) See UNDERWRITING for indemnification arrangements.
(3) Before deducting expenses payable by the Company estimated at $400,000.

The New Bonds are offered by the several Underwriters when, as and if issued by the Company and accepted by the Underwriters and subject to their right to reject orders in whole or in part. A portion of the New Bonds is being offered to certain institutions by the Company through the several Underwriters for delivery on July 15, 1981. See DELAYED DELIVERY ARRANGEMENTS herein. It is expected that delivery of the New Bonds offered by the Underwriters will be made in New York City on or about February 19, 1981.

Merrill Lynch White Weld Capital Markets Group
Merrill Lynch, Pierce, Fenner & Smith Incorporated

Bache Halsey Stuart Shields
Incorporated

Goldman, Sachs & Co.

Shearson Loeb Rhoades Inc.

The date of this Prospectus is February 11, 1981

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NEW BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE AND ADDITIONAL INFORMATION

The Company is subject to the information requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and in accordance therewith, files reports and other information with the Securities and Exchange Commission. Information as of particular dates concerning directors and officers, their remuneration, the principal holders of securities of the Company and any material interest of such persons in transactions with the Company is disclosed in reports of the Company filed with the Commission.

The following documents, which have been filed by the Company with the Commission, are incorporated by reference in this Prospectus and shall be deemed to be a part hereof:

(1) The Company's Prospectus dated December 9, 1980, filed pursuant to Rule 424(b) under the Securities Act of 1933 with respect to the Company's Registration Statement on Form S-7 (File No. 2-69821);

(2) The Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 1980 and the Company's Report on Form 8-K dated February 5, 1981 filed pursuant to the Exchange Act (File No. 1-2967); and

(3) The Company's Proxy Statement dated March 20, 1980 for its Annual Meeting of Stockholders held on April 22, 1980 filed pursuant to the Exchange Act (File No. 1-2967).

All documents filed by the Company with the Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering made by this Prospectus shall be deemed to be incorporated by reference and to be a part hereof.

Such reports, proxy statements and other information can be inspected and copied at the offices of the Commission at Room 6101, 1100 L Street, N.W., Washington, D.C.; Room 1228, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois; Room 1100, Federal Building, 26 Federal Plaza, New York, New York; and Suite 1710, Tishman Building, 10960 Wilshire Boulevard, Los Angeles, California. Copies of such material can also be obtained from the Public Reference Section of the Commission in Washington, D.C. 20549 at prescribed rates. Such material can also be inspected at the office of the New York Stock Exchange, 20 Broad Street, New York, N.Y. 10006.

The Company hereby undertakes to provide without charge to each person to whom a copy of this Prospectus has been delivered on the written request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Prospectus by reference, other than exhibits to such documents. Written requests for such copies should be directed to Mr. G. R. Murray, Secretary, Union Electric Company, 1901 Gratiot Street, St. Louis, Missouri 63103.

Except as otherwise indicated by the context, this Prospectus speaks as of the date hereof and does not purport to reflect any changes which may have occurred in the affairs of the Company or its subsidiaries thereafter. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Company or its subsidiaries since the date hereof.

THE ISSUE IN BRIEF

The following materia! is qualified in its entirety by, and should be read in conjunction with, information and financial statements appearing elsewhere in this Prospectus and in the documents and information incorporated in this Prospectus b; reference.

THE OFFERING

Issuer	Union Electric Company
Securities Offered	\$150,000,000 First Mort. ge Bonds, 15⅜% Series due 1991
Interest Payment Dates	February 1 and August 1
Use of Proceeds	To repay short-term borrowings incurred to finance construction
Listing	Application will be made to list on the New York Stock Exchange

THE COMPANY

Business	Primarily an electric utility
Service Area	Electric service to an approximately 24,000 square mile area, primarily covering the eastern and central portions of Missouri, portions of Illinois adjacent to St. Louis, Missouri, and the southeastern portion of Iowa; and gas service to Alton, Illinois, and vicinity and 90 Missouri communities
Service Area Population (estimated)	Electric—2,700,000; Gas—352,000
Customers	Electric—976,000; Gas—106,000
Revenue Distribution (12 Months Ended November 30, 1980)	Electric—92.6%; Gas—6.1%; Other—1.3%
Sources of kWh Generation (12 Months Ended November 30, 1980)	Coal—95.1%; Hydro—4.5%; Other—.4%
Property and Plant, net (at November 30, 1980)	\$3,124,704,000

CONSOLIDATED FINANCIAL INFORMATION

(Thousands of dollar xcept ratios)

	12 Months Ended		
	December 31, 1979	November 30, 1980	December 31, 1980
Operating Revenues	\$946,797	\$1,075,233	\$1,077,876
Operating Income	\$166,466	\$ 193,877	\$ 191,156
Net Income	\$118,055	\$ 156,620	\$ 154,737
Ratio of Earnings to Fixed Charges			
Actual	2.61	2.92	2.85
Pro Forma		2.16	

	Capitalization as of November 30, 1980			
	Actual	Ratio	As Adjusted*	Ratio*
Long-term Debt (excluding current maturity)	\$1,478,071	51.9%	\$1,628,071	53.3%
Preferred Stock Subject to Mandatory Redemption	112,040	3.9	112,040	3.7
Preferred Stock Not Subject to Mandatory Redemption	281,355	9.9	281,355	9.2
Common Equity	977,331	34.3	1,033,074	33.8
Total Capitalization	\$2,848,797	100.0%	\$3,054,540	100.0%
Short-term Debt and Current Maturity of Long-term Debt	\$ 105,849			

* Adjusted to give effect to the sale of the New Bonds offered hereby and the issue and sale of 5,500,000 shares of the Company's Common Stock in December 1980.

THE COMPANY

Union Electric Company, incorporated in Missouri in 1922, is successor to a number of companies, the oldest of which was organized in 1881. The Company owns all of the common stock of Missouri Power & Light Company, Missouri Edison Company, Missouri Utilities Company and Union Colliery Company. As used hereafter in this Prospectus the term Company means Union Electric Company and its consolidated subsidiaries unless the context requires otherwise. The Company's principal office is at 1901 Gratiot Street, St. Louis, Missouri 63103 and its telephone number is (314) 621-3222.

APPLICATION OF PROCEEDS AND CONSTRUCTION PROGRAM

The net proceeds to be received by the Company from the sale of the $150,000,000 principal amount of First Mortgage Bonds (the "New Bonds") offered hereby, estimated at $147,912,500, will be used to repay in part short-term debt (expected to aggregate approximately $170,000,000 at the time of issuance of the New Bonds to be sold to the Underwriters) incurred to finance the construction program, the largest single project of which is the Callaway nuclear plant.

Expenditures for the construction program, including amounts for allowance for funds used during construction and excluding nuclear fuel, amounted to $421,000,000 for the year 1980 and are estimated to amount to $509,000,000 for 1981 and $461,000,000 for 1982. The Company's estimated cash requirements for such program, excluding amounts for allowance for funds used during construction and nuclear fuel, are $382,000,000 for 1981 and $298,000,000 for 1982. The Company presently anticipates that approximately 10% of such cash requirements in each of the years 1981 and 1982 will be obtained from internally generated funds, assuming that the Company receives a major portion of the requested rate relief discussed under RECENT DEVELOPMENTS.

The following table sets forth the Company's actual and estimated construction expenditures, including allowance for funds used during construction and excluding nuclear fuel, for the periods indicated:

	Actual	Estimated					
		(Millions of Dollars)					
	1976-1980	1981	1982	1983	1984	1985	Total 1981-1985
Generation—Nuclear	$ 977	$309	$290	$276	$336	$431	$1,642
Generation—Other(†)	179	94	65	60	22	53	294
Transmission and Distribution	325	76	78	79	79	82	394
Other	69	30	28	24	23	21	126
Total	$1,550	$509	$461	$439	$460	$587	$2,456

(†) Primarily environmental control expenditures.

The major portion of the Company's planned construction expenditures are related to the Callaway nuclear plant, the only major generating facility under construction or planned by the Company. As described below, the Company has heretofore deferred the scheduled completion dates and increased estimated expenditures for each of the two Callaway Units because of regulatory delays, inflationary cost increases, labor difficulties, a change in Missouri law prohibiting the inclusion of construction work in progress in rate base resulting from a public referendum and lower than anticipated productivity resulting

primarily from additional labor required to comply with increasingly stringent regulations. Such factors, as well as others, could result in further revisions in construction plans and increased costs for either Unit. Various approvals are required from several Federal and State agencies (proceedings before the NRC, the Missouri Public Service Commission and others are currently in progress) which could adversely affect the construction and operation of the Units or result in the termination of construction of the second Unit. (See BUSINESS AND PROPERTY—*Nuclear Power* in the Prospectus dated December 9, 1980 incorporated herein by reference).

Plans for all projects under construction undergo periodic review, and actual expenditures and completion dates may vary from present estimates, as they have in the past, for the above reasons and others, including continuing inflation (a rate of 7¾% on major projects has been assumed), legislative, regulatory and other legal action (including the extent to which adequate and timely rate relief is received), difficulties in financing the construction program, public concern over nuclear energy, and changes in business conditions.

The following table sets forth the Company's actual and estimated construction expenditures, including allowance for funds used during construction and excluding nuclear fuel, with respect to the Callaway Plant:

Facility and Location	Net Kilowatt Capacity	Expected In-Service Date	Actual: Through 1980	Estimated: 1981-1985	Estimated: After 1985	Estimated: Total Cost	Estimated Cost Per Kilowatt
			(Millions of Dollars)				
Callaway Nuclear Plant							
Callaway County, Mo.							
Unit No. 1	1,150,000	1983	$ 958	$ 628	$ —	$1,586	$1,379
Unit No. 2	1,150,000	1988	51	1,006	701	1,758	$1,529
			$1,0[illegible]9	$1,634	$701	$3,344	

When plans for the Callaway Plant were announced in 1973 the two units were scheduled to be completed in 1981 and 1983 at an approximate cost of $550 million each. By 1975 changes in assumptions which recognized higher inflation rates, higher interest costs and actual and projected costs of other nuclear facilities, raised the estimated cost of the units to about $900 million each. In 1977 the in-service dates of the Units were deferred until 1982 and 1987, which, combined with still higher escalation and interest rate assumptions, added approximately $193 million to the cost of the first unit and $434 million to the cost of the second unit. The 1977 deferrals resulted primarily from a change in Missouri public utility law which prohibited the inclusion of construction work in progress in rate base and also because projected load growth was less than previously anticipated. As a result of this change in Missouri public utility law, (1) the amount of cash generated internally is declining, and (2) the amount of allowance for funds used during construction ("AFC") included in the Company's earnings is increasing (in 1982 AFC is expected to account for substantially all of such earnings) which has adversely affected the quality of such earnings and the Company's ability to issue first mortgage bonds. See NOTE (A) under NOTE TO CONSOLIDATED STATEMENT OF EARNINGS and the paragraph following MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED STATEMENT OF EARNINGS in the Prospectus dated December 9, 1980 incorporated herein by reference. Early in 1980 the expected in-service date of the second unit was deferred because of further

revisions of projected load growth. Such change, together with design and specification improvements since the last revision of estimates, increased estimated costs by $229 million for the first unit and $373 million for the second unit. Later, in October 1980, the Company announced a six-month deferral to April 1983 in the expected completion of the first unit. Such deferral, combined with the effects of continuing inflation, added an estimated $269 million to the cost of the first unit and $89 million to the cost of the second unit.

In addition to the funds required for construction during the 1981-1985 period, $123,522,000 will be required to retire currently outstanding long-term debt maturing during the period and for sinking fund payments on First Mortgage Bonds. In addition, approximately $13,880,000 of preferred stock will be required to be retired during such period. The types, amounts and timing of future financings will depend upon market conditions, regulatory actions, rate levels, and other factors, including the Company's ability to comply with the various financing restrictions discussed herein under DESCRIPTION OF NEW BONDS —*Issuance of Additional Bonds* and under APPLICATION OF PROCEEDS AND CONSTRUCTION PROGRAM—*Financing Restrictions* in the Prospectus dated December 9, 1980 incorporated herein by reference. Adequate and timely rate relief will be required to finance the Company's construction program. Major rate relief, currently estimated at approximately 25%, will be required when Callaway Unit No. 1 is placed in service to offset the discontinuance of recording AFC relating to such Unit as a non-cash item of income as well as to meet the expenses associated with the operation of the Unit.

The Company has entered into a nuclear fuel lease providing for financing up to $100,000,000 of nuclear fuel at any one time. The Company is currently negotiating a modification of this leasing arrangement to provide for financing up to an additional $100,000,000 of nuclear fuel at any one time. These leasing arrangements will require payments in undeterminable amounts commencing with the operation of Callaway Unit No. 1, which payments are not included in the above estimates.

The Company expects to enter into a four year revolving credit agreement with certain commercial banks early in 1981 which would permit the Company to borrow up to $100,000,000 at any one time.

CERTAIN FINANCIAL INFORMATION

Set forth below is a summary of certain information concerning the results of operations of the Company. Except for the ratios of earnings to fixed charges the information, insofar as it relates to the five years ended December 31, 1979, was derived from the Company's audited financial statements contained in the Prospectus dated December 9, 1980 incorporated herein by reference. Such Prospectus also contains the report thereon of Price Waterhouse & Co., the Company's independent accountants, and management's discussion and analysis of the consolidated statement of earnings. See INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE AND ADDITIONAL INFORMATION. In the opinion of the Company all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited 12-month period ended November 30, 1980 have been included.

	Year Ended December 31,					12 Months Ended November 30, 1980
	1975	1976	1977	1978	1979	(Unaudited)
	(Thousands of dollars except share and per share amounts and ratios)					
Operating Revenues	$ 583,455	$ 682,456	$ 765,102	$ 903,988	$ 946,797	$1,075,233
Operating Expenses	446,569	518,342	605,963	727,756	780,331	881,356
Operating Income	136,886	164,114	159,139	176,232	166,466	193,877
Allowance for Funds Used During Construction (All funds prior to January 1, 1977 and equity funds after December 31, 1976)	23,107	12,379	8,301	15,980	31,245	44,157
Other Income—Miscellaneous	1,403	(2,554)	1,389	2,896	879	3,198
Interest on Debt and Other Items	75,361	78,529	84,015	90,699	107,383	128,879
Allowance for Borrowed Funds Used During Construction after December 31, 1976	—	—	10,721	15,489	26,848	44,267
Net Income	86,035	95,410	95,535	119,898	118,055	156,620
Preferred Dividend Requirements of Company	19,640	19,640	20,367	23,040	26,948	29,714
Earnings on Common Stock	66,395	75,770	75,168	96,858	91,107	126,906
Average Number of Common Shares Outstanding	37,240,134	40,795,152	45,110,245	48,260,596	52,577,432	59,032,969
Earnings Per Share of Common Stock (based on average shares outstanding)	$1.78	$1.86	$1.67	$2.01	$1.73	$2.15
Dividends Declared Per Share of Common Stock	$1.28	$1.34	$1.36	$1.40	$1.44	$1.48
Ratio of Earnings to Fixed Charges (A)						
Actual	2.51	2.79	2.81	3.18	2.61	2.92
Pro Forma (B)						2.16

(A) Earnings used in computing the Ratio of Earnings to Fixed Charges consist of net income plus fixed charges (interest on debt, related amortization, preferred dividends of subsidiaries and an appropriate amount of rentals charged to operating expenses) and income taxes.

(B) After giving effect to (1) annual interest requirements on all long-term debt outstanding at November 30, 1980; (2) annual interest on the New Bonds (assumed interest rate of 14½%); (3) annual interest on $100,000,000 Union Electric Company revolving credit agreement expected to be entered into early in 1981 (assumed interest rate of 14%); (4) annual interest on $10,000,000 of Bonds of Missouri Utilities Company (assumed interest rate of 15%) to be sold in 1981; (5) annual interest on $4,000,000 of Bonds of Missouri Edison Company (interest rate of 14⅞%) to be sold in 1981; (6) additional interest on projected average short-term borrowings of $84,000,000 to be outstanding during the next twelve months at an assumed weighted average interest rate of 16% versus the actual interest expense on short-term

borrowings as recorded during the current twelve-month period; and (7) reduced annual interest on Union Electric Company $25,000,000 of 2⅞% Bonds retired in December 1980. A difference of ⅛% in the actual rate from the assumed rate on the New Bonds would change the Pro Forma Ratio of Earnings to Fixed Charges by approximately .002.

For the twelve months ended December 31, 1980 the Company's consolidated operating revenues were $1,077,876,000, consolidated operating income was $191,156,000, consolidated net income was $154,737,000, consolidated earnings on Common Stock and earnings per share of Common Stock were $125,042,000 and $2.10, respectively, and the ratio of earnings to fixed charges was 2.85. In the Company's opinion all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for such period have been included.

A restructured rate design which increases the Company's revenues during the June through October billing periods and decreases revenues by an equivalent amount during the November through May billing periods was put into effect May 30, 1980. Until rates based on the restructured rate design have been in effect for a full year, comparisons of financial results with prior periods will be affected.

The Company expects that its operating revenues will decline in 1981 as compared to 1980 because of decreased kilowatt-hour sales due to the projection of normal temperatures in 1981 as compared to the hot weather experienced in the summer of 1980. This decline in operating revenues, combined with anticipated increases in interest and other costs, is expected to cause the Company's earnings, the ratio of earnings to fixed charges and indenture coverage ratios to decline significantly until the Company receives a major portion of the rate relief it is currently seeking as discussed below.

RECENT DEVELOPMENTS

The Company has reported to the Nuclear Regulatory Commission that shallow areas of unsound concrete have been detected in the dome of the reactor building for Unit No. 1 of the Company's Callaway nuclear plant (see APPLICATION OF PROCEEDS AND CONSTRUCTION PROGRAM). An initial assessment indicates that the condition is not structurally significant and can be repaired with conventional procedures without impacting the construction schedule. However, the Company is performing tests to assure that all unsound areas have been identified and that the full extent of the condition is defined.

The Missouri Public Service Commission has suspended the effectiveness of proposed new schedules of electric rates designed to produce an increase in annual revenues of approximately $91,000,000, exclusive of gross receipts taxes, filed by the Company on November 26, 1980. Hearings are expected to be held during the summer of 1981. Under Missouri law the Missouri Commission must render a decision on the proposed new rates by October 25, 1981. The Company also has pending requests for increased electric rates in the amounts of $15,200,000 annually in Illinois and $3,600,000 annually in Iowa. See BUSINESS AND PROPERTY—*Rates* in the Prospectus dated December 9, 1980 incorporated herein by reference.

On January 27, 1981, the Company was advised by Standard and Poor's Corporation that it had lowered its ratings on the Company's First Mortgage Bonds and collateralized pollution control revenue

bonds to BBB+ from A–, preferred stock to BBB– from BBB and commercial paper to A3 from A2. Standard and Poor's indicated it had taken such action as a result of the financial stress placed upon the Company by unfavorable regulatory treatment in Missouri and substantial continuing investment in the Callaway nuclear plant, citing "serious concerns" over whether Callaway Unit No. 1 will be placed in service on a timely basis and whether the "massive relief" required to "restore long-term financial strength" will be granted on a timely basis. On January 30, 1981, Moody's Investors Service advised the Company that it had lowered its ratings on the Company's First Mortgage Bonds, secured indebtedness and preferred stock to Baa from A and had lowered the first mortgage bond ratings for two of the Company's utility subsidiaries to Baa from A. Moody's said it would continue the present ratings on the Company's unsecured indebtedness at Baa.

DESCRIPTION OF NEW BONDS

The New Bonds are to be issued under the Indenture of Mortgage and Deed of Trust dated June 15, 1937 between the Company and St. Louis Union Trust Company, as Trustee, as amended and supplemented by supplemental indentures including a Supplemental Indenture to be dated February 1, 1981. Copies of the Indenture of Mortgage and Deed of Trust and supplements and amendments thereto, herein sometimes called the "Mortgage", are filed as exhibits to the Registration Statement of which this Prospectus forms a part.

The following statements are an outline of certain provisions contained in the Mortgage. They do not purport to be complete and are qualified in their entirety by reference to the Mortgage and by express reference to Sections and Articles noted below. Certain of the terms used herein without definition are defined in the Mortgage.

The New Bonds will mature on the date and will bear interest at the rate shown on the cover page hereof, payable semi-annually on August 1 and February 1 commencing August 1, 1981. Principal and interest are payable at the office of the Trustee in St. Louis, Mo. or at Bankers Trust Company in New York, N. Y.; provided that, at the option of the Company, interest may be paid by checks mailed to the registered owners of the New Bonds. The New Bonds are to be issued as registered Bonds without coupons in denominations of $1,000 or multiples thereof. The New Bonds may be exchanged for other New Bonds of different authorized denominations and may be transferred without charge to the holders thereof other than for applicable governmental taxes.

Redemption. The New Bonds may not be redeemed for any purpose prior to February 1, 1988, and and after that date are to be redeemable, in whole or in part upon at least 30 days' notice, at the election of the Company and otherwise with moneys in the trust estate pursuant to the terms of the Mortgage, at a redemption price of 100% of their principal amount, together in each case with interest accrued to the redemption date. (February 1981 Supplemental Indenture, Art. III.)

There is no purchase, sinking, amortization, improvement, maintenance or analogous fund for the New Bonds.

Improvement and Maintenance Funds of Prior Series. There is no purchase, sinking, amortization, improvement, maintenance or analogous fund for the New Bonds similar to the funds provided for certain presently outstanding series of Bonds described in the following two paragraphs.

So long as Bonds of certain prior series are outstanding, the Company is required, with certain exceptions, to provide an annual Improvement Fund on or before April 15 in each year for each series of such Bonds in an amount equal to 1% of the greatest principal amount of such Bonds issued prior to January 1 of such year, less any such Bonds retired by application of certain moneys included in the trust estate, which amounts may either be paid in cash or satisfied (i) by delivery of any such Bonds theretofore issued and outstanding, or (ii) by application thereto of 60% of the amount of Net Bondable Value of Property Additions not subject to an Unfunded Prior Lien which the Company elects so to use. Moneys paid into the Improvement Funds for such Bonds do not become part of the trust estate and are to be applied to the redemption of such Bonds. (1952 through 1979 Supplemental Indentures, Arts. IV, Secs. 1.)

So long as Bonds of certain prior series are outstanding, the Company is required, on or before April 15 in each year, to deposit with the Trustee an amount in cash equal to 15% of its Gross Operating Revenues for the preceding year (after certain deductions including expenditures for maintenance and repairs). Such deposit may be reduced by certain credits, including the amount of property retirements not in excess of property additions, any available balance of Net Bondable Value of Property Additions not subject to an Unfunded Prior Lien and the principal amount of Bonds retired (except out of trust estate moneys). Under terms of the Bonds of prior series now outstanding the last such deposit would be required April 15, 2006. Moneys paid into the Maintenance Fund become part of the trust estate and may be added to any of the Improvement Funds for Bonds of prior series which may be selected by the Company and applied to redemption of the Bonds to which such Improvement Fund relates. (1941 Supplemental Indenture, Part IV, Sec. 5; 1952 through 1977 Supplemental Indentures Arts. IV, Secs. 5; 1978, 1979 Supplemental Indentures, Arts. IV, Secs. 4.)

See BUSINESS AND PROPERTY—*Other Litigation* in the Prospectus dated December 9, 1980 incorporated herein by reference for certain information with respect to pending lawsuits brought by three holders of the Company's First Mortgage Bonds, 10½% Series due 2005, individually and as representatives of a class composed of such bondholders which suits seek, among other things, certain restrictions on the special redemption of Bonds of such series utilizing cash deposited in satisfaction of the Improvement Fund for Bonds of such series or utilizing cash deposited in satisfaction of the Maintenance Fund described in the preceding paragraph for that and other series of Bonds.

Security. In the opinion of counsel for the Company, Schlafly, Griesedieck, Ferrell & Toft, the New Bonds will be secured, together with all other Bonds now or hereafter issued under the Mortgage, by a valid and direct first lien (subject to certain leases, Permitted Liens and other minor matters) on substantially all the properties and franchises of the Company other than cash, accounts receivable and other liquid assets, securities not specifically pledged and electric energy, materials, supplies or other products produced or purchased by the Company for use, sale or lease.

The Mortgage contains provisions subjecting after-acquired property (with certain exceptions) to the lien of the Mortgage.

Issuance of Additional Bonds. Additional Bonds ranking equally with the New Bonds may be issued up to (i) 60% of the Net Bondable Value of Property Additions not subject to an Unfunded Prior Lien, (ii) the amount of Bonds retired or to be retired (except out of trust estate moneys), (iii) the amount of cash deposited with the Trustee for such purpose, which cash may thereafter be withdrawn upon the same

basis that additional Bonds are issuable under (i) and (ii). (Arts. III and VIII.) The New Bonds will be issued against the deposit of cash, which cash will be withdrawn under clauses (i) and (ii) above. At November 30, 1980, the aggregate principal amount of Bonds issuable under clauses (i) and (ii) above was approximately $488,000,000 (without giving effect to the issuance of the New Bonds).

Additional Bonds may not be issued (i) unless Net Earnings of the Company Available for Interest and Property Retirement Appropriations for 12 consecutive months within the 15 months preceding such issuance shall have been equal to the greater of twice the annual interest charges on, or 10% of the principal amount of, all Bonds and Prior Lien Bonds then outstanding and then being issued, nor (ii) unless Net Earnings of the Company Available for Interest After Property Retirement Appropriations for such period shall have been equal to twice the annual interest on all such Bonds and Prior Lien Bonds. Such earnings tests need not be complied with to issue Bonds to refund Bonds theretofore issued, or to refund a Prior Lien which simultaneously becomes a Funded Prior Lien upon the Property Additions made the basis of such application, if application to issue additional Bonds for either of these two purposes is made at any time after a date two years prior to the maturity of the Bonds or Prior Lien Bonds being refunded. (Art. III, Secs. 3, 4 and 6; February 1981 Supplemental Indenture, Art. IV, Sec. 2.) The ratio under the test set forth under (ii) above, which is more restrictive than the test set forth under (i) above, was 3.23 for the twelve months ended November 30, 1980, and would permit the Company to issue an additional $379,000,000 of First Mortgage Bonds (14.5% annual interest rate assumed). Net Earnings of the Company Available for Interest After Property Retirement Appropriations is defined as total operating revenues and net non-operating revenues (which net non-operating revenues, including AFC, may not exceed 10% of the portion of such Net Earnings which do not constitute net non-operating income so long as certain series of Bonds other than the New Bonds are outstanding), less operating expenses and less the greater of (i) provisions for depreciation and expenditures for maintenance and repairs or (ii) 15% of gross operating revenues (as defined) for the period in question. (July 1956 and March 1958 Supplemental Indentures, Arts. V, Secs. 2.)

Prior Lien Bonds secured by an Unfunded Prior Lien may be issued under the circumstances and subject to the limitations contained in the Mortgage. (Art. IV, Secs. 15 and 16; February 1981 Supplemental Indenture, Art. IV, Sec. 4.)

Dividend Restriction. So long as any New Bonds are outstanding, the Company will not declare any dividend on its Common Stock (other than in Common Stock) or make any distribution on or acquire for value any of its Common Stock (otherwise than in exchange for, or out of proceeds of sale of, Common Stock) if the amount thereof, together with the aggregate of all payments made since June 30, 1961 would exceed $22,700,000 plus the net income applicable to the Common Stock subsequent to June 30, 1961. (February 1981 Supplemental Indenture. Art. IV, Sec. 6.)

Modification of the Mortgage. With the consent of 80% in amount of Bonds and 80% in amount of Bonds of each affected series if less than all are affected, the Mortgage may be changed except to affect the terms of payment of the principal or interest on any Bond or to reduce the percentage of Bondholders required to effect any change. (Art. XV.) The Company has reserved the right to amend the Mortgage without any consent or other action by holders of Bonds of any series created by the Supplemental Indenture of August 16, 1976, or by any supplemental indenture dated thereafter, including the Supplemental Indenture of February 1, 1981, so as to substitute for the foregoing provision a provision to

the effect that the Mortgage may be modified or altered and the rights of the holders of Bonds may be affected with the consent of the holders of 60% of the Bonds; and if less than all series of Bonds are affected, the consent also of the holders of 60% of the Bonds of each series affected. Additionally, the Company has reserved the right to amend the Mortgage, as supplemented, to authorize amendments thereto by an appropriate written consent of the holders of 60% of the Bonds without a meeting of such Bondholders. (February 1981 Supplemental Indenture, Art. VII.)

Insofar as the holders of the Bonds of 2004 Series and all series issued subsequent thereto, including the New Bonds, are concerned, the Mortgage is amended by the February 1974 Supplemental Indenture (Art. VII) to include construction work in progress on nuclear facilities and nuclear fuel as bondable property. (February 1981 Supplemental Indenture, Art. VI.)

Defaults. Defaults are defined as being: default in payment of principal; default for 30 days in payment of interest or satisfaction of the Company's obligation respecting any sinking, improvement, maintenance or analogous fund; default in payment of principal of, or interest on, any Prior Lien Bonds; certain events in bankruptcy, insolvency or reorganization; default in other covenants for 60 days after notice by the Trustee or the holders of 15% of the outstanding Bonds; failure under certain circumstances to discharge, or provide for, judgments; or termination of corporate franchise without continuance of business by a successor corporation. (Art. IX, Sec. 1.)

The Trustee or the holders of not less than 25% of the outstanding Bonds may declare the entire principal due on default, but the holders of a majority of outstanding Bonds may annul such declaration if such default has been cured. (Art. IX, Sec. 1.) The Trustee is required to enforce the lien of the Mortgage upon request of the holders of a majority in amount of the outstanding Bonds on default. (Art. IX, Sec. 4.) The Trustee has no obligations to exercise any of its trusts or powers at the request of any of the Bondholders unless indemnified to its satisfaction, but the Trustee is not relieved of its obligation to act upon the occurrence of an event of default. (Art. XIII, Sec. 1.)

Evidence to be Furnished to the Trustee. Compliance with Mortgage provisions is evidenced by written statements by Company officers, opinions of counsel and certificates of an engineer, accountant, appraiser or other expert (who in some instances must be independent). Various certificates and other papers are required to be filed annually and in certain events.

Concerning the Trustee. St. Louis Union Trust Company, St. Louis, Missouri, is the Trustee under the Mortgage, the Trustee under a trust agreement establishing a pension trust for the payment of retirement income for employees of the Company, and the St. Louis Transfer Agent for the Company's Common Stock.

EXPERTS

The audited consolidated financial statements included in the Company's Prospectus dated December 9, 1980 incorporated by reference in this Prospectus, have been so incorporated in reliance on the report of Price Waterhouse & Co., independent accountants, given on the authority of said firm as experts in auditing and accounting.

The statements as to matters of law and legal conclusions included in the Company's Prospectus dated December 9, 1980 under Application of Proceeds and Construction Program, Business and Property and Description of Common Stock, incorporated by reference in this Prospectus, and such statements included in this Prospectus under Application of Proceeds and Construction Program and Description of New Bonds have been prepared under the supervision of, and reviewed by Schlafly, Griesedieck, Ferrell & Toft, St. Louis, Missouri, and such statements are made and incorporated or included herein in reliance on the authority of that firm as experts.

LEGAL OPINIONS

Certain legal matters in connection with the New Bonds will be passed upon for the Company by Schlafly, Griesedieck, Ferrell & Toft, St. Louis, Missouri, and for the Underwriters by Cahill Gordon & Reindel, New York, New York. Cahill Gordon & Reindel are not passing upon the incorporation of the Company or its subsidiaries, franchise matters, questions of title or the lien of the Mortgage. In giving their opinion as to any matter governed by Missouri or Illinois law, Cahill Gordon & Reindel will rely upon the opinion of Schlafly, Griesedieck, Ferrell & Toft and in giving their opinions as to any matter governed by Iowa law those two firms will rely upon the opinion of J. A. Concannon, Esq., Keokuk, Iowa. William H. Ferrell, Esq., a member of the firm of Schlafly, Griesedieck, Ferrell & Toft, owns 1,231 shares of the Company's Common Stock and $10,000 principal amount of First Mortgage Bonds, 10½% Series due 2005 of the Company, other members and associates of that firm own an aggregate of 775 shares of Common Stock, 100 shares of Preferred Stock, $3.50 Series, and the firm holds as fiduciary 227 shares of Common Stock. A partner in that firm also reports that his wife owns 220 shares of the Company's Common Stock but he disclaims any interest in such shares. J. A. Concannon, Esq. owns 700 shares of the Company's Common Stock and $5,000 principal amount of First Mortgage Bonds, 8⅜% Series due 2004, of the Company.

UNDERWRITING

The Underwriters named below have severally agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase from the Company the following respective principal amounts of the New Bonds, subject to reduction as described under DELAYED DELIVERY ARRANGEMENTS:

Underwriters	Principal Amount
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$ 11,150,000
Bache Halsey Stuart Shields Incorporated	11,150,000
Goldman, Sachs & Co.	11,150,000
Shearson Loeb Rhoades Inc.	11,150,000
Morgan Stanley & Co. Incorporated	3,750,000
The First Boston Corporation	3,750,000
Blyth Eastman Paine Webber Incorporated	3,750,000
Salomon Brothers	3,750,000
Bear, Stearns & Co.	3,000,000
Dillon, Read & Co. Inc.	3,000,000
[illegible]on, Lufkin & Jenrette Securities [illegible]ation	3,000,000
L[illegible] Burnham Lambert Incorporated	3,000,000
A. G. Edwards & Sons, Inc.	3,000,000
E. F. Hutton & Company Inc.	3,000,000
Kidder, Peabody & Co. Incorporated	3,000,000
Lazard Freres & Co	3,000,000
L. F. Rothschild, Unterberg, Towbin	3,000,000
Smith Barney, Harris Upham & Co. Incorporated	3,000,000
Warburg Paribas Becker Incorporated	3,000,000
Wertheim & Co., Inc.	3,000,000
Dean Witter Reynolds Inc.	3,000,000
Alex. Brown & Sons	1,800,000
Thomson McKinnon Securities Inc.	1,800,000
ABD Securities Corporation	1,000,000
Arnhold and S. Bleichroeder, Inc.	1,000,000
Atlantic Capital Corporation	1,000,000
Robert W. Baird & Co. Incorporated	1,000,000
Basle Securities Corporation	1,000,000
Bateman Eichler, Hill Richards Incorporated	1,000,000
William Blair & Company	1,000,000
Dain Bosworth Incorporated	1,000,000
Daiwa Securities America Inc.	1,000,000
Eppler, Guerin & Turner, Inc.	1,000,000
EuroPartners Securities Corporation	1,000,000
Robert Fleming Incorporated	1,000,000
Kleinwort, Benson Incorporated	1,000,000
Ladenburg, Thalmann & Co. Inc.	1,000,000
McDonald & Company	1,000,000
Moseley, Hallgarten, Estabrook & Weeden Inc.	1,000,000
New Court Securities Corporation	1,000,000
Newhard, Cook & Co. Incorporated	1,000,000
The Nikko Securities Co. International, Inc.	1,000,000
Nomura Securities International, Inc.	1,000,000
Oppenheimer & Co., Inc.	1,000,000
Piper, Jaffray & Hopwood Incorporated	1,000,000
Prescott, Ball & Turben	1,000,000
The Robinson-Humphrey Company, Inc.	$ 1,000,000
Stifel, Nicolaus & Company, Incorporated	1,000,000
Tucker, Anthony & R. L. Day, Inc.	1,000,000
Wheat, First Securities, Inc.	1,000,000
Yamaichi International (America), Inc.	1,000,000
Advest, Inc.	600,000
American Securities Corporation	600,000
Bacon, Whipple & Co.	600,000
Sanford C. Bernstein & Co., Inc.	600,000
Blunt Ellis & Loewi Incorporated	600,000
Boettcher & Company	600,000
J. C. Bradford & Co.	600,000
Bruns, Nordeman, Rea & Co.	600,000
Butcher & Singer Inc.	600,000
The Chicago Corporation	600,000
First of Michigan Corporation	600,000
J. J. B. Hilliard, W. L. Lyons, Inc.	600,000
Edward D. Jones & Co.	600,000
Cyrus J. Lawrence Incorporated	600,000
Legg Mason Wood Walker, Incorporated	600,000
The Ohio Company	600,000
Parker/Hunter Incorporated	600,000
Wm. E. Pollock & Co., Inc.	600,000
Rauscher Pierce [illegible], Inc.	600,000
Stern Brothers & Co.	600,000
Stix & Co. Inc.	600,000
Sutro & Co. Incorporated	600,000
George K. Baum & Company Incorporated	300,000
B. C. Christopher & Co.	300,000
Craigie Incorporated	300,000
First Albany Corporation	300,000
Freeman Securities Company, Inc.	300,000
J. A. Glynn & Co.	300,000
Gruntal & Co.	300,000
The Heitner Corporation	300,000
Herzfeld & Stern	300,000
Howard, Weil, Labouisse, Friedrichs Incorporated	300,000
Josephthal & Co. Incorporated	300,000
Laidlaw Adams & Peck Inc.	300,000
McCourtney-Breckenridge & Company	300,000
The Milwaukee Company	300,000
Moore & Schley, Cameron & Co.	300,000
Philips, Appel & Walden, Inc.	300,000
Raffensperger, Hughes & Co., Inc.	300,000
Rodman & Renshaw, Inc.	300,000
Scherck, Stein & Franc, Inc.	300,000
I. M. Simon & Co.	300,000
Smith, Moore & Co.	300,000
Thomas & Company, Inc.	300,000
Total	$150,000,000

The Underwriting Agreement provides that the Underwriters are committed to purchase or arrange contracts for purchase as described under DELAYED DELIVERY ARRANGEMENTS all of the New Bonds if any are purchased. Under certain circumstances the commitments of non-defaulting Underwriters may be increased. The purchase of New Bonds by the Underwriters, by an institution signing a Delayed Delivery Contract or by any other purchaser is not contingent upon the carrying out of any or all of the Delayed Delivery Contracts.

The Company has been advised by Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bache Halsey Stuart Shields Incorporated, Goldman, Sachs & Co. and Shearson Loeb Rhoades Inc., as Representatives of the Underwriters, that the Underwriters propose to offer the New Bonds to the public initially at the offering price set forth on the cover page of this Prospectus and to certain dealers at such price less a concession of .40% of the principal amount, and that the Underwriters and such dealers may reallow a discount of .25% of the principal amount on sales to other dealers. The public offering price and concession and discount to dealers may be changed by the Representatives.

The Company has agreed to indemnify the several Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

DELAYED DELIVERY ARRANGEMENTS

The Company has authorized the Underwriters to solicit offers by certain institutions to purchase New Bonds from the Company at the initial public offering price set forth on the cover page hereof plus accrued interest from February 1, 1981, pursuant to contracts providing for payment and delivery on July 15, 1981. Each such contract must be for a minimum of $250,000 principal amount of New Bonds, each purchaser must be approved by the Company, and the aggregate principal amount of New Bonds covered by such contracts may not exceed $30,000,000, except as the Company shall otherwise approve in writing.

Institutions with whom such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and such others as may be approved by the Company. To the extent that such contracts are entered into, the Company will compensate the Underwriters therefor by paying them the underwriting commission set forth on the cover page hereof. Such contracts will not be subject to any conditions except that (1) the sale of the balance of the New Bonds to the Underwriters shall have been consummated and (2) the purchase of the New Bonds shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such institution is subject. The Underwriters will not have any liability in respect of the validity or performance of such contracts.

The principal amount of New Bonds to be purchased by each Underwriter will be reduced by the amount of New Bonds covered by such contracts attributed to such Underwriter by reason of such contracts having been arranged by or for such Underwriter or directed and allocated to such Underwriter by a purchaser. The Underwriters may allow a commission of .40% of the principal amount to dealers in respect of New Bonds for which contracts directed and allocated to such dealers by purchasers are arranged through the Representatives of the Underwriters.

No dealer, salesman, or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or by any of the Underwriters. This Prospectus does not constitute an offer to sell the securities in any jurisdiction to any one to whom it is unlawful to make such offer in such jurisdiction.

CONTENTS

$150,000,000

Union Electric Company

First Mortgage Bonds

15⅜% Series due 1991

PROSPECTUS

Merrill Lynch White Weld Capital Markets Group
Merrill Lynch, Pierce, Fenner & Smith Incorporated

Bache Halsey Stuart Shields
Incorporated

Goldman, Sachs & Co.

Shearson Loeb Rhoades Inc.

February 11, 1981

Question 5, Item 6

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1980. Commission file number 1-2967.

UNION ELECTRIC COMPANY

(Exact name of registrant as specified in its charter)

Missouri	43-0559760
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1901 Gratiot Street, St. Louis, Missouri 63103
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: (314) 621-3222

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
First Mortgage Bonds:	
8-5/8% Series due 2007 - due December 1, 2007	New York Stock Exchange
8-7/8% Series due 2006 - due September 1, 2006	New York Stock Exchange
10-1/2% Series due 2005 - due March 1, 2005	New York Stock Exchange
3-1/4% Series due 1982 - due May 1, 1982	New York Stock Exchange
Common Stock, $5 par value	New York Stock Exchange
Preferred Stock, without par value (entitled to cumulative dividends):	
Stated value $100 per share -	
$7.44 Series	New York Stock Exchange
$6.40 Series	New York Stock Exchange
$4.56 Series	New York Stock Exchange
$4.50 Series	New York Stock Exchange
$4.00 Series	New York Stock Exchange
$3.50 Series	New York Stock Exchange
Stated value $97.50 per share -	
$8.00 Series of 1971	New York Stock Exchange
Stated value $92.25 per share -	
$8.00 Series (of 1969)	New York Stock Exchange
Stated value $25 per share -	
$2.72 Series	New York Stock Exchange
$2.125 Series	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X . No ____.

Aggregate market value of voting stock held by non-affiliates as of March 9, 1981, based on closing prices most recently available as reported in the Wall Street Journal (excluding Preferred Stock, $3.70 Series and $4.60 Series for which there is no market): $858,614,546.

Shares of Common Stock, $5 par value, outstanding as of March 9, 1981: - 66,205,332 shares (excluding 42,990 treasury shares).

DOCUMENT INCORPORATED BY REFERENCE:

	Part of Form 10-K
Definitive proxy statement for 1981 annual meeting	I (Item 4) and III

TABLE OF CONTENTS

(*)Incorporated by reference.

PART I

ITEM 1. BUSINESS.

GENERAL

The registrant, Union Electric Company (the "Company"), incorporated in Missouri in 1922, is successor to a number of companies, the oldest of which was organized in 1881. The Company owns all of the common stock of Missouri Power & Light Company ("Missouri Power"), Missouri Edison Company ("Missouri Edison"), Missouri Utilities Company ("Missouri Utilities") and Union Colliery Company.

The Company and its utility subsidiaries, Missouri Power, Missouri Edison, and Missouri Utilities, supply electric service in territories in Missouri, Illinois and Iowa having an estimated population of 2,700,000 within an area of approximately 24,000 square miles, including the Metropolitan St. Louis Area. The Company also furnishes steam heating service in the downtown business section of St. Louis, and natural gas purchased from non-affiliated pipeline companies is distributed in the City of Alton, Illinois and vicinity by the Company and in territories in Missouri by the Company's utility subsidiaries. In addition, Missouri Utilities provides water service in the City of Cape Girardeau, Missouri and Missouri Power supplies steam service to the state government in Jefferson City, Missouri.

Electric operating revenues as a percentage of total operating revenues for the years 1976, 1977, 1978, and 1979 were 93.0%, 93.2%, 93.4%, and 92.4% respectively. For the year 1980, 92.5% of consolidated total operating revenues was derived from the sale of electric energy, 6.2% from the sale of natural gas and the remainder from other services. During the same period, Missouri Power's, Missouri Edison's and Missouri Utilities' operating revenues were 20% of consolidated total operating revenues. At December 31, 1980, the subsidiaries' total plant was 8.7% of consolidated total plant.

INDUSTRY AND COMPANY PROBLEMS

The Company is experiencing, in varying degrees, problems common to the electric utility industry during recent years. These include high cost of capital; increases in operating expenses and construction costs due to inflation and environmental regulations; the effects of energy conservation on sales growth; uncertain economic conditions; continually developing environmental regulations; difficulty in obtaining adequate and timely rate increases; uncertainties in connection with the construction of nuclear generating facilities and the nuclear fuel cycle; public concern over nuclear energy; difficulty in maintaining a level of earnings adequate to meet indenture and charter requirements for issuance of bonds and preferred stock; and uncertainties in future actions of regulatory authorities and the concern of such authorities with nuclear power, rate structure, projected load growth, and energy costs. In 1977, Missouri law was changed to prohibit the inclusion of construction work in progress in rate base. As a result of this change (i) the amount of cash the Company generates internally is declining and (ii) the quality of the Company's earnings is being adversely affected inasmuch as the percentage of earnings represented by allowance for funds used during construction ("AFC"), a non-cash item, is increasing (in 1981 and 1982 AFC is expected to account for a substantial portion of such earnings). Fuel adjustment clauses covering virtually all kilowatt hour sales in Missouri were

terminated in 1979 as a result of a decision by the Missouri Supreme Court holding such clauses to be unlawful.

CONSTRUCTION PROGRAM

During the five-year period 1976-1980 gross additions to the property of the Company and its subsidiaries, excluding nuclear fuel, were $1,550,000,000 and property retirements were $102,000,000. Construction expenditures for the year 1980 amounted to $421,000,000.

The following table sets forth the Company's actual and estimated construction expenditures, excluding nuclear fuel, for the periods indicated:

		Estimated						
	Actual 1976-1980	1981	1982	1983	1984	1985	1981-1985	Completed Cost
				(Millions of Dollars)				
Callaway Unit No. 1	$ 936	$301	$258	$ 69	$ -	$ -	$ 628	$1,586
Callaway Unit No. 2	41	7	18	107	185	276	593	$2,276
Generation-Other(1)	179	94	65	60	22	53	294	
Transmission and Distribution	325	76	78	79	79	82	394	
Other	69	30	28	24	23	21	126	
Total	$1,550	$508	$447	$339	$309	$432	$2,035	
Less AFC:								
Callaway Unit No. 1		111	145	33	-	-	289	
Callaway Unit No. 2		5	6	13	27	50	101	
Other		11	11	9	5	5	41	
Net Cash Requirements		$381	$285	$284	$277	$377	$1,604	

(1) Primarily environmental control expenditures. See "Environmental Matters."

The Company is constructing two units at the Callaway Nuclear Plant, each to have a net capacity of 1,150,000 kilowatts. The Company has expended $958 million through 1980 on Unit No. 1, which is scheduled to be placed in service in April 1983 at an estimated total cost of $1,379 per kilowatt and has expended $51 million through 1980 on Unit No. 2, which is now scheduled to be placed in service in 1990 at an estimated cost of $1,979 per kilowatt. These construction estimates, which are approximately $400 million lower during the 1981-1985 period than the previous estimate, reflect the Company's April 1981 decision to defer the scheduled in-service date of Unit No. 2 for two years, as well as several prior deferrals of both units.

When plans for the Callaway Plant were announced in 1973 the two units were scheduled to be completed in 1981 and 1983 at an approximate cost of $550 million each. By 1975 changes in assumptions which recognized higher inflation rates, higher interest costs and actual and projected costs of other nuclear facilities, raised the estimated cost of the units to about $900 million each. In 1977 the in-service dates of the units were deferred until 1982

and 1987, which, combined with still higher escalation and interest rate assumptions, added approximately $193 million to the cost of the first unit and $434 million to the cost of the second unit. The 1977 deferrals resulted primarily from a change in Missouri public utility law which prohibited the inclusion of construction work in progress in rate base and also because projected load growth was less than previously anticipated. As a result of this change in Missouri public utility law, (1) the amount of cash generated internally is declining and (2) the amount of AFC included in the Company's earnings is increasing (in 1981 and 1982 AFC is expected to account for a substantial portion of such earnings) which has adversely affected the quality of such earnings and the Company's ability to issue first mortgage bonds. Early in 1980 the expected in-service date of the second unit was deferred to 1988 because of further revisions of projected load growth. Such change, together with design and specification improvements since the last revision of estimates, increased estimated costs by $229 million for the first unit and $373 million for the second unit. Later, in October 1980, the Company announced a six-month deferral to April 1983 in the expected completion of the first unit. Such deferral was primarily due to labor strikes and lower than expected productivity due to increasingly stringent regulations and, combined with the effects of continuing inflation, added an estimated $269 million to the cost of the first unit and $89 million to the cost of the second unit. In April 1981 the expected in-service date of the second unit was deferred to 1990 because of the reluctance to commit substantial sums of money to the second unit until the first unit is licensed by the Nuclear Regulatory Commission ("NRC") and the Company is permitted to earn a reasonable return on its investment in that unit. Such deferral increased the estimated cost of the second unit by $500 million.

Plans for all projects under construction undergo periodic review, and actual expenditures will vary, and completion dates may vary, from present estimates, as they have in the past, for the above reasons and others, including continuing inflation (a rate of 7 3/4% on major projects has been assumed), legislative, regulatory and other legal action (including the extent to which adequate and timely rate relief is received), difficulties in financing the construction program, public interference and other difficulties with construction and licensing of nuclear facilities, changes in load and sales growth, and changes in business conditions. Various approvals are required from several federal and state agencies (proceedings before the NRC, the Missouri Public Service Commission and others are currently in progress) which could adversely affect the construction and operation of the units or result in the termination of construction of the second unit. See "Legal Proceedings."

The Company presently anticipates that approximately 10% of the cash required for construction in each of the years 1981 and 1982 will be obtained from internally generated funds, assuming that the Company receives a major portion of the rate relief being requested. See "Rates." External funds will be obtained from the sale of equity securities, long-term debt securities, interim short-term borrowings and other forms of financing, including the sale of $150,000,000 principal amount of First Mortgage Bonds in February 1981 ($30,000,000 of which will be delivered in July 1981), the proposed sale in May 1981 of up to $75,000,000 of Preferred Stock, proposed sales of environmental bonds and Common Stock later in 1981, and sales of Common Stock pursuant to the Company's Dividend Reinvestment and Stock Purchase Plan and Tax Reduction Act Stock Ownership Plan. In addition to funds required for construction in 1981 and 1982, approximately $37,000,000 will be required to retire long-term debt and Preferred Stock.

In addition to the funds required for construction during the 1981-1985 period, $123,523,000 will be required to retire currently outstanding long-term debt maturing during the period and for sinking fund payments on First Mortgage Bonds. In addition, approximately $13,880,000 of Preferred Stock will be required to be retired during such period. The types, amounts and timing of financings will depend upon market conditions, regulatory actions, rate levels, and other factors, including the Company's ability to comply with the various financing restrictions discussed below. Adequate and timely rate relief will be required to finance the Company's construction program. Major rate relief, currently estimated at 25% to 30%, will be required when Callaway Unit No. 1 is placed in service to improve the internal generation of cash by offsetting the discontinuance of recording AFC on the unit as a non-cash item of income, as well as to meet the expenses associated with its operation. No assurance can be given that the Company will obtain the timely rate relief which will be required.

The Company has entered into a nuclear fuel lease providing for financing up to $200,000,000 of nuclear fuel at any one time. The timing and amounts of payments made under the leasing arrangement are based on actual use of nuclear fuel and are therefore not currently determinable and are not included in the previous paragraphs.

In addition, the Company, on March 23, 1981 entered into a four year revolving credit loan agreement with certain commercial banks which permits the Company to borrow up to $100,000,000 at any one time.

Financing Restrictions. Under the most restrictive earnings test contained in the Company's Indenture of Mortgage and Deed of Trust ("Mortgage") relating to its First Mortgage Bonds ("Bonds"), no Bonds may be issued (except in certain refunding operations) unless the Company's net earnings available for interest after depreciation (the amount of AFC and other net non-operating income which may be included in such net earnings being limited to an amount not in excess of 10% of the portion of such net earnings which does not constitute net non-operating income) for 12 consecutive months within the 15 months preceding such issuance are at least two times annual interest charges on all Bonds then outstanding and to be issued (all calculated as provided in the Mortgage). Such ratio for the 12 months ended December 31, 1980 (based on Bonds outstanding on that date adjusted to reflect the sale in February 1981 of $150,000,000 principal amount of First Mortgage Bonds, 15 3/8% Series due 1991), was 2.56, which would permit the Company to issue an additional $210,000,000 of Bonds (15% annual interest rate assumed). The earnings test referred to above may restrict the issuance of Bonds in 1981 and beyond unless substantial rate relief is received in 1981. The Company's Articles of Incorporation restrict the Company from selling Preferred Stock unless its net earnings for a period of 12 consecutive months within 15 months preceding such sale are at least two and one-half times the annual dividend requirements on its Preferred Stock then outstanding and to be issued. Such ratio for the 12 months ended December 31, 1980 was 5.05, which would permit the Company to issue an additional $200,000,000 stated value of Preferred Stock (15% annual dividend rate assumed). Certain loan agreements pursuant to which bank loans or bank loan commitments have been obtained require the Company to obtain the prior consent of the banks to various actions by the Company and its subsidiaries, including any future borrowing by the Company and its subsidiaries, except for permitted financings such as unsecured short-term borrowings (subject to certain conditions) and the issuance of additional Bonds.

Securities Ratings. Early in 1981 Standard and Poor's Corporation and Moody's Investors Service lowered the ratings on certain of the Company's securities as discussed under "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources," Page II-3.

FUEL SUPPLY

Coal. Set forth below is certain information relating to the utilization of coal by the Company in the generation of electricity:

Plant and Location	Estimated Coal Requirements Over Remaining Useful Life (Tons)	Expiration Dates of Long-term Coal Contracts	Estimated Percentage of Coal Requirements Under Contract
Missouri			
Labadie	135,000,000	1982	2
		1986	13
		1994(1)	6
		1999	21
Sioux	39,000,000	1990	13
		1999	71
Meramec	22,000,000	1988	44
Rush Island	70,000,000	1994(1)	28
Totals	266,000,000		44%

(1) Low sulphur coal supplied pursuant to the contract expiring in 1994 is scheduled to be delivered to the Rush Island Plant through 1988. Thereafter such coal is expected to have a higher sulphur content and is scheduled to be used at the Labadie Plant.

In addition to the coal supplied pursuant to the long-term contracts, as set forth in the table above, the Company burns coal supplied pursuant to short-term contracts and by spot purchases. During the year 1980, such purchases accounted for approximately 26% of the Company's total coal requirements, at an average price of $33.25 per ton. Because of uncertainties of supply due to potential work stoppages, equipment breakdowns and the possibility of another oil embargo disrupting the supply and price of coal, the Company has a policy of maintaining a coal inventory of 90 days, based on normal annual burn practices. On March 31, 1981 the Company's coal inventory was approximately 120 days, based on normal annual burn practices. Additional contracts will be required to meet the Company's continuing coal requirements at prices which may be higher and with terms which cannot now be predicted, and the Company is currently negotiating for additional supplies of coal.

Oil and Gas. The Company anticipates that generation attributable to oil-fired peaking units, including units proposed to be constructed, will be less than 1.8% of total annual generation in each of the next ten years.

In addition, oil and propane gas are used in relatively small amounts for coal ignition and flame stabilization. Since the actual and prospective use of such fuels is minimal, the Company has not experienced and does not expect to experience difficulty in obtaining adequate supplies. At December 31, 1980, the Company had 11,933,209 gallons of oil in storage. During the year 1980, the price of oil purchased averaged 61¢ per gallon. See "Regulation" for a discussion of exemptions or exceptions required to utilize petroleum in power plants.

<u>Cost of Fuels.</u> The cost of coal and other fuels used by the Company has increased substantially during the five year period 1976-1980. The Company experienced substantial increases in the cost of coal as a result of the settlement in March 1978 of a United Mineworkers of America strike and due to increased purchases of low sulphur coal required for compliance with environmental regulations. At the present time, the 1981 strike by the United Mineworkers of America is not expected to have a significant impact on the operation of the Company's coal-fired generating facilities. However, the settlement of such strike could materially increase the Company's fuel costs. Set forth in the table below is information concerning the cost of the Company's fuel:

	Year					Month Of February
	1976	1977	1978	1979	1980	1981
Per Ton of Coal Burned	$15.04	$17.86	$24.15	$26.02	$26.85	$28.85
Per Million BTU	71.247¢	85.858¢	115.865¢	123.741¢	124.914¢	127.374¢
Per kWh of Steam Generation	.740¢	.886¢	1.200¢	1.273¢	1.291¢	1.398¢

<u>Nuclear.</u> The components of the nuclear fuel cycle required for nuclear generating units are as follows: (1) uranium (U_3O_8); (2) conversion of uranium (U_3O_8) into uranium hexafluoride; (3) enrichment of uranium hexafluoride; and (4) conversion of enriched uranium hexafluoride into uranium dioxide and the fabrication thereof into nuclear fuel assemblies. In addition, a portion of the nuclear fuel assemblies is expended and requires replacement periodically. The spent nuclear fuel is removed from the reactor and stored. Spent fuel may be reprocessed to extract reusable materials should future federal policy so allow.

The Company has contracts for a substantial portion of the various components of the nuclear fuel cycle for the two units at its Callaway Plant except for the reprocessing of spent nuclear fuel and the ultimate disposal of either spent fuel or nuclear waste material. The Company has contracts with Westinghouse Electric Corporation ("Westinghouse") for conversion services for each Callaway unit through 1994 and for fabrication services covering approximately 21 years of operation for each unit. The fabrication service contracts provide for the initial core plus 20 replacement regions. (Each core consists of 3 regions, with one region being replaced approximately every 12 months.) The Company also has contracts with the Department of Energy for enrichment services covering approximately 30 years of operation for each unit.

Under the terms of settlement of litigation concerning a supply of uranium hexafluoride, Westinghouse paid the Company $55,000,000 in cash on February 29, 1980 and additional payments are scheduled to be made on various dates tied to the commercial operation of Callaway Unit No. 2. In addition,

Westinghouse will provide certain new equipment, fuel fabrication services, conversion services, technical services, and engineering at discounted prices; deliver 4,200,000 pounds of uranium (U_3O_8) during the 1990 - 1999 period at discounted prices; and deliver 2,007,000 pounds of uranium (U_3O_8) in the form of uranium hexafluoride at contract prices during the period 1980 - 1985. The price to be paid for the 4,200,000 pounds of uranium (U_3O_8) will be discounted from market prices in effect during the time of delivery and the price to be paid for the 2,007,000 pounds of nuclear fuel is based on an established base price adjusted to each year of delivery for changes in labor and commodities indices and, therefore, these prices cannot be currently determined. Further, the settlement provides for additional cash payments out of any proceeds Westinghouse may receive in its current litigation with an alleged uranium cartel, and grants the Company certain rights to purchase future uncommitted uranium (U_3O_8) production, if any, from Westinghouse at market prices for delivery during the 1997 - 2006 period.

In addition to the 6,207,000 pounds of uranium (U_3O_8) to be obtained from Westinghouse, the Company purchased 500,000 pounds of uranium (U_3O_8) in October 1976 at $41.50 per pound, and in February 1979 contracted for 6,000,000 pounds of uranium (U_3O_8) to be delivered during the period 1984-1995. The price to be paid for the 6,000,000 pounds of uranium (U_3O_8) is based on a formula that includes market price limitations and production costs plus an element of profit that is subject to escalation. Therefore, the price cannot currently be determined.

The Company's contracts for enrichment services, for conversion services during the 1982-1988 period and for the purchase of 2,007,000 pounds of uranium (U_3O_8 equivalent) in the form of uranium hexaflouride and 500,000 pounds of uranium (U_3O_8) have been assigned or sold to a non-affiliated corporation established for the purpose of financing such fuel under the Company's nuclear fuel lease.

The 6,207,000 pounds of uranium (U_3O_8) to be provided by Westinghouse pursuant to the settlement discussed above, together with the 6,500,000 pounds of uranium (U_3O_8) purchased from other sources, are sufficient, based on current assumptions, to supply fuel for Callaway Unit No. 1 through the end of this century. Additional contracts will have to be entered into in order to supply nuclear fuel during the estimated life of the nuclear units. The Company believes that the required supplies of the various components of the nuclear fuel cycle can be obtained.

Eventually, it will be necessary for the Company to provide for reprocessing or off-site disposal of spent fuel, but to date no arrangements have been made. It is expected that spent nuclear fuel will be removed from the nuclear units commencing in 1984, but since each unit will have the capacity to store spent fuel for up to twenty years, reprocessing or off-site disposal will not be required until after the turn of the century. No reprocessing facilities are presently licensed by the NRC. Although the Department of Energy has announced plans to provide off-site storage for spent nuclear fuel from domestic reactors, the availability of reprocessing or off-site storage facilities and the extent of any increases in the cost of and demand for nuclear fuel due to such factors is not predictable.

RATES

For the twelve months ended December 31, 1980, approximately 82.5%, 10.9% and 3.0% of the Company's electric operating revenues were derived from sales in Missouri, Illinois, and Iowa, respectively, and 3.6% were derived from wholesale sales subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") of the Department of Energy.

The Company presently has fuel adjustment riders in all jurisdictions other than Missouri which permit recovery of substantially all fuel costs applicable to those jurisdictions.

Missouri

The Company filed proposed new schedules of electric rates with the Missouri Public Service Commission ("Missouri Commission") on November 26, 1980. The new rates are designed to produce an increase in annual revenues of approximately $91,000,000, exclusive of gross receipts taxes, based on a test year ending September 30, 1981. The Missouri Commission has suspended the effectiveness of the proposed new rates, and hearings are expected to be held during the summer of 1981. Under Missouri law the Missouri Commission must render a decision on the proposed new rates by October 25, 1981.

Fuel adjustment clauses covering virtually all kilowatt hour sales in Missouri were terminated by order of the Missouri Commission effective October 1, 1979, as a result of a decision by the Missouri Supreme Court holding such clauses to be unlawful. To minimize the impact of the termination of fuel adjustment clauses and to recover other costs, the Company, on July 6, 1979, filed proposed new schedules of electric rates with the Missouri Commission which were designed to produce an increase in annual revenues of approximately $81,600,000. The Missouri Commission issued an order effective October 1, 1979 which, in addition to eliminating fuel adjustment clauses, allowed the Company to include its June 1979 level of fuel costs in its basic rates. As a result of such order the Company's request for rate relief was reduced to $55,600,000. Subsequently, by order effective May 30, 1980, the Missouri Commission approved a rate settlement which increased the Company's annual revenues by $21,700,000.

The termination of the fuel adjustment clauses resulted in a write-off in 1979 of 21¢ per common share. The elimination of fuel adjustment clauses in Missouri will adversely affect the Company's earnings and cash flow. The extent of such effect will be dependent upon how much and how quickly fuel costs increase and the ability of the Company to obtain timely increases in basic rates sufficient to cover such fuel cost increases.

A restructured rate design which increases the Company's revenues during the June through October billing periods and decreases revenues by an equivalent amount during the November through May billing periods was approved by the Missouri Commission and put into effect with the May 30, 1980 rate increase. Until rates based on the new rate design have been in effect for a full year, revenue comparisons with prior periods will be affected.

An order of the Missouri Commission effective February 2, 1978, authorizing an annual increase in electric rates of approximately $33,000,000, as a result of a request for $65,000,000, was appealed by an intervenor. The sole issue in the appeal is the extent to which the Company can continue to normalize certain tax benefits as authorized by the Missouri Commission. The

rate decision was upheld by the Missouri Court of Appeals in Kansas City. The Missouri Supreme Court denied the intervenor's request for review on November 12, 1980. The intervenor has applied for review by the U.S. Supreme Court. In the opinion of Schlafly, Griesedieck, Ferrell & Toft, counsel for the Company, any final decision will not result in retroactive rate reductions.

On March 3, 1981, the Company filed with the Missouri Commission a request for an increase in steam rates in the amount of $5,681,000, exclusive of gross receipts taxes, of which $2,865,000 was requested on an emergency basis. The Missouri Commission has suspended the effectiveness of the proposed new rates to July 31, 1981, and hearings are expected to be held later in 1981.

Illinois, Iowa and FERC

The Company filed proposed new schedules of electric rates with the Illinois Commerce Commission ("Illinois Commission") on May 22, 1980. The new schedules are designed to produce an increase in annual revenues of approximately $15,200,000, based on an adjusted test year ending December 31, 1979. A hearing on the matter commenced in October, 1980. Under Illinois law, the Illinois Commission must render its decision by April 18, 1981.

The Company has a request for increased electric rates in the amount of $3,600,000 annually pending in Iowa.

On September 2, 1980, the FERC granted the Company an increase in wholesale electric rates of approximately $8,800,000 annually, as a result of a request for $15,000,000. The Company had put the requested rates into effect subject to refund. At January 31, 1981, the Company had collected $45,184,000 subject to refund, and at that date had accrued an estimated liability of $16,082,000 for probable refund. The Company and intervenors have appealed the FERC decision to the United States Court of Appeals for the Eighth Circuit.

REGULATION

The Company and its utility subsidiaries are subject to regulation by the Missouri Commission as to rates, service, accounts, issuance of equity securities and debt having a maturity of more than twelve months and various other matters, and the Company is similarly subject to regulation by the Illinois Commission and, except for issuance of securities, by the Iowa State Commerce Commission. The Company and its utility subsidiaries are also subject to regulation by the FERC as to rates and charges in connection with the transmission of electric energy in interstate commerce and the sale of such energy at wholesale in interstate commerce, accounting and depreciation policies and certain other matters. Authorization to issue debt having a maturity of twelve months or less is obtained from the FERC.

The Company's Osage hydroelectric plant and its Taum Sauk pumped-storage hydro plant, as licensed projects under the Federal Power Act, are subject to certain federal regulations affecting, among other things, the general operation and maintenance of the projects. The Company's 50-year license for the Osage Plant expired on February 24, 1976, and its 50-year license for the Taum Sauk Plant will expire on June 30, 2010. An application for relicensing the Osage Plant was filed on February 20, 1973 and the Company is currently operating the Plant under an annual license, which will be

renewed annually without further notice until a final order is entered. The Company can make no prediction as to when any final order may be entered by the FERC or the nature thereof.

The Company's Keokuk Plant and dam located in the Mississippi River between Hamilton, Illinois, and Keokuk, Iowa, are operated under authority, unlimited in time, granted by an Act of Congress in 1905.

The Company is exempt from the provisions of the Public Utility Holding Company Act of 1935, except Section 9(a)(2) thereof relating to the acquisition of securities of other public utility companies and Section 11(b)(2) thereof with respect to concluding matters relating to the acquisition of Missouri Utilities common stock. When the Securities and Exchange Commission approved such acquisition it reserved jurisdiction to pass upon the right of the Company and its utility subsidiaries to retain their gas properties.

The Powerplant and Industrial Fuel Use Act of 1978 ("Act") classifies all electric power plants, for which construction or acquisition began on or after November 9, 1978, as "new." The Act prohibits the use of natural gas or petroleum as a primary energy source in any "new" electric power plant unless an exemption from this prohibition is obtained. The Company's only foreseeable need for new petroleum burning power facilities would be for peaking capacity to be added as needed to meet the Company's peak load demands. A specific exemption for the use of petroleum in peak load power plants is authorized by the Act, and the Company will seek an exemption to burn petroleum in such peaking facilities when needed.

The Act also provides that the Secretary of Energy shall by rule require that any existing electric power plant which, during calendar year 1977, used coal as a primary energy source may not use petroleum as a primary energy source except in emergencies unless the Secretary of Energy issues a permit. The Company has 210 mW of oil fired capacity at its Venice Plant that is subject to this prohibition.

ENVIRONMENTAL MATTERS

The Company is subject to regulation with regard to air and water quality and other environmental matters, by various federal, state and local authorities. Compliance with such regulations may have an adverse effect on the Company's construction program.

AIR QUALITY. The States of Missouri and Illinois have received the approval of the Environmental Protection Agency ("EPA") for their respective plans for implementation of primary and secondary ambient air quality standards under the Federal Clean Air Act of 1970.

The Clean Air Amendments of 1977, which became law on August 8, 1977, among other things, require states to revise their existing implementation plans to prevent significant deterioration of air quality in areas where air quality is better than national standards and permits imposition of a "non-compliance penalty" on the operation of generating units not in compliance after June 30, 1979 with federally approved state emission regulations adopted to achieve compliance with federal ambient air quality standards. The amounts of such penalties are to be determined in accordance with EPA regulations.

The Company is presently in compliance with all sulphur dioxide air quality regulations and, except as discussed below, with all particulate and opacity regulations. Compliance with sulphur dioxide regulations is being achieved at the Company's coal-fired plants by burning low sulphur coal or by blending low and high sulphur coal. As discussed below, variances have been received to temporarily operate the Labadie and Meramec Plants while they are being brought into compliance with particulate and opacity regulations.

Missouri--Visible Emission Regulations and Particulate Regulations. The Missouri Air Conservation Commission ("Air Commission") and St. Louis County have revised their opacity regulations applicable to major sources in the St. Louis Metropolitan Area, lowering the standard from 40% to 20% equivalent opacity. Compliance with the more stringent requirement was required as of July 1, 1978. On February 11, 1979, the Air Commission revised its particulate emission regulations from .18 of a pound of particulates per million BTU of heat input to .12 of a pound. Sources are to be in compliance as expeditiously as possible but no later than February 11, 1982. The more stringent opacity and particulate standards have been approved by the EPA and have become a part of the federally-enforceable state implementation program.

Major improvements are being made in the existing particulate control equipment at the Company's Meramec and Labadie Plants to meet the more stringent opacity and particulate standards.

The Company has received a variance from St. Louis County, approved by the Air Commission, allowing a delay in meeting such standards at the Meramec Plant while the Company installs particulate control equipment. This variance was approved by the EPA on October 23, 1980. In requesting such variance the Company proposed to demonstrate compliance with the more stringent opacity and particulate standards no later than May 15, 1981 (Units 1 and 2) and November 30, 1981 (Units 3 and 4). Because of delays caused by a strike the Company, on February 25, 1981, filed with St. Louis County for a schedule change to demonstrate compliance no later than July 26, 1981 (Units 1 and 2), November 27, 1981 (Unit 3) and December 31, 1981 (Unit 4). A hearing on the schedule changes has been scheduled for April 10, 1981. Generating capacity at the Meramec Plant has been temporarily reduced while additional control equipment is installed, and when installation has been completed and tests indicate compliance with the revised standards, the Meramec units will resume operation at full capacity. The cost of improvements at the Meramec Plant to meet the revised standards is currently estimated at $54,000,000.

The Air Commission h s granted the Company a variance for the Labadie Plant allowing a delay in meeting more stringent opacity and particulate standards while the Company i alls control equipment, and on June 16, 1980 the EPA approved such variance. The Company proposes to demonstrate compliance with the more stringent opacity and particulate standards no later than March 1, 1983 (Unit 2), April 1, 1983 (Unit 3), October 1, 1983 (Unit 1), and March 1, 1984 (Unit 4). The cost of the improvements at the Labadie Plant to meet the more stringent standards is currently estimated at $75,000,000.

WATER QUALITY. The Administrator of the EPA and state agencies authorized by the Administrator have authority over the issuance of discharge permits under the Clean Water Act as amended December 27, 1977 ("CWA"). The Company has filed applications in Missouri, Illinois and Iowa for renewal of its National Pollution Discharge Elimination System ("NPDES") permits under requirements of the CWA and has received a permit from the Illinois

Environmental Protection Agency for all discharges from its Venice Plant. The existing permits for the Company's other plants remain in effect pending review of the applications.

The Company could be required to submit additional information on pending applications to comply with new consolidated permit regulations adopted May 19, 1980. The new NPDES permits will supersede the existing NPDES permits and will last for a period of five years. The requirements to meet "best conventional pollutant control technology" for conventional pollutants and "best available technology economically achievable" for toxic pollutants by July 1, 1984 will be reflected in the new permits. Although the amount of the expenditures that may be required cannot be determined at this time, the Company does not anticipate that they will be substantial. Proposed new effluent limitations for steam electric power generating plants were published by the EPA on October 14, 1980. The proposals, if finally adopted, are not expected to result in substantial expenditures to bring facilities into compliance.

On August 8, 1980, the Director of the Missouri Department of Natural Resources issued a NPDES permit for the Callaway Plant. A number of individuals have appealed to the Missouri Clean Water Commission requesting that a hearing be held, principally on the alleged effects of low level radiological discharges on downstream water supplies. Public hearings have been held and the matter is pending.

GENERAL. While the Company cannot accurately estimate the total effect of existing and future environmental regulations and standards upon existing and proposed facilities and operations of the Company, its commitment to improve the environment required expenditures (exclusive of those relating to nuclear facilities) of approximately $113,000,000 during the five-year period 1976 through 1980 (of which $20,000,000 was expended in 1979 and $33,000,000 in 1980). Estimated construction expenditures for the period 1981-1985 include expenditures relating to environmental matters (exclusive of those relating to nuclear facilities) in the amount of $200,000,000, consisting of $168,000,000 for air quality control, $4,000,000 for water quality control, $23,000,000 for the undergrounding of transmission and distribution lines, $4,000,000 for improving the functional and aesthetic characteristics of transmission and distribution facilities, and $1,000,000 for noise abatement. Approximately $73,000,000 is expected to be expended in 1981 and $59,000,000 in 1982.

In addition, $610,000,000 for environmental control matters is included in the Callaway Plant construction expenditures discussed under "Construction Program," including $495,000,000 for radiological control and $115,000,000 for water and miscellaneous environmental control matters. Approximately $90,000,000 is expected to be expended during the 1981-1985 period, including $36,000,000 in 1981 and $3,000,000 in 1982.

EMPLOYEES

The Company and its subsidiaries employed 6,914 persons at December 31, 1980, of whom 5,727 were employed by Union Electric Company. Approximately 75% of the employees of Union Electric Company are represented by local unions affiliated with the AFL-CIO. Agreements with these local unions expire on June 30, 1981, and negotiations for new labor agreements began in March 1981.

STATISTICAL INFORMATION (Consolidated)

	1980	1979	1978	1977	1976
Percentage of earnings on Common Stock attributable to AFC*	55.9	49.5	24.7	18.3	12.8
Common Stock dividends declared as a percentage of earnings.	70.5	82.9	69.8	81.6	72.2

*Net after the income tax effect applicable to the borrowed funds portion of AFC.

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KILOWATT HOUR OUTPUT (in millions)

	1980	1979	1978	1977	1976
Fuel generation.	25,153	25,573	25,527	25,907	23,914
Hydro generation	1,192	1,336	1,363	1,196	1,015
Purchased from Electric Energy, Inc.	1,696	1,431	332	811	802
Net Interchange and other purchases.	(1,147)	(2,600)	(1,675)	(2,845)	(2,426)
Total Output	26,894	25,740	25,547	25,069	23,305
Less line losses and system use.	2,099	2,051	2,030	1,988	1,946
Kilowatt Hour Sales.	24,795	23,689	23,517	23,081	21,359

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	1980	1979	1978	1977	1976
Electric Operating Revenues (000):					
Residential	$402.160	$333.251	$331.128	$283.124	$248.784
Commercial	306.486	265.278	253.279	219.806	195.568
Industrial	233.854	221.617	209.440	169.834	154.539
Other electric utilities	35.619	34.185	31.565	24.040	21.432
Miscellaneous	18.774	20.388	19.061	16.232	14.677
Total	$996.893	$874.719	$844.473	$713.036	$635.000
Kilowatt Hour Sales (000.000):					
Residential	8.446	7,546	7.670	7.389	6.625
Commercial	6.913	6.463	6.332	6.331	5.823
Industrial	7.616	7,858	7.738	7.656	7.221
Other electric utilities	1.435	1.341	1.317	1.263	1.171
Miscellaneous	385	481	460	442	519
Total	24.795	23.689	23.517	23.081	21.359
Electric Customers (End of year):					
Residential	862.406	853.908	845.074	832.251	821.564
Commercial	106.428	101.355	99.751	99.105	95.248
Industrial	5.328	5.334	5.348	5.225	5.459
Electric utilities	24	24	24	24	24
Other	2.950	2.917	2.753	2.312	1.472
Total	977.136	963.538	952.950	938.917	923.767
Residential Customer Data (Average):					
Kilowatt hours used	9.848	8.893	9.167	8.956	8.114
Annual electric bill	$468.92	$392.74	$395.74	$343.16	$304.71
Revenue/kilowatt hour	4.76¢	4.42¢	4.32¢	3.83¢	3.76¢
System Gross Instantaneous Peak Demand (Kilowatts)	6.404.000	5.846.000	5.813.000	5.837.000	5.582.000
System Capability at Time of Peak, Including Net of Firm Purchase and Sale of Capacity (Kilowatts)	7.471.000	7.739.000	6.873.000	6.891.000	6.913.000
Generating Capability at Time of Peak (Kilowatts)	6.824.000	6.947.000	6.718.000	6.607.000	6.439.000
System Net Integrated Hour Peak Demand (Kilowatts)	6.107.000	5.609.000	5.528.000	5.525.000	5.284.000
Load Factor (Net Integrated Hour)	50.1%	52.4%	52.7%	51.8%	50.2%

Financial Position (Thousands of Dollars)

Union Electric and Subsidiaries	December 31,				
	1980	1979	1978	1977	1976
Assets					
Property, net of accumulated depreciation	$3,202,298	$2,863,581	$2,541,074	$2,291,329	$2,121,482
Receivables, net	126,075	148,482	116,938	94,312	84,190
Fuel supplies	109,908	85,107	69,198	59,426	43,699
Other assets	113,823	71,828	72,999	76,114	66,668
Total Assets	$3,552,104	$3,168,998	$2,800,209	$2,521,181	$2,316,039
Capital and Liabilities					
Capitalization:					
Common stock and retained earnings—					
Common stock	$ 330,627	$ 293,984	$ 259,546	$ 234,059	$ 205,172
Other paid-in capital	414,020	374,189	328,573	280,187	222,038
Retained earnings	298,902	262,202	247,901	218,865	207,190
Common equity	1,043,549	930,375	836,020	733,111	634,400
Preferred stock not subject to mandatory redemption	281,355	281,355	281,355	281,355	241,355
Preferred stock subject to mandatory redemption	112,040	114,066	41,092	41,118	41,144
Long-term debt	1,479,229	1,307,990	1,238,860	1,189,080	1,118,418
Total capitalization	2,916,173	2,633,786	2,397,327	2,244,664	2,035,317
Accumulated deferred taxes on income	166,167	123,291	95,507	69,410	39,724
Accumulated deferred investment tax credits	113,474	87,556	55,647	33,612	9,647
Accounts and wages payable	98,224	100,310	92,321	57,745	60,488
Short-term debt including current maturities	141,895	122,909	34,692	23,155	67,162
Other liabilities	116,171	101,146	124,715	92,595	103,701
Total Capital and Liabilities	$3,552,104	$3,168,998	$2,800,209	$2,521,181	$2,316,039
Common Stock Data					
Number of shares outstanding	66,125,317	58,796,909	51,909,270	46,811,805	41,034,349
Book value per share	$15.78	$15.82	$16.11	$15.66	$15.46
Capitalization Ratios					
Common equity	35.8%	35.3%	34.9%	32.7%	31.2%
Preferred stock not subject to mandatory redemption	9.7	10.7	11.7	12.5	11.9
Preferred stock subject to mandatory redemption	3.8	4.3	1.7	1.8	2.0
Long-term debt	50.7	49.7	51.7	53.0	54.9
Total	100.0%	100.0%	100.0%	100.0%	100.0%

ITEM 2. PROPERTIES.

The following table sets forth information with respect to the existing generating facilities of the Company and its subsidiaries.

Energy Source	Plant	Location	Gross Kilowatt Generating Capability (1)	Percent of 1980 Net Generation
Coal	Labadie	Franklin County, Mo.	2,320,000	
	Sioux	St. Charles County, Mo.	960,000	
	Meramec	St. Louis County, Mo.	835,000(2)	
	Rush Island	Jefferson County, Mo.	1,200,000	
		Total Coal	5,315,000	95.1
Hydro	Osage (3)	Lakeside, Mo.	212,000	
	Keokuk	Keokuk, Ia.	119,000	
		Total Hydro	331,000 (4)	4.4
Oil and Natural Gas (3)	Venice	Venice, Ill.	471,000	
	Ashley	St. Louis, Mo.	73,000	
	Other	Various	389,000	
		Total Oil and Natural Gas	933,000	.4
Pumped-storage(3)	Taum Sauk	Reynolds County, Mo.	300,000	.1
			6,879,000	100.0

(1) At time of the expected maximum gross instantaneous demand on the Company's system in 1981.
(2) Reflects a temporary reduction of 88,000 kW in order to comply with environmental regulations. See "Environmental Matters."
(3) Used primarily for peaking and emergency generation.
(4) Based on normal river flow.

The maximum gross instantaneous demand on the Company's system occurred on July 14, 1980 and amounted to 6,404,000 kW. Generating capability existing at that time totaled 6,824,000 kW which, together with power available from firm interchange and purchase contracts, provided a reserve of approximately 17%. In planning its construction program, the Company is presently utilizing a forecast of load growth approximating 2.5% compounded annually and is providing for a minimum reserve margin of approximately 15% above its anticipated peak load requirements.

The Company is a member of one of the nine regional electric reliability councils organized for coordinating the planning and operation of the nation's bulk power supply - MAIN (Mid-America Interpool Network) operating primarily in Wisconsin, Illinois and Missouri. The Company has interconnections for the exchange of power, directly and through the facilities of others, with seventeen utilities, and with Associated Electric Cooperative,

Inc., the Southwestern Power Administration and the Tennessee Valley Authority.

The Company owns 40% of the capital stock of Electric Energy, Inc. ("EEI"), the balance of which is held by three other "sponsoring companies." EEI owns and operates a generating plant with a capacity of 1,000,000 kW, of which 735,000 kW is committed to the Paducah Project of the Department of Energy. The sponsoring companies are entitled to surplus power from EEI's generating plant in the ratio of their participation in the Common Stock of EEI, and accordingly, the Company is entitled to 40% of such surplus power, up to 106,000 kW. Because of reduced Department of Energy requirements, the Company has agreed to purchase additional power ranging from 240,000 kW to 350,000 kW from EEI during the period October 1, 1980 through September 30, 1981.

As of December 31, 1980, the Company owned approximately 3,335 circuit miles of electric transmission lines, 13,891 pole miles of overhead distribution lines, 6,420 miles of underground cable, and 329 substations with a transformer capacity of approximately 32,466,000 kVA. The Company owns a propane-air gas plant in Alton, Illinois with a daily natural gas equivalent capacity of 12,000 Mcf and 257 miles of gas mains in the City of Alton, Illinois and vicinity. Other properties of the Company include a steam distribution system in downtown St. Louis and office buildings, warehouses, garages and repair shops at various locations throughout the territory served.

As of December 31, 1980, Missouri Power owned approximately 1,698 circuit miles of electric transmission lines, 257 substations with a transformer capacity of approximately 2,229,000 kVA, and related distribution systems; and a propane-air gas plant at Jefferson City, Missouri with a daily natural gas equivalent capacity of 7,500 Mcf and 690 miles of gas mains. As of the same date, Missouri Edison owned approximately 352 circuit miles of electric transmission lines, 83 substations with a transformer capacity of approximately 664,000 kVA, and related distribution systems; and 299 miles of gas mains. Missouri Utilities owned approximately 601 circuit miles of electric transmission lines, 106 substations with a transformer capacity of approximately 1,231,000 kVA, and related distribution systems; and three propane-air plants with an aggregate daily natural gas equivalent capacity of 10,440 Mcf and 1,022 miles of gas mains. Missouri Utilities also owns and operates approximately 185 miles of water mains and a pumping, purification and treating plant with a capacity of 5.9 million gallons of water per day.

The Company and its subsidiaries have fee title to all of their principal plants and other important units of property, or to the real property on which such facilities are located (subject to the liens of the respective mortgages securing outstanding indebtedness of the companies and to permitted liens and judgment liens as defined therein), except that (i) a portion of the Osage reservoir, certain facilities at the Sioux Plant, certain of the companies' substations and most of their transmission and distribution lines and gas mains are situated on lands occupied under leases, easements, franchises, licenses or permits; (ii) the United States and/or the State of Missouri own, or have or may have, paramount rights to certain lands lying in the bed of the Osage River or located between the inner and outer harbor lines of the Mississippi River, on which certain generating and other properties of the Company are located; and (iii) the United States and/or State of Illinois and/or State of Iowa and/or City of Keokuk, Iowa own, or have or may have, paramount rights with respect to, certain lands lying in the bed of the Mississippi River on which a portion of the Company's Keokuk Plant is located.

ITEM 3. LEGAL PROCEEDINGS.

The Company applied to the NRC for construction permits and the operating licenses for the nuclear units at its Callaway Plant in April 1974. In April 1976, the NRC issued construction permits for the two nuclear units as authorized by an Initial Decision rendered by the NRC Atomic Safety and Licensing Board. In decisions rendered in September 1976 and August 1977, the NRC Atomic Safety and Licensing Appeal Board rejected exceptions to the Initial Decision filed by intervenors and affirmed the Initial Decision in all respects. The August 1977 appeal board decision has been appealed by intervenors to the United States Court of Appeals for the District of Columbia. At the request of the intervenors the Court is holding its review in abeyance pending the issuance of decisions in two related actions to which the Company is not a party. The construction permits provide that construction of the first and second units must be completed by February 28, 1982 and February 28, 1984, respectively. In view of the deferrals of the expected in-service dates of the Callaway units discussed under "Construction Program", it will be necessary for the Company to request a modification of its construction permits with respect to the completion dates. By letter dated October 19, 1979, the Company transmitted its amended application to the NRC for an operating license for the first unit at the Callaway Plant. The Missouri Commission, certain anti-nuclear groups and others have requested permission to participate in plant licensing procedures. The Company must obtain an operating license by October 1982 to achieve scheduled commercial operation of Unit No. 1 in April 1983. Other companies have been experiencing delays in obtaining operating licenses from the NRC and, consequently, the Company can give no assurance that the operating license for Unit No. 1 will be received in a timely manner.

The Company cannot predict what ultimate effect the accident experienced at the Three Mile Island Plant and the investigations or any related regulations or legislation resulting therefrom may have on the construction schedule and costs or on future operation of the Callaway units. However, changes identified to date have not resulted in significant increases in the costs of the units.

An order was issued by the Missouri Commission, effective April 1, 1975, authorizing the construction, operation and maintenance of the nuclear units. On August 14, 1979, the Missouri Commission issued an Order of Investigation requiring its Staff to commence an investigation into the generation expansion program of the Company to examine such matters as the electric need forecasting methods of the Company, the cost of alternative facilities to the Company's present construction program and the need for additional generation facilities. Hearings were held in May and June 1980. The Missouri Commission also filed a request with the NRC seeking the institution of a proceeding to suspend the construction permit granted by the NRC for the construction of the second unit of the Callaway Plant to allow both the Missouri Commission and the NRC an opportunity to reassess the need for the unit. On March 10, 1980, the NRC issued an interim decision deferring the matter, pending a final decision in the Missouri Commission's investigation case. At December 31, 1980, the Company had expended approximately $51,000,000 on the second unit of Callaway Plant, consisting primarily of developmental, licensing, engineering and similar costs. If construction of the second unit was terminated, the Company would incur contract termination charges which could approximate the same amount.

On May 9, 1978, a holder of the Company's First Mortgage Bonds, 10 1/2% Series due 2005 ("Bonds"), individually and as representative of a class composed of such holders, instituted suit in the Circuit Court of St. Louis County against the Company, the Trustee under the Indenture pursuant to which the Bonds were issued, and the managers of the underwriting group purchasing and marketing the Bonds. Thereafter two additional holders of the Bonds joined as plaintiffs, and the case was certified as a class action insofar as it seeks declaratory relief. In the first four counts of the petition, from which the underwriters have been dismissed, plaintiffs and such class seek a declaratory judgment that the Company and Trustee do not have the right to effect a special redemption of the Bonds out of monies deposited in the Maintenance Fund or the Improvement Fund relating to them. The Trustee has filed a crossclaim seeking instructions, and the Company has filed a counterclaim seeking a declaration of its rights in the matter. The remaining counts of the petition, which have been stayed pending resolution of the declaratory judgment counts, seek actual damages of $22,225,000, punitive damages of $10,000,000 against the Company and $50,000,000 against the remaining defendants, and attorneys' fees and costs. The Company and defendant underwriters filed motions requesting a separate trial of the Company's contractual right to effect the proposed special redemption, and the Company filed a motion for a partial summary judgment declaring that it has such right. Also, the plaintiffs filed a motion for summary judgment respecting all their claims for declaratory relief. Before such motion was filed, plaintiffs dismissed one of the four managing underwriters as a defendant in the suit.

On December 28, 1979, the Circuit Court entered an order sustaining the plaintiffs' motion for a summary judgment on three of the first four counts in which it sought a declaratory judgment and in effect denied all other motions pending at the time. The order prohibits a special redemption of the Bonds out of monies deposited in the Maintenance Fund or the Improvement Fund and contains a number of other findings concerning characteristics of the Indenture, including, particularly, the Maintenance and Improvement Funds.

On February 5, 1980 and February 14, 1980, the Company and the Trustee, respectively, filed separate appeals from the Order of the Circuit Court to the Missouri Court of Appeals. Thereafter, the case was briefed and orally argued before said Court, which now has the appeal under submission.

On February 11, 1980, the plaintiffs, individually and as representatives of a class composed of all holders of the Bonds, instituted a separate suit in the Federal Court for the Eastern District of Missouri against the Company, the Trustee, and three of the four managers of the underwriting group. The allegations and prayers in the complaint are similar to those contained in the petition filed in the Circuit Court of St. Louis County. In Counts I and II of their complaint, plaintiffs seek declarations and $17,000,000 actual damages, punitive damages of $10,000,000 against the Company and $50,000,000 against the remaining defendants, and attorneys' fees and costs for alleged violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 of the Securities and Exchange Commission, and Section 323(a) of the Trust Indenture Act of 1939 in failing to adequately disclose the Company's right to specially redeem the Bonds and also injunctive relief prohibiting such redemption prior to March 1, 1985. Count III of the complaint seeks damages against defendant managers only for the alleged interference with the bond contract. On June 6, 1980, the Federal Court entered an order staying this suit pending a resolution of the collateral suit before the state courts.

See "Fuel Supply-Nuclear", "Rates", and "Environmental Matters", for a discussion of legal proceedings with respect to such matters.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Security ownership of management.

Information required by this item is reported on pages 7 and 8 in the Company's 1981 definitive proxy statement filed pursuant to Regulation 14A and is incorporated herein by reference.

Information regarding executive officers required by Item 3 of Regulation S-K:

Name	Age At 12/31/80	Present Position	Date First Elected or Appointed to Present Position
Charles J. Dougherty	61	Chairman of the Board	4/22/80
		Director and	1/14/66
		Chief Executive Officer	4/23/68
William E. Cornelius	49	President	4/22/80
		and Director	11/8/68
Earl K. Dille	53	Executive Vice President	1/1/71
		and Director	4/25/72
Stewart W. Smith, Jr.	48	Executive Vice President	4/22/80
		and Director	4/22/75
H. Clyde Allen	52	Vice President	4/22/75
John K. Bryan	63	Vice President	4/25/72
J. T. Friel	62	Vice President and	4/22/75
		Controller	7/1/72
M. E. Gatewood	63	Vice President	10/6/78
G. J. Haven	53	Vice President	11/18/69
William A. Sanford	47	Vice President	10/6/78
Edgar J. Telthorst	53	Vice President	4/22/80
Merle T. Welshans	62	Vice President	10/1/70
H. E. Wuertenbaecher, Jr.	54	Vice President	11/13/64
William E. Jaudes	43	General Counsel	4/22/80
G. R. Murray	65	Secretary	11/10/67
C. W. Mueller	42	Treasurer	12/1/78

All officers are elected or appointed annually by the Board of Directors following the election of such Board at the annual meeting of stockholders held in April. There are no family relationships between the foregoing officers of the Company.

Each of the above-named executive officers has been employed by the Company for more than five years in executive or management positions. Those officers elected or appointed to their present position within the past five years held previous positions as follows:

Name	Previous Position	Term
Charles J. Dougherty	President	1966-1980
William E. Cornelius	Executive Vice President	1968-1980
Stewart W. Smith, Jr.	Vice President and	1969-1980
	General Counsel	1966-1980
M. E. Gatewood	Purchasing Agent	1968-1976
	Director, Supply Service	1976-1978
C. W. Mueller	Supervising Engineer, Interconnection Arrangements	1975-1977
	Assistant Director, Corporate Planning	1977-1978
William A. Sanford	Director, Industrial Relations	1974-1978
Edgar J. Telthorst	Assistant General Manager, Power Plants	1975-1978
	General Manager, Power Plants	1978-1979
	Director - Power Operations	1979-1980
William E. Jaudes	General Attorney	1973-1980

Security ownership of outside counsel (as of March 31, 1981).

The Company's outside counsel for legal matters in Missouri and Illinois, Schlafly, Griesedieck, Ferrell & Toft, reports that William H. Ferrell, Esq., a member of the firm, owns 1,231 shares of the Company's Common Stock and $[illegible]000 principal amount of First Mortgage Bonds, 10 1/2% Series due 2005 of the Company, other members and associates of that firm own an aggregate of 760 shares of Common Stock, 25 shares of Preferred Stock, $3.50 Series, and the firm holds as fiduciary 327 shares of Common Stock. Partners and associates in that firm also report that their wives own 320 shares of the Company's Common Stock but they disclaim any interest in such shares. J. A. Concannon, Esq., the Company's outside counsel for legal matters in Iowa, reports ownership of 700 shares of the Company's Common Stock and $5,000 principal amount of First Mortgage Bonds, 8 3/8% Series due 2004, of the Company.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS.

Quarterly Common Stock Data (1)

Union Electric Company

1980 Price Range (2)		1980		1979 Price Range (2)		1979
High	**Low**	**Dividends (3)**	Quarter Ended:	High	Low	Dividends
$12¼	$ 9¾	36¢	March 31	$14¾	$13⅜	36¢
12⅞	10	36	June 30	14	13⅛	36
12¾	11⅛	38	September 30	14¼	13¼	36
12	10¼	38	December 31	13¾	11	36

(1) At December 31, 1980, Union Electric Company common stock shareholders totalled 168,582.

(2) Based on transactions recorded on the New York Stock Exchange.

(3) Restriction on the payment of common stock dividends at December 31, 1980: Consolidated Retained Earnings amounted to $298,902,000 as of December 31, 1980; however, under the mortgage indenture of Union Electric Company, as amended, $53,797,000 of such retained earnings was restricted against payment of common dividends—except those payable in common stock.

ITEM 6. SELECTED FINANCIAL DATA.

Union Electric and Subsidiaries	Year Ended December 31,				
	1980	1979	1978	1977	1976
	(Thousands of dollars except share and per share amounts and ratios)				
Operating revenues	$1,077,876	$946,797	$903,988	$765,102	$682,456
Operating expenses	886,720	780,331	727,756	605,963	518,342
Operating income	191,156	166,466	176,232	159,139	164,114
Allowance for funds used during construction (All funds prior to January 1, 1977 and equity funds after December 31, 1976)	45,357	31,245	15,980	8,301	12,379
Other income—miscellaneous	3,638	879	2,896	1,389	(2,554)
Interest on debt and other items	132,112	107,383	90,699	84,015	78,529
Allowance for borrowed funds used during construction after December 31, 1976	46,698	26,848	15,489	10,721	—
Net income	154,737	118,055	119,898	95,535	95,410
Preferred dividend requirements of Company	29,695	26,948	23,040	20,367	19,640
Earnings on common stock	125,042	91,107	96,858	75,168	75,770

	1980	1979	1978	1977	1976
Earnings per share of common stock (based on average shares outstanding)	$2.10	$1.73	$2.01	$1.67	$1.86
Cash dividends declared per share of common stock	$1.48	$1.44	$1.40	$1.36	$1.34
Average number of common shares outstanding	59,675,995	52,577,432	48,260,596	45,110,245	40,795,152
Return on average common stock equity	13.11%	10.71%	12.61%	10.68%	12.19%
Ratio of earnings to fixed charges (a)	2.85	[illegible]	3.18	2.81	2.79

	1980	1979	1978	1977	1976
Total assets	$3,552,104	$3,168,998	$2,800,209	$2,521,181	$2,316,039
Long-term debt obligations	1,479,229	1,307,990	1,238,860	1,189,080	1,118,418
Redeemable preferred stock	112,040	114,066	41,092	41,118	41,144

(a) Earnings used in computing the ratio of earnings to fixed charges consist of net income plus fixed charges (interest on debt, preferred dividends of subsidiaries and an appropriate amount of rentals charged to operating expenses) and income taxes.

Liquidity and Capital Resources

Consolidated capital expenditures for the construction program totalled $1.6 billion during the five years ended December 31, 1980, including $421 million and $395 million in 1980 and 1979, respectively, of which approximately 30% was generated internally. Such expenditures are estimated to aggregate $2.0 billion over the next five years, 1981 through 1985, including $508 million in 1981 and $447 million in 1982. The estimated cash requirements for this construction program, excluding amounts for allowance for funds used during construction and nuclear fuel which is being leased, are $381 million for 1981 and $285 million for 1982. The Company presently anticipates that approximately 10% of such cash requirements in each of the years 1981 and 1982 will be obtained from internally generated funds, assuming reasonable rate relief in 1981. In 1983 and thereafter, the internal generation of cash is expected to improve dramatically when Callaway Unit No. 1 is completed at a cost of approximately $1.6 billion and is included in rate base. (*)

In addition to the funds required for construction during the 1981-1985 period, $137.4 million will be required to retire long-term debt maturing during the period and for sinking fund payments on first mortgage bonds and preferred stock. (See Notes 5 and 6 under Notes to Financial Statements.)

At December 31, 1980 there was more than $40 million of unused proceeds on deposit with a Trustee under a 1980 $60 million Environmental Improvement Bond issue, which will be utilized to finance new pollution control facilities.

The Company has entered into a four-year revolving credit agreement with certain commercial banks early in 1981 which would permit the Company to borrow up to $100 million at any one time. (**)

In February, 1981, the Company sold $150 million of 15⅛ per cent ten-year maturity first mortgage bonds. The types, amounts and timing of future financings will depend upon market conditions, regulatory actions, rate levels, and other factors. The Company's objective is to maintain, approximately, the consolidated capitalization ratios, as presently established (see Capitalization Ratios under Financial Position on page I-15).

The Company plans to continue to utilize short-term debt as interim support between long-term financing. Consolidated average daily short-term borrowings outstanding during 1980 aggregated $90,425,000 with a weighted composite interest rate of 13.4%. At December 31, 1980, the Company and its subsidiaries had bank lines of credit and credit commitments from banks aggregating $205,820,000, not including the revolving credit agreement mentioned above. (See Note 8 under Notes to Financial Statements). The Company is authorized by the Federal Energy Regulatory Commission to incur up to $300 million of short-term unsecured indebtedness.

The Company has entered into a nuclear fuel lease providing for the financing of up to $200 million of nuclear fuel.

In January, 1981, Standard and Poor's Corporation lowered its ratings on the Company's first mortgage bonds and collateralized pollution control revenue bonds to BBB+ from A−, preferred stock to BBB− from BBB and commercial paper to A3 from A2. Moody's Investors Service also lowered its ratings on the Company's first mortgage bonds, secured indebtedness, and preferred stock to Baa from A, commercial paper to P3 from P2, and continued its rating on the Company's unsecured indebtedness at Baa.

Such lowered ratings will increase the cost of any such securities issued, and may impair the Company's ability to issue its securities, and may restrict its access to the commercial paper market.

The mortgage indenture of the Company requires a minimum level of earnings for the issuance of additional bonds. Such requirement may restrict the issuance of additional mortgage bonds in 1981 and beyond, unless substantial rate relief is received in 1981.

For data relative to Supplementary Information on Inflation and Changing Prices, see pages II-6 and II 7.

(*) On April 2, 1981 the Company revised its construction program to reflect a delay in the second unit of its Callaway nuclear plant from 1988 to 1990; and accordingly the projected construction expenditures and cash requirements included above represent the updated estimates included in such revised program. For a discussion of such delay see "Construction Program," in Part I hereof.

(**) Entered into March 23, 1981.

Results of Operations

Consolidated earnings amounted to $125 million in 1980, an increase of $34 million over 1979 and $28 million over 1978. Earnings per share of $2.10 in 1980 were 37¢ greater than 1979 and 9¢ over 1978.

Conditions which contributed to these increases are explained below. While earnings are expected to remain reasonably stable during the immediately following years, earnings per share, because of the dilutive effect of new shares issued, are expected to decline until substantial rate increases are realized.

Electric Operating Revenues

A discussion of the variations in electric operating revenues, which represent over 90% of total operating revenues follows:

	Variation from Prior Year		
	1980	1979	1978
	(Millions of Dollars)		
Tariffs and fuel clauses	$ 70.3	$26.9	$111.1
Kilowatt-hour sales	47.3	2.2	13.0
License/franchise taxes	4.6	1.1	7.3
	$122.2	$30.2	$131.4

Increases in each of the past three years were the result of combinations of general rate increases for Union Electric Company and each of the subsidiaries at various times during the periods, changes in fuel adjustment clauses, weather, growth and economic conditions.

Significant electric rate increases were granted by the Missouri Public Service Commission early in 1978 (approximately $33 million annually) and in mid-1980 (approximately $22 million annually). In addition, effective May 30, 1980 the Missouri Commission restructured rates applicable to all classifications of customers to increase rates June through October and decrease rates November through May. Approximately $20 million was added to 1980 revenues as a result of that restructuring.

Fuel adjustment clauses contributed about $70 million to the increased revenues in 1978. However, in 1979 and 1980 respectively, following a Missouri Supreme Court decision in 1979 declaring electric fuel clauses unlawful, revenues from the Missouri fuel clause were discontinued but were offset about evenly by a simultaneous increase in basic tariffs. At that time a $7 million fuel clause surcharge collected earlier was refunded to Missouri customers. No further material decrease in revenues has been experienced to date as a result of the loss of the Missouri fuel clause, however, unless the fuel clause is reinstated, any future increases in fuel costs will have to be recovered through formal rate proceedings.

Growth in total kilowatt-hour sales since 1977 has been relatively minor, as evidenced by a 2.4% compound annual rate of growth, despite substantial 1980 sales to residential and commercial customers because of near record summer temperatures. Residential and commercial customers recorded annual growth rates of 4.6% and 3.0%, respectively, while industrial sales have declined to a level below 1977. The unusual 1980 weather added about $33 million to revenues.

Operating Expenses

The changes in operating expenses were as follows:

Fuel and Purchased Power	Variation from Prior Year		
	1980	1979	1978
	(Millions of Dollars)		
Fuel:			
Variation in generation of electricity	$(6.0)	$ .9	$(4.9)
Price increases	20.7	25.3	73.7
Deferred fuel termination	(14.0)	14.0	—
Generation and fuel efficiencies	(7.5)	(10.8)	2.4
Purchased and interchange power	39.0	15.9	(1.3)
	$32.2	$45.3	$69.9

Purchased and interchange power in 1979 and 1980 reflects lower interchange net sales transactions with other power systems.

The Company has been a net seller of interchange energy since 1975 and expects to continue to export such power in the foreseeable future. The market for energy sales to neighboring utilities was somewhat unfavorable during the past two years but this condition is not expected to continue.

Operating Expenses (continued)

Following the Missouri Supreme Court decision in 1979 declaring fuel adjustment clauses unlawful in Missouri, the Company discontinued deferring such fuel costs collectible under the clause.

Other Operations	Variation from Prior Year		
	1980	1979	1978
	(Millions of Dollars)		
Normal increases due to growth, inflation and wage increases	$12.7	$ 8.8	$7.0
Settlement of a lawsuit against Westinghouse Electric Corporation based on generator failures at the Company's Labadie Plant in 1971 and 1972	–	3.8	(3.8)
Increases due primarily to higher cost of purchased gas	6.9	9.4	5.1
	$19.6	$22.0	$8.3

Maintenance

The variations in maintenance reflected normal increases principally due to higher costs of repair parts and wage increases.

Depreciation

The variations in depreciation resulted from increases in depreciable property. No changes were made in depreciation rates during the periods.

Income Taxes

Income taxes fluctuated in response to pretax income and were further reduced in 1979 when the federal income tax rate was reduced from 48% to 46%. For additional details see the Notes to Financial Statements.

Other Taxes

These increases generally reflect higher real estate taxes due to property additions, and increased gross receipts taxes on greater revenues.

Other Items

Other changes were as follows:

	Variation from Prior Year		
	1980	1979	1978
	(Millions of Dollars)		
Interest on debt	$24.7	$16.7	$6.7
Preferred dividends	2.7	3.9	2.7
Allowance for funds used during construction (AFC)	34.0	26.6	12.4
Miscellaneous other income, net	2.8	(2.0)	1.5

The increases in interest and preferred dividends were due to the issuance of securities to finance the construction program and higher interest and preferred dividend rates on certain of such securities. AFC increased due to an increased amount of Construction Work in Progress and to increased AFC rates.

Interest on debt of the Company and its subsidiaries will increase substantially in 1981, reflecting a significant portion of the $23 million annual interest requirement on the recent $150 million sale of Union Electric Company 15⅜% Series first mortgage bonds (see note (g) under the Long-Term Debt statement on pages II-16 & II-17.

The amount of AFC will continue to increase significantly and constitute a substantial portion of earnings, until such time as Unit 1 of the Callaway nuclear plant goes into commercial operation and is included in rate base and its costs reflected in electric rates. This unit is presently scheduled for 1983.

Supplementary Information on Inflation and Changing Prices (unaudited)

Union Electric and Subsidiaries

Estimates of the effects of inflation and changing prices on the operations of the Company for the year ending December 31, 1980, are presented in accordance with the requirements of Financial Accounting Standards Board (FASB) Statement No. 33, "Financial Reporting and Changing Prices." Statement No. 33 requires that historical costs be adjusted to reflect the effects that general inflation (constant dollar) and changes in specific prices (current cost) have had on the Company's operations. The adjusted data is not intended as a substitute for earnings reported on an historical cost basis, but rather to give some perspective as to the approximate effects of changes in the purchasing power of the dollar.

Property, Plant and Equipment

The estimated value in average 1980 dollars of property, plant and equipment, including construction work in progress, was determined by applying the Consumer Price Index for All Urban Consumers to the historical cost of plant. The current cost estimates were measured by applying the Handy-Whitman Index of Public Utility Construction Cost to each major class of plant. Current cost approximates the cost of currently replacing existing plant. The adjusted plant data under either the constant dollar or current cost methods does not indicate the Company's future capital requirements because actual replacement of existing plant will occur over many years and will not identically replace existing plant.

At December 31, 1980, the constant dollar and current cost of property, plant and equipment, net of accumulated depreciation were $6,061,706,000 and $7,134,876,000, respectively, while historical or net recoverable cost was $3,202,298,000. The current cost and constant dollar values differ because specific prices of plant have increased at a rate different from that of general inflation.

Accumulated Depreciation

The accumulated provision for depreciation for both constant dollar and current cost was determined by applying to the adjusted amounts of each major class of plant, the same percentage relationship that existed between gross plant and accumulated provision for depreciation on an historical basis.

Depreciation Expense

Depreciation expense for the year 1980 applicable to constant dollar and current cost property was $173,121,000 and $197,486,000, respectively. The actual 1980 depreciation expense was $78,819,000.

The adjusted amounts were determined by applying to the indexed property and plant values the same straight-line book rates used for historical purposes.

Reduction of Property, Plant and Equipment to Net Recoverable Cost

The regulatory process limits the Company to the recovery of the historical cost of property and plant through depreciation. Therefore, any excess of property and plant in constant dollars or current cost must be reduced to the net recoverable cost, which is historical cost. The amount of this excess occurring in 1980 is reported on the Consolidated Statement of Income Adjusted for Changing Prices.

Gain from Decline of Purchasing Power of Net Amounts Owed

The Company, by having assets such as receivables, inventory and deferred charges, suffers a loss of purchasing power during periods of inflation because after conversion, the cash received for these items will purchase less. Conversely, the Company has significant amounts of long-term debt (and some refundable preferred stock) outstanding which will be paid back with "cheaper" dollars.

Consolidated Statement of Income Adjusted for Changing Prices For the Year Ended December 31, 1980

	Constant Dollar	Current Cost
	(Thousands of average 1980 dollars)	
Earnings on common stock, as reported	$ 125,042	$ 125,042
Additional depreciation expense	(94,302)	(118,667)
Earnings on common stock, as adjusted (excluding reduction to net recoverable cost)	30,740*	6,375
Reduction to net recoverable cost	(259,958)	(121,790)
Relative price changes**	—	(113,803)
Gain from decline in purchasing power of net amounts owed	194,661	194,661
Net erosion of common shareholders equity	$ (34,557)	$ (34,557)

*Earnings on common stock on a constant dollar basis would have been a loss of $229,218,000 if it reflected the reduction to net recoverable cost of $259,958,000.

**Represents the excess of general price changes ($779,661,000) in 1980 over the increase for 1980 in specific prices of property and plant ($665,858,000).

For the year 1980. the Company experienced a net "gain" of $194.661.000 from having an excess of monetary liabilities over monetary assets.

General

As allowed by Statement No. 33. other than depreciation expense. none of the other income statement items were adjusted.

For rate-making purposes. the amount of depreciation expense included in the Company's allowed revenues is based on historical or original cost. The Company's inability to reflect the effects of inflation and changing prices resulted in 1980 reported earnings of $125.042.000 or $2.10 per share rather than the more realistic earnings of $30.740.000 or 52¢ per share on a constant dollar basis. or $6.375.000 or 11¢ per share on a current cost basis reported on the Five Year Comparison of Selected Supplementary Financial Data. The total effect on common shareholders' equity. in 1980. from changing prices. amounted to a loss of $34.557.000 or 58¢ per share. Also. because Federal income tax policy prohibits the deduction of inflation-adjusted depreciation expense for income taxes. the Company's 1980 effective income tax rate was 58% for constant dollar and 70% under current cost. each of which is greater than the Federal statutory rate of 46%. Failure of regulatory and taxing authorities to recognize in allowable depreciation the current cost of plant. has serious implications. It severely limits the amount of funds that are generated internally for use in replacing or modernizing aging and obsolete assets.

Rates authorized by regulatory agencies must be sufficient to permit the replacing of plant and equipment when necessary as well as preserve the purchasing power of common equity capital. As shown on the Five Year Comparison of Selected Supplementary Financial Data. to have retained the same purchasing power as they had in 1976. the Company's common shareholders should have received 1980 common dividends of $1.94 per share and the realized returns on common equity should have been sufficient to permit the common stock to sell at about $23.00 per share or about twice the year-end price.

Five Year Comparison of Selected Supplementary Financial Data Adjusted for Effects of Changing Prices	Year Ended December 31, 1980	1979	1978	1977	1976
	(Thousands except per share amounts)				
Operating revenues:					
As reported	$1.077.876	$ 946.797	$ 903.988	$ 765.102	$682.456
Adjusted for general inflation	1.077.876	1.075.000	1.142.000	1.040.000	988.000
Earnings (loss) on common stock (excluding reduction to net recoverable cost):					
As reported	$125.042	$91.107			
Adjusted for general inflation	30.740	16.733			
Current cost basis	6.375	(14.679)			
Earnings (loss) per share of common stock (excluding reduction to net recoverable cost):					
As reported	$2.10	$1.73			
Adjusted for general inflation	.52	.32			
Current cost basis	.11	(.28)			
Shareholders equity (net assets), at year end:					
Historical cost	$1.324.904	$1.211.730			
Adjusted for general inflation	1.265.426	1.300.805			
Excess of general price changes over increase in the specific level of prices	$113.803	$186.981			
Gain from decline in purchasing power of net amounts owed	$194.661	$208.087			
Cash dividends declared per common share:					
Actual	$1.48	$1.4[illegible]	$1.40	$1.36	$1.34
Adjusted for general inflation	1.48	1.63	1.77	1.85	1.94
Market price per share at year end:					
Actual	$10⅞	$12	$13⅜	$15	$15¾
Adjusted for general inflation	10⅜	13⅝	16⅞	20⅜	22⅞
Average consumer price index	246.8	217.4	195.4	181.5	170.5

Note: Adjusted amounts are in average 1980 dollars.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Supplementary Selected Quarterly Information

Union Electric and Subsidiaries

	Operating Revenues	Operating Income	Net Income	Earnings on Common Stock	Earnings Per Average Share of Common Stock Outstanding
	(Thousands of Dollars)				(Dollars)
Quarter Ended:					
March 31, 1980	**$249,892**	**$37,758**	**$27,825**	**$20,394**	**$0.35**
March 31, 1979	240,256	41,950	29,581	23,821	0.46
June 30, 1980	**244,501**	**46,753**	**37,338**	**29,908**	**0.50**
June 30, 1979	218,142	37,470	24,383	18,137	0.35
September 30, 1980	**353,434**	**78,447**	**69,300**	**61,869**	**1.04**
September 30, 1979	261,903	49,993	38,760	31,275	0.60
December 31, 1980	**230,[illegible]9**	**28,198**	**20,274**	**12,871**	**0.21**
December 31, 1979	22[illegible],496	37,053	25,331	17,874	0.33

Price Waterhouse & Co.

ONE MEMORIAL DRIVE
ST. LOUIS, MISSOURI 63102
314-425-0500

February 14, 1981

To the Stockholders and Board of
Directors of Union Electric Company

In our opinion, the consolidated financial statements listed in the accompanying index present fairly the financial position of Union Electric Company and its subsidiaries at December 31, 1980 and 1979, and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1980, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.
PRICE WATERHOUSE & CO.

INDEX TO FINANCIAL STATEMENTS

Schedules

The following schedules, for the years ended December 31, 1980, 1979 and 1978, should be read in conjunction with the aforementioned financial statements (schedules not included have been omitted because they are not applicable or the required data is shown in the aforementioned financial statements).

The individual financial statements of the Company have been omitted since its total assets, exclusive of investments in and advances to its consolidated subsidiaries, constitute 75% or more of the total assets as shown by the most recent year-end consolidated balance sheet; and the Company's total revenues for the year then ended, exclusive of interest and dividends received from or its equity in the income of the consolidated subsidiaries, constitute 75% or more of the total revenues shown by the consolidated statement of income for such year.

Consolidated Statement Of Income (Thousands of Dollars)

Union Electric and Subsidiaries		Year 1980	Year 1979	Year 1978
Operating Revenues (*):	Electric	$ 996,893	$874,719	$844,473
	Gas	67,577	60,537	50,150
	Steam	11,486	10,172	8,149
	Water	1,920	1,369	1,216
	Total operating revenues	1,077,876	946,797	903,988
Operating Expenses:	Operations			
	Fuel and purchased power	334,428	302,182	256,894
	Other	185,071	165,493	143,482
		519,499	467,675	400,376
	Maintenance	80,632	71,184	68,012
	Depreciation	78,819	76,300	73,477
	Income taxes	91,925	56,181	80,366
	Other taxes	115,845	108,991	105,525
	Total operating expenses	886,720	780,331	727,756
Operating Income		191,156	166,466	176,232
Other Income:	Allowance for equity funds used during construction	45,357	31,245	15,980
	Miscellaneous, net	3,638	879	2,896
	Total other income	48,995	32,124	18,876
Income Before Interest and Other Items		240,151	198,590	195,108
Interest and Other Items:	Interest on debt	131,725	106,995	90,309
	Allowance for borrowed funds used during construction	(46,698)	(26,848)	(15,489)
	Preferred dividends of subsidiaries	387	388	390
	Total interest and other items	85,414	80,535	75,210
Net Income		154,737	118,055	119,898
Preferred Dividend Requirements of Company		29,695	26,948	23,040
Earnings on Common Stock		$ 125,042	$ 91,107	$ 96,858

(*) Includes license and franchise taxes of $54,068,000, $49,467,000 and $48,367,000 for the years 1980, 1979 and 1978, respectively.

	Year 1980	Year 1979	Year 1978
Earnings per Share of Common Stock (based on average shares outstanding)	$2.10	$1.73	$2.01
Dividends Declared per Share of Common Stock	$1.48	$1.44	$1.40
Average Number of Common Shares Outstanding	59,675,995	52,577,432	48,260,596

See Notes to Financial Statements

Consolidated Balance Sheet (Thousands of Dollars)

Union Electric and Subsidiaries		December 31, 1980	December 31, 1979
Assets			
Property and Plant, at original cost:	Electric	$2,813,585	$2,727,017
	Gas	66,446	63,647
	Steam	9,653	9,875
	Water	7,533	7,153
	Other	19,621	18,949
		2,916,838	2,826,641
	Less accumulated depreciation	848,826	786,147
		2,068,012	2,040,494
	Construction work in progress:		
	Callaway nuclear plant	1,008,909	719,523
	Nuclear fuel	99,085	40,213
	Settlement of uranium litigation	(62,624)	—
	Other	88,916	63,351
	Total property and plant, net	3,202,298	2,863,581
Investments, at cost		4,263	3,976
Deferred Charges:	Generating station construction abandonment	3,557	5,336
	Unamortized bond defeasance cost	4,847	5,042
	Unamortized debt expense	3,226	3,035
	Other	2,339	357
	Total deferred charges	13,969	13,770
Current Assets:	Cash	4,196	5,841
	Deposits for payment of interest, and other deposits	49,620	10,503
	Accounts receivable—trade (less allowance for doubtful accounts of $1,080 and $884, at respective dates)	79,224	83,648
	Unbilled revenue	42,942	41,552
	Other accounts and notes receivable	3,909	23,282
	Materials and supplies, at average cost—		
	Fuel	109,908	85,107
	Construction and maintenance	35,486	32,039
	Prepayments and other assets	6,289	5,699
	Total current assets	331,574	287,671
		$3,552,104	$3,168,998

Union Electric and Subsidiaries

Capital and Liabilities

		December 31, 1980	December 31, 1979
Capitalization:			
Common stock and retained earnings	Common stock, $5 par value, authorized 100,000,000 and 75,000,000 shares, at respective dates; outstanding 66,125,317 and 58,796,909 shares, at respective dates (excluding 42,990 shares at par value in treasury)	$ 330,627	$ 293,984
	Other paid-in capital, principally premium on common stock (see accompanying statement)	414,020	374,189
	Retained earnings (see accompanying statement)	298,902	262,202
	Total common stock and retained earnings	1,043,549	930,375
Preference stock	Preference stock, $1 par value (entitled to cumulative dividends), authorized 7,500,000 shares—none outstanding		
Preferred stock	Preferred stock not subject to mandatory redemption, including premium of $1,571 (see accompanying statement)	281,355	281,355
	Preferred stock subject to mandatory redemption (see accompanying statement)	112,040	114,066
Long-term debt	Long-term debt (see accompanying statement)	1,479,746	1,306,860
	Unamortized premium and discount on debt	(517)	1,130
	Total capitalization	2,916,173	2,633,786
Accumulated Deferred Taxes on Income		166,167	123,291
Accumulated Deferred Investment Tax Credits		113,474	87,556
Current Liabilities:	Current maturity of long-term debt	1,010	26,009
	Accounts payable	83,459	85,502
	Wages payable	14,765	14,808
	Bank loans	41,425	36,600
	Commercial paper	99,460	60,300
	Income taxes accrued	32,199	24,075
	Other taxes accrued	12,566	12,036
	Interest accrued	32,825	28,866
	Dividends declared	7,376	7,443
	Other current liabilities	31,205	28,726
	Total current liabilities	356,290	324,365
Construction Commitments (Note 9)			
		$3,552,104	$3,168,998

See Notes to Financial Statements

Preferred Stock (Thousands of Dollars)

Union Electric and Subsidiaries		December 31, 1980	December 31, 1979
Preferred Stock not subject to mandatory redemption:			
Union Electric Company			
Preferred stock, without par value (entitled to cumulative dividends)—note (a)	Stated value of shares outstanding, $100 per share—		
	$7.44 Series—550,000 shares	$ 55,000	$ 55,000
	$6.40 Series—300,000 shares	30,000	30,000
	$4.56 Series—200,000 shares	20,000	20,000
	$4.50 Series—213,595 shares	21,359	21,359
	$4.00 Series—150,000 shares	15,000	15,000
	$3.70 Series— 40,000 shares	4,000	4,000
	$3.50 Series—130,000 shares	13,000	13,000
	Stated value of shares outstanding, $97.50 per share—		
	$8.00 Series of 1971—425,000 shares	41,437	41,437
	Stated value of shares outstanding, $92.25 per share—		
	$8.00 Series (1969)—350,000 shares	32,288	32,288
	Stated value of shares outstanding, $25.00 per share—		
	$2.125 Series—1,600,000 shares	40,000	40,000
Total Union Electric Company		272,084	272,084
Missouri Power & Light Company			
Preferred stock, $100 par value (entitled to cumulative dividends), authorized 75,000 shares—outstanding	4.30% Series—20,000 shares	2,000	2,000
	3.90% Series—40,000 shares	4,000	4,000
Preferred stock, $25 par value (entitled to cumulative dividends), authorized 400,000 shares—none outstanding			
Total Missouri Power & Light Company		$ 6,000	$ 6,000

(a) Authorized Union Electric Company total preferred stock—15,000,000 shares.

(b) Authorized Missouri Utilities Company total preferred stock—50,000 shares.

(c) To be retired by sinking fund.

(d) The Company is required to retire 80,000 shares and has an option to redeem an additional 80,000 shares, at $25 per share on November 15 of each year.

See Notes to Financial Statements

Union Electric and Subsidiaries		December 31, 1980	December 31, 1979
Preferred Stock not subject to mandatory redemption (continued):			
Missouri Utilities Company			
Preferred stock, $100 par value (entitled to cumulative dividends)—note (b)—outstanding	5% Series—14,000 shares	$ 1,400	$ 1,400
	5% Series of June 1950—1,500 shares	150	150
	5% Series of September 1950—1,500 shares	150	150
Total Missouri Utilities Company		1,700	1,700
Missouri Edison Company			
Preferred stock, $100 par value (entitled to cumulative dividends), authorized 5,000 shares—none outstanding			
Total preferred stock not subject to mandatory redemption		$279,784	$279,784
Preferred Stock subject to mandatory redemption:			
Union Electric Company			
Preferred stock, without par value (entitled to cumulative dividends)—note (a)	Stated value of shares outstanding, $25.00 per share— $2.72 Series—1,440,000 and 1,520,000 shares at respective dates, due to 1998—notes (c) and (d)	$ 36,000	$ 38,000
	Stated value of shares outstanding, $50.00 per share— $4.60 Series—1,500,000 shares due 1985 to 2004—note (c)	75,000	75,000
Total Union Electric Company		111,000	113,000
Missouri Utilities Company			
Preferred stock, $100 par value (entitled to cumulative dividends)—note (b)—outstanding	5.70% Series—10,400 and 10,660 shares at respective dates, due to 2020—note (c)	1,040	1,066
Total preferred stock subject to mandatory redemption		$112,040	$114,066

Long-Term Debt (Thousands of Dollars)

Union Electric and Subsidiaries		December 31, 1980	December 31, 1979
Union Electric Company			
First mortgage bonds—note (a)	3¼% Series due 1982	$ 30,000	$ 30,000
	3¾% Series due 1986	40,000	40,000
	4⅜% Series due 1988	35,000	35,000
	4¾% Series due 1990	50,000	50,000
	4¾% Series due 1991	30,000	30,000
	4½% Series due 1993	30,000	30,000
	4½% Series due 1995	35,000	35,000
	5½% Series due 1996	30,000	30,000
	5½% Series due 1997	40,000	40,000
	7% Series due 1998	50,000	50,000
	7⅜% Series due 1999	35,000	35,000
	8¼% Series due 1999	40,000	40,000
	9.95% Series due 1999—note (b)	100,000	50,000
	9% Series due 2000	60,000	60,000
	7⅞% Series due 2001	50,000	50,000
	7⅝% Series due 2001	50,000	50,000
	8⅛% Series due 2001	60,000	60,000
	8⅜% Series due 2004	70,000	70,000
	10½% Series due 2005	70,000	70,000
	5.80% Series due 1992 to 2005—note (c)	27,085	27,085
	8⅞% Series due 2006	70,000	70,000
	8⅝% Series due 2007	60,000	60,000
	9.35% Series due 2008—note (b)	55,000	55,000
	9.25-9.625% Series due 2000 to 2010—note (c)	60,000	—
Unsecured bank notes—note (d)	Due 1985	75,000	75,000
Missouri environmental improvement revenue bonds	Series 1974, interest rates averaging 6.21% due 1989 to 2004	16,500	16,500
Nuclear fuel lease		99,035	40,139
Total Union Electric Company		$1,367,620	$1,198,724

(a) At December 31, 1980, substantially all of the property and plant was mortgaged under, and subject to liens of, the respective indentures pursuant to which the bonds were issued.

(b) To be retired by sinking fund—Union Electric Company, 9.95% Series from 1986 to 1998; 9.35% Series from 1989 to 2007; Missouri Power & Light Company, 10¾% Series to 1993; 9⅜% Series from 1982 to 2000; 10% Series from 1985 to 2003; Missouri Utilities Company, 9¼% Series from 1982 to 2000; and Missouri Edison Company, 11¼% Series to 1989; 9⅜% Series to 2000; 8½% Series from 1983 to 2001.

(c) Environmental Improvement Series.

(d) Interest rate was 20.75% on December 31, 1980 based on 1/4% above the current bank prime interest rate, and the rate will vary based on the prime rate through 1985.

(e) Notes due in equal annual installments.

(f) Note due in equal monthly installments.

(g) In February 1981, Union Electric Company sold $150,000,000, 15⅜% Series, 10-year, First Mortgage Bonds, with the issuance of $30,000,000 of these bonds to be delayed until July 1981.

(h) In January 1981, Missouri Edison Company contracted to sell $4,000,000, 14⅞% Series, 5-year, First Mortgage Bonds, with the issuance of these bonds to be delayed until February 1981.

See Notes to Financial Statements

Union Electric and Subsidiaries			December 31, 1980	December 31, 1979
Missouri Power & Light Company				
First mortgage bonds—note (a)	3¼%	Series due 1984	$ 7,500	$ 7,500
	4½%	Series due 1992	6,000	6,000
	10¾%	Series due 1994—note (b)	6,160	6,580
	5⅝%	Series due 1996	5,000	5,000
	5⅝%	Series due 1997	5,000	5,000
	8%	Series due 1999	5,000	5,000
	9⅜%	Series due 2001—note (b)	12,000	12,000
	7¾%	Series due 2003	7,000	7,000
	10%	Series due 2004—note (b)	10,000	5,000
Total Missouri Power & Light Company			63,660	59,080
Missouri Utilities Company				
First mortgage bonds—note (a)	5¾%	Series due 1984	1,000	1,000
	4½%	Series due 1988	3,000	3,000
	5⅝%	Series due 1991	3,500	3,500
	8¼%	Series due 1996	10,000	10,000
	7.95%	Series due 1998	4,000	4,000
	9¼%	Series due 2001—note (b)	6,000	6,000
Unsecured notes—note (e)	6%	Due 1992	2,240	2,345
Total Missouri Utilities Company			29,740	29,845
Missouri Edison Company				
First mortgage bonds—note (a)	11¼%	Series due 1990—note (b)	4,100	4,400
	5%	Series due 1991	2,000	2,000
	4¾%	Series due 1995	3,000	3,000
	9⅜%	Series due 2001—note (b)	3,478	3,652
	8½%	Series due 2002—note (b)	6,000	6,000
Unsecured notes—note (e)	7-7½%	Due 1981	—	7
Total Missouri Edison Company			18,578	19,059
Union Colliery Company				
Secured note—note (f)	9%	Due 1999	148	152
Long-term debt			$1,479,746	$1,306,860

Consolidated Statement Of Retained Earnings (Thousands of Dollars)

Union Electric and Subsidiaries		Year 1980	Year 1979	Year 1978
Balance at Beginning of Period		**$262.202**	$247.901	$218.865
Add:	Net income	**154.737**	118.055	119.898
		416.939	365.956	338.763
Deduct:	Preferred stock dividends	**29.668**	27.783*	23.040
	Common stock dividends—$1.48, $1.44 and $1.40 per share, respectively	**88.105**	75.507	67.576
	Write-off of capital stock expense	**264**	464	246
		118.037	103.754	90.862
Balance at Close of Period	(Under the mortgage indenture of Union Electric Company as amended, free and unrestricted retained earnings at December 31, 1980 amounted to $245.105) **	**$298.902**	$262.202	$247.901

*Includes dividends declared, applicable to subsequent periods.

**Under the mortgage indentures of the consolidated subsidiaries, free and unrestricted retained earnings of such subsidiaries at December 31, 1980 amounted to $14.930.000.

Consolidated Statement Of Other Paid-In Capital (Thousands of Dollars)

Union Electric and Subsidiaries		Year 1980	Year 1979	Year 1978
Balance at Beginning of Period		**$374.189**	$328.573	$280.187
Add:	Excess of sales price over par value of 5.500.000, 5.500.000, and 4.000.000 shares of common stock issued in 1980, 1979 and 1978, respectively	**28.243**	34.017	38.080
	Excess of sales price over par value of 1.522.384, 1.014.971 and 808.379 shares of common stock issued during 1980, 1979 and 1978, respectively, for dividend reinvestment and stock purchase plan	**9.520**	8.441	7.446
	Excess of sales price over par value of 306.024, 372.668 and 289.086 shares of common stock issued for tax reduction act stock ownership plan in 1980, 1979 and 1978, respectively	**2.016**	3.158	2.860
	Excess of stated value over purchase price of 80.000 shares of preferred stock redeemed during 1980	**52**	—	—
Balance at Close of Period		**$414.020**	$374.189	$328.573

See Notes to Financial Statements

Consolidated Statement Of Changes In Financial Position (Thousands of Dollars)

Union Electric and Subsidiaries		Year 1980	Year 1979	Year 1978
Source of Funds:	From operations—			
	Net income	$154,737	$118,055	$119,898
	Provision for depreciation	78,819	76,300	73,477
	Provision for deferred taxes on income (net)	42,876	27,784	26,097
	Provision for deferred investment tax credits (net)	25,918	31,909	22,035
	Allowance for all funds used during construction	(92,055)	(58,093)	(31,469)
		210,295	195,955	210,038
	Dividend reinvestment and stock purchase plans	20,678	18,537	15,793
	Issue of mortgage bonds	115,000	55,000	55,000
	Issue of preferred stock	—	75,000	—
	Issue of common stock	55,743	61,517	58,080
	Issue of long-term unsecured notes	75,000	—	75,000
	Settlement of uranium litigation	62,624	—	—
	Nuclear fuel lease	58,896	40,139	—
	Net change in deferred charges	(199)	1,815	9,068
	Additional short-term bank loans and commercial paper	43,985	67,300	6,550
	Total funds provided	$642,022	$515,263	$429,529
Application of Funds:	Gross plant expenditures	$421,275	$394,984	$320,397
	Nuclear fuel	58,872	4,998	2,895
	Allowance for all funds used during construction	(92,055)	(58,093)	(31,469)
	Union Electric dividends on preferred stock and common stock	117,773	103,290	90,616
	Maturity of mortgage bonds	25,894	4,974	—
	Redemption of preferred stock	2,026	2,026	26
	Restructured long-term unsecured notes	75,000	—	75,000
	Net change in working capital (excluding short-term loans and current maturity of long-term debt)	30,964	63,380	(28,494)
	Net change in other funds	2,273	(296)	558
	Total funds applied	$642,022	$515,263	$429,529
Changes in Components of Working Capital:	Cash and deposits	$ 37,472	$ 3,814	$ (1,767)
	Receivables, net	(22,407)	31,544	22,626
	Fuel	24,801	15,909	9,772
	Other materials and supplies	3,447	6,151	2,347
	Accounts and wages payable	2,086	(7,989)	(34,576)
	Taxes accrued	(8,654)	31,172	(23,338)
	Interest and dividends accrued or declared	(3,892)	(3,740)	(2,137)
	Other	(1,889)	(13,481)	(1,421)
		$ 30,964	$ 63,380	$(28,494)

See Notes to Financial Statements

Notes To Financial Statements
Union Electric and Subsidiaries

Note 1—Summary of Accounting Policies

The Company and its utility subsidiaries are subject to regulation by the Missouri Public Service Commission, Illinois Commerce Commission, Iowa State Commerce Commission and the Federal Energy Regulatory Commission. The accounting policies of the companies are in accordance with the rate-making practices of the regulatory authorities having jurisdiction and, as such, conform to generally accepted accounting principles as applied to regulated public utilities. A description of the Company's significant accounting policies follows.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. In the process of consolidation, all intercompany investments and accounts and all intercompany sales and profits are eliminated.

Property and Plant

The cost of additions to and betterments of units of property and plant is capitalized. Cost includes labor, material, applicable taxes, pensions and certain other items, plus an allowance for funds used during construction. Maintenance expenditures and renewals of items not considered to be units of property are charged to income as incurred. When units of depreciable property are retired, the original cost and removal cost, less salvage, are charged to accumulated depreciation.

Depreciation

For financial statement purposes, depreciation is provided over the estimated lives of the various classes of depreciable property by applying composite rates on a straight-line basis. The provisions for depreciation in 1980, 1979 and 1978 were equivalent to approximately 2.8% of the average depreciable cost.

Income Taxes

For income tax purposes, the Company computes depreciation using the most liberalized methods allowed by the Internal Revenue Code. Net depreciable property and plant used in this computation excludes costs (primarily repair allowance, the allowance for funds used during construction, and certain taxes) which are charged to property and plant for financial statement purposes but are treated as expenses when incurred for income tax purposes.

With respect to all property additions after 1974, and prior additions in Illinois, the reductions in taxes applicable to the liberalized depreciation methods described above are accounted for as deferred income taxes and amortized over the estimated useful lives of the related properties. In addition, the Company normalizes the income tax effects of the above-mentioned repair allowance, the debt component of the allowance for funds used during construction, and taxes capitalized.

The Company normalizes the additional investment tax credit benefits resulting from the Tax Reduction Act of 1975 with respect to properties in all states. The Company is continuing to flow-through to income the 4% investment tax credit on Missouri and Iowa properties which are not qualified progress expenditures under the Tax Reduction Act of 1975.

Allowance for Funds Used During Construction

The Federal Energy Regulatory Commission Uniform System of Accounts defines allowance for funds used during construction (AFC), which is a non-cash item, as the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used.

During the three years ended December 31, 1980, the Company recorded AFC at various rates, compounded semi-annually. The net rates reflect the Company's policy of deferring the income tax effect applicable to the borrowed funds portion of the AFC rate. The average annual AFC rates were 9.75% (7.65% net) in 1980, 9.45% (7.38% net) in 1979, and 8.65% (6.55% net) in 1978.

Unbilled Revenue

The Company records on its books the estimated amount of accrued, but unbilled, revenue and also the accrued liability for the related taxes.

Note 2—Pro Forma Earnings on Common Stock

In December 1980, the Company sold 5,500,000 shares of common stock. Earnings on common stock on a pro forma basis for the year 1980 would have been $2.02 per share after giving effect to the application of the net proceeds to the Company from the aforementioned sale of common stock to retire short-term borrowings outstanding at the date of the sale.

Note 3—Income Taxes

Total income tax expense was less than the amount computed by multiplying the income-before-tax by the statutory Federal income tax rate. The reasons for this difference for the years in which shown are as follows (in thousands):

	1980	1979	1978
Tax computed at statutory rate on book income-before-tax	$113.024	$80.221	$95.788
Increases (Decreases) in tax from:			
Additional depreciation	1.901	100	(1.560)
Allowance for equity funds used during construction	(21.668)	(14.570)	(7.940)
Investment tax credits	(1.940)	(2.410)	(2.231)
Miscellaneous, net	(350)	(7.002)	(4.398)
Total	$ 90.967	$56.339	$79.659

Income tax expense components (in thousands):

	1980	1979	1978
Included in operating expenses—Taxes currently payable:			
Federal	$ 14.008	$(12.406)	$24.026
State	4.841	3.691	4.445
Deferred taxes (principally Federal):			
Liberalized depreciation	12.178	13.307	10.988
Repair allowance	6.742	2.913	6.792
Allowance for borrowed funds used during construction	22.160	12.997	7.595
Other (principally capitalized costs)	4.838	1.598	3.666
Provisions deferred in prior years	(3.120)	(3.031)	(2.944)
Deferred investment tax credits, net	30.278	37.112	25.798
	91.925	56.181	80.366
Current provision included in other income	(958)	158	(707)
Total	$ 90.967	$56.339	$79.659

Note 4—Capital Stock

During the three years ended December 31, 1980, common stock, $5 par value, was issued as follows: 5.500.000, 5.500.000 and 4.000.000 shares were issued in 1980, 1979 and 1978, respectively. In addition, of the 6.000.000 shares reserved for the Union Electric Company Dividend Reinvestment and Stock Purchase Plan, 1.522.384, 1.014.971 and 808.379 shares were issued in 1980, 1979 and 1978, respectively; and of the 2.500.000 shares reserved for the Union Electric Company Tax Reduction Act Stock Ownership Plan, 306.024, 372.668 and 289.086 shares were issued in 1980, 1979 and 1978, respectively.

During the same period, preferred stock, without par value, was issued and redeemed as follows: Union Electric Company issued 1.500.000 shares $4.60 Series in 1979; Union Electric Company redeemed 80.000 shares, $2.72 Series in each of the years 1980 and 1979; and, Missouri Utilities Company redeemed 260 shares, 5.70% Series in each of the years 1980, 1979 and 1978.

Preferred Stock Redemption Prices	Current	Eventual Minimum
	(Per Share)	
Union Electric Company		
$6.40 Series	$101.50	$101.50
$4.56 Series	102.47	102.47
$4.50 Series	110.00	110.00(a)
$4.00 Series	105.625	105.625
$3.70 Series	104.75	104.75
$3.50 Series	110.00	110.00
$8.00 Series (1969)	99.25	93.25
$8.00 Series of 1971	104.50	98.50
$7.44 Series	105.00	101.00
$2.72 Series (c)	27.75(b)	25.25
$2.125 Series	27.15(b)	25.25
$4.60 Series(d)	54.60(b)	50.50
Missouri Power & Light Company		
4.30% Series	102.176	102.176
3.90% Series	105.00	105.00
Missouri Utilities Company		
5.00% Series	110.00	110.00
5.00% Series of June 1950	103.50	103.50
5.00% Series of September 1950	103.50	103.50
5.70% Series (e)	103.00(b)	100.00

(a) In the event of voluntary liquidation, $105.50.
(b) Redemption subject to certain restrictions regarding refunding operations.
(c) The Company is required to retire 80.000 shares, and has an option to redeem an additional 80.000 shares, at $25 per share on November 15 of each year.
(d) The Company is required to redeem 75.000 shares at $50 per share on August 15 of each year, commencing in 1985.
(e) Missouri Utilities Company is required to redeem 260 shares at $100 per share, plus accrued dividends, on June 1 of each year.

Note 5—Preferred Stock Subject to Mandatory Redemption

During the five years from December 31, 1980, the amounts of preferred stock to be redeemed at par or stated value are: $2,026,000 in each year 1981 through 1984, and $5,776,000 in 1985.

Note 6—Debt Retirement Provisions

During the five years from December 31, 1980 the amounts of debt maturities are: $1,010,000 in 1981; $31,903,000 in 1982; $2,203,000 in 1983; $10,703,000 in 1984; and $77,704,000 in 1985. (Amounts do not include nuclear fuel lease payments since the timing and the amounts of such payments are not currently determinable—see Note 10).

Debt retirement provisions contained in the mortgage bond indentures of the Company and its subsidiaries require, subject to certain alternatives, the redemption annually of 1% of the principal amount (as defined) of each series of bonds. In lieu of such redemptions, except in one instance, the Company and its subsidiaries have been following the practice of utilizing property additions as permitted by the indentures.

Note 7—Retirement Plans

The retirement plans covering employees of the Company and its subsidiaries are financed through irrevocable pension trusts and group annuity contracts. The policy is to fund pension costs accrued. Such plans were amended during 1980 and 1979 to provide increased benefits. Costs of the retirement plans for the years 1980, 1979 and 1978 were $11,417,000, $9,490,000, and $9,166,000, respectively, of which approximately 20% was charged to construction accounts. The aforementioned amounts include prior service costs which are being amortized over twenty years.

A comparison of estimated actuarial present value of accumulated plan benefits and plan net assets follows (in millions):

	At December 31,		
	1980	1979	1978
Vested	**$225**	$203	$169
Nonvested	**3**	3	3
	$228	$206	$172
Net assets available for benefits	**$172**	$152	$140

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 6% for the years 1980, 1979 and 1978.

Note 8—Compensating Balances and Short-Term Borrowings

Short-term borrowings of the Company and its subsidiaries consist of bank loans (maturities not in excess of 270 days) and commercial paper (maturities generally within 30-45 days). Information regarding such consolidated short-term borrowings is as follows (in thousands):

	1980	1979	1978
Amounts outstanding at year end—			
Bank loans	**$41,425**	$36,600	$14,400
Commercial paper	**$99,460**	$60,300	$15,200
Composite interest rates at year end—			
Bank loans	**21.0%**	15.0%	11.5%
Commercial paper	**19.4%**	14.0%	10.8%
Maximum aggregate amount outstanding at any month end during the year	**$140,885**	$148,555	$101,540
Average daily short-term borrowings outstanding during the year—			
Aggregate amount	**$90,425**	$93,545	$42,321
Weighted composite interest rate	**13.4%**	11.7%	7.6%

The above weighted composite interest rates were calculated by dividing the applicable interest expense for the year by the average daily short-term borrowings shown above.

At December 31, 1980, the Company and its subsidiaries had bank lines of credit aggregating $120,820,000 which make available interim financing at the prime rate of interest. In support of such lines of credit, the Company has unwritten agreements with the majority of its lending banks to maintain average compensating balances equivalent to 8% of the line of credit as determined from the bank records. In addition, at December 31, 1980, the Company had commitments from banks aggregating $85,000,000 ($50,000,000 to expire August 31, 1981; $10,000,000 to expire September 12, 1981; $15,000,000 to expire September 30, 1981; and $10,000,000 to expire October 31, 1981). For these commitments the Company pays annual fees which range from 0.25% to 0.375% on the unused portions of the commitments.

Note 9—Construction Commitments

The Company and its subsidiaries are engaged in a construction program under which expenditures of approximately $2.5 billion are anticipated during the next five years, of which expenditures of $509,000,000 and $461,000,000 are estimated to be made in 1981 and 1982, respectively.

Note 10—Nuclear Fuel Lease—Capitalized

On November 27, 1979, the Company entered into a lease agreement which provides for the financing of the costs of up to $100,000,000 of the Company's nuclear fuel. Pursuant to the terms of the lease, the Company has assigned to the lessor certain contracts for purchase of nuclear fuel. The lessor will obtain through the issuance of commercial paper backed by letters of credit from commercial banks, or from direct loans from commercial banks, the necessary funds to purchase the fuel and make interest payments when due.

The Company is unconditionally obligated to reimburse the lessor for all expenditures for nuclear fuel, interest and related costs. Obligations under this lease will become current at such time as the nuclear fuel is engaged in heat production at the Company's Callaway nuclear plant, the first unit of which is scheduled for completion in early 1983.

In accordance with state regulatory commissions' policies, the Company is capitalizing the cost, including interest costs, of the leased nuclear fuel and is recording the related lease obligation. During the year 1980, the Company capitalized related interest costs of $9,518,000 based on an average interest rate of 14.7%. Related interest costs capitalized during the year ended December 31, 1979 were immaterial.

Note 11—Supplementary Income Statement Information

	1980	1979	1978
	(Thousands of Dollars)		
Maintenance and repairs, charged directly to:			
Operating expenses	$80,632	$71,184	$68,012
Other accounts (a)	4,805	4,074	4,075
	$85,437	$75,258	$72,087
Depreciation, depletion and amortization of fixed and intangible assets, charged directly to:			
Operating expenses	$78,819	$76,300	$73,477
Other accounts (a)	2,208	2,054	1,741
	$81,027	$78,354	$75,218
Taxes, other than payroll and income taxes, charged directly to:			
Operating expenses—			
Real estate and personal property	$ 53,128	$ 50,654	$ 50,336
License and franchise	54,068	49,467	48,367
Other	1,389	1,137	1,110
	108,585	101,258	99,813
Other accounts	5,442	3,584	2,350
	$114,027	$104,842	$102,163

(a) A substantial portion of amounts charged to other accounts is allocated to operating expenses through clearing accounts.
(b) The amounts of payroll taxes for the years 1980, 1979 and 1978 were $7,260,000, $7,733,000 and $5,712,000, respectively.
(c) The amounts of royalties, rents, advertising, and research and development costs were not material.

NOTE 12 - EVENT (UNAUDITED) SUBSEQUENT TO THE DATE OF THE REPORT OF THE INDEPENDENT ACCOUNTANTS: On April 2, 1981 the Company revised its construction program. Pursuant to such revision, expenditures of approximately $2.0 billion are anticipated during the five year period 1981-1985, of which expenditures of $508 and $447 million are estimated to be made in 1981 and 1982, respectively. For a discussion of the revision in the construction program see "Construction Program" in Part I hereof.

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 1980

Col. A Classification	Col. B Balance at beginning of period	Col. C Additions at cost	Col. D Retirements	Col. E Other changes (Note)	Col. F Balance at end of period
Utility properties					
Electric					
Tangible					
Plant in service					
Steam production	$1,172,914,324	$ 22,594,572	$ 3,642,313	$(868,794)	$1,190,997,789
Hydraulic production	59,675,258	553,553	16,064		60,212,747
Pumped storage production	45,854,445	297			45,854,742
Internal combustion production	42,299,156	9,905	5,974		42,303,087
Transmission	404,503,969	15,742,227	869,623	249,601	419,626,174
Distribution	898,271,985	58,348,971	9,382,516	3,333	947,241,773
General	89,154,940	5,567,057	1,578,809	276,082	93,419,270
Construction work in progress	782,740,708	314,875,965		(2)	1,097,616,671
Nuclear fuel	40,212,676	58,872,709			99,085,385
Settlement of uranium litigation		(62,624,112)			(62,624,112)
Plant held for future use	1,982,500	(605,787)		(47)	1,376,666
Total	3,537,609,961	413,335,357	15,495,299	(339,827)	3,935,110,192
Intangible	161,316				161,316
Total	3,537,771,277	413,335,357	15,495,299	(339,827)	3,935,271,508
Steam heating					
Tangible					
Plant in service					
Production	783,339	487		641	784,467
Distribution	4,814,829	(71,234)			4,743,595
General	178,401				178,401
Construction work in progress	30	1,567			1,597
Total	5,776,599	(69,180)		641	5,708,060
Gas					
Tangible					
Plant in service					
Production	2,613,158		54,857		2,558,301
Transmission	6,873,405	94,689	42,065		6,926,029
Distribution	51,189,043	2,833,111	362,539	29,108	53,688,723
General	2,971,373	432,260	149,505	19,543	3,273,671
Construction work in progress	52,827	104,864		2	157,693
Total	63,699,806	3,464,924	608,966	48,653	66,604,417
Intangible	16,113				16,113
Total	63,715,919	3,464,924	608,966	48,653	66,620,530

(Continued on following page)

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT (Continued)

FOR THE YEAR ENDED DECEMBER 31, 19[illegible]

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
Classification	Balance at beginning of period	Additions at cost	Retirements	Other changes (Note)	Balance at end of period
Utility properties (Continued)					
Water					
Tangible					
Plant in service					
Source of supply	$ 191,677	$ 708	$	$	$ 192,385
Pumping	200,037	24,862	483		224,416
Water treatment	1,988,141	21,504			2,009,645
Distribution	4,628,962	30[illegible],974	9,263		4,925,673
General	139,353	37,843	363		176,833
Construction work in progress	73,912	(42,605)			31,307
Plant held for future use	4,579				4,579
Total	7,226,661	348,286	10,109		7,564,838
Common					
Tangible					
Plant in service					
Steam production	16,459,473	50,562	12,017		16,498,018
Construction work in progress	6,509	11,545			18,054
Total	16,465,982	62,107	12,017		16,516,072
Total utility properties	3,630,956,438	417,141,494	16,126,391	(290,533)	4,031,681,008
Non-utility properties					
Coal rights	805,681				805,681
Miscellaneous real estate and equipment	4,328,411	660,872		290,533	5,279,816
Solid waste utilization system	12,239,590	(278,996)			11,960,594
Total non-utility properties	17,373,682	381,876		290,533	18,046,091
Premium on securities of subsidiaries	1,397,520				1,397,520
Total property, plant and equipment	$3,649,727,640	$417,523,370	$16,126,391	-	$4,051,124,619

Note: Represents transfers between classifications.

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 1979

Col. A Classification	Col. B Balance at beginning of period	Col. C Additions at cost	Col. D Retirements	Col. E Other changes (Note)	Col. F Balance at end of period
Utility properties					
Electric					
Tangible					
Plant in service					
Steam production	$1,169,43[illegible],255	$ 8,437,384	$ 4,954,315	$	$1,172,914,324
Hydraulic production	59,613,[illegible]22	114,551	53,015		59,675,258
Pumped storage production	45,856,641	3,306	5,502		45,854,445
Internal combustion production	42,286,712	32,721	20,277		42,299,156
Transmission	395,605,040	9,362,494	461,649	(1,916)	404,503,969
Distribution	841,343,529	64,551,982	7,630,392	6,866	898,271,985
General	83,344,806	8,671,221	2,691,990	(169,097)	89,154,940
Construction work in progress	482,269,675	300,471,033			782,740,708
Nuclear fuel	35,214,666	4,998,010			40,212,676
Plant held for future use	1,848,606	133,894			1,982,500
Total	3,156,814,652	396,776,596	15,817,140	(164,147)	3,537,609,961
Intangible	191,824		30,508	-	161,316
Total	3,157,006,476	396,776,596	15,847,6[illegible]8	(164,147)	3,537,771,277
Steam heating					
Tangible					
Plant in service					
Production	783,339				783,339
Distribution	4,917,559	(26,406)	76,324		4,814,829
General	178,321	80			178,401
Construction work in progress	30				30
Total	5,879,249	(26,326)	76,324		5,776,599
Gas					
Tangible					
Plant in service					
Production	2,612,295	1,601	738		2,613,158
Transmission	6,866,033	7,372			6,873,405
Distribution	49,437,144	2,145,323	393,424		51,189,043
General	2,693,619	423,226	145,472		2,971,373
Construction work in progress	105,646	(52,819)			52,827
Total	61,714,737	2,524,703	539,634		63,699,806
Intangible	16,113				16,113
Total	61,730,850	2,524,703	539,634		63,715,919

(Continued on following page)

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT (Continued)

FOR THE YEAR ENDED DECEMBER 31, 1979

Col. A Classification	Col. B Balance at beginning of period	Col. C Additions at cost	Col. D Retirements	Col. E Other changes (Note)	Col. F Balance at end of period
Utility properties (Continued)					
Water					
Tangible					
Plant in service					
Source of supply	$ 191,677	$	$	$	$ 191,677
Pumping	160,543	43,639	4,145		200,037
Water treatment	1,828,469	159,672			1,988,141
Distribution	4,374,827	257,099	2,964		4,628,962
General	122,952	21,770	5,369		139,353
Construction work in progress	83,797	(9,885)			73,912
Plant held for future use	4,579				4,579
Total	6,766,844	472,295	12,478		7,226,661
Common					
Tangible					
Plant in service					
Steam production	16,430,949	39,113	10,589		16,459,473
Construction work in progress	2,746	3,763			6,509
Total	16,433,695	42,876	10,589		16,465,982
Total utility properties	3,247,817,114	399,790,144	16,486,673	(164,147)	3,630,956,438
Non-utility properties					
Coal rights	805,581	100			805,681
Miscellaneous real estate and equipment	4,294,968	155,347	255,918	134,014	4,328,411
Solid waste utilization system	12,206,348	33,242			12,239,590
Total non-utility properties	17,306,897	188,689	255,918	134,014	17,373,682
Premium on securities of subsidiaries	1,397,520				1,397,520
Total property, plant and equipment	$3,266,521,531	$399,978,833	$16,742,591	$(30,133)	$3,649,727,640

Note: Represents transfers between classifications.

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 1978

Col. A Classification	Col. B Balance at beginning of period	Col. C Additions at cost	Col. D Retirements	Col. E Other changes (Note)	Col. F Balance at end of period
Utility properties					
Electric					
Tangible					
Plant in service					
Steam production	$1,165,399,895	$ 4,761,321	$ 521,262	$(208,699)	$1,169,431,255
Hydraulic production	59,402,687	347,572	136,647	110	59,613,722
Pumped storage production	45,853,731	2,935	25		45,856,641
Internal combustion production	22,248,734	20,062,505		(24,527)	42,286,712
Transmission	390,184,101	5,815,406	399,221	4,754	395,605,040
Distribution	791,823,628	56,635,689	7,082,919	(32,869)	841,343,529
General	78,447,580	7,202,542	1,839,821	(465,495)	83,344,806
Construction work in progress	260,667,804	221,601,869		2	482,269,675
Nuclear fuel	32,319,544	2,895,122			35,214,666
Plant held for future use	1,830,854	17,752			1,848,606
Total	2,848,178,558	319,342,713	9,979,895	(726,724)	3,156,814,652
Intangible	191,824				191,824
Total	2,848,370,382	319,342,713	9,979,895	(726,724)	3,157,006,476
Steam heating					
Tangible					
Plant in service					
Production	781,887	1,453		(1)	783,339
Distribution	4,832,109	85,656	206		4,917,559
General	185,670		7,349		178,321
Construction work in progress	22,119	(22,089)			30
Total	5,821,785	65,020	7,555	(1)	5,879,249
Gas					
Tangible					
Plant in service					
Production	2,612,295				2,612,295
Transmission	6,837,635	40,088	11,690		6,866,033
Distribution	47,644,382	2,271,577	478,815		49,437,144
General	2,516,272	278,089	106,574	5,832	2,693,619
Construction work in progress	103,845	1,802		(1)	105,646
Total	59,714,429	2,591,556	597,079	5,831	61,714,737
Intangible	16,113				16,113
Total	59,730,542	2,591,556	597,079	5,831	61,730,850

(Continued on following page)

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT (Continued)

FOR THE YEAR ENDED DECEMBER 31, 1978

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
Classification	Balance at beginning of period	Additions at cost	Retirements	Other changes (Note)	Balance at end of period
Utility properties (Continued)					
Water					
Tangible					
Plant in service					
Source of supply	$ 188,223	$ 3,454	$	$	$ 191,677
Pumping	160,543				160,543
Water treatment	424,516	1,403,953			1,828,469
Distribution	4,158,688	226,804	10,664	(1)	4,374,827
General	80,695	43,210	3,644	2,691	122,952
Construction work in progress	717,137	(633,341)		1	83,797
Plant held for future use	4,579				4,579
Total	5,734,381	1,044,080	14,308	2,691	6,766,844
Common					
Tangible					
Plant in service					
Steam production	16,384,956	61,315	15,322		16,430,949
Construction work in progress	12,500	(9,754)			2,746
Total	16,397,456	51,561	15,322		16,433,695
Total utility properties	2,936,054,546	323,094,930	10,614,159	(718,203)	3,247,817,114
Non-utility properties					
Coal rights	805,681	(100)			805,581
Miscellaneous real estate and equipment	3,828,587		1,057	467,438	4,294,968
Solid waste utilization system	11,758,509	447,839			12,206,348
Total non-utility properties	16,392,777	447,739	1,057	467,438	17,306,897
Premium on securities of subsidiaries	1,397,520				1,397,520
Total property, plant and equipment	$2,953,844,843	$323,542,669	$10,615,216	$(250,765)	$3,266,521,531

Note: Represents transfers between classifications.

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE VI - ACCUMULATED DEPRECIATION, DEPLETION, AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 1980

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
Classification	Balance at beginning of period	Additions charged to costs and expenses (Note A)	Retirements	Other changes (Note B)	Balance at end of period
Utility properties					
Electric					
Plant in service					
Steam production	$303,987,970	$29,853,004	$ 3,832,606	$(837,867)	$329,170,501
Hydraulic production	27,697,348	740,368	74,709	683	28,363,690
Pumped storage production	9,669,624	599,760			10,269,384
Internal combustion production	8,892,922	1,658,784	5,974		10,545,732
Transmission	108,143,396	8,128,237	837,092	237,292	115,671,833
Distribution	251,896,751	33,792,824	12,305,902	14,390	273,398,063
General	32,838,475	4,483,687	1,369,710	546,302	36,498,754
Plant held for future use	2,820	610			3,430
Total	743,129,306	79,257,274	18,425,993	(39,200)	803,921,387
Steam heating	2,429,877	167,309	9,458		2,587,728
Gas	18,297,810	1,875,348	677,643	20,716	19,516,231
Water	1,105,048	123,481	9,625		1,218,904
Common	12,902,472	409,377	12,017	21	13,299,853
Total utility properties	777,864,513	81,832,789	19,134,736	(18,463)	840,544,103
Non-utility properties					
Miscellaneous real estate and equipment	8,282,262	52,762	53,858	433	8,281,599
Intangible	1	(1)			-
Total non-utility properties	8,282,263	52,761	53,858	433	8,281,599
Total	$786,146,776	$81,885,550	$19,188,594	$ (18,030)	$848,825,702

Notes: (A) Includes $3,066,435 in addition to the provision for depreciation as shown on the Statement of Income under Operating Expenses, such additional amount principally reflects depreciation of transportation and related work equipment charged to clearing accounts, and amounts collected for relocation of facilities; offset by the amortization of loss on property abandonment (aggregating $1,778,518).

(B) Represents transfers between classifications.

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE VI - ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 1979

Col. A Classification	Col. B Balance at beginning of period	Col. C Additions charged to costs and expenses (Note A)	Col. D Retirements	Col. E Other changes (Note B)	Col. F Balance at end of period
Utility properties					
Electric					
Plant in service					
Steam production	$278,471,902	$29,647,338	$ 4,132,976	$ 1,706	$303,987,970
Hydraulic production	26,987,930	736,351	26,933		27,697,348
Pumped storage production	9,074,561	599,858	4,795		9,669,624
Internal combustion production	7,267,097	1,660,471	20,277	(14,369)	8,892,922
Transmission	100,225,652	8,335,356	431,981	14,369	108,143,396
Distribution	231,018,115	31,064,787	10,185,713	(438)	251,896,751
General	31,044,370	4,235,901	2,393,496	(48,300)	32,838,475
Plant held for future use	2,210	610			2,820
Total	684,091,837	76,280,672	17,136,171	(47,032)	743,129,306
Steam heating	2,344,762	156,144	71,029		2,429,877
Gas	17,001,191	1,860,265	579,102	15,456	18,297,810
Water	1,003,345	114,562	12,859		1,105,048
Common	12,499,354	407,851	10,589	5,856	12,902,472
Total utility properties	716,940,489	78,819,494	17,869,750	(25,720)	777,864,513
Non-utility properties					
Miscellaneous real estate and equipment	[illegible],487,356	50,823	255,917		8,282,262
Intangible	20,000		19,999		1
Total non-utility properties	8,507,356	50,823	275,916		8,282,263
Total	$725,447,845	$78,870,317	$18,145,666	$(25,720)	$786,146,776

Notes: (A) Includes $2,570,436 in addition to the provision for depreciation as shown on the Statement of Income under Operating Expenses, such additional amount principally reflects depreciation of transportation and related work equipment charged to clearing accounts, and amounts collected for relocation of facilities; offset by the amortization of loss on property abandonment (aggregating $1,778,518).

(B) Represents transfers between classifications.

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE VI - ACCUMULATED DEPRECIATION, DEPLETION, AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 1978

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
Classification	Balance at beginning of period	Additions charged to costs and expenses (Note A)	Retirements	Other changes (Note B)	Balance at end of period
Utility properties					
Electric					
Plant in service					
Steam production	$249,712,476	$29,553,637	$ 794,684	$ 473	$278,471,902
Hydraulic production	26,320,875	733,145	66,107	17	26,987,930
Pumped storage production	8,474,847	599,817	25	(78)	9,074,561
Internal combustion production	6,128,960	1,138,137			7,267,097
Transmission	92,706,866	7,980,469	461,683		100,225,652
Distribution	211,456,930	29,143,596	9,552,[illegible]12	(30,059)	231,018,115
General	28,259,506	3,709,916	974,411	49,359	31,044,370
Plant held for future use	1,600	610			2,210
Total	623,062,120	72,859,327	11,849,322	19,712	684,091,837
Steam heating	2,228,053	126,250	9,541		2,344,762
Gas	15,941,246	1,758,916	698,902	(69)	17,001,191
Water	930,058	83,362	12,199	2,124	1,003,345
Common	12,108,157	406,633	15,747	311	12,499,354
Total utility properties	654,269,634	75,234,488	12,585,711	22,078	716,940,489
Non-utility properties					
Miscellaneous real estate and equipment	8,226,675	260,681			8,487,356
Intangible	20,000				20,000
Total non-utility properties	8,246,675	260,681			8,507,356
Total	$662,516,309	$75,495,169	$12,585,711	$22,078	$725,447,845

Notes: (A) Includes $2,017,779 in addition to the provision for depreciation as shown on the Statement of Income under Operating Expenses, such additional amount principally reflects depreciation of transportation and related work equipment charged to clearing accounts, and amounts collected for relocation of facilities; offset by the amortization of loss on property abandonment (aggregating $1,778,518).

(B) Represents transfers between classifications.

UNION ELECTRIC COMPANY AND SUBSIDIARIES

SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS

FOR THE YEARS ENDED DECEMBER 31, 1980, 1979 AND 1978

Col. A	Col. B	Col. C		Col. D	Col. E
		Additions			
		(1)	(2)		
Description	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Deductions (Note)	Balance at end of period
Year ended December 31, 1980					
Reserves deducted in the balance sheet from assets to which they apply:					
Allowance for doubtful accounts	$883,733	$3,605,350		$3,408,872	$1,080,211
Year ended December 31, 1979					
Reserves deducted in the balance sheet from assets to which they apply:					
Allowance for doubtful accounts	$939,275	$2,961,448		$3,016,990	$883,733
Year ended December 31, 1978					
Reserves deducted in the balance sheet from assets to which they apply:					
Allowance for doubtful accounts	$929,757	$2,508,396		$2,498,878	$939,275

Note: Uncollectible accounts charged off, less recoveries.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information concerning directors required by this item is reported on pages 2 through 5 in the Company's 1981 definitive proxy statement filed pursuant to Regulation 14A and is incorporated herein by reference.

Information concerning executive officers required by this item is reported in Part I of this Form 10-K.

ITEM 10. MANAGEMENT REMUNERATION AND TRANSACTIONS.

Information required by this item is reported on pages 5 and 6 in the Company's 1981 definitive proxy statement filed pursuant to Regulation 14A and is incorporated herein by reference.

PART IV

ITEM 11. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) The following documents are filed as a part of this report:

Financial Statements and related schedules. See Index to Financial Statements, Page II-10.

Exhibits
See Exhibits, page V-3.

(b) Reports on Form 8-K. No reports on Form 8-K were filed during the last quarter of 1980.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNION ELECTRIC COMPANY
(Registrant)

Date April 9, 1981

By ______________________
Charles J. Dougherty
Chairman of the Board
of Directors and Chief
Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By ______________________
Charles J. Dougherty, Chairman
of the Board of Directors, Chief
Executive Officer and Director
(Principal Executive Officer)

By ______________________
M. T. Welshans, Vice President
(Principal Financial Officer)

By ______________________
J. T. Friel, Vice President
and Controller
(Principal Accounting Officer)

Date April 9, 1981

By ______________________
W. E. Cornelius, Director

By Earl Dille
Earl K. Dille, Director

By ______________________
Edwin S. Jones, Director

By ______________________
Richard A. Meyer, Director

By ______________________
Stewart W. Smith, Jr., Director

By Howard L. Young
Howard L. Young, Director

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-16 (No. 2-63936) of Union Electric Company and in the Prospectus constituting part of the Registration Statement on Form S-8 (No. 2-64291) of Union Electric Company of our report dated February 14, 1981 appearing on page II-9 of this Form 10-K.

Price Waterhouse & Co.

One Memorial Drive
St. Louis, Missouri

March 27, 1981

EXHIBITS

Exhibits Filed Herewith

Exhibit No.	Description
10.8	- Revolving credit loan agreement dated as of March 23, 1981.
10.17	- Coal Supply Agreement, dated as of October 1, 1980, between the Company and Atlantic Richfield Company.
10.18	- Coal Supply Agreement, dated February 6, 1981, between the Company and Old Ben Coal Company.
10.20	- Fuel Lease dated as of February 24, 1981 between the Company, as lessee, and Gateway Fuel Company, as lessor, covering nuclear fuel.
12	- Statement re computation of ratios of earnings to fixed changes.
22	- Subsidiaries of the Company.
23	- Consent of Counsel.

Exhibits Incorporated By Reference

The following exhibits heretofore have been filed with the Securities and Exchange Commission pursuant to requirements of the Acts administered by the Commission. Such exhibits are identified by the references following the listing of each such exhibit, and they are hereby incorporated herein by reference under Rule 24 of the Commission's Rules of Practice.

3.1 - Articles of Incorporation of the Company and all amendments thereto filed with the Secretary of State of the State of Missouri on or prior to November 30, 1963. (Registration No. 2-24089, Exhibit 3-A-1.)

Exhibits Incorporated By Reference (Cont'd.)

Exhibit No.	Description

3.2 - Certificates of Amendment to Articles of Incorporation

Dated as of	File Reference	Exhibit No.
November 9, 1967	Form 8-K, November 1967	2
January 10, 1969	Form 8-K, January 1969	1
November 19, 1969	Form 8-K, November 1969	2
August 10, 1970	2-38212	2-G
April 22, 1971	Form 8-K, April 1971	3
December 14, 1972	Form 8-K, December 1972	3
April 1, 1974) October 22, 1974)	2-52218	2.10
November 21, 1974	2-52218	2.11
October 16, 1975	2-54869	2.3
October 6, 1977	Form 10-K, 1977	6.2
July 10, 1978	2-62348	2.3
April 11, 1979	2-64291	2.3-A
November 27, 1979	2-65874	2.2A
June 2, 1980) June 18, 1980)	2-69821	3.3
November 19, 1980	2-69821	3.4

3.3 - By-Laws of the Company as amended to April 22, 1980. (March 31, 1980 Form 10-Q, Exhibit 5.)

4.1 - Order of the Securities and Exchange Commission dated October 16, 1945 in File No. 70-1154 permitting the issue of Preferred Stock, \$3.70 Series. (Registration No. 2-27474, Exhibit 3-E.)

4.2. - Order of the Securities and Exchange Commission dated April 30, 1946 in File No. 70-1259 permitting the issue of Preferred Stock, \$3.50 Series. (Registration No. 2-27474, Exhibit 3-F.)

4.3 - Order of the Securities and Exchange Commission dated October 20, 1949 in File No. 70-2227 permitting the issue of Preferred Stock, \$4.00 Series. (Registration No. 2-27474, Exhibit 3-G.)

4.4 - Indenture of Mortgage and Deed of Trust of the Company dated June 15, 1937, as amended May 1, 1941, and Second Supplemental Indenture dated May 1, 1941. (Registration No. 2-4940, Exhibit B-1.)

Exhibit No.	Description

4.5 - Supplemental Indentures to Mortgage

Dated as of	File Reference	Exhibit No.
December 1, 1950	Form 8-A, File No. 1-2967 I-1	1-C
May 1, 1952	Form 8-A, File No. 2967 J-1	1-D
July 1, 1956	Form 8-K, July 1956	2
March 1, 1958	Form 8-K, March 1958	2
September 1, 1960	Form 8-K, September 1960	3
July 1, 1961	Form 8-K, August 1961	3
November 1, 1963	Form 8-K, November 1963	3
April 1, 1965	Form 8-K, April 1965	3
May 1, 1966	2-56062	2.33
March 1, 1967	2-58274	2.9
March 15, 1968	Form 8-K, April 1968	2
May 1, 1969	Form 8-K, May 1969	2
October 1, 1969	Form 8-K, October 1969	2
April 1, 1970	Form 8-K, April 1970	2
January 1, 1971	Form 8-K, January 1971	2
April 1, 1971	Form 8-K, April 1971	6
September 15, 1971	Form 8-K, October 1971	3
February 1, 1974	Form 8-K, February 1974	3
March 1, 1975	Form 8-K, March 1975	4
August 16, 1976	Form 8-K, September 1976	4
October 15, 1977	2-60235	2.5
December 1, 1977	Form 10-K, 1977	6.5
August 1, 1978	2-62348	2.9
November 1, 1979	Form 10-K, 1979	6.1
July 7, 1980	2-69821	4.6
August 1, 1980	2-69821	4.7
February 1, 1981	2-70655	4.5

4.6 - Agreement of Sale dated as of March 1, 1974 between the State Environmental Improvement Authority of the State of Missouri and the Company, together with Trust Indenture dated as of March 1, 1974 between the Authority and The Boatmen's National Bank of St. Louis, as trustee. (April 1974 Form 8-K of the Company, Exhibits 1 and 2.)

4.7 - Reaffirmation Agreement dated as of April 9, 1975 between the State Environmental Improvement Authority of the State of Missouri and the Company, together with First Supplemental Trust Indenture dated as of June 1, 1975 between the Authority and The Boatmen's National Bank of St. Louis, as trustee. (June 1975 Form 8-K of the Company, Exhibits 3 and 4.)

4.8 - Agreement dated as of November 1, 1977 between the State Environmental Improvement Authority of the State of Missouri and the Company, together with Trust Indenture dated as of November 1, 1977 between the Authority and the Chase Manhattan Bank, N.A., as trustee and Mercantile Trust

Exhibits Incorporated By Reference (Cont'd.)

Exhibit No.	Description
	Company National Association, as co-trustee. (Registration No. 2-60235, Exhibit 2.10.)
4.9	- Agreement of Sale dated as of August 1, 1980 between the State Environmental Improvement Authority of the State of Missouri and the Company, together with Trust Indenture dated as of August 1, 1980 between the Authority and The Boatmen's National Bank of St. Louis, as trustee. (Registration No. 2-69821, Exhibit 4.11.)
10.1	- Amended Intercompany Agreement dated July 10, 1953 between Electric Energy, Inc., Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company, Middle South Utilities, Inc., the Company, and St. Louis Union Trust Company, as Trustee under Mortgage and Deed of Trust of Electric Energy, Inc. dated June 1, 1951, as amended. (Registration No. 2-58274, Exhibit 5.1.)
10.2	- Agreement dated May 1, 1957 between Middle South Utilities, Inc., Kentucky Utilities Company, Electric Energy, Inc., Central Illinois Public Service Company, Illinois Power Company, the Company, and St. Louis Union Trust Company, as Trustee under Mortgage and Deed of Trust of Electric Energy, Inc. dated June 1, 1951, as amended. (Registration No. 2-38212, Exhibit 5-B.)
10.3	- Amendment dated July 23, 1970, to the Amended Intercompany Agreement dated July 10, 1953, between Electric Energy, Inc., Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company, the Company, and St. Louis Union Trust Company, as Trustee under Mortgage and Deed of Trust of Electric Energy, Inc. dated June 1, 1951, as amended. (Registration No. 2-38212, Exhibit 5-D.)
10.4	- Amendment dated June 1, 1977 to the Amended Intercompany Agreement dated July 10, 1953, between Electric Energy, Inc., Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company, the Company, and St. Louis Union Trust Company, as Trustee under Mortgage and Deed of Trust of Electric Energy, Inc. dated June 1, 1951, as amended. (Registration No. 2-60235, Exhibit 5.4.)
10.5	- Bank loan agreement dated December 20, 1972. (Registration No. 2-49829, Exhibit 7.)
10.6	- Amendment dated as of August 22, 1978 to the bank loan agreement dated December 20, 1972. (Registration No. 2-62348, Exhibit 5.5A.)
10.7	- Second Amendment dated as of January 30, 1980 to the bank loan agreement dated December 20, 1972. (Registration No. 2-69821, Exhibit 10.7.)

Exhibits Incorporated By Reference (Cont'd.)

Exhibit No.	Description
10.9	- Coal Contract, dated as of June 18, 1973, between the Company and Consolidation Coal Company. (Registration No. 2-52833, Exhibit 5.6.)
10.10	- Coal Contract, dated as of December 20, 1972, between the Company and Freeman Coal Mining Corporation. (Registration No. 2-52833, Exhibit 5.7.)
10.11	- Coal Contract, dated as of September 15, 1968, between the Company and Ayrshire Collieries Corporation and Republic Coal & Coke Co. (succeeded in interest by American Metal Climax Corporation), as supplemented, and Coal Contract, dated as of July 1, 1970, between the Company and American Metal Climax Corporation, as supplemented. (Registration No. 2-52833, Exhibit 5.8.)
10.12	- Third Supplemental Amendment dated October 26, 1978 and Fourth Supplemental Amendment dated June 10, 1980 to the Coal Contract dated as of September 15, 1968 between the Company and Ayrshire Collieries Corporation and Republic Coal & Coke Co. (succeeded in interest by American Metal Climax Corporation), as previously supplemented. (Registration No. 2-69821, Exhibit 10.11.)
10.13	- Second Supplemental Amendment dated October 26, 1978 and Third Supplemental Amendment dated June 10, 1980 to the Coal Contract dated as of July 1, 1970 between the Company and American Metal Climax Corporation, as previously supplemented. (Registration No. 2-69821, Exhibit 10.12.)
10.14	- Coal Contract, dated as of December 30, 1966, between the Company and Consolidation Coal Company. (Registration No. 2-52833, Exhibit 5.9.)
10.15	- Coal Contract, dated as of June 1, 1966, between the Company and Old Ben Coal Corporation. (Registration No. 2-52833, Exhibit 5.10.)
10.16	- Coal Contract, dated as of October 5, 1962, between the Company and Old Ben Coal Corporation. (Registration No. 2-52833, Exhibit 5.11.)
10.19	- Uranium Purchase Contract between Western Nuclear, Inc. and the Company dated as of January 15, 1979. (1978 Form 10-K, Exhibit 9.)

Note: Reports of the Company on Forms 8-K, 10-Q and 10-K are on file with the SEC under file number 1-2967.

Question 5, Item C

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 1981. Commission file number 1-2967.

UNION ELECTRIC COMPANY
(Exact name of registrant as specified in its charter)

Missouri (State or other jurisdiction of incorporation or organization)	43-0559760 (I.R.S. Employer Identification No.)

1901 Gratiot Street, St. Louis, Missouri 63103
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: (314) 621-3222

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X . No ______.

Shares outstanding of each of registrant's classes of common stock as of April 30, 1981:

Common Stock, $5 par value - 66,587,586
(excl. 42,990 treasury shares)

UNION ELECTRIC COMPANY AND SUBSIDIARIES

INDEX

UNION ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(UNAUDITED)
(Thousands of Dollars)

ASSETS

	March 31, 1981	December 31, 1980
Property and plant:		
Original cost of plant in service:		
Electric	$2,834,772	$2,813,585
Other	103,979	103,253
	2,938,751	2,916,838
Less accumulated depreciation	864,946	848,826
	2,073,805	2,068,012
Construction work in progress:		
Callaway nuclear plant	1,083,639	1,008,909
Nuclear fuel	103,955	99,085
Settlement of uranium litigation	(65,885)	(62,624)
Other	100,274	88,916
Total property and plant, net	3,295,788	3,202,298
Investments	4,302	4,263
Current assets and deferred charges:		
Cash and special deposits	52,015	53,816
Accounts receivable-trade	75,095	83,133
Unbilled revenue	28,463	42,942
Materials and supplies at average cost -		
Fuel	119,572	109,908
Construction and maintenance	36,218	35,486
Other	26,035	20,258
Total current assets and deferred charges	337,398	345,543
	$3,637,488	$3,552,104

CAPITAL AND LIABILITIES

	March 31, 1981	December 31, 1980
Capitalization:		
Common stock, $5 par value, authorized 100,000,000 shares; outstanding 66,541,728 and 66,125,317 shares, at respective dates (excluding 42,990 shares at par value in treasury)	$ 332,709	$ 330,627
Other paid-in capital	416,477	414,020
Retained earnings	285,649	298,902
Preferred stock not subject to mandatory redemption	281,355	281,355
Preferred stock subject to mandatory redemption	112,040	112,040
Long-term debt	1,606,772	1,479,229
Total capitalization	3,035,002	2,916,173
Accumulated deferred taxes on income	180,228	166,167
Accumulated deferred investment tax credits	115,002	113,474
Current liabilities:		
Accounts and wages payable	99,867	98,224
Short-term debt	90,910	141,895
Taxes accrued	41,940	44,765
Interest and dividends accrued or declared	44,199	40,201
Other	30,340	31,205
Total current liabilities	307,256	356,290
	$3,637,488	$3,552,104

UNION ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)
(Thousands of Dollars)

	Three Months Ended March 31, 1981	Three Months Ended March 31, 1980
Operating revenues(*):		
Electric	$206,034	$216,393
Gas	29,344	27,317
Steam	4,611	5,738
Water	461	444
Total operating revenues	240,450	249,892
Operating expenses:		
Operations		
Fuel and purchased power	84,162	78,615
Other	55,709	51,850
Maintenance	21,475	20,908
Depreciation	20,191	19,448
Income Taxes	2,530	13,305
Other Taxes(*)	28,185	28,008
Total operating expenses	212,252	212,134
Operating income	28,198	37,758
Other income:		
Allowance for equity funds used during construction	14,907	10,457
Miscellaneous, net	1,694	892
Total other income	16,601	11,349
Income before interest and other items	44,799	49,107
Interest and other items:		
Interest on debt	41,832	31,461
Allowance for borrowed funds used during construction	(16,561)	(10,264)
Preferred dividends of subsidiaries	96	85
Total interest and other items	25,367	21,282
Net Income	19,432	27,825
Preferred dividend requirements of Company	7,376	7,431
Earnings on common stock	$ 12,056	$ 20,394
Earnings per share of common stock (based on average shares outstanding)	$ 0.18	$ 0.35
Dividends declared per share of common stock	$ 0.38	$ 0.36
Average number of common shares outstanding (in thousands)	66,171	58,842

(*)Includes license and franchise taxes of $11,711,000 and $12,400,000 for the three-month periods ending March 31, 1981 and 1980, respectively.

UNION ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
(UNAUDITED)
(Thousands of Dollars)

	Three Months Ended March 31, 1981	Three Months Ended March 31, 1980
SOURCE OF FUNDS:		
From operations -		
Net income	$ 19,432	$ 27,825
Provision for depreciation	20,191	19,448
Provision for deferred taxes on income (net)	14,061	10,120
Provision for deferred investment tax credits (net)	1,528	5,669
Allowance for all funds used during construction	(31,468)	(20,721)
	23,744	42,341
Dividend reinvestment and stock purchase plan	4,539	3,941
Issue of mortgage bonds	124,000	55,000
Issue of long-term unsecured notes	-	75,000
Settlement of uranium litigation	3,261	55,448
Nuclear fuel lease	4,902	10,327
Total funds provided	$160,446	$242,057
APPLICATION OF FUNDS:		
Gross plant expenditures	$112,471	$100,339
Nuclear fuel	4,869	10,427
Allowance for all funds used during construction	(31,468)	(20,721)
Union Electric dividends on preferred stock and common stock	32,535	28,630
Restructured long-term unsecured notes	-	75,000
Reduced short-term bank loans and commercial paper	50,985	58,450
Net change in working capital (excluding short-term loans and current maturity of long-term debt)	(10,096)	(9,936)
Net change in other funds	1,150	(132)
Total funds applied	$160,446	$242,057
CHANGES IN COMPONENTS OF WORKING CAPITAL:		
Cash and deposits	$ (1,801)	$ (716)
Receivables, net	(18,893)	(9,631)
Fuel	9,664	7,654
Other materials and supplies	732	325
Accounts and wages payable	(1,643)	5,326
Taxes accrued	2,825	(14,964)
Interest and dividends accrued or declared	(3,998)	(1,064)
Other	3,018	2,634
	$(10,096)	$ (9,936)

UNION ELECTRIC COMPANY AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

Note 1 - Financial statement note disclosures, normally included in financial statements prepared in conformity with generally accepted accounting principles, have been omitted in this Form 10-Q pursuant to the Rules and Regulations of the Securities and Exchange Commission. However, in the opinion of the Company, the disclosures contained in this Form 10-Q are adequate to make the information presented not misleading. See Notes to Financial Statements included in the 1980 Annual Report on Form 10-K for information relevant to the financial statements contained in this Form 10-Q, including information as to the significant accounting policies of the Company.

Note 2 - In the opinion of the Company the financial statements filed as part of this Form 10-Q reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the periods.

Note 3 - Due to the effect of weather on sales, summer-winter rate differentials put into effect in May 1980 and other factors which are characteristic of electric utility operations, financial results for the periods ended March 31, 1981 and 1980 are not necessarily indicative of trends for any twelve-month period.

UNION ELECTRIC COMPANY AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE RESULTS OF OPERATIONS

Consolidated earnings amounted to $12.1 million in the first quarter of 1981, a decrease of $8.3 million from the first quarter of 1980. Earnings per share of 18¢ in the first quarter were 17¢ less than the corresponding period of 1980.

Conditions which contributed to the decrease are explained below.

ELECTRIC OPERATING REVENUES

The principal factors causing variations in electric revenues, which represented over 85% of total operating revenues, were as follows:

	Comparison of Three Month Periods Ended March 31, 1981 and 1980 (Millions of Dollars)
Tariffs and fuel recoveries (*)	$10.0
Rate restructuring in May 1980	(14.1)
Kilowatt-hour sales	(5.6)
License/franchise taxes	(.7)
	$(10.4)

(*) Includes the recording in 1980 of an estimated refund to Iowa customers of $1,095,000 applicable to the period June 1, 1978 through March 31, 1980.

The reduction attributed to kilowatt-hour sales in the first quarter of 1981, as compared with the first quarter of 1980, included $4.2 million due to the effect of mild weather and also reflected reduced sales to firm power industrial customers.

OPERATING EXPENSES

The changes in operating expenses were as follows:

Fuel and Purchased Power

	Comparison of Three Month Periods Ended March 31, 1981 and 1980 (Millions of Dollars)
Fuel:	
Variation in generation of electricity	$(2.4)
Price increases	5.6
Generation and fuel efficiencies	2.8
Purchased and interchange power	(.5)
	$ 5.5

Other Operations

Normal increases due to growth, inflation, wage increases and higher cost of purchased gas.

UNION ELECTRIC COMPANY AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE RESULTS OF OPERATIONS (Continued)

OPERATING EXPENSES (Continued)

Maintenance

The variation in maintenance expense reflects normal increases principally due to higher costs of repair parts and wage increases.

Depreciation

The variation in depreciation expense resulted from increases in depreciable property.

Income Taxes

Income taxes decreased principally due to lower pre-tax income.

Other Taxes

The increase in taxes other than income taxes generally reflects higher real estate taxes due to property additions and increased payroll taxes substantially offset by decreased gross receipts taxes due to the effect of mild weather.

Other Items

The increase in interest on debt reflected greater indebtedness and higher interest rates. Allowance for Funds Used During Construction (AFC) increased due to an increased amount of Construction Work in Progress and to an increased AFC rate.

The above should be considered in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's Annual Report on Form 10-K.

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the annual meeting of stockholders of the registrant held on April 28, 1981, the following proposals, which are more fully described in Exhibit 23 hereto, were presented to the meeting for a vote and the result of such voting was as follows:

	FOR	AGAINST
Consent of holders of Common Stock to offering of up to 4,000,000 additional shares of Common Stock under the dividend reinvestment and stock purchase plan (Common Stock vote only)	45,380,172	2,341,034
Amendment to Articles of Incorporation	49,757,759	2,551,920
Stockholder Proposal re summaries of Board of Directors' meetings	7,785,692	41,981,197
Stockholder Proposal re nuclear power	6,546,330	43,171,347

ITEM 5. OTHER INFORMATION

By order dated April 15, 1981, the Illinois Commerce Commission authorized an annual increase in the registrant's electric rates of $10,700,000 as the result of a request for an annual increase of approximately $15,200,000. The increased rates were placed in effect April 18, 1981. The registrant has applied for a rehearing of the Commission's order.

Rates designed to increase annual electric revenues in Iowa by $3,600,000 were put in effect on April 22, 1981, subject to refund pending a final decision on the Company's request for increased rates.

On May 8, 1981, the registrant filed proposed new schedules of wholesale electric rates with the Federal Energy Regulatory Commission ("FERC") which are designed to increase annual revenues by approximately $19,100,000.

A new license for the registrant's Osage hydroelectric plant, expiring February 28, 2006, has been issued by the FERC and is subject to formal acceptance by the registrant.

On April 10, 1981, St. Louis County approved a schedule change in the variance allowing a delay in meeting opacity and particulate standards at the registrant's Meramec Plant. Under the revised schedule the registrant proposes to demonstrate compliance with such standards no later than July 26, 1981 (Units 1 and 2), November 27, 1981 (Unit 3) and December 31, 1981 (Unit 4).

On April 30, 1981, the registrant announced that the sale of 3,000,000 shares of Preferred Stock scheduled for May 5, 1981 had been postponed indefinitely due to unsettled conditions in the financial markets and a temporary reduction in registrant's cash requirements.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit 23* - Proxy Statement dated March 27, 1981, containing a description of the proposals referred to under Item 4.

*This exhibit heretofore has been filed with the Securities and Exchange Commission pursuant to requirements of the Acts administered by the Commission and is hereby incorporated herein by reference.

(b) Reports on Form 8-K. During the quarter ended March 31, 1981, the registrant filed a Form 8-K dated February 5, 1981 reporting that a proposed $150,000,000 bond issue would have a 10 year maturity and that ratings on certain of the registrant's securities had been lowered by two rating agencies.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNION ELECTRIC COMPANY
(Registrant)

May 14, 1981

By J. T. Friel
J. T. Friel
Vice President and Controller
(Chief Accounting Officer)

May 14, 1981

By G. R. Murray
G. R. Murray
Secretary

Question 5, Item d

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. Information contained herein is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

PRELIMINARY PROSPECTUS DATED APRIL 14, 1981

PROSPECTUS

3,000,000 Shares

Union Electric Company

Cumulative Preferred Stock, $ Series

(Stated Value $25 Per Share)

Redeemable at the option of the Company at $ per share prior to May 15, 1986, at $ per share thereafter and prior to May 15, 1991, at $ per share thereafter and prior to May 15, 1996 and at $25 per share thereafter, plus accrued dividends. See DESCRIPTION OF NEW PREFERRED STOCK—*Redemption Provisions* for the terms of a limitation on the right of the Company to redeem the New Preferred Stock prior to May 15, 1986.

The New Preferred Stock will be entitled to a cumulative sinking fund sufficient to retire 150,000 shares at $25 per share, plus accrued dividends, on each May 15, beginning in 1987. The Company will have the non-cumulative option to redeem through the sinking fund up to an additional 150,000 shares on the same terms and dates. See DESCRIPTION OF NEW PREFERRED STOCK—*Sinking Fund Provisions.*

Application will be made to list the New Preferred Stock on the New York Stock Exchange.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Company(2)
Per Share	$	$	$
Total	$	$	$

(1) See UNDERWRITING for indemnification arrangements.
(2) Before deducting expenses payable by the Company estimated at $255,000.

The New Preferred Stock is offered by the several Underwriters when, as and if issued by the Company and accepted by the Underwriters and subject to their right to reject orders in whole or in part. It is expected that delivery of the New Preferred Stock will be made in New York City on or about May , 1981.

Merrill Lynch White Weld Capital Markets Group
Merrill Lynch, Pierce, Fenner & Smith Incorporated

Bache Halsey Stuart Shields
Incorporated

Goldman, Sachs & Co.

Shearson Loeb Rhoades Inc.

The date of this Prospectus is May , 1981

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE AND ADDITIONAL INFORMATION

The Company is subject to the information requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and, in accordance therewith, files reports and other information with the Securities and Exchange Commission. Information as of particular dates concerning directors and officers, their remuneration, the principal holders of securities of the Company and any material interest of such persons in transactions with the Company is disclosed in reports of the Company filed with the Commission.

The following documents, which have been filed by the Company with the Commission, are incorporated by reference in this Prospectus and shall be deemed to be a part hereof:

(1) The Company's Annual Report on Form 10-K for the year ended December 31, 1980 (the "Form 10-K Annual Report"), filed pursuant to the Exchange Act (File No. 1-2967);

(2) The Company's definitive Proxy Statement dated March 27, 1981 for its Annual Meeting of Stockholders to be held on April 28, 1981, filed pursuant to the Exchange Act (File No. 1-2967); and

(3) The Company's Report on Form 8-K dated February 5, 1981 filed pursuant to the Exchange Act (File No. 1-2967).

All documents filed by the Company with the Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering made by this Prospectus shall be deemed to be incorporated by reference and to be a part hereof.

Such reports, proxy statements and other information can be inspected and copied at the offices of the Commission at Room 6101, 1100 L Street, N.W., Washington, D.C.; Room 1228, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois; Room 1100, Federal Building, 26 Federal Plaza, New York, New York; and Suite 1710, Tishman Building, 10960 Wilshire Boulevard, Los Angeles, California. Copies of such material can also be obtained from the Public Reference Section of the Commission in Washington, D.C. 20549 at prescribed rates. Such material can also be inspected at the office of the New York Stock Exchange, 20 Broad Street, New York, N.Y. 10006.

The Company hereby undertakes to provide without charge to each person to whom a copy of this Prospectus has been delivered on the written request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Prospectus by reference, other than exhibits to such documents. Written requests for such copies should be directed to Mr. G. R. Murray, Secretary, Union Electric Company, P.O. Box 149, St. Louis, Missouri 63166, or telephone (314) 621-3222.

Except as otherwise indicated by the context, this Prospectus speaks as of the date hereof and does not purport to reflect any changes which may have occurred in the affairs of the Company or its subsidiaries thereafter. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Company or its subsidiaries since the date hereof.

THE ISSUE IN BRIEF

The following material is qualified in its entirety by, and should be read in conjunction with, information and financial statements appearing elsewhere in this Prospectus and in the documents and information incorporated in this Prospectus by reference.

The Offering

Issuer	Union Electric Company
Securities Offered	3,000,000 shares of Cumulative Preferred Stock—stated value $25 per share (the "New Preferred Stock")
Dividend Payment Dates	February 15, May 15, August 15 and November 15—first payment August 15, 1981
Redemption and Cumulative Sinking Fund	See Description of New Preferred Stock
Use of Proceeds	To repay short-term borrowings incurred to finance construction
Listing	Application will be made to list the New Preferred Stock on the New York Stock Exchange

The Company

Business	Primarily an electric utility
Service Area	Electric service to an approximately 24,000 square mile area, primarily covering the eastern and central portions of Missouri, portions of Illinois adjacent to St. Louis, Missouri, and the southeastern portion of Iowa; and gas service to Alton, Illinois, and vicinity and 90 Missouri communities
Service Area Population (estimated)	Electric—2,700,000; Gas—359,000
Customers	Electric—977,000; Gas—107,000
Revenue Distribution (12 Months Ended December 31, 1980)	Electric—92.5%; Gas—6.2%; Other—1.3%
Sources of kWh Generation (12 Months Ended December 31, 1980)	Coal—95.1%; Hydro—4.4%; Other—.5%

Consolidated Financial Information
(Thousands of dollars except ratios)

	12 Months Ended		
	December 31, 1979	December 31, 1980	February 28, 1981
Operating Revenues	$946,797	$1,077,876	$1,071,427
Operating Income	$166,466	$ 191,156	$ 184,767
Net Income	$118,055	$ 154,737	$ 148,879
Ratio of Earnings to Fixed Charges and Preferred Dividend Requirements			
Actual	1.92	2.11	2.01
Pro Forma		1.62	1.59

	Capitalization as of December 31, 1980			
	Actual	Ratio	As Adjusted*	Ratio*
Long-term Debt (excluding current maturity)	$1,479,229	50.7%	$1,627,542	51.8%
Preferred Stock Subject to Mandatory Redemption	112,040	3.8	187,040	6.0
Preferred Stock Not Subject to Mandatory Redemption	281,355	9.7	281,355	9.0
Common Equity	1,043,549	35.8	1,043,549	33.2
Total Capitalization	$2,916,173	100.0%	$3,139,486	100.0%
Short-term Debt and Current Maturity of Long-term Debt	$ 141,895			

* Adjusted to give effect to the sale of the New Preferred Stock offered hereby and the net proceeds from the sale of $150,000,000 principal amount of First Mortgage Bonds in February 1981, $30,000,000 of which is subject to delayed delivery in July.

THE COMPA[illegible]Y

Union Electric Company, incorporated in Missouri in 1922, is successor to a number of companies, the oldest of which was organized in 1881. The Company owns all of the common stock of Missouri Power & Light Company, Missouri Edison Company, Missouri Utilities Company and Union Colliery Company. As used hereafter in this Prospectus the term Company means Union Electric Company and its consolidated subsidiaries unless the context requires otherwise. The Company's principal office is at 1901 Gratio[illegible] Street, St. Louis, Missouri 63103 and its telephone number is (314) 621-3222.

APPLICATION OF PROCEEDS AND CONSTRUCTION PROGRAM

The net proceeds to be received by the Company from the sale of the New Preferred Stock, estimated at $, will be used to repay in part short-term debt (expected to aggregate approximately $150,000,000 at the time of issuance of the New Preferred Stock) incurred to finance the construction program, the largest single project of which is the Callaway Nuclear Plant.

Expenditures for the construction program, including amounts for allowance for funds used during construction ("AFC") and excluding nuclear fuel, amounted to $421,000,000 in 1980. The following table sets forth the Company's actual and estimated construction expenditures, excluding nuclear fuel, for the periods indicated:

	Actual	Estimated						
	1976-1980	1981	1982	1983	1984	1985	1981-1985	Completed Cost
				(Millions of Dollars)				
Callaway Unit No. 1	$ 936	$3[illegible]	$258	$ 69	$ —	$ —	$ 628	$1,586
Callaway Unit No. 2	41	7	18	107	185	276	593	$2,276
Generation-Other(1)	179	94	65	60	22	53	294	
Transmission and Distribution	325	76	78	79	79	82	394	
Other	69	30	28	24	23	21	126	
Total	$1,550	$508	$447	$3[illegible]	$309	$432	$2,035	
Less AFC:								
Callaway Unit No. 1		111	145	33	—	—	289	
Callaway Unit No. 2		5	6	13	27	50	101	
Other		11	11	9	5	5	41	
Net Cash Requirements		$381	$285	$284	$277	$377	$1,604	

(1) Primarily environmental control expenditures. See ENVIRONMENTAL MATTERS in the Form 10-K Annual Report.

The Company is constructing two units at the Callaway Nuclear Plant, each to have a net capacity of 1,150,000 kilowatts. The Company has expended $958 million through 1980 on Unit No. 1, which is scheduled to be placed in service in April 1983 at an estimated total cost of $1,379 per kilowatt, and has expended $51 million through 1980 on Unit No. 2, which is now scheduled to be placed in service in 1990 at an estimated cost of $1,979 per kilowatt. Construction expenditure estimates in the table above (which are approximately $400 million less than the previous estimates for the 1981-1985 period) reflect the April 1981 decision to defer the scheduled in-service date of Unit No. 2 for two years, as well as several prior deferrals of both units. See CONSTRUCTION PROGRAM in the Form 10-K Annual Report. The Company's decision in April 1981 to defer Unit No. 2, which increased its estimated completed cost by approximately $500 million, was made because of the reluctance to commit substantial sums of money to Unit No. 2 until Unit No. 1 is licensed by the Nuclear Regulatory Commission ("NRC") and the Company is permitted to earn a reasonable return on its investment in that unit. Other companies have been experiencing delays in obtaining operating licenses from the NRC and, consequently, no assurance can be given that the NRC

will issue the operating license for Unit No. 1 by late 1982, which is necessary if the unit is to be placed in service in April 1983 as scheduled.

Plans for construction projects are under constant review and actual expenditures will, and completion dates may, vary significantly from present estimates as they have in the past because of, among other reasons, continuing increases in the cost of construction (an inflation rate of 7¾% has been assumed on major projects) and financing, public interference and other difficulties with the construction and licensing of nuclear facilities, the inability to obtain adequate and timely rate relief, difficulties in obtaining the funds required for the construction program, changes in load and sales growth, and changes in business conditions. Various approvals are required from several Federal and State agencies (proceedings before the NRC, the Missouri Public Service Commission and others are currently in progress) which could adversely affect the construction or operation of the Callaway units and result in the cancellation of the second unit (see LEGAL PROCEEDINGS in the Form 10-K Annual Report).

The Company anticipates that approximately 10% of its net cash requirements for construction in each of the years 1981 and 1982 will be generated internally if the Company receives a major portion of the rate relief which it has requested—requests for annual increases in electric rates of $91 million, $15.2 million, and $3.6 million are pending in Missouri, Illinois and Iowa, respectively, and a $5.7 million annual increase in steam rates has been requested in Missouri (see RATES in the Form 10-K Annual Report). Such rate relief will also be necessary for the Company to obtain the external funds required to finance its construction program (see CONSTRUCTION PROGRAM—*Financing Restrictions* in the Form 10-K Annual Report). In addition to the funds required for construction during the 1981-1985 period, $137,403,000 will be required to retire currently outstanding long-term debt and Preferred Stock.

The ability of the Company to generate a larger portion of its construction funds internally has been adversely affected by a 1977 change in Missouri law prohibiting inclusion of construction work in progress in rate base. Consequently, the percentage of the Company's earnings represented by AFC (a non-cash item) is increasing and is expected to account for substantially all of the Company's earnings in 1981 and 1982. Further rate relief will be necessary, including an estimated 25% to 30% in 1983 at the time that Callaway Unit No. 1 is placed in service, to offset the discontinuance of recording AFC on the unit and to meet the expenses associated with its operation. There is no assurance that needed external funds or rate relief can be obtained. The ratings on the Company's Preferred Stock have recently been lowered from BBB to BBB– by Standard & Poor's Corporation and from "a" to "baa" by Moody's Investors Service, and the ratings have also been lowered on the Company's first mortgage bonds (from A– to BBB+ and A to Baa by such respective agencies) and commercial paper (from 2 to 3 by both agencies) largely as a result of the Company's substantial capital requirements and need for rate relief, which will increase the cost of and may impair the Company's ability to issue securities.

CERTAIN FINANCIAL INFORMATION

Set forth below is a summary of certain information concerning the results of operations of the Company. Except for the ratios of earnings to fixed charges and preferred dividend requirements the information, insofar as it relates to the five years ended December 31, 1980, was derived from the Company's audited financial statements, the last three years of which are contained in the Form 10-K Annual Report. The Form 10-K Annual Report also contains the report of Price Waterhouse & Co., independent accountants, on the financial statements for the three years ended December 31, 1980, and management's discussion and analysis of financial condition and results of operations. See INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE AND ADDITIONAL INFORMATION. In the opinion of the Company all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited 12-month period ended February 28, 1981 have been included.

	Year Ended December 31,					Twelve months ended February 28, 1981 (Unaudited)
	1976	1977	1978	1979	1980	
	(Thousands of dollars except share and per share amounts and ratios)					
Operating Revenues	$ 682,456	$ 765,102	$ 903,988	$ 946,797	$1,077,876	$1,071,427
Operating Expenses	518,342	605,963	727,756	780,331	886,720	886,660
Operating Income	164,114	159,139	176,232	166,466	191,156	184,767
Allowance for Funds Used During Construction (all funds prior to January 1, 1977 and equity funds after December 31, 1976)	12,379	8,301	15,980	31,245	45,357	48,424
Other Income—Miscellaneous	(2,554)	1,389	2,896	879	3,638	3,201
Interest on Debt and Other Items	78,529	84,015	90,699	107,383	132,112	139,159
Allowance for Borrowed Funds Used During Construction after December 31, 1976	—	10,721	15,489	26,848	46,698	50,768
Net Income	95,410	95,535	119,898	118,055	154,737	148,879
Preferred Dividend Requirements of Company	19,640	20,367	23,040	26,948	29,695	29,659
Earnings on Common Stock	75,770	75,168	96,858	91,107	125,042	119,220
Average Number of Common Shares Outstanding	40,795,152	45,110,245	48,260,596	52,577,432	59,675,995	60,682,910
Earnings Per Share of Common Stock (based on average shares outstanding)	$1.86	$1.67	$2.01	$1.73	$2.10	$1.96
Dividends Declared Per Share of Common Stock	$1.34	$1.36	$1.40	$1.44	$1.48	$1.50
Ratio of Earnings to Fixed Charges and Preferred Dividend Requirements(A)						
Actual	2.05	2.04	2.26	1.92	2.11	2.01
Pro Forma(B)					1.62	1.59

(A) Earnings used in computing the Ratio of Earnings to Fixed Charges and Preferred Dividend Requirements consist of net income plus fixed charges (interest on debt, related amortization, preferred dividends of subsidiaries and an appropriate amount of rentals charged to operating expenses) and income taxes. "Preferred Dividend Requirements" as used above represents the dividend requirement on the outstanding Preferred Stock of the Company increased by multiplying the effect of preferred dividends not deductible in determining taxable income by the ratio that pre-tax income bears to net income.

(B) After giving effect to (1) annual interest requirements on all long-term debt outstanding at December 31, 1980; (2) annual interest on $150,000,000 of Union Electric Company Bonds sold in February 1981 (interest rate of 15⅜%); (3) annual interest on $37,000,000 proceeds (projected for the next twelve months) from Union Electric Company $75,000,000 environmental improvement financing (assumed interest rate of 10%) proposed later in 1981; (4) annual interest on $10,000,000 of Bonds of Missouri Utilities Company (assumed interest rate of 15%) to be sold later in 1981; (5) annual interest on $4,000,000 of Bonds of Missouri Edison Company (interest rate of 14⅞%) sold in February 1981; (6) additional interest on the actual average short-term borrowings of $90,000,000 assumed to be outstanding during the next twelve months at an assumed weighted average interest rate of 16% versus the actual interest expense on short-term borrowings as recorded during the current twelve-month period; and (7)

annual preferred dividend requirements on the New Preferred Stock assuming receipt of $25 per share and an annual dividend of $3.75 (equivalent to 15%) per share. A difference of ⅛% in the actual rate from the assumed rate on the New Preferred Stock would change the Pro Forma Ratio of Earnings to Fixed Charges and Preferred Dividend Requirements by approximately .001.

A restructured rate design which increases the Company's revenues during the June through October billing periods and decreases revenues by an equivalent amount during the November through May billing periods was put into effect May 30, 1980. Until rates based on the restructured rate design have been in effect for a full year, comparisons of financial results with prior periods will be affected.

The Company expects that its operating revenues will decline in 1981 as compared to 1980 because of decreased kilowatt-hour sales due to projected normal temperatures in 1981 as compared to the hot weather experienced in the summer of 1980. This decline in operating revenues, combined with anticipated increases in interest and other costs, is expected to cause the Company's earnings, earnings per common share, the ratio of earnings to fixed charges and preferred dividend requirements and indenture coverage ratios to decline significantly until the Company receives a major portion of the rate relief it is currently seeking (see RATES in the Form 10-K Annual Report).

DESCRIPTION OF NEW PREFERRED STOCK

The following summaries of certain provisions affecting the capital stock contained in the Articles of Incorporation, as amended, and in other documents referred to below, all of which are filed as exhibits to the Registration Statement and to which reference is hereby made, do not purport to be complete and are qualified in their entirety by such reference.

Dividends. Before any dividends on the Common Stock shall be paid or declared or set apart for payment, the Preferred Stock is entitled to cumulative cash dividends when and as declared out of funds legally available therefor, at the dividend rate fixed for the particular series as expressed in the respective designations thereof, payable quarterly on the fifteenth days of February, May, August, and November. Dividends on shares of the New Preferred Stock will be cumulative from the date of original issuance of such shares and the initial dividend is payable on August 15, 1981.

Dividends on the Common Stock may be declared and paid at the discretion of the Board of Directors, provided all dividends for past periods and the dividend for the current quarter on the outstanding Preferred Stock and Preference Stock have been paid or provided for, and provided that any sinking fund obligations on the outstanding Preferred Stock and Preference Stock have been met. At the present time there is no Preference Stock outstanding. Subject to a limitation imposed by orders of the Securities and Exchange Commission permitting the issuance of certain outstanding series of the Company's Preferred Stock, the amount of dividends payable on the Common Stock (other than dividends payable in Common Stock) is restricted to 50% of net income applicable to the Common Stock if the ratio of Common Stock plus surplus is less than 20% of total capital (including funded debt) and to 75% of such net income if such ratio is 20% or more but less than 25%. At December 31, 1980, such ratio was 36.5%.

Sinking Fund Provisions. The New Preferred Stock will be entitled to a cumulative Sinking Fund sufficient to retire 150,000 shares at $25 per share on May 15 in each year beginning in 198[illegible]. At its option, the Company may redeem through the Sinking Fund on May 15 in each such year not more than 150,000 additional shares. The right to redeem such additional shares shall not be cumulative and shall not reduce any subsequent required Sinking Fund payment. Required Sinking Fund payments may be satisfied in whole or in part by crediting shares of the New Preferred Stock purchased by the Company in the open market, by redemption (otherwise than through the operation of the Sinking Fund) or otherwise. Shares of the New Preferred Stock shall be selected for redemption pursuant to the Sinking Fund by lot or in such other impartial manner as the Company shall determine. No dividends may be paid on the Common Stock or any class of stock over which the Preferred Stock has preference as to payment of dividends unless

all amounts required to be paid or set aside for any required Sinking Fund payments shall have been paid or set aside.

Redemption Provisions. The Preferred Stock, including the New Preferred Stock, is redeemable at any time at the option of the Company (subject, in the case of outstanding series, to restrictions regarding certain refunding operations and, in the case of the New Preferred Stock, as set forth in the following paragraph), in whole or in part (by lot or in such other impartial manner as the Board of Directors may determine), on not less than 30 days' and not more than 60 days' prior notice, at the amount per share fixed by the Board of Directors for each series, plus an amount equal to accrued and unpaid dividends.

The New Preferred Stock is to be redeemable (other than for redemptions referred to above under *Sinking Fund Provisions*) as a whole or in part, from time to time, at the election of the Company at $ per share prior to May 15, 1986; at $ per share on or after May 15, 1986 and prior to May 15, 1991; at $ per share on or after May 15, 1991 and prior to May 15, 1996; and at $25 per share if redeemed on or after May 15, 1996, in each case plus accrued dividends; provided, however, that prior to May 15, 1986 none of the shares of New Preferred Stock may be redeemed if such redemption is for the purpose or in anticipation of refunding such shares through the use, directly or indirectly, of borrowed funds or through the use, directly or indirectly, of funds derived through the issuance or sale of Preferred Stock or stock of any other class ranking on a parity with or having any preference over the Preferred Stock as to assets or dividends, if such borrowed funds have an interest rate or annual cost of money to the Company (computed in accordance with generally accepted financial practice without any adjustment for commissions, underwriting discount and expenses) or such stock has a dividend rate or an annual cost of money to the Company, so computed, of % or less.

Voting Rights. Each stockholder has one vote for each share of Common Stock, Preference Stock, and Preferred Stock, held by him; provided that whenever four quarterly dividends on the Preferred Stock and Preference Stock shall be in default in whole or in part, and during the continuance of such default, the Common Stock, as a class, shall be entitled to elect the same number of directors as was authorized by the Articles of Incorporation immediately prior to such default, and the Preferred Stock, as a class, and the Preference Stock, as a class, shall each be entitled to elect two additional directors; and provided further, that whenever four quarterly dividends on the Preference Stock only shall be in default, in whole or in part, and during the continuance of such default, the Common Stock and the Preferred Stock, voting together as a single class, shall be entitled to elect the same number of directors as was authorized by the Articles of Incorporation immediately prior to such default, and the Preference Stock, as a class, shall be entitled to elect two additional directors. Each stockholder is entitled to cumulative voting at all elections of directors, such right, in case of class voting during a default, being applicable to the number of directors to be elected by the particular class.

No amendment to the Articles of Incorporation which would change the provisions thereof relating to cumulative voting, quorum or preemptive rights, in any manner substantially prejudicial to the holders of any class of stock shall be made without the consent of at least two-thirds of all of the capital stock.

No amendment to the Articles of Incorporation creating or increasing shares of Preferred Stock or Preference Stock shall be made without the consent of a majority of the Common Stock.

No amendment to the Articles of Incorporation which would change the express terms of the Preferred Stock in any manner substantially prejudicial to the holders thereof, shall be made, except as referred to below and except for any change in the number of the Board of Directors, without the consent of at least three-fourths of the Preferred Stock.

The Company shall not, without the consent of at least two-thirds of the Preferred Stock (1) sell any shares of Preferred Stock or any senior or parity stock, unless net earnings for a period of twelve consecutive calendar months within the fifteen calendar months immediately preceding such action are at least two and one-half times the annual dividend requirements on the Preferred Stock and senior or parity stock to be outstanding immediately after such action; (2) create any class of senior stock; (3) increase the authorized number of shares of Preferred Stock; (4) reclassify outstanding shares of junior stock into shares of parity or senior stock; (5) make any distribution out of capital or capital surplus (other than

dividends payable in junior stock) to holders of junior stock; or (6) issue any shares of Preferred Stock or parity or senior stock, if the stated capital to be represented by the Preferred Stock and such other stock outstanding immediately after such issue would exceed the stated capital to be represented by shares of junior stock, increased by the amount of any capital surplus or reduced by the amount of any deficit.

Liquidation Rights. Before any distribution may be made to the holders of the Common Stock and the Preference Stock, in the event of any voluntary liquidation the holders of the Preferred Stock shall be entitled to be paid in cash the amount per share fixed by the Board of Directors for each series and, in the case of the New Preferred Stock, the voluntary liquidation price is the same as the applicable redemption price fixed by the Board of Directors. In the event of any involuntary liquidation the holders of the outstanding Preferred Stock shall be entitled to be paid in cash the amount per share fixed for the respective series, and the holders of the New Preferred Stock shall be entitled to be paid in cash $25 per share, the stated value thereof, plus, in each case, an amount equal to accrued and unpaid dividends.

Conversion Provisions. The outstanding Preferred Stock and the New Preferred Stock have no conversion rights. The Board of Directors may fix the terms and conditions upon which shares of a particular series of authorized but unissued Preferred Stock shall be convertible into, or exchangeable for, shares of any other class or classes of capital stock, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment thereof, if any.

Other Provisions. The Preferred Stock has no preemptive rights. The New Preferred Stock, when issued, will be validly issued, fully paid and non-assessable. The Articles of Incorporation authorize the Company to purchase its capital stock and contain no restriction on the purchase of its Preferred Stock when dividends are in arrears.

Transfer Agents and Registrars. The Transfer Agents for the New Preferred Stock will be Manufacturers Hanover Trust Company, New York, New York, and Mercantile Trust Company National Association St. Louis, Missouri. The Registrars for the New Preferred Stock will be The Chase Manhattan Bank (National Association), New York, New York, and The Boatmen's National Bank of St. Louis.

EXPERTS

The audited consolidated financial statements included in the Company's Form 10-K Annual Report incorporated by reference in this Prospectus have been so incorporated in reliance on the report of Price Waterhouse & Co., independent accountants, given on the authority of said firm as experts in auditing and accounting.

The statements as to matters of law and legal conclusions included in the Company's Form 10-K Annual Report under Item 1—BUSINESS, Item 2—PROPERTIES and Item 3—LEGAL PROCEEDINGS incorporated by reference in this Prospectus, and such statements included in this Prospectus under APPLICATION OF PROCEEDS AND CONSTRUCTION PROGRAM and DESCRIPTION OF NEW PREFERRED STOCK have been prepared under the supervision of, and reviewed by, Schlafly, Griesedieck, Ferrell & Toft, St. Louis, Missouri, and such statements are made and incorporated or included herein in reliance on the authority of that firm as experts.

LEGAL OPINIONS

Certain legal matters in connection with the New Preferred Stock will be passed upon for the Company by Schlafly, Griesedieck, Ferrell & Toft, St. Louis, Missouri, and for the Underwriters by Cahill Gordon & Reindel, New York, New York. Cahill Gordon & Reindel are not passing upon the incorporation of the Company or its subsidiaries or franchise matters. In giving their opinion as to any matter governed by Missouri or Illinois law, Cahill Gordon & Reindel will rely upon the opinion of Schlafly, Griesedieck, Ferrell & Toft and in giving their opinions as to any matter governed by Iowa law those two firms will rely upon the opinion of J. A. Concannon, Esq., Keokuk, Iowa. Counsel to the Company own certain securities of the Company as set forth under SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT in the Form 10-K Annual Report.

UNDERWRITING

The Underwriters named below have severally agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase from the Company the following respective number of shares of the New Preferred Stock:

Underwriters	Number of Shares	Underwriters	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated			
Bache Halsey Stuart Shields Incorporated			
Goldman, Sachs & Co.			
Shearson Loeb Rhoades Inc.			
		Total	3,000,000

The Underwriting Agreement provides that the Underwriters are committed to purchase all shares of the New Preferred Stock if any are purchased. Under certain circumstances the commitments of non-defaulting Underwriters may be increased.

The Company has been advised by Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bache Halsey Stuart Shields Incorporated, Goldman, Sachs & Co., and Shearson Loeb Rhoades Inc., as Representatives of the Underwriters, that the Underwriters propose to offer the New Preferred Stock to the public initially at the offering price set forth on the cover page of this Prospectus and to certain dealers at such price less a concession of $.   per share and that the Underwriters and such dealers may reallow a discount of $.   per share on sales to other dealers. The public offering price and concession and discount to dealers may be changed by the Representatives.

The Company has agreed to indemnify the several Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

No dealer, salesman, or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or by any of the Underwriters. This Prospectus does not constitute an offer to sell the securities in any jurisdiction to any one to whom it is unlawful to make such offer in such jurisdiction.

CONTENTS

3,000,000 Shares

Union Electric Company

Cumulative Preferred Stock,
$ Series
(Stated Value $25 Per Share)

PROSPECTUS

Merrill Lynch White Weld
Capital Markets Group
Merrill Lynch, Pierce, Fenner & Smith Incorporated

Bache Halsey Stuart Shields
Incorporated

Goldman, Sachs & Co.

Shearson Loeb Rhoades Inc.

May , 1981

Question 7, Item 1

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of Union Electric Company of St. Louis, Missouri for authority to file tariffs increasing rates for electric service provided to customers in the Missouri service area of the Company	Case No. ER-81-180

AFFIDAVIT OF W. E. CORNELIUS

State of Missouri)
) SS
City of St. Louis)

W. E. Cornelius, being first duly sworn on his oath states:

1. My name is W. E. Cornelius. I reside in St. Louis County, Missouri and I am President of Union Electric Company.

2. Attached hereto and made a part hereof for all purposes is my testimony consisting of 30 pages inclusive, and Exhibit ____ (WEC-1) to Exhibit ____ (WEC-13), inclusive, all of which testimony and exhibits have been prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. ER-81-180 on behalf of Union Electric Company.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct; that the attached exhibits were prepared under my supervision and direction and truly and correctly show the matters and things they purport to show.

W. E. Cornelius

Subscribed and sworn to before me this 5th day of February, 1981.

Margaret S. Heida

MARGARET S. HEIDA
NOTARY PUBLIC -- STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXPIRES JANUARY 2, 1982