1901 Chouteau Avenue
Post Office Box 149
St. Louis, Missouri 63166
314-554-2650

UNION ELECTRIC

Donald F. Schnell
Senior Vice President
Nuclear

March 20, 1991

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Mail Station P1-137
Washington, D.C. 20555

ULNRC-2382

Gentlemen:

CALLAWAY PLANT
DOCKET NUMBER 50-483
ANNUAL FINANCIAL REPORT

Transmitted herewith are twenty-five (25) copies of the Union Electric Company 1990 Annual Report. This information is submitted in accordance with 10CFR50.71(b).

Very truly yours,

Donald F. Schnell

Donald F. Schnell

WEK/dls

Enclosures

EXTRA C/S TO PM

M004 1/25

cc: T. A. Baxter, Esq.
Shaw, Pittman, Potts & Trowbridge
2300 N. Street, N.W.
Washington, D.C. 20037

Dr. J. O. Cermak
CFA, Inc.
4 Professional Drive (Suite 110)
Gaithersburg, MD 20879

R. C. Knop
Chief, Reactor Project Branch 1
U.S. Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Bruce Bartlett
Callaway Resident Office
U.S. Nuclear Regulatory Commission
RR#1
Steedman, Missouri 65077

M. D. Lynch (2)
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
1 White Flint, North, Mail Stop 13E21
11555 Rockville Pike
Rockville, MD 20852

Manager, Electric Department
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

The men and women of Union Electric are dedicated to excellent service. They have the skill and

experience to do their jobs and the initiative to go beyond. This Annual Report highlights

On The Cover, employees representing more than [illegible] years of U.E. experience:

Top: F. Bliggenstorfer, L. Diamond, C. H. Keeven, D. J. Walker, D. Guard, D. C. Zeuschel, D. Lyles, H. E. Young, D. Straub, S. Willis, R. W. O. Flemming, J. P. Holcomb, S. M. Allen, C. E. Herr, J. W. Shaw, R. Cole IV, M. I. McElroy, K. J. Whelan, W. V. Foster, V. Dowis, R. Hunt

Middle: S. Joannes, L. L. Kurowski, R. M. Casey, J. Maclin, H. F. Baker, B. Coleman, W. V. Blunt, W. E. Kahl, L. Worley, R. J. Kaltenbronn, D. J. Friedhoff, J. C. Moore II, H. Hiett, R. L. Moeller, S. R. Davis, W. W. Pulliam, M. Cirne, B. J. Johnson, R. C. Guenther, S. Newsom, D. R. Brake

Bottom: N. Voyles, R. L. King, D. A. Whiteley, S. Schaeffer, M. E. Kiman, W. S. York, L. J. Harmon, M. A. Burstadt, J. L. Talley, K. D. Smith, M. J. Nealon, R. M. Mantle, D. L. Batson, M. Heliman, C. J. Shannon, J. P. Lawlor, A. Rogers III, R. S. Jaby, L. E. Potthoff, S. Chestnutt Jr., T. S. Stott, G. G. Gates

Statement of Policy

We are a business enterprise — dependent for success on the high quality and fair price of our service; on the skill, courtesy, and loyalty of our employees; on the confidence of our investors; and on the ability of our management to forecast and provide for the energy requirements of our area.

In the conduct of our business, we will render service of the highest quality to our customers — promptly, courteously, and efficiently — at the lowest prices consistent with paying fair wages and affording job satisfaction and security to our employees; providing modern facilities for our customers' expanding needs for energy service; and paying a fair return to our investors who have provided the funds to make such service possible.

As a private enterprise entrusted with an essential public service, we recognize our civic responsibility in the communities we serve. We shall strive to advance the growth and welfare of these communities and shall participate in civic activities which fulfill that goal ... for we believe this is both good citizenship and good business.

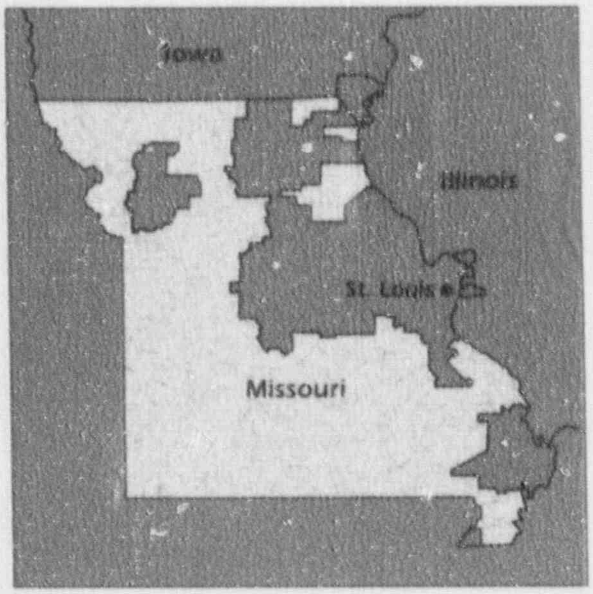
Contents

Annual Meeting

The Annual Meeting of Stockholders will convene at 10 a.m. Tuesday, April 23, 1991 at Powell Symphony Hall, 718 North Grand Boulevard St. Louis, Missouri.

Highlights

		Annual Change	
	Year Ended December 31,1990	Current Year	10-Year Rate of Growth
Earnings per Average Common Share	$2.74	5.0%	2.7%
Dividends per Common Share	$2.10	4.0	3.6
Common Stock Price — Year End	$29 3/4	3.9	10.6
Book Value per Common Share	$19.79	3.4	2.3
Property and Plant (gross)	$7,512,246,000	2.8	6.4
Total Operating Revenues	$2,023,017,000	.6	6.5
Total Kilowatt-Hour Sales	30,445,000,000	1.0	2.1
Residential Kilowatt-Hour Sales	9,810,000,000	.9	1.5
Commercial Kilowatt-Hour Sales	10,274,000,000	1.3	4.0
Industrial Kilowatt-Hour Sales	8,708,000,000	1.2	1.3



Service Area

Company Profile

Union Electric is a utility company, primarily engaged in supplying electric service to more than one million customers in the strategic center of America — a 24,000 square mile area in Missouri, Illinois, and Iowa, which includes the Metropolitan St. Louis area.

To Our Stockholders:

1990 was another good year for Union Electric. Again, we increased our dividend. And, again, earnings per common share increased without an overall increase in rates.

Financial Results

1990 earnings per common share increased to $2.74, a 5 percent gain over last year's $2.61 earnings.

While the 1990 summer was warmer than last year, it was offset by abnormally mild temperatures during the first and final quarters of the year. Kilowatt-hour sales increased 1 percent with residential sales up .9 percent, commercial sales up 1.3 percent, and industrial sales up 1.2 percent.

Peak electric demand for the summer of 1990 was 7.47 million kilowatts on July 9, up 1.7 percent from the previous record of 7.34 million kilowatts set in 1988.

Total operating revenues for the year were over $2 billion, an increase of .6 percent over 1989. Operating expenses were $1.6 billion, a relatively modest rise of 1.4 percent, compared to the year's 5.4 percent average increase in the consumer price index — an indication that our cost containment efforts are working.

Results for the year led to an increase in our common stock dividend — from $2.08 to $2.16 per year. This is the fifth dividend increase in the last six years, and 1990 marked the 84th consecutive year the Company has paid a cash dividend.

Acid Rain Legislation

Last year in this letter, I expressed our serious concern about pending acid rain legislation. Over the years that the issue was debated, we argued for a more flexible, cost-effective solution.

The Clean Air Act Amendments passed by Congress in 1990 will achieve significant environmental benefits, but at considerably less cost than earlier proposals.

In short, while final rule-making by the Environmental Protection Agency still is not complete, we anticipate that this legislation will not cause an increase in our electric rates, at least for the next several years. While compliance will require additional capital investments, we believe that these costs will be largely offset by decreased fuel costs.

Rate Design Case

We also resolved our Missouri rate design case, holding residential revenues at their present level, but reducing rates for commercial and industrial customers by 3.2 and 4.5 percent, respectively. The settlement includes an agreement to keep rates at these new levels to at least 1993, barring major unforeseeable events. This will lower our annual pre-tax revenues by an estimated $30 million, but it will also improve our competitive position.

High Marks for Callaway

I'm pleased to report that our Callaway nuclear plant continues to receive top marks for efficiency and safety. Last year, excluding its scheduled refueling time, the plant produced 94 percent of the maximum kilowatt-hours possible. In April, the U.S. Nuclear Regulatory Commission (NRC) gave Callaway top ratings in all seven categories of its Systematic Assessment of Licensee Performance. In November, the plant completed its scheduled refueling in only 60 days, about half the average time required for units of its kind. And this past January, the NRC recognized Callaway as one of the country's three safest nuclear plants.

New Director

I also am pleased to report that stockholders elected Thomas H. Jacobsen a new director at the annual meeting last April. Mr. Jacobsen is Chairman, President, and Chief Executive Officer of Mercantile Bancorporation Inc., a $7.6 billion regional banking organization that owns banks in Missouri and Illinois.

Union Electric is a service company, [illegible] unique responsibilities to each and all our customers. As a service business, we understand that our jobs are never finished. Because we always can — and must — improve the quality of our service and its cost.

This report tells how the 6,950 men and women of Union Electric are working to improve our service — through technology, good management, and simple human caring.

W. E. Cornelius

William E. Cornelius
Chairman and Chief Executive Officer

February 4, 1991
St. Louis, Missouri

William E. Cornelius

Vanita Joerling

Charles Rabenau

Hans

Excellence in Service

"Different customers have different needs," says Vanita Joerling, clerk in U.E.'s Wentzville, Mo. office. "Our job is to understand them and work with them." U.E. customer Charles Rabenau of Augusta knows what Vanita means. He first met her in 1982 when Vanita contacted him about an outstanding bill. As Mr. Rabenau told her then, the problem wasn't that he couldn't afford to pay. The problem was his blindness. He couldn't always get someone to read his mail to him. So, some things just slipped. As the two talked, a practical, if somewhat unique, solution occurred to them. Mr. Rabenau would write a number of checks in advance and give them to Vanita. Then, each month, she would pay his bill, freeing him of the task. Since that time, U.E. has established braille billing. But Mr. Rabenau and Vanita continue their system. As Vanita says, "Some people need a little special service, and I'm happy to do it." ⌘

Dependability — Service in Less Than a Second

What is considered excellent service for many businesses simply doesn't apply to Union Electric. For example, most people regard 30-minute pizza delivery or overnight document service as excellent. But such standards clearly wouldn't do for us. We serve literally on demand, in the time it takes to flick a switch.

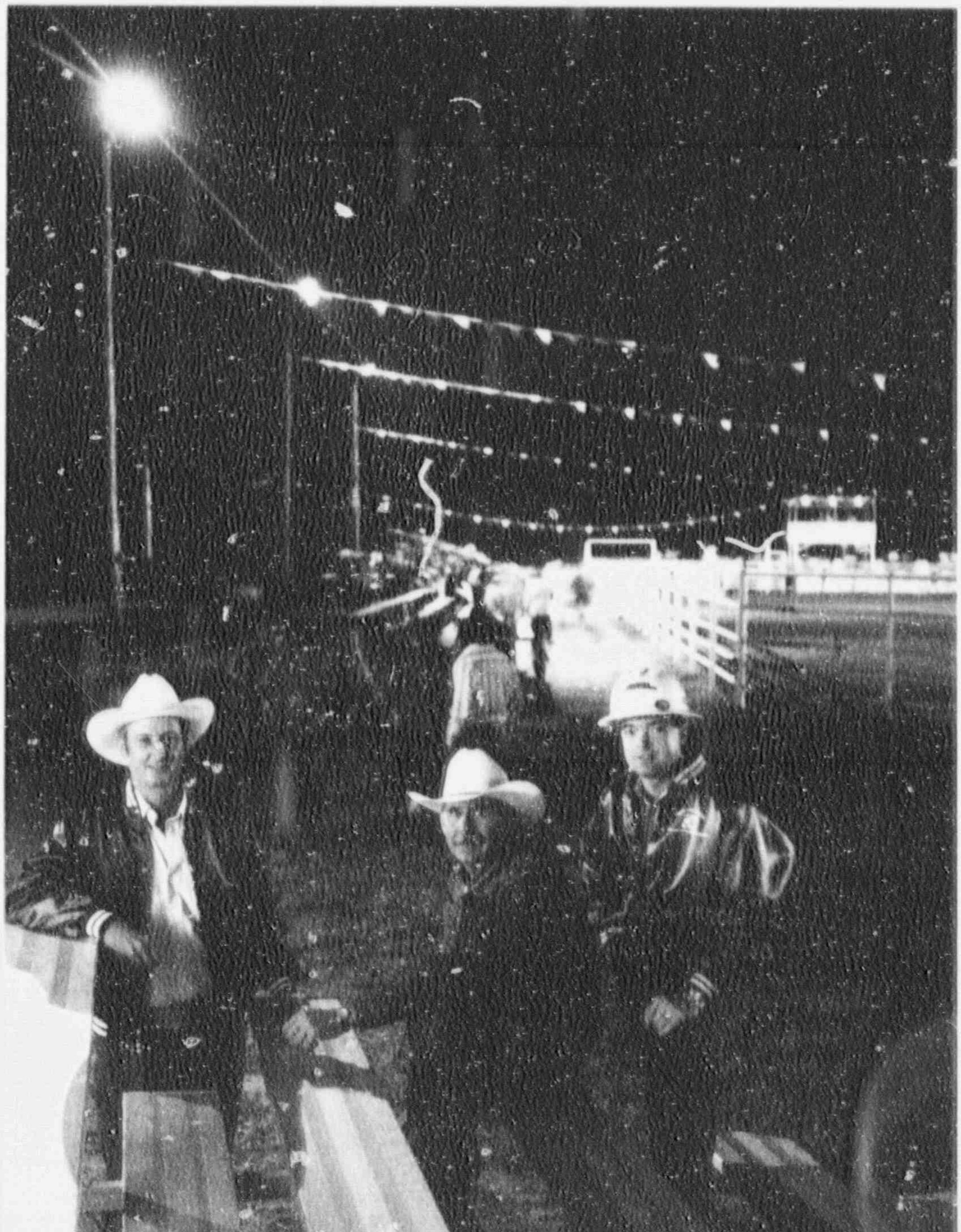
In 1990, our average customer's service was available 99.98 percent of the time, on demand, at the flick of a switch.

Not all U.S. utility customers enjoy such dependability. Some utilities have been forced to interrupt customers' power temporarily during peak demand periods to avoid even more serious problems. ("Rotating brownouts" are what these events are called.)

Obviously, even brief outages cause problems for customers. Short term, they cause economic and personal disruption. Longer term, continuing service problems can discourage economic growth. In fact, the more a society advances, the more important dependable electric service becomes to everyone's well-being.

Planned Reliability

Reliability doesn't just happen, though. It has to be planned and built into a system and then scrupulously maintained. One way U.E. helps ensure dependability is through its diverse power sources. Unlike many utility companies, we have the advantage of obtaining power from a highly efficient mix of coal-fired plants, a nuclear plant, three hydroelectric facilities, and, for short periods of peak customer demand, oil and natural gas-fired generators.



Jerome Glascock

Brooks Jarrett

Roy Kunz

For nearly 25 years, the Cedar Valley Riders Saddle Club in Ashland, Mo. provided riding and rodeo training for youngsters and adults. Its rodeos regularly attracted 4,000 people — a spectacular turnout for a town of 1,200. But the Club lost its lease and no longer had a place to practice or perform. Fortunately, a local civic organization purchased parkland and gave the Club a lifetime lease on five acres. The Club announced plans to build a rodeo arena and "the whole community pitched in to help build it," says Saddle Club Board member Jerome Glascock. U.E. pitched in with the community. It donated salvaged poles for lights. And U.E. people — Roy Kunz, chief line worker; Brooks Jerrell, engineering assistant; John Thomas and David Heidbreder, both journeymen line workers — donated their own time, after work hours, to install arena lighting. "We're very appreciative," says Mr. Glascock. "U.E. and its folks are community-minded, and that's how a company should be."

Another example of the way we design reliability into our organization is how we've configured the system that allows U.E. to share power with other utilities. If any part of our system suffered severe damage, we could — instantaneously — get power from utilities hundreds of miles away. We can receive power from utilities in every direction, over dozens of lines, unlike companies less centrally located. Designing and planning for dependability is extremely important because energy is infrastructure's glue, supporting all other elements from water systems to communications and emergency facilities.

Still, the fact is, many events can't be controlled. Union Electric can't stop car accidents that knock down poles. And we can't stop high winds or lightning. But we must be prepared for emergencies with an organization that responds rapidly.

New Monitoring System

In 1991, we'll significantly improve, not only our ability to respond, but, also our ability to deliver service in the most cost-effective way. Improvement will come from a state-of-the-art, computer-based monitoring system that oversees all critical elements of our power delivery system. We'll get information about any problems immediately and, in many cases, get alternatives about the different ways we can restore power. So, in many cases, service won't be interrupted or, at most, interruptions will be minimal.

Another service enhancement now in development is our Reliability Improvement Plan. Basically, this program builds a computer-based service history for each of U.E.'s more than one million customers. It means we can focus on specific problems,

Jerry Gibson

Emerson Barron

"I'm one of the smallest foundries in town," Emerson Barron, owner of Alpha Brass Foundry Co., readily admits. "I can't afford a consulting firm." But when Mr. Barron decided to replace his old gas-fired melting furnace with an electric model, he received consulting help — at no charge — from U.E.'s Jerry Gibson, engineer-Industrial Marketing. Jerry accompanied Mr. Barron to a trade show to "shop" for a replacement furnace. Mr. Barron says, "I got in over my head. These salesmen were talking about technical specifications I didn't understand so Jerry took over, talking with salespeople on my behalf." The end result was a new furnace that has more than paid for itself in reduced utility costs. "Even though I'm a small operation, U.E.'s assistance has helped me get up to speed with the industry," Mr. Barron says.

quickly identify developing patterns, and fix problems, once and for all. This will mean better service. It also will mean that we can apply our resources more efficiently than ever before.

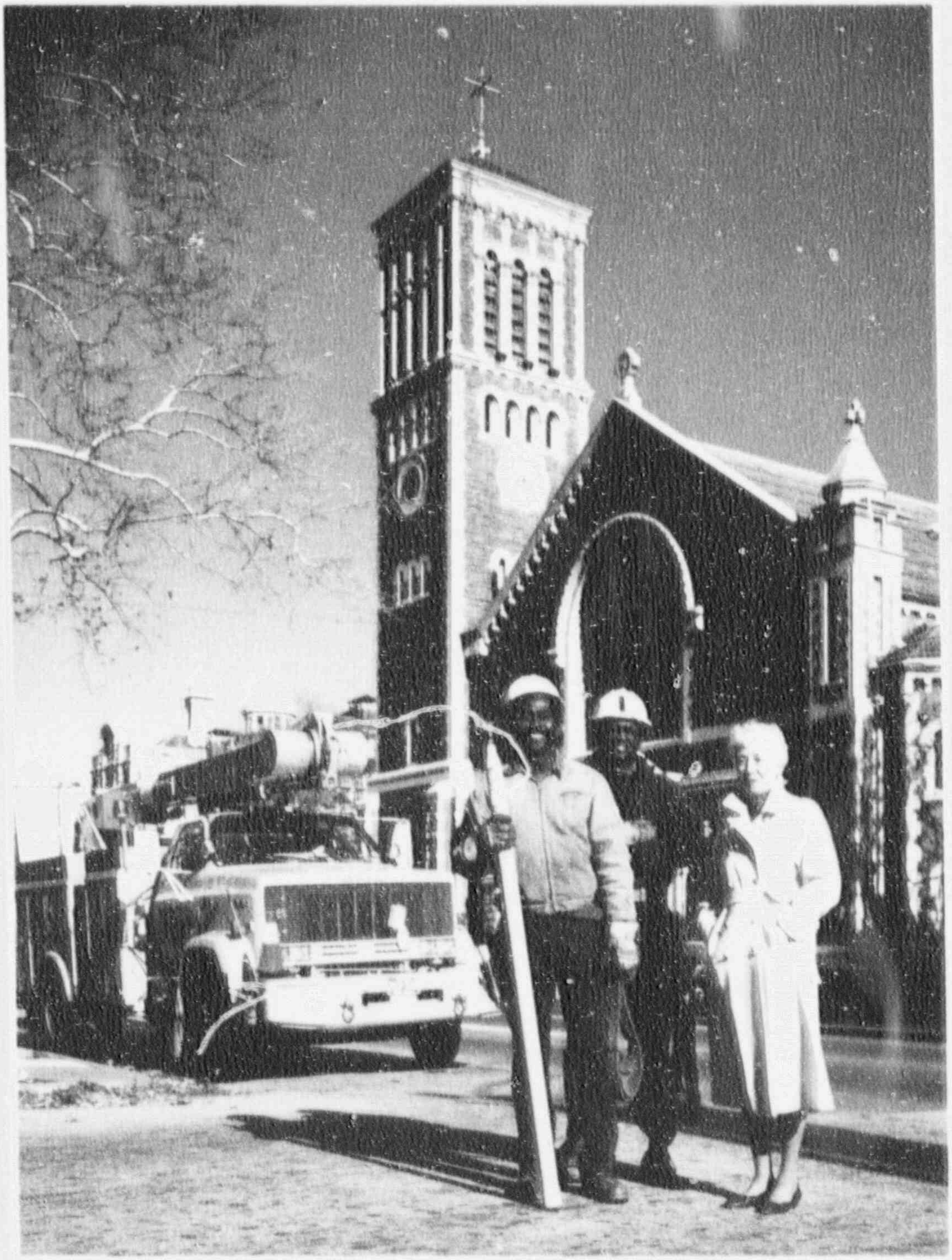
We're dedicated to improving our level of service constantly to meet our customers' ever-increasing demands and expectations.

Treating Customers the Way They Want to be Treated

Dependability is only one measure of service quality. Another is the human dimension — how we respond to individual customers.

We don't *assume* we know what customers want in terms of service quality. We *ask* them. Last year, an independent research firm surveyed 3,000 Union Electric customers. We were pleased that eight of ten customers who answered the survey last year said that our service people were courteous, honest, competent, and knowledgeable. The same percentage said they easily understood the information U.E. representatives gave them.

By constantly listening to our customers, we have long understood the unsurprising truth that people want their calls handled satisfactorily by the first person they talk to. (Seven of ten customers do have their problems solved by a single U.E. person.) It's always been our objective to satisfy a customer in the first contact, too. But in some cases, a single representative simply doesn't have all the information necessary to meet that objective.



Stacey Jones

Jesse Talley Jane Davis

High school graduation is a special milestone. But imagine a graduation ceremony with no electricity — with graduates and parents sitting in the dark and speakers struggling to make themselves heard. That was the bleak situation for Soldan High School's graduating class last June. A storm had caused power outages throughout the area, including the Pilgrim Congregational Church in north St. Louis where the Soldan graduation was to be held. U.E. overhead construction lineman Jesse Talley remembers the day well. "The whole block was down. It was going to take most of the night to restore. But a lady from the Church told us about the graduation, just about to start with no power. We didn't think twice." The crew scrapped its original work plan and concentrated on getting temporary power to the Church. With only minutes to go before the ceremony was to begin, the Church lights winked on. The microphone crackled. "We just loved being able to do that," Jesse says. "Fellows in the crew realized graduation would be the biggest event in some of these kids' lives."

Now, however, cost-effective technology will allow us to be more responsive than ever before. By 1992, our trouble call system will be integrated with other key systems. Among other efficiencies, this means that a computer will list trouble reports in order of the number of customers affected by any problem, and help speed up repairs. And, when a customer calls in with a service problem, our service representative will be able to key in the report to tell him or her about the status of any assignment or repair.

We recognize that courtesy — a voice with a smile — is important. But we also recognize that our customers expect more than that. They expect a commitment — on the spot — from the first person they reach.

Civic Responsibilities — Part of Good Citizenship and Good Business

Our statement of corporate policy includes these words on corporate citizenship: "As a private enterprise entrusted with an essential public service, we recognize our civic responsibility in the communities we serve. We shall strive to advance the growth and welfare of these communities and shall participate in civic activities which fulfill that goal...for we believe this is both *good citizenship and good business*."

Backing up these words, we helped literally thousands of individuals through hundreds of nonprofit organizations in 1990.

Denise Deloney

Richard Kramer

A hard worker all his life, Richard Kramer has never been in serious debt. But the combination of a lung operation and an error that withheld his monthly Social Security checks upset his financial balance. When U.E. Customer Assistance Program case worker Denise Deloney first contacted Mr. Kramer, he and his wife, Dorothy, were "up to their necks in debt." Denise went to work, coordinating with public and private St. Louis agencies to help the Kramers with cash, food assistance, and for Mr. Kramer, a cancer support group. Denise also contacted the Social Security Administration to try to break the bureaucratic logjam. The following week, Mr. Kramer received more than $14,000 in Social Security back payments. "U.E. and Denise Deloney really helped us when we really needed help," he says.

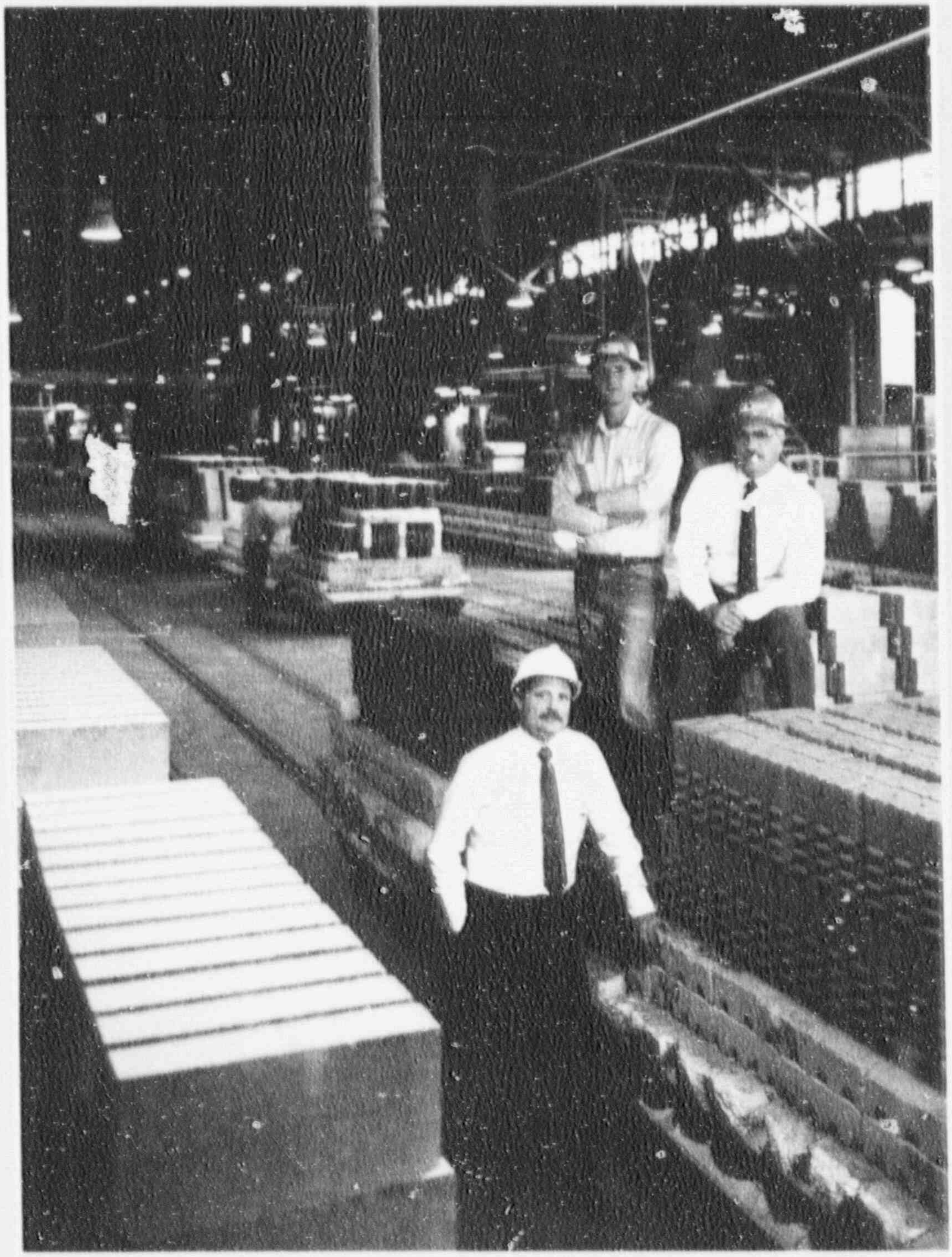
Our **Customer Assistance Program** serves customers whose financial stability is threatened by unexpected crises. Last year this program helped an estimated 5,800 households, often for a period of months, with services that included food, housing, medical care, and employment. Social service professionals provide assistance — at no charge to the customer — through an agreement with Union Electric.

Gatekeeper trains Union Electric people to spot danger signals for elderly customers. When our people observe an older customer who, they believe, may be in trouble of some sort, they report it to a Division of Aging hotline. Professional social workers then follow up.

Energy-related programs helped an estimated 9,000 households in 1990. The programs include **Dollar More**, which serves customers who need temporary financial help to pay energy bills. The Company, with our customers and our employees, together fund Dollar More. **Weatherization Kits** help customers age 62 or older make their homes more comfortable and energy efficient. Free kits are donated by U.E. and installed by volunteers. **Energy Aid Grants** go to nonprofit organizations for energy conservation projects that serve their constituencies.

What these programs reflect, of course, is the fact that many customers have special, energy-related needs. We believe we best meet our business objectives by helping serve these special needs.

In the same vein, we have taken into account the needs of people with disabilities and health problems. For example, blind customers



Jay Landsberry
Larry Girard

Jim Hulse

It takes tremendous amounts of energy to make the high-tech brick manufactured by Harbison-Walker Refractories in its Vandalia, Mo. plant. U.E. industrial sales supervisor Jim Hulse saw the plant's high energy costs as an opportunity to help. He met with plant management to discuss how they could cut costs by moving usage to off-peak periods. Jim recalls, "They were a bit skeptical." But he didn't give up. He returned to the plant with devices that measure individual machines' energy use. Results were convincing. Harbison-Walker invested in a computer system linked to sensors in machines. Without hampering production, the system levels usage, eliminating sharp increases in power demands to save Harbison-Walker an estimated $70,000 per year. Plant manager Larry Girard says, "Everything we do now considers our energy costs — that gives us a competitive edge. Jim Hulse and U.E. started us on this path." Jim simply says, "It's a two-way street. When we help a customer maximize efficiency, it helps maximize ours, too."

can receive bills in braille, and we communicate with hearing- and speech-impaired customers via a teletype system. Also, we have identified customers with life-support systems in their homes, so if a service problem occurs, we can endeavor to protect these people's health.

Employee Voluntarism

As proud as we are of these and other corporate programs, we are prouder still of the tradition of voluntarism by Union Electric people, active and retired. Throughout the communities we serve, U.E. men and women represent a valuable resource of skills and caring, freely volunteering to those who need it.

We support employees' civic efforts through VIP — Volunteers Involved in Programs. Any employee who is involved with a nonprofit organization engaged in a special project can apply for a U.E. grant. An employee committee evaluates their fellow employees' requests and allocates grant money. This program works with the overall Union Electric charitable contributions program, which supports nonprofit groups in our service area with cash and/or surplus equipment and materials. In 1990, these two charitable programs benefitted more than 985 groups in the communities we serve with grants of cash and equipment totaling more than $2.4 million.

Unique Responsibility and Accountability

In summary, Union Electric's service role is not, and can never be, one-dimensional. The combination of certain qualities — our importance to the economic and personal well-being of our customers and our personal and corporate values — gives us unique responsibility and accountability in the communities we serve.

Responsibility for Financial Statements

The management of Union Electric Company is responsible for the information and representations contained in the financial statements and in other sections of this Annual Report. The financial statements have been prepared in conformity with generally accepted accounting principles. Other information included in this report is consistent, where applicable, with the financial statements.

The Company maintains a system of internal accounting controls designed to provide reasonable assurance as to the integrity of the financial records and the protection of assets. Qualified personnel are selected and an organization structure is maintained that provides for appropriate functional responsibility.

Written policies and procedures have been developed and are revised as necessary. The Company maintains and supports an extensive program of internal audits with appropriate management follow up.

The Board of Directors, through its Auditing Committee comprised of outside directors, is responsible for ensuring that both management and the independent accountants fulfill their respective responsibilities relative to the financial statements. Moreover, the independent accountants have full and free access to meet with the Auditing Committee, with or without management present, to discuss auditing or financial reporting matters.

Report of Independent Accountants

One Boatmen's Plaza
St. Louis, MO 63101

Telephone 314-425-0500

Price Waterhouse

To the Stockholders and Board of Directors
of Union Electric Company

February 4, 1991

In our opinion, the accompanying balance sheet and the related statements of income, long-term debt, preferred stock, retained earnings, other paid-in capital, and cash flows present fairly, in all material respects, the financial position of Union Electric Company at December 31, 1990 and 1989, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1990, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse

Statement of Income

(Thousands of Dollars Except Shares and Per Share Amounts)

	Year 1990	Year 1989	Year 1988
Operating Revenues (*):			
Electric	$1,[illegible],171	$1,929,884	$1,938,296
Gas	8[illegible],310	76,840	87,263
Other	3,53[illegible]	3,582	3,548
Total operating revenues	2,023,017	2,010,306	2,029,107
Operating Expenses:			
Operations			
Fuel and purchased power	402,453	403,840	422,297
Other	367,365	354,215	335,073
	769,818	758,055	757,370
Maintenance	176,369	156,220	162,977
Depreciation and nuclear decommissioning	200,475	195,908	195,684
Amortization of phase-in plans deferred costs	32,461	34,397	39,703
Income taxes	192,206	203,441	194,211
Other taxes (*)	194,148	195,817	195,008
Total operating expenses	1,565,477	1,543,838	1,544,953
Operating Income	457,540	466,468	484,154
Other Income and Deductions:			
Callaway Unit No. 2 costs disallowed	—	(50,351)	—
Income tax benefits related to Callaway Unit No. 2 costs disallowed	—	20,155	—
Allowance for equity funds used during construction	2,188	2,656	2,002
Miscellaneous, net	10,118	7,996	(8,240)
Total other income and deductions, net	12,306	(19,544)	(6,238)
Income Before Interest Charges	469,846	446,924	477,916
Interest Charges:			
Interest	187,584	176,571	199,241
Allowance for borrowed funds used during construction	(11,957)	(15,252)	(12,883)
Net interest charges	175,627	161,319	186,358
Net Income	294,219	285,605	291,558
Preferred Stock Dividends	14,693	19,134	30,425
Earnings on Common Stock	$ 279,526	$ 266,471	$ 261,133
Earnings per Share of Common Stock (based on average shares outstanding)	$2.74	$2.61	$2.56
Dividends per Share of Common Stock	$2.10	$2.02	$1.94
Average Number of Common Shares Outstanding	102,123,834	102,123,834	102,123,834

(*) Includes license and franchise taxes of $94,200,000, $95,276,000, and $95,608,000 for the years 1990, 1989, and 1988, respectively.

See Notes to Financial Statements on pages 25 through 29.

Balance Sheet

Union Electric Company

(Thousands of Dollars)

Assets	December 31, 1990	December 31, 1989
Property and Plant, at original cost:		
Electric	$7,238,325	$7,013,217
Gas	122,632	113,190
Other	18,268	14,755
	7,379,225	7,141,162
Less accumulated depreciation and amortization	2,391,514	2,192,221
	4,987,711	4,948,941
Construction work in progress:		
Nuclear fuel in process	61,636	115,333
Other	71,385	53,468
Total property and plant, net	5,120,732	5,117,742
Deferred Charges and Other Assets:		
Callaway rate phase-in plans	66,976	99,200
Unamortized debt expense	23,555	23,623
Nuclear decommissioning trust fund	22,594	17,816
Other	17,636	20,943
Total deferred charges and other assets	130,761	161,582
Current Assets:		
Cash and special deposits	3,525	3,480
Accounts receivable – trade (less allowance for doubtful accounts of $5,484 and $5,713, at respective dates)	161,516	150,088
Unbilled revenue	95,407	113,193
Other accounts and notes receivable	15,089	23,912
Materials and supplies, at average cost –		
Fossil fuel	72,165	86,897
Construction and maintenance	90,029	89,782
Other	13,117	13,646
Total current assets	450,848	480,998
Total Assets	$5,702,341	$5,760,322

See Notes to Financial Statements on pages 25 through 29.

Capital and Liabilities	December 31, 1990	December 31, 1989
Capitalization:		
Common stock, $5 par value, authorized 150,000,000 shares – outstanding 102,123,834 shares (excluding 42,990 shares at par value in treasury)	$ 510,619	$ 510,619
Other paid-in capital, principally premium on common stock (see accompanying statement)	718,473	716,957
Retained earnings (see accompanying statement)	792,207	726,905
Total common stockholders' equity	2,021,299	1,954,481
Preference stock, $1 par value, authorized 7,500,000 shares – none outstanding		
Preferred stock not subject to mandatory redemption (see accompanying statement)	218,004	227,582
Preferred stock subject to mandatory redemption (see accompanying statement)	780	806
Long-term debt (see accompanying statement)	1,954,944	2,114,039
Unamortized discount and premium on debt	(6,920)	(7,263)
Total capitalization	4,188,107	4,289,645
Accumulated Deferred Taxes on Income	746,361	704,148
Accumulated Deferred Investment Tax Credits	200,934	207,951
Accumulated Provision for Nuclear Decommissioning	23,465	18,686
Construction Commitments and Contingencies (Notes 9, 10, and 11)		
Current Liabilities:		
Current maturity of long-term debt	106,618	129,003
Accounts payable	144,064	150,420
Wages payable	36,441	33,825
Bank loans	45,500	41,000
Commercial paper	45,000	—
Income taxes accrued	33,288	39,917
Other taxes accrued	18,821	20,622
Interest accrued	37,347	40,665
Dividends declared	3,504	3,698
Other	72,891	80,742
Total current liabilities	543,474	539,892
Total Capital and Liabilities	$5,702,341	$5,760,322

Long-Term Debt

(Thousands of Dollars)

		December 31, 1990	December 31, 1989
First Mortgage Bonds – note (a)			
4 3/4%	Series due 1991	$ —	$ 30,000
5%	Series due 1991	—	2,000
5 5/8%	Series due 1991	—	3,500
4 1/2%	Series due 1992	6,000	6,000
4 1/2%	Series due 1993	30,000	30,000
10 3/4%	Series due 1994 – note (b)	1,960	2,380
4 1/2%	Series due 1995	35,000	35,000
4 3/4%	Series due 1995	3,000	3,000
5 1/2%	Series due 1996	30,000	30,000
5 5/8%	Series due 1996	5,000	5,000
8 1/4%	Series due 1996	10,000	10,000
8 7/8%	Series due 1996	100,000	100,000
5 1/2%	Series due 1997	40,000	40,000
5 5/8%	Series due 1997	5,000	5,000
7%	Series due 1998	50,000	50,000
7.95%	Series due 1998	4,000	4,000
7 3/8%	Series due 1999	35,000	35,000
8%	Series due 1999	5,000	5,000
8 1/4%	Series due 1999	40,000	40,000
9.95%	Series due 1999 – note (b)	57,160	64,300
9%	Series due 2000	60,000	60,000
7 7/8%	Series due 2001	50,000	50,000
7 5/8%	Series due 2001	50,000	50,000
8 1/8%	Series due 2001	60,000	60,000
9 1/4%	Series due 2001 – note (b)	3,000	3,300
9 3/8%	Series due 2001 – note (b)	1,738	1,912
9 3/8%	Series due 2001 – note (b)	6,000	6,600
8 1/2%	Series due 2002 – note (b)	3,300	3,600
7 3/4%	Series due 2003	7,000	7,000
8 3/8%	Series due 2004	70,000	70,000
10%	Series due 2004 – note (b)	6,500	7,000
10 1/2%	Series due 2005	70,000	70,000
5.80%	Series due 1992 to 2005 – note (c)	27,085	27,085
8 7/8%	Series due 2006	70,000	70,000
8 5/8%	Series due 2007	60,000	60,000
9.35%	Series due 2008 – note (b)	46,750	49,500
9.25-9.625%	Series due 2000 to 2010 – note (d)	—	60,000
9 3/8%	Series due 2016	100,000	100,000
7.40%	Series due 2020 – note (c)	60,000	—

		December 31, 1990	December 31, 1989
Unsecured Loans –			
	Domestic credit agreement, due 1991 – note (e)	$ —	$ 100,000
	Commercial paper – note (f)	300,000	300,000
Unsecured Notes –			
	6% Due to 1992	1,190	1,295
Missouri Environmental Improvement –			
	Revenue bonds, 5.75-6.20% Series due to 2004	15,500	16,000
	1984 Series A due 2014 – note (g)	80,000	80,000
	198 Series B due 2014 – note (h)	80,000	80,000
	1984 Series C due 2014 – note (i)	47,500	47,500
	1985 Series A due 2015 – note (j)	70,000	70,000
	1985 Series B due 2015 – note (j)	56,500	56,500
Nuclear Fuel Lease – note (k)		95,761	106,567
Long-Term Debt		$1,954,944	$2,114,029

(a) At December 31, 1990, 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 – 10 3/4% Series to 1993; 9.95% Series to 1998; 9 3/4% Series and each 9 1/4% Series to 2000; 8 1/2% Series to 2001; 10% Series to 2003; and 9.35% Series to 2007.
(c) Environmental Improvement Series.
(d) Redeemed on August 1, 1990 at a price of 103 percent of the principal amount.
(e) Credit agreement with certain domestic banks which permits the Company to borrow up to $150 million. Interest rates will vary depending on market conditions and the Company's selection of various options under the agreement. At December 31, 1990, no such borrowings were outstanding.
(f) The Company has a bank credit agreement due 1993 which is utilized to support commercial paper borrowings on a long-term basis. At December 31, 1990, the outstanding commercial paper was at an average annualized interest rate of 7.93%.
(g) Adjustable-fixed rate, interest rate at 6.30% per annum through May 31, 1991; thereafter, interest rates will depend on market conditions and the Company's selection of an adjusted rate for each annual period or a fixed rate until maturity.
(h) Adjustable-fixed rate, interest rate at 6.20% per annum through May 31, 1991, thereafter, interest rates will depend on market conditions and the Company's selection of an adjusted rate for each annual period or a fixed rate until maturity.
(i) Adjustable-fixed rate, interest rate at 5.85% per annum through February 28, 1991; thereafter, interest rates will depend on market conditions and the Company's selection of an adjusted rate for each annual period or a fixed rate until maturity.
(j) Interest rates, and the periods during which such rates apply, vary depending on the Company's selection of certain defined rate modes. The average interest rates at December 31, 1990, for such Series A and Series B bonds were 5.91% and 5.95%, respectively.
(k) At December 31, 1990 and 1989, $58 million and $66 million, respectively, are included under current maturity of long-term debt.

See Notes to Financial Statements on pages 25 through 29.

Preferred Stock

(Thousands of Dollars)

	December 31, 1990	December 31, 1989
Preferred Stock Not Subject to Mandatory Redemption:		
Preferred stock outstanding without par value (entitled to cumulative dividends) – note (a)		
Stated value of $100 per share –		
$7.44 Series – 332,201 and 427,977 shares at respective dates – note (b)	$ 33,220	$ 42,798
$6.40 Series – 300,000 shares	30,000	30,000
$5.50 Series A – 14,000 shares	1,400	1,400
$5.50 Series B – 3,000 shares	300	300
$4.75 Series – 20,000 shares	2,000	2,000
$4.56 Series – 200,000 shares	20,000	20,000
$4.50 Series – 213,595 shares	21,359	21,359
$4.30 Series – 40,000 shares	4,000	4,000
$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 $97.50 per share –		
$8.00 Series of 1971 – 425,000 shares	41,437	41,437
Stated value of $92.25 per share –		
$8.00 Series – 350,000 shares	32,288	32,288
Total Preferred Stock Not Subject to Mandatory Redemption	$218,004	$227,582
Preferred Stock Subject to Mandatory Redemption		
Preferred stock outstanding without par value (entitled to cumulative dividends) – note (a)		
Stated value of $100 per share –		
$6.30 Series – 7,800 and 8,060 shares at respective dates, due to 2020 – note (c)	$780	$806
Total Preferred Stock Subject to Mandatory Redemption	$780	$806

(a) Authorized Union Electric Company total preferred stock – 25,000,000 shares.
(b) In 1990 and 1989, the Company retired 95,776 and 122,023 shares of the $7.44 Series.
(c) The Company is required to retire 260 shares at $100 per share on June 1 of each year.

See Notes to Financial Statements on pages 25 through 29.

Statement of Retained Earnings

(Thousands of Dollars)

	Year 1990	Year 1989	Year 1988
Balance at Beginning of Period	$ 726,905	$668,670	$610,466
Add:			
Net income	294,219	285,605	291,558
	1,021,124	954,275	902,024
Deduct:			
Preferred stock dividends*	14,457	18,066	29,264
Common stock cash dividends – $2.10, $2.02, and $1.94 per share, respectively	214,460	206,290	198,120
Premium paid on preferred stock reacquired	—	3,014	5,970
	228,917	227,370	233,354
(Under mortgage indentures as amended, free and unrestricted retained earnings at December 31, 1990 amounted to $735,092)			
Balance at Close of Period	$ 792,207	$726,905	$668,670

*Preferred stock dividends include dividends declared, applicable to subsequent periods.

Statement of Other Paid-In Capital

(Thousands of Dollars)

	Year 1990	Year 1989	Year 1988
Balance at Beginning of Period	$716,957	$716,071	$716,071
Premium paid on preferred stock reacquired	—	(999)	—
Excess of stated value over purchase price of 95,776 and 122,023 shares $7.44 Series preferred stock retired during 1990 and 1989, respectively	1,516	1,885	—
Balance at Close of Period	$718,473	$716,957	$716,071

See Notes to Financial Statements on pages 25 through 29.

Statement of Cash Flows

Union Electric Company

(Thousands of Dollars)

	Year 1990	Year 1989	Year 1988
Cash Flows From Operations:			
Net income	$ 294,219	$ 285,605	$ 291,558
Items not requiring cash –			
Depreciation and amortization	225,760	223,290	224,396
Callaway Unit No. 2 costs disallowed	—	50,351	—
Amortization of nuclear fuel	58,518	59,691	68,656
Allowance for funds used during construction	(14,145)	(17,908)	(14,885)
Deferred taxes on income, net	42,213	46,183	36,514
Deferred investment tax credits, net	(7,017)	(7,013)	26,987
Contract acquisition expense	—	—	28,845
Changes in assets and liabilities:			
Receivables, net	15,181	(27,607)	(10,707)
Materials and supplies	14,485	(23,684)	26,191
Accounts and wages payable	(3,740)	(6,670)	(309)
Taxes accrued	(8,430)	2,092	6,300
Interest and dividends accrued or declared	(3,512)	(31,928)	(10,645)
Other, net	(2,384)	19,073	6,996
Net cash provided by operations	611,148	571,475	679,897
Cash Flows From Investing:			
Construction expenditures	(212,932)	(192,853)	(174,903)
Allowance for funds used during construction	14,145	17,908	14,885
Nuclear fuel expenditures	(43,332)	(20,446)	(29,588)
Net cash used in investing activities	(242,119)	(195,391)	(189,606)
Cash Flows From Financing:			
Dividends on preferred and common stock	(228,917)	(224,356)	(227,384)
Redemptions –			
Nuclear fuel lease	(68,884)	(59,374)	(108,753)
Short-term debt	—	(17,500)	—
Long-term debt	(222,539)	(337,539)	(253,368)
Preferred stock	(8,087)	(114,356)	(84,746)
Issuances –			
Nuclear fuel lease	49,943	76,956	116,003
Short-term debt	49,500	—	25,500
Long-term debt	60,000	300,000	40,000
Net cash used in financing activities	(368,984)	(376,169)	(492,748)
Net Change in Cash and Cash Equivalents	45	(85)	(2,457)
Cash and Cash Equivalents at beginning of year	3,480	3,565	6,022
Cash and Cash Equivalents at end of year	$ 3,525	$ 3,480	$ 3,565

Cash and cash equivalents include cash on hand and temporary investments purchased with a maturity of three months or less.

See Notes to Financial Statements on pages 25 through 29.

Note 1 - Summary of Accounting Policies
The Company is regulated by the Missouri Public Service Commission, Illinois Commerce Commission, Iowa State Utilities Board, and the Federal Energy Regulatory Commission. The accounting policies of the Company 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.

Property and Plant
The cost of additions to and betterments of units of property and plant is capitalized. Cost includes labor, material, applicable taxes, and overheads, plus an allowance for funds used during construction. Maintenance expenditures and the renewal of items not considered 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
Depreciation is provided over the estimated lives of the various classes of depreciable property by applying composite rates on a straight-line basis. The provision for depreciation in 1990, 1989, and 1988 is equivalent to approximately 3% of the average depreciable cost. (As permitted for rate-making purposes, Callaway plant depreciation was computed on a unit-of-production basis through March 1988, and on a straight-line basis thereafter.)

Nuclear Fuel
The cost of nuclear fuel is amortized to fuel expense on a unit-of-production basis. A provision for spent fuel disposal costs is charged to expense based on kilowatt-hours generated.

Income Taxes
Deferred income taxes are provided for timing differences between book and taxable income as permitted for rate-making purposes. Investment tax credits utilized are deferred and amortized over the useful lives of the properties to which they relate.

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes" (SFAS 96) in 1987. SFAS 96 requires an asset and liability approach for financial accounting and reporting. FASB is reconsidering SFAS 96 and expects to issue an Exposure Draft in the second quarter of 1991 and publish an amended statement by the end of 1991. The new standard is not expected to be effective before 1993. Adoption of SFAS 96 is not expected to have a material effect on the Company's financial position or results of operations.

Allowance for Funds Used During Construction
Allowance for funds used during construction (AFC) is a utility industry accounting practice whereby the cost of borrowed funds and the cost of equity funds (preferred and common stockholders' equity) applicable to the Company's construction program are capitalized as a cost of construction. This accounting practice is intended to offset the effect on earnings of the cost of financing current construction, and results in treating such financing costs in the same manner as construction charges for labor and materials.

Under accepted rate-making practice, cash recovery of AFC, as well as other construction costs, occurs when completed projects are placed in service and reflected in customer rates.

AFC rates are established by the Company consistent with the methodology prescribed by the Federal Energy Regulatory Commission. Average annual AFC rates were 9% in 1990, 9.7% in 1989, and 8.7% in 1988.

Callaway Rate Phase-In Plans
The Callaway rate phase-in plans effective in 1985 as a result of regulatory commission orders provide for (1) partial deferral of a cash recovery of costs related to the Callaway plant during the early years of the plans with recovery of such deferrals in the later years of the plans, (2) three-year amortization of certain Callaway-related accumulated deferred income taxes, and (3) two-year amortization of certain proceeds from the Company's settlement of uranium litigation with Westinghouse.

A 1987 order of the the Missouri Public Service Commission provides that $159 million of deferred costs at December 31, 1987, applicable to Missouri be recovered in rates over the five years 1988 through 1992.

Unbilled Revenue
The Company accrues on its books estimated, but unbilled, revenue and also a liability for the related taxes.

Note 2 - Income Taxes

Total income tax expense for 1990 resulted in an effective tax rate of 39% on earnings before income taxes (39% in 1989 and 38% in 1988). The principal reasons such rates differ from the statutory Federal rate are as follows:

	1990	1989	1988
Statutory Federal income tax rate	**34%**	34%	34%
Increases (Decreases) from:			
Depreciation differences	**2**	2	2
Callaway rate phase-in plans	**2**	3	2
State tax	**3**	2	3
Miscellaneous, net	**(2)**	(2)	(3)
Effective income tax rate	**39%**	39%	38%

Income tax expense components for the years shown are as follows (in thousands):

	1990	1989	1988
Taxes currently payable (principally Federal):			
Included in operating expenses	**$168,186**	$160,695	$128,139
Included in other income – Miscellaneous, net	**(6,964)**	(8,983)	(7,840)
Deferred taxes (principally Federal):			
Included in operating expenses –			
Depreciation differences	**40,429**	60,787	48,687
Unbilled revenue	**(4,886)**	(9,089)	(10,655)
Callaway rate phase-in plans	—	—	(3,527)
Other	**(4,506)**	(1,939)	(1,938)
Included in other income –			
Callaway Unit No. 2 costs disallowed	—	(20,155)	—
Contract acquisition expense	—	—	(13,912)
Depreciation differences	**6,290**	7,490	7,204
Deferred investment tax credits, net			
Included in operating expenses	**(7,017)**	(7,013)	33,505
Total income tax expense	**$191,532**	$181,793	$179,663

Deferred income taxes are provided for differences between book and taxable income to the extent permitted for rate-making purposes. At December 31, 1990, the cumulative net amount of income tax timing differences for which deferred income taxes have not been provided was $1 billion. This amount is expected to be reflected in electric rates when the timing differences reverse.

In the first quarter of 1989, the Company favorably resolved several tax matters. The resolution of these matters reduced 1989 interest expense by $27 million and increased 1989 net income and earnings on common stock by $20 million ($.20 per share).

Note 3 - Preferred Stock

During the three years ended December 31, 1990, preferred stock, without par value, was retired or redeemed as follows: in 1990 and 1989 the Company retired 95,776 and 122,023 shares, respectively, $7.44 Series; 260 shares, $6.30 Series in each of the years 1990, 1989, and 1988; and 75,000 shares, $4.60 Series in each of the years 1989 and 1988; in 1989, the Company redeemed 1,600,000 shares, $2.125 Series and 1,125,000 shares, $4.66 Series; and in 1988, the Company redeemed 3,000,000 shares, $2.98 Series.

Preferred Stock Redemption Prices	Current (Per Share)	Eventual Minimum (Per Share)
$7.44 Series	$101.00	$101.00
$6.40 Series	101.50	101.50
$5.50 Series A	110.00	110.00
$5.50 Series B	103.50	103.50
$4.75 Series	102.176	102.176
$4.56 Series	102.47	102.47
$4.50 Series	110.00	110.00 (a)
$4.30 Series	105.00	105.00
$4.00 Series	105.625	105.625
$3.70 Series	104.75	104.75
$3.50 Series	110.00	110.00
$8.00 Series of 1971	98.50	98.50
$8.00 Series	93.25	93.25
$6.30 Series (b)	100.00	100.00

(a) In the event of voluntary liquidation, $105.50.
(b) The Company is required to retire 260 shares at $100 per share on June 1 of each year.

Note 4 - Preferred Stock Mandatory Redemption Provisions

During each of the five years 1991 through 1995, the Company will be required to redeem $26,000 of the preferred stock outstanding at December 31, 1990.

Note 5 - Debt Retirement Provisions

During the five years from December 31, 1990, the amounts of debt maturities totaling $537 million are: $197 million in 1991; $21 million in 1992; $344 million in 1993; $14 million in 1994; and $51 million in 1995. Amounts for years subsequent to 1991 do not include nuclear fuel lease payments since the amounts of such payments are not currently determinable.

Debt retirement provisions contained in most mortgage bond indentures of the Company require, subject to certain alternatives, the redemption annually of 1% of the principal amount (as defined) of each series of bonds. In substantially all instances, as permitted by the indentures, the Company has been following the practice of pledging property additions in lieu of such redemptions.

Note 6 - Nuclear Fuel Lease

The Company has a lease agreement which provides for the financing of nuclear fuel. Effective February 1, 1991, the maximum amount which may be financed under the agreement was reduced from $200 million to $150 million. Pursuant to the terms of the lease, the Company has assigned to the lessor certain contracts for purchase of nuclear fuel. The lessor obtains, through the issuance of commercial paper or from direct loans under a committed

revolving credit agreement from commercial banks, the necessary funds to purchase the fuel and make interest payments when due.

The Company is obligated to reimburse the lessor for all expenditures for nuclear fuel, interest, and related costs. Obligations under this lease become due as the nuclear fuel is utilized at the Company's Callaway nuclear plant. The Company reimbursed the lessor $76.2 million during 1990, $68.3 million during 1989, and $67.9 million and $50 million for fuel repurchased from lessor during 1988.

The Company has capitalized the cost, including certain interest costs, of the leased nuclear fuel and has recorded the related lease obligation. During the years 1990, 1989, and 1988, the total interest charges under the lease were $13.9 million, $17.6 million, and $17 million (based on average interest rates of 8.6%, 10%, and 8.2%, respectively) of which $7.3 million, $8.3 million, and $7.9 million, respectively, were capitalized.

Note 7 – Short-Term Borrowings

Short-term borrowings of the Company consist of bank loans (maturities generally on an overnight basis) and commercial paper (maturities generally within 10-45 days). Information relative to short-term borrowings is as follows (in thousands except rates):

	1990	1989	1988
Bank loans at year end –			
Amount outstanding	**$ 45,500**	$ 41,900	$ 38,500
Composite interest rate	**7.7%**	8.1%	10.4%
Commercial paper at year end –			
Amount outstanding	**$ 45,000**	—	$ 20,000
Composite interest rate	**8.0%**	—	9.6%
Maximum aggregate short-term borrowings at any month end during the year	**$115,000**	$204,500	$142,000
Average daily short-term borrowings outstanding during the year –			
Aggregate amount	**$ 70,618**	$ 68,626	$ 88,255
Weighted composite interest rate	**8.3%**	9.6%	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, 1990, the Company had committed bank lines of credit aggregating $200 million ($154.5 million of which were unused at such date) which make available interim financing at various rates of interest based on the London InterBank Offered Rate (LIBOR), the bank certificate of deposit rate, or other options, and in support of which the Company has agreements with its lending banks to pay annual fees of 0.125%. These lines of credit are renewable annually at various dates throughout the year.

Note 8 – Retirement Plans and Related Benefits

The Company has non-contributory, defined-benefit retirement plans covering substantially all of its employees. Benefits are based on years of service and the employees' compensation during years of employment. The Company's funding policy is to contribute annually at least the minimum amount required by government funding standards, but not more than that which can be deducted for Federal income tax purposes. Plan assets consist principally of common stocks and fixed income securities (including $8 million of Company securities at December 31, 1990).

Pension costs for the years 1990, 1989, and 1988 were $23 million, $19 million, and $15 million, respectively, of which approximately 17% in each year was charged to construction accounts.

The plans' funded status follows (in millions):

	At December 31, 1990	1989	1988
Actuarial present value of benefit obligations:			
Vested benefit obligation	**$(414)**	$(377)	$(329)
Accumulated benefit obligation	**$(439)**	$(404)	$(353)
Projected benefit obligation for service rendered to date	**$(582)**	$(538)	$(420)
Plan assets at fair value	**540**	534	503
(Deficiency) Excess of plan assets versus projected benefit obligation	**(42)**	(4)	83
Unrecognized net (gain) or loss	**(37)**	(77)	(91)
Prior service cost not yet recognized in net periodic pension cost	**95**	100	28
Unrecognized net assets at transition	**(13)**	(14)	(15)
Prepaid pension cost	**$ 3**	$ 5	$ 5

Effective January 1, 1989, the Company amended its principal retirement plan to change the benefit formula to reflect final average pay. This amendment increased the accumulated benefit obligation and the projected benefit obligation at December 31, 1989 by $18 million and $62 million, respectively.

Pension costs include the following components (in millions):

	1990	1989	1988
Service cost – benefits earned during the period	**$ 15**	$ 15	$ 13
Interest cost on projected benefit obligation	**49**	43	35
Actual return on plan assets	**(19)**	(43)	(66)
Net amortization and deferral	**(22)**	4	33
Pension cost	**$ 23**	$ 19	$ 15

For determining the actuarial present value of the projected benefit obligation in 1990, 1989, and 1988, the weighted average discount rates were 9%, 8.75%, and 9%, respectively. The rate of increase in future compensation was 6% and the expected long-term rate of return on plan assets was 8.5% in 1990 and 1989, and 7.5% in 1988.

In addition to providing pension benefits, the Company provides certain health care and life insurance benefits for retired employees. Substantially all of the Company's employees may become eligible for those benefits if they reach retirement age while working for the Company. The costs of retiree health care and life insurance benefits are recognized on the basis of claims paid. Such costs totaled $11 million, $9 million, and $7 million for 1990, 1989, and 1988, respectively.

The Financial Accounting Standards Board has issued Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106). The Company plans to adopt SFAS 106 in 1993. SFAS 106 will require accrual of postretirement benefits during the years an employee provides services. The impact of this new standard has not been fully determined, but the change likely will result in significantly greater expense being recognized for provision of these benefits. The Company expects that a regulatory asset will be recorded to reflect amounts to be recovered through rates in the future as the costs are paid. Accordingly, adoption of SFAS 106 is not expected to have a significant impact on the Company's financial position or results of operations.

Note 9 - Construction Commitments

The Company is engaged in a construction program under which expenditures averaging approximately $260 million are anticipated during each of the next five years.

Note 10 - Contingencies

The Company's insurance coverage for its Callaway plant is as follows:

Property insurance coverage of $500 million provided by American Nuclear Insurers (ANI) and Mutual Atomic Energy Liability Underwriters (MAELU).

Excess property insurance of $925 million provided by Nuclear Electric Insurance Limited (NEIL), a mutual insurer established by the utility industry. Under this policy, the Company could be subject to a maximum retrospective premium assessment of $6.6 million in any one policy year if NEIL's property losses exceed available funds. The policy also provides up to an additional $200 million of coverage for premature decommissioning costs in excess of funds previously collected for decommissioning. Such coverage is limited to a premature decommissioning which results from a major accident.

Excess property insurance of $700 million provided by ANI and MAELU.

A Master Worker Policy issued by ANI and MAELU with an aggregate limit of $200 million for the nuclear industry as a whole to cover claims of workers as a result of initial radiation exposure on or after January 1, 1988. Under this policy, the Company could be subject to a maximum retrospective premium assessment of $3.2 million.

Accidental outage replacement power cost insurance provided by NEIL. Thereunder, the Company is insured for up to $2 million per week for the first year, commencing 21 weeks after initiation of the outage; up to $1.3 million per week for the second year; and for up to $0.7 million per week for the third year. Under this policy, the Company could be subject to a maximum annual retrospective premium assessment of $2.5 million.

The Atomic Energy Act, as revised August 1988 by the Price-Anderson amendments, covers liability to third parties for a nuclear incident and currently limits such liability to approximately $7.8 billion for each nuclear incident. Coverage of the first $200 million of liability is provided by ANI and MAELU. The balance is provided by utility industry retrospective assessments. The Company's maximum potential assessment under this plan would be $63 million per incident payable in annual installments of not more than $10 million. Additionally, if the sum of all public liability claims and legal costs arising from a nuclear incident exceeds the amount of primary and excess coverage in force, the Company can be assessed an additional $3 million.

To the extent that any losses arising from a nuclear incident at Callaway plant exceed the limits of, or are not subject to, insurance, or to the extent such insurance becomes unavailable in the future, the Company may retain the risk of loss as a self-insurer. Although the Company has no reason to anticipate a serious nuclear incident at Callaway plant, if such an incident did occur, it could have a material but presently undeterminable adverse effect on the Company's financial position.

On November 15, 1990, the Clean Air Act Amendments of 1990 were enacted. Under this legislation, the Company is required to reduce total annual emissions of sulfur dioxide by approximately two-thirds by the year 2000. Significant reductions in nitrogen oxide will also be required. The final version of the legislation allows much more flexibility for

compliance than earlier proposals. This increased flexibility will allow the Company to reduce sulfur dioxide emissions earlier and comply with the Act at considerably less cost than would have been required under the original bill. With switching to low-sulfur coal and early banking of emission credits, the Company anticipates that it can comply with the requirements of the law with no significant increase in revenue needs because the related capital costs, currently estimated at about $300 million over the next decade, will be largely offset by lower fuel costs.

As of December 31, 1990, the Company was designated a potentially responsible party (PRP) by federal and state environmental protection agencies for five hazardous waste sites. Other hazardous waste sites have been identified for which the Company may be responsible but has not been designated a PRP. The Company is presently investigating the remedial costs that will be required for all of these sites. However, such costs are not expected to have a material adverse effect on the Company's financial position.

The Company is involved in legal and administrative proceedings before various courts and agencies with respect to matters arising in the ordinary course of business, some of which involve substantial amounts. Management is of the opinion that the final disposition of these proceedings will not have a material adverse effect on the Company's financial position.

In November 1990, the Missouri Public Service Commission approved a settlement among all parties in a rate design proceeding involving the Company's Missouri electric rates. Under the terms of the settlement, rate decreases for commercial and industrial customers will reduce annual revenues by approximately $30 million. The settlement also provides that no party shall file for a general increase or decrease in the Company's Missouri electric rates prior to January 1, 1993, except that the Company would be allowed to file for an increase if certain adverse events were to occur.

Note 11 - Callaway Nuclear Plant

In 1981, the Company canceled construction of Unit No. 2 at its Callaway plant. In 1989, the Missouri Supreme Court refused to hear an appeal of a Missouri Public Service Commission order that denied recovery of Callaway Unit No. 2 costs applicable to the Missouri jurisdiction. As a result, in 1989 the Company wrote off $50 million ($30 million net of tax or $.30 per share) of the recorded asset related to the portion of Callaway Unit No. 2 applicable to the Missouri jurisdiction.

Under the Nuclear Waste Policy Act of 1982, the U. S. Department of Energy (DOE) is responsible for the permanent storage and disposal of spent nuclear fuel. DOE currently charges one mill per kilowatt-hour generated for future disposal of spent fuel. Electric rates charged to customers provide for recovery of such costs.

Callaway plant decommissioning costs are estimated to be $336 million in current year dollars. Electric rates charged to customers provide for recovery of decommissioning costs over the life of the Callaway plant. Amounts so collected from customers are deposited in a trust fund which has been established to provide for decommissioning costs.

During 1988, the Company obtained long-term power supply contracts with certain of its wholesale customers. As a condition of such contracts, the Company will not recover $29 million ($15 million net of tax) of Callaway plant related phase-in plan deferred costs applicable to these customers. As a result, the Company charged $15 million net of tax ($.15 per share) to expense in 1988.

Note 12 - Supplementary Information

(Thousands of Dollars)	1990	1989	1988
Maintenance and repairs, charged directly to:			
Operating expenses	**$176,369**	$156,220	$162,977
Other accounts (a)	**10,890**	10,863	10,749
	$187,259	$167,083	$173,726
Depreciation, depletion and amortization of fixed and intangible assets, charged directly to:			
Operating expenses	**$225,760**	$223,290	$224,396
Other accounts (a)	**4,930**	4,508	4,148
	$230,690	$227,798	$228,544
Taxes, other than payroll and income taxes, charged directly to:			
Operating expenses —			
Real estate and personal property	**$ 78,559**	$ 79,889	$ 79,098
License and franchise	**94,200**	95,276	95,608
Miscellaneous	**1,980**	1,743	2,213
	174,739	176,908	176,919
Other accounts	**4,304**	4,117	3,850
	$179,043	$181,025	$180,769

(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 1990, 1989, and 1988 were $19,409,000, $18,909,000, and $18,089,000, respectively.

(c) The amounts of royalties and advertising costs were not material.

(d) Total interest paid (net of amount capitalized) in 1990, 1989, and 1988 was $168 million, $177 million, and $179 million, respectively.

(e) Total income taxes paid in 1990, 1989, and 1988 were $158 million, $148 million, and $104 million, respectively.

Results of Operations

Earnings and earnings per share fluctuated due to many conditions, the primary ones being: the effect of weather variations, the timing and amounts of rate changes, growth in customers' use of electricity, fluctuating operating costs, the effect of costs disallowed by regulatory authorities, changes in interest expense, and reduced preferred stock dividend requirements.

The impacts of the more significant items affecting revenues, costs, and earnings during the past several years are analyzed and discussed below.

Electric Operating Revenues

	Variation from Prior Year		
(Millions of Dollars)	1990	1989	1988
Rate variations	$(11.2)	$ (6.4)	$23.7
Effect of weather variations	(8.4)	(64.8)	43.5
Growth and other	28.9	62.8	1.6
	$ 9.3	$ (8.4)	$68.8

The decrease in 1990 electric revenues applicable to rate variations primarily reflects decreases in Missouri electric rates made in accordance with the rate design settlement effective November 26, 1990 (see Note 10 under Notes to Financial Statements). Under the terms of this settlement, rate decreases for commercial and industrial customers will reduce revenues, on an annual basis, by approximately $30 million. Summer/winter rate differentials, increased by the settlement, are expected to be revenue neutral on an annual basis. However, the implementation of lower winter rates as of November 26 reduced 1990 revenues. The decrease in 1989 electric revenues applicable to rate variations primarily reflects decreases in wholesale electric rates. The increase in 1988 electric revenues applicable to rate variations reflects rate increases under the regulatory approved Callaway rate phase-in plans.

The effect of weather variations on 1990 electric revenue reflects the abnormal weather in 1990, particularly the warmer than normal weather in the first and fourth quarters, as compared to overall normal weather in 1989. The effect of weather variations on 1989 electric revenues reflects the abnormally hot 1988 summer. The effect of weather on 1988 electric revenues reflects the abnormally hot 1988 summer as compared to 1987.

The variation in electric revenues applicable to growth and other factors in 1989 and 1990 primarily reflects the differences in economic growth experienced in the Company's service territory over those periods. In 1989, our service territory experienced economic growth that added 26,000 jobs to the area economy, increasing employment by 2.3% and electric kilowatt-hour sales normalized for abnormal weather by 3.1%. In 1990, the Company's service territory experienced positive but slower economic growth than in 1989. Area employment increased by only 9,800 jobs, or .8%; normalized kilowatt-hour sales only increased 2% over 1989. Other less significant factors contributing to the variation of electric sales are conservation, installation of energy efficient appliances, and changes to and from alternative fuel sources.

Operating Expenses

Fuel and Purchased Power –	Variation from Prior Year		
(Millions of Dollars)	1990	1989	1988
Fuel:			
Variation in generation	$(6.6)	$(11.9)	$ 52.5
Price	6.1	(27.7)	(19.7)
Amortization of uranium litigation settlement	1.2	2.6	11.0
Generation efficiencies	4.7	(1.7)	(10.5)
Net interchange sales and purchased power variation	(6.8)	20.2	(30.3)
	$(1.4)	$(18.5)	$ 3.0

The decrease in total fuel and purchased power costs in 1990 reflects the replacement of steam generation (which was partly reduced due to the 1990 Callaway refueling outage) with low-cost hydro generation and decreased purchased power costs. This was offset in part by increased fuel prices and reduced generating efficiencies. The decrease in total fuel and purchased power costs in 1989 reflects reduced generation due to the Callaway refueling outage in 1989 and lower prices, offset in part by increased purchased power costs. The increase in total fuel and purchased power costs in 1988 reflects greater generation due to increased sales of electricity to all classes of customers and no Callaway refueling outage in 1988, offset by greater interchange sales and lower fuel prices.

Other variations in operating expenses during the years 1988 through 1990 generally reflect recurring conditions such as growth, inflation, and wage increases. In 1990, operations expenses, other than fuel and purchased power costs, increased $13 million, due primarily to a $12 million increase in wages and other employee benefit expenses and a $4 million increase in Callaway plant expenses, offset by a $3 million reduction in natural gas purchased for resale. In 1989, operations expenses, other than fuel and purchased power costs, increased $19 million, due primarily to a $16 million increase in wages, pensions and other employee benefit expenses and a $3 million increase in Callaway

plant expenses. In 1988, operations expenses, other than fuel and purchased power costs, increased $7 million, due primarily to a $6 million increase in wages and other employee benefit expenses and a $3 million increase in natural gas purchased for resale, partially offset by a $2 million decrease in Callaway plant expenses.

In 1990, maintenance expenses increased $20 million, which includes $14 million at generating plants other than Callaway plant and $2 million associated with Callaway's fourth refueling. In 1989, maintenance expenses decreased $7 million, reflecting a $14 million decrease in maintenance expenses at generating plants other than Callaway, offset by a $7 million increase in maintenance expenses at Callaway plant, attributable to Callaway's third refueling in early 1989. In 1988, maintenance expenses increased $4 million, primarily reflecting increased maintenance expenses at all major coal generating plants, offset by an $11 million reduction in Callaway plant maintenance expenses, reflecting the plant's second refueling in late 1987.

Depreciation expense increased $5 million in 1990 primarily due to an increase in depreciable property. Depreciation expense increased $19 million in 1988 primarily due to the effect of the 1987 Callaway refueling outage and the change in 1988 from the unit-of-production method to the straight-line method of computing Callaway plant depreciation in accordance with regulatory commission orders.

Amortization of phase-in plans deferred costs decreased in 1990 and 1989, by $2 million and $5 million, respectively, reflecting the conclusion of the Illinois and wholesale customer phase-in plans. Amortization of phase-in plans deferred costs increased $35 million in 1988 primarily reflecting amortization of the Missouri portion of accumulated Callaway-related deferred costs which began in January 1988.

Income taxes from operations decreased $11 million in 1990 due principally to lower pre-tax income. Income taxes from operations increased $9 million in 1989, principally due to higher pre-tax income and the decreased amortization of certain Callaway-related accumulated deferred income taxes (see Callaway Rate Phase-In Plans in Notes 1 and 2 under Notes to Financial Statements). Income taxes from operations increased $14 million in 1988 due principally to decreased amortization of certain Callaway-related accumulated deferred income taxes, offset in part by a decrease in pre-tax income.

In 1990, the $2 million decrease in other taxes charged to operating expenses is primarily due to decreases in real estate and license and franchise taxes partially offset by higher payroll taxes. In 1989, the $1 million increase in other taxes charged to operating expenses is primarily due to increased real estate taxes. The 1988 increase in other taxes charged to operating expenses is due to a $4 million increase in license and franchise taxes resulting from increased revenues.

Interest

In 1990, the interest expense increased $11 million, primarily reflecting a $27 million reduction in 1989 attributable to the favorable resolution of several tax matters partially offset by reduced interest resulting from refinancing higher cost debt with lower-cost issues and reduced total outstanding debt. The 1989 decrease in interest expense reflects the favorable resolution of the tax matters in 1989 (see Note 2 under Notes to Financial Statements). The 1988 decrease in interest of $30 million primarily reflects the refinancing of high-cost debt with lower-cost issues and reduced total outstanding debt.

Callaway Rate Phase-In Plans and Costs Disallowed

See Notes 1 and 11 under Notes to Financial Statements for information relative to Callaway rate phase-in plans and the Callaway Unit No. 2 costs disallowed.

Miscellaneous Other Income and Deductions, Net

The 1990 increase of $2 million in Miscellaneous, net primarily reflects miscellaneous interest income. The 1989 increase of $16 million in Miscellaneous, net primarily reflects $15 million net of tax charged to expense in 1988 related to obtaining long-term power supply contracts with certain wholesale customers (see Note 11 under Notes to Financial Statements).

Clean Air Act Amendments

On November 15, 1990, the Clean Air Act Amendments of 1990 were enacted. Under this legislation, the Company is required to reduce total annual emissions of sulfur dioxide by approximately two-thirds by the year 2000. Significant reductions in nitrogen oxide will also be required. The final version of the legislation allows much more flexibility for compliance than earlier proposals. This increased flexibility will allow the Company to reduce sulfur dioxide emissions earlier and comply with the Act at considerably less cost than would have been required under the original bill. With switching to low-sulfur coal and early banking of emission credits, the Company anticipates that it can comply with the requirements of the law with no significant increase in revenue needs because the related capital costs, currently estimated at about $300 million over the next decade, will be largely offset by lower fuel costs.

Liquidity and Capital Resources

Construction expenditures averaging approximately $260 million are anticipated during each of the years 1991 through 1995. The Company completed the construction of its Callaway plant in late 1984. Additional electric generation capacity is not anticipated before the late 1990s. For funds required in addition to construction expenditures, see Notes 3, 4, and 5 under Notes to Financial Statements.

The Company has an agreement with Arkansas Power and Light Company, a subsidiary of Entergy Corporation, for the cash purchase of their Missouri retail electric distribution properties in 1991. The purchase price is expected to be approximately $70 million. The agreement is subject to approval by various regulatory authorities.

A nuclear fuel lease agreement provides for the financing of the Company's nuclear fuel requirements. Effective February 1, 1991, the maximum amount which may be financed under the agreement was reduced from $200 million to $150 million. At December 31, 1990, $154 million of nuclear fuel was financed under the lease.

The Company plans to continue utilizing short-term debt as support for normal operations and other temporary requirements (see Note 7 under Notes to Financial Statements). The Company is authorized by the Federal Energy Regulatory Commission (FERC) to have outstanding at any one time up to $600 million of short-term unsecured debt instruments.

Tax Matters

The Technical and Miscellaneous Revenue Act of 1988 (TAMRA) contained several provisions that affect the Company. The most significant provision was the substantive law change contained in the Technical Corrections sections of the Act which retroactively extended the 35% reduction in investment tax credit (ITC) carryforwards as enacted by the Tax Reform Act of 1986 to also apply to the ITC carryforwards generated by plant placed in service before 1986. In 1988, while total provisions for federal income taxes were reduced as a result of the reduced tax rate provided by the Tax Reform Act of 1986, the amount of income taxes currently payable increased principally as a result of the reduction of ITC carryforwards.

See Income Taxes in Note 1 under Notes to Financial Statements regarding Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes".

Effects of Inflation and Changing Prices

The Company's financial statements reflect the historical cost of events and transactions occurring at times when the purchasing power of the dollar was different from the present. The effects of inflation and changing prices on the Company's financial statements are most significant in the areas of depreciation and property, plant, and equipment.

The current replacement cost of the Company's utility plant substantially exceeds its recorded historical cost. However, the regulatory process limits the Company to the recovery of the historical cost of utility plant through depreciation. While the regulatory process does not reflect the current cost of replacing utility plant, past practice indicates the Company will be allowed to earn on and to recover the increased cost of its net investment after facilities are replaced.

The Company, by having assets such as receivables, fuel and materials inventory, and deferred charges, incurs a loss of purchasing power during periods of inflation because, after conversion, the cash received for these items will purchase less. More than offsetting such assets, however, are significant amounts of long-term debt, deferred income taxes, and current liabilities which will be paid with dollars of reduced purchasing power.

	1990	1989	1988	1987	1986
Electric Operating Revenues (000):					
Residential	$ 763,539	$ 757,139	$ 778,121	$ 749,786	$ 681,002
Commercial	672,907	668,796	659,075	628,067	580,323
Industrial	411,939	411,614	403,837	393,597	373,196
Other electric utilities	62,167	64,262	70,133	71,160	63,428
Miscellaneous	28,619	28,073	27,130	26,867	24,731
Total Electric Operating Revenues	$1,939,171	$1,929,884	$1,938,296	$1,869,477	$1,722,680
Kilowatt-Hour Sales (000,000):					
Residential	9,810	9,724	9,957	9,585	9,283
Commercial	10,274	10,142	10,009	9,581	9,306
Industrial	8,708	8,605	8,417	8,217	8,073
Other electric utilities	1,511	1,534	1,501	1,487	1,450
Miscellaneous	142	141	139	138	145
Total Kilowatt-Hour Sales	30,445	30,146	30,023	29,008	28,257
Electric Customers (End of year):					
Residential	957,102	951,154	941,673	929,776	916,261
Commercial	120,392	119,307	117,333	114,858	111,322
Industrial	7,450	6,714	6,576	6,569	6,595
Electric utilities	21	21	21	21	21
Other	1,644	1,588	1,569	1,548	1,498
Total Electric Customers	1,086,609	1,078,784	1,067,172	1,052,772	1,035,697
Residential Customer Data (Average):					
Kilowatt-hours used	10,283	10,289	10,645	10,390	10,227
Annual electric bill	$800.80	$801.14	$831.91	$812.73	$750.24
Revenue per kilowatt-hour	7.78¢	7.79¢	7.82¢	7.82¢	7.34¢
Gross Instantaneous Peak Demand (Kilowatts)	7,465,000	7,210,000	7,340,000	7,255,000	6,810,000
Capability at Time of Peak, Including Net Purchases (Kilowatts)	8,132,000	8,255,000	8,028,000	8,236,000	7,955,000
Generating Capability at Time of Peak (Kilowatts)	7,760,000	7,837,000	7,791,000	8,040,000	8,031,000
Coal Burned (Tons)	10,643,000	10,711,000	10,876,000	10,245,000	9,961,000
Price per Ton of Coal	$33.85	$33.12	$35.25	$37.31	$37.01

Selected Financial Information

(Thousands of Dollars Except Shares and Per Share Amounts and Ratios)

	1990	1989	1988	1987
Results of Operations				
Operating revenues	$2,023,017	$2,010,306	$2,029,107	$1,946,411
Operating expenses	1,565,477	1,543,838	1,544,953	1,457,957
Operating income	457,540	466,468	484,154	488,454
Callaway rate phase-in plans	237	227	2,408	92,791
Deferred costs disallowed	—	—	—	(23,169)
Callaway Unit No. 1 costs disallowed, net	—	—	—	—
Loss on cancellation of Callaway Unit No. 2, net	—	(30,196)	—	—
Allowance for all funds used during construction	14,145	17,908	14,885	20,477
Miscellaneous, net	9,881	7,769	(10,648)	(15,714)
Interest	187,584	176,571	199,241	228,961
Net income	294,219	285,605	291,558	333,878
Preferred stock dividends	14,693	19,134	30,425	36,522
Earnings on common stock	279,526	266,471	261,133	297,356
Average common shares outstanding	102,123,834	102,123,834	102,123,834	102,123,834
Assets, Obligations, and Equity Capital (Year End)				
Total assets	$5,702,341	$5,760,322	$5,827,246	$5,957,811
Long-term debt obligations	1,948,024	2,106,776	2,188,614	2,357,615
Preferred stock subject to mandatory redemption	780	806	60,832	64,608
Preferred stock not subject to mandatory redemption	218,004	227,582	279,784	354,784
Common equity	2,021,299	1,954,481	1,895,360	1,837,156
Financial Indices:				
Earnings per share of common stock (based on average shares outstanding)	$2.74	$2.61	$2.56	$2.91
Cash dividends per share of common stock	$2.10	$2.02	$1.94	$1.92
Return on average common stock equity	14.16%	14.03%	14.08%	16.79%
Ratio of earnings to fixed charges (a)	3.57	3.63	3.35	3.30
Book value per common share	$19.79	$19.14	$18.56	$17.99
Capitalization Ratios (Year End):				
Common equity	48.3%	45.6%	42.8%	39.8%
Preferred stock not subject to mandatory redemption	5.2	5.3	6.3	7.7
Preferred stock subject to mandatory redemption	—	—	1.4	1.4
Long-term debt	46.5	49.1	49.5	51.1
	100.0%	100.0%	100.0%	100.0%

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

1986	1985	1984	1983	1982	1981	1980
$1,807,182	$1,591,763	$1,412,414	$1,401,086	$1,217,705	$1,105,536	$1,077,876
1,287,572	1,173,187	1,172,128	1,160,816	1,013,054	922,647	886,720
519,610	418,576	240,286	240,270	204,651	182,889	191,156
59,861	74,631	—	—	—	—	—
—	—	—	—	—	—	—
—	(234,780)	—	—	—	—	—
—	—	—	—	—	(28,469)	—
15,812	106,754	329,669	251,307	198,093	155,625	92,055
3,947	(1,709)	1,619	2,509	2,364	(787)	3,638
247,409	254,320	247,308	218,530	200,554	180,312	131,725
351,821	109,152	324,266	275,556	204,554	128,946	155,124
49,245	49,836	50,185	46,118	40,344	29,863	30,082
302,576	59,316	274,081	229,438	164,210	99,083	125,042
102,123,834	100,403,016	96,574,699	86,744,282	76,251,024	67,179,275	59,675,995
$5,895,211	$5,738,620	$5,819,996	$5,146,666	$4,573,783	$3,992,742	$3,552,104
2,436,092	2,454,687	2,457,381	2,108,047	2,000,405	1,719,927	1,479,229
165,384	173,160	178,936	180,962	182,988	110,014	112,040
354,784	354,784	354,784	354,784	279,784	279,784	279,784
1,743,189	1,630,466	1,695,239	1,526,188	1,299,814	1,135,826	1,045,120
$2.96	$0.59	$2.84	$2.64	$2.15	$1.47	$2.10
$1.86	$1.78	$1.72	$1.66	$1.58	$1.52	$1.48
18.16%	3.81%	17.23%	16.79%	14.17%	9.46%	13.11%
2.79	1.14	2.88	2.89	2.49	2.00	2.85
$17.07	$15.97	$17.10	$16.12	$15.40	$15.19	$15.81
37.1%	35.3%	36.2%	36.6%	34.5%	35.0%	35.8%
7.6	7.7	7.6	8.5	7.4	8.6	9.6
3.5	3.8	3.8	4.3	4.9	3.4	3.9
51.8	53.2	52.4	50.6	53.2	53.0	50.7
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Selected Quarterly Information

(Thousands of Dollars Except Per Share Amounts)

		Operating Revenues	Operating Income	Net Income	Earnings on Common Stock	Earnings Per Share of Stock Outstanding
Quarter Ended:	**March 31, 1990**	**$446,853**	**$ 84,898**	**$ 41,170**	**$ 37,362**	**$ .37**
	March 31, 1989	449,390	78,808	36,058	30,328	.30
	June 30, 1990	**500,760**	**125,098**	**82,698**	**79,045**	**.77**
	June 30, 1989	490,312	111,731	65,571	60,265	.59
	September 30, 1990	**653,885**	**195,344**	**154,272**	**150,624**	**1.47**
	September 30, 1989	618,775	185,716	137,952	133,412	1.31
	December 31, 1990	**421,519**	**52,200**	**16,079**	**12,495**	**.12**
	December 31, 1989	451,829	90,213	46,024	42,466	.41

Implementation of increased summer/winter rate differentials under the terms of a Missouri rate design settlement (see Note 10 under Notes to Financial Statements) decreased net income and earnings on common stock by $6 million ($.06 per share) in the fourth quarter of 1990. The Callaway plant was refueled in the fourth quarter of 1990 and the second quarter of 1989, the effect of which decreased net income and earnings on common stock by $18 million ($.18 per share) in each of these quarters. The write-off of the recorded asset related to the portion of Callaway Unit No. 2 applicable to the Missouri jurisdiction decreased net income and earnings on common stock by $30 million ($.30 per share) in the first quarter of 1989. The favorable resolution of several tax matters increased net income and earnings on common stock by $20 million ($.20 per share) in the first quarter of 1989.

Common Stock Prices and Dividends (a)

	1990 Price Range		1990		1989 Price Range		1989
	High	Low	Dividends(b)	Quarter Ended	High	Low	Dividends
Per Share:	$28 7/8	$26 3/8	52¢	March 31	$24 1/2	$23	50¢
	27 3/8	24 7/8	52	June 30	26 1/2	23 3/4	50
	27 3/8	24 5/8	52	September 30	27 3/4	26 1/8	50
	30	25 3/4	54	December 31	28 5/8	26	52

(a) At December 31, 1990, Union Electric Company common stockholders totaled 128,342. (New York Stock Exchange symbol: UEP.)
(b) At December 31, 1990, retained earnings totaled $792,207,000; under the Company's amended mortgage indentures, $57,115,000 of total retained earnings was restricted against payment of common dividends – except those payable in common stock.

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President

* **Charles J. Dougherty**
Former Chairman and Chief Executive Officer

Thomas A. Hays
President – The May Department Stores Company, a nationwide retailing organization.

** **Thomas H. Jacobsen**
Chairman, President, and Chief Executive Officer – Mercantile Bancorporation Inc., a bank holding company.

* **John Peters MacCarthy**
Chairman and Chief Executive Officer – Boatmen's Trust Company, which conducts a general trust business.

** **Harvey Saligman**
Former Chairman of the Board – INTERCO INCORPORATED.

* **Stewart W. Smith, Jr.**
** Former Vice Chairman

Adviser to the Board

Isaac B. Grainger
Former President – Chemical Bank.

* Member of Executive Committee
** Member of Auditing Committee

Officers

William E. Cornelius
Chairman and Chief Executive Officer

Earl K. Dille
President

Donald E. Brandt
Senior Vice President – Finance and Accounting

Charles A. Bremer
Senior Vice President – Technical Services

Charles W. Mueller
Senior Vice President – Administrative Services

Robert O. Piening
Senior Vice President – Power Operations

Donald F. Schnell
Senior Vice President – Nuclear

Charles J. Schukai
Senior Vice President – Customer Services

James J. Beisman
Vice President – Customer Service

Donald W. Capone
Vice President – Engineering and Construction

William J. Carr
Vice President – Regional West

G. J. Haven
Vice President – Research and Development

William E. Jaudes
Vice President and General Counsel

R. Alan Kelley
Vice President – Energy Supply

Herbert W. Loeh
Vice President – Human Resources

H. G. Meyer
Vice President – Information Services

Michael J. Montana
Vice President – Industrial Relations

William A. Sanford
Vice President – Supply Service

Robert J. Schukai
Vice President – Power Plants

William C. Shores
Vice President – Regional East

Jerrel D. Smith
Vice President – Environmental and Safety

H. E. Wuertenbaecher, Jr.
Vice President – Corporate Communications

Ronald C. Zdellar
Vice President – Transmission and Distribution

Joseph M. Pfeifer
Controller

James C. Thompson
Secretary

L. A. Esswein
Treasurer