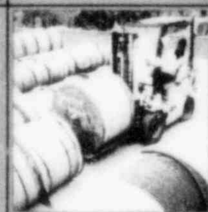
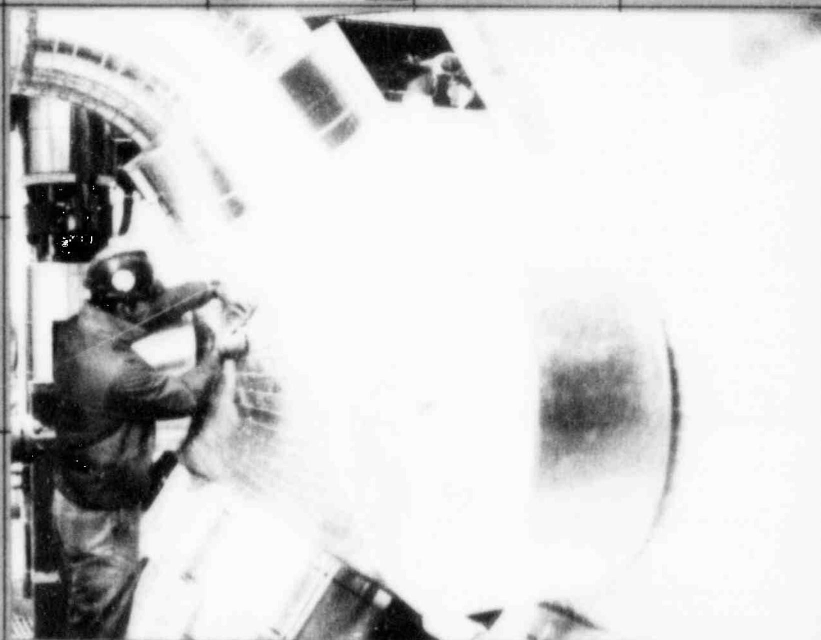
UNION ELECTRIC

ANNUAL · REPORT · 1983





Contents

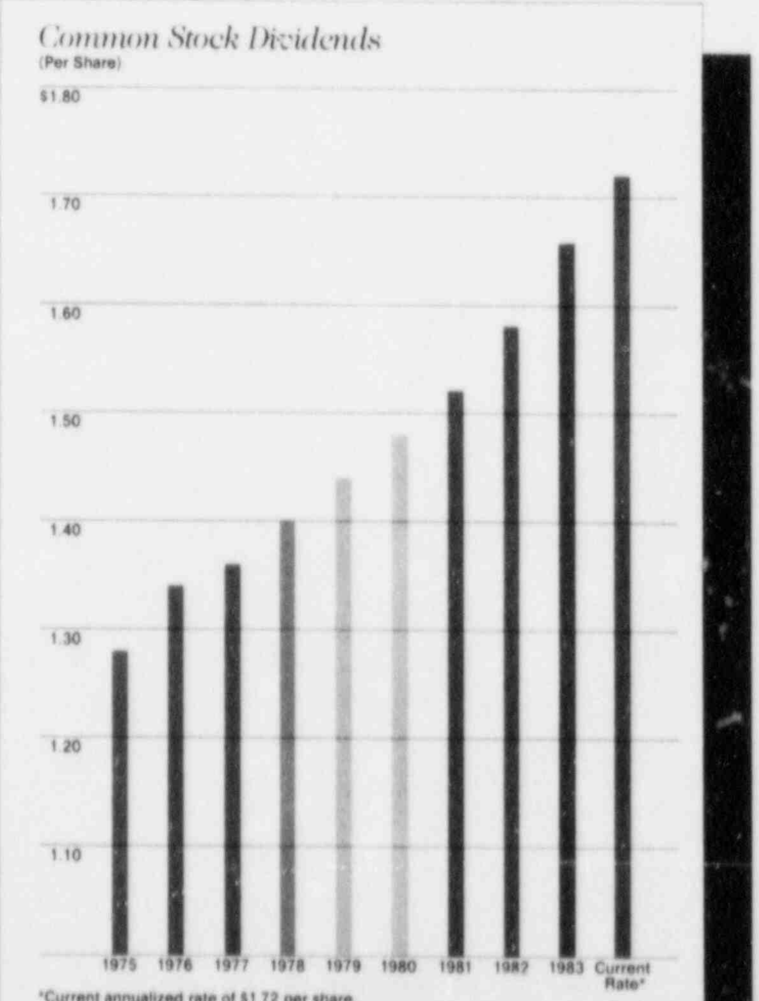
Service Area

Union Electric is primarily engaged in supplying electric service for the strategic center of America – a 24,000 square mile area in Missouri, Illinois and Iowa.

Cover

A preview of photographs in the Annual Report which demonstrates the complexity of providing reliable electric service. Modern, state-of-the-art equipment and highly-skilled employees are at work as our customers energize millions of switches daily calling for electricity.

Highlights	Year Ended December 31, 1983	Annual Increase Current Year	10-Year Average
Earnings per Average Common Share	**$2.66**	22.6 %	6.4 %
Dividends per Common Share	**$1.66**	5.1	2.7
Common Stockholders – Year End	**192,833**	2.9	6.0
Dividend Reinvestment Participants	**61,636**	19.7	16.4
Residential Kilowatt-Hour Sales	**8,978,778,000**	13.6	4.3
Total Kilowatt-Hour Sales	**25,928,578,000**	7.6	2.5
Operating Revenues	**$1,401,086,000**	15.1	13.0
Operating Expenses	**$1,160,816,000**	14.6	14.4
Property and Plant (gross) – Year End	**$5,858,554,000**	12.9	10.5
Capitalization Provided by Investors	**$4,200,780,000**	10.8	10.4



*Current annualized rate of $1.72 per share.

To Our Stockholders:

"*Kilowatt-hour sales... were up 7½%...with residential sales showing a dramatic 14% increase...*"

"*If the phase-in plan is approved, the Company's rates will continue to be lower than the national average...*"

Increased sales and higher electric rates combined to produce common stock earnings in 1983 of $2.66 per share, which was an improvement of 49 cents over the $2.17 per share earned in 1982.

Kilowatt-hour sales for the year were up 7½ percent over 1982, with residential sales showing a dramatic 14 percent increase, reflecting the extremely hot summer. Commercial and industrial sales were up 4 percent and 5 percent, respectively. Significantly, record summer and winter peak demands for electricity were established during the hot 1983 summer and the severely cold December which followed.

In the fourth quarter, the quarterly dividend on common stock was increased by 2 cents per share, bringing the annual rate to $1.72 per share.

Of importance is the fact that 55 percent of the dividends paid on our common stock during 1983 are considered a return of capital under the Internal Revenue Code and, as such, are not taxable as dividend income. Furthermore, the Company currently estimates that the nontaxable percentage of its common dividends will be higher in 1984 than in 1983. Preferred dividends in 1983 and 1984, however, will be fully taxable.

As its construction nears completion, our Callaway Plant continues on the schedule and budget announced in August 1982. Significant testing and licensing progress was achieved in 1983, and we expect to load fuel in the Spring and to begin commercial operation in late 1984 or early 1985. We are convinced that this $2.85 billion, 1,150 megawatt, nuclear plant will provide a reliable, reasonably-priced, and environmentally-advantageous source of power generation for many years to come.

With the objective of achieving timely regulatory approval of electric rates which include the effect of the Callaway Plant as soon as it goes into commercial operation, the Company recently filed requests for electric rate increases in Missouri and Illinois.

As many of you will probably recall, after construction of the Callaway Plant had been started, voters in Missouri adopted an initiative petition which prohibited the normal inclusion in rates of financing (or "carrying") costs during the construction period. An inevitable result of that enactment was a significant rate increase for customers when such postponed and accumulated costs would finally be included in electric rates. In other words, the resulting capitalization of such carrying costs has enlarged considerably the magnitude of the rate increase required by the plant addition. In fact, these carrying costs will amount to approximately 36 percent of the total Callaway Plant cost—and about one-half of the increase over the $900 million preliminary cost estimated in 1975 prior to the beginning of construction.

In its recently-filed rate increase requests, the Company proposes to lessen the impact on its customers by phasing in, over a five-year period, the increase in electric rates that will be necessary when the Callaway Plant goes into commercial operation. Under the proposed plan, electric rates would increase by approximately 25 percent the first year and by about 8 percent in each of the succeeding four years. If the phase-in plan is approved, the Company's rates will continue to be lower than the national average for large metropolitan areas.

In October the Missouri Public Service Commission refused to include in our electric rates the costs associated with the 1981 cancellation of the second unit at the Callaway Plant. The Commission

based its decision on a state statute dealing with the issue of construction-work-in-progress. Noting that there is no case law on this particular statute, the Commission said that its decision would preserve the status quo, pending an appeal which will give the Commission guidance by a court of law. The Company has appealed the decision.

At year-end, our utility subsidiaries, Missouri Power & Light Company, Missouri Utilities Company and Missouri Edison Company, were merged into the Company.

"...the quarterly dividend on common stock was increased... bringing the annual rate to $1.72 per share."

In summary, 1983 was a good year. Sales, earnings and dividends were at record highs. The progress at the Callaway Plant was also a very positive accomplishment of the year just completed. That is the record of your management and employee team. It is, in fact, a record and a team that justifies confidence in our Company's future.

Charles J. Dougherty

Charles J. Dougherty
Chairman and Chief Executive Officer

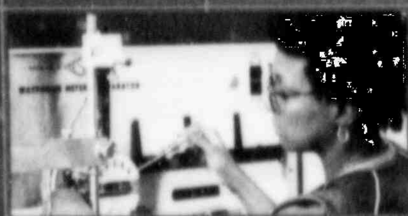
W. E. Cornelius

William E. Cornelius
President

February 24, 1984
St. Louis, Missouri

Charles J. Dougherty *William E. Cornelius*

Clockwise from above: ■ an electrician inspects generator maintenance at Rush Island Plant; ■ meters are tested to assure their accuracy; ■ instructors at the Power Operations Training Center teach employees technical skills; ■ circuit breaker interruptors at the Labadie Plant switchyard; ■ transmission lineman scales steel pole to inspect insulators; ■ distribution dispatcher calls out emergency crews during a storm.



Earnings Per Share Reach Higher Level

Earnings for common stockholders in 1983 were $2.66 per share—a substantial improvement over earnings of $2.17 for the prior year. The 49 cents per share gain resulted primarily from increased sales and higher electric rates, partially offset by increased operating costs.

Dividends Improve, Partly Tax-Free

Quarterly dividends were increased by 2 cents per share in the fourth quarter, bringing the annual rate to $1.72 per share. This change made 1983 the eighth consecutive year in which the common dividends paid were greater than had been paid in the preceding year.

Fifty-five percent of 1983 common dividends are considered a return of capital under the Internal Revenue Code and, as such, are not taxable as dividend income. The Company currently estimates that the nontaxable percentage of its common dividends will be higher in 1984 than in 1983. Preferred stock dividends in both years, however, are fully taxable.

Dividend Reinvestments Continue To Increase

The Company's Dividend Reinvestment and Stock Purchase Plan continues to grow in popularity. Capital raised through the Plan in 1983 totaled $55 million. At year-end there were 61,636 stockholders participating in the Plan, including 5,513 customers who had not previously been shareholders. Since its introduction in 1976, this program has provided the Company with more than $169 million of equity capital.

Union Electric's Plan permits automatic reinvestment of dividends on the Company's common and preferred stock in newly issued shares of common stock at prevailing market prices. The Plan also provides for the purchase of newly issued shares of Union Electric common stock through optional cash payments ranging from $10 to $5,000 monthly. Each purchase under the Plan is made without payment of any commission or service charge.

The Economic Recovery Tax Act of 1981 provides special treatment for stockholders participating in dividend reinvestment programs of qualified utilities such as Union Electric. This law permits eligible individual stockholders to exclude from taxable income up to an aggregate of $750 annually ($1,500 in the case of joint returns) of dividends reinvested in common stock of qualified public utilities during the years 1982 through 1985.

Sales And Peak Demands Establish New Records

Kilowatt-hour sales and peak demands for electricity established several new records in 1983. Most impressively, sales to residential electric customers were up 14 percent—a substantial improvement over the prior year, primarily reflecting the impact of the extremely hot 1983 summer. Commercial sales of electricity increased by 4 percent over 1982.

Sales to industrial electric customers rose 5 percent above 1982—the greatest increase since 1977. This solid improvement confirms that the economic recovery prevalent throughout the country is also occurring in our service area. The overall effect of the greater use of electricity by all classes of customers was a 7½ percent increase in kilowatt-hour sales during 1983 over the prior year.

The importance of electricity in our personal lives was emphasized during the extended heat wave in July, August and September of 1983, and during the intensely cold December which followed. Our summer peak demand reached 6,598,000 kilowatts in 1983, approximately 3 percent above the prior all-time record; while our December demand for power also set a new record of 5,148,000 kilowatts, or 12 percent above the previous winter peak.

We are particularly proud of our employees' performance and the teamwork demonstrated during these periods of extreme weather. Power plant workers, line crews and support personnel worked long hours—often under difficult and hazardous conditions—to supply the electric power essential to the communities we serve.

Clockwise from above: ■ racks of electric meters are ready for customers; ■ high-pressure sodium lights permit coal operations around the clock at Sioux Plant; ■ electrical mechanic checks connectors at a substation; ■ warehouse superintendent inspects newly arrived transformers.

Electric Heating Popularity Grows

Electric heat is the cleanest heat available and has also become more popular because of the higher costs of natural gas and fuel oil. Furthermore, this cost advantage is expected to continue for the foreseeable future. Increased use of electric heat is especially important because it enables the Company to utilize, during the winter months, facilities that have been built primarily to supply the high demands for summer air conditioning.

In 1983 the electric heating load connected to the Union Electric system reached 2.7 million kilowatts. Electric heat was installed in 63 percent of all new commercial buildings and apartments, and in 30 percent of all new homes in the Company's service area. More than 7,600 residential electric heating installations were added to the Company's lines in 1983, and at year-end, over 90,000 customers heated their homes electrically. In addition, more than 15,000 commercial and industrial structures used electric heat.

Callaway Nuclear Plant Approaches Completion

Construction of the Callaway nuclear plant is more than 95 percent complete with testing and start-up operations in the final stages prior to fuel-loading. Assuming continuing favorable test results, we expect to load fuel this Spring and to begin commercial operation late in 1984 or shortly thereafter. Without Callaway, our reserve generating capacity would be about half the minimum level needed for reliable operations in 1985. This clearly demonstrates the need for this plant. The estimated cost of the Callaway unit is $2.85 billion—as announced more than a year ago. We believe that this investment will provide an economical and environmentally-advantageous power generating facility through this century and beyond.

Electric Rate Increases Effected In 1983

In July, the Missouri Public Service Commission granted a rate increase of $30.5 million, on an annualized basis, for Union Electric's Missouri electric customers, and, in June, electric rate increases aggregating more than $10 million, annually, were granted by the Illinois and Iowa regulatory commissions. These rate changes were necessary to cover our increased costs of doing business in 1983.

Callaway Rate Requests Filed In Early 1984

The most important rate increase requests in the Company's history were filed in February 1984, with the Missouri and Illinois commissions, in anticipation of the commercial operation of the Callaway nuclear plant. The requests include a proposed rate phase-in plan that would lessen the impact of the rate increase on the Company's customers by spreading the increase over a five-year period.

Under the proposed rate phase-in plan, electric rates would increase by approximately 25 percent the first year ($246 million and $33 million for Missouri and Illinois customers, respectively) and by approximately 8 percent in each of the following four years. The rate phase-in plan will result in lower cash receipts in the early years, although there will be no effect on reported earnings. Without the rate phase-in plan, the Company would require an increase in Missouri electric rates of approximately $639 million or 65 percent, and an increase in Illinois electric rates of approximately $78 million or 59 percent. If the rate phase-in plan is adopted, Union Electric's rates are expected to remain below the national average for large metropolitan areas.

Above: certified welders prepare boiler wall tubes for maintenance at Rush Island Plant; at left: personnel at Callaway Plant discuss operation of the liquid waste evaporator.

Financing Requirements Expected To Decline

Union Electric's 1983 construction program totaled $686 million (including $244 million applicable to the noncash allowance for funds used during construction) and was financed primarily through the issuance of new securities. We expect our 1984 construction program to be financed substantially from external sources; however, after the completion of the Callaway nuclear unit, we expect for the foreseeable future to provide all funds for construction from internal operations.

The Company raised more than $316 million during 1983 through the issuance of: $100 million of 13 percent first mortgage bonds in March; $75 million of additional preferred stock, with an 11.92 percent annual dividend rate, in June; and, six million shares of common stock in November, providing $86.6 million. This latter amount, when added to the $55 million obtained through the Dividend Reinvestment and Stock Purchase Plan, provided more than $141 million of new common stock capital during the year.

It is currently estimated that it will be necessary to raise more than $300 million to finance 1984 additions to property and plant, with the greater part of that likely to be raised through environmental improvement debt, the Dividend Reinvestment and Stock Purchase Plan and the nuclear fuel lease.

Skills Taught At New Center

The new Power Operations Training Center, which was placed in service in September 1982, is now providing skills training to technicians and other maintenance employees who work in the power plants. In addition, special training classes have been provided to meet specific needs of other employees.

Company Continues To Invest In Research And Development

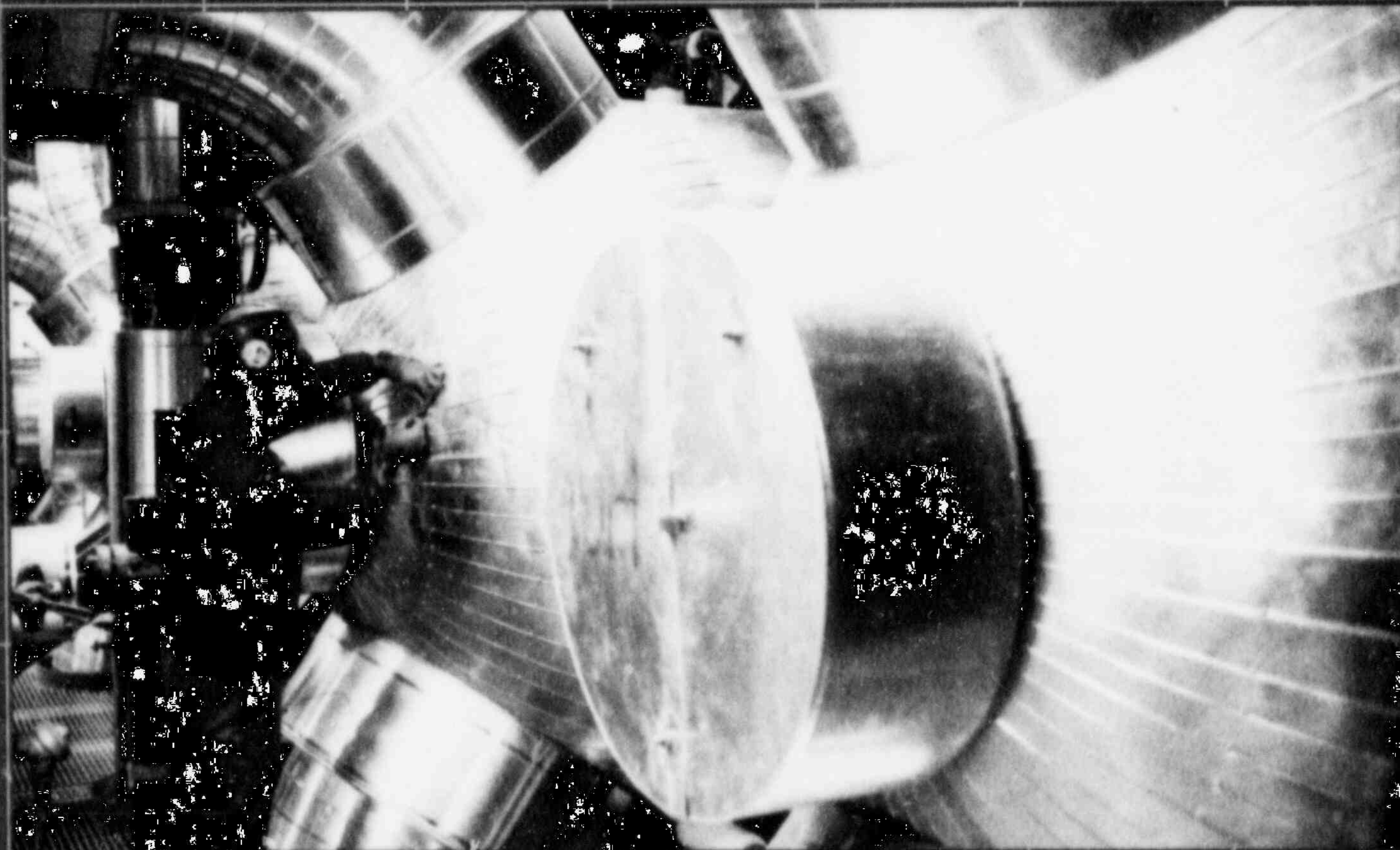
A highlight of the year in research and development was the completion of construction and the start-up of the KILnGas coal gasification plant in East Alton, Illinois. This facility was built as a prototype to demonstrate the technology for the conversion of high-sulphur coal to a clean-burning, low BTU gas which is suitable for use in a combustion turbine combined cycle plant. In addition to Union Electric, the sponsors are Allis-Chalmers, the State of Illinois, the Electric Power Research Institute and eleven other electric utilities. It is expected that a full-scale demonstration run will be completed during 1984. The Company pledged $6.6 million to support the project.

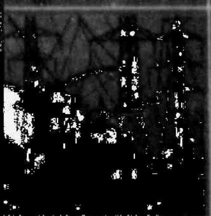
Union Electric's commitment to research and development is demonstrated by our support of the Electric Power Research Institute (EPRI). We pool our research dollars with more than 450 other electric utilities across the country to fund EPRI's development of technology options for better production, transmission, distribution and utilization of electric power.

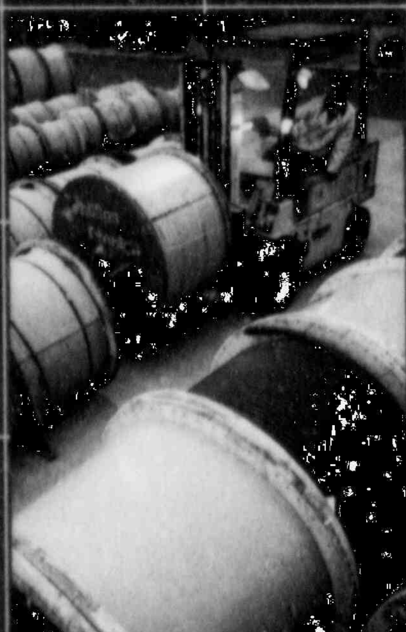
During 1983 we contributed $4.3 million to EPRI's research and development efforts. Overall, about 1,500 research projects are currently under EPRI's management, representing a national funding authorization in excess of $1.9 billion over five years.

Through membership in EPRI, Union Electric maximizes its return on every R&D dollar, avoiding costly duplication of research and allowing for extensive R&D projects far beyond the financial capability of any one utility.

After successful testing, the Company received approval from state and federal authorities to incinerate 5 percent concentrations of polychlorinated biphenyl (PCB) liquids in a power boiler at Labadie Plant. This innovative technology provides a safe method of permanently disposing of PCB-type electrical insulating oils, while at the same time recovering energy from waste.







Clockwise from above: supervisor inspects feedwater line high-pressure heaters at Callaway Plant; highly-skilled craftsmen work in power plants and other locations; more than 100 types of cable are used throughout the system; 138-kilovolt transmission lines terminating at a substation; at the end of a work day, construction workers exit the Callaway Plant; vehicles of many kinds are required to serve our customers.

Major Construction Enhances Area

A building boom continues in the Company's service area with investments of around $2 billion in new office buildings, plants and condominiums.

In downtown St. Louis, Southwestern Bell Telephone is constructing a $120 million, 44-story office tower; construction has started on St. Louis Centre, a $120 million retail mall with a $42 million, 21-story office tower on top; and the $35 million St. Louis Place office tower was recently completed. Work began during the year on the $135 million renovation of Union Station into a hotel, retail and entertainment complex. The 30-story, $98 million Broadway Tower, the $30 million Edison Brothers Stores, Inc. headquarters and the $90 million Adam's Mark Hotel are either under construction or scheduled for groundbreaking soon.

In St. Louis County, the 1,500-acre Chesterfield Village is about one-sixth developed with a total capital investment to date of more than $350 million. About 1.2 million square feet of retail/commercial space and an additional 1.3 million square feet of office space are either under construction or completed. Among the major developments are the 1983 completion of the 160,000 square-foot Famous-Barr department store in Chesterfield Mall Shopping Center, construction of the first building of Monsanto's 2.6 million square-foot Research Center development and completion of Roosevelt Federal Savings and Loan's 120,000 square-foot headquarters facility. Nearby at the Maryville Center, construction has started on a 150,000 square-foot office building, the first of about a dozen planned in the 1.3 million square-foot project. In mid-1984 construction is scheduled to start on Riverport, a $300-$500 million retail, office and industrial park covering 370 acres.

The $500 million General Motors Wentzville, Missouri auto assembly plant, which has 78 acres under roof, was completed and began production of new cars late in 1983.

In Cape Girardeau, Missouri, a $50 million animal food supplement plant is nearing completion and will begin operations in 1984.

Construction of a 440-room hotel complex by Lodge of the Four Seasons at the Lake of the Ozarks is scheduled to start in early 1984 and a large number of condominiums continue to be built in the Lake area.

Labor Agreements Extend Through Mid-1985

New labor agreements, effective through June 1985, were executed during 1983 with all of the unions representing Union Electric employees. These agreements provide for wage increases of 5 percent as of July 1, 1983 and July 1, 1984, and include improvements in retirement and medical benefits. Labor agreements with our recently merged subsidiaries are continuing in effect through their contract expiration dates.

Merger Effected

At year-end, our utility subsidiaries, Missouri Power & Light Company, Missouri Utilities Company and Missouri Edison Company, were merged into the Company.

Executive Changes During 1983

Vice President Merle T. Welshans, who had headed the Finance Function, and Vice President and Controller James T. Friel retired during the year. Charles W. Mueller, who had been Treasurer, was elected a Vice President to succeed Mr. Welshans, and Donald E. Brandt, who had been with Price Waterhouse, was appointed Controller. Also elected Vice Presidents were: Charles J. Schukai, who is in charge of Regional-East; David C. Harrison, who was President of Missouri Power & Light and Missouri Edison prior to the merger, and is now in charge of Regional-West; and, Francis R. Lengefeld, who was President of Missouri Utilities before the merger, and is now head of the Engineering & Construction Function, succeeding Howard N. McCoy who retired. Lawrence A. Esswein was elected Treasurer, succeeding Mr. Mueller.

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 consistently applied. 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

Price Waterhouse

ONE CENTERRE PLAZA
ST. LOUIS, MO 63101
314 425 0500

February 13, 1984

To the Stockholders and Board of
Directors of Union Electric Company

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, preferred stock, long-term debt, retained earnings, other paid-in capital and changes in financial position present fairly the financial position of Union Electric Company and its subsidiaries at December 31, 1983 and 1982, 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, 1983, 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

Consolidated Statement Of Income (Thousands of Dollars)

Union Electric and Subsidiaries		Year 1983	Year 1982	Year 1981
Operating Revenues (*):	Electric	**$1,281,154**	$1,111,855	$1,019,671
	Gas	**104,899**	90,213	72,861
	Steam	**12,270**	13,224	11,033
	Water	**2,763**	2,413	1,971
	Total operating revenues	**1,401,086**	1,217,705	1,105,536
Operating Expenses:	Operations			
	Fuel and purchased power	**437,579**	372,632	356,887
	Other	**259,536**	230,751	200,506
		697,115	603,383	557,393
	Maintenance	**99,395**	100,223	87,435
	Depreciation	**92,297**	86,670	81,310
	Income taxes	**140,111**	97,967	79,381
	Other taxes (*)	**131,898**	124,811	117,128
	Total operating expenses	**1,160,816**	1,013,054	922,647
Operating Income		**240,270**	204,651	182,889
Other Income:	Allowance for equity funds used during construction	**135,707**	93,858	64,600
	Miscellaneous, net	**3,490**	3,660	(734)
	Total other income	**139,197**	97,518	63,866
Income Before Interest and Other Items		**379,467**	302,169	246,755
Interest and Other Items:	Interest on debt	**218,530**	200,554	180,312
	Allowance for borrowed funds used during construction	**(115,600)**	(104,235)	(91,025)
	Preferred dividends of subsidiaries	**382**	384	385
	Total interest and other items	**103,312**	96,703	89,672
Net Income		**276,155**	205,466	157,083
Preferred Dividend Requirements of Company		**45,736**	39,960	29,478
Earnings on Common Stock		**$ 230,419**	$ 165,506	$ 127,605

(*) Includes license and franchise taxes of $69,682,000, $61,002,000 and $54,664,000 for the years 1983, 1982 and 1981, respectively.

Earnings per Share of Common Stock (based on average shares outstanding)		**$2.66**	$2.17	$1.90
Dividends per Share of Common Stock		**$1.66**	$1.58	$1.52
Average Number of Common Shares Outstanding		**86,744,282**	76,251,024	67,179,275

See Notes to Financial Statements on pages 22, 23, 24 and 25.

Consolidated Balance Sheet (Thousands of Dollars)

Union Electric and Subsidiaries		December 31, 1983	December 31, 1982
Assets			
Property and Plant, at original cost:	Electric	**$3,231,495**	$3,075,484
	Gas	**77,326**	73,551
	Steam	**9,311**	9,593
	Water	**8,606**	8,221
	Other	**19,283**	19,479
		3,346,021	3,186,328
	Less accumulated depreciation	**1,062,765**	984,656
		2,283,256	2,201,672
	Construction work in progress:		
	Callaway nuclear plant	**2,374,392**	1,809,397
	Nuclear fuel	**188,106**	169,553
	Settlement of uranium litigation	**(101,963)**	(89,407)
	Other	**51,998**	114,908
	Total property and plant, net	**4,795,789**	4,206,123
Investments, at cost		**6,354**	5,605
Deferred Charges:	Callaway unit 2 construction abandonment	**82,394**	82,826
	Unamortized bond defeasance cost	**4,270**	4,470
	Unamortized debt expense	**4,542**	4,860
	Other	**3,124**	2,292
	Total deferred charges	**94,330**	94,448
Current Assets:	Cash	**7,216**	4,555
	Deposits for payment of interest and other deposits	**10,272**	32,655
	Accounts receivable—trade (less allowance for doubtful accounts of $2,681 and $1,622, at respective dates)	**95,579**	85,629
	Unbilled revenue	**73,876**	54,042
	Other accounts and notes receivable	**4,927**	6,622
	Materials and supplies, at average cost—		
	Fuel	**73,889**	99,006
	Construction and maintenance	**37,947**	37,188
	Prepayments and other assets	**5,377**	4,924
	Total current assets	**309,083**	324,621
Total Assets		**$5,205,556**	$4,630,797

See Notes to Financial Statements on pages 22, 23, 24 and 25.

Union Electric and Subsidiaries

Capital And Liabilities

		December 31, 1983	December 31, 1982
Capitalization:			
Common stock and retained earnings	Common stock, $5 par value, authorized 150,000,000 and 100,000,000 shares, at respective dates; outstanding 94,690,220 and 84,413,679 shares, at respective dates (excluding 42,990 shares at par value in treasury)	**$ 473,451**	$ 422,068
	Other paid-in capital, principally premium on common stock (see accompanying statement)	**637,039**	541,222
	Retained earnings (see accompanying statement)	**445,011**	364,771
	Total common shareholders' equity	**1,555,501**	1,328,061
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 $1,486 and $1,571, at respective dates (see accompanying statement)	**356,270**	281,355
	Preferred stock subject to mandatory redemption (see accompanying statement)	**180,962**	182,988
Long-term debt	Long-term debt (see accompanying statement)	**2,113,181**	2,005,398
	Unamortized discount and premium on debt	**(5,134)**	(4,993)
	Total capitalization	**4,200,780**	3,792,809
Accumulated Deferred Taxes on Income		**408,171**	328,580
Accumulated Deferred Investment Tax Credits		**164,468**	122,217
Construction Commitments and Contingencies (Notes 8 and 9)			
Current Liabilities:	Current maturity of long-term debt	**10,728**	2,223
	Accounts payable	**154,953**	117,199
	Wages payable	**20,608**	20,010
	Callaway unit 2 cancellation charges	**41,885**	45,969
	Bank loans	**31,500**	42,100
	Commercial paper	**—**	25,000
	Income taxes accrued	**41,281**	27,919
	Other taxes accrued	**15,620**	14,287
	Interest accrued	**63,755**	46,621
	Dividends declared	**12,512**	10,328
	Other current liabilities	**39,295**	35,535
	Total current liabilities	**432,137**	387,191
Total Capital and Liabilities		**$5,205,556**	$4,630,797

Preferred Stock (Thousands of Dollars)

Union Electric and Subsidiaries		December 31, 1983	December 31, 1982
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
	$5.50 Series A—14,000 shares—note (b)	**1,400**	—
	$5.50 Series B— 3,000 shares—note (b)	**300**	—
	$4.75 Series— 20,000 shares—note (c)	**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—note (c)	**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 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—350,000 shares	**32,288**	32,288
	Stated value of shares outstanding, $25 per share—		
	$2.98 Series—3,000,000 shares	**75,000**	—
	$2.125 Series—1,600,000 shares	**40,000**	40,000
Missouri Power & Light Company, former subsidiary—			
Preferred stock, $100 par value (entitled to cumulative dividends)	4.30% Series—20,000 shares	**—**	2,000
	3.90% Series—40,000 shares	**—**	4,000
Missouri Utilities Company, former subsidiary—			
Preferred stock, $100 par value (entitled to cumulative dividends)	5% Series—14,000 shares	**—**	1,400
	5% Series of June 1950—1,500 shares	**—**	150
	5% Series of September 1950—1,500 shares	**—**	150
Total preferred stock not subject to mandatory redemption		**$354,784**	$279,784

See Notes to Financial Statements on pages 22, 23, 24 and 25.

Union Electric and Subsidiaries		December 31, 1983	December 31, 1982
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, $100 per share – $6.30 Series – 9,620 shares due to 2020 – notes (b) and (d)	**$ 962**	$ –
	Stated value of shares outstanding, $50 per share – $4.60 Series – 1,500,000 shares due 1985 to 2004 – note (e)	**75,000**	75,000
	Stated value of shares outstanding, $25 per share – $4.00 Series of 1982 – 3,000,000 shares due 1988 to 2007 – note (e)	**75,000**	75,000
	$2.72 Series – 1,200,000 and 1,280,000 shares at respective dates, due to 1998 – note (f)	**30,000**	32,000
Missouri Utilities Company, former subsidiary –			
Preferred stock, $100 par value (entitled to cumulative dividends)	5.70% Series – 9,880 shares – note (d)	–	988
Total preferred stock subject to mandatory redemption		**$180,962**	$182,988

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

(b) Issued in exchange for Missouri Utilities Company preferred stock upon merger of such company into Union Electric Company.

(c) Issued in exchange for Missouri Power & Light Company preferred stock upon merger of such company into Union Electric Company.

(d) The Company is required to retire 260 shares at $100 per share on June 1 of each year.

(e) To be retired by sinking fund.

(f) 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.

Long-Term Debt (Thousands of Dollars)

Union Electric and Subsidiaries		December 31, 1983	December 31, 1982
Union Electric Company			
First mortgage bonds – note (a)	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
	15⅜% Series due 1991	150,000	150,000
	15% Series due 1992	125,000	125,000
	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	100,000
	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	60,000
	13% Series due 2013	100,000	–
	Former Missouri Power & Light Company –		
	Series ranging from 3¼% to 10¾%		
	Due 1984	–	7,500
	Due 1992 to 2004 – note (b)	53,100	54,120
	Former Missouri Utilities Company –		
	Series ranging from 4½% to 9¼%		
	Due 1984 and 1988	3,000	4,000
	Due 1991 to 2001 – note (b)	22,600	22,900
	Former Missouri Edison Company –		
	Series ranging from 4¾% to 16%		
	Due 1986 to 1987	9,500	9,500
	Due 1990 to 2002 – note (b)	16,556	17,330

See Notes to Financial Statements on pages 22, 23, 24 and 25.

Union Electric and Subsidiaries			December 31, 1983	December 31, 1982
Union Electric Company (continued):				
Unsecured loans –				
Foreign bank agreement	Due 1984 (repaid in 1983)		$ –	$ 40,000
Domestic credit agreement – note (d)	Due 1987 to 1988		**215,000**	175,000
Unsecured notes –	Former Missouri Utilities Company –			
	6%	Series due 1992 – note (e)	**1,925**	2,030
	Former Missouri Edison Company –			
	2¼%	Series due 1985 – note (f)	**7**	32
Missouri environmental improvement –				
Revenue notes	7¼%	Series due 1985	**20,000**	20,000
	10%	Series due 1986	**45,000**	45,000
Revenue bonds	5.60-6.20% Series due 1989 to 2004		**16,500**	16,500
Nuclear fuel lease			**187,772**	169,260
Union Colliery Company Secured note – note (f)	9%	Due 1999	**136**	141
Long-term debt			**$2,113,181**	$2,005,398

(a) At December 31, 1983, 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 – 9.95% Series from 1986 to 1998 and 9.35% Series from 1989 to 2007; and, certain former subsidiary companies' bonds to 2003.

(c) Environmental Improvement Series.

(d) In 1982, Union Electric Company entered into a six-year credit agreement with certain domestic banks which permits the Company to borrow up to $375 million, on which interest rates will vary depending on the Company's selection of various options under the agreement. At December 31, 1983, $215 million of such domestic borrowings were outstanding at an average annual interest rate of 10.48%, based on 60-day Certificate of Deposit rates.

(e) Notes due in equal annual installments to 1991.

(f) Note due in equal monthly installments.

(g) In 1982, Union Electric Company entered into a six-year credit agreement with certain foreign banks which permits the Company to borrow up to $200 million, on which interest rates will vary depending on the Company's selection of various options under the agreement. At December 31, 1983, none of such foreign borrowings were outstanding.

Consolidated Statement Of Retained Earnings (Thousands of Dollars)

Union Electric and Subsidiaries		Year 1983	Year 1982	Year 1981
Balance at Beginning of Period		**$364,771**	$324,547	$298,902
Add:	Net income	**276,155**	205,466	157,083
		640,926	530,013	455,985
Deduct:	Preferred stock dividends*	**46,891**	41,433	29,451
	Common stock cash dividends—$1.66, $1.58 and $1.52 per share, respectively	**145,748**	120,203	101,735
	Write-off of capital stock expense	**3,276**	3,606	252
		195,915	165,242	131,438
Balance at Close of Period	(Under the mortgage indentures of the Company as amended, free and unrestricted retained earnings at December 31, 1983 amounted to $387,896)	**$445,011**	$364,771	$324,547

*Includes dividends declared, applicable to subsequent periods.

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

Union Electric and Subsidiaries		Year 1983	Year 1982	Year 1981
Balance at Beginning of Period		**$541,222**	$464,450	$414,020
Add:	Excess of sales price over par value of 6,000,000, 6,500,000 and 6,500,000 shares of common stock issued in 1983, 1982 and 1981, respectively	**56,550**	53,137	38,058
	Excess of sales price over par value of 3,898,752, 3,157,794 and 1,780,268 shares of common stock issued during 1983, 1982 and 1981, respectively, for dividend reinvestment and stock purchase plan	**35,301**	23,313	10,244
	Excess of sales price over par value of 377,789 and 350,300 shares of common stock issued for tax reduction act stock ownership plan in 1983 and 1981, respectively	**3,780**	–	1,811
	Excess of stated value over purchase price of 80,000 shares of preferred stock redeemed in each of the years 1983, 1982 and 1981	**101**	322	317
	Premium on preferred stock of former subsidiary company	**85**	–	–
Balance at Close of Period		**$637,039**	$541,222	$464,450

See Notes to Financial Statements on pages 22, 23, 24 and 25.

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

Union Electric and Subsidiaries		Year 1983	Year 1982	Year 1981
Source of Funds:	From operations—			
	Net income	**$276,155**	$205,466	$157,083
	Provision for depreciation	**92,297**	86,670	81,310
	Provision for deferred taxes on income (net)	**79,591**	90,427	71,986
	Provision for deferred investment tax credits (net)	**42,251**	(3,073)	11,816
	Allowance for all funds used during construction	**(251,307)**	(198,093)	(155,625)
		238,987	181,397	166,570
	From financing and other sources—			
	Issue of mortgage bonds	**100,000**	130,500	154,000
	Issue of long-term unsecured debt	**40,000**	295,032	90,000
	Nuclear fuel lease	**18,512**	37,833	32,392
	Issue of preferred stock	**75,000**	75,000	—
	Issue of common stock	**86,550**	85,638	70,558
	Dividend reinvestment and stock purchase plans	**60,463**	39,102	22,708
	Settlement of uranium litigation	**12,556**	12,879	13,904
	Net decrease in working capital (excluding short-term loans and current maturity of long-term debt)	**87,579**	42,704	67,722
		480,660	718,688	451,284
	Total funds provided	**$719,647**	$900,085	$617,854
Application of Funds:	Gross plant expenditures	**$686,029**	$628,343	$532,650
	Nuclear fuel	**18,553**	38,062	32,406
	Allowance for all funds used during construction	**(251,307)**	(198,093)	(155,625)
	Union Electric dividends on preferred stock and common stock	**192,639**	161,636	131,186
	Restructured long-term unsecured debt	**40,000**	175,000	—
	Maturity of mortgage bonds	**2,223**	36,899	894
	Redemption of preferred stock	**2,026**	2,026	2,026
	Reduced short-term bank loans and commercial paper	**35,600**	53,250	20,535
	Callaway unit 2 cancellation charges—deferred	**—**	(537)	52,000
	Net change in other funds	**(6,116)**	3,499	1,782
	Total funds applied	**$719,647**	$900,085	$617,854
Increases (Decreases) in Working Capital:	Cash and deposits	**$ (19,722)**	$ (7,690)	$ (8,916)
	Receivables, net	**28,089**	10,797	9,421
	Fuel	**(25,117)**	16,696	(27,598)
	Other materials and supplies	**759**	(852)	2,554
	Accounts and wages payable	**(38,352)**	(45,642)	6,657
	Cancellation charges	**4,084**	6,031	(52,000)
	Taxes accrued	**(14,695)**	(10,235)	12,794
	Interest and dividends accrued or declared	**(19,318)**	(5,905)	(10,843)
	Other	**(3,307)**	(5,904)	209
	Net decrease in working capital	**$ (87,579)**	$ (42,704)	$ (67,722)

See Notes to Financial Statements on pages 22, 23, 24 and 25.

Union Electric and Subsidiaries

Note 1—Summary of Accounting Policies

The Company is 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 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.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. In the process of consolidation, all intercompany investments and accounts and all intercompany sales and profits are eliminated. In December 1983, Union Electric's utility subsidiaries, Missouri Power & Light Company, Missouri Utilities Company and Missouri Edison Company, were merged into the Company. The mergers had no effect on the consolidated financial statements.

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 provision for depreciation in 1983 is equivalent to approximately 2.9% of the average depreciable cost (2.8% in 1982 and 1981).

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.

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 construction activity, 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 11.7% in 1983, 11.6% in 1982 and 11.4% in 1981. AFC, net of taxes, amounted to 86%, 90% and 87% of earnings on common stock for 1983, 1982 and 1981, respectively.

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—Income Taxes

Total income tax expense for 1983 resulted in an effective tax rate of 34% on earnings before income taxes (32% in 1982 and 33% in 1981). The principal reason such amount was less than the 46% statutory Federal rate was the allowance for equity funds used during construction, which was 16% of earnings before income taxes for 1983 (14% in 1982 and 13% in 1981).

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

	1983	1982	1981
Included in operating expenses—			
Taxes currently payable:			
Federal	$ 5,701	$7,943	$ (3,706)
State	5,765	2,670	(841)
Deferred taxes (principally Federal):			
Liberalized depreciation	21,279	17,500	14,177
Allowance for borrowed funds used during construction	52,451	49,455	44,107
Construction abandonment	—	21,500	14,000
Other (principally capitalized costs)	9,589	7,288	6,553
Provisions deferred in prior years	(3,728)	(5,316)	(6,851)
Deferred investment tax credits, net	49,054	(3,073)	11,942
	140,111	97,967	79,381
Current provision included in other income	1,046	(354)	(1,511)
Total	$141,157	$97,613	$77,870

Investment tax credit carryforwards, unrecorded as of December 31, 1983, amounted to approximately $90 million which may be utilized by the Company to reduce future income tax liabilities through 1998.

Note 3—Capital Stock

During the three years ended December 31, 1983, common stock, $5 par value, was issued as follows: 6,000,000 shares, 6,500,000 shares and 6,500,000 shares were issued in 1983, 1982 and 1981, respectively. In addition, of the 18,000,000 shares reserved for the Union Electric Company Dividend Reinvestment and Stock Purchase Plan, 3,898,752 shares, 3,157,794 shares and 1,780,268 shares were issued in 1983, 1982 and 1981, respectively; and of the 2,500,000 shares reserved for the Union Electric Company Tax Reduction Act Stock Ownership Plan, 377,789 shares and 350,300 shares were issued in 1983 and 1981, respectively.

During the same three-year period, preferred stock, without par value, was issued and redeemed as follows: 3,000,000 shares, $2.98 Series were issued in 1983 and 3,000,000 shares, $4.00 Series in 1982. In December 1983, the Company issued 20,000 shares, $4.75 Series and 40,000 shares, $4.30 Series in exchange for Missouri Power & Light Company preferred stock; and at the same time, issued 14,000 shares, $5.50 Series A, 3,000 shares, $5.50 Series B and 9,620 shares, $6.30 Series in exchange for Missouri Utilities Company preferred stock. In each of the years 1983, 1982 and 1981, the Company redeemed 80,000 shares, $2.72 Series; and, Missouri Utilities Company redeemed 260 shares, 5.70% Series preferred stock.

Preferred Stock Redemption Prices	Current	Eventual Minimum
	(Per Share)	
$7.44 Series	$102.50	$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	101.50	98.50
$8.00 Series	99.25	93.25
$2.98 Series	27.98	25.00
$2.125 Series	26.45(b)	25.25
$6.30 Series (c)	101.50	100.00
$4.60 Series (d)	54.60(b)	50.50
$4.00 Series of 1982 (e)	29.00(b)	25.00
$2.72 Series (f)	27.75(b)	25.25

(a) In the event of voluntary liquidation, $105.50.
(b) Redemption subject to certain restrictions regarding refunding operations.
(c) The Company is required to redeem 260 shares at $100 per share, plus accrued dividends, on June 1 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) The Company is required to retire 150,000 shares, and has an option to redeem an additional 150,000 shares, at $25 per share on February 15 of each year, commencing in 1988.
(f) 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 yaar.

Note 4—Preferred Stock Subject to Mandatory Redemption

During the five years from December 31, 1983, the amounts of preferred stock to be redeemed at par or stated value are: $2,026,000 in 1984; $5,776,000 in 1985; $5,776,000 in 1986; $5,776,000 in 1987; and $9,526,000 in 1988.

Note 5—Debt Retirement Provisions

During the five years from December 31, 1983, the amounts of debt maturities are: $10,728,000 in 1984; $22,711,000 in 1985; $98,844,000 in 1986; $87,012,000 in 1987; and $191,178,000 in 1988. (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 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 the Company has been following the practice of pledging property additions as permitted by the indentures.

Note 6—Employee Retirement Plans

The retirement plans covering employees of the Company are financed through irrevocable pension trusts and group annuity contracts. The Company's policy is to fund pension costs accrued. Costs of the retirement plans for the years 1983, 1982 and 1981 were $15,710,000, $14, 279,000 and $12,515,000, respectively, of which approximately 24% was charged to construction accounts. The aforementioned amounts include current service costs and 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,		
	1983	1982	1981
Vested	**$249**	$197	$246
Nonvested	**26**	18	4
	$275	$215	$250
Net assets available for benefits	**$275**	$239	$179

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 7% for 1983 and 1982, and 6% for 1981.

Union Electric and Subsidiaries

Note 7 – Short-Term Borrowings

Short-term borrowings of the Company consist of bank loans (maturities not in excess of 270 days) and commercial paper (maturities generally within 30-45 days). Information relative to short-term borrowings is as follows (in thousands except rates):

	1983	1982	1981
Amount outstanding at year end –			
Bank loans	**$ 31,500**	$42,100	$66,350
Commercial paper	**—**	$25,000	$54,000
Composite interest rate at year end –			
Bank loans	**10.8%**	11.3%	13.8%
Commercial paper	**—**	9.9%	13.6%
Maximum aggregate amount outstanding at any month end during the year	**$154,500**	$205,850	$167,275
Average daily short-term borrowings outstanding during the year –			
Aggregate amount	**$115,775**	$138,847	$136,116
Weighted composite interest rate	**9.7%**	13.7%	17.8%

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, 1983, the Company had bank lines of credit aggregating $171,140,000 ($139,640,000 of which was unused at such date) which make available interim financing at various rates of interest based on prime, the London InterBank Offered Rate (LIBOR), the bank certificate of deposit rate, or other options, and in support of which the Company has both written and unwritten agreements with its lending banks to pay annual fees ranging from 0.25% of the unused portion of the line of credit to 0.375% of the line of credit. These lines of credit are renewable annually at various dates throughout the year.

Note 8 – Construction Commitments

The Company is engaged in a construction program under which expenditures of approximately $1.2 billion are anticipated during the next five years, of which expenditures of $567 million and $157 million are estimated to be made in 1984 and 1985, respectively.

Note 9 – Contingencies

On October 9, 1981, the Company canceled construction of Unit No. 2 at its Callaway nuclear plant which unit had been scheduled to be placed in service in 1990. At December 31, 1983, $50 million, representing construction costs accumulated to that date plus estimated cancellation charges (net of taxes) has been deferred. By order dated October 21, 1983, the Missouri Commission ruled that recovery of such cancellation costs applicable to the Missouri jurisdiction ($37 million) is barred by a state statute which prohibits recovery, in rates, of costs of a facility before it is fully operational and used for service. The Company is of the opinion that the statutory ban does not apply to canceled plants and, furthermore, that the Commission's interpretation of the statute is unconstitutional because it purports to disallow recovery of costs prudently incurred. Consequently, the Company has appealed the Commission's decision. The balance of such costs, applicable to other regulatory jurisdictions, is either presently being recovered in customers' rates, or currently under regulatory consideration. In the opinion of management, unrecovered costs, if any, would not be material to the financial position of the Company.

The Company has property insurance coverage of $500 million provided by American Nuclear Insurers (ANI) and Mutual Atomic Energy Liability Underwriters (MAELU) for its Callaway nuclear plant.

Upon loading nuclear fuel in the Callaway plant's reactor (Spring 1984), the Company plans to have the following additional insurance coverage, the maximum amounts currently available:

> Excess property insurance of $435 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 retrospective premium assessment of up to $10 million in any one policy year if NEIL's property losses exceed available funds.
>
> Excess property insurance of $85 million provided by ANI and MAELU.

The Atomic Energy Act, as amended, currently limits liability to third parties to $580 million for each nuclear incident. Coverage of the first $160 million of such liability will be provided by ANI and MAELU. The balance will be provided by utility industry retrospective assessments. The Company's maximum potential assessment under this plan would be $5 million per incident but not more than $10 million per year.

Furthermore, once the Callaway nuclear plant is placed in commercial operation (late 1984 or early 1985), the Company plans to have accidental outage replacement power insurance provided by NEIL. Thereunder, the Company will be insured for up to $2.5 million per week for one year, commencing 26 weeks after initiation of the outage, and for up to $1.25 million per week for an additional year. Under this policy, the Company could be subject to a maximum annual retrospective premium assessment of up to $7.6 million.

The Company is involved in legal or 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 financial position of the Company.

Note 10—Nuclear Fuel Lease

The Company has entered into a lease agreement which provides for the financing of the costs of up to $200 million 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 obtains 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 Company has capitalized the cost, including interest costs, of the leased nuclear fuel and has recorded the related lease obligation. During the years 1983, 1982 and 1981, the Company capitalized related interest costs of $17.9 million, $19.7 million and $19.8 million based on an average interest rate of 10.0%, 13.4% and 17.6%, respectively.

Note 11—Settlement of Uranium Litigation

In 1979, the Company and Westinghouse Electric Corporation settled the Company's suit to require Westinghouse to fulfill its contractual obligation to deliver 10 million pounds of uranium U_3O_8 to the Company. The settlement provides for cash and discounts on uranium and goods and services over the period 1980-2010. Company proposals currently under review by regulatory authorities provide that settlement proceeds will be utilized to reduce fuel expense.

Note 12—Supplementary Income Statement Information

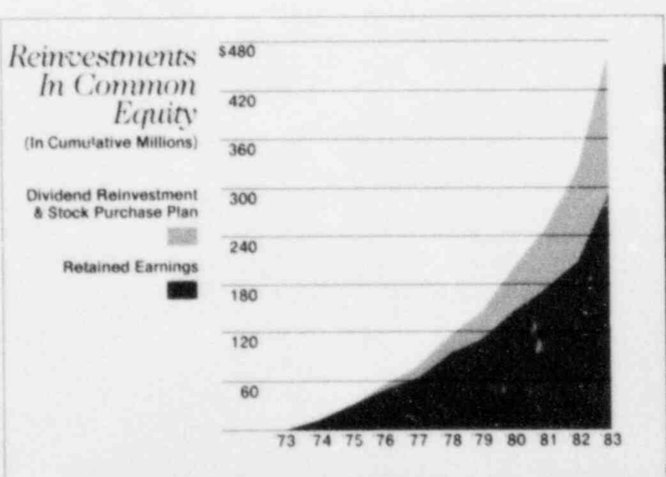
	1983	1982	1981
	(Thousands of Dollars)		
Maintenance and repairs, charged directly to:			
Operating expenses	**$ 99,395**	$100,223	$87,435
Other accounts (a)	**5,888**	5,736	4,768
	$105,283	$105,959	$92,203
Depreciation, depletion and amortization of fixed and intangible assets, charged directly to:			
Operating expenses	**$92,297**	$86,670	$81,310
Other accounts (a)	**3,018**	2,862	2,435
	$95,315	$89,532	$83,745
Taxes, other than payroll and income taxes, charged directly to:			
Operating expenses—			
Real estate and personal property	**$ 48,426**	$ 51,282	$ 51,977
License and franchise	**69,682**	61,002	54,664
Other	**1,722**	1,491	1,338
	119,830	113,775	107,979
Other accounts	**11,403**	9,249	7,907
	$131,233	$123,024	$115,886

(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 1983, 1982 and 1981 were $12,068,000, $11,036,000 and $9,149,000, respectively.
(c) The amounts of royalties and advertising costs were not material.

Selected Financial Information (Thousands of Dollars Except Share and Per Share Amounts and Ratios)

Union Electric and Subsidiaries

	1983	1982	1981	1980
Results of Operations				
Operating revenues	**$1,401,086**	$1,217,705	$1,105,536	$1,077,876
Operating expenses	**1,160,816**	1,013,054	922,647	886,720
Operating income	**240,270**	204,651	182,889	191,156
Allowance for all funds used during construction	**251,307**	198,093	155,625	92,055
Other income—miscellaneous	**3,490**	3,660	(734)	3,638
Interest on debt and other items	**218,912**	200,938	180,697	132,112
Net income	**276,155**	205,466	157,083	154,737
Preferred dividend requirements of Company	**45,736**	39,960	29,478	29,695
Earnings on common stock	**230,419**	165,506	127,605	125,042
Average common shares outstanding	**86,744,282**	76,251,024	67,179,275	59,675,995
Assets, Obligations and Equity Capital (Year-End)				
Total assets	**$5,205,556**	$4,630,797	$4,047,277	$3,552,104
Long-term debt obligations	**2,108,047**	2,000,405	1,719,927	1,479,229
Redeemable preferred stock obligations	**180,962**	182,988	110,014	112,040
Non-redeemable preferred stock	**356,270**	281,355	281,355	281,355
Common equity	**1,555,501**	1,328,061	1,162,777	1,043,549
Financial Indices				
Earnings per share of common stock (based on average shares outstanding)	**$2.66**	$2.17	$1.90	$2.10
Cash dividends per share of common stock	**$1.66**	$1.58	$1.52	$1.48
Return on average common stock equity	**16.49%**	13.93%	12.11%	13.11%
Ratio of earnings to fixed charges (a)	**2.89**	2.50	2.29	2.85



1979	1978	1977	1976	1975	1974	1973
$946,797	$903,988	$765,102	$682,456	$583,455	$468,656	$417,949
780,331	727,756	605,963	518,342	446,569	355,655	306,689
166,466	176,232	159,139	164,114	136,886	113,001	111,260
58,093	31,469	19,022	12,379	23,107	13,696	10,521
879	2,896	1,389	(2,554)	1,403	1,154	99
107,383	90,699	84,015	78,529	75,361	68,065	54,713
118,055	119,898	95,535	95,410	86,035	59,786	67,167
26,948	23,040	20,367	19,640	19,640	15,700	15,288
91,107	96,858	75,168	75,770	66,395	44,086	51,879
52,577,432	48,260,596	45,110,245	40,795,152	37,240,134	32,187,113	31,946,291
$3,168,998	$2,800,209	$2,521,181	$2,316,039	$2,162,312	$2,030,103	$1,786,255
1,307,990	1,238,860	1,189,080	1,118,418	1,021,747	939,933	830,087
114,066	41,092	41,118	41,144	41,170	41,196	—
281,355	281,355	281,355	241,355	241,355	241,355	238,084
930,375	836,020	733,111	634,400	608,860	543,985	492,048
$1.73	$2.01	$1.67	$1.86	$1.78	$1.37	$1.62
$1.44	$1.40	$1.36	$1.34	$1.28	$1.28	$1.28
10.71%	12.61%	10.68%	12.19%	11.98%	8.94%	10.72%
2.61	3.18	2.81	2.79	2.51	1.92	2.33

(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.

Management's Discussion And Analysis— Liquidity And Capital Resources

Union Electric and Subsidiaries

Construction expenditures are expected to aggregate $1.2 billion during the next five years, 1984 through 1988, including $567 million in 1984; however, with completion of the $2.85 billion Callaway nuclear plant scheduled for late 1984 or early 1985, such expenditures are anticipated to be less than $200 million each year, over the succeeding four-year period.

In addition to the funds required for construction during the 1984-1988 period, $439 million, including $13 million in 1984, will be required to retire maturing long-term debt and for sinking fund payments on first mortgage bonds and preferred stock.

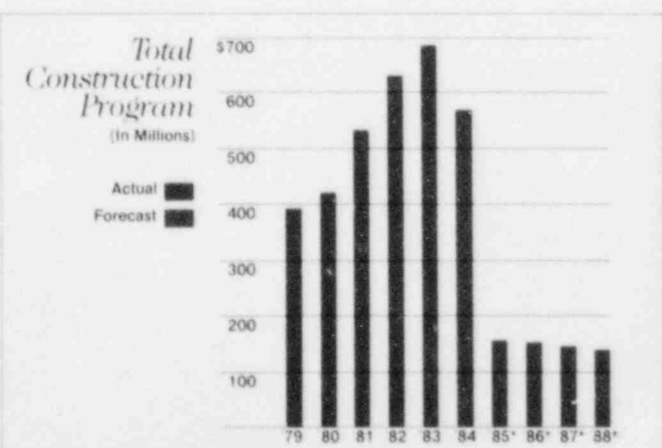
A nuclear fuel lease provides for the financing of up to $200 million of the Company's nuclear fuel requirements. At December 31, 1983, $188 million of nuclear fuel had been financed under the lease. The Company plans to increase the total amount of financing permitted under the lease to $300 million in 1984.

Union Electric has entered into intermediate-term credit agreements with certain domestic and foreign banks which permit the Company to borrow up to $575 million through November 1988. At December 31, 1983, $215 million of such borrowings were outstanding.

The Company presently anticipates that substantially all of its 1984 cash requirements will be obtained from environmental improvement debt, the Dividend Reinvestment and Stock Purchase Plan and the nuclear fuel lease. However, internal generation of cash is expected to improve significantly when the Callaway nuclear plant is completed and reflected in electric rates. Therefore, the Company presently anticipates that no additional public financing will be required for construction during the four-year period 1985 through 1988.

The Company plans to continue to utilize short-term debt as interim support between long-term financing. Average daily short-term borrowings outstanding during 1983 were $116 million. At December 31, 1983, bank lines of credit and credit commitments from banks aggregated $171 million, not including the intermediate-term credit agreements mentioned above; and, at such date $32 million of short-term bank loans were outstanding (see Note 7 under Notes to Financial Statements). Union Electric is authorized by the Federal Energy Regulatory Commission to incur up to $300 million of short-term unsecured indebtedness; however, short-term debt is not expected to exceed $200 million.

For data relative to Supplementary Information on Inflation and Changing Prices, see pages 32 and 33.



* 85-88, after Callaway Plant completion.

Union Electric and Subsidiaries

Earnings and earnings per share fluctuated due to many conditions, certain of which applied to this industry in general and this company in particular: the effect of weather variations, the timing and amounts of rate increases and increasing operating costs. Also, the quality of such earnings has been adversely affected by the substitution of allowance for funds used during construction (a noncash item) for the cash recovery of the cost of funds invested in facilities under construction.

The $2.66 per share 1983 common stock earnings reflected a substantial improvement over 1982. This 49 cents per share gain resulted primarily from increased sales and higher electric rates, partially offset by greater operating costs.

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

Electric Operating Revenues

	Variation from Prior Year		
	1983	1982	1981
	(Millions of Dollars)		
Rate increases	**$ 57.7**	$ 86.1	$ 38.0
Effect of weather	**55.3**	(3.2)	(45.6)
Growth and other	**56.3**	9.3	30.4
	$169.3	$ 92.2	$ 22.8

The extremely hot 1983 summer and the cooler-than-normal preceding summer caused 1983 electric revenues to increase by more than $50 million over the prior year. The impact of an unusually hot 1980 summer combined with the effect of a mild 1981 summer caused a negative $46 million 1981 revenue variation from the prior year.

Kilowatt-hour sales during 1983 were up 7½ percent over 1982, with residential sales showing a dramatic 14 percent increase reflecting the recent extremely hot summer, while commercial sales of electricity gained 4 percent over the prior year. Sales to industrial electric customers rose 5 percent above 1982—the greatest increase since 1977, confirming the economic recovery in the Company's service territory.

Electric rate increases were granted by the Missouri Public Service Commission in mid-1983 (approximately $30 million annually), mid-1982 (approximately $65 million annually) and mid-1981 (approximately $65 million annually).

In February 1984, the Company filed rate increase requests with the Missouri and Illinois regulatory commissions in anticipation of the commercial operation of the Callaway nuclear plant. The requests include a proposed rate phase-in plan that would spread the rate increase over a five-year period. Decisions are required from each commission by January 1985.

Under the proposed rate phase-in plan, electric rates would increase by approximately 25 percent the first year ($246 million and $33 million for Missouri and Illinois customers, respectively) and by approximately 8 percent in each of the following four years. The rate phase-in plan will result in lower cash receipts in the early years, although there will be no effect on reported earnings.

Operating Expenses

The changes in operating expenses were as follows:

Fuel and Purchased Power

	Variation from Prior Year		
	1983	1982	1981
	(Millions of Dollars)		
Fuel:			
Variation in generation	**$10.7**	$ (1.4)	$ (17.6)
Price increases	**29.4**	14.0	31.6
Efficiencies	**(.4)**	(4.2)	.8
Purchased and interchange power	**25.2**	7.3	7.7
	$64.9	$ 15.7	$ 22.5

Other Operating Expenses

The costs of other operations, maintenance and depreciation increased principally due to recurring conditions, such as growth, inflation, greater property investments and wage increases. Income taxes fluctuated in response to pretax income (see Note 2 under the Notes to Financial Statements). Other taxes increased generally due to additional license and franchise taxes on greater revenues and higher payroll taxes due to increases in taxable wage bases and rates (see Note 12 under Notes to Financial Statements).

Interest and Preferred Dividends

The increases in interest on debt and preferred dividends were primarily due to the issuance of additional securities to finance the construction program.

Allowance For Funds Used During Construction (AFC)

AFC increased due to a greater amount of construction work in progress and to increased AFC rates (see Note 1 under Notes to Financial Statements). The amount of AFC will increase significantly again in 1984 and constitute a substantial portion of 1984 earnings. After the Callaway nuclear plant begins commercial operation and is reflected in electric rates, AFC will decline substantially. The Callaway Plant is presently scheduled for completion in late 1984 or early 1985.

Selected Quarterly Information (Thousands of Dollars Except Per Share Amounts)

Union Electric and Subsidiaries

Quarter Ended	Operating Revenues	Operating Income	Net Income	Earnings on Common Stock	Earnings Per Share of Stock Outstanding
March 31, 1983	**$305,859**	**$41,643**	**$ 53,327**	**$43,059**	**$ .51**
March 31, 1982	292,033	33,851	32,233	23,211	.31
June 30, 1983	**309,658**	**55,781**	**61,706**	**51,215**	**.60**
June 30, 1982	274,533	45,371	44,035	33,713	.45
September 30, 1983	**466,619**	**99,860**	**111,314**	**98,812**	**1.14**
September 30, 1982	373,706	86,860	87,723	77,402	1.01
December 31, 1983	**318,950**	**42,986**	**49,808**	**37,333**	**.41**
December 31, 1982	277,433	38,569	41,475	31,180	40

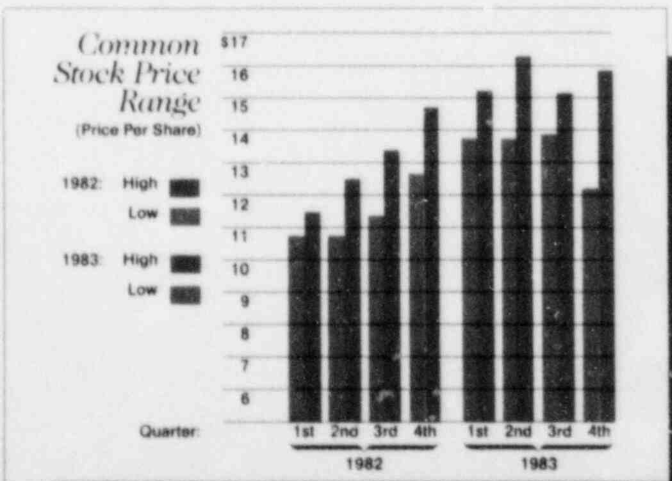
Common Stock Prices And Dividends

Union Electric Company (1)

1983 Price Range High	1983 Price Range Low	1983 Dividends (2)	Quarter Ended:	1982 Price Range High	1982 Price Range Low	1982 Dividends
$15¼	$13¾	41¢	March 31	$11½	$10¾	38¢
16¼	13¾	41	June 30	12½	10¾	38
15⅛	13⅞	41	September 30	13⅜	11⅜	41
15⅞	12¼	43	December 31	14¾	12⅝	41

(1) At December 31, 1983, Union Electric Company common stock shareholders totaled 192,833. (New York Stock Exchange symbol: UEP)

(2) At December 31, 1983 retained earnings amounted to $445,011,000, 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.



Financial Position (Thousands of Dollars Except Share and Per Share Amounts and Ratios) 31

Union Electric and Subsidiaries

	December 31, 1983	1982	1981	1980	1979
Assets					
Properties (at original cost)	**$5,858,554**	$5,190,779	$4,554,567	$4,051,124	$3,649,728
Less accumulated depreciation	**1,062,765**	984,656	915,996	848,826	786,147
	4,795,789	4,206,123	3,638,571	3,202,298	2,863,581
Receivables, net	**174,382**	146,293	135,496	126,075	148,482
Fuel supplies	**73,889**	99,006	82,310	109,908	85,107
Other assets	**161,496**	179,375	190,900	113,823	71,828
Total Assets	**$5,205,556**	$4,630,797	$4,047,277	$3,552,104	$3,168,998
Capital and Liabilities					
Capitalization:					
Common stock and retained earnings–					
Common stock	**$ 473,451**	$ 422,068	$ 373,780	$ 330,627	$ 293,984
Other paid-in capital	**637,039**	541,222	464,450	414,020	374,189
Retained earnings	**445,011**	364,771	324,547	298,902	262,202
Common equity	**1,555,501**	1,328,061	1,162,777	1,043,549	930,375
Preferred stock not subject to mandatory redemption	**356,270**	281,355	281,355	281,355	281,355
Preferred stock subject to mandatory redemption	**180,962**	182,988	110,014	112,040	114,066
Long-term debt obligations	**2,108,047**	2,000,405	1,719,927	1,479,229	1,307,990
Total capitalization	**4,200,780**	3,792,809	3,274,073	2,916,173	2,633,786
Accumulated deferred taxes on income	**408,171**	328,580	238,153	166,167	123,291
Accumulated deferred investment tax credits	**164,468**	122,217	125,290	113,474	87,556
Accounts and wages payable	**175,561**	137,209	91,567	98,224	100,310
Short-term debt including current maturities	**42,228**	69,323	152,253	141,895	122,909
Other liabilities	**214,348**	180,659	165,941	116,171	101,146
Total Capital and Liabilities	**$5,205,556**	$4,630,797	$4,047,277	$3,552,104	$3,168,998
Common Equity Data					
Number of shares outstanding	**94,690,220**	84,413,679	74,755,885	66,125,317	58,796,909
Book value (common equity) per share	**$16.43**	$15.73	$15.55	$15.78	$15.82
Capitalization Ratios					
Common equity	**37.0%**	35.0%	35.5%	35.8%	35.3%
Preferred stock not subject to mandatory redemption	**8.5**	7.4	8.6	9.7	10.7
Preferred stock subject to mandatory redemption	**4.3**	4.8	3.4	3.8	4.3
Long-term debt	**50.2**	52.8	52.5	50.7	49.7
Total	**100.0%**	100.0%	100.0%	100.0%	100.0%

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, 1983, 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.

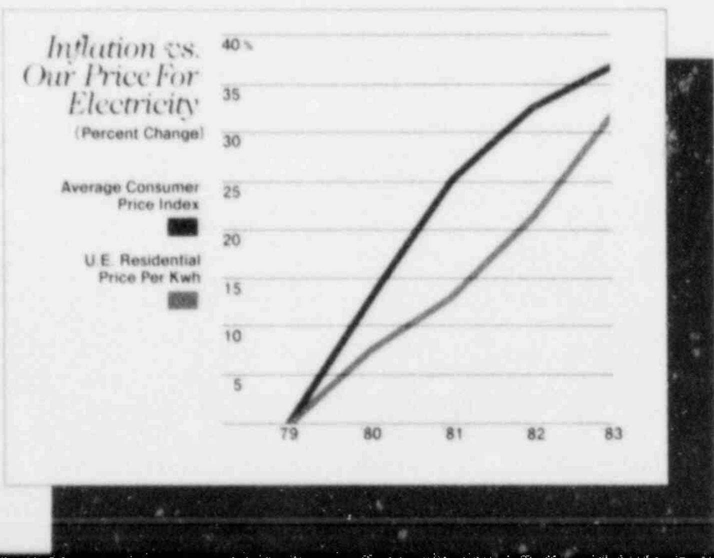
Property, Plant and Equipment

The estimated value in average 1983 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 primarily 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, 1983, the constant dollar and current cost of property, plant and equipment, net of accumulated depreciation were $8,736,781,000 and $9,705,695,000, respectively, while historical or net recoverable cost was $4,795,789,000. 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 for each functional class of plant, the same percentage relationship that existed between gross plant and the associated accumulated provision for depreciation on an historical basis.



Depreciation Expense

Depreciation expense for the year 1983 applicable to constant dollar and current cost property was $225,331,000 and $252,662,000, respectively. The actual 1983 depreciation expense was $92,297,000.

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. While the rate-making 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 these facilities are replaced. The excess of constant dollar and current cost over historical cost property and plant in 1983 was $33,864,000 and $73,488,000, respectively.

Gain from Decline in Purchasing Power of Net Amounts Owed

The Company, by having assets such as receivables, fuel and materials 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. More than offsetting these assets, however, are significant amounts of long-term debt, refundable preferred stock, deferred income taxes and current liabilities which will be repaid with dollars of reduced purchasing power. Thus, for 1983, the Company experienced a net "gain" of $96,256,000 from having an excess of monetary liabilities over monetary assets. (Investments and unamortized investment tax credits were considered as non-monetary items; nonrefundable preferred stock was included in shareholders' equity).

General

Pursuant to Statement No. 33, depreciation expense was the only income statement item that was 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 currently the effects of inflation and changing prices resulted in 1983 reported earnings of $230,419,000 or $2.66 per share rather than the more realistic earnings of $97,385,000 or $1.12 per share on a constant dollar basis, or $70,054,000 or 81¢ per share on a current cost basis.

Also, because Federal income tax policy prohibits the deduction of inflation-adjusted depreciation expense for income taxes, the Company's 1983 effective income tax rate was about 48 percent for constant dollar and 53 percent under current cost, each of which is greater than the Federal statutory rate of 46 percent. Failure of regulatory and taxing authorities to allow depreciation of the current cost of plant 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. To have retained the same purchasing power as they had in 1979, the Company's common shareholders should have received 1983 common dividends of $1.98 per share as compared with the actual $1.66 and the realized return on common equity should have been sufficient to permit the common stock to sell at about $16 per share or almost 25 percent higher than the actual year-end price.

Consolidated Statement of Income Adjusted for Changing Prices Year Ended December 31, 1983

(In Millions of Average Dollars)

	Constant Dollar	Current Cost
Common stock earnings *	$230	$230
Additional depreciation	(133)	(160)
Common stock earnings adjusted (excluding reduction to net recoverable cost)	97 **	70
Loss from reducing plant to net recoverable cost	(33)	(73)
Relative price changes ***	—	67
Gain from decline in purchasing power of net amounts owed	96	96
Net change in common equity	$160	$160

*As reported

**Common stock earnings on a constant dollar basis would have been $64 million if it reflected the reduction to net recoverable cost of $33 million.

***Current cost represents the excess of specific price changes ($412 million) in 1983 over the increase for such year in general prices of property and plant ($345 million).

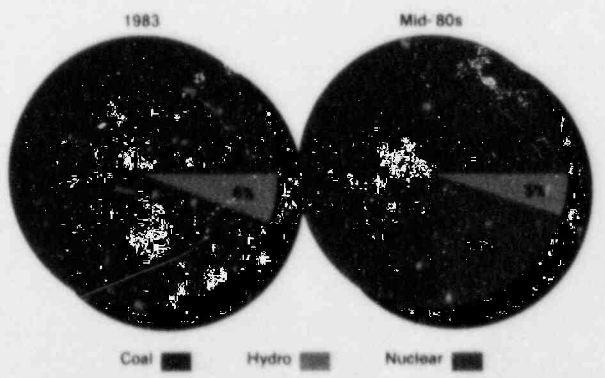
Five Year Comparison of Selected Supplementary Financial Data Adjusted for Effects of Changing Prices	Years Ended December 31,				
	1983	1982	1981	1980	1979
	(In Millions of Average 1983 Dollars Except Per Share and "As Reported" Amounts)				
Operating revenues:					
As reported	$1,401	$1,218	$1,106	$1,078	$ 947
Adjusted for general inflation	1,401	1,257	1,211	1,303	1,300
Earnings (loss) on common stock (excluding reduction to net recoverable cost):					
As reported	$230	$166	$128	$125	$91
Adjusted for general inflation	97	44	16	37	20
Based on current cost	70	16	(10)	8	(18)
Earnings (loss) per share of common stock (excluding reduction to net recoverable cost):					
As reported	$2.66	$2.17	$1.90	$2.10	$1.73
Adjusted for general inflation	1.12	.58	.24	.62	.38
Based on current cost	.81	.21	(.15)	.13	(.34)
Shareholders' equity (net assets), at year-end:					
Historical cost (as reported)	$1,912	$1,609	$1,444	$1,325	$1,212
Adjusted for both general inflation and current cost	1,880	1,642	1,531	1,530	1,573
Excess (deficiency) of general price changes over increase in the specific level of prices	$(67)	$(34)	$(15)	$138	$226
Gain from decline in purchasing power of net amounts owed	$96	$86	$178	$235	$252
Cash dividends declared per common share:					
Actual	$1.66	$1.58	$1.52	$1.48	$1.44
Adjusted for general inflation	1.66	1.63	1.67	1.79	1.98
Market price per share, at year-end:					
Actual	$12⅞	$13¾	$10⅞	$10⅝	$12
Adjusted for general inflation	12⅝	14	11½	12½	15⅝
Average consumer price index	298.4	289.1	272.4	246.8	217.4

Operating Statistics

Union Electric and Subsidiaries

	1983	1982	1981	1980
Electric Operating Revenues (000):				
Residential	**$ 524,792**	$ 426,213	$ 389,182	$402,160
Commercial	**402,737**	363,826	321,400	306,486
Industrial	**281,397**	257,320	250,842	233,854
Other electric utilities	**46,428**	42,650	39,789	35,619
Miscellaneous	**25,800**	21,846	18,458	18,774
Total	**$1,281,154**	$1,111,855	$1,019,671	$996,893
Kilowatt-Hour Sales (000,000):				
Residential	**8,979**	7,906	7,756	8,446
Commercial	**7,653**	7,339	7,024	6,913
Industrial	**7,478**	7,130	7,767	7,616
Other electric utilities	**1,498**	1,412	1,420	1,435
Miscellaneous	**321**	310	312	385
Total	**25,929**	24,097	24,279	24,795
Electric Customers (End of year):				
Residential	**879,156**	869,844	870,066	862,406
Commercial	**110,048**	109,947	108,561	106,428
Industrial	**5,126**	5,132	5,207	5,328
Electric utilities	**24**	24	24	24
Other	**3,297**	3,234	3,065	2,950
Total	**997,651**	988,181	986,923	977,136
Residential Customer Data (Average):				
Kilowatt-hours used	**10,283**	9,108	8,955	9,848
Annual electric bill	**$601.03**	$490.96	$449.35	$468.92
Revenue per kilowatt-hour	**5.84¢**	5.39¢	5.02¢	4.76¢
Gross Instantaneous Peak Demand (Kilowatts)	**6,598,000**	6,161,000	6,296,000	6,404,000
Capability at Time of Peak, Including Net Purchases (Kilowatts)	**7,633,000**	7,631,000	7,444,000	7,468,000
Generating Capability at Time of Peak (Kilowatts)	**6,948,000**	6,951,000	6,879,000	6,824,000
Coal Burned (Tons)	**11,371,000**	11,086,000	11,316,000	11,730,000
Price per Ton of Coal	**$33.33**	$30.45	$29.15	$26.85

Generation Fuel Mix



1979	1978	1977	1976	1975	1974	1973
$333,251	$331,128	$283,124	$248,784	$220,174	$171,381	$159,813
265,278	253,279	219,806	195,568	162,079	129,351	116,040
221,617	209,440	169,834	154,539	127,939	107,471	95,210
34,185	31,565	24,040	21,432	19,812	23,814	18,057
20,388	19,061	16,232	14,677	12,973	11,027	10,041
$874,719	$844,473	$713,036	$635,000	$542,977	$443,044	$399,161
7,546	7,670	7,389	6,625	6,807	5,898	6,058
6,463	6,332	6,331	5,823	5,554	5,249	5,281
7,858	7,738	7,656	7,221	6,855	6,845	6,841
1,341	1,317	1,263	1,171	1,222	1,780	1,643
481	460	442	519	506	474	466
23,689	23,517	23,081	21,359	20,944	20,246	20,289
853,908	845,074	832,251	821,564	810,702	764,363	756,489
101,355	99,751	99,105	95,248	93,848	81,477	80,703
5,334	5,348	5,225	5,459	5,368	5,303	5,254
24	24	24	24	25	23	22
2,917	2,753	2,312	1,472	1,350	1,195	1,154
963,538	952,950	938,917	923,767	911,293	852,361	843,622
8,893	9,167	8,956	8,114	8,459	7,756	8,067
$392.74	$395.74	$343.16	$304.71	$273.62	$225.37	$212.83
4.42¢	4.32¢	3.83¢	3.76¢	3.23¢	2.91¢	2.64¢
5,846,000	5,813,000	5,837,000	5,582,000	5,363,000	5,318,000	5,138,000
7,739,000	6,873,000	6,891,000	6,913,000	6,474,000	6,660,000	6,963,000
6,947,000	6,718,000	6,607,000	6,439,000	5,962,000	6,080,000	6,080,000
12,037,000	11,866,000	11,915,000	11,069,000	10,089,000	8,574,000	8,419,000
$26.02	$24.15	$17.86	$15.04	$13.12	$10.23	$7.97

Officers And Directors

Officers

Charles J. Dougherty
Chairman and Chief Executive Officer

William E. Cornelius
President

Earl K. Dille
Executive Vice President

Stewart W. Smith, Jr.
Executive Vice President

H. Clyde Allen
Vice President—Research and Development

David C. Harrison
Vice President—Regional West

G. J. Haven
Vice President—Transmission and Distribution

Francis R. Lengefeld
Vice President—Engineering & Construction

Charles W. Mueller
Vice President—Finance

Robert O. Piening
Vice President—Rates

William A. Sanford
Vice President—Industrial Relations

Donald F. Schnell
Vice President—Nuclear

Charles J. Schukai
Vice President—Regional East

Edgar J. Telthorst
Vice President—Power Operations

H. E. Wuertenbaecher, Jr.
Vice President—Customer Service

Donald E. Brandt
Controller

William E. Jaudes
General Counsel

L. A. Esswein
Treasurer

James C. Thompson
Secretary

Board of Directors

J. A. Baer II
Management-Business Consultant; Former Chairman and Chief Executive Officer—Stix, Baer & Fuller.

*W. L. Behan, Jr.
Chairman of the Board and Chief Executive Officer—Hill-Behan Lumber Company, wholesaler and retailer of lumber and allied building products.

Sam B. Cook
Chairman—Central Bancompany and its subsidiary, Central Bank, which conducts a general banking business.

*William E. Cornelius
President

*Earl K. Dille
Executive Vice President

*Charles J. Dougherty
Chairman and Chief Executive Officer

*Edwin S. Jones
***Former Chairman of the Board*—Centerre Bancorporation.

*Richard A. Meyer
***Former President*—Anheuser-Busch, Inc.

John K. Riedy
Chairman of the Board—INTERCO, INCORPORATED, a manufacturer and retailer of consumer products and services.

*Stewart W. Smith, Jr.
Executive Vice President

**Howard L. Young
Former President and Chairman—American Zinc Company.

Advisers to the Board

Isaac B. Grainger
Former President—Chemical Bank.

J. W. McAfee
Former Chairman of the Board

*Member of Executive Committee
**Member of Auditing Committee

Office

1901 Gratiot Street
St. Louis, MO
(314) 621-3222

Mailing Address
P.O. Box 149
St. Louis, MO 63166

Transfer Agents

For Preferred Stock

Mercantile Trust Company
National Association
St. Louis, MO 63166

Manufacturers Hanover
Trust Company
New York, NY 10015

For Common Stock

Centerre Trust Company
of St. Louis
St. Louis, MO 63101

Manufacturers Hanover
Trust Company
New York, NY 10015

Registrars

For Preferred Stock

The Boatmen's National Bank
of St. Louis
St. Louis, MO 63166

The Chase Manhattan Bank
(National Association)
New York, NY 10015

For Common Stock

The Boatmen's National Bank
of St. Louis
St. Louis, MO 63166

Manufacturers Hanover
Trust Company
New York, NY 10015

Trustee, Transfer Agents, Registrars, And Paying Agents

For First Mortgage Bonds

Centerre Trust Company
of St. Louis, *Trustee*
St. Louis, MO 63101

Bankers Trust Company
New York, NY 10015

Dividend Reinvestment And Stock Purchase Plan

The Dividend Reinvestment and Stock Purchase Plan provides common and preferred stockholders, employees and customers the opportunity to purchase shares of common stock of the Company by automatically reinvesting dividends and/or investing optional cash payments.

Information regarding the Company's Dividend Reinvestment and Stock Purchase Plan may be obtained by writing to:

Union Electric Company
Stockholder Services – Code [redacted]
P.O. Box 149
St. Louis, MO 63166

[redacted]

Union Electric

P.O. Box 149
St. Louis, MO 63166

UNION ELECTRIC COMPANY
1901 GRATIOT STREET
ST. LOUIS, MISSOURI

DONALD F. SCHNELL
VICE PRESIDENT

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

April 19, 1984

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

Dear Mr. Denton:

ULNRC- 806

DOCKET NO. 50-483
CALLAWAY PLANT, UNIT 1

Transmitted herewith are twenty-five copies of the Union Electric Company, 1983, Annual Report. This information is submitted in accordance with 10CFR50.71(b).

Very truly yours,

Donald F. Schnell

Donald F. Schnell

KLM/lw

Enclosure

M004
1/25

cc: Glenn L. Koester
Vice President
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Kansas Gas & Electric
P.O. Box 208
Wichita, Kansas 67201

Donald T. McPhee
Vice President
Kansas City Power and Light Company
1330 Baltimore Avenue
Kansas City, Missouri 64141

Gerald Charnoff, Esq.
Shaw, Pittman, Potts & Trowbridge
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Executive Director
SNUPPS
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U.S. Nuclear Regulatory Commission
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Steedman, Missouri 65077

William Forney
Division of Projects and
Resident Programs, Chief, Section 1A
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