

**Docket No.:** 02-0612  
**ROM Date:** 10-01-02  
**Deadline:** 10-08-02

**MEMORANDUM**

---

**TO:** The Commission  
**FROM:** William J. Showtis, Administrative Law Judge  
**DATE:** September 25, 2002  
**SUBJECT:** Union Electric Company (AmerenUE)

Request pursuant to Section 6-102 of the Illinois Public Utilities Act for an order authorizing Union Electric Company (AmerenUE) to incur an indebtedness by undertaking the obligation to pay the principal, interest and redemption premium, if any, on up to \$185,000,000 principal amount of Senior Secured Notes for the purpose of refunding, redeeming and/or refinancing outstanding evidences of indebtedness.

**RECOMMENDATION:** Enter an order approving the proposed issuance of Notes.

---

Union Electric Company d/b/a AmerenUE ("UE") seeks authority, pursuant to Section 6-102(d) of the Act, for the issuance of notes in an aggregate principal amount not to exceed \$185,000,000. The proceeds of the notes will be used to refund certain outstanding debt, including its \$75,000,000 8.33% first mortgage bonds which mature on December 16, 2002, and pay related expenses. UE expects to realize substantial savings by taking advantage of the current favorable interest rate environment. The terms of the Notes will be determined at the time of sale. UE is contemplating issuing notes with a final maturity of up to 35 years. If UE issued notes with a 35 year maturity, UE expects an interest rate of about 6%.

Staff reviewed UE's filing and recommends approval of the proposed issuance of notes. The attached order approves the proposed issuance.

WJS/lw