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July 24, 2009

Steven Reed  
Secretary  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

Re: Union Electric Company d/b/a AmerenUE (AmerenUE), Case No. ER-2010-\_\_\_\_\_

Dear Mr. Reed:

Filed concurrently with this letter is a cover letter from AmerenUE's Sr. Vice President, General Counsel and Secretary Steven R. Sullivan, with which is included certain tariff sheets consisting of electric rate schedules designed to increase AmerenUE's base gross annual electric revenues by approximately \$401.5 million. Included in this increase is approximately \$227 million of anticipated increases in normalized net fuel costs above the net fuel costs included in base rates in the Company's last general rate proceeding. Please note that the approximately \$227 million of increases in normalized net fuel costs included in the revenues that these revised tariff sheets are designed to produce would, absent initiation of this general rate proceeding, be reflected in rate adjustments implemented under the Company's existing fuel adjustment clause (Rider FAC). The above-cited figures are exclusive of applicable gross receipts, sales, franchise or occupational fees or taxes. The tariff sheets bear a date of issue of July 24, 2009, and an effective date of August 23, 2009.

The test year employed by the Company is the 12 months ending March 31, 2009, with certain pro-forma adjustments to include known and measurable items through February 28, 2010, which is the date that coincides with the true-up cutoff date the Company will request in this case, as discussed in the direct testimony of AmerenUE witness Gary S. Weiss.

The rate increase sought by this filing is driven by several factors. These include covering the cost of investments in the Company's power plants and energy delivery systems, including in particular to continue to enhance the reliability of the Company's system; escalating net fuel costs, including substantial coal transportation cost increases and lower off-system sales due to decreased power prices; increased operation and maintenance expenses, including the cost of continued compliance with the

Commission's vegetation management and infrastructure rules and higher storm-related costs; higher depreciation expense, including for continued large capital expenditures on property, plant and equipment, much of which as noted earlier is directed toward continued improvement in the reliability of the Company's energy delivery systems; and other costs associated with providing safe and reliable electric service to AmerenUE's approximately 1.2 million electric customers in Missouri.

Also included herein or in Schedules to this Letter is the information required by 4 CSR 240-3.030(3)(B), as follows:

**3(B)1.** See Schedule 1

**3(B)2.** See Schedule 2

**3(B)3.** See Schedule 3

**3(B)4.** See Schedule 4

**3(B)5.** See Schedule 5

**3(B)6.** See attached Press Release being issued by AmerenUE concurrently with this filing.

**3(B)7.** The rate increase sought by this filing is needed for the following reasons:

- To recover the cost of investments in the Company's power plants and energy delivery systems, including in particular to continue to enhance the reliability the Company's system;
- To recover escalating net fuel costs, including substantial coal transportation cost increases and lower off-system sales due to decreased power prices;
- To recover increased operation and maintenance expenses, including the cost of continued compliance with the Commission's vegetation management and infrastructure rules and higher storm-related costs;
- To reflect higher depreciation expense in rates, including for continued large capital expenditures on property, plant and equipment, much of which is directed toward continued improvement in the reliability of the Company's energy delivery systems;
- To reflect increases in the Company's cost of capital; and
- To propose an environmental cost recovery mechanism as authorized by Senate Bill 179 (Section 386.266, RSMo.).

As required by 4 CSR 240-2.065(1), this filing includes AmerenUE's direct testimony relating to this general rate increase request. Direct Testimony is provided by the following witnesses:

Warner L. Baxter	Overview of Company and Rate Increase Request; Policy; Introduction of Company Witnesses
Gary S. Weiss	Cost of Service; Mechanics of the Environmental Cost Recovery Mechanism
Lynn M. Barnes	Fuel Adjustment Clause
Mark C. Birk	Environmental Cost Recovery Mechanism; Additional Training Dollars
John F. Weidmayer, Jr.	Depreciation
Larry W. Loos	Generating Plant Retirement Estimates
Wilbon L. Cooper	Rate Design/Billing Units/Noranda LTS Tariff
Ronald C. Zdellar	System Reliability; Storm Restoration Tracker
Stephen M. Kidwell	Energy Efficiency
Jaime Haro	Normalized Off-System Sales
Timothy D. Finnell	Production Cost Model
Prof. Roger A. Morin	Return on Equity
Michael G. O'Bryan	Capital Structure
Steven M. Wills	Weather Normalization of Test Year Sales
Michael Adams	Cash Working Capital
William M. Warwick	Class Cost of Service Study
James R. Pozzo	Normalized Billing Units
Lee R. Nickloy	Cost of Capital Issues

I request that you please bring this filing to the attention of the appropriate Commission personnel and see that a copy of all correspondence, notices, orders or other communications in connection with this matter and proceeding are furnished to the undersigned counsel for AmerenUE at the addresses listed in the letterhead above, and also to the following persons:

<p>Steven R. Sullivan  Sr. Vice President, General Counsel &amp; Secretary  Ameren Services Company  P.O. Box 66149 (MC 1300)  St. Louis, MO 63166-6149  <a href="mailto:AmerenUEService@ameren.com">AmerenUEService@ameren.com</a></p>	<p>Thomas M. Byrne  Managing Associate General Counsel  Ameren Services Company  P.O. Box 66149 (MC 1310)  St. Louis, MO 63166-6149  <a href="mailto:AmerenUEService@ameren.com">AmerenUEService@ameren.com</a></p>
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Mr. Steven Reed

July 24, 2009

Page 4

	Wendy K. Tatro Associate General Counsel Ameren Services Company P.O. Box 66149 (MC 1310) St. Louis, MO 63166-6149 <a href="mailto:AmerenUEService@ameren.com">AmerenUEService@ameren.com</a>
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Thank you for your assistance with this filing. Should you have any questions, please contact me.

Sincerely,

**/s/ James B. Lowery**

James B. Lowery

cc/enc: Missouri Public Service Commission General Counsel  
Office of the Public Counsel

**UNION ELECTRIC COMPANY**  
**Missouri Electric Operations**  
**Aggregate Annual Increase**

The aggregate annual increase over current revenues produced by current base rates which the tariffs propose is \$401,467,000\* for AmerenUE, an overall increase of 17.95% on a pro forma basis.

The tariffs also reflect the rebasing of net fuel costs to reflect anticipated increases in the net fuel costs currently included in base rates, which absent the filing of this rate increase request, would have been included in periodic adjustments under AmerenUE's existing fuel adjustment clause (Rider FAC). This rebasing of net fuel costs accounts for \$227,443,000 of the aggregate \$401,467,000 proposed by the tariffs. Future deferrals of any increases or decreases in net fuel costs will continue to be recovered, in addition to base rates, through Rider FAC.

The Company's filing also includes the filing of an Interim Rate Adjustment tariff, which would implement approximately \$37.3 million of the requested increase on October 1, 2009. This interim increase equals an approximately 1.67 percent increase in customer's existing rates, and was calculated to reflect the increased revenue requirement associated with rate base additions made by the Company from October, 1, 2008 to May 31, 2009. The majority of these rate base additions constitute improvements made to the Company's energy delivery systems to continue the Company's efforts to improve the reliability of service to customers.

\* Targeted increase in base revenues from AmerenUE witness Gary S. Weiss' testimony is \$401,533,000 however rate rounding resulted in a shortfall of approximately \$66,000.

**UNION ELECTRIC COMPANY**  
**Missouri Electric Operations**  
**AMERENUE – COUNTIES SERVED – ELECTRIC**

ADAIR	HOWARD	RALLS
AUDRAIN	IRON	RANDOLPH
BOONE	JEFFERSON	RAY
BUTLER	KNOX	REYNOLDS
CALDWELL	LEWIS	ST. CHARLES
CALLAWAY	LINCOLN	ST. FRANCOIS
CAMDEN	LINN	STE. GENEVIEVE
CAPE GIRARDEAU	LIVINGSTON	ST. LOUIS CITY
CHARITON	MARIES	ST. LOUIS COUNTY
CLARK	MILLER	SALINE
CLAY	MISSISSIPPI	SCHUYLER
CLINTON	MONITEAU	SCOTLAND
COLE	MONROE	SCOTT
COOPER	MONTGOMERY	STODDARD
DAVISS	MORGAN	SULLIVAN
DEKALB	NEW MADRID	WARREN
DUNKLIN	OSAGE	WASHINGTON
FRANKLIN	PEMISCOT	
GASCONADE	PETTIS	
GENTRY	PIKE	

**UNION ELECTRIC COMPANY**  
Missouri Electric Operations

**AMERENUE – COMMUNITIES SERVED – ELECTRIC**

Afton	Bel-Nor	Bucoda
Alexandria	Bel-Ridge	Buell
Allenton	Benton	Bunceton
Altamont	Benton City	Byrnes Mill
Amity	Berger	Cadet
Annada	Berkeley	Cairo
Anniston	Bernie	Caledonia
Antonia	Bertrand	Calverton Park
Arbyrd	Beverly Hills	Canaan
Arcadia	Big Spring	Canady
Argyle	Bismarck	Canalou
Arnold	Black Jack	Canton
Ashburn	Blackwater	Cape Girardeau
Ashland	Blackwell	Cardwell
Ashley	Bland	Carsonville
Athens	Blodgett	Caruth
Augusta	Bonne Terre	Caruthersville
Auxvasse	Bonnots Mill	Catawissa
Bagnell	Boonville	Catron
Ballwin	Bowling Green	Cave
Baring	Bragg City	Cave Springs
Barnett	Braggadocio	Cedar Hill
Barnhart	Brashear	Center
Belgrade	Brasher	Centertown
Bella Villa	Braymer	Chaffee
Bellair	Breckenridge	Chain of Rocks
Belle	Breckenridge Hills	Chamois
Bellefontaine Neighbors	Brentwood	Champ
Bellerive	Bridgeton	Charlack
Bellevue	Bridgeton Terrace	Charleston
Bellflower	Brookfield	Chesterfield

**UNION ELECTRIC COMPANY**  
Missouri Electric Operations

**AMERENUE – COMMUNITIES SERVED – ELECTRIC**

Clark	Deering	Fairport
Clarksburg	Defiance	Fairview Acres
Clarkson Valley	Dellwood	Farber
Clarksville	Delta	Fenton
Clarkton	Des Peres	Ferguson
Clayton	Desloge	Festus
Clifton Hill	DeSoto	Flamm City
Commerce	Dexter	Fletcher
Concord	Dittmer	Flint Hill
Concord Hill	Doe Run	Flordell Hills
Cool Valley	Downing	Florence
Cooter	Dutchtown	Florissant
Corso	Dutzow	Foley
Cottleville	East Prairie	Foristell
Country Club Hills	Edgewood	Fortuna
Country Life Acres	Edina	Four Seasons Village
Cowgill	Edmundson	Frankclay
Crestwood	Eldon	Frankford
Creve Coeur	Ellisville	Franklin
Crowder	Elmira	Freeburg
Crystal City	Elsberry	Frontenac
Crystal Lake Park	Elston	Gasconade
Crystal Lakes	Eolia	Gerald
Curryville	Essex	Gibbs
Cyrene	Esther	Gibson
Danville	Estill	Gideon
Dardenne Prairie	Ethlyn	Gilmore
Davis	Eugene	Glen Echo Park
Dawn	Eureka	Glencoe
De Lassus	Ewing	Glendale
Deer Run	Excelsior Springs	Gordonville



**UNION ELECTRIC COMPANY**  
Missouri Electric Operations

**AMERENUE – COMMUNITIES SERVED – ELECTRIC**

Gorin	Holland	Klondike
Graniteville	Holliday	Knob Lick
Grantwood Village	Hollywood	Knox City
Gray Summit	Holstein	Koeltztown
Green Castle	Holt	Labadie
Green City	Holts Summit	LaBelle
Green Park	Hornersville	Laddonia
Greendale	Huntleigh	Ladue
Greentop	Huntsville	LaGrange
Grubville	Hurdland	Lake MyKee
Hallsville	Ilasco	Lake Ozark
Hamilton	Illmo	Lakeland
Hanley Hills	Iron Mountain Lake	Lakeshire
Hartsburg	Irondale	Lakeside
Harvester	Ironton	Lakeview
Hawk Point	Jamestown	Lambert
Hayti	Jefferson City	Lathrop
Hayti Heights	Jennings	Latty
Haywood City	Jonesburg	Lawson
Hazelwood	Josephville	Leadington
Hematite	Kaiser	Leadwood
Henke	Kampville	Leslie
Henley	Kearney	Lewistown
Herculaneum	Kelso	Liberty
Higbee	Kidder	Libertyville
High Hill	Kimmswick	Liguori
High Ridge	Kingdom City	Lilbourn
Highley Heights	Kingston	Linn
Hillsboro	Kinloch	Linn Creek
Hillsdale	Kirksville	Lohman
Holcomb	Kirkwood	Lonedell

**UNION ELECTRIC COMPANY**  
Missouri Electric Operations

**AMERENUE – COMMUNITIES SERVED – ELECTRIC**

Loose Creek	Miner	North Lilbourn
Louisiana	Mineral Point	North Wardell
Ludlow	Mirabile	Northwoods
Luebbering	Moberly	Norwood Court
Luray	Mokane	Noser Mill
MacKenzie	Moline Acres	Novinger
Madison	Montgomery City	Oakland
Manchester	Mooreville	Oakville
Mapaville	Morehouse	Oermann
Maplewood	Morley	O'Fallon
Marlborough	Morrison	Old Mines
Marston	Morse Mill	Old Monroe
Marthasville	Mosby	Olean
Martinsburg	Moscow Mills	Olivette
Marys Home	Moselle	Olney
Maryknoll	Mt Sterling	Olympian Village
Maryland Heights	Murphy	Oran
Matson	Nelson	Orchard Farm
Matthews	Nettleton	Osage Beach
Maxville	New Bloomfield	Osage City
Maysville	New Court	Osborn
McFall	New Florence	Oterville
McGirk	New Franklin	Otto
McKittrick	New Hartford	Overland
Mehlville	New Haven	Pacific
Meta	New Hope	Pagedale
Mexico	New London	Park Hills
Middle Brook	New Melle	Parkdale
Middletown	New Truxton	Parkway
Millard	Newark	Parma
Mineola	Normandy	Pasadena Hills

**UNION ELECTRIC COMPANY**  
Missouri Electric Operations

**AMERENUE – COMMUNITIES SERVED – ELECTRIC**

Pasadena Park	Rush Hill	Stark
Paynesville	Russellville	State Line
Peerless Park	Rutledge	Steele
Peers	Santa Rosa	Stephens
Pendleton	Saverton	Stover
Peruque	Schubert	Sturgeon
Pevely	Scott City	Sublette
Pilot Grove	Scottsdale	Sulphur Springs
Pilot Knob	Selma	Sunset Hills
Pine Lawn	Senath	Sycamore Hills
Piney Park	Shrewsbury	Syracuse
Plattsburg	Silex	Taos
Polo	Smithton	Tenbrook
Portage Des Sioux	Speed	Thompson
Portageville	Spring Town	Tiff
Potosi	South Gorin	Tipton
Prairie Home	St. Albans	Town & Country
Prathersville	St. Ann	Townley
Queen City	St. Catherine	Treloar
Rayville	St. Charles	Troy
Renick	St. Clair	Truesdale
Revere	St. Clement	Truxton
Rhineland	St. Elizabeth	Turney
Rich Fountain	St. Francisville	Turpin
Richmond Heights	St. George	Tuscumbia
Richwoods	St. John	Twin Oaks
Risco	St. Louis	Union
Riverview	St. Martins	University City
Rock Hill	St. Paul	Uplands Park
Rockview	St. Peters	Utica
Rosebud	St. Thomas	Valles Mines

**AMERENUE – COMMUNITIES SERVED – ELECTRIC**Schedule 2 – Min. Filing Reqmt. 3(b)2.

**UNION ELECTRIC COMPANY**  
**Missouri Electric Operations**  
**Number of Customers Affected by General**  
**Category of Service and Rate Classification**  
**As of March 31, 2009**

<b><u>Service and Rate Classification*</u></b>	<b><u>Number of Customers</u></b>
Residential Service	1,034,505
Small General Service	141,358
Large General Service	9,914
Small Primary Service	640
Large Primary Service	66
Large Transmission Service	1
Lighting Service	55,874
<b>TOTAL CUSTOMERS</b>	<b><u>1,242,358</u></b>

\* Union Electric Company's general categories of service and rate classifications for electric service are substantially the same.

**UNION ELECTRIC COMPANY**  
**Missouri Electric Operations**  
**Proposed Average Annual Change Per Customer Requested in Dollars**  
**and Percentage Change from Current Base Rates**

<b>Service and Rate Classification*</b>	<b>Average Annual Change**</b>	<b>Percentage Change**</b>
Residential Service	\$170	17.95%
Small General Service	\$320	17.95%
Large General Service	\$8,573	17.95%
Small Primary Service	\$53,644	17.94%***
Large Primary Service	\$469,739	17.95%
Large Transmission Service	\$24,975,307	17.95% %
Lighting Service	\$100	17.95%

\* Union Electric Company's general categories of service and rate classifications for electric service are substantially the same.

\*\*Absent this rate case, 95% of the net fuel cost increases over the net fuel costs included in base rates would be handled through rate adjustments in Rider FAC. Approximately 10.17 percent of the increases shown in the table above reflect anticipated increases in the net fuel costs currently included in base rates.

\*\*\*This slight variance between 17.94% and 17.95% is due to rate rounding.

**UNION ELECTRIC COMPANY**  
**Missouri Electric Operations**  
**Proposed Annual Aggregate Change and**  
**Percentage Change in Revenues from Current Base Rates \*\***

Service and Rate Classification*	Annual Aggregate Change (in \$000's)**	Percentage Change**
Residential Service	\$175,384	17.95%
Small General Service	\$45,165	17.95%
Large General Service	\$84,998	17.95%
Small Primary Service	\$34,332	17.94% ****
Large Primary Service	\$31,003	17.95%
Large Transmission Service	\$24,975	17.95%
Lighting Service	\$5,610	17.95%
<b>TOTAL ***</b>	<b>\$401,467</b>	<b>17.95%</b>

\* Union Electric Company's general categories of service and rate classifications for electric service are substantially the same.

\*\* Absent this rate case, 95% of the net fuel cost increases over the net fuel costs included in base rates would be handled through rate adjustments in Rider FAC. Approximately 10.17 percent of the increases shown in the table above reflect anticipated increases in the net fuel costs currently included in base rates.

\*\*\* Targeted increase in base revenues from AmerenUE witness Gary S. Weiss' testimony is \$401,533,000 however rate rounding resulted in a shortfall of approximately \$66,000.

\*\*\*\* This slight variance between 17.94% and 17.95% is due to rate rounding.

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1901 Chouteau Avenue  
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# NEWS RELEASE

## **AmerenUE Requests Increase In Electric Rates To Continue Providing Reliable Power To Customers**

St. Louis, MO, July 24, 2009 – AmerenUE, the Missouri utility company of Ameren Corporation (NYSE: AEE), will be filing today a request for an electric rate increase with the Missouri Public Service Commission (MoPSC). If approved in its entirety, the request would mean an increase of less than 50 cents per day for the average household (based on a residential customer average of 1,100 kilowatt hours used each month). Each household's increase would vary according to the amount of electricity used.

The \$402 million request represents an 18 percent increase in rates. Nearly half of the request is primarily driven by investments made to continue system-wide reliability improvements for customers, increases in costs essential to generating and delivering electricity and higher financing costs. The remainder of the request (slightly more than half) is to cover higher fuel costs and lower revenues from sales outside UE's system. The MoPSC will conduct a thorough review of the company's request and offer opportunities for public comment. A final decision is expected by June 2010.

"Our customers have told us that reliability is their highest priority," said Warner Baxter, AmerenUE president and chief executive officer. "We have listened and responded by making significant reliability improvements, largely through our *Power On* program, and those investments are working.

"While our current rates are among the lowest in the nation, we know that rising costs to meet customer expectations for reliability, as well as federal and state requirements for renewable energy and cleaner air, are going to continue to drive up energy costs," said Baxter. "Our current rates simply do not reflect the investments we have made and the costs we are incurring to deliver safe, reliable power to our customers."

Today UE's electric rates are approximately 40 percent below the national average and more than 20 percent below the approved electric rates of other investor-owned utilities in the state of Missouri.



“We know these rate increases create hardships for some of our customers, especially during this difficult economic period,” Baxter said. “As a result, we are taking proactive steps to reduce costs, launching energy efficiency initiatives and providing several energy assistance programs to help customers with their energy costs now and in the future.

“Our customers expect us to tighten our belts during this challenging economic period, just as they are. As a result, we have already reduced certain planned expenditures in 2009. In addition, we are considering several cost reduction measures, including executive compensation. Over the next two years, we are currently targeting to reduce certain expenditures in excess of \$150 million below 2008 levels. However, we will not tighten our belts at the expense of providing safe, reliable service to our customers,” added Baxter.

To give customers more control over their energy usage and costs, UE recently launched several residential energy efficiency programs, which include purchase incentives for energy efficient lighting and appliances, customer education and partnerships with retailers and contractors, according to Baxter. More information about these programs is available at [UEfficiency.com](http://UEfficiency.com). UE’s business efficiency programs launched earlier this year.

“The goal of the residential and business efficiency programs is to reduce usage by 540 megawatts, the output of a medium-sized coal-fired power plant, by 2025,” he said. “Our customers will save on their bills, help the environment and defer the need to build an expensive new power plant,” said Baxter.

Additional tools for all customers include UE’s *Energy Savings Toolkit* and *Personal Energy Report*. *Budget Billing* also helps customers balance out bills throughout the year, eliminating surprises, particularly in the hot summer months.

For those customers who are least able to afford higher energy costs, Baxter outlined several assistance programs, including *Clean Slate*, *Dollar More*, *Low-income Home Weatherization programs* and *Air Conditioner give-aways*.

“These programs are targeted to help customers with the greatest needs during this difficult economic period,” said Baxter. “We are pleased to sponsor these initiatives because thousands of families benefit from these programs.”

“We will continue to make the best use of every UE asset to provide our customers with safe, reliable and clean energy,” said Baxter. “This increase is needed to

fulfill our commitment to our customers to continue to listen, respond and deliver by providing reliable power, dedicated customer service and vision for a sustainable future.”

Other features of this request include:

- An Environmental Cost Recovery Mechanism, or ECRM, to speed the recovery time of federal or state required environmental investments.
- An interim rate increase, of approximately 1.7 percent or \$37 million effective Oct. 1, for investments already serving customers. This would reduce the length of time between when UE spends money and when those funds are recovered. This interim increase is subject to refund after a review of our entire case by the MoPSC.
- Continuing the fuel cost recovery mechanism previously approved by the MoPSC. (Under the existing fuel cost recovery mechanism, slightly more than half of this requested increase would have been reflected in adjustments to customers rates had today's filing not taken place.)

Additional information about this electric rate case will be available on the Ameren Web site ([www.ameren.com/ueprice](http://www.ameren.com/ueprice)).

AmerenUE serves approximately 1.2 million electric and 127,000 natural gas customers. Ameren Corporation, through its utility companies, serves approximately 2.4 million electric and nearly one million natural gas customers over 64,500 square miles in Missouri and Illinois.

### **Forward-looking Statements**

*Statements in this release not based on historical facts are considered “forward-looking” and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions, and financial performance. In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. The following factors, in addition to those discussed elsewhere in this release and in our filings with the Securities and Exchange Commission, could cause actual results to differ materially from management expectations suggested in such forward-looking statements:*

- *regulatory or legislative actions, including changes in regulatory policies and ratemaking determinations and future rate proceedings or future legislative actions that seek to limit or reverse rate increases;*
- *changes in laws and other governmental actions, including monetary and fiscal policies;*
- *changes in laws or regulations that adversely affect the ability of electric distribution companies and other purchasers of wholesale electricity to pay their suppliers, including UE;*
- *the effects of increased competition in the future due to, among other things, deregulation of certain aspects of our business at both the state and federal levels, and the implementation of deregulation;*
- *increasing capital expenditure and operating expense requirements and our ability to recover these*

- costs in a timely fashion in light of regulatory lag;*
- the effects of participation in the Midwest Independent Transmission System Operator, Inc.;*
- the cost and availability of fuel such as coal, natural gas, and enriched uranium used to produce electricity; the cost and availability of purchased power and natural gas for distribution; and the level and volatility of future market prices for such commodities, including the ability to recover the costs for such commodities;*
- the effectiveness of our risk management strategies and the use of financial and derivative instruments;*
- prices for power in the Midwest, including forward prices;*
- business and economic conditions, including their impact on interest rates, bad debt expense, and demand for our products;*
- disruptions of the capital markets or other events that make UE's access to necessary capital, including short term credit and liquidity, impossible, more difficult or more costly;*
- our assessment of our liquidity;*
- actions of credit rating agencies and the effects of such actions;*
- weather conditions and other natural phenomena, including impacts to our customers;*
- the impact of system outages caused by severe weather conditions or other events;*
- generation plant construction, installation and performance, including costs associated with UE's Taum Sauk pumped-storage hydroelectric plant incident and the plant's future operation;*
- impairments of long-lived assets or goodwill;*
- recoverability through insurance of costs associated with UE's Taum Sauk pumped-storage hydroelectric plant incident;*
- operation of UE's nuclear power facility, including planned and unplanned outages, and decommissioning costs;*
- the effects of strategic initiatives, including acquisitions and divestitures;*
- the impact of current environmental regulations on utilities and power generating companies and the expectation that more stringent requirements, including those related to greenhouse gases, will be enacted over time, which could have a negative financial effect;*
- the inability of our counterparties and affiliates to meet their obligations with respect to contracts, credit facilities and financial instruments;*
- the cost and availability of transmission capacity for the energy generated by UE's facilities or required to satisfy energy sales made by UE;*
- legal and administrative proceedings; and*
- acts of sabotage, war, terrorism or intentionally disruptive acts.*

*Given these uncertainties, undue reliance should not be placed on these forward-looking statements. Except to the extent required by the federal securities laws, we undertake no obligation to update or revise publicly any forward-looking statements to reflect new information or future events.*

# # #