

(iii) a Put Options Purchase in combination with the sale of call options on U.S. Treasury Securities (a "Zero Cost Collar"), (iv) transactions involving the purchase or sale, including short sales, of U.S. Treasury Securities, or (v) some combination of a Forward Sale, Put Options Purchase, Zero Cost Collar and/or other derivative or cash transactions, including, but not limited to locks, caps and collars, appropriate for the Anticipatory Hedges. Anticipatory Hedges may be executed on-exchange ("On-Exchange Trades") with brokers through the opening of futures and/or options positions publicly traded, the opening of over-the-counter positions with one or more counterparties ("Off-Exchange Trades"), or a combination of On-Exchange Trades and Off-Exchange Trades. NU will determine the optimal structure of each Anticipatory Hedge transaction at the time of execution. NU may decide to lock in interest rates and/or limit its exposure to interest rate increases. NU represents that each Interest Rate Hedge and Anticipatory Hedge will qualify for hedge accounting treatment under generally acceptable accounting practices. NU will also comply with the then existing financial disclosure requirements of the Financial Accounting Standards Board associate with hedging transactions.

III. Use of Proceeds

NU will use the proceeds from these financings for general corporate purposes, including (a) investments in its regulated utility companies, (b) investments in EWGs, FUCOs, Rule 58 Subsidiaries, ETCs and other competitive companies, (c) the repayment, redemption, refunding or purchase by NU of its own securities, (d) financing working capital requirements of NU and its subsidiaries, and (e) other corporate purposes.

Ameren Corp. et al. (70-10106)

Ameren Corporation ("Ameren"), a registered holding company under the Act, 1901 Chouteau Avenue, St. Louis, Missouri 63103; the following direct and indirect subsidiaries of Ameren, also at 1901 Chouteau Avenue, St. Louis, Missouri 63103: Union Electric Company, d/b/a AmerenUE ("AmerenUE"), an electric and gas utility company, Ameren Services Company ("Ameren Services"), a service company subsidiary, Ameren Energy, Inc., Ameren ERC, Inc., Ameren Energy Marketing Company, Ameren Energy Fuels and Services Company, and AFS Development Company, LLC, all of which are "energy-related companies" within the meaning of rule

58 under the Act, Ameren Development Company and Ameren Energy Resources Company, which are intermediate non-utility holding companies, Ameren Energy Development Company and Ameren Energy Generating Company, which are "exempt wholesale generators" ("EWGs") within the meaning of section 32 of the Act, Ameren Energy Communications, Inc., an "exempt telecommunications company" within the meaning of section 34 of the Act, Illinois Materials Supply Co., an "enterprise zone" company formed to purchase goods and equipment for Ameren's EWG subsidiaries, and Union Electric Development Company, a wholly-owned non-utility subsidiary of AmerenUE that engages in various energy-related businesses and invests in affordable housing projects; Central Illinois Public Service Company d/b/a AmerenCIPS ("AmerenCIPS"), an electric and gas utility subsidiary of Ameren, and its wholly-owned non-utility subsidiary, CIPSCO Investment Company, which invests in, among other things, affordable housing projects, at 607 East Adams Street, Springfield, Illinois 62739; CILCORP Inc. ("CILCORP"), an exempt holding company and formerly a direct wholly-owned subsidiary of The AES Corporation ("AES"), at 300 Liberty Street, Peoria, Illinois 61602, an exempt holding company under section 3(a)(5) of the Act;² the following direct and indirect subsidiaries of CILCORP, also at 300 Liberty Street, Peoria, Illinois 61602: Central Illinois Light Company ("CILCO"), an electric and gas utility company, Central Illinois Generation, Inc. ("CIGI"), an EWG formed by CILCO to acquire substantially all of CILCO's generating assets, CILCORP Investment Management, Inc., which, through subsidiaries manages CILCORP's investments in equipment leases, affordable housing projects and non-regulated independent power projects, CILCORP Ventures, Inc., which through its subsidiary, CILCORP Energy Services, Inc., provides energy-related services and products, QST Enterprises, Inc., which through subsidiaries provides energy and related services in non-regulated retail and wholesale markets, including utility operations and management services to industrial customers of CILCO, and CILCO's wholly-owned non-utility subsidiaries, CILCO Exploration and Development Company and CILCO Energy Corporation, which are engaged in, respectively, exploration and

development of gas and oil and other mineral resources and research and development activities relating to new sources of energy; and AES Medina Valley Cogen (No. 4), L.L.C. ("AES Medina Valley"), a limited liability company formerly owned by the AES Corporation ("AES"), its direct and indirect wholly-owned non-utility subsidiaries, AES Medina Valley Cogen (No. 2), an intermediate non-utility subsidiary, and AES Medina Valley Cogen, L.L.C., an EWG, and AES Medina Valley Operations, L.L.C., which provides operating services to AES Medina Valley Cogen, L.L.C., at P.O. Box 230, Mossville, Illinois 61552-0230 (the foregoing companies herein referred to collectively as the "Applicants"), have filed an application-declaration ("Application") under sections 6(a), 7, 9(a)(1), 9(c)(3), 10, 12(b), 12(c) and 12(f) of the Act and rules 40, 43, 45 and 54 under the Act.

In a separate proceeding (File No. 70-10078), Ameren received authorization³ under sections 9(a)(1) and 10 of the Act to acquire from AES all of the issued and outstanding common stock of CILCORP. As explained in that proceeding, CILCO intends to transfer substantially all of its generating assets to CIGI prior to or following Ameren completes its acquisition of CILCORP. Following the acquisition of CILCORP, Ameren will cause CIGI to relinquish EWG status. Thus, Ameren is treating CIGI as an "electric utility company" under the Act both for purposes of File No. 70-10078 and this proceeding.

1. Current Authorization

By order dated March 13, 1998⁴ ("1998 Financing Order"), AmerenUE and AmerenCIPS are currently authorized for the period through February 27, 2003, to issue and sell commercial paper and to establish credit lines and issue notes thereunder evidencing unsecured short-term borrowings ("Short-term Debt"). AmerenUE is authorized to issue up to \$575 million of commercial paper at any one time outstanding and borrow up to \$425 million under credit lines. AmerenCIPS is authorized to issue up to \$125 million of commercial paper at any one time outstanding and borrow up to \$125 million under credit lines. Under the 1998 Financing Order, AmerenUE and AmerenCIPS were also authorized to enter into interest rate hedging

³ See HCAR No. 27645 (Jan. 29, 2003) ("CILCORP Acquisition Order").

⁴ See Ameren Corporation, *et al.*, HCAR No. 26841 (Mar. 13, 1998).

² See HCAR Nos. 27063 (Aug. 20, 1999) and 27363 (March 23, 2001).