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AMEREN CORP  
Form POS AMC  
May 21, 2001

(As filed May 21, 2001)

File No. 70-8945

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

POS-AMC  
(Post-Effective Amendment No. 3)  
to  
APPLICATION OR DECLARATION  
on  
FORM U-1  
under  
The Public Utility Holding Company Act of 1935

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AMEREN CORPORATION  
1901 Chouteau Avenue  
St. Louis, Missouri 63103

(Name of company or companies filing this statement  
and address of principal executive offices)

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AMEREN CORPORATION

(Name of top registered holding company parent  
of each applicant or declarant)

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Steven R. Sullivan, Vice President,  
General Counsel and Secretary  
Ameren Services Company  
1901 Chouteau Avenue  
St. Louis, Missouri 63103

(Name and address of agent for service)

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The Commission is requested to mail signed copies of  
all orders, notices and communications to:

Ronald Gieseke, Esq.  
Ameren Services Company  
1901 Chouteau Avenue  
St. Louis, Missouri 63103

William T. Baker, Jr., Esq.  
Thelen Reid & Priest LLP  
40 West 57th Street  
New York, New York 10019-4097

Post-Effective Amendment No. 2, as filed in this proceeding on May 1, 2001,  
is hereby amended and restated in its entirety to read as follows:

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ITEM 1. DESCRIPTION OF PROPOSED TRANSACTION.  
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Ameren Corporation ("Ameren"), whose principal business address is at 1901 Chouteau Avenue, St. Louis, Missouri 63103, is a registered holding company under the Public Utility Holding Company Act of 1935, as amended (the "Act"). Ameren owns all of the issued and outstanding common stock of Union Electric Company ("AmerenUE") and Central Illinois Public Service Company ("AmerenCIPS"), each of which is an electric and gas utility company. Together, AmerenUE and AmerenCIPS provide retail and wholesale electric service to approximately 1.5 million customers and retail natural gas service to approximately 300,000 customers in a 24,500 square-mile area of Missouri and Illinois.

By order dated December 30, 1997 in this proceeding (Holding Co. Act Release No. 26809) (the "Merger Order"), the Commission authorized Ameren to acquire AmerenUE and CIPSCO Incorporated, which was then the parent company of AmerenCIPS, to organize a service company subsidiary, and to issue and sell common stock pursuant to certain stock plans. In addition, the Commission authorized Ameren to retain the direct and indirect non-utility subsidiaries and investments of AmerenUE and CIPSCO Incorporated, subject to certain exceptions. Specifically, the Commission conditioned its approval for the transaction on the commitment of Ameren to reduce the voting interest or investment of Union Electric Development Corporation ("UEDC"), a subsidiary of Union Electric, of CIPSCO Investment Company ("CIPSCO Investment"), a subsidiary of CIPSCO Incorporated, and of CIPSCO Venture Company ("CIPSCO Venture"), an indirect subsidiary of CIPSCO Incorporated, in certain limited liability companies, which are described as follows:

St. Louis Equity Funds & Housing Missouri, Inc. - At the time of the  
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merger, UEDC had invested or committed to invest in varying percentages (not greater than 23%) in ten separate investment funds (called the "St. Louis Funds") that were formed to make investments, as a limited partner, in individual low income housing projects in the St. Louis area. These projects qualify for federal tax credits. Four of the ten St. Louis Funds in existence at the time of the merger were organized as limited liability companies; the other six are limited partnerships in which UEDC is a limited partner. In most cases, the St. Louis Fund is the sole limited partner in an individual project partnership. In every case, the general partner is an unaffiliated third party. The four St. Louis Funds that were formed as limited liability companies are so-called "manager-managed" limited liability companies, meaning that, subject to certain limitations, the manager has full, complete and exclusive discretion in the management and control of the business and affairs of the fund. The manager is a not-for-profit company that is not in any way affiliated with Ameren.

Effingham Development Building II Limited Liability Company - CIPSCO  
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Venture holds a 40% membership interest in this entity, which owns a 267,000 square foot manufacturing facility located in the Effingham Industrial Park that

is leased to an industrial customer. This investment was intended to promote industrial development within AmerenCIPS' service territory. Agracel Inc., an unaffiliated third party, is the managing member.

Mattoon Enterprise Park, LLC - CIPSCO Venture owns a 20% interest in this

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limited liability company, which purchased 231 acres of farmland that was used in the development of an industrial park within the boundaries of the City of Mattoon. As was the case with the Effingham Industrial Park, this investment was made to promote industrial development activity in AmerenCIPS' service territory in order to, among other things, increase industrial load. CIPSCO Venture also owns a one-third interest in a limited liability company, MACC, LLC, which

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purchased land from Mattoon Enterprise Park, LLC and developed an industrial facility for lease to two industrial tenants in the park. (This transaction closed subsequent to the date of the Merger Order). Agracel Inc. is the managing member of both entities.

Ameren's aggregate investment in all of these limited liability companies is approximately \$1.9 million, or less than .02% of Ameren's consolidated assets as of December 31, 2000.

Under Section 9(c)(3) of the Act, the Commission has authorized registered holding companies to acquire or retain the securities of companies organized to engage in local economic development activities.<sup>1</sup> The Commission has interpreted Section 9(c)(3) of the Act as preventing the creation of an "affiliate" relationship between a registered holding company and any such entity. Rule 40(a)(5), which exempts acquisitions of this type, is by its terms inapplicable if the acquiring company would become an "affiliate" (i.e., owner of 5% or more of the voting securities) of the issuer.

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Likewise, the Commission has authorized registered holding companies to acquire or retain interests in low income housing properties that qualify for federal tax credits. Recently, in Exelon Corporation, Holding Co. Act Release

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No. 27256 (Oct. 19, 2000), the Commission articulated that such interests are retainable if they are "passive," are made for the purpose of obtaining the tax credits, and are "self-liquidating," i.e., the assets wind down as the tax

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credits expire. Ameren's investments in low-income housing properties all meet the standards articulated in Exelon Corporation.

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In the Merger Order, the Commission indicated that membership interests in a limited liability company may be considered "voting securities."<sup>2</sup> Accordingly, because Ameren's membership interest in each of the limited liability companies that are named above exceeds 5%, the Commission conditioned its approval of the merger upon Ameren's commitment to reduce its membership interest in each company to below 5% within three years of the date of the Commission's order.

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1 See e.g., cases cited in footnotes 11 and 12 of Appendix A to the Merger Order.

2 Merger Order, Appendix A, n. 17.

By supplemental order dated December 13, 2000 (Holding Co. Act Release No. 27299), the Commission granted Ameren an extension until June 30, 2001 to comply with its commitment to sell down its limited liability company interests. For

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the reasons set forth below, Ameren is now requesting that the Commission relieve Ameren of its commitment to sell down these limited liability company interests and make further findings permitting Ameren to retain these interests indefinitely.

Since the date of the Merger Order, the Commission has, in at least two cases, permitted new registered holding companies to retain membership interests greater than 5% in limited liability companies formed to develop, own and operate low-income housing projects.<sup>3</sup> In each case, the limited liability companies were managed by an unaffiliated manager, and the role of the registered holding company affiliate was "passive." Although the Commission did not specifically address whether the membership interests involved in either of these cases could be considered "voting securities," the fact that the interests were described as "passive" and that the new registered holding companies were authorized to retain them suggests that the Commission no longer regards a membership interest in a limited liability company as a "voting security" in all cases. This view is further supported by the Commission's holding in Alliant

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Energy Corporation, et al., Holding Co. Act Release No. 27331 (Dec. 29, 2000).  
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There, the Commission recognized the similarities between the manager in a "manager-managed" limited liability company and the general partner of a limited partnership, in that both typically have the exclusive right to manage the business and operations of the venture.

As in those previous cases, each of the limited liability companies in which Ameren has an indirect interest is managed by a third-party manager that has full authority and discretion in the management and control of the business of each of the entities. Ameren's rights as a non-managing member in each of the limited liability companies is substantially the same as its rights as a limited partner in the other investment vehicles organized as limited partnerships that it was authorized to retain.

For the foregoing reasons, the Commission is requested to issue a further supplemental order before June 30, 2001, permitting Ameren to retain its indirect interest in each of the above-described limited liability companies.

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3 See NiSource Inc., Holding Co. Act Release No. 27263 (Oct. 30, 2000), and  
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CP&L Energy, Inc., Holding Co. Act Release No. 27284 (Nov. 27, 2000). CP&L  
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Energy (now Progress Energy) indirectly holds membership interests in about 20 low-income housing ventures organized as limited liability companies. In most cases, it holds a 99% interest as the sole non-managing member. Likewise, CP&L Energy was authorized to retain membership interests of 49% and 33-1/3% in two limited liability companies that were organized to build and lease or sell buildings in industrial parks as part of its economic development activities.

ITEM 3. APPLICABLE STATUTORY PROVISIONS  
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Section 9(c) (3) of the Act is applicable to the proposed transaction.

ITEM 4. PROCEDURE.

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The Commission is requested to publish a notice under Rule 23 with respect to the filing of this Post-Effective Amendment as soon as practicable. Ameren requests that the Commission's order be issued as soon as the rules allow, and that there should not be a 30-day waiting period between issuance of the Commission's order and the date on which the order is to become effective. Ameren hereby waives a recommended decision by a hearing officer or any other responsible officer of the Commission and consents to the Division of Investment Management assisting in the preparation of the Commission's decision and/or order, unless such Division opposes the matters proposed herein.

SIGNATURES

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, as amended, the undersigned company has duly caused this Post-Effective Amendment filed herein to be signed on its behalf by the undersigned thereunto duly authorized.

AMEREN CORPORATION

By: /s/ Steven R. Sullivan

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Name: Steven R. Sullivan

Title: Vice President, General Counsel  
and Secretary

Date: May 21, 2001