



Conference Call Supplement
August 2, 2007





Cautionary Statements

Regulation G Statement

Ameren has presented certain information in this presentation on a diluted cents per share basis. These diluted per share amounts reflect certain factors that directly impact Ameren's total earnings per share. 2006 non-GAAP earnings per share excludes the impact of the severe 2006 storms and 2007 non-GAAP earnings per share excludes the impact of the severe January 2007 storms, the reversal of accruals made in 2006 for low-income energy assistance and energy efficiency program funding commitments in Illinois and the March 2007 Federal Energy Regulatory Commission Order, which retroactively adjusted prior years' regional transmission organization costs. 2007 non-GAAP earnings per share guidance also excludes the impact of the recent agreement among parties in Illinois for comprehensive rate relief and customer assistance. Ameren believes this information is useful because it enables readers to better understand the impact of these factors on Ameren's results of operations and earnings per share.

Forward-looking Statement

Ameren's consolidated and segment earnings guidance for 2007 excludes costs related to the severe January 2007 storms and the impact of the recent agreement among parties in Illinois for comprehensive rate relief and customer assistance, the reversal of accruals made in 2006 for low-income energy assistance and energy efficiency program funding commitments in Illinois and the March 2007 Federal Energy Regulatory Commission Order, which retroactively adjusted prior years' regional transmission organization costs. Ameren's earnings guidance assumes normal weather and is subject to, among other things, regulatory and legislative decisions, plant operations, energy market and economic conditions, severe storms, unusual or otherwise unexpected gains or losses and other risks and uncertainties outlined in Ameren's Forward-looking Statements in its news release issued today and filings with the Securities and Exchange Commission.

Illinois Settlement





Illinois Background

- 10-year electric rate freeze and power supply contracts expired at the end of 2006
- AmerenCIPS, AmerenCILCO and AmerenIP (Ameren Illinois utilities) electric delivery service rate increases granted in November 2006
- Power supply auction completed in September 2006
- New electric rates went into effect January 2, 2007
 - Estimated average annual residential overall increase of 40% to 55%; 60% to 80% for electric heat customers
- Various legislators had supported legislation to roll back and freeze electric rates at 2006 levels as well as to tax Illinois generators. Illinois governor had also expressed support for a rate rollback and freeze.
 - Enactment of legislation would have had significant operational and financial consequences

Major IL Settlement Terms



- Ameren, Exelon, leaders of the General Assembly, the Office of the Illinois Attorney General and other generators reached an agreement on rate relief and a new long-term power procurement model
 - ➔ Terms of the agreement are set forth in legislation (House Amendment No. 5 to Senate Bill 1592), in a letter to the leaders of the Illinois General Assembly and the Illinois Attorney General, in a release and settlement agreement with the Illinois Attorney General and in funding agreements
- Customer rate relief and assistance programs commitments
 - ➔ Ameren Illinois utilities, Commonwealth Edison and certain Illinois generating companies will fund \$976 million of state-wide rate relief and customer assistance over four years (2007 – 2010) and \$25 million to fund new Illinois Power Agency (IPA)
 - ➔ Ameren Illinois utilities' customers to receive \$488 million
 - Electric bill credits and cash refunds
 - Assistance programs include targeting the special needs of eligible low-income customers, senior citizens and small businesses

Major IL Settlement Terms



- Ameren subsidiaries to fund \$150 million of the package (AmerenCIPS - \$21 million; AmerenCILCO - \$11 million; AmerenIP - \$28 million; Ameren Energy Generating Company - \$62 million; AmerenEnergy Resources Generating Company - \$28 million)

	Total Relief/Assistance to Ameren Illinois Customers (in millions)	Ameren Subsidiaries' Funding ^(a) (in millions)	Ameren Estimated EPS Impact
2007	\$253	\$ 86	26¢
2008	132	37	11
2009	97	25	7
2010	6	2	1
Total	\$488	\$150	45¢

(a) Includes \$4.5 million contribution towards funding of IPA

- If legislation is enacted prior to August 1, 2011, freezing or reducing electric rates or imposing a new tax, special assessment or fee on the generation of electricity, then remaining commitments will expire and any funds set aside in support of the commitments will be returned to the contributing utilities and electric generators

Major IL Settlement Terms



- Current power procurement process will be modified
 - ➔ Current reverse auction process will be discontinued immediately
 - In 2008, utilities will acquire necessary power requirements for June 2008 through May 2009, subject to Illinois Commerce Commission (ICC) review and approval through a request-for-proposal (RFP) process
 - Existing supply contracts will be honored
 - ➔ Creation of IPA to develop procurement plan, design procurement process and buy power for Illinois utilities beginning in June 2009
 - Process will be based on acquiring separate baseload, intermediate and peaking power
 - RFP procurement process with benchmarks as guidelines
 - Third party administrator will be hired by IPA
 - ICC will still review and approve power supply needs, procurement process and procurement results
 - Results of IPA procurement process will be deemed prudent and recoverable in rates
 - ➔ Illinois utilities may lease, or invest in, generation assets, subject to ICC approval

Major IL Settlement Terms



- Ameren Illinois utilities entered into a swap agreement with an affiliate to lock-in prices for a portion of power requirements from 2008 through 2012 at relevant market prices ^(a)

<u>Period</u>	<u>Volume</u>
6/1/08 to 12/31/08	400 MW
1/1/09 to 05/31/09	400 MW
6/1/09 to 12/31/09	800 MW
1/1/09 to 5/31/10	800 MW
6/1/10 to 12/31/10	1,000 MW
1/1/11 to 12/31/11	1,000 MW
1/1/12 to 12/31/12	1,000 MW

(a) If the legislation is enacted into law after August 3, 2007, then new market prices will be set when the legislation is enacted.

- If any of the following events occur, negotiations may be undertaken so as to preserve the economic benefits of the agreement. If unable to negotiate a settlement, the swap agreement may be terminated in 60 to 90 days
 - ➔ a state tax is enacted on electric generation
 - ➔ a state or federal tax is enacted on or regulation of greenhouse gas emissions
 - ➔ a state law is enacted that eliminates retail electric supplier choice for the residential and small commercial customers

Major IL Settlement Terms



- The Illinois Attorney General will file motions to withdraw all pending litigation and regulatory actions relating to the reverse auction procurement process and the electric space heating marketing activities of the Ameren Illinois utilities
- Other settlement terms
 - ➔ Renewable portfolio standard
 - ➔ Customer classes at 1 MW and above to be declared competitive in 2008 and customer classes at 400 KW and above to be declared competitive no later than 2010. Residential and small commercial classes cannot be declared competitive before 2012
 - ➔ RTO membership allowed through July 2022
 - ➔ Energy efficiency and demand response programs to be implemented, with costs deemed prudent and recoverable
 - ➔ Forgiveness of outstanding customer late payment fees
 - ➔ Accelerated regulatory review reestablished for utility restructurings, including the ability to merge the three Ameren Illinois utilities
 - ➔ Limits for customer cutoffs

Settlement Investor Benefits



- Comprehensive settlement among key stakeholders that addresses short-term rate relief and long-term power procurement issues
 - Supported by AARP and Citizens Utility Board
- Constructively resolves significant legislative, regulatory and legal uncertainty
 - Even if rate rollback and freeze legislation had been overturned by courts, operating environment would have remained very challenging
- Eliminates risks associated with bankruptcy filings (both operational and financial) in the event the courts would not have provided timely relief or adequate relief
- Mitigates or eliminates significant potential incremental costs

Settlement Investor Benefits



- No rate caps or revenue deferrals
- No prohibition on ability to file delivery service rate cases
- Greater stability surrounding future power procurement/energy marketplace
 - ➔ Legislature/Illinois Attorney General participation and acceptance
 - ➔ ICC will still play a significant role
 - ➔ Pass-through mechanism for purchased power
 - ➔ Market-based wholesale generation sales can continue
- Hedged open generation position at around-the-clock market prices
- Allows management to continue to focus on strategy implementation and operations

Missouri Rate Orders





Final Missouri Rate Orders

- \$43 million annual electric rate increase and \$6 million annual gas rate increase
 - ➔ Return on equity of 10.2%
 - ➔ No fuel and purchased power mechanism granted
- Expiration of EEI contract resolved favorably
- No rate base disallowances for recent combustion turbine acquisitions
- Callaway and fossil generation plant lives extended – depreciation to be reduced in rates and for financial reporting
- Income tax method changed – reducing income tax expense in rates and for financial reporting
- Regulatory tracking mechanisms for pension and postretirement benefit costs, and SO₂ emission allowance transactions



Missouri Rate Orders

Annual impact of rate orders (in millions, before taxes)

Electric rate increase	\$ 43
Gas rate increase	6
Depreciation rate change	33
Income tax method change	25
SO2 allowance sales	<u>5</u>
Total pre-tax net income effect	\$ 112
Rate effect included in original earnings guidance	\$ 103 ^(a)

(a) Represented an arbitrary midpoint between AmerenUE's and the Missouri Public Service Commission Staff's rate recommendations

■ Prior guidance assumed rate change would begin June 1, which was generally consistent with the rate order

➔ Approximately 60% of increase will impact 2007

Q2 2007 Earnings Summary



2007 Earnings Reconciliation



	Q2	YTD
2006 GAAP Earnings per Share	\$0.60	\$0.94
2006 Severe storm-related costs	–	0.03
2006 Non-GAAP Earnings per Share	\$0.60	\$0.97
Electric and gas margins	0.26	0.72
Weather (estimate)	0.05	0.10
Fuel prices	(0.05)	(0.08)
Callaway outages	(0.09)	(0.09)
Labor and benefits	(0.02)	(0.08)
Bad debt expense	(0.03)	(0.05)
Depreciation	(0.02)	(0.07)
Dilution and financing, net	(0.04)	(0.08)
Taum Sauk	0.05	0.05
Other	(0.02)	(0.01)
2007 Non-GAAP Earnings per Share	\$0.69	\$1.38
2007 Severe storm-related costs	–	(0.09)
December 2006 IL contribution plan termination	–	0.05
FERC Order – MISO charges	–	(0.05)
2007 GAAP Earnings per Share	\$0.69	\$1.29

2007 Earnings Guidance



2006 GAAP Earnings per Share	\$ 2.66
2006 Severe storm-related costs	0.26
2006 Non-GAAP Earnings per Share	\$ 2.92
Illinois regulated margins, net	(0.01)
Missouri regulated rates (midpoint)	0.20
Other electric margins	1.28
Fuel costs	(0.28)
Weather	0.09
Callaway refueling outage	(0.09)
Plant maintenance	(0.15)
Distribution system reliability	(0.08)
Labor and employee benefits	(0.16)
Bad debt expense	(0.08)
Depreciation and amortization	(0.08)
Dilution and financing, net	(0.17)
Taum Sauk	0.15
Emission allowance sales	(0.17)
Sale of non-core properties	(0.16)
ICC December 2006 order - contributions	0.05
Other, net	0.01
2007 Non-GAAP EPS Guidance Range ^(a)	\$3.15 - \$3.40
2007 Severe storm-related costs	(0.09)
Illinois settlement	(0.26)
December 2006 IL contribution plan termination	0.05
FERC Order – MISO charges	(0.05)
2007 GAAP EPS Guidance Range ^(a)	\$2.80 - \$3.05

(a) Variances reflect single point estimates, but a range of outcomes could occur around each of these variables.