



Ameren

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Financial Conference**

**Orlando, FL
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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. The 2007 non-GAAP earnings per share and 2007 non-GAAP earnings per share guidance excludes costs related to severe January 2007 storms, the earnings impact of the settlement agreement among parties in Illinois for comprehensive electric 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 a March 2007 FERC Order, which retroactively adjusted prior years' RTO costs. 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 severe January 2007 storms, the earnings impact of the settlement agreement among parties in Illinois for comprehensive electric 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 a March 2007 FERC Order, which retroactively adjusted prior years' RTO 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.

Ameren Overview



- Regional electric and gas utility
 - ➔ Missouri regulated generation, transmission and delivery business
 - 1.2 million electric and 125,000 gas customers
 - ➔ Illinois regulated transmission and delivery businesses
 - 1.2 million electric and 840,000 gas customers
 - ➔ Non-rate-regulated generation business

- NYSE-listed under AEE
 - ➔ Market cap. > \$10 billion
 - ➔ Component of the S&P 500



Ameren Service Territory

- AmerenUE
- AmerenCIPS
- AmerenCILCO
- AmerenIP

Investment Highlights



- Focused on the Basics - the generation of electricity, and the distribution of electricity and natural gas

- Top tier dividend yield (~ 5%)
 - Top 5 in S&P Electric Utilities Index
 - Top 5% of S&P 500 Index

- Solid total return potential
 - Opportunities for infrastructure investment growth and better returns in regulated businesses
 - Opportunities to continue to optimize non-rate regulated generation business

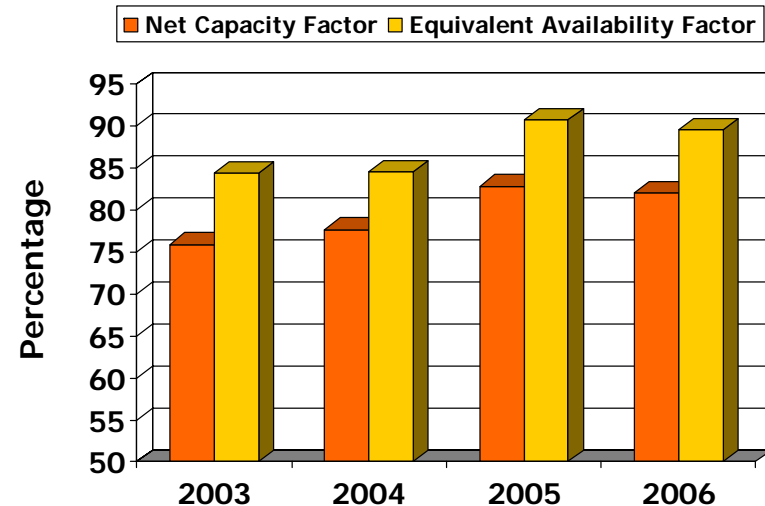
- Strong balance sheet, conservative financial management
 - Credit ratings pressure in 2007 due to Illinois political situation

Regulated Operations



- Missouri
 - ➔ 9,900 MW generation
 - Low-cost 7,000 MW baseload coal-fired and nuclear fleet
 - ➔ Rates approximately 40% below national average
- Illinois
 - ➔ Comprehensive settlement
 - ➔ Current electric rates approximate national average
- Strategic focus
 - ➔ Customer satisfaction
 - ➔ Infrastructure investment
 - ➔ Operational improvements
 - ➔ Cost control
 - ➔ Regulatory/legislative matters

Missouri Regulated Coal-fired Generation



Illinois Settlement



- Comprehensive \$1 billion settlement among key stakeholders. Key provisions include the following:
 - ➔ Ameren Illinois electric customers to receive \$488 million; Ameren subsidiaries will fund \$150 million of this amount over four years
 - ➔ Earnings per share will be reduced by approximately 26, 11, 7 and 1 cents per share in 2007, 2008, 2009 and 2010, respectively, as a result of the rate relief package
 - ➔ Current power procurement process will be replaced
 - ➔ 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
- Constructively resolves significant legislative, regulatory and legal uncertainty and avoids potential for significant incremental costs

Illinois Settlement - Swap



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

Period	Volume	Prices per Megawatthour
6/1/08 to 12/31/08	400 MW	\$47.45
1/1/09 to 05/31/09	400 MW	\$49.47
6/1/09 to 12/31/09	800 MW	\$49.47
1/1/10 to 5/31/10	800 MW	\$51.09
6/1/10 to 12/31/10	1,000 MW	\$51.09
1/1/11 to 12/31/11	1,000 MW	\$52.06
1/1/12 to 12/31/12	1,000 MW	\$53.08

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



Illinois Rate Filings

- Illinois electric and gas rate cases filed November 2, 2007
 - ➔ Decision by early October 2008

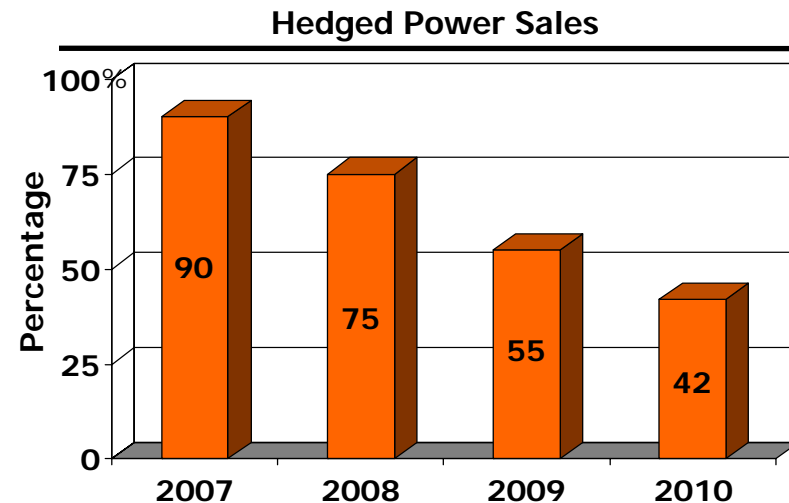
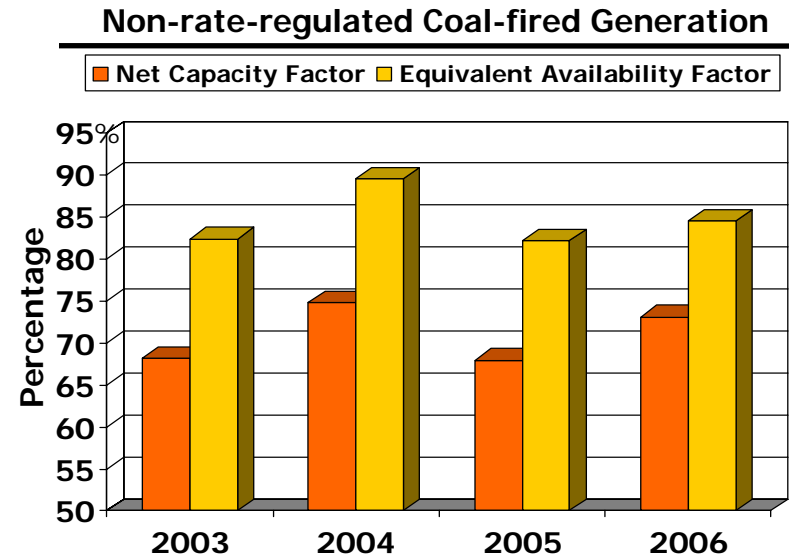
- Requested combined annual revenue increase of approximately \$247 million (\$180 million electric, \$67 million gas)
 - ➔ Electric: 11% ROE; 51% to 53% equity; rate base = \$2.1 billion
 - IP increase capped at 9.9% in year 1
 - ➔ Gas 11% ROE; 51% to 53% equity; rate base = \$0.9 billion

- Revenue request principally driven by higher costs than reflected in current rates and increased investment
 - ➔ Utilizing 2006 test year with updates through August 2007
 - ➔ Previous electric rates primarily based on a 2004 test year. Gas rates last changed in 2003 (CIPS & CILCO) and 2005 (IP)

- Requested rate mechanisms for electric infrastructure, gas decoupling and bad debts

Non-rate-regulated Generation

- 6,500 MW generation
 - ➔ Low-cost 4,600 MW baseload coal-fired fleet
- Mandated environmental expenditure requirements
- Strategic focus
 - ➔ Investing to improve equivalent availability and capacity factors
 - ➔ Multi-year marketing strategy
 - Low-priced legacy contracts expire (~\$36 per Mwh)
 - MISO ancillary services & capacity market development
 - ➔ Cost control



2007 Guidance

- Reaffirmed 2007 guidance Nov. 5
 - Non-GAAP range of \$3.15 to \$3.40 per share
 - GAAP guidance range of \$2.80 to \$3.05 per share
 - Non-GAAP per share adjustments include storms (9¢), Illinois settlement, net (21¢) and FERC order (5¢)

- Third quarter earnings to be released this Friday (Nov. 9)
 - Conference call at 10:00 a.m. Eastern time (9:00 a.m. Central time)

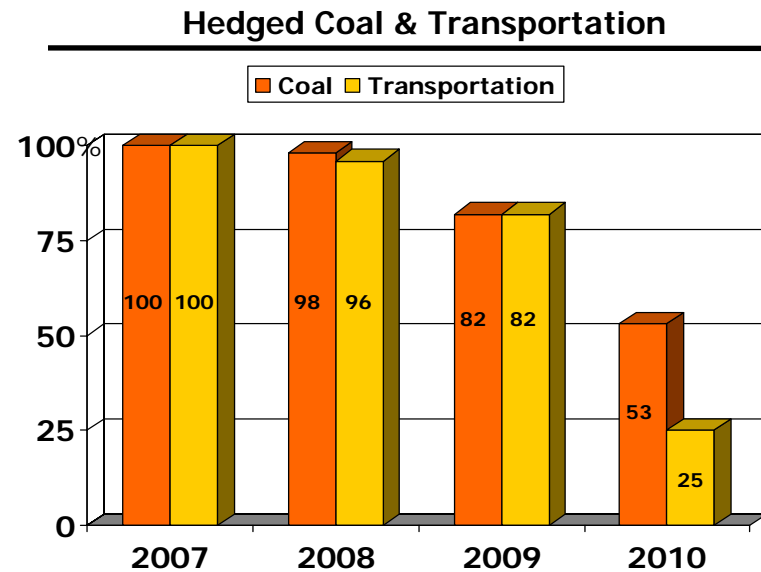
- Analyst Day January 17, 2008, in New York

Outlook Beyond 2007



Challenges

- Rising cost environment, including fuel and transportation
- Significant increases in expenditures (capital and O&M) for environmental compliance and energy infrastructure to improve reliability
- Earned returns on equity expected to be less than allowed returns on equity in regulated businesses due to rising costs and infrastructure investment until rate relief is obtained
- Uncertainties associated with potential climate change legislation



Outlook Beyond 2007



Opportunities

- Earning fair return on investments in regulated businesses will provide solid, long-term earnings growth
- Earned return on equity in Illinois is currently significantly below allowed return on equity; electric and gas rate cases filed in November 2007
- Potential to employ cost recovery mechanisms to reduce regulatory lag
- Increased non-rate-regulated generation output
- Potential tightening of the power markets
- Improved margins upon further development of ancillary and capacity markets

Q & A

Appendix

Illinois Electric Rate 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 adverse 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 electric rate relief and a new long-term power procurement model
 - ➔ Terms of the agreement are set forth in legislation (Public Act 95-0481), 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



- Existing power procurement process replaced
 - ➔ Reverse auction process was discontinued
 - 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
 - Power procurement proposal for remaining 2008 needs filed in October 2007
 - ➔ 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



- The Illinois Attorney General withdrew 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 through a rider
 - ➔ Forgiveness of outstanding residential customer late payment fees
 - ➔ Accelerated regulatory review reestablished for utility restructurings, including the ability to merge the three Ameren Illinois utilities
 - ➔ Limits for residential 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 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



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 – permitted to request again in future
 - ➔ Certain aspects of electric rate order subject to legal appeal
- Expiration of Edison Electric, Inc. 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
SO ₂ 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

Major Regulatory Proceedings

Illinois

Web site (<http://www.icc.illinois.gov/e-docket>)

Case # 07-0165 – Investigation of rate design

Case # 07-0527 – Interim procurement plan

Delivery services rate cases filed November 2, 2007 (case # to be assigned)

Missouri

Web site (<http://www.efis.psc.mo.gov/mpsc/DocketSheet.html>)

Case # ER-2007-0002 – Electric rate case (Order issued)

Case # GR-2007-0003 – Gas rate case (Order issued)

Case # ES-2007-0474 – Taum Sauk incident investigation