

CENTRAL ILLINOIS LIGHT CO
 Form 10-Q
 May 10, 2007

UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM 10-Q

(X) Quarterly report pursuant to Section 13 or 15(d)
 of the Securities Exchange Act of 1934
 for the Quarterly Period Ended March 31, 2007

OR

() Transition report pursuant to Section 13 or 15(d)
 of the Securities Exchange Act of 1934
 for the transition period from ___ to ___.

<u>Commission File Number</u>	Exact name of registrant as specified in its charter; State of Incorporation; <u>Address and Telephone Number</u>	<u>IRS Employer Identification No.</u>
1-14756	Ameren Corporation (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-1723446
1-2967	Union Electric Company (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-0559760
1-3672	Central Illinois Public Service Company (Illinois Corporation) 607 East Adams Street Springfield, Illinois 62739 (888) 789-2477	37-0211380
333-56594	Ameren Energy Generating Company (Illinois Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	37-1395586
2-95569	CILCORP Inc. (Illinois Corporation) 300 Liberty Street	37-1169387

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Peoria, Illinois 61602
(309) 677-5271

1-2732 **Central Illinois Light Company** 37-0211050
(Illinois Corporation)
300 Liberty Street
Peoria, Illinois 61602
(309) 677-5271

1-3004 **Illinois Power Company** 37-0344645
(Illinois Corporation)
370 South Main Street
Decatur, Illinois 62523
(217) 424-6600

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Indicate by check mark whether the registrants: (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes (X) No ()

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definitions of accelerated filer and large accelerated filer in Rule 12b-2 of the Securities Exchange Act of 1934.

	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer
Ameren Corporation	(X)	()	()
Union Electric Company	()	()	(X)
Central Illinois Public Service Company	()	()	(X)
Ameren Energy Generating Company	()	()	(X)
CILCORP Inc.	()	()	(X)
Central Illinois Light Company	()	()	(X)
Illinois Power Company	()	()	(X)

Indicate by check mark whether each registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Ameren Corporation	Yes ()	No (X)
Union Electric Company	Yes ()	No (X)
Central Illinois Public Service Company	Yes ()	No (X)
Ameren Energy Generating Company	Yes ()	No (X)
CILCORP Inc.	Yes ()	No (X)
Central Illinois Light Company	Yes ()	No (X)
Illinois Power Company	Yes ()	No (X)

The number of shares outstanding of each registrant's classes of common stock as of April 30, 2007, was as follows:

Ameren Corporation	Common stock, \$.01 par value per share - 207,021,691
Union Electric Company	Common stock, \$5 par value per share, held by Ameren Corporation (parent company of the registrant) - 102,123,834
Central Illinois Public Service Company	Common stock, no par value, held by Ameren Corporation (parent company of the registrant) - 25,452,373
Ameren Energy Generating Company	Common stock, no par value, held by Ameren Energy Development Company (parent company of the

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	registrant and indirect subsidiary of Ameren Corporation) - 2,000
CILCORP Inc.	Common stock, no par value, held by Ameren Corporation (parent company of the registrant) - 1,000
Central Illinois Light Company	Common stock, no par value, held by CILCORP Inc. (parent company of the registrant and subsidiary of Ameren Corporation) - 13,563,871
Illinois Power Company	Common stock, no par value, held by Ameren Corporation (parent company of the registrant) - 23,000,000

OMISSION OF CERTAIN INFORMATION

Ameren Energy Generating Company and CILCORP Inc. meet the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and are therefore filing this form with the reduced disclosure format allowed under that General Instruction.

This combined Form 10-Q is separately filed by Ameren Corporation, Union Electric Company, Central Illinois Public Service Company, Ameren Energy Generating Company, CILCORP Inc., Central Illinois Light Company, and Illinois Power Company. Each registrant hereto is filing on its own behalf all of the information contained in this quarterly report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

TABLE OF CONTENTS

Glossary of Terms and Abbreviations.....

Forward-looking Statements.....

PART I Financial Information

Item 1. Financial Statements (Unaudited)

Ameren Corporation

Consolidated Statement of Income.....

Consolidated Balance Sheet.....

Consolidated Statement of Cash Flows.....

Union Electric Company

Consolidated Statement of Income.....

Consolidated Balance Sheet.....

Consolidated Statement of Cash Flows.....

Central Illinois Public Service Company

Statement of Income.....

Balance Sheet.....

Statement of Cash Flows.....

Ameren Energy Generating Company

Consolidated Statement of Income.....

Consolidated Balance Sheet.....

Consolidated Statement of Cash Flows.....

CILCORP Inc.

Consolidated Statement of Income.....

Consolidated Balance Sheet.....

Consolidated Statement of Cash Flows.....

Central Illinois Light Company

Consolidated Statement of Income.....

Consolidated Balance Sheet.....

Consolidated Statement of Cash Flows.....

Illinois Power Company

Consolidated Statement of Income.....

Consolidated Balance Sheet.....

Consolidated Statement of Cash Flows.....

Combined Notes to Financial Statements.....

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.....

Item 3. Quantitative and Qualitative Disclosures About Market Risk.....

Item 4. Controls and Procedures.....

PART II Other Information

Item 1. Legal Proceedings.....

Item 1A. Risk Factors.....

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.....

Item 6. Exhibits.....

Signatures.....

This Form 10-Q contains “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are all statements other than statements of historical fact, including those statements that are identified by the use of the words “anticipates,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” and similar expressions. Forward-looking statements should be read with the cautionary statements and important factors included on page 6 of this Form 10-Q under the heading “Forward-looking Statements.”

GLOSSARY OF TERMS AND ABBREVIATIONS

We use the words “our,” “we” or “us” with respect to certain information that relates to all Ameren Companies, as defined below. When appropriate, subsidiaries of Ameren are named specifically as we discuss their various business activities.

AERG - AmerenEnergy Resources Generating Company, a CILCO subsidiary that operates a non-rate-regulated electric generation business in Illinois.

AFS - Ameren Energy Fuels and Services Company, a Development Company subsidiary that procures fuel and natural gas and manages the related risks for the Ameren Companies.

Ameren - Ameren Corporation and its subsidiaries on a consolidated basis. In references to financing activities, acquisition activities, or liquidity arrangements, Ameren is defined as Ameren Corporation, the parent.

Ameren Companies - The individual registrants within the Ameren consolidated group.

Ameren Energy - Ameren Energy, Inc., an Ameren Corporation subsidiary that is a power marketing and risk management agent for UE.

Ameren Illinois Utilities - CIPS, IP and the rate-regulated electric and gas utility operations of CILCO.

Ameren Services - Ameren Services Company, an Ameren Corporation subsidiary that provides support services to Ameren and its subsidiaries.

ARO - Asset retirement obligations.

Baseload - The minimum amount of electric power delivered or required over a given period of time at a steady rate.

Capacity factor - A percentage measure that indicates how much of an electric power generating unit’s capacity was used during a specific period.

CILCO - Central Illinois Light Company, a CILCORP subsidiary that operates a rate-regulated electric and natural gas transmission and distribution business and a non-rate-regulated electric generation business through AERG, all in Illinois, as AmerenCILCO. CILCO owns all of the common stock of AERG.

CILCORP - CILCORP Inc., an Ameren Corporation subsidiary that operates as a holding company for CILCO and various non-rate-regulated subsidiaries.

CIPS - Central Illinois Public Service Company, an Ameren Corporation subsidiary that operates a rate-regulated electric and natural gas transmission and distribution business in Illinois as AmerenCIPS.

CIPSCO - CIPSCO Inc., the former parent of CIPS.

CT - Combustion turbine electric generation equipment used primarily for peaking capacity.

CUB - Citizens Utility Board.

Development Company - Ameren Energy Development Company, which is a Resources Company subsidiary and Genco, Marketing Company and AFS parent.

DOE - Department of Energy, a U.S. government agency.

DRPlus - Ameren Corporation’s dividend reinvestment and direct stock purchase plan.

Dynegy - Dynegy Inc.

EEL - Electric Energy, Inc., an 80%-owned Ameren Corporation subsidiary (40% owned by UE and 40% owned by Development Company) that operates non-rate-regulated electric generation facilities and FERC-regulated transmission facilities in Illinois. The remaining 20% is owned by Kentucky Utilities Company.

ELPC - Environmental Law and Policy Center.

EPA - Environmental Protection Agency, a U.S. government agency.

Exchange Act - Securities Exchange Act of 1934, as amended.

FASB - Financial Accounting Standards Board, a rulemaking organization that establishes financial accounting and reporting standards in the United States.

FERC - The Federal Energy Regulatory Commission, a U.S. government agency.

FIN - FASB Interpretation. A FIN statement is an explanation intended to clarify accounting pronouncements previously issued by the FASB.

Fitch - Fitch Ratings, a credit rating agency.

GAAP - Generally accepted accounting principles in the United States.

Genco - Ameren Energy Generating Company, a Development Company subsidiary that operates a non-rate-regulated electric generation business in Illinois and Missouri.

Gigawatthour - One thousand megawatthours.

Heating degree-days - The summation of negative differences between the mean daily temperature and a 65- degree Fahrenheit base. This statistic is useful as an indicator of demand for electricity and natural gas for winter space heating for residential and commercial customers.

ICC - Illinois Commerce Commission, a state agency that regulates the Illinois utility businesses and the rate-regulated operations of CIPS, CILCO and IP.

Illinois Customer Choice Law - Illinois Electric Service Customer Choice and Rate Relief Law of 1997, which provided for electric utility restructuring and introduced competition into the retail supply of electric energy in Illinois.

Illinois EPA - Illinois Environmental Protection Agency, a state government agency.

Illinois Regulated - A financial reporting segment consisting of the regulated electric and gas transmission and distribution businesses of CIPS, CILCO and IP.

IP - Illinois Power Company, an Ameren Corporation subsidiary. IP operates a rate-regulated electric and natural gas transmission and distribution business in Illinois as AmerenIP.

IP LLC - Illinois Power Securitization Limited Liability Company, which is a special-purpose Delaware limited-liability company. Under FIN 46R, Consolidation of Variable-interest

Entities, IP LLC was no longer consolidated within IP's financial statements as of December 31, 2003.

IP SPT - Illinois Power Special Purpose Trust, which was created as a subsidiary of IP LLC to issue TFNs as allowed under the Illinois Customer Choice Law. Pursuant to FIN 46R, IP SPT is a variable-interest entity, as the equity investment is not sufficient to permit IP SPT to finance its activities without additional subordinated debt.

JDA - The joint dispatch agreement among UE, CIPS, and Genco under which UE and Genco jointly dispatched electric generation prior to its termination on December 31, 2006.

Kilowatthour - A measure of electricity consumption equivalent to the use of 1,000 watts of power over a period of one hour.

Marketing Company - Ameren Energy Marketing Company, a Development Company subsidiary that markets power for Genco, AERG and EEI.

Medina Valley - AmerenEnergy Medina Valley Cogen (No. 4) LLC and its subsidiaries, all Development Company subsidiaries, which indirectly own a 40-megawatt gas-fired electric generation plant.

Megawatthour - One thousand kilowatthours.

MGP - Manufactured gas plant.

MISO - Midwest Independent Transmission System Operator, Inc.

MISO Day Two Energy Market - A market that uses market-based pricing, incorporating transmission congestion and line losses, to compensate market participants for power. **Missouri Regulated** - A financial reporting segment consisting of all the operations of UE's business, except for UE's 40% interest in EEI and other non-rate-regulated activities.

Money pool - Borrowing agreements among Ameren and its subsidiaries to coordinate and provide for certain short-term cash and working capital requirements. Separate money pools are maintained between rate-regulated and non-rate-regulated businesses. These are referred to as the utility money pool and the non-state-regulated subsidiary money pool, respectively.

Moody's - Moody's Investors Service Inc., a credit rating agency.

MoPSC - Missouri Public Service Commission, a state agency that regulates the Missouri utility business and operations of UE.

Non-rate-regulated Generation - A financial reporting segment consisting of the operations or activities of Genco, CILCORP holding company, AERG, EEI and Marketing Company.

NO_x - Nitrogen oxide.

NRC - Nuclear Regulatory Commission, a U.S. government agency.

NYMEX - New York Mercantile Exchange.

OCI - Other comprehensive income (loss) as defined by GAAP.

PGA - Purchased Gas Adjustment tariffs, which allow the passing through of the actual cost of natural gas to utility customers.

PUHCA 1935 - The Public Utility Holding Company Act of 1935, which was repealed effective February 8, 2006, by the Energy Policy Act of 2005 that was enacted on August 8, 2005.

PUHCA 2005 - The Public Utility Holding Company Act of 2005, enacted as part of the Energy Policy Act of 2005, effective February 8, 2006.

Resources Company - Ameren Energy Resources Company, an Ameren Corporation subsidiary that consists of non-rate-regulated operations, including Development Company, Genco, Marketing Company, AFS, and Medina Valley.

S&P - Standard & Poor's Ratings Services, a credit rating agency that is a division of The McGraw-Hill Companies, Inc.

SEC - Securities and Exchange Commission, a U.S. government agency.

SFAS - Statement of Financial Accounting Standards, the accounting and financial reporting rules issued by the FASB.

SO₂ - Sulfur dioxide.

TFN - Transitional Funding Trust Notes issued by IP SPT as allowed under the Illinois Customer Choice Law. IP must designate a portion of cash received from customer billings to pay the TFNs. The proceeds received by IP are remitted to IP SPT. The proceeds are restricted for the sole purpose of making payments of principal and interest on, and paying other fees and expenses related to, the TFNs. Since the application of FIN 46R, IP does not consolidate IP

SPT. Therefore, the obligation to IP SPT appears on IP's balance sheet.

TVA - Tennessee Valley Authority, a public power authority.

UE - Union Electric Company, an Ameren Corporation subsidiary that operates a rate-regulated electric generation, transmission and distribution business, and a rate-regulated natural gas transmission and distribution business in Missouri as AmerenUE.

FORWARD-LOOKING STATEMENTS

Statements in this report 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 under Risk Factors and elsewhere in this report and in our other filings with the SEC, 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, such as in UE's pending electric rate case and the outcome of CIPS, CILCO and IP rate rehearing proceedings, or the enactment of legislation rolling back and freezing electric rates at 2006 levels or similar actions that impair the full and timely recovery of costs in Illinois;
- the contribution by the Ameren Illinois Utilities, Genco or AERG to an electric rate increase phase-in plan, customer credits or energy efficiency and assistance programs to avoid electric rate rollback and freeze, generation tax or similar legislation in Illinois;
 - the impact of the termination of the JDA;
 - changes in laws and other governmental actions, including monetary and fiscal policies;
- 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, such as occurred when the electric rate freeze and power supply contracts expired in Illinois at the end of 2006;
 - the effects of participation in the MISO;
- the availability of fuel such as coal, natural gas, and enriched uranium used to produce electricity; the 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;
 - business and economic conditions, including their impact on interest rates;
- disruptions of the capital markets or other events that make the Ameren Companies' access to necessary capital more difficult or costly;
- the impact of the adoption of new accounting standards and the application of appropriate technical accounting rules and guidance;
 - actions of credit rating agencies and the effects of such actions;
 - weather conditions and other natural phenomena;
 - 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;
- 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 introduced over time, which could have a negative financial effect;
 - labor disputes, future wage and employee benefits costs, including changes in returns on benefit plan assets;
- the inability of our counterparties and affiliates to meet their obligations with respect to contracts and financial instruments;
- the cost and availability of transmission capacity for the energy generated by the Ameren Companies' facilities or required to satisfy energy sales made by the Ameren Companies;
 - 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.

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

AMEREN CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions, except per share amounts)

	Three Months Ended March 31,	
	2007	2006
Operating Revenues:		
Electric	\$ 1,458	\$ 1,211
Gas	561	589
Total operating revenues	2,019	1,800
Operating Expenses:		
Fuel	263	252
Purchased power	373	273
Gas purchased for resale	421	453
Other operations and maintenance	396	352
Depreciation and amortization	176	161
Taxes other than income taxes	102	113
Total operating expenses	1,731	1,604
Operating Income	288	196
Other Income and Expenses:		
Miscellaneous income	16	4
Total other income	16	4
Interest Charges	100	76
Income Before Income Taxes, Minority Interest and Preferred Dividends of		
Subsidiaries	204	124
Income Taxes	71	44
Income Before Minority Interest and Preferred Dividends of Subsidiaries	133	80
Minority Interest and Preferred Dividends of Subsidiaries	10	10
Net Income	\$ 123	\$ 70
Earnings per Common Share – Basic and Diluted	\$ 0.59	\$ 0.34
Dividends per Common Share	\$ 0.635	\$ 0.635
Average Common Shares Outstanding	206.6	204.8

The accompanying notes are an integral part of these consolidated financial statements.

AMEREN CORPORATION
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions, except per share amounts)

	March 31, 2007	December 31, 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 161	\$ 137
Accounts receivables – trade (less allowance for doubtful accounts of \$25 and \$11, respectively)	687	418
Unbilled revenue	216	309
Miscellaneous accounts and notes receivable	177	160
Materials and supplies	489	647
Other current assets	130	203
Total current assets	1,860	1,874
Property and Plant, Net	14,353	14,286
Investments and Other Assets:		
Investments in leveraged leases	13	13
Nuclear decommissioning trust fund	288	285
Goodwill	831	831
Intangible assets	210	217
Other assets	650	641
Regulatory assets	1,421	1,431
Total investments and other assets	3,413	3,418
TOTAL ASSETS	\$ 19,626	\$ 19,578
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 303	\$ 456
Short-term debt	953	612
Accounts and wages payable	454	671
Taxes accrued	137	58
Other current liabilities	402	405
Total current liabilities	2,249	2,202
Long-term Debt, Net	5,260	5,285
Preferred Stock of Subsidiary Subject to Mandatory Redemption	18	18
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	2,000	2,144
Accumulated deferred investment tax credits	116	118
Regulatory liabilities	1,185	1,234
Asset retirement obligations	557	549
Accrued pension and other postretirement benefits	1,086	1,065
Other deferred credits and liabilities	385	169
Total deferred credits and other liabilities	5,329	5,279
Preferred Stock of Subsidiaries Not Subject to Mandatory Redemption	195	195

Minority Interest in Consolidated Subsidiaries	18	16
Commitments and Contingencies (Notes 2, 8, and 9)		
Stockholders' Equity:		
Common stock, \$.01 par value, 400.0 shares authorized –		
shares outstanding of 207.0 and 206.6, respectively	2	2
Other paid-in capital, principally premium on common stock	4,521	4,495
Retained earnings	2,011	2,024
Accumulated other comprehensive income	23	62
Total stockholders' equity	6,557	6,583
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 19,626	\$ 19,578

The accompanying notes are an integral part of these consolidated financial statements.

AMEREN CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Cash Flows From Operating Activities:		
Net income	\$ 123	\$ 70
Adjustments to reconcile net income to net cash provided by operating activities:		
Gains on sale of emission allowances	(4)	(4)
Depreciation and amortization	182	169
Amortization of nuclear fuel	9	9
Amortization of debt issuance costs and premium/discounts	5	4
Deferred income taxes and investment tax credits, net	(12)	8
Minority interest	7	7
Other	6	7
Changes in assets and liabilities:		
Receivables, net	(193)	104
Materials and supplies	158	151
Accounts and wages payable	(81)	(282)
Taxes accrued	77	(1)
Assets, other	24	44
Liabilities, other	36	40
Pension and other postretirement benefit obligations, net	21	47
Net cash provided by operating activities	358	373
Cash Flows From Investing Activities:		
Capital expenditures	(357)	(220)
CT acquisitions	-	(292)
Nuclear fuel expenditures	(23)	(24)
Purchases of securities – Nuclear Decommissioning Trust Fund	(47)	(30)
Sales of securities – Nuclear Decommissioning Trust Fund	43	27
Purchases of emission allowances	(5)	(38)
Sales of emission allowances	2	4
Other	1	-
Net cash used in investing activities	(386)	(573)
Cash Flows From Financing Activities:		
Dividends on common stock	(131)	(130)
Short-term debt, net	341	274
Dividends paid to minority interest	(5)	(7)
Redemptions, repurchases, and maturities of long-term debt	(174)	(31)
Issuances of common stock	21	27
Net cash provided by financing activities	52	133
Net change in cash and cash equivalents	24	(67)

Cash and cash equivalents at beginning of year		137		96
Cash and cash equivalents at end of period	\$	161	\$	29

The accompanying notes are an integral part of these consolidated financial statements.

10

UNION ELECTRIC COMPANY
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Operating Revenues:		
Electric - excluding off-system	\$ 451	\$ 501
Electric - off-system	122	66
Gas	76	69
Other	1	-
Total operating revenues	650	636
Operating Expenses:		
Fuel	125	125
Purchased power	33	67
Gas purchased for resale	49	44
Other operations and maintenance	224	171
Depreciation and amortization	87	80
Taxes other than income taxes	57	59
Total operating expenses	575	546
Operating Income	75	90
Other Income and Expenses:		
Miscellaneous income	10	3
Miscellaneous expense	(2)	(2)
Total other income	8	1
Interest Charges	48	35
Income Before Income Taxes and Equity in Income of Unconsolidated Investment	35	56
Income Taxes	11	19
Income Before Equity in Income of Unconsolidated Investment	24	37
Equity in Income of Unconsolidated Investment, Net of Taxes	14	14
Net Income	38	51
Preferred Stock Dividends	1	1
Net Income Available to Common Stockholder	\$ 37	\$ 50

The accompanying notes as they relate to UE are an integral part of these consolidated financial statements.

UNION ELECTRIC COMPANY
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions, except per share amounts)

	March 31, 2007	December 31 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ 1
Accounts receivable – trade (less allowance for doubtful accounts of \$8 and \$6, respectively)	164	145
Unbilled revenue	96	120
Miscellaneous accounts and notes receivable	110	128
Advances to money pool	14	18
Accounts receivable – affiliates	106	33
Materials and supplies	234	236
Other current assets	47	45
Total current assets	771	726
Property and Plant, Net	7,931	7,882
Investments and Other Assets:		
Nuclear decommissioning trust fund	288	285
Intangible assets	57	58
Other assets	472	526
Regulatory assets	801	810
Total investments and other assets	1,618	1,679
TOTAL ASSETS	\$ 10,320	\$ 10,287
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 4	\$ 5
Short-term debt	448	234
Intercompany note payable – Ameren	214	77
Accounts and wages payable	120	313
Accounts payable – affiliates	102	185
Taxes accrued	97	66
Other current liabilities	174	191
Total current liabilities	1,159	1,071
Long-term Debt, Net	2,935	2,934
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	1,250	1,293
Accumulated deferred investment tax credits	88	89
Regulatory liabilities	825	827
Asset retirement obligations	498	491
Accrued pension and other postretirement benefits	381	374
Other deferred credits and liabilities	80	55
Total deferred credits and other liabilities	3,122	3,129
Commitments and Contingencies (Notes 2, 8 and 9)		
Stockholders' Equity:		
	511	511

Common stock, \$5 par value, 150.0 shares authorized –
102.1 shares outstanding

Preferred stock not subject to mandatory redemption	113	113
Other paid-in capital, principally premium on common stock	739	739
Retained earnings	1,742	1,783
Accumulated other comprehensive income (loss)	(1)	7
Total stockholders' equity	3,104	3,153
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 10,320	\$ 10,287

The accompanying notes as they relate to UE are an integral part of these consolidated financial statements.

UNION ELECTRIC COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	2007	March 31, 2006
Cash Flows From Operating Activities:		
Net income	\$ 38	\$ 51
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of emission allowances	(3)	(2)
Depreciation and amortization	87	80
Amortization of nuclear fuel	9	9
Amortization of debt issuance costs and premium/discounts	1	1
Deferred income taxes and investment tax credits, net	9	-
Coal contract settlement	-	11
Other	2	(1)
Changes in assets and liabilities:		
Receivables, net	(50)	55
Materials and supplies	2	11
Accounts and wages payable	(195)	(177)
Taxes accrued	31	17
Assets, other	54	13
Liabilities, other	(42)	(1)
Pension and other postretirement obligations, net	7	19
Net cash provided by (used in) operating activities	(50)	86
Cash Flows From Investing Activities:		
Capital expenditures	(200)	(113)
CT acquisitions	-	(292)
Nuclear fuel expenditures	(23)	(24)
Changes in money pool advances	4	-
Proceeds from intercompany note receivable – CIPS	-	1
Purchases of securities – Nuclear Decommissioning Trust Fund	(47)	(30)
Sales of securities – Nuclear Decommissioning Trust Fund	43	27
Sales of emission allowances	2	2
Net cash used in investing activities	(221)	(429)
Cash Flows From Financing Activities:		
Dividends on common stock	(80)	(42)
Dividends on preferred stock	(1)	(1)
Short-term debt, net	214	365
Changes in money pool borrowings	-	1
Intercompany note payable - Ameren	137	-
Capital contribution from parent	-	1
Net cash provided by financing activities	270	324
Net change in cash and cash equivalents	(1)	(19)
Cash and cash equivalents at beginning of year	1	20
Cash and cash equivalents at end of period	\$ -	\$ 1

The accompanying notes as they relate to UE are an integral part of these consolidated financial statements.

13

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Operating Revenues:		
Electric	\$ 211	\$ 160
Gas	101	97
Other	2	-
Total operating revenues	314	257
Operating Expenses:		
Purchased power	150	117
Gas purchased for resale	74	72
Other operations and maintenance	43	38
Depreciation and amortization	17	16
Taxes other than income taxes	9	12
Total operating expenses	293	255
Operating Income	21	2
Other Income and Expenses:		
Miscellaneous income	3	5
Miscellaneous expense	-	(1)
Total other income	3	4
Interest Charges	8	7
Income (Loss) Before Income Taxes	16	(1)
Income Taxes	5	-
Net Income (Loss)	11	(1)
Preferred Stock Dividends	1	1
Net Income (Loss) Available to Common Stockholder	\$ 10	\$ (2)

The accompanying notes as they relate to CIPS are an integral part of these consolidated financial statements.

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
BALANCE SHEET
(Unaudited) (In millions)

	March 31, 2007	December 31, 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 46	\$ 6
Accounts receivable – trade (less allowance for doubtful accounts of \$6 and \$2, respectively)	104	55
Unbilled revenue	31	43
Accounts receivable – affiliates	12	10
Current portion of intercompany note receivable – Genco	37	37
Current portion of intercompany tax receivable – Genco	9	9
Advances to money pool	15	1
Materials and supplies	33	71
Other current assets	45	46
Total current assets	332	278
Property and Plant, Net	1,157	1,155
Investments and Other Assets:		
Intercompany note receivable – Genco	126	126
Intercompany tax receivable – Genco	113	115
Other assets	25	27
Regulatory assets	144	146
Total investments and other assets	408	414
TOTAL ASSETS	\$ 1,897	\$ 1,847
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Short-term debt	\$ 100	\$ 35
Accounts and wages payable	50	36
Accounts payable – affiliates	33	81
Taxes accrued	14	10
Other current liabilities	39	36
Total current liabilities	236	198
Long-term Debt, Net	471	471
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes and investment tax credits, net	282	297
Regulatory liabilities	218	224
Accrued pension and other postretirement benefits	90	90
Other deferred credits and liabilities	46	24
Total deferred credits and other liabilities	636	635
Commitments and Contingencies (Notes 2 and 8)		
Stockholders' Equity:		
Common stock, no par value, 45.0 shares authorized – 25.5 shares outstanding	-	-

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Other paid-in capital	190	190
Preferred stock not subject to mandatory redemption	50	50
Retained earnings	312	302
Accumulated other comprehensive income	2	1
Total stockholders' equity	554	543
TOTAL LIABILITIES AND STOCKHOLDERS'		
EQUITY	\$ 1,897	\$ 1,847

The accompanying notes as they relate to CIPS are an integral part of these consolidated financial statements.

15

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Cash Flows From Operating Activities:		
Net income (loss)	\$ 11	\$ (1)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	17	16
Deferred income taxes and investment tax credits, net	(3)	(2)
Other	(1)	(1)
Changes in assets and liabilities:		
Receivables, net	(37)	26
Materials and supplies	38	36
Accounts and wages payable	(31)	(21)
Taxes accrued	4	(10)
Assets, other	9	22
Liabilities, other	3	2
Net cash provided by operating activities	10	67
Cash Flows From Investing Activities:		
Capital expenditures	(20)	(17)
Changes in money pool advances	(14)	(47)
Net cash used in investing activities	(34)	(64)
Cash Flows From Financing Activities:		
Dividends on preferred stock	(1)	(1)
Short-term debt, net	65	-
Changes in money pool borrowings	-	(2)
Net cash provided by (used in) financing activities	64	(3)
Net change in cash and cash equivalents	40	-
Cash and cash equivalents at beginning of year	6	-
Cash and cash equivalents at end of period	\$ 46	\$ -

The accompanying notes as they relate to CIPS are an integral part of these consolidated financial statements.

AMEREN ENERGY GENERATING COMPANY
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Operating Revenues	\$ 243	\$ 247
Operating Expenses:		
Fuel	81	69
Purchased power	21	96
Other operations and maintenance	34	32
Depreciation and amortization	18	18
Taxes other than income taxes	6	6
Total operating expenses	160	221
Operating Income	83	26
Interest Charges	14	15
Income Before Income Taxes	69	11
Income Taxes	26	5
Net Income	\$ 43	\$ 6

The accompanying notes as they relate to Genco are an integral part of these consolidated financial statements.

AMEREN ENERGY GENERATING COMPANY
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions, except shares)

	March 31, 2007	December 31, 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1	\$ 1
Accounts receivable – affiliates	86	96
Accounts receivable – trade	12	19
Materials and supplies	96	96
Other current assets	6	5
Total current assets	201	217
Property and Plant, Net	1,536	1,539
Intangible Assets	66	74
Other Assets	19	20
TOTAL ASSETS	\$ 1,822	\$ 1,850
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Current portion of intercompany notes payable – CIPS	\$ 37	\$ 37
Borrowings from money pool	130	123
Accounts and wages payable	19	52
Accounts payable – affiliates	35	66
Current portion of intercompany tax payable – CIPS	9	9
Taxes accrued	38	22
Other current liabilities	28	22
Total current liabilities	296	331
Long-term Debt, Net	474	474
Intercompany Notes Payable – CIPS	126	126
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	144	165
Accumulated deferred investment tax credits	8	9
Intercompany tax payable – CIPS	113	115
Asset retirement obligations	31	31
Accrued pension and other postretirement benefits	35	34
Other deferred credits and liabilities	29	2
Total deferred credits and other liabilities	360	356
Commitments and Contingencies (Notes 2 and 8)		
Stockholder's Equity:		
Common stock, no par value, 10,000 shares authorized – 2,000 shares outstanding	-	-
Other paid-in capital	428	428
Retained earnings	160	156
Accumulated other comprehensive loss	(22)	(21)
Total stockholder's equity	566	563
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 1,822	\$ 1,850

The accompanying notes as they relate to Genco are an integral part of these consolidated financial statements.

AMEREN ENERGY GENERATING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Cash Flows From Operating Activities:		
Net income	\$ 43	\$ 6
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of emission allowances	(1)	(1)
Depreciation and amortization	26	27
Deferred income taxes and investment tax credits, net	2	(1)
Other	1	1
Changes in assets and liabilities:		
Receivables, net	18	28
Materials and supplies	-	(12)
Accounts and wages payable	(42)	18
Taxes accrued, net	16	(3)
Assets, other	(2)	1
Liabilities, other	7	6
Pension and other postretirement obligations, net	1	2
Net cash provided by operating activities	69	72
Cash Flows From Investing Activities:		
Capital expenditures	(37)	(17)
Purchases of emission allowances	-	(26)
Sales of emission allowances	-	1
Net cash used in investing activities	(37)	(42)
Cash Flows From Financing Activities:		
Dividends on common stock	(39)	(22)
Changes in money pool borrowings	7	(8)
Net cash used in financing activities	(32)	(30)
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	1	-
Cash and cash equivalents at end of period	\$ 1	\$ -

The accompanying notes as they relate to Genco are an integral part of these consolidated financial statements.

CILCORP INC.
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Operating Revenues:		
Electric	\$ 175	\$ 92
Gas	135	150
Total operating revenues	310	242
Operating Expenses:		
Fuel	23	24
Purchased power	72	2
Gas purchased for resale	103	119
Other operations and maintenance	42	45
Depreciation and amortization	19	18
Taxes other than income taxes	8	9
Total operating expenses	267	217
Operating Income	43	25
Other Income and Expenses:		
Miscellaneous income	2	-
Miscellaneous expense	(1)	(1)
Total other income and expenses	1	(1)
Interest Charges	14	12
Income Before Income Taxes and Preferred Dividends of Subsidiaries		
Income Before Preferred Dividends of Subsidiaries	20	9
Preferred Dividends of Subsidiaries	-	1
Net Income	\$ 20	\$ 8

The accompanying notes as they relate to CILCORP are an integral part of these consolidated financial statements.

CILCORP INC.
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions, except shares)

	March 31, 2007	December 31, 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 27	\$ 4
Accounts receivables – trade (less allowance for doubtful accounts of \$3 and \$1, respectively)	77	47
Unbilled revenue	26	45
Accounts receivables – affiliates	37	10
Advances to money pool	-	42
Materials and supplies	45	93
Other current assets	25	42
Total current assets	237	283
Property and Plant, Net	1,291	1,277
Investments and Other Assets:		
Goodwill	542	542
Intangible assets	46	48
Other assets	19	16
Regulatory assets	80	75
Total investments and other assets	687	681
TOTAL ASSETS	\$ 2,215	\$ 2,241
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ -	\$ 50
Short-term debt	289	215
Borrowings from money pool, net	31	-
Intercompany note payable – Ameren	-	73
Accounts and wages payable	42	54
Accounts payable – affiliates	30	60
Taxes accrued	8	3
Other current liabilities	61	58
Total current liabilities	461	513
Long-term Debt, Net	541	542
Preferred Stock of Subsidiary Subject to Mandatory Redemption	18	18
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	181	201
Accumulated deferred investment tax credits	7	7
Regulatory liabilities	65	73
Accrued pension and other postretirement benefits	173	171
Other deferred credits and liabilities	59	26
Total deferred credits and other liabilities	485	478
	19	19

**Preferred Stock of Subsidiary Not Subject to
Mandatory Redemption**

Commitments and Contingencies (Notes 2 and 8)

Stockholder's Equity:

Common stock, no par value, 10,000 shares authorized

– 1,000 shares outstanding

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Other paid-in capital	627	627
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Retained earnings	30	11
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Accumulated other comprehensive income	34	33
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Total stockholder's equity	691	671
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TOTAL LIABILITIES AND STOCKHOLDER'S

EQUITY	\$ 2,215	\$ 2,241
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The accompanying notes as they relate to CILCORP are an integral part of these consolidated financial statements.

CILCORP INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Cash Flows From Operating Activities:		
Net income	\$ 20	\$ 8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20	26
Deferred income taxes and investment tax credits	(2)	(2)
Gain on sales of emission allowances	-	(1)
Other	(1)	2
Changes in assets and liabilities:		
Receivables, net	(38)	5
Materials and supplies	48	46
Accounts and wages payable	(30)	(43)
Taxes accrued	2	13
Assets, other	11	19
Liabilities, other	10	2
Pension and postretirement benefit obligations, net	2	3
Net cash provided by operating activities	42	78
Cash Flows From Investing Activities:		
Capital expenditures	(43)	(25)
Changes in money pool advances	42	-
Purchases of emission allowances	-	(12)
Sales of emission allowances	-	1
Net cash used in investing activities	(1)	(36)
Cash Flows From Financing Activities:		
Dividends on common stock	-	(50)
Short-term debt, net	74	-
Changes in money pool borrowings	31	6
Redemptions, repurchases, and maturities:		
Long-term debt	(50)	(3)
Intercompany note payable – Ameren	(73)	-
Issuances:		
Intercompany note payable – Ameren	-	5
Net cash used in financing activities	(18)	(42)
Net change in cash and cash equivalents	23	-
Cash and cash equivalents at beginning of year	4	3
Cash and cash equivalents at end of period	\$ 27	\$ 3

The accompanying notes as they relate to CILCORP are an integral part of these consolidated financial statements.

CENTRAL ILLINOIS LIGHT COMPANY
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Operating Revenues:		
Electric	\$ 175	\$ 92
Gas	135	150
Total operating revenues	310	242
Operating Expenses:		
Fuel	22	23
Purchased power	72	2
Gas purchased for resale	103	119
Other operations and maintenance	41	41
Depreciation and amortization	18	17
Taxes other than income taxes	8	9
Total operating expenses	264	211
Operating Income	46	31
Other Income and Expenses:		
Miscellaneous income	1	-
Miscellaneous expense	(1)	(1)
Total other expenses	-	(1)
Interest Charges	6	4
Income Before Income Taxes	40	26
Income Taxes	14	9
Net Income	\$ 26	\$ 17

The accompanying notes as they relate to CILCO are an integral part of these consolidated financial statements.

CENTRAL ILLINOIS LIGHT COMPANY
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions)

March 31,
2007

December 31
2006

ASSETS

Current Assets:			
Cash and cash equivalents	\$	25	\$ 3
Accounts receivable – trade (less allowance for doubtful accounts of \$3 and \$1, respectively)		77	47
Unbilled revenue		26	45
Accounts receivable – affiliates		32	9
Advances to money pool		-	42
Materials and supplies		45	93
Other current assets		24	32
Total current assets		229	271
Property and Plant, Net		1,290	1,275
Intangible Assets		1	2
Other Assets		21	18
Regulatory Assets		80	75
TOTAL ASSETS	\$	1,621	\$ 1,641

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:			
Current maturities of long-term debt	\$	-	\$ 50
Short-term debt		135	165
Borrowings from money pool		31	-
Accounts and wages payable		42	54
Accounts payable – affiliates		30	47
Taxes accrued		17	3
Other current liabilities		44	47
Total current liabilities		299	366
Long-term Debt, Net		148	148
Preferred Stock Subject to Mandatory Redemption		18	18
Deferred Credits and Other Liabilities:			
Accumulated deferred income taxes, net		146	166
Accumulated deferred investment tax credits		7	7
Regulatory liabilities		197	206
Accrued pension and other postretirement benefits		173	171
Other deferred credits and liabilities		59	24
Total deferred credits and other liabilities		582	574
Commitments and Contingencies (Notes 2 and 8)			
Stockholders' Equity:			
Common stock, no par value, 20.0 shares authorized – 13.6 shares outstanding		-	-
Preferred stock not subject to mandatory redemption		19	19

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Other paid-in capital	429	415
Retained earnings	124	99
Accumulated other comprehensive income	2	2
Total stockholders' equity	574	535
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,621	\$ 1,641

The accompanying notes as they relate to CILCO are an integral part of these consolidated financial statements

24

CENTRAL ILLINOIS LIGHT COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Cash Flows From Operating Activities:		
Net income	\$ 26	\$ 17
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19	21
Deferred income taxes and investment tax credits, net	(3)	(3)
Gain on sales of emission allowances	-	(1)
Other	(1)	1
Changes in assets and liabilities:		
Receivables, net	(34)	9
Materials and supplies	48	48
Accounts and wages payable	(17)	(43)
Taxes accrued	11	12
Assets, other	2	1
Liabilities, other	5	10
Pension and postretirement benefit obligations, net	2	6
Net cash provided by operating activities	58	78
Cash Flows From Investing Activities:		
Capital expenditures	(43)	(25)
Changes in money pool advances	42	-
Purchases of emission allowances	-	(12)
Sales of emission allowances	-	1
Net cash used in investing activities	(1)	(36)
Cash Flows From Financing Activities:		
Dividends on common stock	-	(50)
Short-term debt, net	(30)	-
Changes in money pool borrowings	31	7
Redemptions, repurchases, and maturities of long-term debt	(50)	-
Capital contribution from parent	14	-
Net cash used in financing activities	(35)	(43)
Net change in cash and cash equivalents	22	(1)
Cash and cash equivalents at beginning of year	3	2
Cash and cash equivalents at end of period	\$ 25	\$ 1

The accompanying notes as they relate to CILCO are an integral part of these consolidated financial statements.

ILLINOIS POWER COMPANY
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Operating Revenues:		
Electric	\$ 272	\$ 242
Gas	241	255
Other	2	-
Total operating revenues	515	497
Operating Expenses:		
Purchased power	189	177
Gas purchased for resale	185	201
Other operations and maintenance	59	59
Depreciation and amortization	21	19
Amortization of regulatory assets	4	-
Taxes other than income taxes	21	22
Total operating expenses	479	478
Operating Income	36	19
Other Income and Expenses:		
Miscellaneous income	2	1
Miscellaneous expense	(1)	(1)
Total other income	1	-
Interest Charges	16	12
Income Before Income Taxes	21	7
Income Taxes	8	3
Net Income	13	4
Preferred Stock Dividends	1	1
Net Income Available to Common Stockholder \$	12	\$ 3

The accompanying notes as they relate to IP are an integral part of these consolidated financial statements.

ILLINOIS POWER COMPANY
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions)

	March 31, 2007	December 31, 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 43	\$ -
Accounts receivable - trade (less allowance for doubtful accounts of \$8 and \$3, respectively)	177	105
Unbilled revenue	61	101
Accounts receivable – affiliates	5	1
Advances to money pool	16	-
Materials and supplies	52	122
Other current assets	20	27
Total current assets	374	356
Property and Plant, Net	2,147	2,134
Investments and Other Assets:		
Investment in IP SPT	8	8
Goodwill	214	214
Other assets	48	62
Regulatory assets	397	401
Total investments and other assets	667	685
TOTAL ASSETS	\$ 3,188	\$ 3,175
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt to IP SPT	\$ 49	\$ 51
Short-term debt	190	75
Borrowings from money pool	-	43
Accounts and wages payable	84	119
Accounts payable – affiliates	48	67
Taxes accrued	3	7
Other current liabilities	70	72
Total current liabilities	444	434
Long-term Debt, Net	770	772
Long-term Debt to IP SPT	69	92
Deferred Credits and Other Liabilities:		
Regulatory liabilities	77	110
Accrued pension and other postretirement benefits	232	230
Accumulated deferred income taxes		130 138
Other deferred credits and other noncurrent liabilities		108 53
Total deferred credits and other liabilities		547 531
Commitments and Contingencies (Notes 2 and 8)		
Stockholders' Equity:		
Common stock, no par value, 100.0 shares authorized – 23.0 shares outstanding		- -
Other paid-in-capital		1,194 1,194

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Preferred stock not subject to mandatory redemption	46	46
Retained earnings	113	101
Accumulated other comprehensive income	5	5
Total stockholders' equity	1,358	1,346
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,188	\$ 3,175

The accompanying notes as they relate to IP are an integral part of these consolidated financial statements.

ILLINOIS POWER COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2007	2006
Cash Flows From Operating Activities:		
Net income	\$ 13	\$ 4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22	7
Amortization of debt issuance costs and premium/discounts	2	1
Deferred income taxes	5	7
Changes in assets and liabilities:		
Receivables, net	(36)	21
Materials and supplies	70	75
Accounts and wages payable	(40)	(46)
Assets, other	17	15
Liabilities, other	3	(23)
Pension and other postretirement benefit obligations, net	2	4
Net cash provided by operating activities	58	65
Cash Flows From Investing Activities:		
Capital expenditures	(46)	(38)
Changes in money pool advances	(16)	-
Net cash used in investing activities	(62)	(38)
Cash Flows From Financing Activities:		
Dividends on common stock	-	-
Dividends on preferred stock	(1)	(1)
Short-term debt, net	115	-
Changes in money pool borrowings, net	(43)	3
Redemptions, repurchases and maturities of long-term debt	(22)	(23)
Overfunding of transitional funding trust notes	(2)	(5)
Net cash provided by (used in) financing activities	47	(26)
Net change in cash and cash equivalents	43	1
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of period	\$ 43	\$ 1

The accompanying notes as they relate to IP are an integral part of these consolidated financial statements.

AMEREN CORPORATION (Consolidated)
UNION ELECTRIC COMPANY (Consolidated)
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
AMEREN ENERGY GENERATING COMPANY (Consolidated)
CILCORP INC. (Consolidated)
CENTRAL ILLINOIS LIGHT COMPANY (Consolidated)
ILLINOIS POWER COMPANY (Consolidated)

COMBINED NOTES TO FINANCIAL STATEMENTS
(Unaudited)
March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005, administered by FERC. Ameren's primary assets are the common stock of its subsidiaries. Ameren's subsidiaries, which are separate, independent legal entities with separate businesses, assets and liabilities, operate rate-regulated electric generation, transmission and distribution businesses, rate-regulated natural gas transmission and distribution businesses and non-rate-regulated electric generation businesses in Missouri and Illinois. Dividends on Ameren's common stock depend on distributions made to it by its subsidiaries. Ameren's principal subsidiaries are listed below. Also see the Glossary of Terms and Abbreviations at the front of this report.

- UE, or Union Electric Company, also known as AmerenUE, operates a rate-regulated electric generation, transmission and distribution business, and a rate-regulated natural gas transmission and distribution business in Missouri.
- CIPS, or Central Illinois Public Service Company, also known as AmerenCIPS, operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.
- Genco, or Ameren Energy Generating Company, operates a non-rate-regulated electric generation business in Illinois and Missouri.
- CILCO, or Central Illinois Light Company, also known as AmerenCILCO, is a subsidiary of CILCORP (a holding company). It operates a rate-regulated electric and natural gas transmission and distribution business and a non-rate-regulated electric generation business (through its subsidiary AERG), all in Illinois.
- IP, or Illinois Power Company, also known as AmerenIP, operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.

Ameren has various other subsidiaries responsible for the short- and long-term marketing of power, procurement of fuel, management of commodity risks, and provision of other shared services. Ameren has an 80% ownership interest in EEI through UE and Development Company, which each own 40% of EEI. Ameren consolidates EEI for financial reporting purposes, while UE reports EEI under the equity method. The following table presents summarized financial information of EEI for the three months ended March 31, 2007 and 2006.

	Three Months	
	2007	2006
Operating revenues	\$ 97	\$ 97
Operating income	54	56
Net income	34	35

The financial statements of the Ameren Companies (except CIPS) are prepared on a consolidated basis and therefore include the accounts of their majority-owned subsidiaries as applicable. All significant intercompany transactions have been eliminated. All tabular dollar amounts are in millions, unless otherwise indicated.

Our accounting policies conform to GAAP. Our financial statements reflect all adjustments (which include normal, recurring adjustments) necessary, in our opinion, for a fair presentation of our results. The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. Such estimates and assumptions affect reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. The results of operations of an interim period may not give a true indication of results for a full year. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Ameren Companies' combined Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

Earnings Per Share

There were no material differences between Ameren's basic and diluted earnings per share amounts for the three months ended March 31, 2007 and 2006, due to an immaterial number of stock options, restricted stock units and performance share units outstanding.

Long-term Incentive Plan of 1998 and 2006 Omnibus Incentive Compensation Plan

A summary of nonvested shares as of March 31, 2007, and changes during the quarter ended March 31, 2007, under the Long-term Incentive Plan of 1998, as amended, and the 2006 Omnibus Incentive Compensation Plan (2006 Plan) is presented below:

	Performance Share Units		Restricted Shares	
	Shares	Weighted-average Fair Value Per Unit	Shares	Weighted-average Fair Value Per Share
Nonvested at January 1, 2007	338,516	\$ 56.07	377,776	\$ 45.79
Granted ^(a)	357,573	59.60	-	-
Dividends	-	-	3,886	50.22
Forfeitures	(6,851)	56.07	(5,841)	46.47
Vested ^(b)	(9,946)	59.60	(70,391)	43.84
Nonvested at March 31, 2007	679,292	\$ 57.88	305,430	\$ 46.24

(a) Includes performance share units (share units) granted to certain executive and non-executive officers and other eligible employees in February 2007 under the 2006 Plan.

(b) Share units vested due to attainment of retirement eligibility by certain employees. Actual shares issued for retirement-eligible employees will vary depending on actual performance over the three-year measurement period.

The fair value of each share unit awarded in February 2007 under the 2006 Plan was determined to be \$59.60 based on Ameren's closing common share price of \$53.99 per share at the grant date and lattice simulations used to estimate expected share payout based on Ameren's attainment of certain financial measures relative to the designated peer group. The significant assumptions used to calculate fair value also included a three-year risk-free rate of 4.735%, dividend yields of 2.3% to 5.2% for the peer group, volatility of 12.91% to 18.33% for the peer group, and Ameren's maintenance of its \$2.54 annual dividend over the performance period.

Ameren recorded compensation expense of \$5 million and \$2 million for the three-month period ended March 31, 2007 and 2006, respectively, and a related tax benefit of \$2 million and \$1 million for the three-month period ended March 31, 2007 and 2006, respectively. As of March 31, 2007, total compensation cost of \$33 million related to nonvested awards not yet recognized is expected to be recognized over a weighted-average period of 3 years.

Accounting Changes and Other Matters**FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an Interpretation of SFAS No. 109* (FIN 48)**

FIN 48 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN 48, Ameren may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. FIN 48 also provides guidance on derecognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties on income taxes, accounting for income taxes in interim periods and requires expanded disclosures.

The Ameren Companies adopted the provisions of FIN 48 on January 1, 2007. The amount of unrecognized tax benefits as of January 1, 2007, was \$155 million, \$58 million, \$15 million, \$36 million, \$18 million, \$18 million and \$12 million for Ameren, UE, CIPS, Genco, CILCORP, CILCO and IP, respectively. Of these unrecognized tax benefits on January 1, 2007, \$20 million, \$6 million, less than \$1 million, less than \$1 million, and less than \$1 million for Ameren, UE, CIPS, Genco, and CILCORP, respectively, would impact the respective company's effective tax rate, if recognized.

As of January 1, 2007, the Ameren Companies adopted a policy of recognizing interest and penalties accrued on tax liabilities on a gross basis as interest expense or penalty expense in the statements of income. Prior to January 1, 2007, the Ameren Companies recognized such items in the provision for taxes on a net-of-tax basis. As of January 1, 2007, Ameren, UE, CIPS, Genco, CILCORP, CILCO, and IP had recorded a liability of approximately \$12 million, \$5 million, less than \$1 million, \$4 million, \$1 million, less than \$1 million, and less than \$1 million, respectively, for the payment of interest with respect to unrecognized tax benefits and no amount for penalties with respect to unrecognized tax benefits.

All of the Ameren Companies' federal income tax returns are closed through 2001. The Ameren Companies are currently under federal income tax return examination for years 2002 through 2004. State income tax returns are generally subject to examination for a period of three years after filing of the respective return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to

the states. The Ameren Companies do not have state income tax returns in the process of examination. The Ameren Companies also do not have material state income tax issues in the process of administrative appeals or litigation.

The Ameren Companies are not aware of an event that is reasonably possible of occurring that would cause the total amount of unrecognized tax benefits to significantly increase or decrease within twelve months after the date of the Ameren Companies' adoption of FIN 48.

SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities, Including an Amendment of SFAS No. 115*

In February 2007, the FASB issued SFAS No. 159, which permits companies to choose to measure many financial instruments and certain assets and liabilities at fair value that are not currently required to be measured at fair value on an instrument-by-instrument basis. Entities electing the fair value option will be required to recognize changes in fair value in earnings and to expense upfront cost and fees associated with the item for which the fair value option is elected. SFAS No. 159 is effective as of the beginning of our 2008 fiscal year. We are currently evaluating whether we will elect the fair value option for any of our eligible financial instruments and other items.

Goodwill and Intangible Assets

Goodwill. Goodwill represents the excess of the purchase price of an acquisition over the fair value of the net assets acquired. We evaluate goodwill for impairment in the fourth quarter of each year, or more frequently if events and circumstances indicate that the asset might be impaired. See Note 2 - Rate and Regulatory Matters for a discussion of events in Illinois that could lead to a triggering event for the evaluation of goodwill. Ameren's and IP's goodwill relates to the acquisitions of IP and an additional 20% ownership interest in EEI in 2004, and Ameren's and CILCORP's goodwill relates to the acquisitions of CILCORP and Medina Valley in 2003. For the period from January 1, 2007 to March 31, 2007, there were no changes in the carrying amount of goodwill.

Intangible Assets. At March 31, 2007, intangible assets consisted of emission allowances of \$210 million at Ameren, \$57 million at UE, \$66 million at Genco, \$46 million at CILCORP and \$1 million at CILCO. Emission allowances consist of various individual emission allowance certificates and do not have expiration dates. Emission allowances are charged to fuel expense as they are used in operations. During the first quarter of 2006, a \$4 million impairment was recorded for customer contracts, which had been amortized over an average life of 10 years.

The following table presents the net carrying value of emission allowances consumed or (sold) for Ameren, UE, Genco, CILCORP and CILCO during the three months ended March 31, 2007 and 2006.

	2007	2006
Ameren ^(a)	\$ 7	\$ 11
UE	(3)	(2)
Genco	7	8
CILCORP ^(b)	2	5
CILCO	1	3

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.

(b) Includes allowances consumed that were recorded through purchase accounting.

Excise Taxes

Excise taxes reflected on Missouri electric, Missouri gas, and Illinois gas customer bills are imposed on us. They are recorded gross in Operating Revenues and Taxes Other than Income Taxes on the statement of income. Excise taxes reflected on Illinois electric customer bills are imposed on the consumer and are therefore not included in revenues and expenses. They are recorded as tax collections payable and included in Taxes Accrued. The following table presents excise taxes recorded in Operating Revenues and Taxes Other than Income Taxes for the three months ended March 31, 2007 and 2006:

	Three Months			
	2007		2006	
Ameren	\$	42	\$	47
UE		23		25
CIPS		5		6
CILCORP		4		5
CILCO		4		5
IP		11		11

Asset Retirement Obligations

AROs at Ameren and UE increased compared to December 31, 2006, to reflect the accretion of obligations to their fair values.

NOTE 2 - RATE AND REGULATORY MATTERS

Below is a summary of significant regulatory proceedings and related lawsuits. We are unable to predict the ultimate outcome of these matters, the timing of the final decisions of the various agencies and courts, or the impact on our results of operations, financial position, or liquidity.

Missouri*Electric*

With the expiration of an electric rate moratorium that provided for no changes in UE's electric rates before July 1, 2006, UE filed in July 2006 a request with the MoPSC for an increase in base rates for electric service. UE's original filing included a proposed average increase in electric rates of 17.7%, or \$361 million based on a requested return on equity of 12.0%. This rate increase filing was based on a test year ended June 30, 2006, and was updated for known and measurable items through January 1, 2007. In December 2006, the MoPSC staff and other stakeholders filed their direct testimony in response to UE's electric rate increase filing. The MoPSC staff recommended in their testimony an electric rate reduction of \$136 million to \$168 million based on a return on equity of 9.75% to 9.0%. The Missouri attorney general recommended a \$53 million rate reduction based on a 9.0% return on equity. The Missouri Office of Public Counsel recommended a return on equity of 9.65%.

Subsequently, parties in this rate case have settled certain issues. As a result, UE and the MoPSC staff revised their positions in testimony filed with the MoPSC in April 2007. UE's revised position is an electric rate increase request of \$245 million based on a return on equity of 12.0%, and the MoPSC staff's revised recommendation is an electric rate reduction of \$39 million to \$75 million based on a return on equity of 9.75% to 9.0%. The major factors contributing to the difference between the revised UE rate increase request and the MoPSC staff revised rate reduction recommendation include return on equity, depreciation levels, the treatment of a cost-based contract between UE and EEI, which expired in December 2005, margins for interchange sales, and the treatment of emission allowance sales,

among other matters. In addition, the MoPSC staff and intervenors have recommended that UE not be granted the right to use a fuel and purchased power cost recovery mechanism.

Evidentiary hearings in this rate case were completed in March 2007. A decision from the MoPSC is expected no later than June 2007.

Gas

In March 2007, a stipulation and agreement was approved by the MoPSC, which resolved a July 2006 request by UE to the MoPSC to increase annual natural gas delivery revenues by \$11 million. The stipulation and agreement authorized an increase in annual natural gas delivery revenues of \$6 million, effective April 1, 2007. Other principal provisions of the stipulation and agreement include:

- UE's agreement to not file a natural gas delivery rate case before March 15, 2010. This agreement does not prevent UE from filing to recover infrastructure costs through a statutory infrastructure system replacement surcharge (ISRS) during this three-year rate moratorium. The return on equity to be used by UE for purposes of any future ISRS tariff filing is 10.0%.
 - Authorization for UE to transition from four PGA rates to a single PGA rate for all its gas customers.

Illinois

Electric

Under the Illinois Customer Choice Law, as amended with the consent of the Illinois utilities, CIPS', CILCO's and IP's rates were frozen through January 1, 2007. New electric rates for CIPS, CILCO and IP went into effect on January 2, 2007, reflecting delivery service tariffs approved by the ICC in November 2006 and full cost recovery of power procurement costs. As a result of these new electric rates going into effect, the estimated average annual residential rate overall increase is expected to be 40% to 55%. The estimated average annual residential rate overall increase for electric heat customers is

expected to be 60% to 80%. The following is a discussion of the current status of significant regulatory and legislative matters affecting our Illinois electric operations.

Illinois Power Procurement

In February 2005, CIPS, CILCO and IP filed with the ICC a proposed process for power procurement through an ICC-monitored auction, including, among other things, a rate mechanism to pass power supply costs directly through to customers, to take effect after the Illinois electric freeze expired on January 1, 2007 and supply contracts expired on December 31, 2006. The form of power supply would meet the full requirements of each utility, and the risk of fluctuations in power supply requirements would be borne by the supplier. In January 2006, the ICC issued an order that unanimously approved the Ameren Illinois Utilities' proposed power procurement auction and the related tariffs for use commencing January 2, 2007, including the retail rates by which power supply costs would be passed through to customers.

In accordance with the January 2006 ICC order, the power procurement auction was held at the beginning of September 2006. On September 14, 2006, the ICC determined that it would not investigate the results of the auction to procure power for fixed-price customers, which include the vast majority of electric customers of CIPS, CILCO and IP. On September 15, 2006, the independent auction manager, NERA Economic Consulting, declared a successful result in the auction for fixed-price customers. The auction clearing price was about \$65 per megawatthour for the fixed-price residential and small commercial customers and about \$85 per megawatthour for large commercial and industrial customers. Marketing Company was awarded sales in the auction. See Note 7 - Related Party Transactions for a discussion of affiliate power supply agreements. As a result of the high auction clearing price for large commercial and industrial customers, almost all of these customers chose a different supplier.

Certain Illinois legislators, the Illinois attorney general, the Illinois governor and other parties sought to block the power procurement auction. They continue to challenge the auction and the structure for the recovery of costs for power supply resulting from the auction through rates to customers. Opponents of the power procurement auction and related tariffs claim that the ICC did not have authority to approve market-based rates for electric service that have not been declared "competitive" pursuant to Section 16-113 of the Illinois Customer Choice Law. They further claim that the energy component of CIPS', CILCO's and IP's retail rates for electricity should not be based on the costs to procure energy and capacity in the wholesale market. CIPS, CILCO and IP have received favorable rulings from the ICC and the circuit court of Cook County, Illinois, on opposition claims filed by the Illinois attorney general, CUB and ELPC.

Various parties, including CIPS, CILCO, IP, the Illinois attorney general, CUB, and ELPC, appealed to Illinois district appellate courts the ICC's denial of rehearing requests with respect to its January 2006 order. Although CIPS, CILCO and IP are generally supportive of the ICC order, they filed a request for rehearing with regard to the provision of the January 2006 order requiring an annual postauction prudence review to be performed by the ICC. In June 2006, the Illinois attorney general filed a petition with the Supreme Court of Illinois seeking a direct and expedited review of appeals filed with Illinois district courts by various parties of the ICC's January 2006 order approving the Illinois power procurement auction and a stay on implementation of the order. In this petition, the Illinois attorney general raised similar arguments to those discussed above. In August 2006, the Supreme Court of Illinois denied the Illinois attorney general's petition and ordered that the appeals be consolidated in the appellate court for the Second District in Illinois. The Second District appellate court granted a motion of the Illinois attorney general to dismiss CIPS', CILCO's and IP's appeal regarding the need for an annual postauction prudence review claiming that it was filed prematurely. CIPS, CILCO and IP appealed that decision to the Illinois Supreme Court, where it is now pending. In addition, in December 2006, the Illinois attorney general filed a motion to stay the effectiveness of the retail rates approved by the ICC in its January 2006 order. The motion was denied by the Second District appellate court in December 2006, and upon appeal, denied by the Illinois Supreme Court in January 2007. The Illinois attorney general's, CUB's and ELPC's appeals at the Second District appellate court are still pending.

In March 2007, the Illinois attorney general filed a complaint with FERC against 16 electricity suppliers, including Marketing Company, which are selling power to CIPS, CILCO, IP and Commonwealth Edison Company pursuant to contracts entered into as a result of the September 2006 power procurement auction discussed above. The complaint requests that FERC, among other things, suspend the rates that the power suppliers are charging the Ameren Illinois Utilities and Commonwealth Edison Company and commence a proceeding to determine whether such rates are just and reasonable, and investigate evidence of price manipulation in the power procurement auction; revise the contracts and require refunds of sales at rates that are not just and reasonable; assess civil penalties against power suppliers that violated prohibitions against market manipulation and require any violators to disgorge excess profits and direct certain currently unidentified power suppliers to show cause why their market-based rate authority should not be revoked.

Additionally, Ameren, CIPS, CILCO, IP, Commonwealth Edison Company and its parent company, Exelon

33

Corporation, and 15 electricity suppliers, including Marketing Company, which are selling power to the Illinois utilities pursuant to contracts entered into as a result of the September 2006 power procurement auction, were named as defendants in two similar class action lawsuits filed in the Circuit Court of Cook County, Illinois in March 2007. The class asserted to be represented by the Commonwealth Edison Company electric customers who filed the complaints are all customers who purchased electric service from Commonwealth Edison Company or the Ameren Illinois Utilities. Both lawsuits allege, among other things, that the Illinois utilities and the power suppliers illegally manipulated prices in the September 2006 power procurement auction. The relief sought in both lawsuits is actual damages to be determined at trial and legal costs, including attorneys' fees. One of the lawsuits also seeks punitive damages and recovery of illegal profits and excludes the Ameren Illinois Utilities from the requests for relief. In April 2007, the defendants in these lawsuits filed notices removing these cases to the U.S. District Court for the Northern District of Illinois.

Delivery Service Rate Cases

CIPS, CILCO and IP filed rate cases with the ICC in December 2005 to modify their electric delivery service rates effective January 2, 2007. CIPS, CILCO and IP requested to increase their annual revenues for electric delivery service by \$202 million in the aggregate (CIPS - \$14 million, CILCO - \$43 million and IP - \$145 million). In November 2006, the ICC issued an order approving an annual revenue increase for electric delivery service of \$97 million in the aggregate (CIPS - \$8 million decrease, CILCO - \$21 million increase and IP - \$84 million increase). The ICC's order was based on a return on equity of 10.08%, 10.08% and 10.12% for CIPS, CILCO and IP, respectively. In December 2006, the ICC granted the Ameren Illinois Utilities' petition for rehearing of the November 2006 order on the recovery of certain administrative and general expenses, totaling \$50 million, that were disallowed. The administrative law judges rehearing the November 2006 order issued a proposed order in April 2007 recommending no recovery of these expenses by CIPS, CILCO and IP. The ICC's decision on the recovery of these expenses is due in May 2007. The ICC denied requests for rehearings filed by other parties to this case. Prior to January 2, 2007, most customers of the Ameren Illinois Utilities were taking service under a frozen bundled electric rate, which included the cost of power, so these delivery service revenue changes do not directly correspond to a change in CIPS', CILCO's or IP's revenues or earnings under the new electric delivery service rates.

Electric Rate Increase Phase-in Plan

As a result of the downgrade by Moody's of CIPS', CILCO's and IP's issuer credit ratings to below investment grade (junk) status on March 12, 2007, CIPS, CILCO and IP informed the ICC on March 14, 2007, that the Ameren Illinois Utilities would be unable to offer the \$20 million one-time customer bill credit intended to assist high-use residential customers that was initially proposed on March 7, 2007. They also indicated that the Ameren Illinois Utilities would be unable to offer the Customer Elect phase-in plan, including the March 2007 amendment, which would have provided for 0% interest on a deferred portion of customers' bills in excess of a 14% annual increase in electric rates in 2007 through 2009. The Ameren Illinois Utilities also notified the ICC that the \$15 million contribution that the utilities announced in 2006 and intended to make to fund energy assistance and energy efficiency initiatives would not be made. As a result, the Ameren Illinois Utilities reversed a \$15 million charge in the first quarter of 2007 that was originally recorded in 2006. The Ameren Illinois Utilities took such steps because of the need to fund ongoing utility operations.

Potential Electric Rate Freeze and Recovery of Post-2006 Power Supply Costs

On April 20, 2007, the Illinois Senate approved legislation, known as Senate Bill 1592, that, if enacted into law, would reduce electric rates of CIPS, CILCO and IP to the rates which were in effect prior to January 2, 2007. As passed by the Illinois Senate, Senate Bill 1592 would not impact other Illinois utilities. Senate Bill 1592 provides that the cost of electric energy reflected in the Ameren Illinois Utilities' electric rates in effect prior to January 2, 2007, cannot be changed for a period of one year after enactment into law. This would prevent the Ameren Illinois Utilities

from recovering from retail customers substantial portions of the cost of electric energy the Ameren Illinois Utilities are purchasing under wholesale contracts entered into as a result of the September 2006 power procurement auction discussed above for at least one year after enactment into law, and would cause the Ameren Illinois Utilities to under recover their delivery service costs until the ICC could approve higher delivery service rates. Senate Bill 1592 also includes a requirement for refunds, with interest, of charges collected from customers since January 2, 2007 in excess of the pre-January 2, 2007 rates. If this refund requirement was enacted into law, CIPS, CILCO and IP may have been required to refund approximately \$37 million, \$21 million, and \$49 million, respectively, of such charges collected from customers during the three months ended March 31, 2007. On March 6, 2007, the Illinois House of Representatives approved legislation that would apply to the Ameren Illinois Utilities and Commonwealth Edison Company and which provides for a three-year rate freeze and included a similar refund requirement. To become law in Illinois, legislation must be passed by the House of Representatives and Senate and signed by the Governor. The Governor has previously expressed support for rate rollback and freeze legislation. Despite passage by the Illinois House of Representatives and the Illinois Senate of similar rate rollback

and freeze legislation and statements by the Illinois Governor in support of rate rollback and freeze legislation, it is uncertain whether Senate Bill 1592, the House legislation, or any rate freeze legislation will ultimately be enacted into law.

Ameren, CIPS, CILCORP, CILCO and IP believe that any legislation reducing electric rates to pre-January 2, 2007, levels is unlawful and unconstitutional. In the event that such legislation is enacted into law, the Ameren Illinois Utilities intend to vigorously pursue all available legal actions and strategies to protect their legal and financial interests, including seeking immediate injunctive relief to prevent the implementation of such legislation. The Ameren Illinois Utilities believe that such actions will be successful in both enjoining the implementation of, and ultimately invalidating, such legislation.

Even if efforts to promptly enjoin the implementation of legislation to reduce electric rates to pre-January 2, 2007 levels were successful, Ameren, CIPS, CILCORP, CILCO and IP believe that the mere enactment into law of such legislation would nonetheless result in material adverse consequences to CIPS, CILCORP, CILCO and IP until final resolution of any litigation challenging such legislation. These material adverse consequences would include a significant drop in credit ratings to deep junk (or speculative) status, requirements to post collateral or other assurances for certain obligations, a reduction in access to the capital markets on reasonable terms and higher borrowing costs. These material adverse consequences could also include higher power supply costs, an inability to make timely energy infrastructure investments, disruption in electric and gas service and significant job losses. Consequently, the Ameren Illinois Utilities and CILCORP anticipate that their results of operations, financial position and liquidity would be materially adversely affected. Ameren's results of operations, financial position and liquidity could also be materially adversely affected.

If legislation to reduce electric rates to pre-January 2, 2007 levels is enacted into law and the implementation of such legislation is not promptly enjoined, Ameren, CIPS, CILCORP, CILCO and IP believe that their results of operations, financial position, and liquidity would be materially adversely affected. Any action, including any legislation to reduce electric rates to pre-January 2, 2007, levels, that impairs the ability of the Ameren Illinois Utilities to fully recover purchased power or distribution costs from their electric customers in a timely manner would result in material adverse consequences to CIPS, CILCORP, CILCO and IP and, potentially, Ameren. These material adverse consequences would include a significant drop in credit ratings to deep junk (or speculative) status, a severe limitation on their ability to procure reasonable financing from third party lending sources, higher borrowing costs, higher power supply costs, an inability to make timely energy infrastructure investments, requirements to post collateral or other assurances for certain obligations, the likely disruption in electric and gas service, significant job losses, and ultimately the financial insolvency and bankruptcy of CIPS, CILCORP, CILCO and IP.

The Ameren Illinois Utilities, Commonwealth Edison Company and others have been in discussions with members of the Illinois General Assembly and other stakeholders to develop a constructive solution to provide rate relief to Illinois customers in lieu of reducing electric rates to pre-January 2, 2007, levels or applying a tax on electric generation in Illinois. Through discussions with Senate leaders prior to the Senate's passage of Senate Bill 1592 on April 20, 2007, the Ameren Illinois Utilities, Commonwealth Edison Company and others had agreed to offer more than \$150 million in relief to the Illinois electric customers affected most by the rate increases. Over \$85 million of electric customer bill credits and other assistance were specifically targeted for the Ameren Illinois Utilities' customers. The customer assistance proposal was primarily aimed at residential, small business and not-for-profit users, particularly those Ameren Illinois Utilities' customers who depend on electricity for heating their homes. Those customers, who since January 1, 2007, have absorbed the largest rate increases, had been in line to receive the most benefit from the rate proposal. The Ameren Illinois Utilities were prepared to reinstate their Customer-Elect rate increase phase-in plan capping annual rate increases at 14 percent with no carrying costs on deferred balances. This proposal was not instituted and the Customer-Elect rate increase phase-in plan has not been reinstated because the Illinois General Assembly continued to support rolling back and freezing electric rates at pre-January 2, 2007 levels. The Ameren Illinois Utilities believe that a constructive solution to the current rate situation remains in the best interests of all

customers of the Ameren Illinois Utilities, and the Ameren Illinois Utilities remain committed to working with stakeholders to reach such a solution.

Summary

We are unable to predict the results of the court appeals of the January 2006 ICC order approving CIPS', CILCO's and IP's power procurement auction and the related tariffs, the results of the two class action lawsuits and the Illinois attorney general's complaint filed with FERC alleging price manipulation in the September 2006 auction, or the actions the Illinois General Assembly and Governor may take that might affect electric rates or the power procurement process for CIPS, CILCO and IP. Any decision or action that impairs the ability of CIPS, CILCO and IP to fully recover purchased power or distribution costs from their electric customers in a timely manner would result in material adverse consequences to Ameren, CIPS, CILCORP, CILCO and IP. These consequences would include a significant drop in credit ratings to deep junk (or speculative) status, the inability to access the capital markets on reasonable terms, higher borrowing costs, higher power supply costs, an inability to

make timely energy infrastructure investments, requirements to post collateral or other assurances for certain obligations, significant risk of disruption in electric and gas service, significant job losses, and the financial insolvency and bankruptcy of CIPS, CILCORP, CILCO and IP. In addition, Ameren, CILCORP and IP would need to assess whether they are required to record a charge for goodwill impairment for the goodwill that was recorded when Ameren acquired CILCORP and IP. Furthermore, if the Ameren Illinois Utilities are unable to recover their costs from customers, the utilities could be required to cease applying for the electric portions of their businesses SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation," which allows the Ameren Illinois Utilities to defer certain costs pursuant to actions of rate regulators and to recover such costs in rates charged to customers. This could result in the elimination of the Ameren Illinois Utilities' regulatory assets and liabilities recorded on their, CILCORP's and Ameren's balance sheets and a one time extraordinary charge on their, CILCORP's and Ameren's statements of income that could be material. Ameren's, CILCORP's and IP's assessment of any goodwill impairment and Ameren's, CIPS', CILCORP's, CILCO's and IP's continued application of SFAS No. 71, for the electric portions of the Ameren Illinois Utilities' businesses, would include consideration of, among other things, their views on the ultimate success of their legal actions and strategies to enjoin the implementation of, and ultimately invalidate, any enacted rate freeze legislation.

Ameren, CIPS, CILCORP, CILCO and IP will continue to explore a number of legal and regulatory actions, strategies and alternatives to address these Illinois electric issues. CIPS, CILCORP, CILCO and IP expect to take whatever actions are necessary to protect their financial interests, including seeking the protection of the bankruptcy courts. However, there can be no assurance that Ameren and the Ameren Illinois Utilities will prevail over the stated opposition by various Illinois legislators, the Illinois attorney general, the Illinois governor, and other stakeholders, or that the legal and regulatory actions, strategies and alternatives that Ameren and the Ameren Illinois Utilities are considering will be successful.

Federal

Hydroelectric License Renewal

On March 30, 2007, FERC granted a new 40-year license, subject to rehearing, for UE's Osage hydroelectric plant and approved a settlement agreement among UE, the U.S. Department of the Interior and various state agencies that was submitted in May 2005 in support of the license renewal.

NOTE 3 - CREDIT FACILITIES AND LIQUIDITY

The liquidity needs of the Ameren Companies are typically supported through the use of available cash, commercial paper issuances and drawings under committed bank credit facilities.

The following table summarizes the borrowing activity and relevant interest rates as of March 31, 2007, under the \$1.15 billion credit facility and 2007 and 2006 \$500 million credit facilities:

\$1.15 Billion Credit Facility	Ameren		UE		Ameren Total	
March 31, 2007:	(Parent)					
Average daily borrowings outstanding during 2007	\$	96	\$	361	\$	457
Borrowings outstanding at period end		-		448		448
Weighted-average interest rate during 2007		5.77%		5.58%		5.62%
Peak short-term borrowings during 2007	\$	275	\$	448	\$	667
Peak interest rate during 2007		8.25%		8.25%		8.25%

2007 \$500 Million Credit Facility	CIPS	CILCORP	CILCO (Parent)	IP	AERG	Total
March 31, 2007:						
Average daily borrowings outstanding during 2007	\$ -	\$ 43	\$ -	\$ 8	\$ 29	\$ 80
Borrowings outstanding at period end	-	104	-	115	95	314
Weighted-average interest rate during 2007	-%	6.38%	-%	4.69%	6.23%	6.16%
Peak short-term borrowings during 2007	\$ -	\$ 104	\$ -	\$ 115	\$ 95	\$ 314
Peak interest rate during 2007	-%	8.63%	-%	6.57%	6.95%	8.63%

2006 \$500 Million Credit Facility						
March 31, 2007:						
Average daily borrowings outstanding during 2007	\$ 62	\$ 50	\$ 66	\$ 87	\$ 92	\$ 357
Borrowings outstanding at period end	100	50	-	75	40	265
Weighted-average interest rate during 2007	6.44%	6.75%	6.25%	6.36%	6.93%	6.56%
Peak short-term borrowings during 2007	\$ 115	\$ 50	\$ 100	\$ 110	\$ 125	\$ 435
Peak interest rate during 2007	8.25%	6.75%	6.40%	6.57%	6.98%	8.25%

At March 31, 2007, Ameren and certain of its subsidiaries had \$2.15 billion of committed credit facilities, consisting of the three facilities shown above, in the amounts of \$1.15 billion, \$500 million and \$500 million maturing in July 2010, January 2010 and January 2010, respectively.

The 2007 \$500 million credit facility was entered into on February 9, 2007, by CIPS, CILCORP, CILCO, IP and AERG. Borrowing authority under this facility was effective immediately for CILCORP and AERG, and effective for CIPS, CILCO and IP on March 9, 2007, upon the receipt of regulatory approvals.

The obligations of IP under the 2007 \$500 million credit facility were secured by the issuance on March 9, 2007, of mortgage bonds in the amount of \$200 million. CIPS and CILCO cannot utilize any amount of their borrowing authority under the 2007 \$500 million credit facility until they reduce their borrowing authority by an equal amount under the 2006

\$500 million credit facility. If CIPS or CILCO elect to transfer borrowing authority from the 2006 \$500 million credit facility to the 2007 \$500 million credit facility, that company must retire an appropriate amount of first mortgage bonds issued with respect to the 2006 \$500 million credit facility and issue new bonds in an equal amount to secure its obligations under the 2007 \$500 million credit facility.

The \$1.15 billion credit facility was used to support the commercial paper programs that included all outstanding external short-term debt of Ameren and UE as of March 31, 2007. Access to the \$1.15 billion credit facility, the 2007 \$500 million credit facility and the 2006 \$500 million credit facility for the Ameren Companies is subject to reduction as borrowings are made by affiliates. Ameren and UE are currently limited in their access to the commercial paper market as a result of downgrades in their short-term credit ratings.

Money Pools

Ameren has money pool agreements with and among its subsidiaries to coordinate and provide for certain short-term cash and working capital requirements. Separate money pools are maintained for utility and non-state-regulated entities. Ameren Services is responsible for operation and administration of the money pool agreements.

Utility

CIPS, CILCO and IP borrow from each other through the utility money pool agreement subject to applicable regulatory short-term borrowing authorizations. AERG may make loans to, but may not borrow from, the utility money pool. Although UE and Ameren Services are parties to the utility money pool agreement, they are not currently borrowing or lending under the agreement. The average interest rate for borrowing under the utility money pool for the three months ended March 31, 2007, was 6.1% (2006 - 4.5%).

Non-state-regulated subsidiaries

Ameren Services, Resources Company, Genco, AERG, Marketing Company, AFS, Ameren Energy and other non-state-regulated Ameren subsidiaries have the ability, subject to Ameren parent company authorization, to access funding from Ameren's \$1.15 billion credit facility through a non-state-regulated subsidiary money pool agreement subject to applicable regulatory short-term borrowing authorizations. At March 31, 2007, \$697 million was available through the non-state-regulated subsidiary money pool, excluding additional funds available through excess cash balances. The average interest rate for borrowing under the non-state-regulated subsidiary money pool for the three months ended March 31, 2007, was 4.7% (2006 - 4.4%).

See Note 7 - Related Party Transactions for the amount of interest income (expense) from the money pool arrangements recorded by the Ameren Companies for the three months ended March 31, 2007 and 2006.

Indebtedness Provisions and Other Covenants

The information below presents a summary of the Ameren Companies' compliance with indenture provisions and other covenants. See Note 5 - Credit Facilities and Liquidity in the Ameren Companies' combined Annual Report on Form 10-K for the fiscal year ended December 31, 2006, for a detailed description of those provisions.

The Ameren Companies' bank credit facilities contain provisions which, among other things, place restrictions on the ability to incur liens, sell assets, and merge with other entities. The \$1.15 billion credit facility contains provisions that limit total indebtedness of each of Ameren, UE and Genco to 65% of consolidated total capitalization pursuant to a calculation defined in the facility. Exceeding these debt levels would result in a default under the \$1.15 billion credit facility.

The \$1.15 billion credit facility also contains default provisions, including cross defaults, with respect to a borrower under the facility that can result from the occurrence of an event of default under any other facility covering indebtedness of that borrower or certain of its subsidiaries in excess of \$50 million in the aggregate. The obligations of Ameren, UE and Genco under the facility are several and not joint, and except under limited circumstances, the obligations of UE and Genco are not guaranteed by Ameren or any other subsidiary. CIPS, CILCORP, CILCO, AERG and IP are not considered subsidiaries for purposes of the cross-default or other provisions.

Under the \$1.15 billion credit facility, restrictions apply limiting investments in and other transfers to CIPS, CILCORP, CILCO, IP, AERG and their subsidiaries by Ameren and certain subsidiaries. Additionally, CIPS, CILCORP, CILCO, IP, AERG and their subsidiaries are excluded for purposes of determining compliance with the 65% total consolidated indebtedness to total consolidated capitalization financial covenant in the facility.

Both the 2007 \$500 million credit facility and the 2006 \$500 million credit facility entered into by CIPS, CILCORP, CILCO, IP and AERG, discussed above, limit the indebtedness of each borrower to 65% of consolidated total capitalization pursuant to a calculation set forth in the facilities. Events of default under these facilities apply separately to each borrower (and, except in the case of CILCORP, to their subsidiaries), and an event of default under these facilities does not constitute an event of default under the \$1.15 billion credit facility and vice versa. In addition, if CIPS', CILCO's or IP's senior secured long-term debt securities or first mortgage bonds, or CILCORP's senior unsecured long-term debt securities, have received a below-investment-grade credit rating by either Moody's or S&P, then such borrower will be limited to capital stock dividend payments of \$10 million per year each, while such below-investment-grade credit rating is in effect. On July 26, 2006, Moody's downgraded CILCORP's senior unsecured long-term debt credit rating to below investment-grade, causing it to be subject to this dividend payment limitation. A similar restriction applies to AERG if its debt-to-operating cash flow ratio, as set forth in these facilities, is above a 3.0 to 1.0 ratio. As of March 31, 2007, AERG was in compliance with this test in the 2007 \$500 million credit facility and the 2006 \$500 million credit facility. CIPS, CILCO and IP are not currently limited in their dividend payments by this provision of the 2007 \$500 million or 2006 \$500 million credit facilities. Ameren's access to dividends from CILCO and AERG is limited by dividend restrictions at CILCORP.

The 2007 \$500 million credit facility and the 2006 \$500 million credit facility also limit the amount of other secured indebtedness issuable by each borrower. For CIPS, CILCO and IP, other secured debt is limited to that permitted under their respective mortgage indentures. For CILCORP, other secured debt is limited to \$425 million under the 2007 \$500 million credit facility and \$550 million under the 2006 \$500 million credit facility, secured by the pledge of CILCO stock. For AERG, other secured debt is limited to \$100 million under the 2007 \$500 million credit facility and \$200 million under the 2006 \$500 million credit facility secured on an equal basis with its obligations under the facilities. In addition, the 2007 \$500 million credit facility and the 2006 \$500 million credit facility prohibit CILCO from issuing any preferred stock if, after giving effect to such issuance, the aggregate liquidation value of all CILCO preferred stock issued after February 9, 2007 and July 14, 2006, respectively, would exceed \$50 million.

The 2007 \$500 million credit facility provides that CIPS, CILCO and IP will agree to reserve future bonding capacity under their respective mortgage indentures (that is, agree to forego the issuance of additional mortgage bonds otherwise permitted under the terms of each mortgage indenture) in the following amounts: CIPS, prior to December 31, 2007 - \$50 million, on and after December 31, 2007, but prior to December 31, 2008 - \$100 million, on and after December 31, 2008, but prior to December 31, 2009 - \$150 million, on and after December 31, 2009 - \$200 million; CILCO, prior to December 31, 2007 - \$25 million, on and after December 31, 2007, but prior to December 31, 2008 - \$50 million, on and after December 31, 2008, but prior to December 31, 2009 - \$75 million, on and after December 31, 2009 - \$150 million; and IP, prior to December 31, 2008 - \$100 million, on and after December 31, 2008, but prior to December 31, 2009 - \$200 million, on and after December 31, 2009 - \$350 million.

The 2006 \$500 million credit facility provides that CIPS, CILCO and IP will agree to reserve future bonding capacity under their respective mortgage indentures in the following amounts: CIPS, prior to December 31, 2007 - \$50 million, on and after December 31, 2007, but prior to December 31, 2008 - \$100 million, on and after December 31, 2008 - \$150 million; CILCO - \$25 million; and IP - \$100 million.

As of March 31, 2007, the ratio of total indebtedness to total consolidated capitalization, calculated in accordance with the provisions of the \$1.15 billion credit facility for Ameren, UE and Genco was 50%, 52% and 46%, respectively.

The ratios for CIPS, CILCORP, CILCO, IP and AERG, calculated in accordance with the provisions of the 2007 \$500 million credit facility and 2006 \$500 million credit facility, were 52%, 53%, 36%, 44% and 32%, respectively.

None of Ameren's credit facilities or financing arrangements contain credit rating triggers that would cause an event of default or acceleration of repayment of outstanding balances. At March 31, 2007, the Ameren Companies were in compliance with their credit facility provisions and covenants.

NOTE 4 - LONG-TERM DEBT AND EQUITY FINANCINGS

Ameren

Under DRPlus, pursuant to an effective SEC Form S-3 registration statement, and under our 401(k) plans, pursuant to effective SEC Form S-8 registration statements, Ameren issued a total of 0.4 million new shares of common stock valued at \$21 million in the three months ended March 31, 2007.

In February 2007, \$100 million of Ameren's 2002 5.70% notes matured and were retired.

CIPS

See Note 3 - Credit Facilities and Liquidity in this report and Note 5 - Credit Facilities and Liquidity in the Ameren Companies' combined Annual Report on Form 10-K for the fiscal year ended December 31, 2006, regarding mortgage bonds authorized by CIPS as security for its obligations under the 2007 \$500 million credit facility and issued under the 2006 \$500 million credit facility.

CILCORP