

AMEREN CORP  
Form 10-Q  
August 09, 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 June 30, 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	<b>Ameren Corporation</b> (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-1723446
1-2967	<b>Union Electric Company</b> (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-0559760
1-3672	<b>Central Illinois Public Service Company</b> (Illinois Corporation) 607 East Adams Street Springfield, Illinois 62739 (888) 789-2477	37-0211380
333-56594	<b>Ameren Energy Generating Company</b> (Illinois Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	37-1395586
2-95569	<b>CILCORP Inc.</b> (Illinois Corporation) 300 Liberty Street	37-1169387

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Peoria, Illinois 61602  
(309) 677-5271

1-2732

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

37-0211050

1-3004

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

37-0344645

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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 July 31, 2007, was as follows:

Ameren Corporation	Common stock, \$.01 par value per share – 207,601,632
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 registrant and indirect subsidiary of Ameren

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	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

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**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.

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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.

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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 parent of Genco, Marketing Company and AFS.

**DOE** – Department of Energy, a U.S. government agency.

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

**Dynegy** – Dynegy Inc.

**EEI** – 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.

**Form 10-K** – The combined Annual Report on Form 10-K for the year ended December 31, 2006, filed by the Ameren Companies with the SEC.



**FSP**– FASB Staff Position, which provides application guidance on FASB literature.

**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.

**IPA**– Illinois Power Agency, a state government agency that would have broad authority to assist in the procurement of electric power for residential and nonresidential customers beginning in June 2009 pending enactment of legislation by the Illinois governor.

**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**– AmerenEnergyMedina 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<sub>x</sub>** –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.

**SO<sub>2</sub>** –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.

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## 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 the failure of the Illinois governor to enact legislation implementing the comprehensive rate relief programs and agreement, the enactment of alternative legislation rolling back and freezing electric rates at 2006 levels or similar actions that impair the full and timely recovery of costs in Illinois, or the enactment of alternative legislation taxing electric generators 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.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
<b>Operating Revenues:</b>				
Electric	\$ 1,514	\$ 1,378	\$ 2,972	\$ 2,589
Gas	209	172	770	761
Total operating revenues	1,723	1,550	3,742	3,350
<b>Operating Expenses:</b>				
Fuel	263	247	526	499
Purchased power	314	277	687	550
Gas purchased for resale	133	104	554	557
Other operations and maintenance	426	394	822	746
Depreciation and amortization	169	162	345	323
Taxes other than income taxes	96	90	198	203
Total operating expenses	1,401	1,274	3,132	2,878
<b>Operating Income</b>	<b>322</b>	<b>276</b>	<b>610</b>	<b>472</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	20	11	34	16
Miscellaneous expense	(4)	(1)	(4)	(1)
Total other income	16	10	30	15
<b>Interest Charges</b>	<b>108</b>	<b>87</b>	<b>206</b>	<b>164</b>
<b>Income Before Income Taxes, Minority Interest</b>				
<b>and Preferred Dividends of Subsidiaries</b>	<b>230</b>	<b>199</b>	<b>434</b>	<b>323</b>
<b>Income Taxes</b>	<b>78</b>	<b>68</b>	<b>149</b>	<b>112</b>
<b>Income Before Minority Interest and Preferred</b>				
<b>Dividends of Subsidiaries</b>	<b>152</b>	<b>131</b>	<b>285</b>	<b>211</b>
<b>Minority Interest and Preferred Dividends of</b>				
<b>Subsidiaries</b>	<b>9</b>	<b>8</b>	<b>19</b>	<b>18</b>
<b>Net Income</b>	<b>\$ 143</b>	<b>\$ 123</b>	<b>\$ 266</b>	<b>\$ 193</b>
<b>Earnings per Common Share – Basic and Diluted</b>				
	<b>\$ 0.69</b>	<b>\$ 0.60</b>	<b>\$ 1.29</b>	<b>\$ 0.94</b>
<b>Dividends per Common Share</b>				
	<b>\$ 0.635</b>	<b>\$ 0.635</b>	<b>\$ 1.270</b>	<b>\$ 1.270</b>
<b>Average Common Shares Outstanding</b>				
	<b>207.1</b>	<b>205.4</b>	<b>206.9</b>	<b>205.1</b>

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

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

	June 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 687	\$ 137
Accounts receivable – trade (less allowance for doubtful accounts of \$31 and \$11, respectively)	562	418
Unbilled revenue	304	309
Miscellaneous accounts and notes receivable	222	160
Materials and supplies	612	647
Other current assets	178	203
Total current assets	2,565	1,874
<b>Property and Plant, Net</b>	<b>14,538</b>	<b>14,286</b>
<b>Investments and Other Assets:</b>		
Investments in leveraged leases	13	13
Nuclear decommissioning trust fund	301	285
Goodwill	831	831
Intangible assets	206	217
Other assets	730	641
Regulatory assets	1,347	1,431
Total investments and other assets	3,428	3,418
<b>TOTAL ASSETS</b>	<b>\$ 20,531</b>	<b>\$ 19,578</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ 203	\$ 456
Short-term debt	1,619	612
Accounts and wages payable	455	671
Taxes accrued	120	58
Other current liabilities	423	405
Total current liabilities	2,820	2,202
<b>Long-term Debt, Net</b>	<b>5,511</b>	<b>5,285</b>
<b>Preferred Stock of Subsidiary Subject to Mandatory Redemption</b>	<b>18</b>	<b>18</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	2,039	2,144
Accumulated deferred investment tax credits	113	118
Regulatory liabilities	1,216	1,234
Asset retirement obligations	564	549
Accrued pension and other postretirement benefits	1,040	1,065
Other deferred credits and liabilities	378	169
Total deferred credits and other liabilities	5,350	5,279
<b>Preferred Stock of Subsidiaries Not Subject to Mandatory Redemption</b>	<b>195</b>	<b>195</b>
<b>Minority Interest in Consolidated Subsidiaries</b>	<b>19</b>	<b>16</b>
<b>Commitments and Contingencies (Notes 2, 8, and 9)</b>		
<b>Stockholders' Equity:</b>		

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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	4,551	4,495
Retained earnings	2,023	2,024
Accumulated other comprehensive income	42	62
Total stockholders' equity	6,618	6,583
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 20,531</b>	<b>\$ 19,578</b>

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



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

	<b>Six Months Ended</b>	
	<b>June 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 266	\$ 193
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of emission allowances	(2)	-
Depreciation and amortization	357	340
Amortization of nuclear fuel	15	16
Amortization of debt issuance costs and premium/discounts	10	7
Deferred income taxes and investment tax credits, net	(8)	(19)
Loss on sale of noncore properties	-	4
Minority interest	13	12
Other	7	1
Changes in assets and liabilities:		
Receivables	(195)	168
Materials and supplies	35	25
Accounts and wages payable	(62)	(214)
Taxes accrued	59	(33)
Assets, other	(69)	63
Liabilities, other	67	10
Pension and other postretirement benefit obligations	50	46
Net cash provided by operating activities	543	619
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(715)	(449)
CT acquisitions	-	(292)
Nuclear fuel expenditures	(24)	(25)
Proceeds from sale of noncore properties	-	11
Purchases of securities – nuclear decommissioning trust fund	(75)	(53)
Sales of securities – nuclear decommissioning trust fund	65	48
Purchases of emission allowances	(9)	(38)
Sales of emission allowances	3	4
Other	1	(1)
Net cash used in investing activities	(754)	(795)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(263)	(260)
Capital issuance costs	(3)	(2)
Short-term debt, net	1,007	204
Dividends paid to minority interest	(10)	(14)
Redemptions, repurchases, and maturities of long-term debt	(443)	(86)
Issuances:		
Common stock	48	57
Long-term debt	425	232
Net cash provided by financing activities	761	131
Net change in cash and cash equivalents	550	(45)

Cash and cash equivalents at beginning of year		<b>137</b>		96
Cash and cash equivalents at end of period		<b>\$ 687</b>	<b>\$</b>	<b>51</b>

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
<b>Operating Revenues:</b>				
Electric - excluding off-system	\$ 579	\$ 584	\$ 1,030	\$ 1,013
Electric - off-system	89	103	211	241
Gas	29	22	105	91
Other	-	1	1	1
Total operating revenues	697	710	1,347	1,346
<b>Operating Expenses:</b>				
Fuel	143	124	268	249
Purchased power	29	68	62	135
Gas purchased for resale	15	12	64	56
Other operations and maintenance	222	196	446	367
Depreciation and amortization	84	81	171	161
Taxes other than income taxes	60	59	117	118
Total operating expenses	553	540	1,128	1,086
<b>Operating Income</b>	<b>144</b>	<b>170</b>	<b>219</b>	<b>260</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	12	8	20	12
Miscellaneous expense	(6)	(2)	(8)	(4)
Total other income	6	6	12	8
<b>Interest Charges</b>	<b>51</b>	<b>44</b>	<b>97</b>	<b>80</b>
<b>Income Before Income Taxes and Equity</b>				
<b>in Income of Unconsolidated Investment</b>	<b>99</b>	<b>132</b>	<b>134</b>	<b>188</b>
<b>Income Taxes</b>	<b>30</b>	<b>50</b>	<b>41</b>	<b>69</b>
<b>Income Before Equity in Income</b>				
<b>of Unconsolidated Investment</b>	<b>69</b>	<b>82</b>	<b>93</b>	<b>119</b>
<b>Equity in Income of Unconsolidated Investment,</b>				
<b>Net of Taxes</b>	<b>12</b>	<b>10</b>	<b>26</b>	<b>24</b>
<b>Net Income</b>	<b>81</b>	<b>92</b>	<b>119</b>	<b>143</b>
<b>Preferred Stock Dividends</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>
<b>Net Income Available to Common Stockholder</b>	<b>\$ 79</b>	<b>\$ 90</b>	<b>\$ 116</b>	<b>\$ 140</b>

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)

	June 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 209	\$ 1
Accounts receivable – trade (less allowance for doubtful accounts of \$8 and \$6, respectively)	220	145
Unbilled revenue	157	120
Miscellaneous accounts and notes receivable	164	128
Advances to money pool	12	18
Accounts receivable – affiliates	59	33
Materials and supplies	267	236
Other current assets	56	45
Total current assets	1,144	726
<b>Property and Plant, Net</b>	<b>8,000</b>	<b>7,882</b>
<b>Investments and Other Assets:</b>		
Nuclear decommissioning trust fund	301	285
Intangible assets	58	58
Other assets	474	526
Regulatory assets	790	810
Total investments and other assets	1,623	1,679
<b>TOTAL ASSETS</b>	<b>\$ 10,767</b>	<b>\$ 10,287</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ 152	\$ 5
Short-term debt	426	234
Intercompany note payable – Ameren	37	77
Accounts and wages payable	159	313
Accounts payable – affiliates	114	185
Taxes accrued	142	66
Other current liabilities	229	191
Total current liabilities	1,259	1,071
<b>Long-term Debt, Net</b>	<b>3,212</b>	<b>2,934</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	1,273	1,293
Accumulated deferred investment tax credits	86	89
Regulatory liabilities	838	827
Asset retirement obligations	504	491
Accrued pension and other postretirement benefits	370	374
Other deferred credits and liabilities	83	55
Total deferred credits and other liabilities	3,154	3,129
<b>Commitments and Contingencies (Notes 2, 8 and 9)</b>		
<b>Stockholders' Equity:</b>		
Common stock, \$5 par value, 150.0 shares authorized – 102.1 shares outstanding	511	511

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Preferred stock not subject to mandatory redemption	<b>113</b>	113
Other paid-in capital, principally premium on common stock	<b>739</b>	739
Retained earnings	<b>1,775</b>	1,783
Accumulated other comprehensive income	<b>4</b>	7
Total stockholders' equity	<b>3,142</b>	3,153
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 10,767</b>	\$ 10,287

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

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

	Six Months Ended June 30,	
	2007	2006
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 119	\$ 143
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	171	161
Amortization of nuclear fuel	15	16
Amortization of debt issuance costs and premium/discounts	3	3
Deferred income taxes and investment tax credits, net	15	11
Other	-	(5)
Changes in assets and liabilities:		
Receivables	(174)	(15)
Materials and supplies	(31)	(13)
Accounts and wages payable	(136)	(180)
Taxes accrued	76	54
Assets, other	55	30
Liabilities, other	17	35
Pension and other postretirement obligations	15	18
Net cash provided by operating activities	145	258
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(355)	(222)
CT acquisitions	-	(292)
Nuclear fuel expenditures	(24)	(25)
Changes in money pool advances	6	-
Proceeds from intercompany note receivable – CIPS	-	67
Purchases of securities – nuclear decommissioning trust fund	(75)	(53)
Sales of securities – nuclear decommissioning trust fund	65	48
Sales of emission allowances	2	2
Net cash used in investing activities	(381)	(475)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(127)	(84)
Dividends on preferred stock	(3)	(3)
Capital issuance costs	(3)	-
Short-term debt, net	192	284
Intercompany note payable – Ameren, net	(40)	-
Issuances of long-term debt	425	-
Capital contribution from parent	-	1
Net cash provided by financing activities	444	198
Net change in cash and cash equivalents	208	(19)
Cash and cash equivalents at beginning of year	1	20
Cash and cash equivalents at end of period	\$ 209	\$ 1

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



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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
<b>Operating Revenues:</b>				
Electric	\$ 193	\$ 181	\$ 404	\$ 341
Gas	36	30	137	127
Other	-	1	2	1
Total operating revenues	229	212	543	469
<b>Operating Expenses:</b>				
Purchased power	127	113	277	230
Gas purchased for resale	21	16	95	88
Other operations and maintenance	41	38	84	76
Depreciation and amortization	16	15	33	31
Taxes other than income taxes	9	9	18	21
Total operating expenses	214	191	507	446
<b>Operating Income</b>	<b>15</b>	<b>21</b>	<b>36</b>	<b>23</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	5	4	8	9
Miscellaneous expense	(1)	-	(1)	(1)
Total other income	4	4	7	8
<b>Interest Charges</b>	<b>10</b>	<b>8</b>	<b>18</b>	<b>15</b>
<b>Income Before Income Taxes</b>	<b>9</b>	<b>17</b>	<b>25</b>	<b>16</b>
<b>Income Taxes</b>	<b>4</b>	<b>2</b>	<b>9</b>	<b>2</b>
<b>Net Income</b>	<b>5</b>	<b>15</b>	<b>16</b>	<b>14</b>
<b>Preferred Stock Dividends</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Net Income Available to Common Stockholder</b>	<b>\$ 5</b>	<b>\$ 15</b>	<b>\$ 15</b>	<b>\$ 13</b>

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)

	June 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 148	\$ 6
Accounts receivable – trade (less allowance for doubtful accounts of \$8 and \$2, respectively)	65	55
Unbilled revenue	32	43
Accounts receivable – affiliates	2	10
Current portion of intercompany note receivable – Genco	39	37
Current portion of intercompany tax receivable – Genco	9	9
Advances to money pool	-	1
Materials and supplies	51	71
Other current assets	43	46
Total current assets	389	278
<b>Property and Plant, Net</b>	<b>1,160</b>	<b>1,155</b>
<b>Investments and Other Assets:</b>		
Intercompany note receivable – Genco	87	126
Intercompany tax receivable – Genco	111	115
Other assets	29	27
Regulatory assets	134	146
Total investments and other assets	361	414
<b>TOTAL ASSETS</b>	<b>\$ 1,910</b>	<b>\$ 1,847</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term debt	\$ 135	\$ 35
Accounts and wages payable	44	36
Accounts payable – affiliates	39	81
Taxes accrued	6	10
Other current liabilities	34	36
Total current liabilities	258	198
<b>Long-term Debt, Net</b>	<b>471</b>	<b>471</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes and investment tax credits, net	275	297
Regulatory liabilities	221	224
Accrued pension and other postretirement benefits	83	90
Other deferred credits and liabilities	44	24
Total deferred credits and other liabilities	623	635
<b>Commitments and Contingencies (Notes 2 and 8)</b>		
<b>Stockholders' Equity:</b>		
Common stock, no par value, 45.0 shares authorized – 25.5 shares outstanding	-	-
Other paid-in capital	190	190
Preferred stock not subject to mandatory redemption	50	50
Retained earnings	317	302
Accumulated other comprehensive income	1	1

Total stockholders' equity		<b>558</b>		543
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$</b>	<b>1,910</b>	<b>\$</b>	1,847

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

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

	2007	Six Months Ended June 30,	2006
<b>Cash Flows From Operating Activities:</b>			
Net income	\$	16	\$ 14
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		33	31
Amortization of debt issuance costs and premium/discounts		1	-
Deferred income taxes and investment tax credits, net		(10)	(16)
Other		-	(1)
Changes in assets and liabilities:			
Receivables		13	39
Materials and supplies		20	21
Accounts and wages payable		(30)	(8)
Taxes accrued		(4)	(19)
Assets, other		6	22
Liabilities, other		(4)	(3)
Pension and other postretirement obligations		3	-
Net cash provided by operating activities		44	80
<b>Cash Flows From Investing Activities:</b>			
Capital expenditures		(39)	(41)
Proceeds from intercompany note receivable – Genco		37	34
Changes in money pool advances		1	(17)
Net cash used in investing activities		(1)	(24)
<b>Cash Flows From Financing Activities:</b>			
Dividends on common stock		-	(25)
Dividends on preferred stock		(1)	(1)
Capital issuance costs		-	(1)
Short-term debt, net		100	-
Changes in money pool borrowings		-	(2)
Redemptions, repurchases, and maturities:			
Long-term debt		-	(20)
Intercompany note payable – UE		-	(67)
Issuances of long-term debt		-	61
Net cash provided by (used in) financing activities		99	(55)
Net change in cash and cash equivalents		142	1
Cash and cash equivalents at beginning of year		6	-
Cash and cash equivalents at end of period	\$	148	\$ 1

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 June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
<b>Operating Revenues</b>	\$ 185	\$ 238	\$ 428	\$ 485
<b>Operating Expenses:</b>				
Fuel	74	61	155	130
Purchased power	(1)	89	20	185
Other operations and maintenance	49	47	83	79
Depreciation and amortization	18	17	36	35
Taxes other than income taxes	4	5	10	11
Total operating expenses	144	219	304	440
<b>Operating Income</b>	41	19	124	45
<b>Miscellaneous Income</b>	1	-	1	-
<b>Interest Charges</b>	14	15	28	30
<b>Income Before Income Taxes</b>	28	4	97	15
<b>Income Taxes</b>	11	2	37	7
<b>Net Income</b>	\$ 17	\$ 2	\$ 60	\$ 8

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)

	June 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1	\$ 1
Accounts receivable – affiliates	100	96
Accounts receivable – trade	5	19
Materials and supplies	97	96
Other current assets	29	5
Total current assets	232	217
<b>Property and Plant, Net</b>	<b>1,558</b>	<b>1,539</b>
<b>Intangible Assets</b>	<b>64</b>	<b>74</b>
<b>Other Assets</b>	<b>18</b>	<b>20</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,872</b>	<b>\$ 1,850</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Current Liabilities:</b>		
Current portion of intercompany note payable – CIPS	\$ 39	\$ 37
Borrowings from money pool	239	123
Accounts and wages payable	36	52
Accounts payable – affiliates	73	66
Current portion of intercompany tax payable – CIPS	9	9
Taxes accrued	20	22
Other current liabilities	21	22
Total current liabilities	437	331
<b>Long-term Debt, Net</b>	<b>474</b>	<b>474</b>
<b>Intercompany Note Payable – CIPS</b>	<b>87</b>	<b>126</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	146	165
Accumulated deferred investment tax credits	8	9
Intercompany tax payable – CIPS	111	115
Asset retirement obligations	32	31
Accrued pension and other postretirement benefits	40	34
Other deferred credits and liabilities	31	2
Total deferred credits and other liabilities	368	356
<b>Commitments and Contingencies (Notes 2 and 8)</b>		
<b>Stockholder's Equity:</b>		
Common stock, no par value, 10,000 shares authorized – 2,000 shares outstanding	-	-
Other paid-in capital	428	428
Retained earnings	103	156
Accumulated other comprehensive loss	(25)	(21)
Total stockholder's equity	506	563
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 1,872</b>	<b>\$ 1,850</b>

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)

	Six Months Ended	
	June 30,	
	2007	2006
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 60	\$ 8
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of emission allowances	(1)	-
Depreciation and amortization	52	51
Deferred income taxes and investment tax credits, net	8	(8)
Other	1	(1)
Changes in assets and liabilities:		
Receivables	10	27
Materials and supplies	(1)	(26)
Accounts and wages payable	13	36
Taxes accrued, net	(2)	(23)
Assets, other	(26)	-
Liabilities, other	(2)	(4)
Pension and other postretirement obligations	3	3
Net cash provided by operating activities	115	63
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(77)	(39)
Purchases of emission allowances	(5)	(26)
Sales of emission allowances	1	1
Net cash used in investing activities	(81)	(64)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(113)	(71)
Changes in money pool borrowings	116	57
Intercompany notes payable – CIPS	(37)	(34)
Capital contribution from parent	-	50
Net cash provided by (used in) financing activities	(34)	2
Net change in cash and cash equivalents	-	1
Cash and cash equivalents at beginning of year	1	-
Cash and cash equivalents at end of period	\$ 1	\$ 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		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
<b>Operating Revenues:</b>				
Electric	\$ 162	\$ 98	\$ 337	\$ 190
Gas	60	48	195	198
Other	1	-	1	-
Total operating revenues	223	146	533	388
<b>Operating Expenses:</b>				
Fuel	14	29	37	53
Purchased power	61	6	133	8
Gas purchased for resale	42	32	145	151
Other operations and maintenance	45	48	87	93
Depreciation and amortization	19	19	38	37
Taxes other than income taxes	6	4	14	13
Total operating expenses	187	138	454	355
<b>Operating Income</b>	<b>36</b>	<b>8</b>	<b>79</b>	<b>33</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	-	1	2	1
Miscellaneous expense	(2)	(1)	(3)	(2)
Total other expenses	(2)	-	(1)	(1)
<b>Interest Charges</b>	<b>15</b>	<b>13</b>	<b>29</b>	<b>25</b>
<b>Income (Loss) Before Income Taxes and Preferred Dividends of Subsidiaries</b>	<b>19</b>	<b>(5)</b>	<b>49</b>	<b>7</b>
<b>Income Taxes (Benefit)</b>	<b>6</b>	<b>(6)</b>	<b>16</b>	<b>(3)</b>
<b>Income Before Preferred Dividends of Subsidiaries</b>	<b>13</b>	<b>1</b>	<b>33</b>	<b>10</b>
<b>Preferred Dividends of Subsidiaries</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Net Income</b>	<b>\$ 12</b>	<b>\$ 1</b>	<b>\$ 32</b>	<b>\$ 9</b>

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)

	June 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 108	\$ 4
Accounts receivable – trade (less allowance for doubtful accounts of \$5 and \$1, respectively)	49	47
Unbilled revenue	35	45
Accounts receivable – affiliates	30	10
Advances to money pool	-	42
Materials and supplies	79	93
Other current assets	40	42
Total current assets	341	283
<b>Property and Plant, Net</b>	<b>1,357</b>	<b>1,277</b>
<b>Investments and Other Assets:</b>		
Goodwill	542	542
Intangible assets	45	48
Other assets	19	16
Regulatory assets	56	75
Total investments and other assets	662	681
<b>TOTAL ASSETS</b>	<b>\$ 2,360</b>	<b>\$ 2,241</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ -	\$ 50
Short-term debt	465	215
Intercompany note payable – Ameren	-	73
Accounts and wages payable	40	54
Accounts payable – affiliates	63	60
Taxes accrued	3	3
Other current liabilities	48	58
Total current liabilities	619	513
<b>Long-term Debt, Net</b>	<b>539</b>	<b>542</b>
<b>Preferred Stock of Subsidiary Subject to Mandatory Redemption</b>	<b>18</b>	<b>18</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	183	201
Accumulated deferred investment tax credits	7	7
Regulatory liabilities	67	73
Accrued pension and other postretirement benefits	151	171
Other deferred credits and liabilities	55	26
Total deferred credits and other liabilities	463	478
<b>Preferred Stock of Subsidiary Not Subject to Mandatory Redemption</b>	<b>19</b>	<b>19</b>
<b>Commitments and Contingencies (Notes 2 and 8)</b>		

**Stockholder's Equity:**

Common stock, no par value, 10,000 shares authorized – 1,000 shares outstanding	-	-
Other paid-in capital	627	627
Retained earnings	43	11
Accumulated other comprehensive income	32	33
Total stockholder's equity	702	671
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY \$</b>	<b>2,360</b>	<b>\$ 2,241</b>

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)

	Six Months Ended June 30,	
	2007	2006
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 32	\$ 9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	38	50
Amortization of debt issuance costs and premium/discounts	1	-
Deferred income taxes and investment tax credits	(3)	(4)
Loss on sale of noncore properties	-	4
Other	-	(1)
Changes in assets and liabilities:		
Receivables	(12)	55
Materials and supplies	14	20
Accounts and wages payable	3	(20)
Taxes accrued	(3)	(13)
Assets, other	(2)	20
Liabilities, other	(7)	(9)
Pension and postretirement benefit obligations	1	1
Net cash provided by operating activities	62	112
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(127)	(48)
Proceeds from note receivable – Resources Company	-	42
Proceeds from sale of noncore properties	-	11
Changes in money pool advances	42	-
Purchases of emission allowances	-	(12)
Sales of emission allowances	-	1
Net cash used in investing activities	(85)	(6)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	-	(50)
Capital issuance costs	-	(1)
Short-term debt, net	250	-
Changes in money pool borrowings	-	(89)
Intercompany note payable – Ameren, net	(73)	(30)
Redemptions, repurchases, and maturities of long-term debt	(50)	(12)
Issuances of long-term debt	-	96
Net cash provided by (used in) financing activities	127	(86)
Net change in cash and cash equivalents	104	20
Cash and cash equivalents at beginning of year	4	3
Cash and cash equivalents at end of period	\$ 108	\$ 23

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 June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
<b>Operating Revenues:</b>				
Electric	\$ 162	\$ 98	\$ 337	\$ 190
Gas	60	48	195	198
Other	1	-	1	-
Total operating revenues	223	146	533	388
<b>Operating Expenses:</b>				
Fuel	12	25	34	48
Purchased power	61	6	133	8
Gas purchased for resale	42	32	145	151
Other operations and maintenance	46	52	87	93
Depreciation and amortization	18	17	36	34
Taxes other than income taxes	5	4	13	13
Total operating expenses	184	136	448	347
<b>Operating Income</b>	<b>39</b>	<b>10</b>	<b>85</b>	<b>41</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	1	-	2	-
Miscellaneous expense	(2)	(1)	(3)	(2)
Total other expenses	(1)	(1)	(1)	(2)
<b>Interest Charges</b>	<b>5</b>	<b>4</b>	<b>11</b>	<b>8</b>
<b>Income Before Income Taxes</b>	<b>33</b>	<b>5</b>	<b>73</b>	<b>31</b>
<b>Income Taxes (Benefit)</b>	<b>12</b>	<b>(3)</b>	<b>26</b>	<b>6</b>
<b>Net Income</b>	<b>21</b>	<b>8</b>	<b>47</b>	<b>25</b>
<b>Preferred Stock Dividends</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Net Income Available to Common Stockholder</b>	<b>\$ 20</b>	<b>\$ 7</b>	<b>\$ 46</b>	<b>\$ 24</b>

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)

	June 30, 2007	December 31 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 95	\$ 3
Accounts receivable – trade (less allowance for doubtful accounts of \$5 and \$1, respectively)	49	47
Unbilled revenue	35	45
Accounts receivable – affiliates	27	9
Advances to money pool	-	42
Materials and supplies	79	93
Other current assets	32	32
Total current assets	317	271
<b>Property and Plant, Net</b>	<b>1,356</b>	<b>1,275</b>
<b>Intangible Assets</b>	<b>2</b>	<b>2</b>
<b>Other Assets</b>	<b>22</b>	<b>18</b>
<b>Regulatory Assets</b>	<b>56</b>	<b>75</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,753</b>	<b>\$ 1,641</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ -	\$ 50
Short-term debt	290	165
Accounts and wages payable	40	54
Accounts payable – affiliates	63	47
Taxes accrued	3	3
Other current liabilities	39	47
Total current liabilities	435	366
<b>Long-term Debt, Net</b>	<b>148</b>	<b>148</b>
<b>Preferred Stock Subject to Mandatory Redemption</b>	<b>18</b>	<b>18</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	148	166
Accumulated deferred investment tax credits	7	7
Regulatory liabilities	198	206
Accrued pension and other postretirement benefits	151	171
Other deferred credits and liabilities	55	24
Total deferred credits and other liabilities	559	574
<b>Commitments and Contingencies (Notes 2 and 8)</b>		
<b>Stockholders' Equity:</b>		
Common stock, no par value, 20.0 shares authorized – 13.6 shares outstanding	-	-
Preferred stock not subject to mandatory redemption	19	19
Other paid-in capital	429	415
Retained earnings	145	99
Accumulated other comprehensive income	-	2
Total stockholders' equity	593	535

<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$</b>	<b>1,753</b>	<b>\$</b>	<b>1,641</b>
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The accompanying notes as they relate to CILCO are an integral part of these consolidated financial statements.

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

	Six Months Ended June 30,	
	2007	2006
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 47	\$ 25
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	37	40
Amortization of debt issuance costs and premium/discounts	1	-
Deferred income taxes and investment tax credits	(3)	(3)
Loss on sale of noncore properties	-	6
Other	-	(1)
Changes in assets and liabilities:		
Receivables	(10)	53
Materials and supplies	14	22
Accounts and wages payable	16	(20)
Taxes accrued	(3)	(17)
Assets, other	(7)	15
Liabilities, other	(4)	(5)
Pension and postretirement benefit obligations	1	4
Net cash provided by operating activities	89	119
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(127)	(48)
Proceeds from sale of noncore properties	-	11
Changes in money pool advances	42	-
Purchases of emission allowances	-	(12)
Sales of emission allowances	-	1
Net cash used in investing activities	(85)	(48)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	-	(50)
Dividends on preferred stock	(1)	(1)
Capital issuance costs	-	(1)
Short-term debt, net	125	-
Changes in money pool borrowings	-	(95)
Redemptions, repurchases, and maturities of long-term debt	(50)	-
Issuances of long-term debt	-	96
Capital contribution from parent	14	-
Net cash provided by (used in) financing activities	88	(51)
Net change in cash and cash equivalents	92	20
Cash and cash equivalents at beginning of year	3	2
Cash and cash equivalents at end of period	\$ 95	\$ 22

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





**ILLINOIS POWER COMPANY**