

AMEREN CORP
Form 10-Q
November 09, 2006

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 September 30, 2006

OR

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

Commission <u>File Number</u>	Exact name of registrant as specified in its charter; State of Incorporation; <u>Address and Telephone Number</u>	IRS Employer <u>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 (217) 523-3600	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 Peoria, Illinois 61602	37-1169387

(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 November 1, 2006, was as follows:

Ameren Corporation	Common stock, \$.01 par value per share - 206,262,150
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	

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	Common stock, no par value, held by Ameren Energy Development Company (parent company of the 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.

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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 affiliated companies. Beginning in 2007, Ameren Energy will only serve UE.

Ameren Illinois utilities - CIPS, CILCO and IP.

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

APB - Accounting Principles Board.

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 transmission and distribution business, a primarily non-rate-regulated electric generation business through AERG, and a rate-regulated natural gas transmission and distribution business, 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.

Cooling degree-days - The summation of positive differences between the mean daily temperature and a 65-degree Fahrenheit base. The statistic is useful as an indicator of demand for electricity for summer space cooling for residential and commercial customers.

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

CUB - Citizens Utility Board.

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

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

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

Dynegy - Dynegy Inc.

DYPM - Dynegy Power Marketing, Inc., a Dynegy subsidiary.

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 and electric 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 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 that was acquired from Dynegy on September 30, 2004. IP operates a rate-regulated electric and natural gas transmission and distribution business in Illinois as AmerenIP.

IP SPT - Illinois Power Special Purpose Trust, which was created as a subsidiary of Illinois Power Securitization Limited Liability Company to issue Transitional Funding Trust Notes 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 dispatch electric generation. This agreement will terminate 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 primarily for periods over one year.

Medina Valley - AmerenEnergy Medina Valley Cogen (No. 4) LLC and its subsidiaries, which are all Development Company subsidiaries and 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.

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.

MISO Day Two Energy Market - A market that began operating on April 1, 2005. It uses market-based pricing, incorporating transmission congestion and line losses, to compensate market participants for power. The previous system required generators to make advance reservations for transmission service.

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.

Noranda - Noranda Aluminum, Inc.

NYMEX - New York Mercantile Exchange.

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

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, that was 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.

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 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

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as the outcome of UE, CIPS, CILCO and IP rate proceedings or the enactment of an extension of an electric rate freeze or similar action that impairs the full and timely recovery of costs 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 when the current electric rate freeze and current power supply contracts expire 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 its future operation;
- 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 will be introduced over time, which could have a negative financial effect;
- labor disputes and future wage and employee benefits costs, including changes in returns on benefit plan assets;
 - changes in the energy markets, environmental laws or regulations, interest rates, or other factors that could adversely affect assumptions in connection with the IP acquisition;
- the impact of conditions imposed by regulators in connection with their approval of Ameren's acquisition of IP;
- 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 publicly update or revise 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 September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Operating Revenues:				
Electric	\$ 1,767	\$ 1,732	\$ 4,356	\$ 4,257
Gas	143	149	904	819
Other	-	-	-	3
Total operating revenues	1,910	1,881	5,260	5,079
Operating Expenses:				
Fuel and purchased power	623	634	1,672	1,524
Gas purchased for resale	84	90	641	550
Other operations and maintenance	395	392	1,137	1,112
Depreciation and amortization	162	158	489	472
Taxes other than income taxes	99	98	302	284
Total operating expenses	1,363	1,372	4,241	3,942
Operating Income	547	509	1,019	1,137
Other Income and Expenses:				
Miscellaneous income	5	6	13	19
Miscellaneous expense	(3)	(1)	(4)	(7)
Total other income	2	5	9	12
Interest Charges	82	70	238	221
Income Before Income Taxes, Minority Interest and Preferred Dividends of Subsidiaries	467	444	790	928
Income Taxes	161	159	273	330
Income Before Minority Interest and Preferred Dividends of Subsidiaries	306	285	517	598
Minority Interest and Preferred Dividends of Subsidiaries	(13)	(5)	(31)	(12)
Net Income	\$ 293	\$ 280	\$ 486	\$ 586
	\$ 1.42	\$ 1.37	\$ 2.37	\$ 2.94

**Earnings per Common Share –
Basic and Diluted**

Dividends per Common Share	\$ 0.635	\$ 0.635	\$ 1.905	\$ 1.905
Average Common Shares Outstanding	205.9	203.8	205.4	199.6

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

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

	September 30, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 34	\$ 96
Accounts receivable – trade (less allowance for doubtful accounts of \$13 and \$22, respectively)	463	552
Unbilled revenue	267	382
Miscellaneous accounts and notes receivable	116	31
Materials and supplies	710	572
Other current assets	147	185
Total current assets	1,737	1,818
Property and Plant, Net	14,028	13,572
Investments and Other Assets:		
Investments in leveraged leases	31	50
Nuclear decommissioning trust fund	271	250
Goodwill	976	976
Intangible assets	228	246
Other assets	753	419
Regulatory assets	806	831
Total investments and other assets	3,065	2,772
TOTAL ASSETS	\$ 18,830	\$ 18,162
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 465	\$ 96
Short-term debt	311	193
Accounts and wages payable	382	706
Taxes accrued	249	131
Other current liabilities	433	361
Total current liabilities	1,840	1,487
Long-term Debt, Net	5,349	5,354
Preferred Stock of Subsidiary Subject to Mandatory Redemption	18	19
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	2,013	1,969
Accumulated deferred investment tax credits	121	129
Regulatory liabilities	1,205	1,132
Asset retirement obligations	538	518
Accrued pension and other postretirement benefits	840	760
Other deferred credits and liabilities	144	218
Total deferred credits and other liabilities	4,861	4,726
Preferred Stock of Subsidiaries Not Subject to Mandatory Redemption	195	195
Minority Interest in Consolidated Subsidiaries	19	17

Commitments and Contingencies (Notes 2, 8 and 9)**Stockholders' Equity:**

Common stock, \$.01 par value, 400.0 shares authorized,

206.2 and 204.7 shares outstanding, respectively **2** **2**Other paid-in capital, principally premium on common stock **4,478** 4,399Retained earnings **2,094** 1,999Accumulated other comprehensive loss **(23)** (24)Other **(3)** (12)Total stockholders' equity **6,548** 6,364**TOTAL LIABILITIES AND STOCKHOLDERS'****EQUITY** \$ **18,830** \$ 18,162**The accompanying notes are an integral part of these consolidated financial statements.**

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

	2006	Nine Months Ended September 30, 2005
Cash Flows From Operating Activities:		
Net income	\$ 486	\$ 586
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	507	499
Amortization of nuclear fuel	26	25
Amortization of debt issuance costs and premium/discounts	12	11
Deferred income taxes and investment tax credits, net	7	83
Loss on sale of leveraged leases	4	-
Gain on sales of emission allowances	(25)	(4)
Minority interest	23	1
Other	17	3
Changes in assets and liabilities, excluding the effects of acquisitions:		
Receivables, net	157	(1)
Materials and supplies	(136)	(94)
Accounts and wages payable	(289)	(72)
Taxes accrued	148	172
Assets, other	(97)	(28)
Liabilities, other	101	(11)
Pension and other postretirement benefit obligations, net	89	7
Net cash provided by operating activities	1,030	1,177
Cash Flows From Investing Activities:		
Capital expenditures	(666)	(660)
Acquisitions, net of cash acquired	-	12
CT acquisitions	(292)	-
Nuclear fuel expenditures	(37)	(16)
Proceeds from sale of leveraged leases	11	-
Purchases of emission allowances	(38)	(92)
Sales of emission allowances	12	4
Other	5	16
Net cash used in investing activities	(1,005)	(736)
Cash Flows From Financing Activities:		
Dividends on common stock	(391)	(383)
Capital issuance costs	(4)	(4)
Short-term debt, net	118	(394)
Borrowings from credit facility	40	-
Dividends paid to minority interest	(21)	-
Redemptions, repurchases, and maturities:		

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Long-term debt	(138)	(262)
Preferred stock	(1)	(1)
Issuances:		
Common stock	78	430
Long-term debt	232	382
Net cash used in financing activities	(87)	(232)
Net change in cash and cash equivalents	(62)	209
Cash and cash equivalents at beginning of year	96	69
Cash and cash equivalents at end of period	\$ 34	\$ 278

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Operating Revenues:				
Electric	\$ 836	\$ 876	\$ 2,090	\$ 2,134
Gas	20	19	111	120
Other	1	-	2	-
Total operating revenues	857	895	2,203	2,254
Operating Expenses:				
Fuel and purchased power	214	261	598	586
Gas purchased for resale	10	8	66	66
Other operations and maintenance	214	199	581	573
Depreciation and amortization	82	79	243	231
Taxes other than income taxes	66	66	184	180
Total operating expenses	586	613	1,672	1,636
Operating Income	271	282	531	618
Other Income and Expenses:				
Miscellaneous income	2	3	6	12
Miscellaneous expense	(3)	(2)	(7)	(6)
Total other income (expense)	(1)	1	(1)	6
Interest Charges	35	29	107	81
Income Before Income Taxes and Equity in Income of Unconsolidated Investment	235	254	423	543
Income Taxes	92	91	161	193
Income Before Equity in Income of Unconsolidated Investment	143	163	262	350
Equity in Income of Unconsolidated Investment	23	1	47	3
Net Income	166	164	309	353
Preferred Stock Dividends	1	1	4	4
Net Income Available to Common Stockholder	\$ 165	\$ 163	\$ 305	\$ 349

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

	September 30, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2	\$ 20
Accounts receivable – trade (less allowance for doubtful accounts of \$5 and \$6, respectively)	196	190
Unbilled revenue	105	133
Miscellaneous accounts and notes receivable	84	7
Accounts receivable – affiliates	35	53
Current portion of intercompany note receivable – CIPS	-	6
Materials and supplies	236	199
Other current assets	59	57
Total current assets	717	665
Property and Plant, Net	7,756	7,379
Investments and Other Assets:		
Nuclear decommissioning trust fund	271	250
Intercompany note receivable – CIPS	-	61
Intangible assets	63	63
Other assets	565	269
Regulatory assets	562	590
Total investments and other assets	1,461	1,233
TOTAL ASSETS	\$ 9,934	\$ 9,277
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 10	\$ 4
Short-term debt	208	80
Accounts and wages payable	119	274
Accounts payable – affiliates	141	134
Taxes accrued	214	59
Other current liabilities	176	96
Total current liabilities	868	647
Long-term Debt, Net	2,932	2,698
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	1,286	1,277
Accumulated deferred investment tax credits	91	96
Regulatory liabilities	815	802
Asset retirement obligations	484	466
Accrued pension and other postretirement benefits	238	203
Other deferred credits and liabilities	51	72
Total deferred credits and other liabilities	2,965	2,916
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	736	733
Retained earnings	1,839	1,689
Accumulated other comprehensive loss	(30)	(30)
Total stockholders' equity	3,169	3,016
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 9,934	\$ 9,277

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)

	Nine Months Ended September 30,	
	2006	2005
Cash Flows From Operating Activities:		
Net income	\$ 309	\$ 353
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	243	231
Amortization of nuclear fuel	26	25
Amortization of debt issuance costs and premium/discounts	4	3
Deferred income taxes and investment tax credits, net	(10)	27
Gain on sales of emission allowances	(2)	(2)
Other	-	12
Changes in assets and liabilities:		
Receivables, net	(34)	(96)
Materials and supplies	(35)	2
Accounts and wages payable	(127)	44
Taxes accrued	174	130
Assets, other	(52)	(14)
Liabilities, other	62	(2)
Pension and other postretirement benefit obligations, net	35	(1)
Net cash provided by operating activities	593	712
Cash Flows From Investing Activities:		
Capital expenditures	(325)	(388)
CT acquisitions from nonaffiliates	(292)	-
CT acquisitions from Genco	-	(241)
Nuclear fuel expenditures	(37)	(16)
Changes in money pool advances	-	-
Proceeds from intercompany note receivable - CIPS	67	-
Sales of emission allowances	2	2
Other	1	10
Net cash used in investing activities	(584)	(633)
Cash Flows From Financing Activities:		
Dividends on common stock	(154)	(209)
Dividends on preferred stock	(4)	(4)
Capital issuance costs	-	(3)
Changes in short-term debt, net	128	(375)
Changes in money pool borrowings	-	79
Issuance of long-term debt	-	382
Capital contribution from parent	3	4
Net cash used in financing activities	(27)	(126)

Net change in cash and cash equivalents	(18)	(47)
Cash and cash equivalents at beginning of year	20	48
Cash and cash equivalents at end of period	\$ 2	\$ 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 September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Operating Revenues:				
Electric	\$ 228	\$ 244	\$ 569	\$ 542
Gas	23	22	150	133
Other	3	1	4	2
Total operating revenues	254	267	723	677
Operating Expenses:				
Purchased power	125	140	355	331
Gas purchased for resale	11	12	99	86
Other operations and maintenance	41	39	117	109
Depreciation and amortization	16	17	47	45
Taxes other than income taxes	9	9	30	24
Total operating expenses	202	217	648	595
Operating Income	52	50	75	82
Other Income and Expenses:				
Miscellaneous income	4	4	13	13
Miscellaneous expense	-	(1)	(1)	(5)
Total other income	4	3	12	8
Interest Charges	8	7	23	22
Income Before Income Taxes	48	46	64	68
Income Taxes	19	15	21	22
Net Income	29	31	43	46
Preferred Stock Dividends	1	1	2	2
Net Income Available to Common Stockholder	\$ 28	\$ 30	\$ 41	\$ 44

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

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

BALANCE SHEET

(Unaudited) (In millions)

September 30,
2006December 31,
2005

ASSETS

Current Assets:

Cash and cash equivalents	\$	-	\$	-
Accounts receivable – trade (less allowance for doubtful accounts of \$2 and \$4, respectively)		58		70
Unbilled revenue		44		71
Accounts receivable – affiliates		4		18
Current portion of intercompany note receivable – Genco		37		34
Current portion of intercompany tax receivable – Genco		10		10
Advances to money pool		18		-
Materials and supplies		82		75
Other current assets		22		28
Total current assets		275		306

Property and Plant, Net

1,150 1,130

Investments and Other Assets:

Intercompany note receivable – Genco		126		163
Intercompany tax receivable – Genco		118		125
Other assets		31		24
Regulatory assets		35		36
Total investments and other assets		310		348

TOTAL ASSETS	\$	1,735	\$	1,784
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Current maturities of long-term debt	\$	-	\$	20
Accounts and wages payable		31		36
Accounts payable – affiliates		65		65
Borrowings from money pool		-		2
Current portion of intercompany note payable – UE		-		6
Taxes accrued		28		26
Other current liabilities		43		43
Total current liabilities		167		198

Long-term Debt, Net

471 410

Deferred Credits and Other Liabilities:

Accumulated deferred income taxes and investment tax credits, net		289		302
Intercompany note payable – UE		-		61
Regulatory liabilities		218		208
Accrued pension and other postretirement benefits		13		7
Other deferred credits and liabilities		21		29
Total deferred credits and other liabilities		541		607

Commitments and Contingencies (Notes 2 and 8)**Stockholders' Equity:**

- -

Common stock, no par value, 45.0 shares authorized –
25.5 shares outstanding

Other paid-in capital	190	189
Preferred stock not subject to mandatory redemption	50	50
Retained earnings	321	329
Accumulated other comprehensive income (loss)	(5)	1
Total stockholders' equity	556	569
TOTAL LIABILITIES AND STOCKHOLDERS'		
EQUITY	\$ 1,735	\$ 1,784

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

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

	Nine Months Ended September 30,	
	2006	2005
Cash Flows From Operating Activities:		
Net income	\$ 43	\$ 46
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	47	45
Amortization of debt issuance costs and premium/discounts	1	1
Deferred income taxes and investment tax credits, net	(27)	(5)
Other	1	1
Changes in assets and liabilities:		
Receivables, net	60	21
Materials and supplies	(7)	(25)
Accounts and wages payable	(5)	39
Taxes accrued	8	16
Assets, other	-	(32)
Liabilities, other	-	41
Pension and other postretirement obligations, net	6	-
Net cash provided by operating activities	127	148
Cash Flows From Investing Activities:		
Capital expenditures	(63)	(41)
Proceeds from intercompany note receivable – Genco	34	52
Changes in money pool advances	(18)	(51)
Net cash used in investing activities	(47)	(40)
Cash Flows From Financing Activities:		
Dividends on common stock	(50)	(21)
Dividends on preferred stock	(2)	(2)
Capital issuance costs	(1)	-
Changes in money pool borrowings	(2)	(68)
Redemptions, repurchases, and maturities:		
Long-term debt	(20)	(20)
Intercompany note payable - UE	(67)	-
Issuance of long-term debt	61	-
Capital contribution from parent	1	1
Net cash used in financing activities	(80)	(110)
Net change in cash and cash equivalents	-	(2)
Cash and cash equivalents at beginning of year	-	2
Cash and cash equivalents at end of period	\$ -	\$ -

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Operating Revenues:				
Electric	\$ 259	\$ 287	\$ 744	\$ 777
Other	-	2	-	2
Total operating revenues	259	289	744	779
Operating Expenses:				
Fuel and purchased power	170	162	485	398
Other operations and maintenance	34	32	113	108
Depreciation and amortization	18	18	53	55
Taxes other than income taxes	3	4	14	7
Total operating expenses	225	216	665	568
Operating Income	34	73	79	211
Other Income:				
Miscellaneous income	-	-	-	1
Total other income	-	-	-	1
Interest Charges	15	17	45	57
Income Before Income Taxes	19	56	34	155
Income Taxes	-	24	7	61
Net Income	\$ 19	\$ 32	\$ 27	\$ 94

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)

	September 30, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2	\$ -
Accounts receivable – affiliates	143	102
Accounts receivable – trade	18	29
Materials and supplies	103	73
Other current assets	4	1
Total current assets	270	205
Property and Plant, Net	1,512	1,514
Intangible Assets	81	79
Other Assets	27	13
TOTAL ASSETS	\$ 1,890	\$ 1,811
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Current portion of intercompany note payable – CIPS	\$ 37	\$ 34
Borrowings from money pool	216	203
Accounts and wages payable	25	41
Accounts payable – affiliates	84	60
Current portion of intercompany tax payable – CIPS	10	10
Taxes accrued	24	37
Other current liabilities	32	16
Total current liabilities	428	401
Long-term Debt, Net	474	474
Intercompany Note Payable – CIPS	126	163
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	161	156
Accumulated deferred investment tax credits	9	10
Intercompany tax payable – CIPS	118	125
Asset retirement obligations	30	29
Accrued pension and other postretirement benefits	12	8
Other deferred credits and liabilities	2	1
Total deferred credits and other liabilities	332	329
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	378	228
Retained earnings	154	220
Accumulated other comprehensive loss	(2)	(4)
Total stockholder's equity	530	444
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 1,890	\$ 1,811

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

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

	Nine Months Ended September 30,	
	2006	2005
Cash Flows From Operating Activities:		
Net income	\$ 27	\$ 94
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	78	78
Amortization of debt issuance costs and discounts	-	1
Deferred income taxes and investment tax credits, net	7	35
Gain on sales of emission allowances	(1)	(1)
Other	1	(21)
Changes in assets and liabilities:		
Accounts receivable	(30)	(10)
Materials and supplies	(30)	(8)
Accounts and wages payable	13	59
Taxes accrued, net	(9)	(35)
Assets, other	(16)	6
Liabilities, other	2	7
Pension and other postretirement benefit obligations, net	4	-
Net cash provided by operating activities	46	205
Cash Flows From Investing Activities:		
Capital expenditures	(55)	(52)
Proceeds from asset sale to UE	-	241
Changes in money pool advances	-	(65)
Purchases of emission allowances	(26)	(71)
Sales of emission allowances	1	1
Net cash provided by (used in) investing activities	(80)	54
Cash Flows From Financing Activities:		
Dividends on common stock	(93)	(59)
Changes in money pool borrowings	13	(116)
Repayment of intercompany notes payable – CIPS and Ameren	(34)	(86)
Capital contribution from parent	150	1
Net cash provided by (used in) financing activities	36	(260)
Net change in cash and cash equivalents	2	(1)
Cash and cash equivalents at beginning of year	-	1
Cash and cash equivalents at end of period	\$ 2	\$ -

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 September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Operating Revenues:				
Electric	\$ 119	\$ 116	\$ 309	\$ 309
Gas	38	41	236	215
Other	1	2	1	4
Total operating revenues	158	159	546	528
Operating Expenses:				
Fuel and purchased power	43	54	104	126
Gas purchased for resale	24	27	175	150
Other operations and maintenance	41	41	130	122
Depreciation and amortization	18	18	59	54
Taxes other than income taxes	5	4	18	15
Total operating expenses	131	144	486	467
Operating Income	27	15	60	61
Other Income and Expenses:				
Miscellaneous income	-	-	1	-
Miscellaneous expense	(2)	(2)	(4)	(7)
Total other expenses	(2)	(2)	(3)	(7)
Interest Charges	13	12	38	37
Income Before Income Taxes & Preferred				
Dividends of Subsidiaries	12	1	19	17
Income Tax Benefit	(1)	(5)	(4)	(1)
Income Before Preferred				
Dividends of Subsidiaries	13	6	23	18
Preferred Dividends of Subsidiaries				
	-	1	1	2
Net Income	\$ 13	\$ 5	\$ 22	\$ 16

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)

	September 30, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3	\$ 3
Accounts receivable – trade (less allowance for doubtful accounts of \$3 and \$5, respectively)	35	61
Unbilled revenue	33	59
Accounts receivables – affiliates	21	18
Note receivable – Resources Company	-	42
Materials and supplies	107	85
Other current assets	34	50
Total current assets	233	318
Property and Plant, Net	1,218	1,212
Investments and Other Assets:		
Investments in leveraged leases	-	21
Goodwill	575	575
Intangible assets	50	62
Other assets	16	35
Regulatory assets	12	11
Total investments and other assets	653	704
TOTAL ASSETS	\$ 2,104	\$ 2,234
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 50	\$ -
Borrowings from money pool	62	154
Intercompany note payable – Ameren	156	186
Accounts and wages payable	35	81
Accounts payable – affiliates	16	28
Other current liabilities	61	55
Total current liabilities	380	504
Long-term Debt, Net	584	534
Preferred Stock of Subsidiary Subject to Mandatory Redemption	18	19
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	159	163
Accumulated deferred investment tax credits	8	9
Regulatory liabilities	50	41
Accrued pension and other postretirement benefits	253	251
Other deferred credits and liabilities	17	31
Total deferred credits and other liabilities	487	495
Preferred Stock of Subsidiary Not Subject to Mandatory Redemption	19	19
Commitments and Contingencies (Notes 2 and 8)		

Stockholder's Equity:

Common stock, no par value, 10,000 shares authorized –
1,000 shares outstanding

	-	-
Other paid-in capital	598	640
Retained earnings	15	-
Accumulated other comprehensive income	3	23
Total stockholder's equity	616	663

TOTAL LIABILITIES AND STOCKHOLDER'S

EQUITY	\$	2,104	\$	2,234
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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)

	Nine Months Ended September 30,	
	2006	2005
Cash Flows From Operating Activities:		
Net income	\$ 22	\$ 16
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	74	74
Deferred income taxes and investment tax credits	8	(19)
Loss on sale of leveraged lease investments	4	-
Gain on sales of emission allowances	-	(1)
Other	1	1
Changes in assets and liabilities:		
Receivables, net	49	20
Materials and supplies	(22)	(17)
Accounts and wages payable	(52)	(9)
Taxes accrued	(9)	(8)
Assets, other	24	9
Liabilities, other	(4)	9
Pension and postretirement benefit obligations, net	4	2
Net cash provided by operating activities	99	77
Cash Flows From Investing Activities:		
Capital expenditures	(70)	(71)
Proceeds from note receivable - Resources Company	42	-
Proceeds from sale of leveraged leases	11	-
Purchases of emissions allowances	(12)	(21)
Sales of emission allowances	1	1
Other	-	4
Net cash used in investing activities	(28)	(87)
Cash Flows From Financing Activities:		
Dividends on common stock	(50)	(30)
Capital issuance costs	(2)	-
Changes in money pool borrowings	(92)	(85)
Proceeds (repayment) - intercompany note payable - Ameren	(30)	28
Borrowings from credit facility	40	-
Redemptions, repurchases, and maturities:		
Long-term debt	(32)	(6)
Preferred stock	(1)	(1)
Issuance of long-term debt	96	-
Capital contribution from parent	-	101
Net cash provided by (used in) financing activities	(71)	7

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Net change in cash and cash equivalents	-	(3)
Cash and cash equivalents at beginning of year	3	7
Cash and cash equivalents at end of period	\$ 3	\$ 4

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 September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Operating Revenues:				
Electric	\$ 119	\$ 117	\$ 309	\$ 309
Gas	38	41	236	212
Other	-	1	1	1
Total operating revenues	157	159	546	522
Operating Expenses:				
Fuel and purchased power	39	49	95	117
Gas purchased for resale	24	27	175	146
Other operations and maintenance	41	44	134	128
Depreciation and amortization	18	17	52	50
Taxes other than income taxes	4	4	17	14
Total operating expenses	126	141	473	455
Operating Income	31	18	73	67
Other Expenses:				
Miscellaneous expense	(2)	(2)	(4)	(5)
Total other expenses	(2)	(2)	(4)	(5)
Interest Charges	4	3	13	10
Income Before Income Taxes	25	13	56	52
Income Taxes	6	2	12	15
Net Income	19	11	44	37
Preferred Stock Dividends	-	1	1	2
Net Income Available to Common Stockholder	\$ 19	\$ 10	\$ 43	\$ 35

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)

	September 30, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2	\$ 2
Accounts receivable – trade (less allowance for doubtful accounts of \$3 and \$5, respectively)	35	61
Unbilled revenue	33	59
Accounts receivable – affiliates	15	14
Materials and supplies	107	87
Other current assets	36	43
Total current assets	228	266
Property and Plant, Net	1,232	1,214
Investments in Leveraged Leases	-	21
Intangible Assets	4	4
Other Assets	22	41
Regulatory Assets	12	11
TOTAL ASSETS	\$ 1,498	\$ 1,557
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 50	\$ -
Borrowings from money pool	62	161
Accounts and wages payable	35	81
Accounts payable – affiliates	31	26
Other current liabilities	46	48
Total current liabilities	224	316
Long-term Debt, Net	188	122
Preferred Stock Subject to Mandatory Redemption	18	19
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	166	167
Accumulated deferred investment tax credits	8	8
Regulatory liabilities	201	187
Accrued pension and other postretirement benefits	155	146
Other deferred credits and liabilities	18	30
Total deferred credits and other liabilities	548	538
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
Other paid-in capital	414	415
Retained earnings	97	119
Accumulated other comprehensive income (loss)	(10)	9
Total stockholders' equity	520	562
	\$ 1,498	\$ 1,557

**TOTAL LIABILITIES AND STOCKHOLDERS'
EQUITY**

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)

	Nine Months Ended September 30,	
	2006	2005
Cash Flows From Operating Activities:		
Net income	\$ 44	\$ 37
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	61	64
Deferred income taxes and investment tax credits	15	(5)
Loss on sale of leveraged leases	6	-
Gain on sales of emission allowances	-	(1)
Other	-	6
Changes in assets and liabilities:		
Receivables, net	51	30
Materials and supplies	(20)	(15)
Accounts and wages payable	(35)	-
Taxes accrued	(17)	(17)
Assets, other	14	-
Liabilities, other	(6)	(9)
Pension and postretirement benefit obligations, net	9	11
Net cash provided by operating activities	122	101
Cash Flows From Investing Activities:		
Capital expenditures	(70)	(71)
Proceeds from sale of leveraged leases	11	-
Purchases of emission allowances	(12)	(21)
Sales of emission allowances	1	1
Net cash used in investing activities	(70)	(91)
Cash Flows From Financing Activities:		
Dividends on common stock	(65)	(20)
Dividends on preferred stock	(1)	(2)
Capital issuance costs	(2)	-
Changes in money pool borrowings	(99)	(88)
Borrowings from credit facility	40	-
Redemptions, repurchases, and maturities:		
Long-term debt	(20)	-
Preferred stock	(1)	(1)
Issuance of long-term debt	96	-
Capital contribution from parent	-	101
Net cash used in financing activities	(52)	(10)
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	2	2
Cash and cash equivalents at end of period	\$ 2	\$ 2

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Operating Revenues:				
Electric	\$ 375	\$ 358	\$ 888	\$ 861
Gas	59	61	381	331
Other	1	1	2	1
Total operating revenues	435	420	1,271	1,193
Operating Expenses:				
Purchased power	213	187	561	509
Gas purchased for resale	35	37	272	227
Other operations and maintenance	68	64	188	166
Depreciation and amortization	20	19	57	59
Taxes other than income taxes	14	14	52	54
Total operating expenses	350	321	1,130	1,015
Operating Income	85	99	141	178
Other Income and Expenses:				
Miscellaneous income	2	2	4	6
Miscellaneous expense	(1)	-	(3)	(1)
Total other income	1	2	1	5
Interest Charges	13	11	37	32
Income Before Income Taxes	73	90	105	151
Income Taxes	30	36	42	60
Net Income	43	54	63	91
Preferred Stock Dividends	1	1	2	2
Net Income Available to Common Stockholder	\$ 42	\$ 53	\$ 61	\$ 89

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)

	September 30, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable - trade (less allowance for doubtful accounts of \$3 and \$8, respectively)	111	155
Unbilled revenue	82	118
Accounts receivable – affiliates	25	5
Materials and supplies	156	122
Other current assets	13	31
Total current assets	387	431
Property and Plant, Net	2,098	2,035
Investments and Other Assets:		
Investment in IP SPT	8	7
Goodwill	326	326
Other assets	64	44
Regulatory assets	197	194
Accumulated deferred income taxes	-	19
Total investments and other assets	595	590
TOTAL ASSETS	\$ 3,080	\$ 3,056
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt to IP SPT	\$ 55	\$ 72
Borrowings from money pool	110	75
Accounts and wages payable	95	145
Accounts payable – affiliates	14	29
Taxes accrued	13	15
Other current liabilities	97	135
Total current liabilities	384	471
Long-term Debt, Net	773	704
Long-term Debt to IP SPT	115	184
Deferred Credits and Other Liabilities:		
Regulatory liabilities	121	80
Accrued pension and other postretirement benefits	259	255
Other deferred credits and other noncurrent liabilities	81	75
Total deferred credits and other liabilities	461	410
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	1,196
Preferred stock not subject to mandatory redemption	46	46
Retained earnings	108	46
Accumulated other comprehensive loss	(1)	(1)

Total stockholders' equity		1,347		1,287
TOTAL LIABILITIES AND STOCKHOLDERS'				
EQUITY	\$	3,080	\$	3,056

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)

	Nine Months Ended September 30,	
	2006	2005
Cash Flows From Operating Activities:		
Net income	\$ 63	\$ 91
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18	31
Amortization of debt issuance costs and premium/discounts	3	2
Deferred income taxes	58	39
Changes in assets and liabilities:		
Receivables, net	60	11
Materials and supplies	(34)	(45)
Accounts and wages payable	(64)	34
Assets, other	(1)	25
Liabilities, other	(5)	15
Pension and other postretirement benefit obligations, net	8	4
Net cash provided by operating activities	106	207
Cash Flows From Investing Activities:		
Capital expenditures	(126)	(95)
Changes in money pool advances	-	90
Other	(1)	1
Net cash used in investing activities	(127)	(4)
Cash Flows From Financing Activities:		
Dividends on common stock	-	(60)
Dividends on preferred stock	(2)	(2)
Capital issuance costs	(1)	-
Changes in money pool borrowings, net	35	-
Redemptions and repurchases of long-term debt	(69)	(135)
Issuances of long-term debt	75	-
Transitional funding trust notes overfunding	(17)	(6)
Net cash provided by (used in) financing activities	21	(203)
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	5
Cash and cash equivalents at end of period	\$ -	\$ 5

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)

September 30, 2006

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 was registered with the SEC as a public utility holding company under PUHCA 1935 until that act was repealed effective February 8, 2006. Ameren's primary asset is 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, as discussed below. 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 transmission and distribution business, a primarily non-rate-regulated electric generation business (through its subsidiary AERG), and a rate-regulated natural gas transmission and distribution business 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 (in millions) for the three months and nine months ended September 30, 2006 and 2005.

	Three Months				Nine Months			
	2006		2005		2006		2005	
Operating revenues	\$	105	\$	43	\$	290	\$	127
Operating income		93		4		191		15

Net income	56	3	117	8
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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. Certain reclassifications have been made to make prior period financial statements conform to 2006 reporting, including the reclassification of emission allowance purchases and sales from Operating Activities to Investing Activities on the Statements of Cash Flows for Ameren, UE, Genco, CILCORP and CILCO. 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, 2005. In the third quarter of 2006, Ameren, UE, CILCORP and CILCO changed their reportable segments. See further discussion in Note 12 - Segment Information.

Earnings Per Share

There were no material differences between Ameren's basic and diluted earnings per share amounts for the three months and nine months ended September 30, 2006 and 2005, due to an immaterial number of stock options, restricted stock units and performance share units outstanding.

Accounting Changes and Other Matters**SFAS No. 123 (revised 2004), *Share-based Payment***

Effective January 1, 2003, Ameren adopted the fair value recognition provisions of SFAS No. 123, “Accounting for Stock-based Compensation” (SFAS 123), by using the prospective method of adoption under SFAS No. 148, “Accounting for Stock-based Compensation - Transition and Disclosure,” for all employee awards granted or with terms modified on or after January 1, 2003.

Effective January 1, 2006, Ameren adopted SFAS No. 123 (revised 2004) “Share-based Payment” (SFAS 123R), which revises SFAS 123 and supersedes APB Opinion No. 25, “Accounting for Stock Issued to Employees.” SFAS 123R requires companies to measure the cost of employee services received in exchange for an award of equity instruments by the grant-date fair value of the award. Ameren adopted SFAS 123R utilizing the modified prospective application. Under the modified prospective approach, SFAS 123R applies to all awards granted or modified after the effective date.

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

In the first quarter of 2006, Ameren’s Board of Directors approved the 2006 Omnibus Incentive Compensation Plan (2006 Plan), subject to shareholder approval, which was obtained on May 2, 2006. The 2006 Plan prospectively replaced the Long-term Incentive Plan of 1998, as amended (1998 Plan), effective May 2, 2006. The 2006 Plan provides for a maximum number of 4,000,000 common shares available for grant to eligible employees and directors. No new awards may be granted under the 1998 Plan; however, previously granted awards continue to vest or be exercisable in accordance with their original terms and conditions. The 2006 Plan awards may be stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance share units, cash-based awards, and other stock-based awards.

A summary of nonvested shares as of September 30, 2006, and changes during the nine-month period ended September 30, 2006, under the 1998 Plan and the 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, 2006	-	\$ -	575,469	\$ 44.91
Granted ^(a)	350,640	56.07	-	-
Dividends	-	-	13,538	51.29
Forfeitures	(881)	56.07	(2,436)	47.58
Vested ^(b)	(4,785)	56.07	(213,198)	43.38
Nonvested at September 30, 2006	344,974	\$ 56.07	373,373	\$ 45.79

(a) Includes 220,434 performance share units (share units) granted to certain executive and non-executive officers and other eligible employees in February 2006 under the 1998 Plan and 130,206 share units granted in February 2006 under the 2006 Plan to certain executive officers subject to shareholder approval, which was obtained on May 2, 2006. The share units granted under the 2006 Plan were not considered as granted until approved by shareholders. Accordingly, compensation expense recognition for these awards commenced in May 2006.

(b) Share units issued under the 1998 Plan vested due to the death of an employee and 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.

A share unit will vest and entitle an employee to receive shares of Ameren common stock (plus accumulated dividends) if, at the end of the three-year performance period, Ameren has achieved certain performance goals and the

individual remains employed by Ameren. The exact number of shares issued pursuant to a share unit will vary from 0% to 200% of the target award depending on actual company performance relative to the performance goals. If a share unit vests, Ameren will issue the related shares to the employee two years after vesting, but dividends on the shares will be paid to the employee at the same time they are paid to other shareholders.

The fair value of each share unit awarded in February 2006 under the 1998 Plan was determined to be \$56.07 based on Ameren's closing common share price of \$50.69 per share at the grant date and lattice simulations utilized to estimate expected share payout based on Ameren's attainment of certain financial measures relative to the designated peer group. The significant assumptions utilized to calculate fair value also included a three-year risk-free rate of 4.65%, dividend yields ranging from 2.3% to 4.6% for the peer group, volatility ranging from 13.87% to 22.45% for the peer group, and Ameren's maintenance of its \$2.54 annual dividend over the performance period. The fair value of each share unit granted in May 2006 under the 2006 Plan was determined to be \$56.07 based on assumptions similar to the February 2006 grant.

Ameren recorded compensation expense of \$3 million and \$1 million for the quarters ended September 30, 2006 and 2005, respectively, and a related tax benefit of less than \$1 million for the quarters ended September 30, 2006 and 2005. Ameren recorded compensation expense of \$8 million and \$5 million for each of the nine-month periods ended September 30, 2006 and 2005, respectively, and a related tax

benefit of \$1 million and \$2 million for the nine-month periods ended September 30, 2006 and 2005, respectively. As of September 30, 2006, total compensation cost of \$21 million related to nonvested awards not yet recognized is expected to be recognized over a weighted-average period of 3 years.

Ameren has not granted any stock options subsequent to its adoption of SFAS 123, and the options granted prior to the SFAS 123 adoption were fully expensed during 2004. Therefore, there is no expense from stock options for the three- and nine-month periods ended September 30, 2006, and there is no pro forma expense for the year-ago periods. See Note 1 - Summary of Significant Accounting Policies and Note 12 - Stock-based Compensation in the Ameren Companies' combined Annual Report on Form 10-K for the fiscal year ended December 31, 2005, for additional information.

FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48)

FIN 48 establishes that the financial statement effects of a tax position taken or expected to be taken in a tax return are to be recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. In addition, FIN 48 requires expanded disclosure with respect to the uncertainty in income taxes and is effective as of the beginning of our 2007 fiscal year. We are still in the process of determining the impact the adoption of FIN 48 will have on our results of operations, financial position and liquidity; however, at this time, we do not expect the impact of adoption to be material.

SFAS No. 157, *Fair Value Measurements*

In September 2006, the FASB issued SFAS No. 157, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS No. 157 clarifies that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. This standard is effective for Ameren as of the beginning of our 2008 fiscal year. We are still in the process of determining the impact the adoption of SFAS No. 157 will have on our results of operations, financial position and liquidity, if any; however, at this time, we do not expect the impact of adoption to be material.

SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)*

In September 2006, the FASB issued SFAS No. 158 requiring employers to recognize the overfunded or underfunded positions of defined benefit postretirement plans, including pension plans, as an asset or liability in their balance sheets and to recognize as a component of OCI, net of tax, the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost. SFAS No. 158 also requires additional disclosures in the notes to the financial statements. The recognition and disclosure provisions of SFAS No. 158 are effective for Ameren as of December 31, 2006.

We are in the process of determining the impact the adoption of SFAS No. 158 will have on our financial position. However, based on the funded status of Ameren's defined benefit postretirement plans as of December 31, 2005, the Ameren Companies would be required to recognize additional pension and other postretirement benefit obligations and write-off a pension-related intangible asset resulting in a charge to OCI. The following table presents the amounts that would have been recognized by the Ameren Companies as of December 31, 2005.

	Pension Benefit Obligations	Postretirement Benefit Obligations	Intangible Asset
Ameren	\$ 234	\$ 308	\$ (79)
UE	150	197	(51)

CIPS	23	31	(8)
Genco	23	31	(8)
CILCORP	21	28	(7)
CILCO	21	28	(7)
IP	17	21	(5)

The Ameren Companies will also be required to record a deferred tax benefit associated with the temporary differences between the liabilities recognized for book and tax purposes. In addition, to the extent Ameren determines that it is probable that some of the additional liabilities will be recoverable through rates charged by Ameren's rate-regulated businesses (UE, CIPS, CILCO and IP), a regulatory asset may be recorded. The net result of increases and decreases to pension and other postretirement liabilities and assets, and the recognition of related deferred tax and regulatory assets will result in a charge to OCI and a decrease to common equity. The ultimate amounts recorded are highly dependent on a number of assumptions, including the discount rates in effect at December 31, 2006, the actual rate of return on our pension assets for 2006 and the tax effects of the adjustment. Changes in these assumptions since our last measurement date could increase or decrease the expected impact of implementing SFAS No. 158 in our consolidated financial statements at December 31, 2006.

Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements* (SAB 108)

In September 2006, the SEC staff issued SAB 108 requiring public companies to utilize a dual approach to assess the quantitative effects of financial misstatements. The dual approach includes both an income statement-focused

assessment and a balance sheet-focused assessment. SAB 108 is effective as of December 31, 2006, for errors that were not previously deemed material but are material under the guidance in SAB 108. While we are still in the process of determining the impact the adoption of SAB 108 will have on our results of operations, financial position and liquidity, we expect UE will make a pretax adjustment to increase its beginning retained earnings balance by \$12 million and CIPS will make an adjustment to decrease its beginning retained earnings balance by \$12 million. The adoption of SAB 108 will not have an impact on Ameren and we do not expect the adoption to have a material impact on the results of operations, financial position and liquidity of any of the Ameren Companies.

Revenue

Interchange Revenues

The following table presents the interchange revenues included in Operating Revenues - Electric for the three months and nine months ended September 30, 2006 and 2005. See Note 7 - Related Party Transactions for further information on affiliate interchange revenues.

	Three Months		Nine Months	
	2006	2005	2006	2005
Ameren ^(a)	\$ 183	\$ 105	\$ 533	\$ 359
UE	90	110	331	336
CIPS	-	9	2	26
Genco	39	56	129	165
CILCORP	4	-	23	26
CILCO	4	-	23	26
IP	-	-	-	(b)

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations. Includes interchange revenues at Marketing Company and EEI of \$103 million and \$277 million for the three months and nine months ended September 30, 2006, respectively (2005 - \$9 million and \$24 million, respectively).

(b) Less than \$1 million.

Purchased Power

The following table presents the purchased power expenses included in Operating Expenses - Fuel and Purchased Power for the three months and nine months ended September 30, 2006 and 2005. See Note 7 - Related Party Transactions for further information on affiliate purchased power transactions.

	Three Months		Nine Months	
	2006	2005	2006	2005
Ameren ^(a)	\$ 346	\$ 340	\$ 896	\$ 782
UE	64	102	199	206
CIPS	125	140	355	331
Genco	84	89	269	206
CILCORP	17	24	25	46
CILCO	17	24	25	46
IP	213	187	561	509

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations. Includes purchased power for EEI of \$1 million and \$4 million for the three months and nine months ended September 30, 2006, respectively (2005 - nil and \$1 million, respectively).

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 each company's statement of income. Excise taxes reflected on Illinois electric customer bills are imposed on the consumer and are therefore not included in our revenues and expenses. They are recorded as tax collections payable and included in Other Current Liabilities. The following table presents excise taxes recorded in Operating Revenues and Taxes Other than Income Taxes for the three months and nine months ended September 30, 2006 and 2005:

	Three Months		Nine Months	
	2006	2005	2006	2005
Ameren	\$ 43	\$ 44	\$ 129	\$ 125
UE	35	35	87	84
CIPS	2	3	11	10
CILCORP	2	1	8	7
CILCO	2	1	8	7