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The information listed in this Section is required from all utilities subject to this part.

Section 285.305 a): Company description, including:

1) **A corporate history including dates of incorporation and subsequent acquisitions and mergers;**

2) **An organizational chart depicting inter-company relationships; and**

3) **A system map indicating all cities, counties, and any other government subdivision to which service is provided.**

Response: 1) Illinois Power Company (IP) was incorporated under the laws of the State of Illinois on May 25, 1923, and is headquartered in Decatur, Illinois.

Illinova Corporation (Illinova) was incorporated under the laws of the State of Illinois on May 27, 1994 and served as the parent holding company of four principal operating subsidiaries: IP, Illinova Generating Company (IGC), Illinova Energy Partners, Inc. (IEP), and Illinova Insurance Company (IIC).

On February 1, 2000, Dynegy Inc. acquired Illinova and its subsidiaries, including IP. The merger involved the creation of a new holding company, now known as Dynegy Inc., in two separate but concurrent mergers. As a result of these two mergers, in which wholly owned subsidiaries of Dynegy Inc. merged with and into the former Dynegy and Illinova, respectively, Illinova and the former Dynegy continue to exist as wholly owned subsidiaries of Dynegy Inc.

IP is engaged in the transmission, distribution and sale of electric energy and the distribution, transportation and sale of natural gas in the State of Illinois.

2) See Schedule 285.305a.2

3) See IP Exhibit 1.2.

Section 285.305 b): Docket number for the most recent rate order from each regulatory entity, other than this Commission, having jurisdiction over the utility, for each type of regulated service offered by the utility.

Response: FERC Docket Number ER99-4415

Illinois Power Company
Docket 04-____
285.305 – General Information Requirements Applicable for all Utilities
Historical Test Year 2003

Section 285.305 c): Each monthly managerial report providing financial results of operations for each of the past 12 months and each of the eight subsequent months as it becomes available.

Response: See attached 285.305c

Section 285.305 d): Current corporate chart of accounts and subaccounts, listing Commission account numbers, utility account numbers (if different), and description.

Response: See attached 285.305d

Section 285.305 e): Summary of the depreciation study supporting the rates used to calculate depreciation expense reflected on Schedule C-1. If no depreciation study exists, provide an explanation of the depreciation rates.

Response: See IP Exhibits 11.1, 11.2, and 11.3 for the Depreciation Study that was conducted for this Gas Rate Case.

Section 285.305 f): Each labor contract, union and non-union, to which the utility is currently a party and any labor contract that has been signed but has a future effective date.

Response: See attached 285.305f

Section 285.305 g): Most recent actuarial report supporting post-retirement benefits, including pensions and post-retirement benefits other than pensions.

Response: See attached 285.305g

Section 285.305 h): A list of all private letter rulings received from the Internal Revenue Service since the utility's last rate filing before the Commission.

Response: IP has not had a private letter ruling since the last rate filing before the Commission.

Illinois Power Company
Docket 04-____
285.305 – General Information Requirements Applicable for all Utilities
Historical Test Year 2003

Section 285.305 i): A list of any reports or studies prepared for the utility by outside professional consultants or analysts during the last three years with a cost the lesser of .1% of the total utility annual revenues or $500,000. The list shall include the report/study date, consultant name, subject of the report/study, cost of the report/study, and accounts charged.

Response: N/A

Section 285.305 j): Most recent presentation to securities analysts by the utility and any parent company. The utility may exclude any portion of that presentation that neither directly nor indirectly relates to the utility and its subsidiaries.

Response: See attached 285.305j

Section 285.305 k): Most recent annual report to shareholders and statistical supplements of the utility and any parent company.

Response: See attached 285.305k

Section 285.305 l): Quarterly reports to shareholders issued subsequent to the last annual report to shareholders of the utility and any parent company.

Response: N/A

Section 285.305 m): Most recent Securities and Exchange Commission (SEC) Form 10-K of the utility and any parent company.

Response: See attached 285.305m

Section 285.305 n): All SEC Form 8-Ks referenced in the SEC Form 10-K (subsection (m)) of the utility and any parent company.

Response: See attached 285.305n

Illinois Power Company
Docket 04-____
285.305 – General Information Requirements Applicable for all Utilities
Historical Test Year 2003

Section 285.305 o): All SEC Form 10-Qs issued subsequent to the SEC Form 10-K of the utility and any parent company as referenced in subsection (n).

Response: See attached 285.305o

Section 285.305 p): Most recent prospectuses of common stock, preferred stock, and bond offerings of the utility and any parent company.

Response: See attached 285.305p

Section 285.305 q): Most recent proxy statement of the utility and any parent company.

Response: See attached 285.305q

Attached Section 285.305a.2: Company description, including - An organizational chart depicting inter-company relationships

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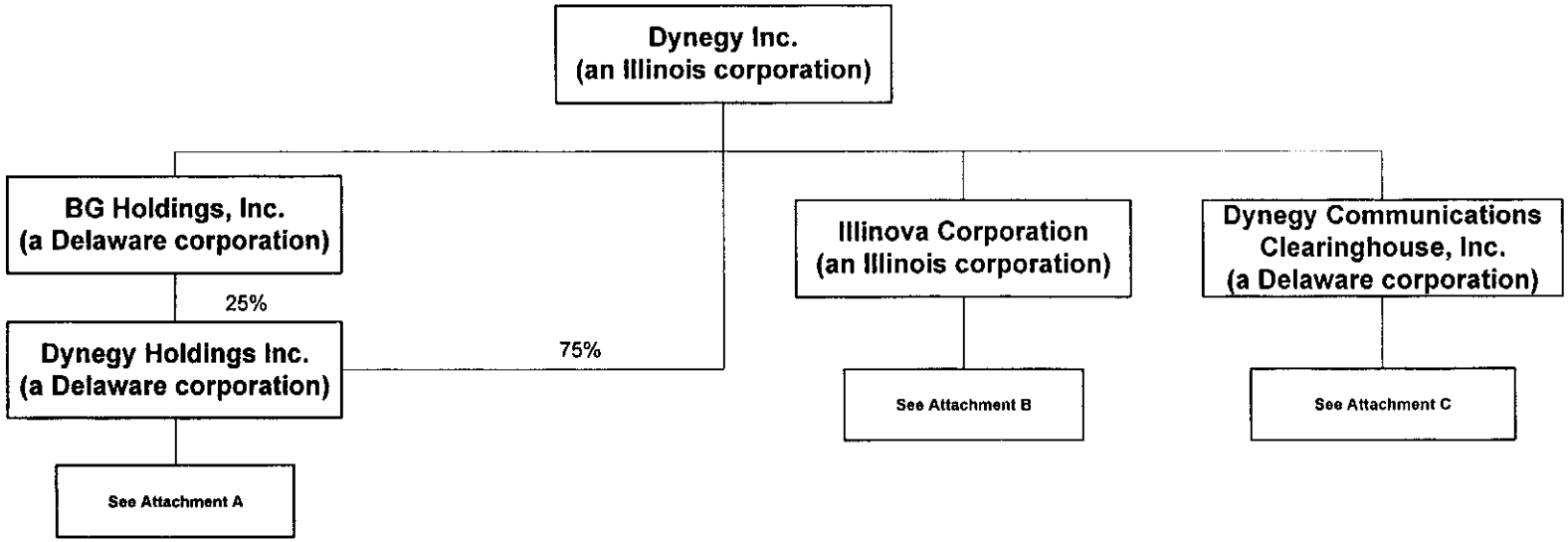

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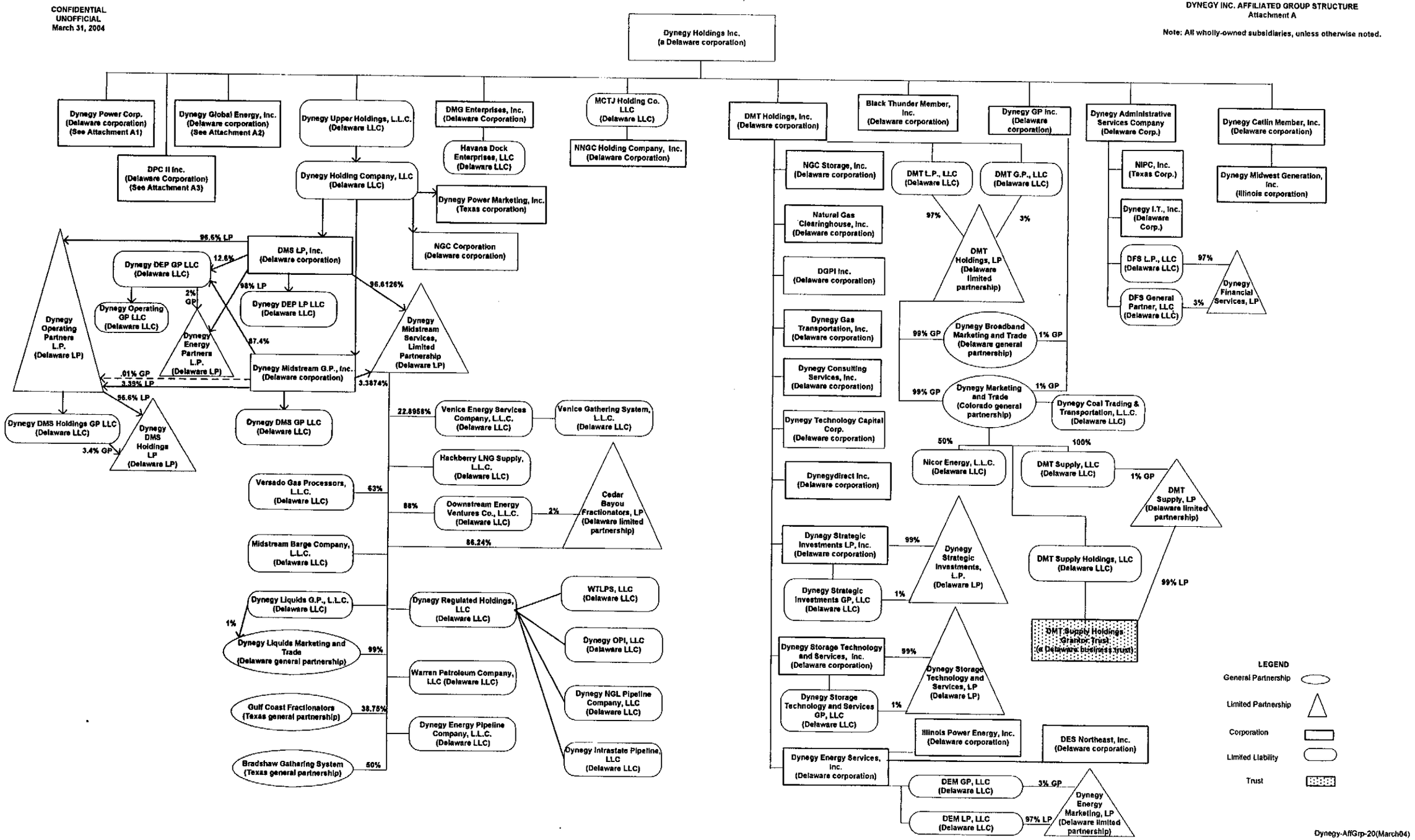
March 31, 2004

DYNEGY INC. AFFILIATED GROUP STRUCTURE
Attachment A

Note: All wholly-owned subsidiaries, unless otherwise noted.



Dynegy-AffGrp-20(March04)

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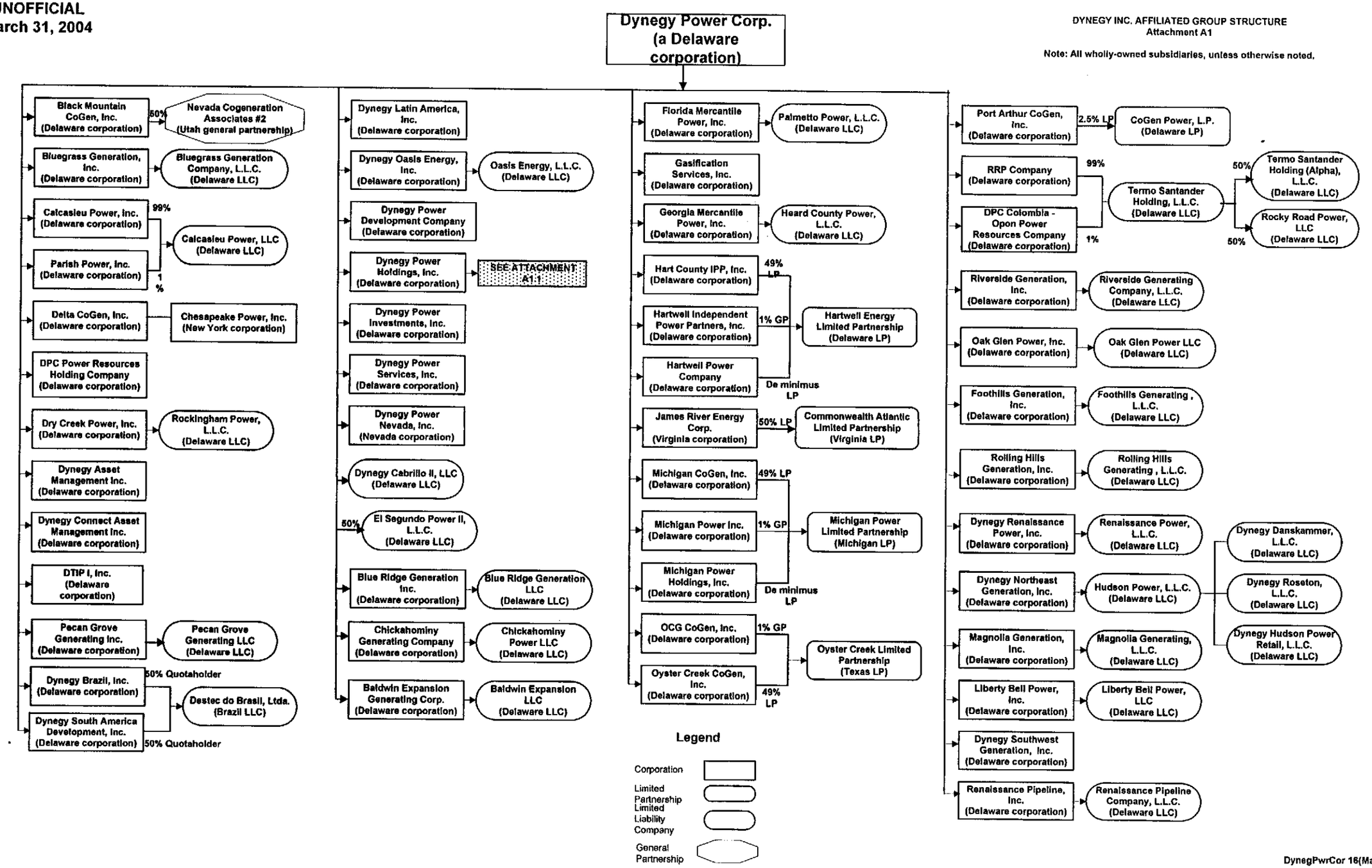
March 31, 2004

DYNEGY INC. AFFILIATED GROUP STRUCTURE
Attachment A1

Note: All wholly-owned subsidiaries, unless otherwise noted.



DynegPwrCor 16(March04)

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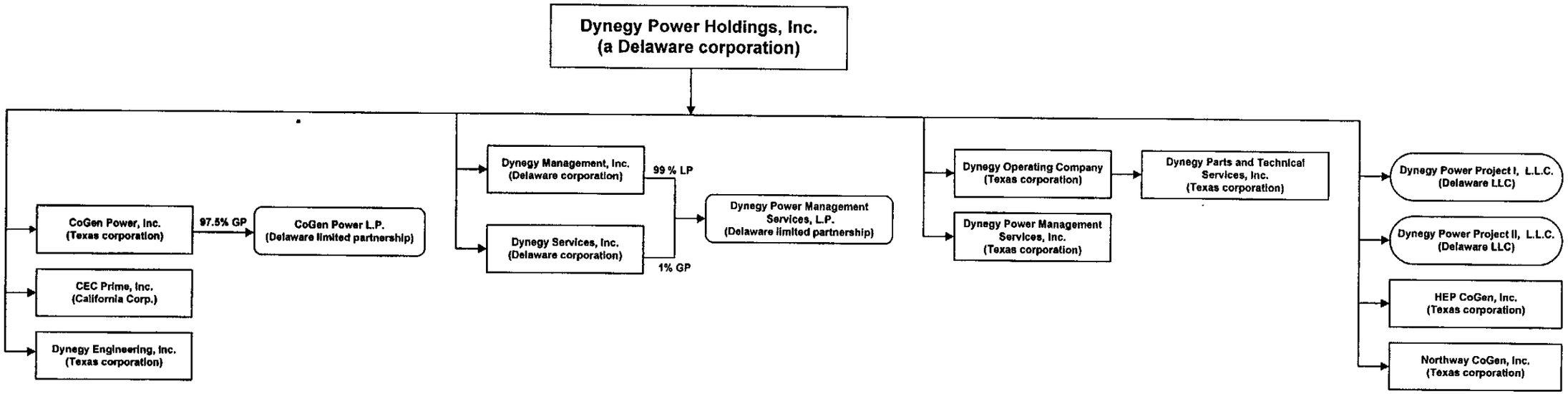
March 31, 2004

DYNEGY INC. AFFILIATED GROUP STRUCTURE
Attachment A1.1

Note: All wholly-owned subsidiaries, unless otherwise noted.



Legend

Corporation

Limited Partnership

Limited Liability Company

DynegyPwrHold13(March04)

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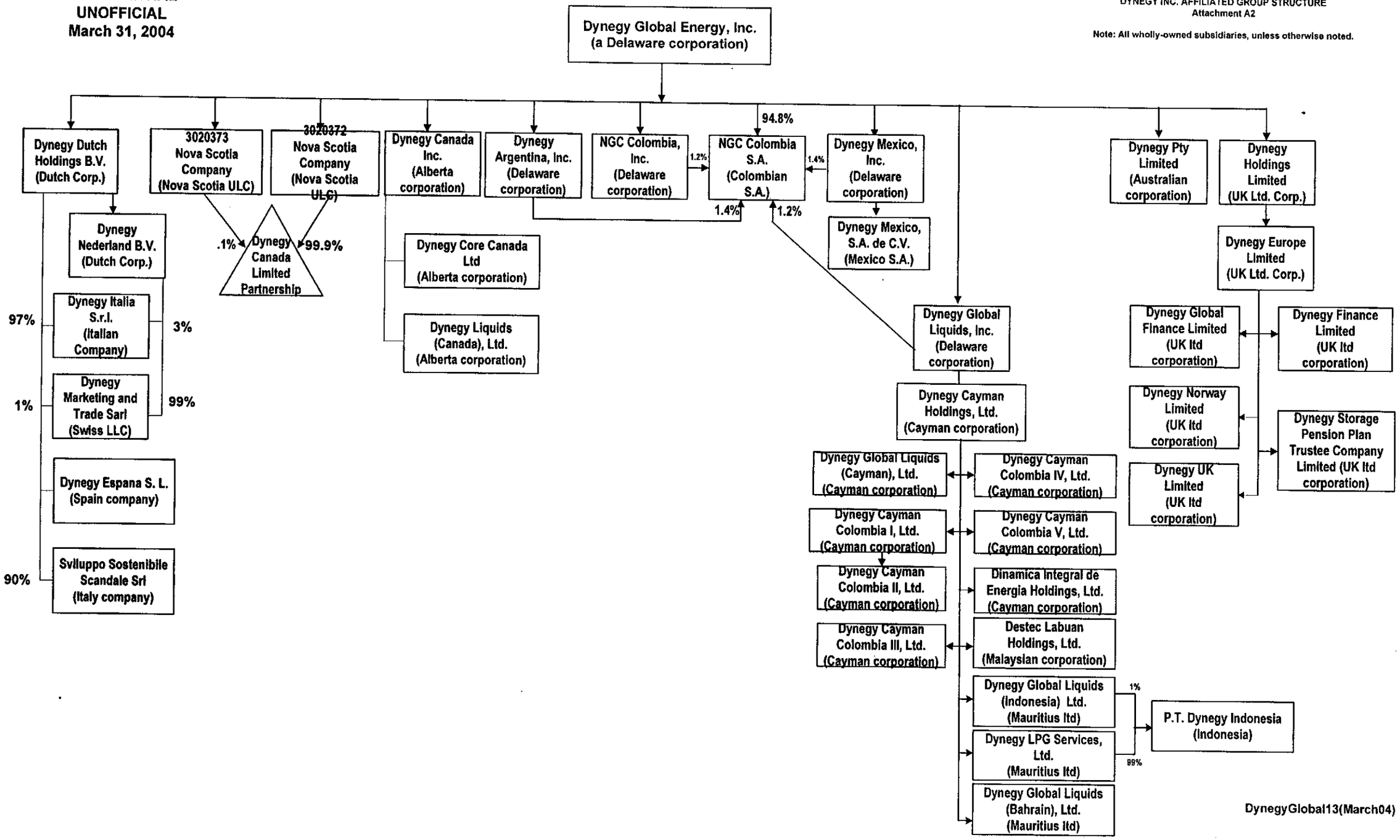
March 31, 2004

DYNEGY INC. AFFILIATED GROUP STRUCTURE
Attachment A2

Note: All wholly-owned subsidiaries, unless otherwise noted.



DynegyGlobal13(March04)

CONFIDENTIAL
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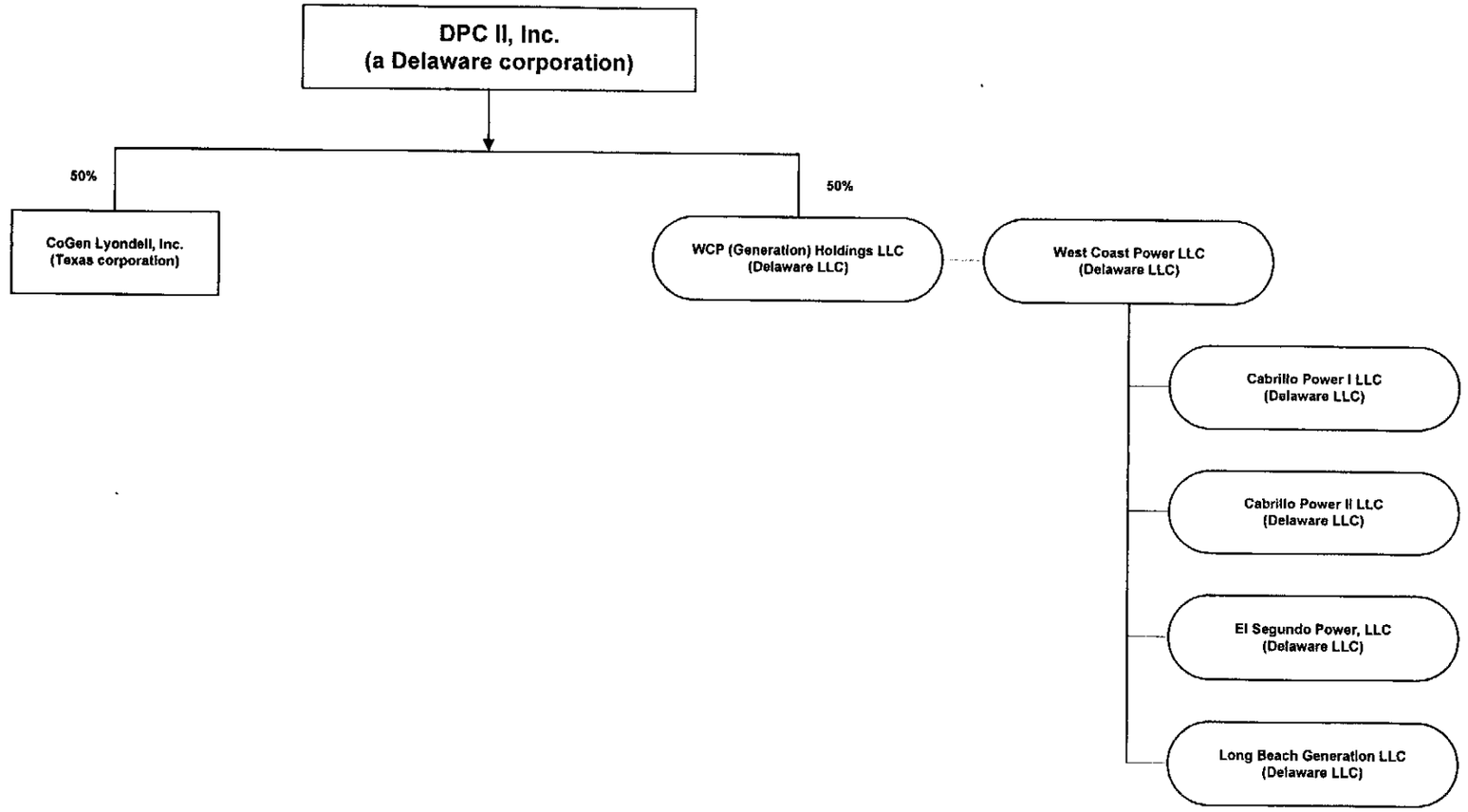
March 31, 2004

DYNEGY INC. AFFILIATED GROUP STRUCTURE
Attachment A3

Note: All wholly-owned subsidiaries, unless otherwise noted.



Legend

Corporation

Limited Partnership

Limited Liability Company

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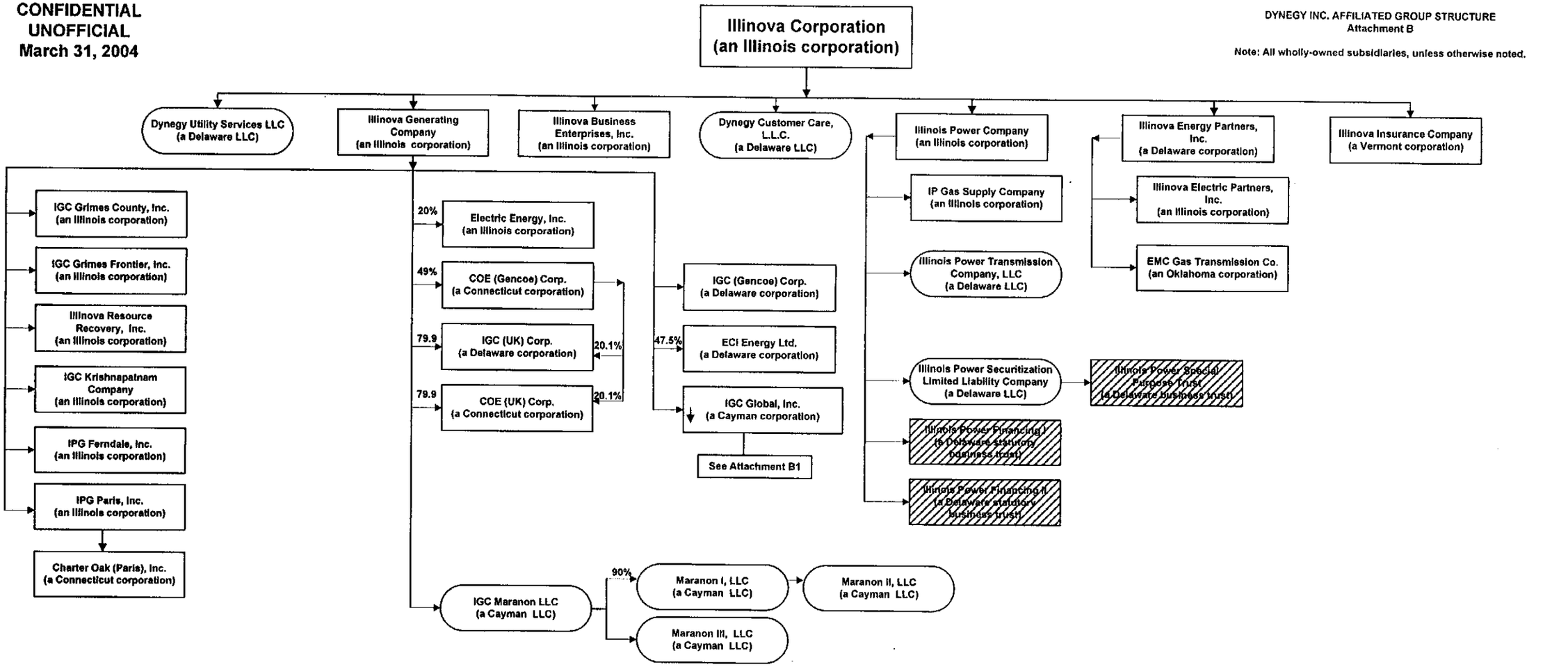
March 31, 2004

DYNEGY INC. AFFILIATED GROUP STRUCTURE
Attachment B

Note: All wholly-owned subsidiaries, unless otherwise noted.



IllinovaCorp13(March 04)

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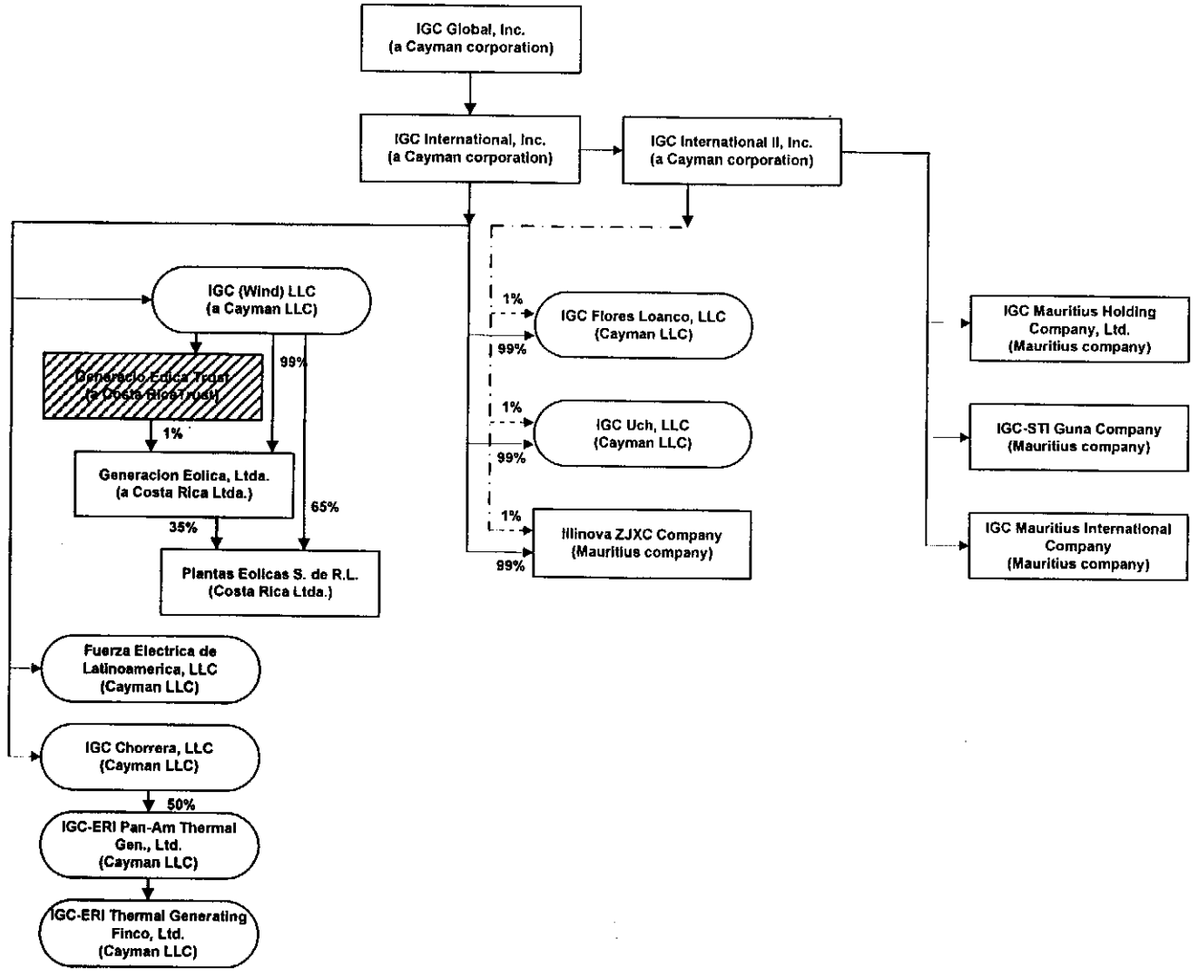
March 31, 2004

DYNEGY INC. AFFILIATED GROUP STRUCTURE
Attachment B1

Note: All wholly-owned subsidiaries, unless otherwise noted.



Legend

Joint Venture	
Trust	
Corporation	
Partnership	
Limited Liability Company	

IGCGlobal13(March04)

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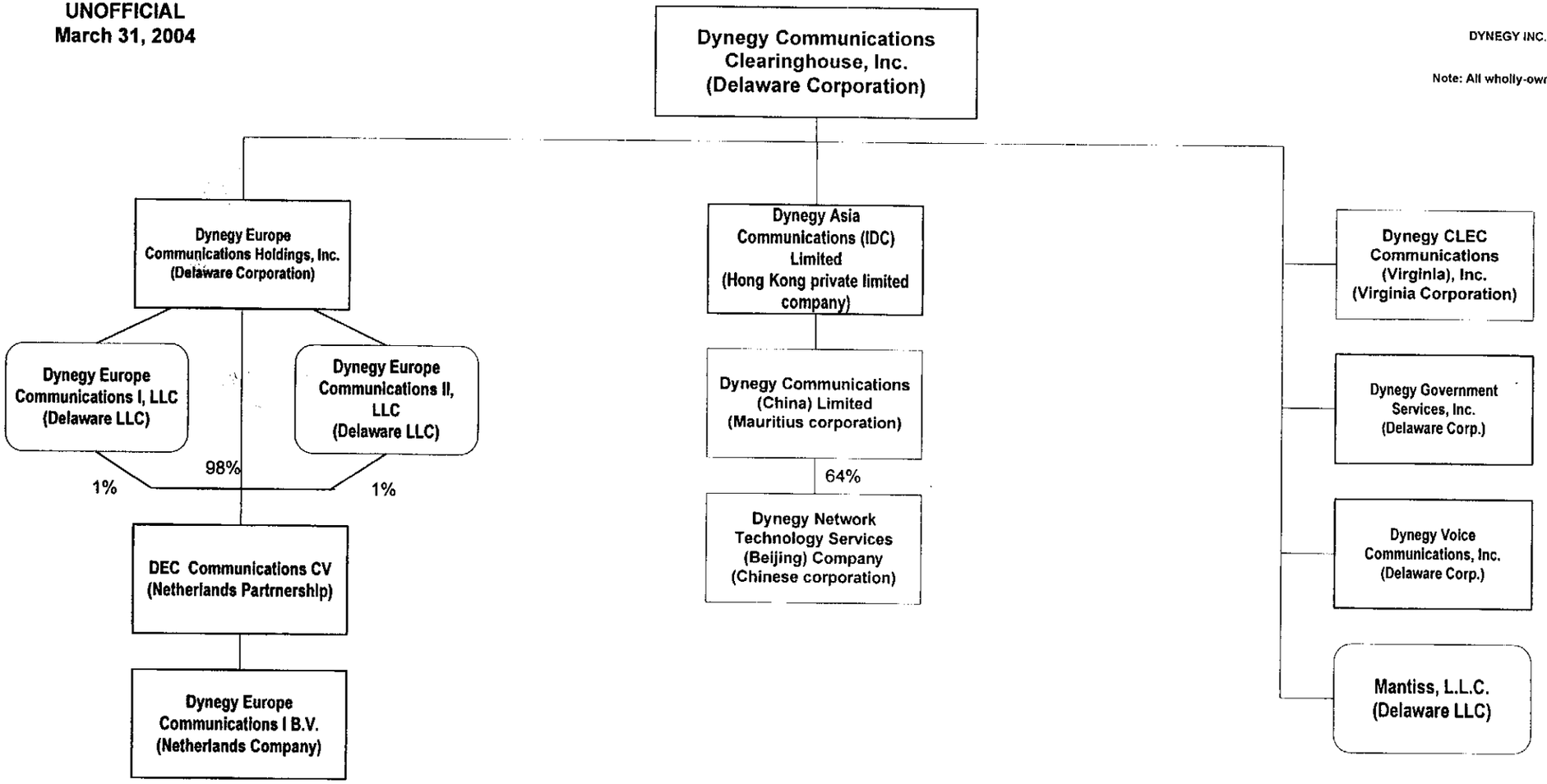
March 31, 2004

DYNEGY INC. AFFILIATED GROUP STRUCTURE
Attachment C

Note: All wholly-owned subsidiaries, unless otherwise noted.



Legend

- Joint Venture
- Trust
- Corporation
- Partnership
- Limited Liability Company

DynegyGlobalComm9(March04)

Illinois Power

EXECUTIVE EARNINGS SUMMARY
($ million, except per share and ratios)

	October	November	December	4th QTR			2003		
	Act	Act	Est	Est	Plan	+/-	Est	Plan	+/-
Gross Margin	$ 46	$ 33	$ 47	$ 126	$ 115	$ 10	$ 555	$ 512	$ 43
Operating Expenses	14	14	14	41	41	(1)	163	173	10
Operating Margin	32	19	33	84	75	10	392	339	53
Depreciation & Amortization	10	10	10	30	26	(4)	121	206	85
General & Administrative	(0)	3	7	10	12	2	68	48	(20)
Impairment/Reorganization	-	-	153	153	-	(153)	153	-	(153)
Operating Income	22	6	(137)	(109)	37	(146)	50	84	(34)
Equity Earnings	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	(1)	0	(0)	1	(1)	1	101	(100)
Earnings Before Interest & Taxes	$ 22	$ 5	$ (137)	$ (110)	$ 38	$ (147)	$ 51	$ 185	$ (134)

Earnings Variance Explanation

Volume		
Weather	$ (2)	(14)
Customer choice/PPO	2	1
Non-Weather Volume (from O&M 4th $5M; Annual 15M)	2	28
Stretch Initiative	(6)	(19)
Cost		
O&M: Operations permanent variances/mapping to GM (to GM Q4 $5M; Annual 15M)	10	43
Communications reclassified to Operating (Offset in G&A)	(4)	(4)
General Taxes	0	1
Corporate Allocations (Benefits Reversal - O&M)	1	5
Stretch	(8)	(4)
Regulatory Asset Amortization/DD&A	3	3
G&A: G&A departments permanent variances	1	9
Communications reclassified to Operating (Offset in O&M)	4	1
Claims expense/IBNR Liability	-	)
Increased Litigation Reserves	(0)	)
Severance Expense	-	(1)
Loadings (A&G, Benefits to Construction, etc)	0	(8)
Corporate Allocations	(1)	(4)
Stretch Initiative	(1)	(5)
Other Expense/Income	(1)	(3)
One Time		-
Goodwill	(153)	(153)
Transmission Sale (4th Qtr: GM $13.7M,O&M -$4.6M	1	7
Reg Asset -$6.3M, DD&A -$1.2M, Other -$0.2M)		-
(Annual: GM $46.0M,O&M -$14.2M		-
Reg Asset $75.4M, DD&A -$3.5M, Other -$97.2M)		-
ARO Gain	4	4
Total Variance Explained	$ (147)	$ (134)

Volume - NG

Electric Sales - (Millions of KWH)	Est	Plan	+/-	Est	Plan	+/-
Residential	1,112	1,115	(2)	5,309	5,313	(4)
Commercial	1,095	1,042	54	4,413	4,430	(18)
Industrial	1,509	1,461	48	6,123	5,850	273
ARES Transport	590	862	(272)	2,382	3,139	(757)
Other/Interchange	82	95	(13)	374	389	(15)
Total Electric Delivered	4,388	4,574	(186)	18,601	19,121	(520)
Gas Sales - (Millions of Therms)						
Residential	99	106	(6.7)	337	328	9.0
Commercial	46	45	1.7	145	147	(1.9)
Industrial	11	20	(9.0)	57	81	(24.0)
Transport	56	50	5.5	226	210	15.5
Sale to Affiliates	2	6	(4.3)	13	24	(11.0)
Total Gas Delivered	215	227	(13)	778	790	(12)

IP

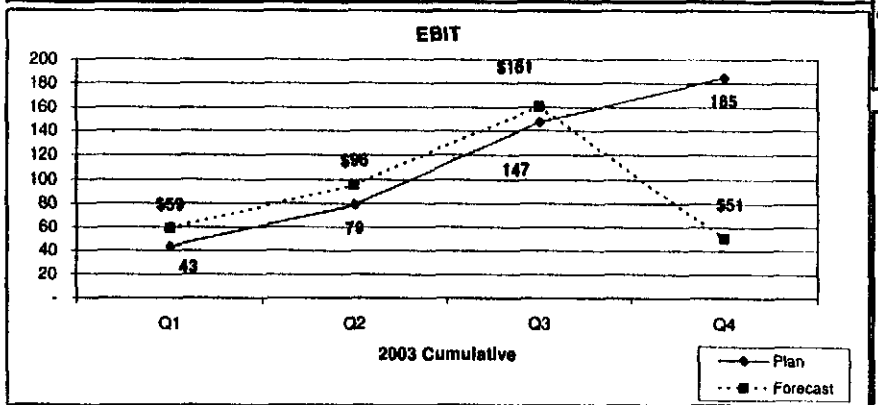
EXECUTIVE EARNINGS SUMMARY
($ million, except per share and ratios)

Cash Flow Highlights	Oct Act	Nov Act	Dec Est	4th QTR Est	4th QTR Plan	4th QTR +/-	2003 Est	2003 Plan	2003 +/-
Operating Cash Flow	$ 38	$ 4	$ (45)	$ (3)	$ 16	$ (19)	$ 83	$ 111	$ (28)
Investing Cash Flow	(11)	(10)	(4)	(25)	(28)	3	(126)	(136)	10
Free Cash Flow Before Asset Sales	$ 27	$ (6)	$ (49)	$ (28)	$ (12)	$ (16)	$ (43)	$ (25)	$ (18)
Asset Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$239	$ (239)

Free Cash Flow Before Asset Sales
Variance Explanation

Adjustment for effective tax rate & def. tax rolloff	$ (5)	$ (42)
Timing on interest payments on TFI's and other	20	7
Jan., May, July & Oct. tax payments in Plan	39	150
April & Oct. interest payment on the Note in Plan	(85)	(142)
A/R-Favorable change due to higher LPP & regular collections	7	-
Other operating cash flow	5	(1)
Capital expenditures deferred or eliminated	3	10
Total Variance Explained	$ (16)	$ (18)

Hot Topics



Top 5 Initiatives

IP Sale vs. Continue-to-Own: A refinement to the IP continue-to-own strategy is being prepared, including incorporating updated information from Accenture related to Call Center and IT opportunities. This work is expected to be completed by month-end and would be the basis for activities supporting the achievement of targeted results for 2004, if no IP sale transaction is pursued.

IP Operating Initiatives: A series of operating initiatives is being finalized by the end of the month to provide targeted objectives in areas such as Operational Effectiveness, Customer Service, Community Action Plans, Reliability, Safety, Labor Relations, Employee Engagement and Regulatory Strategy.

Safety:	December YTD 2003	2003 Target	2002 Results
Recordables	80	56	75
Lost Time Injuries	19	11	21

While 2003 safety performance was below target, overall results were close to 2002's performance- and 2002 was IP's best year. Current performance places IP in the second quartile. A major safety kick-off meeting was held on January 15. There are high expectations that we will be able to improve on the level of performance achieved in 2002 and 2003.

Participant Notes

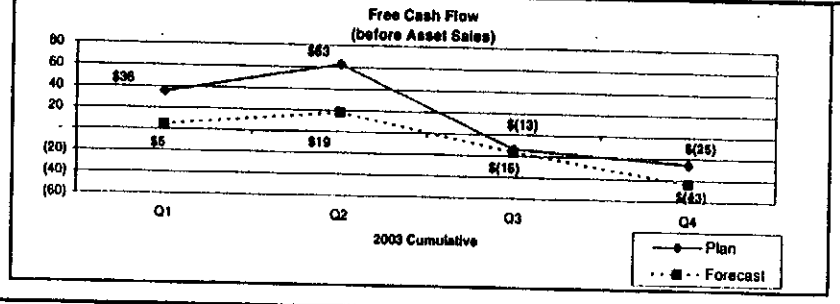
-Reported EBIT absent the Goodwill Impairment would reflect a yearend EBIT of $204mm vs. $185mm

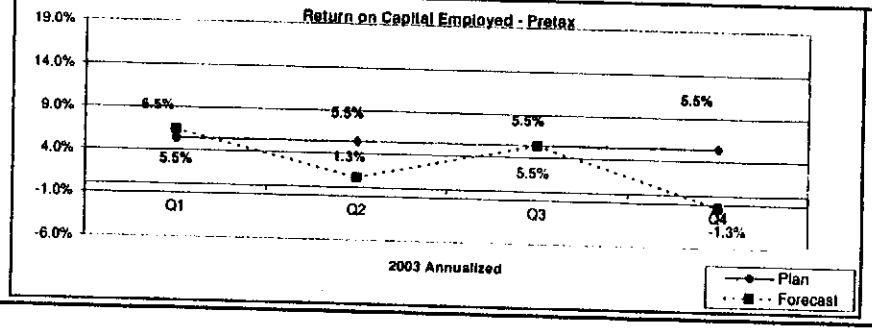
DIVISIONAL SUMMARY
($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Annual		
	Act	Plan	+/-	Act	Plan	+/-	Act	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 108	$ 89	$ 17	$ 82	$ 71	$ 11	$ 120	$ 104	$ 15	$ 84	$ 75	$ 9	$ 392	$ 339	$ 53
Depreciation & Amortization	30	34	4	30	120	90	30	26	(4)	30	26	(4)	121	206	85
General & Administrative	17	12	(5)	16	12	(4)	25	12	(13)	10	12	2	68	48	(20)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-	153	-	(153)	153	-	(153)
Recurring Op Income	59	42	16	36	(62)	97	64	67	(2)	(109)	37	(146)	50	84	(34)
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	1	(0)	1	97	(97)	1	2	(1)	(1)	1	(2)	1	101	(100)
Minority Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	59	43	16	36	35	1	65	68	(3)	(110)	38	(148)	51	185	(134)
Interest Expense	40	(2)	(42)	39	(3)	(42)	36	(5)	(41)	34	(6)	(40)	149	(16)	(165)
Recurring EBT	19	45	(26)	(3)	38	(41)	29	73	(44)	(144)	44	(188)	(98)	201	(299)
Income Taxes	8	16	8	(2)	13	15	11	26	15	4	15	12	21	70	50
Tax Rate	44%	35%	-9%	78%	35%	-43%	37%	35%	-2%	-2%	35%	37%	-21%	35%	56%
DiscOps/Change in Acctg Principle	(2)	-	(2)	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Net Income	$ 8	$ 30	$ (21)	$ (1)	$ 25	$ (25)	$ 19	$ 48	$ (29)	$ (147)	$ 29	$ (176)	$ (121)	$ 131	$ (252)
Current Income / (Loss)	8	30	(21)	(1)	25	(25)	19	48	(29)	(147)	29	(176)	(121)	131	(252)
Depreciation and Amortization	30	34	(4)	37	120	(84)	32	26	6	32	26	6	131	206	(75)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	12	11	1	(2)	10	(12)	11	18	(8)	4	11	(7)	24	50	(26)
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	7	-	7	2	-	2	4	-	4	1	-	1	14	-	14
Fund From Operations	58	75	(18)	36	155	(119)	66	92	(26)	(111)	65	(176)	48	387	(339)
A/R-A/P, net	(46)	(3)	(43)	44	20	24	(8)	(45)	37	10	(15)	26	1	(43)	43
Inventory	28	36	(8)	(17)	(20)	3	(41)	(25)	(16)	(4)	11	(15)	(34)	1	(36)
Prepaids and other	(0)	(12)	12	(4)	34	(38)	(11)	(8)	(3)	(5)	(9)	4	(20)	5	(25)
Other, net	(2)	(26)	25	(10)	(123)	113	(7)	(55)	48	107	(36)	143	89	(240)	329
Operating Cash Flow	37	69	(32)	49	66	(17)	(1)	(40)	40	(2)	16	(18)	83	111	(28)
Capital Expenditures	(32)	(34)	1	(36)	(39)	3	(33)	(35)	2	(25)	(28)	4	(126)	(136)	10
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 5	$ 36	$ (30)	$ 13	$ 27	$ (14)	$ (34)	$ (76)	$ 41	$ (27)	$ (12)	$ 4	$ (43)	$ (25)	$ (18)

Price Sensitivity

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter								
Weather - Mild Summer/Mild Winter								
Customer Choice - Mild Switching								
Customer Choice - Aggressive Switching								





IP

Illinois Power

EXECUTIVE EARNINGS SUMMARY

($ million, except per share and ratios)

	January	February	March	1st QTR			April		
	Est	Est	Est	Est	Plan	+/-	Est	Plan	+/-
Gross Margin	$ 54	$ 54	$ 46	$ 154	$ 146	$ 8	$ 39	$ 39	$ 0
Operating Expenses	19	19	18	57	56	(1)	16	16	0
Operating Margin	35	34	28	97	90	7	23	23	0
Depreciation & Amortization	10	10	10	31	31	0	10	10	0
General & Administrative	5	5	5	15	15	1	5	5	(0)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-
Operating Income	20	19	13	52	44	8	7	7	0
Equity Earnings	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	0	0	0	0	(0)	0	0	0
Earnings Before Interest & Taxes	$ 20	$ 19	$ 13	$ 52	$ 44	$ 8	$ 8	$ 8	$ 0

Earnings Variance Explanation		
Volume		
Weather	$ 1	$ -
Customer choice/PPO	5	-
Non-Weather Volume	1	0
Transmission	1	-
Gas Revenue Taxes (offset in General Taxes)	(2)	-
Cost		
Cost of Power - AmerGen Outage Extension	3	-
O&M: Operations permanent variances	1	0
General Taxes (Partially offset in Gas Margin)	3	-
Claims expense/IBNR Liability	(5)	-
Regulatory Asset Amortization/DD&A	0	0
G&A: G&A departments permanent variances	1	(0)
Other Expense/Income	(0)	0
One Time		
FERC Ruling onTransmission Through & Out rates	-	-
effective April 1, 2004; impact May-Dec of ($3M)	-	-
	-	-
	-	-
	-	-
	-	-
Total Variance Explained	$ 8	$ 0

FEB. 2004

Volume - Net		Est	Plan	+/-	Est	Plan	+/-
Electric Sales - (Millions of KWH)							-
Residential		1,433	1,436	(4)	319	319	-
Commercial		1,048	1,052	(4)	329	329	-
Industrial		1,290	1,072	218	484	484	-
ARES Transport		668	815	(146)	263	263	-
Other/Interchange		93	94	(1)	30	30	-
	Total Electric Delivered	4,533	4,469	64	1,424	1,424	-
Gas Sales - (Millions of Therms)				-			-
Residential		171	162	9	23	23	-
Commercial		60	71	(11)	9	9	-
Industrial		15	14	1	5	5	-
Transport		66	64	2	20	20	-
Sale to Affiliates		6	6	(1)	2	2	-
	Total Gas Delivered	317	317	0	58	58	-

Illinois Power

EXECUTIVE EARNINGS SUMMARY

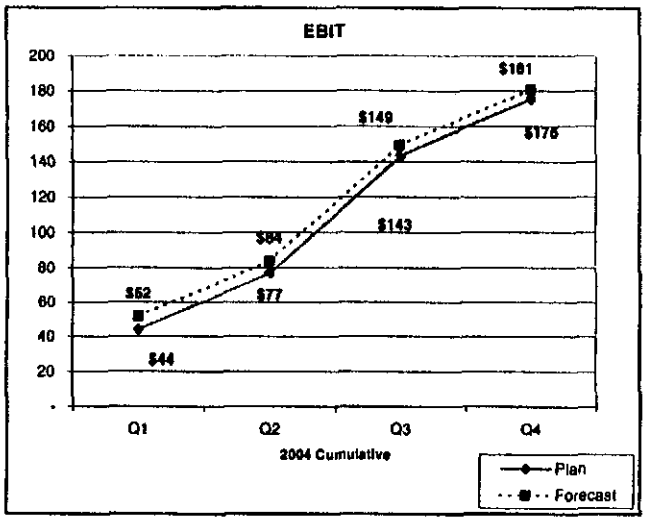
($ million, except per share and ratios)

Cash Flow Highlights	January Est	February Est	March Est	1st QTR Est	1st QTR Plan	1st QTR +/-	April Est	April Plan	April +/-
Operating Cash Flow	$ 18	$ 67	$ 57	143	$ 134	$ 8	$ 54	$ 54	$ 0
Investing Cash Flow	(7)	(8)	(13)	(28)	(31)	3	(12)	(10)	(2)
Free Cash Flow Before Asset Sales	$ 11	$ 59	$ 44	$ 115	$ 104	$ 11	$ 42	$ 44	$ (2)
Asset Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Free Cash Flow Before Asset Sales
Variance Explanation

Lower receivable for Uniform Gas Adjusment Clause (UGAC)	$ 8	$ -
Other operating cash flow	-	-
Capital expenditures deferred or eliminated	3	(2)
Total Variance Explained	$ 11	$ (2)

Hot Topics



Top 5 Initiatives

Rate Case: Under the SPA entered into with Ameren, IP must file a gas rate case by June 30, 2004. Work is beginning to make that filing as well as to determine whether to include a DST rate case at the same time.

IP Sale: On February 2, 2004, Dynegy entered into an SPA with Ameren to sell the stock of IP and Dynegy's minority interest in EEInc. The transaction is conditioned on, among other things, the obtaining of necessary regulatory approvals. Work has already begun to make the necessary regulatory filings; it is anticipated that filings with the ICC and FERC will be made before March 1, 2004.

IP Operating Initiatives: Initial plans for Safety, Labor Relations, Operational Effectiveness, Customer Service, and Community Action Plan initiatives were completed and reviewed by management. The Safety and Labor Relations initiatives are being implemented. Operational Effectiveness initiatives are expected to be finalized and discussed with Executive Management and Labor during February. These initiatives are focused on improvements in operational capabilities associated with scheduled and emergency work while decreasing costs. The Customer Service initiative focuses on tactics such as: "one call" resolution, reduce bad debt, and development of appropriate customer service measures. Community Action Plans will be reviewed in February.

Safety:	January 2004	January 2003
Recordables	1	5
Lost Time Injuries	0	0

The Safety Kickoff meeting held in January had a new tone, a new message, and a grassroots commitment. The majority of the meeting was prepared and conducted by the employees, not management. The primary message was to encourage each employee to take personal responsibility for safe behaviors, to actively participate in the safety program, and to recognize that an employee's unsafe behaviors ultimately affect more than just them. Although the Safety Leadership Team has established a goal of top quartile performance by year end, the employee group which authored the 2004 IP Safety Program challenged their fellow employees to meet a more aggressive goal of 0 accidents.

Participant Notes

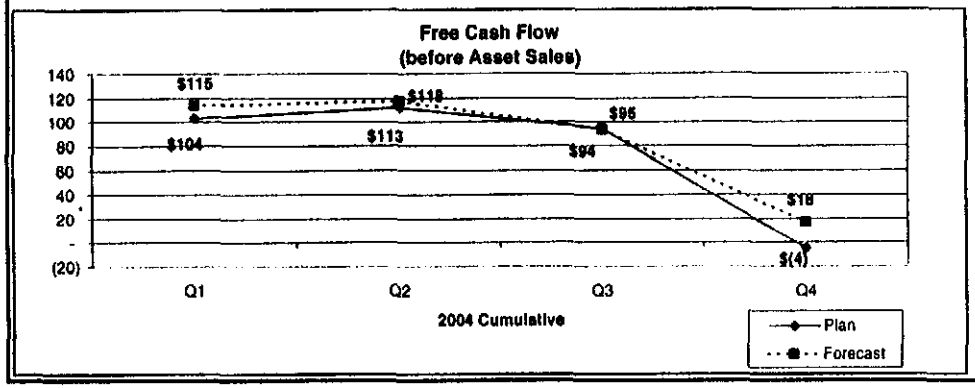
Illinois Power

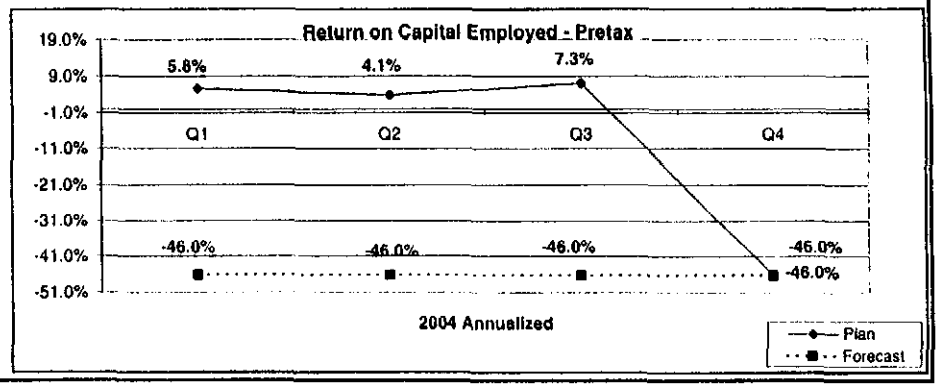
DIVISIONAL SUMMARY (2004 Forecast to 2004 Plan)

($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Annual		
	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 97	$ 90	$ 7	$ 78	$ 79	$ (1)	$ 111	$ 112	$ (1)	$ 80	$ 81	$ (1)	$ 366	$ 362	$ 4
Depreciation & Amortization	31	31	0	31	31	0	31	31	0	32	32	0	125	125	0
General & Administrative	15	15	1	16	16	(0)	15	15	(0)	17	17	(0)	63	63	0
Impairment/Reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring Op Income	52	44	8	31	32	(1)	65	66	(1)	31	32	(1)	179	174	5
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	0	0	1	1	0	0	0	0	0	0	0	2	2	0
Minority Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	52	44	8	32	33	(1)	65	66	(1)	31	32	(1)	181	176	5
Interest Expense	34	34	(0)	34	34	-	33	33	-	33	33	-	134	134	(0)
Recurring EBT	18	10	8	(1)	(1)	(1)	32	33	(1)	(2)	(1)	(1)	47	42	5
Income Taxes	7	4	(3)	(1)	(0)	0	13	13	0	(1)	(0)	0	19	16	(2)
Tax Rate	40%	39%	-1%	40%	39%	-1%	40%	39%	-1%	40%	39%	-1%	40%	39%	-1%
DiscOps/Change in Acctg Principle	-	-	-	-	-	-	-	-	-	4	6	(2)	4	6	(2)
Net Income	$ 11	$ 6	$ 5	$ (1)	$ (0)	$ (1)	$ 19	$ 20	$ (1)	$ 3	$ 6	$ (2)	$ 32	$ 31	$ 1
Current Income / (Loss)	11	6	5	(1)	(0)	(1)	19	20	(1)	3	6	(2)	32	31	1
Depreciation and Amortization	31	31	(0)	31	31	(0)	31	31	(0)	32	32	(0)	125	125	(0)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	7	4	3	(1)	(0)	(0)	13	13	(0)	2	(0)	2	21	16	5
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	(1)	(1)	-	(1)	(1)	-	(1)	(1)	-	(8)	(7)	(1)	(10)	(9)	(1)
Fund From Operations	48	40	8	29	30	(1)	62	63	(1)	29	30	(1)	168	163	5
A/R-A/P, net	37	31	6	28	28	-	(11)	(11)	-	(57)	(57)	(0)	(4)	(10)	6
Inventory	46	53	(7)	(13)	(13)	-	(37)	(37)	-	(2)	(2)	-	(5)	2	(7)
Prepaids and other	4	-	4	(0)	-	(0)	-	-	-	-	-	-	4	-	4
Other, net	7	9	(2)	(4)	(4)	-	(7)	(7)	-	(15)	(15)	-	(19)	(17)	(2)
Operating Cash Flow	143	134	8	40	41	(1)	7	8	(1)	(45)	(44)	(1)	144	139	5
Capital Expenditures	(28)	(31)	3	(36)	(31)	(5)	(31)	(26)	(5)	(31)	(55)	24	(126)	(143)	17
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 115	$ 104	$ 11	$ 4	$ 9	$ (6)	$ (24)	$ (18)	$ (6)	$ (76)	$ (99)	$ 22	$ 18	$ (4)	$ 22

Price Sensitivity	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter	$5.2		$1.8		$10.1		$1.9	
Weather - Mild Summer/Mild Winter		($5.2)		($1.8)		($10.1)		($1.9)
Customer Choice - Mild Switching	$0.8		$0.8		$1.3		$1.3	
Customer Choice - Aggressive Switching		($2.5)		($2.5)		($3.8)		($3.8)





Illinois Power

DIVISIONAL SUMMARY (2004 Forecast to 2003 Actuals)

($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	1Q04 E	1Q03	+/-	2Q04 E	2Q03	+/-	3Q04 E	3Q03	+/-	4Q04 E	4Q03	+/-	2004 E	2003	+/-
Operating Margin	$ 97	$ 106	$ (9)	$ 78	$ 82	$ (4)	$ 111	$ 120	$ (9)	$ 80	$ 84	$ (4)	$ 366	$ 392	$ (26)
Depreciation & Amortization	31	30	(0)	31	30	(1)	31	30	(1)	32	30	(2)	125	121	(4)
General & Administrative	15	17	2	16	16	0	15	25	10	17	10	(7)	63	68	5
Impairment/Reorganization	-	-	-	-	-	-	-	-	-	-	242	242	-	242	242
Recurring Op Income	52	59	(7)	31	36	(4)	65	64	0	31	(198)	229	179	(39)	218
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	1	(0)	1	1	0	0	1	(0)	0	(0)	1	2.0	2	0
Minority Interest Expense	-	(0)	-	(0)	(0)	-	(0)	(0)	-	(0)	(0)	-	-	(0)	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	52	59	(7)	32	36	(4)	65	65	0	31	(198)	230	181	(38)	218
Interest Expense	34	40	7	34	39	5	33	36	2	33	34	1	134	149	15
Interest Expense - SKIS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBT	18	19	(1)	(1)	(3)	1	32	29	2	(2)	(233)	231	47	(187)	234
Income Taxes	7	8	1	(1)	(2)	(1)	13	11	(2)	(1)	24	25	19	41	23
Tax Rate	40%	44%	4%	40%	78%	38%	40%	37%	-3%	40%	-10%	-50%	40%	-22%	-62%
DiscOps/Change in Acctg Principle	-	(2)	2	-	-	-	-	-	-	4	-	4	4	(2)	7
Net Income	$ 11	$ 8	$ 3	$ (1)	$ (1)	$ (0)	$ 19	$ 19	$ 1	$ 3	$ (257)	$ 260	$ 32	$ (231)	$ 263
Current Income / (Loss)	11	8	3	(1)	(1)	(0)	19	19	1	3	(257)	260	32	(231)	263
Depreciation and Amortization	31	30	0	31	37	(6)	31	32	(1)	32	33	(1)	125	132	(8)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	7	12	(5)	(1)	(2)	1	13	11	2	2	24	(22)	21	45	(24)
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	(1)	7	(8)	(1)	2	(2)	(1)	4	(5)	(8)	238	(246)	(10)	251	(261)
Fund From Operations	48	58	(9)	29	36	(7)	62	66	(4)	29	38	(9)	168	197	(29)
A/R-A/P net	37	(46)	83	28	44	(17)	(11)	(8)	(3)	(57)	(35)	(23)	(4)	(45)	41
Inventory	46	28	18	(13)	(17)	5	(37)	(41)	4	(2)	(1)	(1)	(5)	(31)	26
Prepaids and other	4	(0)	4	(0)	(4)	4	-	(11)	11	-	(6)	6	4	(21)	25
Other, net	7	(2)	9	(4)	(10)	5	(7)	(7)	(0)	(15)	(17)	2	(19)	(35)	16
Operating Cash Flow	143	37	105	40	49	(10)	7	(1)	8	(45)	(19)	(26)	144	67	77
Capital Expenditures	(28)	(32)	4	(36)	(35)	(1)	(31)	(33)	2	(31)	(24)	(7)	(126)	(125)	(1)
Other Investing	-	-	-	-	(0)	0	-	-	-	-	(0)	0	-	(0)	0
Free Cash Flow	$ 115	$ 5	$ 109	$ 4	$ 13	$ (10)	$ (24)	$ (34)	$ 10	$ (76)	$ (43)	$ (33)	$ 18	$ (59)	$ 77
Asset Sales and other	-	-	-	-	-	-	-	-	-	360	-	360	360	-	360
Free Cash Flow after Asset Sales	$ 115	$ 5	$ 109	$ 4	$ 13	$ (10)	$ (24)	$ (34)	$ 10	$ 284	$ (43)	$ 327	$ 378	$ (59)	$ 437

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	1Q04 E	1Q03	+/-	2Q04 E	2Q03	+/-	3Q04 E	3Q03	+/-	4Q04 E	4Q03	+/-	2004 E	2003	+/-
Electric Sales - (Millions of KWH)															
Residential	1,433	1,433	(0)	1,128	998	130	1,774	1,766	8	1,164	1,112	52	5,498	5,309	189
Commercial	1,048	1,058	(10)	1,097	1,052	45	1,232	1,208	24	1,080	1,095	(15)	4,457	4,413	44
Industrial	1,290	1,405	(115)	1,404	1,648	(244)	1,418	1,561	(143)	1,323	1,509	(186)	5,436	6,123	(687)
ARES Transport	668	549	119	805	601	204	885	642	243	830	590	240	3,188	2,382	806
Other/Interchange	93	99	(6)	94	88	6	93	105	(12)	88	82	6	369	374	(6)
Total Electric Delivered	4,533	4,544	(11)	4,528	4,387	141	5,402	5,282	120	4,484	4,388	96	18,947	18,601	346
Gas Sales - (Millions of Therms)															
Residential	171	185	(14)	40	35	5	20	18	2	107	99	8	338	337	1
Commercial	60	72	(12)	17	16	1	12	10	2	42	47	(5)	131	145	(14)
Industrial	15	23	(8)	12	18	(6)	14	16	(2)	13	13	0	55	70	(15)
Transport	66	65	1	55	57	(2)	46	48	(2)	52	56	(4)	218	226	(8)
Sale to Affiliates	5	4	1	5	3	2	4	5	(1)	5	2	3	19	14	5
Total Gas Delivered	317	349	(32)	129	129	0	96	97	(1)	219	217	2	762	792	(30)

EXECUTIVE EARNINGS SUMMARY
($ million, except per share and ratios)

	January	February	March	1st QTR			April		
	Act	Est	Est	Est	Plan	+/-	Est	Plan	+/-
Gross Margin	$ 54	$ 55	$ 43	$ 152	$ 146	$ 6	$ 39	$ 39	$ (0)
Operating Expenses	19	14	18	51	56	6	16	16	0
Operating Margin	35	41	26	102	90	12	23	23	(0)
Depreciation & Amortization	10	10	10	31	31	0	10	10	0
General & Administrative	5	4	5	15	15	1	5	5	(0)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-
Operating Income	20	27	10	56	44	13	7	7	(0)
Equity Earnings	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	0	0	0	0	(0)	0	0	0
Earnings Before Interest & Taxes	$ 20	$ 27	$ 10	$ 57	$ 44	$ 12	$ 8	$ 8	$ 0

Earnings Variance Explanation		
Volume		
Weather	$ 2	$ -
Customer choice/PPO	6	
Non-Weather Volume	3	
Transmission	1	
Gas Revenue Taxes (offset in General Taxes)	(3)	
Cost		
Cost of Power - DMG Tier 1 Allowance/AmerGen Outage Extension	(3)	
O&M: Operations permanent variances	6	
General Taxes (Partially offset in Gas Margin)	4	
Claims expense/IBNR Liability	(5)	
Regulatory Asset Amortization/DD&A	0	
G&A: G&A departments permanent variances	1	
Other Expense/Income	(0)	
One Time		
FERC Ruling onTransmission Through & Out rates	-	
effective April 1, 2004; impact May-Dec of ($3M)	-	
	-	
	-	
	-	
	-	
Total Variance Explained	$ 12	$ 0

March 2004

Volume - Net		Est	Plan	+/-	Est	Plan	+/-
Electric Sales - (Millions of KWH)							
Residential		1,486	1,436	49	319	319	-
Commercial		1,068	1,052	16	329	329	-
Industrial		1,289	1,072	217	484	484	-
ARES Transport		652	815	(162)	263	263	-
Other/Interchange		98	94	4	30	30	-
	Total Electric Delivered	4,594	4,469	125	1,424	1,424	-
Gas Sales - (Millions of Therms)							
Residential		176	162	14	23	23	-
Commercial		65	71	(6)	9	9	-
Industrial		16	14	2	5	5	-
Transport		65	64	2	20	20	-
Sale to Affiliates		5	6	(1)	2	2	-
	Total Gas Delivered	327	317	10	58	58	-

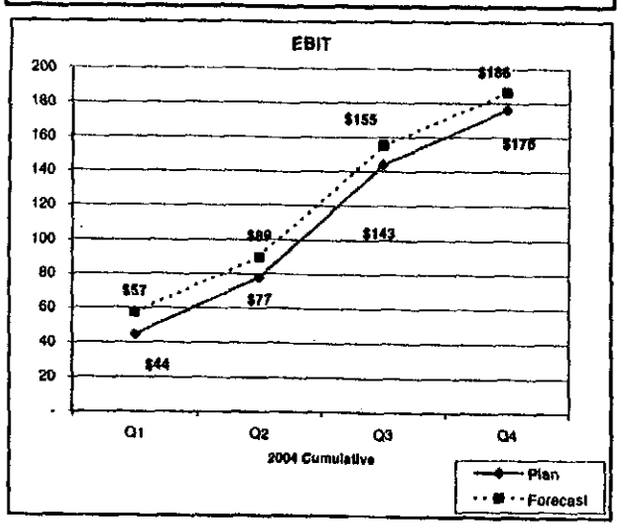
IP

Cash Flow Highlights	January Act	February Est	March Est	1st QTR Est	1st QTR Plan	1st QTR +/-	April Est	April Plan	April +/-
Operating Cash Flow	$ (12)	$ 109	$ 28	124	$ 134	$ (10)	$ 57	$ 54	$ 3
Investing Cash Flow	(11)	(8)	(10)	(29)	(31)	2	(12)	(10)	(2)
Free Cash Flow Before Asset Sales	$ (23)	$ 101	$ 18	$ 96	$ 104	$ (8)	$ 45	$ 44	$ 1
Asset Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Free Cash Flow Before Asset Sales
Variance Explanation

Change from underrecovery of Uniform Gas Adjusment Clause (UGAC) to overrecovery	$ 19	$ -
Higher service receivables due to increase in levelized payment plan and February weather	(24)	3
Higher gas inventory balances due to less gas withdrawn from storage than planned	(19)	-
Lower prepaid gas requirements	12	-
Other operating cash flow	2	-
Capital expenditures deferred or eliminated	2	(2)
Total Variance Explained	$ (8)	$ 1

Hot Topics



Top 5 Initiatives

Rate Case: Under the SPA entered into with Ameren, IP must file a gas rate by June 30, 2004. Most of the consultants needed have been identified and work is beginning to make that filing. It has been determined not to include a DST rate case at the same time.

IP Sale: On Feb. 2, 2004, Dynegy entered into an SPA with Ameren to sell the stock of IP and Dynegy's minority interest in EEInc. The transaction is conditioned on, among other things, obtaining necessary regulatory approvals. Work has already begun to make the necessary regulatory filings. It is anticipated that filings with the ICC and FERC will be made before the end of March.

IP Value Opportunities: As part of our effort to maximize the value contribution of IP to Dynegy prior to the sale to Ameren, we have assembled a team of key IP employees to identify value opportunities in all areas of the company. While this effort is not yet complete, based on our preliminary review we expect to achieve significant savings in O&M and G&A expenses. The effort has also included a review of capital projects and loadings to help better define the spending plans for T&D which will ensure achievement of the spending levels defined in the SPA with Ameren.

Safety:	February YTD 2004	February YTD 2003
Recordables	7	10
Lost Time Injuries	2	3

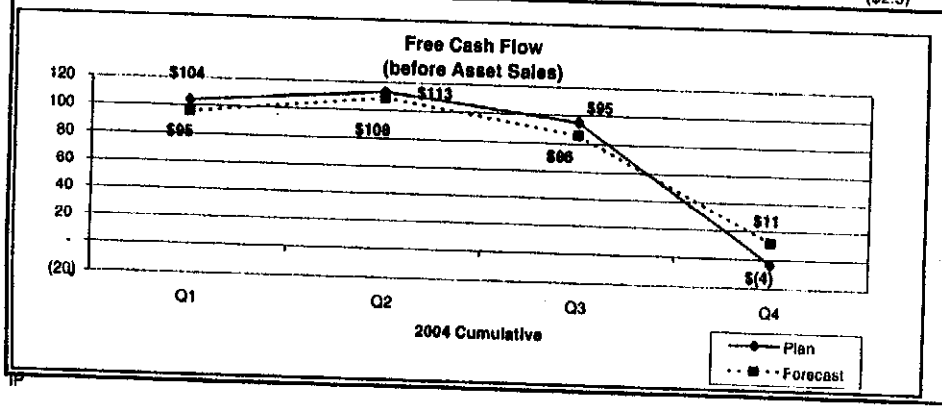
Illinois Power has experienced seven OSHA Recordable incidents this year compared to 10 during the same period in 2003. This translates to an incident rate of 2.55 compared to 3.55 last year. Of the seven recordable incidents this year, two have resulted in lost time incidents compared to three during the same period in 2003. This reflects an improved incident rate of 0.73 versus 1.07 this time last year.

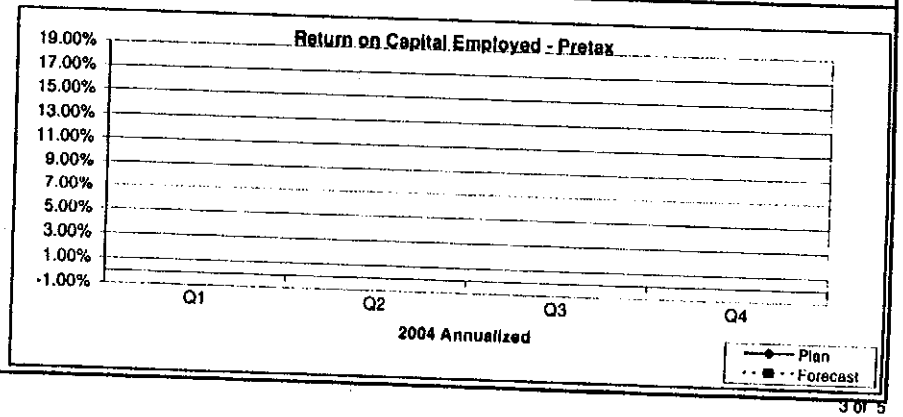
Participant Notes

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 102	$ 90	$ 12	$ 78	$ 79	$ (1)	$ 111	$ 112	$ (1)	$ 80	$ 81	$ (1)	$ 371	$ 362	$ 9
Depreciation & Amortization	31	31	0	31	31	0	31	31	0	32	32	0	125	125	0
General & Administrative	15	15	1	16	16	(0)	15	15	(0)	17	17	(0)	62	63	1
Impairment/Reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring Op Income	56	44	13	31	32	(1)	65	66	(1)	31	32	(1)	184	174	10
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	0	(0)	1	1	0	1	0	0	1	0	0	3	2	1
Minority Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	57	44	12	32	33	(1)	65	66	(1)	32	32	(1)	186	176	10
Interest Expense	33	34	0	34	34	-	33	33	-	33	33	-	134	134	0
Recurring EBT	23	10	13	(1)	(1)	(1)	32	33	(1)	(2)	(1)	(1)	53	42	11
Income Taxes	9	4	(5)	(0)	(0)	0	13	13	0	(1)	(0)	0	21	16	(4)
Tax Rate	39%	39%	0%	40%	39%	-1%	40%	39%	-1%	40%	39%	-1%	40%	39%	0%
DiscOps/Change In Acctg Principle	-	-	-	-	-	-	-	-	-	-	6	(6)	-	6	(6)
Net Income	$ 14	$ 6	$ 8	$ (1)	$ (0)	$ (0)	$ 19	$ 20	$ (1)	$ (1)	$ 6	$ (6)	$ 32	$ 31	$ 0
Current Income / (Loss)	14	6	8	(1)	(0)	(0)	19	20	(1)	(1)	6	(6)	32	31	0
Depreciation and Amortization	31	31	(0)	31	31	(0)	31	31	(0)	32	32	(0)	125	125	(0)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	9	4	5	(0)	(0)	(0)	13	13	(0)	(1)	(0)	(0)	21	16	4
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	0	(1)	1	-	(1)	1	(1)	(1)	-	(8)	(7)	(1)	(9)	(9)	1
Fund From Operations	54	40	14	30	30	0	62	63	(1)	22	30	(8)	169	163	5
A/R-A/P, net	21	31	(10)	36	28	8	(11)	(11)	-	(49)	(57)	8	(4)	(10)	6
Inventory	34	53	(20)	(13)	(13)	-	(37)	(37)	-	(2)	(2)	-	(18)	2	(20)
Prepaids and other	19	-	19	(0)	-	(0)	-	-	-	-	-	-	19	-	19
Other, net	(3)	9	(13)	(4)	(4)	-	(7)	(7)	-	(15)	(15)	-	(29)	(17)	(13)
Operating Cash Flow	124	134	(10)	49	41	8	7	8	(1)	(44)	(44)	0	137	139	(2)
Capital Expenditures	(29)	(31)	2	(36)	(31)	(5)	(30)	(26)	(4)	(31)	(55)	24	(126)	(143)	17
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 95	$ 104	$ (8)	$ 13	$ 9	$ 4	$ (23)	$ (18)	$ (5)	$ (75)	$ (99)	$ 24	$ 11	$ (4)	$ 15
Asset Sales and other	-	-	-	-	-	-	-	-	-	383	448	(65)	383	448	(65)
Free Cash Flow after Asset Sales	$ 95	$ 104	$ (8)	$ 13	$ 9	$ 4	$ (23)	$ (18)	$ (5)	$ 308	$ 349	$ (41)	$ 394	$ 444	$ (50)

Price Sensitivity

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter	$1.7	($1.7)	$1.8	($1.8)	$10.1	($10.1)	$1.9	($1.9)
Weather - Mild Summer/Mild Winter								
Customer Choice - Mild Switching	$0.8	($2.5)	$0.8	($2.5)	$1.3	($3.8)	$1.3	($3.8)
Customer Choice - Aggressive Switching								





	1Q04 E	1Q03	+/-	2Q04 E	2Q03	+/-	3Q04 E	3Q03	+/-	4Q04 E	4Q03	+/-	2004 E	2003	+/-
Depreciation & Amortization	$ 102	$ 106	$ (4)	$ 78	$ 82	$ (4)	$ 111	$ 120	$ (9)	$ 80	$ 84	$ (4)	$ 371	$ 392	$ (21)
General & Administrative	31	30	(0)	31	30	(1)	31	30	(1)	32	30	(2)	125	121	(4)
Impairment/Reorganization	15	17	2	16	16	0	15	25	10	17	10	(7)	62	68	6
Recurring Op Income	-	-	-	-	-	-	-	-	-	-	242	242	-	242	242
Equity Earnings	56	59	(2)	31	35	(4)	65	64	0	31	(198)	229	184	(39)	223
Other Income/(Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority Interest Expense	0	1	(0)	1	1	1	1	1	0	1	(0)	1	2.6	2	1
Interest on Redeemable Preferred	-	(0)	-	(0)	(0)	-	(0)	(0)	-	(0)	(0)	-	-	(0)	-
Recurring EBIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	57	59	(3)	32	36	(4)	65	65	0	32	(198)	230	186	(38)	224
Interest Expense - SKIS	33	40	7	34	39	5	33	36	2	33	34	1	134	149	16
Recurring EBT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Taxes	23	19	4	(1)	(3)	2	32	29	3	(2)	(233)	231	53	(187)	240
Tax Rate	9	8	(1)	(0)	(2)	(2)	13	11	(2)	(1)	24	25	21	41	21
	39%	44%	4%	40%	78%	38%	40%	37%	-3%	40%	-10%	-50%	40%	-22%	-62%
DiscOps/Change in Acctg Principle	-	(2)	2	-	-	-	-	-	-	-	-	-	-	(2)	2
Net Income	$ 14	$ 8	$ 6	$ (1)	$ (1)	$ (0)	$ 19	$ 19	$ 1	$ (1)	$ (257)	$ 256	$ 32	$ (231)	$ 263
Current Income / (Loss)	14	8	6	(1)	(1)	(0)	19	19	1	(1)	(257)	256	32	(231)	263
Depreciation and Amortizatior	31	30	0	31	37	(6)	31	32	(1)	32	33	(1)	125	132	(8)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	9	12	(3)	(0)	(2)	2	13	11	2	(1)	24	(25)	21	45	(24)
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	0	7	(7)	-	2	(2)	(1)	4	(5)	(8)	238	(246)	(9)	251	(259)
Fund From Operations	54	58	(4)	30	36	(6)	62	66	(3)	22	38	(16)	169	197	(29)
A/R-A/P net	21	(46)	67	36	44	(9)	(11)	(8)	(3)	(49)	(35)	(14)	(4)	(45)	41
Inventory	34	28	6	(13)	(17)	5	(37)	(41)	4	(2)	(1)	(1)	(18)	(31)	13
Prepaids and other	19	(0)	19	(0)	(4)	4	-	(11)	11	-	(6)	6	19	(21)	39
Other, net	(3)	(2)	(2)	(4)	(10)	5	(7)	(7)	(0)	(15)	(17)	2	(29)	(35)	5
Operating Cash Flow	124	37	87	49	49	(0)	7	(1)	8	(44)	(19)	(24)	137	67	70
Capital Expenditures	(29)	(32)	3	(36)	(35)	(1)	(30)	(33)	3	(31)	(24)	(7)	(126)	(125)	(1)
Other Investing	-	-	-	-	(0)	0	-	-	-	-	(0)	0	-	(0)	0
Free Cash Flow	$ 95	$ 5	$ 90	$ 13	$ 13	$ (0)	$ (23)	$ (34)	$ 11	$ (75)	$ (43)	$ (31)	$ 11	$ (59)	$ 70
Asset Sales and other	-	-	-	-	-	-	-	-	-	383	-	383	383	-	383
Free Cash Flow after Asset Sales	$ 95	$ 5	$ 90	$ 13	$ 13	$ (0)	$ (23)	$ (34)	$ 11	$ 308	$ (43)	$ 352	$ 394	$ (59)	$ 453

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	1Q04 E	1Q03	+/-	2Q04 E	2Q03	+/-	3Q04 E	3Q03	+/-	4Q04 E	4Q03	+/-	2004 E	2003	+/-
Electric Sales - (Millions of KWH)															
Residential	1,486	1,433	53	1,128	998	130	1,774	1,766	8	1,164	1,112	52	5,551	5,309	242
Commercial	1,068	1,058	10	1,097	1,052	45	1,232	1,208	24	1,080	1,095	(15)	4,477	4,413	64
Industrial	1,289	1,405	(116)	1,404	1,648	(244)	1,418	1,561	(143)	1,323	1,509	(186)	5,435	6,123	(688)
ARES Transport	652	549	103	805	601	204	885	642	243	830	590	240	3,172	2,382	790
Other/Interchange	98	99	(1)	94	88	6	93	105	(12)	88	82	6	373	374	(1)
Total Electric Delivered	4,594	4,544	49	4,528	4,387	141	5,402	5,282	120	4,484	4,388	96	19,008	18,601	407
Gas Sales - (Millions of Therms)															
Residential	176	185	(9)	40	35	5	20	18	2	107	99	8	343	337	6
Commercial	65	72	(7)	17	16	1	12	10	2	42	47	(5)	136	145	(9)
Industrial	16	23	(7)	12	18	(6)	14	16	(2)	13	13	0	56	70	(14)
Transport	65	65	0	55	57	(2)	46	48	(2)	52	56	(4)	218	226	(8)
Sale to Affiliates	5	4	1	5	3	2	4	5	(1)	5	2	3	19	14	5
Total Gas Delivered	327	349	(22)	129	129	0	96	97	(1)	219	217	2	772	792	(20)

IP

				Variance Explanations
Operating Margin	$ 102	$ 106	$ (4)	Higher claims expense and reclassification of commun./insurance/claims to Operating partially offset by favorable residential & commercial electric usage.
Depreciation & Amortization	31	30	(0)	
General & Administrative	15	17	2	Reclassification of communications/insurance/claims to Operating partially offset by higher pension/benefits expense.
Impairment/Reorganization	-	-	-	
Recurring Op Income	56	59	(2)	
Equity Earnings	-	-	-	
Other Income/(Expense)	0	1	(0)	
Minority Interest Expense	-	(0)	-	
Interest on Redeemable Preferred	-	-	-	
Recurring EBIT	57	59	(3)	
Interest Expense	33	40	7	Higher debt in anticipation of maturities in prior year resulted in more interest expense.
Interest Expense - SKIS	-	-	-	
Recurring EBT	23	19	4	
Income Taxes	9	8	(1)	Higher income resulted in more income taxes.
Tax Rate	39%	0	(0)	
DiscOps/Change in Acctg Principle	-	(2)	2	
Net Income	$ 14	8	6	
Current Income / (Loss)	14	8	6	
Depreciation and Amortization	31	30	0	
Equity Earnings less Distributions	-	-	-	
Deferred Income Taxes	9	12	(3)	
Risk Management Adjustments	-	-	-	
Other Non cash Adjustments	0	7	(7)	
Funds From Operations	54	58	(4)	
A/R-A/P net	21	(46)	67	Service A/R improvement of $28 M (higher receivables in '03) and A/P improvement of $28 M due to timing of payments on gas commodities.
Inventory	34	28	6	Gas inventory balances have declined more in '04 vs. '03 due to withdrawals at a higher average price.
Prepaids and other	19	(0)	19	Favorable change due to seasonal decline of gas prepayments from Dec. to March.
Other, net	(3)	(2)	(2)	
Operating Cash Flow	124	37	87	
Capital Expenditures	(29)	(32)	3	Reflects lower 2004 capital spend initiatives
Other Investing	-	-	-	
Free Cash Flow	$ 95	$ 5	$ 90	
Asset Sales and other	$ -	$ -	$ -	
Free Cash Flow after Asset Sales	$ 95	$ 5	$ 90	

IP

EXECUTIVE EARNINGS SUMMARY
($ million, except per share and ratios)

	January	February	March	1st QTR			April		
	Act	Act	Est	Est	Plan	+/-	Est	Plan	+/-
Gross Margin	$ 54	$ 55	$ 41	$ 150	$ 146	$ 4	$ 39	$ 39	$ (0)
Operating Expenses	19	14	17	50	56	6	16	16	(0)
Operating Margin	$ 35	41	25	101	90	11	23	23	(0)
Depreciation & Amortization	10	10	(10)	10	31	21	-	10	10
General & Administrative	5	4	21	30	15	(15)	4	5	1
Impairment/Reorganization	-	-	-	-	-	-	-	-	-
Operating Income	20	27	14	60	44	16	19	7	11
Equity Earnings	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	0	1	1	0	1	0	0	0
Earnings Before Interest & Taxes	$ 20	$ 27	$ 15	$ 61	$ 44	$ 17	$ 19	$ 8	$ 11

Earnings Variance Explanation

Volume		
Weather	$ 0	$ -
Customer choice/PPO	6	
Non-Weather Volume	0	
Transmission	2	
Gas Revenue Taxes (offset in General Taxes)	(3)	
Cost		
Cost of Power - DMG Tier 1 Allowance/AmerGen Outage Extension	(3)	
Cost of Gas: Donated Services Adjustment	3	
O&M: Operations permanent variances	5	
General Taxes (Partially offset in Gas Margin)	5	
Claims expense/IBNR Liability	(4)	
Regulatory Asset Amortization/DD&A	-	
Regulatory Asset Amortization/DD&A (Reversal Held-For-Sale Accounting)	21	
G&A: G&A departments permanent variances	1	
Claims posted to G&A in error	(1)	
Transaction Cost Accrual	(15)	
Other Expense/Income	1	
One Time		
FERC Ruling onTransmission Through & Out rates	-	
effective April 1, 2004; impact May-Dec of ($3M)		
Total Variance Explained	$ 17	$ 11

April 2004

Volume - Net

		Est	Plan	+/-	Est	Plan	+/-
Electric Sales - (Millions of KWH)							
Residential		1,455	1,436	18	319	319	-
Commercial		1,054	1,052	2	329	329	-
Industrial		1,320	1,072	248	484	484	-
ARES Transport		630	815	(185)	263	263	-
Other/Interchange		98	94	4	30	30	-
	Total Electric Delivered	4,556	4,469	87	1,424	1,424	-
Gas Sales - (Millions of Therms)							-
Residential		160	162	(2)	23	23	-
Commercial		59	71	(13)	9	9	-
Industrial		15	14	1	5	5	-
Transport		69	64	5	20	20	-
Sale to Affiliates		4	6	(2)	2	2	-
	Total Gas Delivered	306	317	(11)	56	56	-

JP

EXECUTIVE EARNINGS SUMMARY

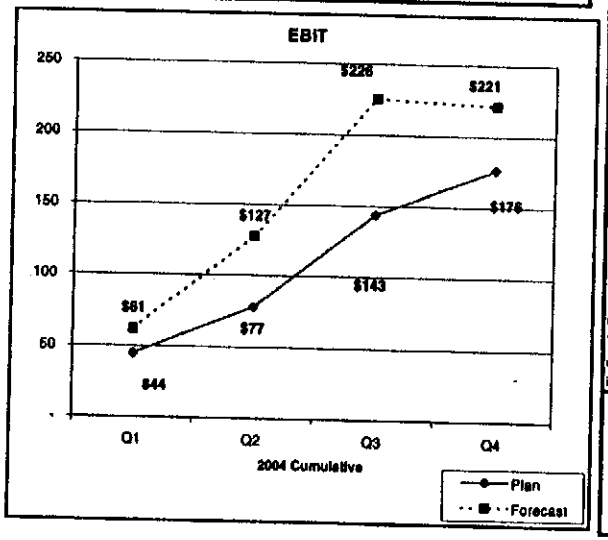
($ million, except per share and ratios)

Cash Flow Highlights	January Act	February Act	March Est	1st QTR Est	1st QTR Plan	1st QTR +/-	April Est	April Plan	April +/-
Operating Cash Flow	$ 17	$ 72	$ 37	126	$ 134	$ (8)	$ 59	$ 54	$ 5
Investing Cash Flow	(7)	(8)	(12)	(28)	(31)	3	(11)	(10)	(1)
Free Cash Flow Before Asset Sales	$ 10	$ 63	$ 25	$ 99	$ 104	$ (5)	$ 48	$ 44	$ 4
Asset Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Free Cash Flow Before Asset Sales
Variance Explanation

Lower underrecovery of Uniform Gas Adjusment Clause (UGAC)	$ 4	$ -
Higher service receivables due to increase in levelized payment plan	(30)	3
Higher gas inventory balances due to less gas withdrawn from storage than planned	(10)	-
Lower prepaid gas requirements	19	-
Other operating cash flow due to improvements in operating margin and reduced G&A costs	9	2
Capital expenditures deferred or eliminated	3	(1)
Total Variance Explained	$ (5)	$ 4

Hot Topics



Top 5 Initiatives

Rate Case: Under the SPA entered into with Ameren, IP must file a gas rate by June 30, 2004. Work is in progress to make that filing, with first drafts of some pieces of the testimony already being circulated for review.

IP Sale: On Feb. 2, 2004, Dynegy entered into an SPA with Ameren to sell the stock of IP and Dynegy's minority interest in EEInc. The transaction is conditioned on, among other things, the obtaining of necessary regulatory approvals. All major regulatory filings have been made and the process is now focusing on interventions and responding to data requests from various parties.

IP Value Opportunities:
Initial efforts to identify cost savings across the IP organization were completed in mid-April. Our current forecast reflects total O&M and G&A cost savings of approximately $15 million. Specific reductions in capital expenditures were also identified to achieve the target specified in the SPA with Ameren. We continue to look for additional value opportunities in IP's remaining cost structure.

MISO: In accordance with the understanding we reached with MISO on 4/12 we will file an application to join MISO before 4/30, we will agree to a formal plan and joinder date by about May 15, we will make filings with FERC by early June for approval, and once approved by FERC will expect reimbursement of approximately $6.5 plus @$7.5 million by @August 15. Then IP will join on or slightly before Sept 1. The $6.5 is a return of the exit fee IP paid when we first left MISO and the $7.5 is a reimbursement of development costs for the former Alliance RTO. I expect these amounts to change some based on FERC disallowance of small parts, plus some interest adjustment.

Safety:	March YTD 2004	March YTD 2003
Recordables	21	23
Lost Time Injuries	6	6

Illinois Power has experienced twenty-one OSHA Recordable incidents this year compared to twenty-three during the same period in 2003. This translates to an incident rate of 4.68 compared to 5.34 last year. Of the recordable incidents this year, six have resulted in lost time incidents compared to six during the same period in 2003. This reflects basically flat performance year-to-year with a 2004 incident rate of 1.4 versus 1.39 in 2003.

Participant Notes

Illinois Power

DIVISIONAL SUMMARY (2004 Forecast to 2003 Actuals)
($ million, except per share and ratios)

	1Q04 E	1Q03	+/-	Variance Explanations
Operating Margin	$ 101	$ 106	$ (5)	Higher claims expense and reclassification of commun./insurance/claims to Operating.
Depreciation & Amortization	10	30	20	Reversal of Depr. And Amort. Due to held for sale
General & Administrative	30	17	(13)	Current year Transaction cost partially offset by reclassification of communications/insurance/claims to Operating.
Impairment/Reorganization	(0)	-	0	
Recurring Op Income	60	59	1	
Equity Earnings	-	-	-	
Other Income/(Expense)	1	0	1	
Minority Interest Expense	(0)	(0)	-	
Interest on Redeemable Preferred	-	-	-	
Recurring EBIT	61	59	2	
Interest Expense	33	41	8	Higher debt in anticipation of maturities in prior year resulted in more interest expense
Interest Expense - SKIS	-	-	-	
Recurring EBT	28	19	10	
Income Taxes	10	8	(2)	Higher income resulted in more income taxes.
Tax Rate	37%	44%	7%	
DiscOps/Change in Acctg Principle	-	(2)	2	
Net Income	$ 17	$ 8	$ 9	
Current Income / (Loss)	17	8	9	
Depreciation and Amortization	12	30	(18)	Depreciation/Amortization discontinued effective 2/1 due to asset held for sale (entry made at the Corporate level).
Equity Earnings less Distributions	-	-	-	
Deferred Income Taxes	10	(13)	23	
Risk Management Adjustments	-	-	-	
Other Non cash Adjustments	(1)	3	(4)	
Funds From Operations	39	28	11	
A/R-A/P net	16	(16)	32	Service A/R $16 M; Other A/R $(13) M, A/P $16 M; Accrued Taxes $8 M, UGAC $3 M & Interest accrual $3 M. Also other timing and cost reductions.
Inventory	43	28	15	Gas inventory balances have declined more in '04 vs. '03 due to withdrawals at a higher average price.
Prepaids and other	19	(0)	20	Favorable change due to seasonal decline of gas prepayments from Dec. to March.
Other, net	8	(2)	10	
Operating Cash Flow	126	38	88	
Capital Expenditures	(28)	(32)	5	Reflects lower 2004 capital spend initiatives
Other Investing	0	-	0	
Free Cash Flow	$ 99	$ 6	$ 93	
Asset Sales and other	-	-	-	
Free Cash Flow after Asset Sales	$ 99	$ 6	$ 93	

IP

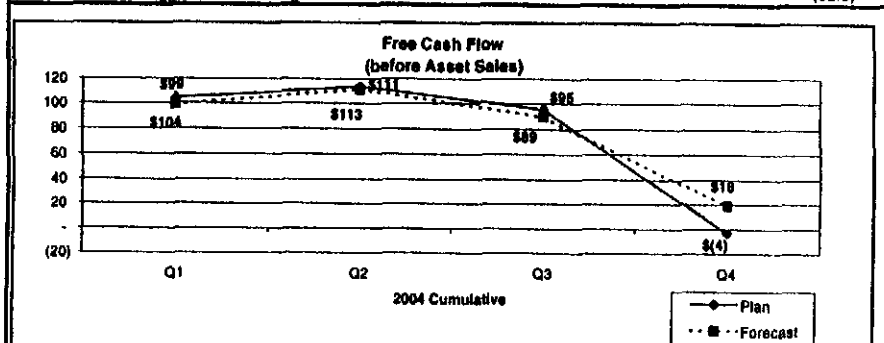
DIVISIONAL SUMMARY (2004 Forecast to 2004 Plan)

($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			[illegible]		
	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 101	$ 90	$ 11	$ 79	$ 79	$ 0	$ 113	$ 112	$ 1	$ 82	$ 81	$ 1	$ 375	$ 362	$ 13
Depreciation & Amortization	10	31	21	-	31	31	-	31	31	-	32	32	10	125	115
General & Administrative	30	15	(15)	14	16	2	15	15	(0)	15	17	2	75	63	(12)
Impairment/Reorganization	(0)	-	0	-	-	-	-	-	-	72	-	(72)	72	-	(72)
Recurring Op Income	60	44	16	65	32	33	98	66	32	(5)	32	(37)	218	174	44
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	0	1	1	1	0	1	0	0	1	0	0	3	2	1
Minority Interest Expense	(0)	-	(0)	(0)	-	(0)	(0)	-	(0)	(0)	-	(0)	(0)	-	(0)
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	61	44	17	66	33	33	98	66	32	(4)	32	(37)	221	176	45
Interest Expense	33	34	0	34	34	-	33	33	-	33	33	-	134	134	0
Recurring EBT	28	10	17	32	(1)	33	65	33	32	(37)	(1)	(37)	88	42	46
Income Taxes	10	4	(6)	13	(0)	(13)	26	13	(13)	14	(0)	(14)	63	16	(47)
Tax Rate	37%	39%	2%	40%	39%	-1%	40%	39%	-1%	-37%	39%	76%	72%	39%	-33%
DiscOps/Change in Acctg Principle	-	-	-	-	-	-	-	-	-	-	6	(6)	-	6	(6)
Net Income	$ 17	$ 6	$ 11	$ 19	$ (0)	$ 20	$ 39	$ 20	$ 19	$ (51)	$ 6	$ (57)	$ 24	$ 31	$ (7)
Current Income / (Loss)	17	6	11	19	(0)	20	39	20	19	(51)	6	(57)	24	31	(7)
Depreciation and Amortization	12	31	(19)	-	31	(31)	-	31	(31)	-	32	(32)	12	125	(113)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	10	4	6	13	(0)	13	26	13	13	14	(0)	14	63	16	47
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	(1)	(1)	0	-	(1)	1	(1)	(1)	-	64	(7)	71	63	(9)	72
Fund From Operations	39	40	(1)	32	30	3	64	63	1	27	30	(4)	162	163	(1)
A/R-A/P, net	16	31	(15)	38	28	10	(9)	(11)	2	(47)	(57)	10	(2)	(10)	7
Inventory	43	53	(10)	(10)	(13)	2	(34)	(37)	3	3	(2)	5	2	2	(0)
Prepaids and other	19	-	19	(6)	-	(6)	(6)	-	(6)	(7)	-	(7)	0	-	0
Other, net	8	9	(1)	(4)	(4)	-	(7)	(7)	-	(15)	(15)	-	(18)	(17)	(1)
Operating Cash Flow	126	134	(8)	50	41	9	8	8	(0)	(39)	(44)	4	144	139	5
Capital Expenditures	(28)	(31)	3	(38)	(31)	(6)	(30)	(26)	(4)	(31)	(55)	24	(126)	(143)	17
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 99	$ 104	$ (5)	$ 12	$ 9	$ 3	$ (22)	$ (18)	$ (4)	$ (70)	$ (99)	$ 28	$ 18	$ (4)	$ 22
Asset Sales and other	-	-	-	-	-	-	-	-	-	296	-	296	296	448	(152)
Free Cash Flow after Asset Sales	$ 99	$ 104	$ (5)	$ 12	$ 9	$ 3	$ (22)	$ (18)	$ (4)	$ 226	$ (99)	$ 324	$ 314	$ 444	$ (130)

Price Sensitivity

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter			$1.8		$10.1		$1.9	
Weather - Mild Summer/Mild Winter				($1.8)		($10.1)		($1.9)
Customer Choice - Mild Switching			$0.8		$1.3		$1.3	
Customer Choice - Aggressive Switching				($2.5)		($3.8)		($3.8)



IP

Illinois Power

DIVISIONAL SUMMARY (2004 Forecast to 2003 Actuals)
($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	1Q04 E	1Q03	+/-	2Q04 E	2Q03	+/-	3Q04 E	3Q03	+/-	4Q04 E	4Q03	+/-	2004 E	2003	+/-
Operating Margin	$ 101	$ 106	$ (5)	$ 79	$ 82	$ (3)	$ 113	$ 119	$ (6)	$ 82	$ 84	$ (2)	$ 375	$ 391	$ (17)
Depreciation & Amortization	10	30	20	-	30	30	-	30	30	-	30	30	10	120	110
General & Administrative	30	17	(13)	14	16	2	15	25	10	15	10	(5)	75	68	(7)
Impairment/Reorganization	(0)	-	0	-	-	-	-	-	-	72	242	170	72	242	170
Recurring Op Income	60	59	1	65	36	29	98	64	34	(5)	(198)	193	218	(39)	257
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	0	1	1	(1)	2	1	(0)	1	1	-	1	3.2	(1)	4
Minority Interest Expense	(0)	(0)	-	(0)	(0)	-	(0)	(0)	-	(0)	(0)	-	(0)	(0)	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	61	59	2	66	35	31	98	64	34	(4)	(198)	194	221	(40)	261
Interest Expense	33	41	8	34	39	5	33	36	3	33	34	1	134	150	16
Interest Expense - SKIS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBT	28	18	10	32	(4)	36	65	28	37	(37)	(232)	194	88	(190)	277
Income Taxes	10	8	(2)	13	(3)	(16)	26	9	(17)	14	4	(10)	63	18	(45)
Tax Rate	37%	44%	7%	40%	76%	36%	40%	32%	-8%	-37%	-2%	35%	72%	-9%	-82%
DiscOps/Change In Acctg Principle	-	(2)	2	-	-	-	-	-	-	-	-	-	-	(2)	2
Net Income	$ 17	$ 8	$ 9	$ 19	$ (1)	$ 20	$ 39	$ 19	$ 20	$ (51)	$ (236)	$ 185	$ 24	$ (210)	$ 234
Current Income / (Loss)	17	8	9	19	(1)	20	39	19	20	(51)	(236)	185	24	(210)	234
Depreciation and Amortization	12	30	(18)	-	36	(36)	-	33	(33)	-	33	(33)	12	132	(120)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	10	(13)	23	13	23	(10)	26	10	16	14	4	10	63	24	39
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	(1)	3	(4)	-	(2)	2	(1)	11	(12)	64	239	(175)	63	251	(188)
Fund From Operations	39	28	11	32	56	(24)	64	73	(9)	27	40	(14)	162	198	(35)
A/R-A/P net	16	(16)	32	38	22	16	(9)	(15)	6	(47)	(40)	(7)	(2)	(49)	47
Inventory	43	28	15	(10)	(17)	7	(34)	(41)	7	3	(1)	4	2	(31)	33
Prepaids and other	19	(0)	20	(6)	(6)	(0)	(6)	(9)	3	(7)	(10)	3	0	(25)	25
Other, net	8	(2)	10	(4)	(7)	3	(7)	(9)	2	(15)	(8)	(7)	(18)	(26)	8
Operating Cash Flow	126	38	88	50	49	1	8	(1)	9	(39)	(19)	(21)	144	67	78
Capital Expenditures	(28)	(32)	5	(38)	(38)	(2)	(30)	(33)	3	(31)	(25)	(6)	(126)	(126)	(0)
Other Investing	0	-	0	-	(0)	0	-	-	-	(0)	(0)	(0)	(0)	(0)	0
Free Cash Flow	$ 99	$ 6	$ 93	$ 12	$ 12	$ (0)	$ (22)	$ (34)	$ 12	$ (71)	$ (44)	$ (27)	$ 18	$ (60)	$ 78
Asset Sales and other	-	-	-	-	-	-	-	-	-	296	-	296	296	-	296
Free Cash Flow after Asset Sales	$ 99	$ 6	$ 93	$ 12	$ 12	$ (0)	$ (22)	$ (34)	$ 12	$ 225	$ (44)	$ 269	$ 314	$ (60)	$ 374

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	1Q04 E	1Q03	+/-	2Q04 E	2Q03	+/-	3Q04 E	3Q03	+/-	4Q04 E	4Q03	+/-	2004 E	2003	+/-
Electric Sales - (Millions of KWH)															
Residential	1,455	1,433	22	1,128	998	130	1,774	1,766	8	1,164	1,112	52	5,520	5,309	211
Commercial	1,054	1,058	(4)	1,097	1,052	45	1,232	1,208	24	1,080	1,095	(15)	4,462	4,413	49
Industrial	1,320	1,405	(85)	1,404	1,648	(244)	1,418	1,561	(143)	1,323	1,509	(186)	5,466	6,123	(658)
ARES Transport	630	549	81	805	601	204	885	642	243	830	590	240	3,149	2,382	767
Other/Interchange	98	99	(1)	94	88	6	93	105	(12)	88	82	6	373	374	(1)
Total Electric Delivered	4,556	4,544	12	4,528	4,387	141	5,402	5,282	120	4,484	4,388	96	18,970	18,601	369
Gas Sales - (Millions of Therms)															
Residential	160	185	(25)	40	35	5	20	18	2	107	99	8	327	337	(10)
Commercial	59	72	(14)	17	16	1	12	10	2	42	47	(5)	130	145	(15)
Industrial	15	23	(8)	12	18	(6)	14	16	(2)	13	13	0	55	70	(15)
Transport	69	65	4	55	57	(2)	46	48	(2)	52	56	(4)	221	226	(5)
Sale to Affiliates	4	4	0	5	3	2	4	5	(1)	5	2	3	19	14	5
Total Gas Delivered	306	349	(43)	129	129	0	96	97	(1)	219	217	2	751	792	(41)

Illinois Power

EXECUTIVE EARNINGS SUMMARY

($ million, except per share and ratios)

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	April	May	June	2nd QTR			July		
	Est	Est	Est	Est	Plan	+/-	Est	Plan	+/-
Gross Margin	$ 40	$ 39	$ 47	$ 126	$ 125	$ 1	$ 54	$ 54	$ (0)
Operating Expenses	18	14	14	46	46	(0)	15	15	1
Operating Margin	$ 23	24	33	80	79	1	39	38	0
Depreciation & Amortization	-	-	-	-	31	31	-	10	10
General & Administrative	3	5	5	14	16	2	5	5	0
Impairment/Reorganization	-	-	-	-	-	-	-	-	-
Operating Income	19	20	28	67	32	34	34	23	11
Equity Earnings	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	0	0	1	1	(0)	0	0	0
Earnings Before Interest & Taxes	$ 19	$ 20	$ 28	$ 67	$ 33	$ 34	$ 34	$ 23	$ 11

Earnings Variance Explanation

Volume		
Weather		
Customer choice/PPO	$ (1)	$ -
Non-Weather Volume	2	0
Transmission	0	(0)
Cost	(0)	-
O&M: Operations permanent variances		
Claims expense/IBNR Liability	2	1
Regulatory Asset Amortization/DD&A	(2)	-
Regulatory Asset Amortization/DD&A (Reversal Held-For-Sale Accounting)	0	-
G&A: G&A departments permanent variances	31	10
Claims posted to G&A in error	1	0
Other Expense/Income	1	-
One Time	(0)	0
FERC Ruling onTransmission Through & Out rates effective April 1, 2004; impact May-Dec of ($3M)	(1)	(0)
	-	-
	-	-
	-	-
	-	-
Total Variance Explained	$ 34	11

Volume - Kal

Electric Sales - (Millions of KWH)	Est	Plan	+/-			
Residential	1,114	1,128	(14)			
Commercial	1,128	1,097	31			
Industrial	1,282	1,404	(122)			
ARES Transport	869	805	64			
Other/Interchange	94	94	(0)			
Total Electric Delivered	4,487	4,528	(41)		1,923	-
Gas Sales - (Millions of Therms)						
Residential	34	40	(5)	7	7	-
Commercial	17	17	-	4	4	-
Industrial	10	12	(2)	3	3	-
Transport	55	55	1	16	16	-
Sale to Affiliates	4	5	(1)	1	1	-
Total Gas Delivered	121	129	(9)	32	32	-

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Illinois Power

EXECUTIVE EARNINGS SUMMARY

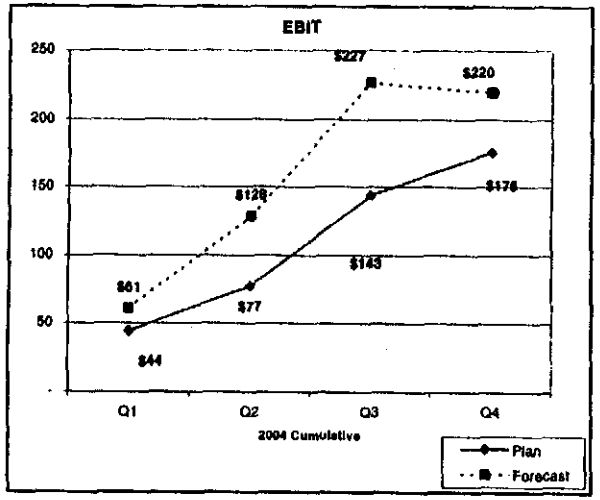
($ million, except per share and ratios)

Cash Flow Highlights	April Est	May Est	June Est	2nd QTR Est	2nd QTR Plan	2nd QTR +/-	July Est	July Plan	July +/-
Operating Cash Flow	$ 48	$ 37	$ (38)	47	$ 41	$ 6	$ 2	$ 1	$ 1
Investing Cash Flow	(12)	(14)	(12)	(38)	(31)	(6)	(11)	(8)	(3)
Free Cash Flow Before Asset Sales	$ 36	$ 24	$ (50)	$ 9	$ 9	$ 0	$ (9)	$ (7)	$ (2)
Asset Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Free Cash Flow Before Asset Sales
Variance Explanation

Lower underrecovery of Uniform Gas Adjusment Clause (UGAC)	$ 5	$ -
(Higher)/lower service receivables	(6)	3
Accounts payable-timing of payables	3	-
Other operating cash flow	4	(2)
Capital expenditures-actual vs. plan timing differences	(6)	(3)
Total Variance Explained	$ 0	$ (2)

Hot Topics



Top 5 Initiatives

Rate Case: Under the SPA entered into with Ameren, IP must file a gas rate by June 30, 2004. Work is in progress to make that filing, with subsequent drafts of some pieces of the testimony already being circulated for review. Meetings with ICC Staff on selected issues have also begun.

IP Sale: On Feb. 2, 2004, Dynegy entered into an SPA with Ameren to sell the stock of IP and Dynegy's minority interest in EEInc. The transaction is conditioned on, among other things, the obtaining of necessary regulatory approvals. All major regulatory filings have been made and the process is now focusing on interventions and responding to data requests from various parties. Ameren filed Supplemental Direct Testimony in the ICC proceeding to address certain concerns raised by the ICC Staff and will be hosting a meeting on May 13th to begin the process of seeing if all issues can be resolved without the need for a contested case. FERC interventions were due on May 10th and our response is in June.

IP Value Opportunities:
Initial efforts to identify cost savings across the IP organization were completed in mid-April. Our current forecast reflects total O&M and G&A cost savings of approximately $15 million. Also, IP has been able to identify additional savings for the 2nd quarter which will offset a claims/IBNR overage that occurred in the month of April.

MISO:

IP filed a conditional application to join MISO 5/3. We expect to agree to a formal plan and joinder date by about June 1. We will make filings with FERC by early June for approval, and once approved by FERC will expect reimbursement of approximately $6.5 by ●August 15 plus ●$6 million by ●September 15. IP will join on or slightly before Sept 1. The $6.5 is a return of the exit fee IP paid when we first left MISO and the $8 is a reimbursement of development costs for the former Alliance RTO. These amounts are expected to change slightly based on FER disallowance of small parts, plus interest adjustment

Safety:	April YTD 2004	April YTD 2003
Recordables	30	26
Lost Time Injuries	7	6

Illinois Power has experienced thirty OSHA Recordable incidents this year compared to twenty-six during the same period in 2003. Of the recordable incidents this year, seven have resulted in lost time incidents compared to six during the same period in 2003.

Participant Notes

Illinois Power

DIVISIONAL SUMMARY (2004 Forecast to 2003 Actuals)
($ million, except per share and ratios)

	Quarter 2			
	2Q04 E	2Q03	+/-	Variance Explanations
Operating Margin	$ 60	$ 62	$ (2)	Higher claims expense and reclassification of commun./insurance/claims to Operating.
Depreciation & Amortization	-	30	30	Depreciation/Amortization discontinued effective 2/1/04 due to asset held for sale (entry made at the Corporate level).
General & Administrative	14	16	2	G&A Department underspending and reclassification of communications/insurance/claims to Operating.
Impairment/Reorganization	-	-	-	
Recurring Op Income	67	36	31	
Equity Earnings	-	-	-	
Other Income/(Expense)	1	(1)	2	
Minority Interest Expense	-	(0)	-	
Interest on Redeemable Preferred	-	-	-	
Recurring EBIT	67	35	32	
Interest Expense	34	39	5	Higher debt in anticipation of maturities in prior year resulted in more interest expense.
Interest Expense - SKIS	-	-	-	
Recurring EBT	34	(4)	38	
Income Taxes	14	(3)	(17)	Higher income resulted in more income taxes.
Tax Rate	40%	76%	-44%	
DiscOps/Change in Acctg Principle	-	-	-	
Net Income	$ 20	$ (1)	$ 21	
Current Income / (Loss)	20	(1)	21	
Depreciation and Amortization	-	36	(36)	Depreciation/Amortization discontinued effective 2/1/04 due to asset held for sale (entry made at the Corporate level).
Equity Earnings less Distributions	-	-	-	
Deferred Income Taxes	14	23	(10)	
Risk Management Adjustments	-	-	-	
Other Non cash Adjustments	-	(2)	2	
Funds From Operations	34	56	(22)	
A/R-A/P net	40	22	18	Primarily driven by $11 M positive A/P change in April related to commodity purchases.
Inventory	(14)	(17)	3	
Prepaids and other	(7)	(6)	(1)	
Other, net	(6)	(7)	1	Miscellaneous timing differences.
Operating Cash Flow	47	49	(2)	
Capital Expenditures	(38)	(36)	(2)	
Other Investing	-	(0)	0	
Free Cash Flow	$ 9	$ 12	$ (3)	
Asset Sales and other	-	-	-	
Free Cash Flow after Asset Sales	$ 9	$ 12	$ (3)	

Illinois Power

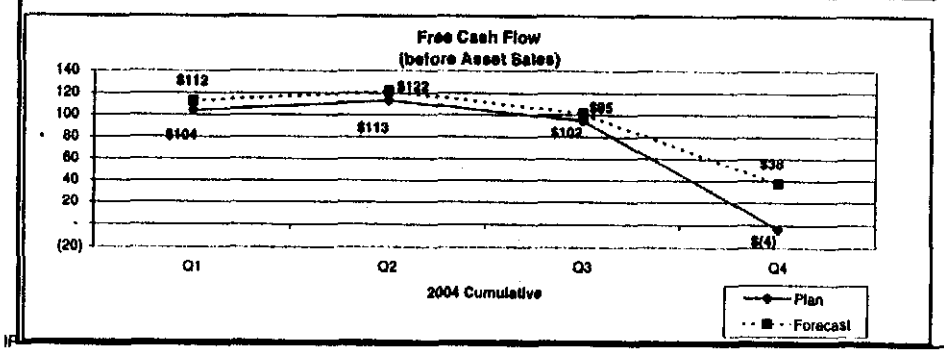
DIVISIONAL SUMMARY (2004 Forecast to 2004 Plan)

($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			[illegible]		
	Actual	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 101	$ 90	$ 11	$ 80	$ 79	$ 1	$ 113	$ 112	$ 1	$ 81	$ 81	$ 0	$ 374	$ 362	$ 12
Depreciation & Amortization	10	31	21	-	31	31	-	31	31	-	32	32	10	125	115
General & Administrative	15	15	(0)	14	16	2	15	15	(0)	15	17	2	59	63	4
Impairment/Reorganization	15	-	(15)	-	-	-	-	-	-	74	-	(74)	89	-	(89)
Recurring Op Income	60	44	16	67	32	34	98	66	32	(8)	32	(40)	217	174	43
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	-	1	1	1	0	1	0	0	1	0	0	3	1	2
Minority Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	61	44	17	67	33	34	98	66	32	(7)	32	(39)	220	176	44
Interest Expense	33	34	0	34	34	-	33	33	-	33	33	-	134	134	0
Recurring EBT	28	10	18	34	(1)	34	65	33	32	(40)	(1)	(39)	86	42	45
Income Taxes	11	4	(7)	14	(0)	(14)	26	13	(13)	14	(0)	(14)	64	16	(48)
Tax Rate	41%	40%	-1%	40%	39%	-1%	40%	39%	-1%	-34%	39%	73%	75%	39%	-35%
DiscOps/Change in Acctg Principle	-	-	-	-	-	-	-	-	-	-	6	(6)	-	6	(6)
Net Income	$ 16	$ 6	$ 10	$ 20	$ (0)	$ 21	$ 39	$ 20	$ 19	$ (54)	$ 6	$ (59)	$ 22	$ 31	$ (9)
Current Income / (Loss)	16	6	10	20	(0)	21	39	20	19	(54)	6	(59)	22	31	(9)
Depreciation and Amortization	13	31	(18)	-	31	(31)	-	31	(31)	-	32	(32)	13	125	(112)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	11	4	7	14	(0)	14	26	13	13	14	(0)	14	64	16	48
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	16	(1)	17	-	(1)	1	(1)	(1)	-	73	(7)	80	88	(9)	98
Fund From Operations	57	40	17	34	30	4	64	63	1	33	30	3	188	163	24
A/R-A/P, net	16	31	(15)	40	28	12	(10)	(11)	1	(47)	(57)	10	(1)	(10)	9
Inventory	46	53	(8)	(14)	(13)	(1)	(37)	(37)	(0)	3	(2)	5	(2)	2	(4)
Prepaids and other	15	-	15	(7)	-	(7)	(0)	-	(0)	(7)	-	(7)	1	-	1
Other, net	7	9	(2)	(6)	(4)	(2)	(7)	(7)	(0)	(15)	(15)	-	(21)	(17)	(4)
Operating Cash Flow	140	134	6	47	41	6	10	8	2	(33)	(44)	11	164	139	25
Capital Expenditures	(28)	(31)	3	(38)	(31)	(6)	(30)	(26)	(4)	(31)	(55)	24	(126)	(143)	17
Other Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 112	$ 104	$ 9	$ 9	$ 9	$ 0	$ (20)	$ (18)	$ (2)	$ (64)	$ (99)	$ 35	$ 38	$ (4)	$ 41
Asset Sales and other	-	-	-	-	-	-	-	-	-	278	448	(170)	278	448	(170)
Free Cash Flow after Asset Sales	$ 112	$ 104	$ 9	$ 9	$ 9	$ 0	$ (20)	$ (18)	$ (2)	$ 214	$ 349	$ (136)	$ 315	$ 444	$ (129)

Price Sensitivity

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter			$1.8		$10.1		$1.9	
Weather - Mild Summer/Mild Winter				($1.8)		($10.1)		($1.9)
Customer Choice - Mild Switching			$0.8		$1.3		$1.3	
Customer Choice - Aggressive Switching				($2.5)		($3.8)		($3.8)



Illinois Power

DIVISIONAL SUMMARY (2004 Forecast to 2003 Actuals)

($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Annual		
	1Q04 E	1Q03	+/-	2Q04 E	2Q03	+/-	3Q04 E	3Q03	+/-	4Q04 E	4Q03	+/-	2004 E	2003	+/-
Operating Margin	$ 101	$ 106	$ (5)	$ 80	$ 82	$ (2)	$ 113	$ 119	$ (7)	$ 81	$ 84	$ (3)	$ 374	$ 391	$ (17)
Depreciation & Amortization	10	30	20	-	30	30	-	30	30	-	30	30	10	120	110
General & Administrative	15	17	2	14	16	2	15	25	10	15	10	(5)	59	68	9
Impairment/Reorganization	15	-	(15)	-	-	-	-	-	-	74	242	168	89	242	153
Recurring Op Income	60	59	1	67	36	31	98	64	34	(8)	(198)	190	217	(39)	256
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	0	1	1	(1)	2	1	(0)	1	1	-	1	3	(1)	4
Minority Interest Expense	-	(0)	-	-	(0)	-	-	(0)	-	-	(0)	-	-	(0)	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	61	59	2	67	35	32	98	64	34	(7)	(198)	191	220	(40)	260
Interest Expense	33	41	8	34	39	5	33	36	3	33	34	1	134	150	16
Interest Expense - SKIS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBT	28	18	10	34	(4)	38	65	28	37	(40)	(232)	192	86	(190)	276
Income Taxes	11	8	(3)	14	(3)	(17)	26	9	(17)	14	4	(10)	64	18	(46)
Tax Rate	41%	44%	3%	40%	76%	36%	40%	32%	-8%	-34%	-2%	32%	75%	-9%	-84%
DiscOps/Change in Acctg Principle	-	(2)	2	-	-	-	-	-	-	-	-	-	-	(2)	2
Net Income	$ 16	$ 8	$ 8	$ 20	$ (1)	$ 21	$ 39	$ 19	$ 20	$ (54)	$ (236)	$ 182	$ 22	$ (210)	$ 232
Current Income / (Loss)	16	$ 8	8	20	(1)	21	39	19	20	(54)	(236)	182	22	(210)	232
Depreciation and Amortization	13	30	(17)	-	36	(36)	-	33	(33)	-	33	(33)	13	132	(119)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	11	(13)	24	14	23	(10)	26	10	16	14	4	10	64	24	40
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	16	3	13	-	(2)	2	(1)	11	(12)	73	239	(166)	88	251	(163)
Fund From Operations	57	28	29	34	56	(22)	64	73	(9)	93	40	(7)	188	198	(10)
A/R-A/P net	16	(16)	32	40	22	18	(10)	(15)	5	(47)	(40)	(7)	(1)	(49)	48
Inventory	46	28	18	(14)	(17)	3	(37)	(41)	4	3	(1)	4	(2)	(31)	29
Prepaids and other	15	(0)	15	(7)	(6)	(1)	(0)	(9)	9	(7)	(10)	3	1	(25)	26
Other, net	7	(2)	9	(6)	(7)	1	(7)	(9)	2	(15)	(8)	(7)	(21)	(26)	5
Operating Cash Flow	140	38	102	47	49	(2)	10	(1)	11	(33)	(19)	(14)	164	67	97
Capital Expenditures	(28)	(32)	4	(38)	(36)	(2)	(30)	(33)	3	(31)	(25)	(6)	(126)	(126)	(0)
Other Investing	-	-	-	-	(0)	0	-	-	-	-	(0)	0	-	(0)	0
Free Cash Flow	$ 112	$ 6	$ 107	$ 9	$ 12	$ (3)	$ (20)	$ (34)	$ 14	$ (64)	$ (44)	$ (20)	$ 38	$ (60)	$ 97
Asset Sales and other	-	-	-	-	-	-	-	-	-	278	-	278	278	-	278
Free Cash Flow after Asset Sales	$ 112.24	$ 6	$ 107	$ 9	$ 12	$ (3)	$ (20)	$ (34)	$ 14	$ 214	$ (44)	$ 257	$ 316	$ (60)	$ 375

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Annual		
	1Q04 E	1Q03	+/-	2Q04 E	2Q03	+/-	3Q04 E	3Q03	+/-	4Q04 E	4Q03	+/-	2004 E	2003	+/-
Electric Sales - (Millions of KWH)															
Residential	1,455	1,433	22	1,114	998	116	1,774	1,766	8	1,164	1,112	52	5,506	5,309	197
Commercial	1,054	1,058	(4)	1,128	1,052	76	1,232	1,208	24	1,080	1,095	(15)	4,493	4,413	80
Industrial	1,320	1,405	(85)	1,282	1,648	(366)	1,307	1,561	(254)	1,231	1,509	(278)	5,140	6,123	(983)
ARES Transport	630	549	81	869	601	268	996	642	354	922	590	332	3,417	2,382	1,035
Other/Interchange	98	99	(1)	94	88	6	93	105	(12)	88	82	6	373	374	(1)
Total Electric Delivered	4,556	4,544	12	4,487	4,387	100	5,402	5,282	120	4,484	4,388	96	18,929	18,601	328
Gas Sales - (Millions of Therms)															
Residential	160	185	(25)	34	35	(1)	20	18	2	107	99	8	322	337	(16)
Commercial	59	72	(14)	17	18	1	12	10	2	42	47	(5)	130	145	(15)
Industrial	15	23	(8)	10	18	(8)	14	16	(2)	13	13	0	52	70	(18)
Transport	69	65	4	55	57	(2)	46	48	(2)	52	56	(4)	222	226	(4)
Sale to Affiliates	4	4	0	4	3	1	4	5	(1)	5	2	3	17	14	3
Total Gas Delivered	306	349	(43)	121	129	(8)	96	97	(1)	219	217	2	743	792	(50)

Attached Section 285.305c: Each monthly managerial report providing financial results of operations for each of the past 12 months and each of the eight subsequent months as it becomes available.

Illinois Power

EXECUTIVE EARNINGS SUMMARY

($ million, except per share and ratios)

	April Actual	May Est	June Est	2nd QTR Est	2nd QTR Plan	2nd QTR +/-	July Est	July Plan	July +/-
Gross Margin	$ 42	$ 36	$ 48	$ 125	$ 112	$ 13	$ 57	$ 49	$ 8
Operating Expenses	15	12	19	46	41	(4)	17	13	(4)
Operating Margin	27	23	29.0	79	71	8	39	36	4
Depreciation & Amortization	10	10	10	30	120	90	10	9	(2)
General & Administrative	5	5	5	15	12	(3)	6	4	(2)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-
Operating Income	11	8	14	33	(62)	95	23	23	0
Equity Earnings	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	0	0	1	97	(96)	0	1	(1)
Earnings Before Interest & Taxes	$ 12	$ 9	$ 14	$ 34	$ 35	$ (1)	$ 23	$ 24	$ (0)

Earnings Variance Explanation		
Volume		
Weather		
Customer choice/PPO	$ (3)	$ 3
Non-Weather Volume	(0)	(2)
Stretch Initiative	7	1
Cost	(5)	(2)
O&M: Operations permanent variances	2	(0)
Operations approved timing variances	1	(1)
General Taxes	(1)	0
Corporate Allocations (Benefits Reversal - O&M)	3	0
Stretch	(4)	(3)
Regulatory Asset Amortization/DD&A	3	1
G&A: G&A departments permanent variances	2	-
Approved timing variances	0	(1)
Loadings (A&G, Benefits to Construction, etc)	(2)	-
Corporate Allocations	(2)	(1)
Stretch Initiative	(1)	(0)
Other Expense/Income	(0)	-
One Time		
Transmission Sale (2nd Qtr: GM $14.6M,O&M -$4.5M Reg Asset $88.1M, DD&A -$1.2M, Other -$96.1M) (July: GM $6.3M,O&M -$1.4M Reg Asset -$2.1M, DD&A -$0.4M, Other -$0.4M)	1	2
PGA Disallowance Settlement	-	1
Total Variance Explained	$ (1)	$ (0)

Volume - Net	Est	Plan	+/-	Est	Plan	+/-
Electric Sales - (Millions of KWH)						
Residential	1,102	1,094	8	684	664	20
Commercial	1,106	1,084	22	4	4	-
Industrial	1,609	1,559	50	476	471	5
ARES Transport	699	779	(80)	272	272	-
Other/Interchange	95	97	(2)	36	36	-
Total Electric Delivered	4,611	4,613	(1)	1,472	1,447	25
Gas Sales - (Millions of Therms)						
Residential	35	38	(2.8)	7	7	-
Commercial	16	17	(0.8)	4	4	-
Industrial	17	18	(0.8)	5	5	-
Transport	56	55	0.5	15	15	-
Sale to Affiliates	4	6	(1.9)	2	2	-
Total Gas Delivered	128	134	(6)	33	33	-

June 2000

Illinois Power

EXECUTIVE EARNINGS SUMMARY
($ million, except per share and ratios)

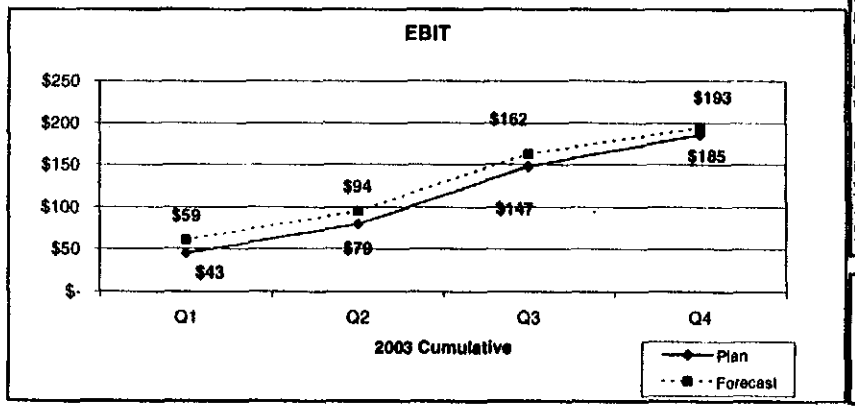
Cash Flow Highlights	[illegible] Actual	[illegible] Est	June Est.	2nd QTR Est	2nd QTR Plan	2nd QTR +/-	July Est	July Plan	July +/-
Operating Cash Flow	$ 93	$ 12	$ (34)	71	$ 66	$ 5	$ (23)	$ (38)	$ 15
Investing Cash Flow	(13)	(9)	(12)	(34)	(39)	5	(13)	(14)	1
Free Cash Flow Before Asset Sales	$ 80	$ 3	$ (46)	$ 37	$ 27	$ 10	$ (36)	$ (52)	$ 16
Asset Sales	$ -	$ -	$ -	$ -	$ 239.00	$ (239.00)	$ -	$ -	$ -

Free Cash Flow Before Asset Sales
Variance Explanation

Corporate plan changes to tax payment assumptions	$ (61)	$ -
Corporate plan changes to A/P assumptions	12	0
A/R-Reduced receivables due to seasonal weather trenc	24	(1)
Taxes accrued-lower income tax payment	6	16
Reduced inventory costs	7	0
Increase in deferred taxes	13	0
Other operating cash flow	4	0
Capital expenditures deferred or eliminatec	5	1
Total Variance Explained	$ 10	$ 16

Hot Topics

Illinois Storms: The worst damage by Mother Nature to IP's electric distribution system since 1998 occurred on June 10th and 11th as major storms passed through the southern service territory. A total of 55,000 IP customers experience service interruptions and more than 23,000 customers were without service at the peak early on the 11th. More than 400 IP and Contractor personnel worked diligently to restore power. The majority of customers were restored within 48 hours and restoration efforts near completion within 72 hours. The damage to IP facilities exceeded $3 Million and involved approximately 150 poles, over 400 spans of primary and secondary and in excess of 250 individual services.



Top 5 Initiatives

PPA Restructuring: Restructuring and extension of the PPA's will enable continued coordination with IP's suppliers during the transition into the RTO operations and will provide for a continuation of supply after the mandatory transition period. IP has held preliminary discussions with Dynegy and is continuing to investigate any requirements of the RTO that may impact the restructuring or extension of the PPA. IP's integration into RTO operations is expected in the fourth quarter of 2003 and is not expected to materially impact earnings or cash flow.

Financial Self-Sufficiency: IP projects a liquidity deficiency by September 2003. Absent a transmission sale, limited amounts of long-term debt could be issued within the framework of the 11.5% bond covenants. However, issuing more permanent debt will add to IP's heavy leverage going forward and also result in a deterioration of earnings due to high interest rates. To meet IP's capital needs, Dynegy has committed to make up to $200M in principal payments on the inter-company note and, as needed, prepay the interest payments. Accordingly, efforts should continue to arrange a bank facility for IP, to be used as a means of partial self-sufficiency.

Safety	May YTD 2003	2003 Target	2002 Results
Recordables	28	56	75
Lost Time Injuries	7	11	21

May safety performance extended an exceptional safety record. Since March 12th, we have experienced only 6 recorable injuries and 1 lost time, reflecting top decial performance for that period.

Labor Negotiations: Negotiations with the 4 IBEW Locals continued towards the development of a new contract for wages and working conditions. Reasonable progress is being made and the number of unresolved issues continues to be reduced. Parallel negotiations are also being conducted for benefits, and similar progress is being made. Separately, the Company is addressing with the unions the overall quality of the union-company relationship. Efforts to address this will include an expedited resolution of outstanding grievances and a more effective grievance process for the future.

Value Creation: IP is pursuing 4 Initiatives (Overall optimization of resources, customer care, facilities, and field force) as part of the overall Value Creation Project. These initiatives will be coordinated as appropriate with certain initiatives sponsored by other members of the management executive committee and linked with an overall organizational review. The target for advancing specific recommendations in all these areas is June.

Participant Notes

Illinois Power

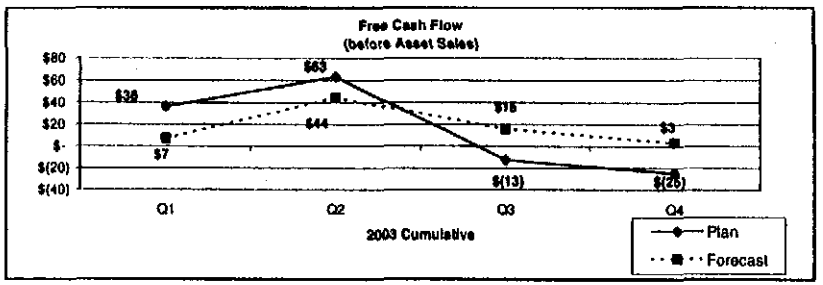
DIVISIONAL SUMMARY

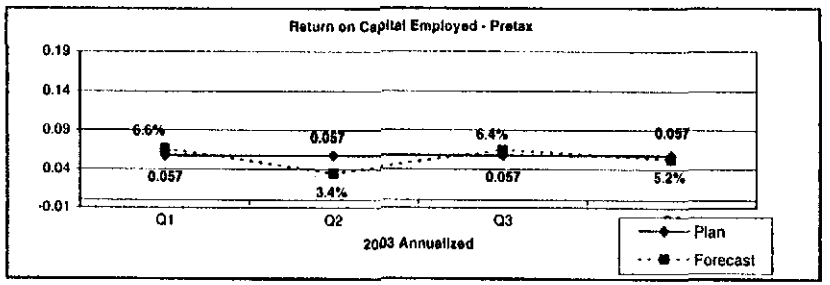
($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	Act	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 106	$ 89	$ 17	$ 79	$ 71	$ 8	$ 113	$ 104	$ 9	$ 75	$ 75	$ 1	$ 374	$ 339	$ 35
Depreciation & Amortization	30	34	4	30	120	90	30	26	(5)	30	26	(5)	122	206	84
General & Administrative	17	12	(5)	15	12	(3)	15	12	(3)	14	12	(2)	61	48	(13)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring Op Income	59	42	16	33	(62)	95	68	67	1	31	37	(6)	190	84	107
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	1	(0)	1	97	(96)	0	2	(1)	0	1	(1)	3	101	(98)
Minority Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Redeemable Preferred	-	-	-	-	-	-			-			-	-	-	-
Recurring EBIT	59	43	16	34	35	(1)	68	68	(0)	31	38	(6)	193	185	8
Interest Expense	(2)	(2)	0	(4)	(3)	1	(6)	(5)	0	(8)	(6)	2	(20)	(16)	3
Recurring EBT	62	45	16	38	38	0	74	73	0	39	44	(5)	213	201	12
Income Taxes	24	16	(8)	12	13	1	30	26	(4)	16	15	(0)	81	70	(11)
Tax Rate	0	0	(0)	0	0	0	0	0	(0)	0	0	(0)	0	0	(0)
DiscOps/Change in Acctg Principle	(2)	-	(2)	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Net Income	$ 35	$ 30	$ 6	$ 26	$ 25	$ 1	$ 44	$ 48	$ (4)	$ 24	$ 29	$ (5)	$ 129	$ 131	$ (2)
Current Income / (Loss)	$ 35	$ 30	$ 6	$ 26	$ 25	$ 1	$ 44	$ 48	$ (4)	$ 24	$ 29	$ (5)	$ 129	$ 131	$ (2)
Depreciation and Amortization	30	34	(4)	31	120	(89)	31	26	5	31	26	5	123	206	(83)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	3	11	(8)	5	10	(5)	(7)	18	(25)	(18)	11	(29)	(17)	50	(67)
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	2	-	2	-	-	-	-	-	-	-	-	-	2	-	2
Fund From Operations	70	75	(5)	62	155	(93)	68	92	(24)	37	65	(29)	237	387	(150)
A/R-A/P net	(59)	(3)	(55)	101	20	80	(47)	(45)	(2)	(14)	(15)	1	(19)	(43)	24
Inventory	28	36	(8)	(12)	(20)	8	(25)	(25)	0	11	11	0	2	1	0
Prepaids and other	-	(12)	12	(14)	34	(49)	(7)	(8)	1	2	(9)	11	(19)	5	(25)
Other, net	(2)	(26)	24	(64)	(123)	58	15	(55)	70	(22)	(36)	14	(73)	(240)	166
Operating Cash Flow	38	69	(32)	71	66	5	4	(40)	45	14	16	(2)	127	111	16
Capital Expenditures	(31)	(34)	3	(34)	(39)	5	(33)	(35)	2	(26)	(28)	2	(124)	(136)	12
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 7	$ 36	$ (29)	$ 37	$ 27	$ 10	$ (29)	$ (76)	$ 47	$ (12)	$ (12)	$ 0	$ 3	$ (25)	$ 28

Price Sensitivity

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter					$10.1		$1.9	
Weather - Mild Summer/Mild Winter						$10.1		$1.9
Customer Choice - Mild Switching					$1.3		$1.3	
Customer Choice - Aggressive Switching						$3.8		$3.8





EXECUTIVE EARNINGS SUMMARY

($ million, except per share and ratios)

	April Actual	May Actual	June Est	2nd QTR Est	2nd QTR Plan	2nd QTR +/-	July Est	July Plan	July +/-
Gross Margin	$ 42	$ 36	$ 45	$ 122	$ 112	$ 10	$ 57	$ 49	$ 8
Operating Expenses	15	12	13	40	41	1	17	13	(4)
Operating Margin	27	23	31.9	82	71	11	39	36	4
Depreciation & Amortization	10	10	10	30	120	90	10	9	(1)
General & Administrative	5	5	7	17	12	(5)	6	4	(2)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-
Operating Income	11	8	15	35	(62)	97	23	23	0
Equity Earnings	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	0	(0)	0	97	(97)	0	1	(1)
Earnings Before Interest & Taxes	$ 12	$ 9	$ 15	$ 35	$ 35	$ (0)	$ 23	$ 24	$ (0)

Earnings Variance Explanation

Volume		
Weather	$ (5)	
Customer choice/PPO	(2)	
Non-Weather Volume	8	
Stretch Initiative	(6)	
Cost		
O&M: Operations permanent variances	8	
Operations approved timing variances	0	
General Taxes	(2)	
Corporate Allocations (Benefits Reversal - O&M)	3	
Stretch	(4)	
Regulatory Asset Amortization/DD&A	3	
G&A: G&A departments permanent variances	2	
Approved timing variances	-	
Loadings (A&G, Benefits to Construction, etc)	(3)	
Corporate Allocations	(2)	
Stretch Initiative	(1)	
Other Expense/Income	(1)	(0)
One Time		(0)
Transmission Sale (2nd Qtr: GM $14.6M,O&M -$4.5M	1	2
Reg Asset $88.1M, DD&A -$1.2M, Other -$96.1M)		
(July: GM $6.3M,O&M -$1.4M		
Reg Asset -$2.1M, DD&A -$0.4M, Other -$0.4M)		
PGA Disallowance/Settlement		
Total Variance Explained	0	-
Volume - Net	$ (0)	$ (0)

Electric Sales - (Millions of KWH)	Est	Plan	+/-	Est	Plan	+/-
Residential	999	1,094	(95)	694	664	30
Commercial	1,052	1,084	(32)	16	4	12
Industrial	1,648	1,559	89	511	471	40
ARES Transport	601	779	(178)	247	272	(25)
Other/Interchange	88	97	(9)	36	36	-
Total Electric Delivered	4,388	4,613	(225)	1,504	1,447	56
Gas Sales - (Millions of Therms)						
Residential	35	38	(2.8)	7	7	-
Commercial	16	17	(1.3)	4	4	-
Industrial	16	18	(2.5)	5	5	-
Transport	57	55	2.2	15	15	-
Sale to Affiliates	3	6	(3.4)	2	2	-
Total Gas Delivered	126	134	(8)	33	33	-

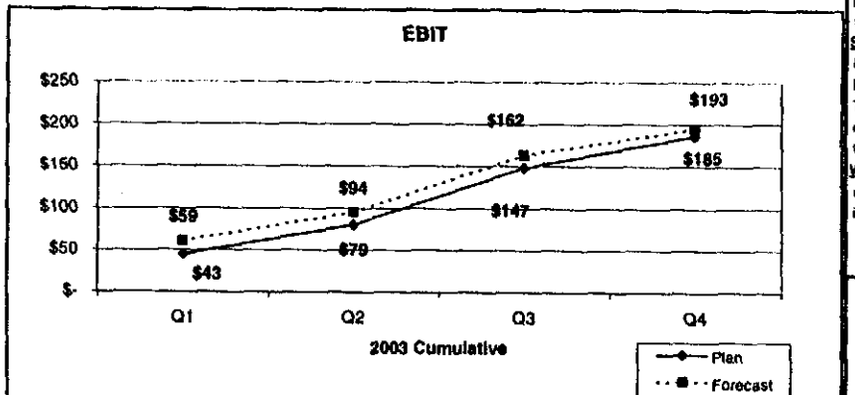
July 2003

EXECUTIVE EARNINGS SUMMARY
($ million, except per share and ratios)

Cash Flow Highlights	April Actual	May Actual	June Est.	2nd QTR Est	2nd QTR Plan	2nd QTR +/-	July Est	July Plan	July +/-
Operating Cash Flow	$ 93	$ (5)	$ (22)	67	$ 66	$ 1	$ (20)	$ (38)	$ 18
Investing Cash Flow	(13)	(9)	(14)	(36)	(39)	3	(11)	(14)	3
Free Cash Flow Before Asset Sales	$ 80	$ (14)	$ (36)	$ 31	$ 27	$ 4	$ (31)	$ (52)	$ 21
Asset Sales	$ -	$ -	$ -	$ -	$ 239	$ (239)	$ -	$ -	$ -

Free Cash Flow Before Asset Sales Variance Explanation		
Corporate plan changes to tax payment assumptions	$ (61)	$ -
Corporate plan changes to A/P assumptions	12	-
A/R-Reduced (increased) rec. due to seasonal weather trend	32	(3)
Taxes accrued-lower income tax payment	6	16
Reduced gas inventory costs	8	1
Other operating cash flow	4	4
Capital expenditures deferred or eliminated	3	3
Total Variance Explained	$ 4	$ 21

Hot Topics



Top 5 Initiatives

PPA Restructuring: Restructuring and extension of the PPA's will be addressed over the balance of 2003. This initiative is being addressed in the context of certain Value Creation Initiatives and also in the context of IP's integration into RTO operations.

Labor Negotiations/Relations:
IP successfully concluded negotiations with four IBEW locals for a three-year agreement regarding wages and working conditions; subsequent contracts were also finalized for various gas locals. Tentative agreement was also recently reached for a new two-year contract covering benefits. The process to expeditiously resolve outstanding grievances has been largely completed. Other activities designed to further improve the quality of union-management relations are continuing.

Community Relations: IP enjoys reasonably good relationships in most of the communities it serves. As part of that relationship effort, IP is continuously involved in discussions regarding issues of interest in the various communities it serves. Generally, these discussions relate to IP's performance, communities' economic and aesthetic development activities and other issues associated with local corporate citizenship. Recently, a series of issues in Champaign were brought together in a public forum and formed a basis for significant criticism of IP. A specific recovery plan has been drafted for the Champaign situation and an updated assessment of our relationships is being developed for several of the other communities we serve.

Safety	June YTD 2003	2003 Target	2002 Results
Recordables	35	56	75
Lost Time Injuries	8	11	21

The safety roller-coaster continued into June, with a fall-off in performance from what had recently been achieved. A higher number of injuries occurred during extended service restoration efforts following a series of recent storms in our territory. One potentially very serious electric contact case also occurred during this period.

Value Creation: Several Value Creation Initiatives involving IP are being pursued. Because of the inter-dependence of some of these initiatives, efforts are currently focused on appropriate sequencing and coordination. Specific IP Initiatives identified support the creation of sustained, incremental vale of $32 - $47 million by year-end 2004.

Participant Notes

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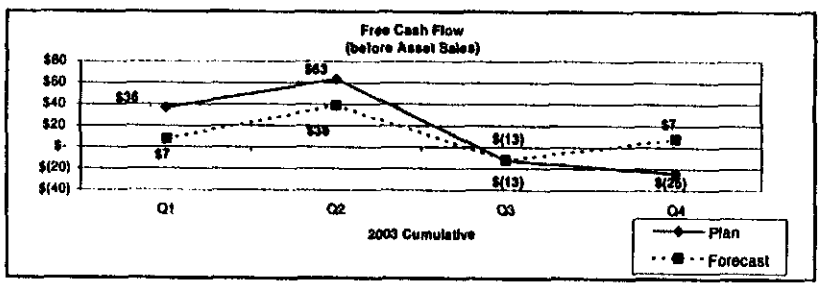
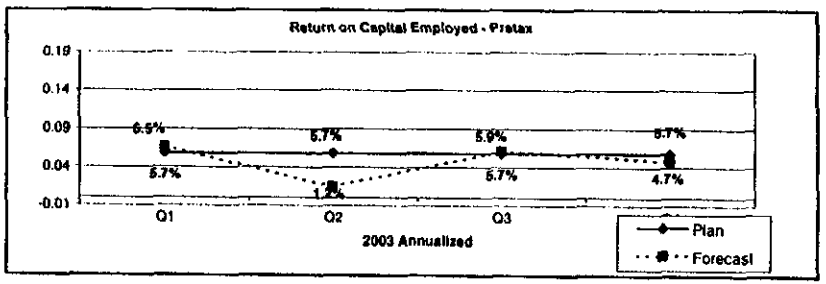
DIVISIONAL SUMMARY

($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	Act	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 106	$ 89	$ 17	$ 82	$ 71	$ 11	$ 111	$ 104	$ 7	$ 75	$ 75	$ 0	$ 374	$ 339	$ 36
Depreciation & Amortization	30	34	4	30	120	90	30	26	(4)	30	26	(4)	121	206	85
General & Administrative	17	12	(5)	17	12	(5)	14	12	(2)	14	12	(2)	62	48	(14)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring Op Income	59	42	16	35	(62)	97	67	67	0	31	37	(6)	191	84	107
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	1	(0)	0	97	(97)	0	2	(1)	0	1	(1)	2	101	(99)
Minority Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Redeemable Preferred	-	-	-	-	-	-			-			-	-	-	-
Recurring EBIT	59	43	16	35	35	(0)	67	68	(1)	31	38	(7)	193	185	8
Interest Expense	(2)	(2)	0	(4)	(3)	1	(6)	(5)	1	(8)	(6)	1	(19)	(16)	3
Recurring EBT	62	45	16	39	38	1	73	73	(0)	39	44	(5)	212	201	11
Income Taxes	24	16	(8)	13	13	1	29	26	(4)	15	15	(0)	81	70	(11)
Tax Rate	39%	35%	-4%	32%	35%	3%	40%	35%	-5%	40%	35%	-5%	38%	35%	-3%
DiscOps/Change in Acctg Principle	(2)	-	(2)	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Net Income	$ 35	$ 30	$ 6	$ 27	$ 25	$ 2	$ 44	$ 48	$ (4)	$ 23	$ 29	$ (5)	$ 129	$ 131	$ (2)
Current Income / (Loss)	$ 35	$ 30	$ 6	$ 27	$ 25	$ 2	$ 44	$ 48	$ (4)	$ 23	$ 29	$ (5)	$ 129	$ 131	$ (2)
Depreciation and Amortization	30	34	(4)	30	120	(90)	30	26	4	30	26	4	120	206	(86)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	3	11	(8)	(13)	10	(23)	(10)	18	(28)	(21)	11	(32)	(41)	50	(91)
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	2	-	2	1	-	1	-	-	-	-	-	-	3	-	3
Fund From Operations	70	75	(5)	45	155	(110)	64	92	(28)	32	65	(33)	211	387	(177)
A/R-A/P net	(59)	(3)	(55)	53	20	33	(57)	(45)	(12)	13	(15)	28	(50)	(43)	(7)
Inventory	28	36	(8)	(13)	(20)	7	(23)	(25)	2	13	11	2	5	1	3
Prepaids and other	-	(12)	12	(7)	34	(42)	10	(8)	18	9	(9)	18	12	5	6
Other, net	(2)	(26)	24	(9)	(123)	113	(14)	(55)	41	(21)	(36)	15	(46)	(240)	193
Operating Cash Flow	38	69	(32)	67	66	1	(20)	(40)	20	46	16	30	131	111	20
Capital Expenditures	(31)	(34)	3	(36)	(39)	3	(31)	(35)	4	(26)	(28)	2	(124)	(136)	12
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 7	$ 36	$ (29)	$ 31	$ 27	$ 4	$ (51)	$ (76)	$ 24	$ 20	$ (12)	$ 33	$ 7	$ (25)	$ 32

Price Sensitivity	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter					$10.1		$1.9	
Weather - Mild Summer/Mild Winter						$10.1		$1.9
Customer Choice - Mild Switching					$1.3		$1.3	
Customer Choice - Aggressive Switching						$3.8		$3.8





...ministrative		35		48	144	$ 8	$ 41	$ 37	$ 3	
Impairment/Reorganization	10	10	36	104	39	(9)	17	13	(4)	
Operating Income	2	5	10	29	104	(1)	24	24	(0)	
Equity Earnings	-	-	5	12	26	(4)	10	9	(1)	
Other Income/(Expense)	20	21	22	-	12	0	5	4	(1)	
Earnings Before Interest & Taxes	-	-	-	62	-	-	-	-	-	
	0	0	0	-	66	(4)	9	12	(2)	
	$ 20	$ 21	$ 22	0	-	-	-	-	-	
				$ 63	$ 68	$ (5)	$ 10	$ 12	$ (2)	

Earnings Variance Explanation									
Volume									
Weather									
Customer choice/PPO									
Non-Weather Volume									
Stretch Initiative									
Cost									
O&M: Operations permanent variances						$ (3)		$ -	
Operations approved timing variances						(2)		1	
General Taxes						(0)		(0)	
Corporate Allocations (Benefits Reversal - O&M)						(5)		(2)	
Stretch						3		-	
Regulatory Asset Amortization/DD&A						-		(0)	
G&A: G&A departments permanent variances						0		0	
Approved timing variances						1		0	
Loadings (A&G, Benefits to Construction, etc)						(8)		(3)	
Corporate Allocations						4		1	
Stretch Initiative						1		0	
Other Expense/Income						-		-	
One Time						(2)		-	
Transmission Sale (3rd Qtr: GM $17.7M,O&M -$5.0M						2		(0)	
Reg Asset -$6.3M, DD&A -$1.2M, Other -$0.9M)						(1)		(0)	
(October: GM $4.1M,O&M -$1.4M						(0)		(0)	
Reg Asset -$2.1M, DD&A -$0.4M, Other -$0.1M)						4		0	
Total Variance Explained						$ (5)		$ (2)	
Electric Sales - (Millions of KWH)									
Residential									
Commercial									
Industrial									
ARES Transport									
Other/Interchange									
Total Electric Delivered	1,669	1,765	(96)	313	313	-			
	1,224	1,223	1	367	367	-			
	1,609	1,463	146	545	495	-			
	684	834	(150)	241	285	50			
	103	104	(1)	33	33	(44)			
	5,289	5,388	(100)	1,500	1,494	-			
Gas Sales - (Millions of Therms)									
Residential	17	20	-	17	17	6			
Commercial	11	12	(2.6)	10	10	-			
Industrial	20	23	(1.4)	8	8	-			
Transport	43	42	(2.7)	15	15	-			
Sale to Affiliates	6	5	1.3	2	2	-			
Total Gas Delivered	97	102	0.6	51	51	-			
			(5)			-			

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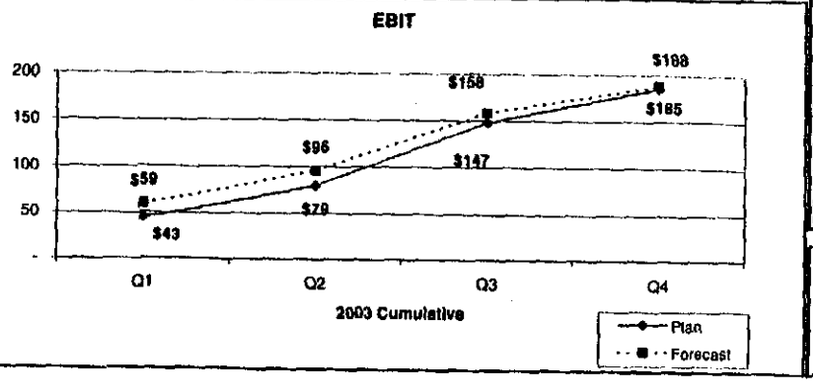
Illinois Power

Capital expenditures deferred or eliminated	4	1
	1	-
Total Variance Explained	$ 220	$ (54)

Hot Topics



Top 5 Initiatives

Performance Leadership: With the implementation of the recent leadership reorganization and other changes at both the IP and corporate levels, we are now seeking to refocus the IP organization on the unfinished business initiatives for 2003 and developing plans that will be supportive of achieving targeted financial and operating performance in 2004. As part of this process, we will be undertaking a significant employee communication and alignment initiative to help maintain focus on the business needs and opportunities.

Labor Negotiations/Relations:

Following successful negotiations with IP's bargaining units on wages, working conditions and benefits and efforts to address the backlog of grievances, the current focus is developing processes to support a sustained improvement in overall union-management relationships and developing the framework for business strategies that can be achieved through collaborative efforts.

Key Stakeholder Relationships:

A key factor affecting the business success of IP is the quality of relationships that exist with our customers, the communities we serve and the regulators and other public officials who oversee our activities. Historically, IP has maintained reasonably favorable relationships with these key stakeholders. Recently, issues have surfaced in some of our community relationships, and while we have responded quickly to the specifics of those situations, we are also conducting a comprehensive assessment of these relationships in all our key communities that will be the basis for additional relationship effort activities.

Safety:	July YTD 2003	2003 Target	2002 Results
Recordables	42	56	75
Lost Time Injuries	10	11	21

While safety performance has generally been disappointing in 2003, we have not reduced our resolve to continue to look for keys to unlocking improved performance for the balance of this year and are already positioning ourselves for a kick-off to a more successful 2004.

Value Creation: Several Value Creation initiatives involving IP are being pursued. Several of these initiatives will require support of labor and regulators. Plans are currently being developed to engage these groups in near-term discussions to support the achievement of the Value Creation objectives. Additionally, because of the inter-dependence of some of these initiatives, efforts continue to address the appropriate sequencing and coordination of these activities.

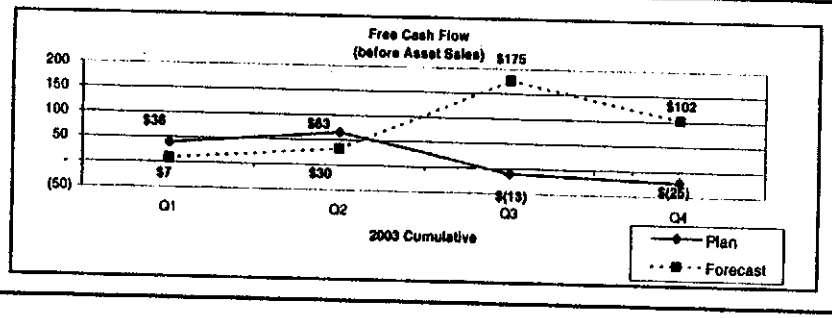
Participant Notes

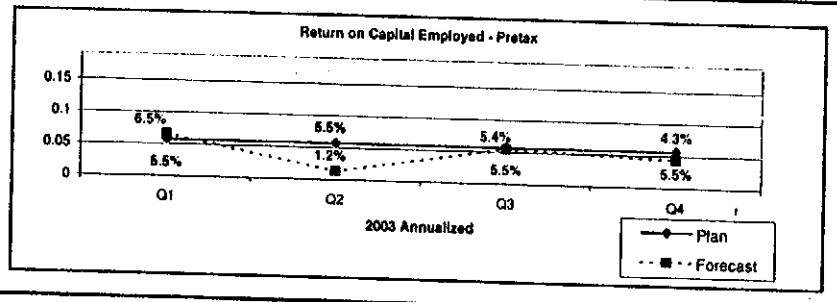
DIVISIONAL SUMMARY
($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Annual		
	Act	Plan	+/-	Act	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 106	$ 89	$ 17	$ 82	$ 71	$ 11	$ 104	$ 104	$ (1)	$ 73	$ 75	$ (1)	$ 365	$ 339	$ 26
Depreciation & Amortization	30	34	4	30	120	90	29	26	(4)	30	26	(4)	120	206	87
General & Administrative	17	12	(5)	16	12	(4)	12	12	0	14	12	(2)	59	48	(11)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring Op Income	59	42	16	36	(62)	97	62	67	(4)	29	37	(7)	186	84	102
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	1	(0)	1	97	(97)	0	2	(1)	0	1	(1)	2	101	(99)
Minority Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	59	43	16	36	35	1	63	68	(5)	30	38	(8)	188	185	3
Interest Expense	(2)	(2)	0	(4)	(3)	1	(7)	(5)	1	(8)	(6)	2	(20)	(16)	4
Recurring EBT	62	45	16	40	38	2	69	73	(4)	38	44	(6)	209	201	8
Income Taxes	24	16	(8)	14	13	(0)	27	26	(1)	15	15	0	80	70	(10)
Tax Rate	39%	35%	-4%	34%	35%	1%	39%	35%	-4%	40%	35%	-5%	38%	35%	-3%
DiscOps/Change in Acctg Principle	(2)	-	(2)	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Net Income	$ 35	$ 30	$ 6	$ 26	$ 25	$ 1	$ 42	$ 48	$ (5)	$ 23	$ 29	$ (6)	$ 126	$ 131	$ (4)
Current Income / (Loss)	$ 35	$ 30	$ 6	$ 26	$ 25	$ 1	$ 42	$ 48	$ (5)	$ 23	$ 29	$ (6)	$ 126	$ 131	$ (4)
Depreciation and Amortization	30	34	(4)	37	120	(83)	30	26	4	30	26	4	127	206	(79)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	3	11	(8)	37	10	27	(11)	18	(29)	(21)	11	(32)	8	50	(42)
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	2	-	2	2	-	2	-	-	-	-	-	-	4	-	4
Fund From Operations	70	75	(5)	102	155	(53)	61	92	(31)	32	65	(34)	265	387	(122)
A/R-A/P, net	(59)	(3)	(55)	36	20	15	63	(45)	108	(28)	(15)	(13)	12	(43)	55
Inventory	28	36	(8)	(17)	(20)	3	(25)	(25)	0	13	11	2	(1)	1	(3)
Prepaids and other	-	(12)	12	(5)	34	(40)	(10)	(8)	(2)	4	(9)	13	(11)	5	(17)
Other, net	(2)	(26)	24	(55)	(123)	67	90	(55)	145	(65)	(36)	(29)	(32)	(240)	207
Operating Cash Flow	38	69	(32)	59	66	(7)	179	(40)	220	(44)	16	(60)	232	111	121
Capital Expenditures	(31)	(34)	3	(36)	(39)	3	(34)	(35)	1	(29)	(28)	(1)	(130)	(136)	6
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 7	$ 36	$ (29)	$ 23	$ 27	$ (4)	$ 145	$ (76)	$ 221	$ (73)	$ (12)	$ (61)	$ 102	$ (25)	$ 127

Price Sensitivity

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter					$10.1		$1.9	
Weather - Mild Summer/Mild Winter						$10.1		$1.9
Customer Choice - Mild Switching					$1.3		$1.3	
Customer Choice - Aggressive Switching						$3.8		$3.8





Illinois Power

EXECUTIVE EARNINGS SUMMARY

($ million, except per share and ratios)

	July	August	September	3rd QTR			October		
	Act	Est.	Est	Est.	Plan	+/-	Est	Plan	+/-
Gross Margin	$ 49	$ 59	$ 49	$ 157	$ 144	$ 13	$ 41	$ 37	$ 3
Operating Expenses	17	14	16	47	39	(7)	16	13	(3)
Operating Margin	32	45	33	110	104	6	25	24	0
Depreciation & Amortization	10	10	10	30	26	(4)	10	9	(1)
General & Administrative	2	8	5	15	12	(3)	5	4	(1)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-
Operating Income	20	27	19	65	66	(1)	10	12	(2)
Equity Earnings	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	0	0	0	1	2	(1)	0	0	(0)
Earnings Before Interest & Taxes	$ 20	$ 27	$ 19	$ 66	$ 68	$ (2)	$ 10	$ 12	$ (2)

Earnings Variance Explanation

Volume		
Weather	$ (3)	
Customer choice/PPO	(2)	
Non-Weather Volume	5	
Stretch Initiative	(5)	
Cost		
O&M: Operations permanent variances	4	
Operations approved timing variances	-	
General Taxes	1	
Corporate Allocations (Benefits Reversal - O&M)	1	
Stretch	(8)	
Regulatory Asset Amortization/DD&A	4	
G&A: G&A departments permanent variances	0	
Approved timing variances	-	-
Severance Expense	(1)	-
Loadings (A&G, Benefits to Construction, etc)	(2)	-
Corporate Allocations	1	(0)
Stretch Initiative	(1)	(0)
Other Expense/Income	(0)	(0)
One Time		
Transmission Sale (3rd Qtr: GM $17.7M,O&M -$5.0M Reg Asset -$6.3M, DD&A -$1.2M, Other -$0.9M) (October: GM $4.1M,O&M -$1.4M Reg Asset -$2.1M, DD&A -$0.4M, Other -$0.1M)	4	0
Total Variance Explained	$ (2)	$ (2)

Volume - KK		Est	Plan	+/-	Est	Plan	+/-
Electric Sales - (Millions of KWH)							-
Residential		1,740	1,765	(25)	313	313	-
Commercial		1,236	1,223	13	367	367	-
Industrial		1,614	1,463	151	545	495	50
ARES Transport		654	834	(180)	241	285	(44)
Other/Interchange		100	104	(4)	33	33	-
	Total Electric Delivered	5,344	5,388	(46)	1,500	1,494	6
Gas Sales - (Millions of Therms)				-			-
Residential		17	20	(3.4)	17	17	-
Commercial		10	12	(1.8)	10	10	-
Industrial		15	23	(7.3)	8	8	-
Transport		46	42	4.3	15	15	-
Sale to Affiliates		6	5	1.3	2	2	-
	Total Gas Delivered	95	102	(7)	51	51	-

SEPT. 2003

Illinois Power

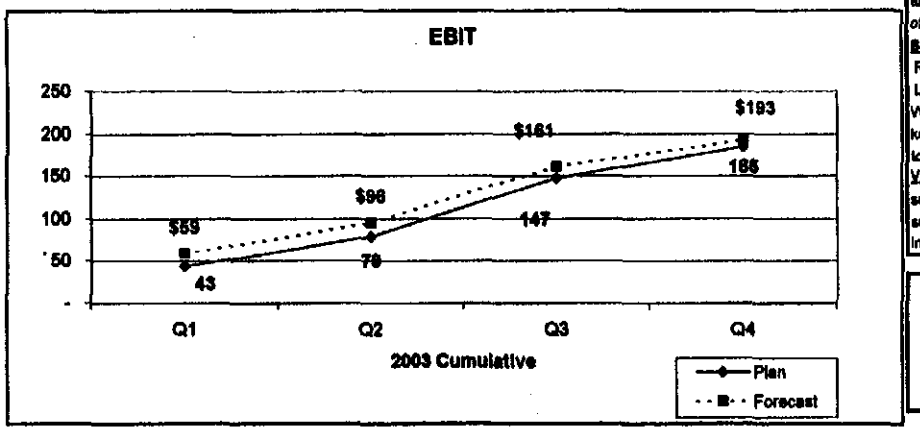
EXECUTIVE EARNINGS SUMMARY
($ million, except per share and ratios)

Cash Flow Highlights	July Act	August Est.	September Est	3rd QTR Est	3rd QTR Plan	3rd QTR +/-	October Est	October Plan	October +/-
Operating Cash Flow 1/	$ 85	$ (2)	$ 68	152	$ (40)	$ 192	$ (2)	$ 51	$ (53)
Investing Cash Flow	(12)	(9)	(10)	(31)	(35)	4	(10)	(10)	-
Free Cash Flow Before Asset Sales	**$ 73**	**$ (11)**	**$ 58**	**$ 121**	**$ (75)**	**$ 196**	**$ (12)**	**$ 41**	**$ (53)**
1/ Includes advance of interest on ILN Note. Asset Sales	$ -	$ -	$ -	$ -	-	-	$ -	$ -	$ -

Free Cash Flow Before Asset Sales
Variance Explanation

Corporate plan changes to tax payment assumptions	$ 14	$ 9
Corporate plan changes to A/P assumptions	(16)	6
Int. received on ILN note-earlier than Plan	170	(85)
A/R-Favorable change due to higher LPP & regular collections and unfavorable weather impact of June and July	17	-
Taxes accrued-lower income tax payment	18	14
Other operating cash flow	(9)	3
Capital expenditures deferred or eliminated	4	-
Total Variance Explained	**$ 196**	**$ (53)**

Hot Topics



Top 6 Initiatives

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Safety:	August YTD 2003	2003 Target	2002 Results
Recordables	47	56	75
Lost Time Injuries	11	11	21

While safety performance has generally been disappointing in 2003, we have not reduced our resolve to continue to look for keys to unlocking improved performance for the balance of this year and are already positioning ourselves for a kick-off to a more successful 2004.

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Participant Notes

Illinois Power

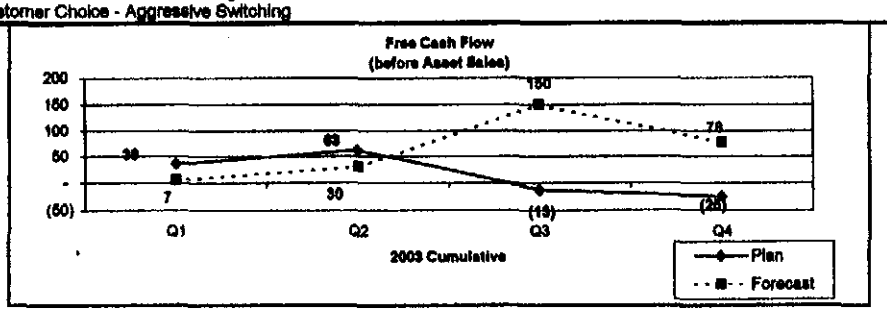
DIVISIONAL SUMMARY

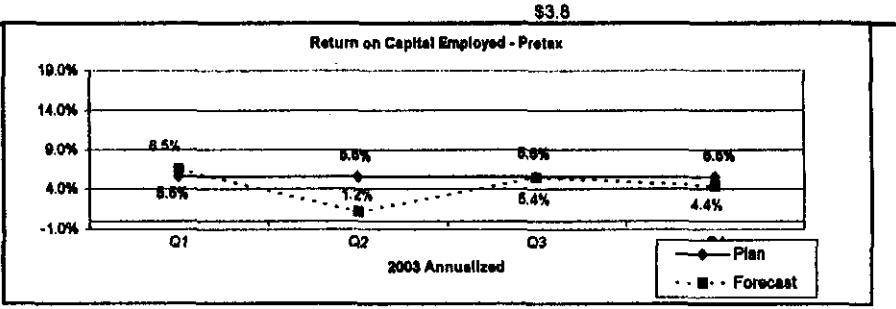
($ million, except per share and ratios)

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	Act	Plan	+/-	Actual	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 106	$ 89	$ 17	$ 62	$ 71	$ 11	$ 110	$ 104	$ 6	$ 75	$ 76	$ 1	$ 374	$ 339	$ 35
Depreciation & Amortization	30	34	4	30	120	90	30	26	(4)	30	26	(4)	120	206	86
General & Administrative	17	12	(5)	16	12	(4)	15	12	(4)	14	12	(2)	63	48	(15)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring Op Income	59	42	16	36	(62)	97	65	67	(1)	31	37	(6)	191	84	107
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	1	(0)	1	97	(97)	1	2	(1)	0	1	(1)	2	101	(99)
Minority Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	59	43	16	36	35	1	66	68	(2)	32	38	(6)	193	185	8
Interest Expense	(2)	(2)	0	(4)	(3)	1	(7)	(5)	2	(9)	(6)	3	(22)	(16)	6
Recurring EBT	62	45	16	40	38	2	73	73	(1)	41	44	(3)	215	201	14
Income Taxes	24	16	(8)	14	13	(0)	27	26	(1)	16	15	(1)	81	70	(10)
Tax Rate	39%	35%	-4%	34%	35%	1%	37%	35%	-2%	40%	35%	-5%	38%	35%	-3%
DiscOps/Change in Acctg Principle	(2)	-	(2)	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Net Income	$ 35	$ 30	$ 6	$ 26	$ 25	$ 1	$ 46	$ 48	$ (2)	$ 25	$ 29	$ (4)	$ 132	$ 131	$ 1
Current Income / (Loss)	35	30	6	26	25	1	46	48	(2)	25	29	(4)	132	131	1
Depreciation and Amortization	30	34	(4)	37	120	(83)	31	26	5	30	26	4	128	206	(78)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	3	11	(8)	37	10	27	(7)	18	(25)	(21)	11	(32)	12	50	(38)
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	2	-	2	2	-	2	1	-	1	-	-	-	5	-	5
Fund From Operations	70	75	(5)	102	155	(53)	71	92	(21)	34	65	(32)	277	387	(110)
A/R-A/P, net	(59)	(3)	(55)	36	20	15	81	(45)	125	(23)	(15)	(8)	34	(43)	77
Inventory	28	36	(8)	(17)	(20)	3	(32)	(25)	(7)	13	11	2	(8)	1	(10)
Prepaids and other	-	(12)	12	(5)	34	(40)	(10)	(8)	(2)	4	(9)	13	(11)	6	(17)
Other, net	(2)	(26)	24	(56)	(123)	67	42	(55)	96	(67)	(36)	(31)	(83)	(240)	157
Operating Cash Flow	38	69	(32)	59	66	(7)	151	(40)	191	(40)	16	(56)	208	111	97
Capital Expenditures	(31)	(34)	3	(36)	(39)	3	(31)	(35)	4	(32)	(28)	(4)	(130)	(136)	6
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 7	$ 36	$ (29)	$ 23	$ 27	$ (4)	$ 120	$ (76)	$ 196	$ (72)	$ (12)	$ (59)	$ 78	$ (25)	$ 103

Price Sensitivity

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter							$1.9	
Weather - Mild Summer/Mild Winter								$1.9
Customer Choice - Mild Switching							$1.3	
Customer Choice - Aggressive Switching								$3.8





EXECUTIVE EARNINGS SUMMARY
($ million, except per share and ratios)

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	July Act	August Act	September Est	3rd QTR Est	3rd QTR Plan	3rd QTR +/-	October Est	October Plan	October +/-
Gross Margin	$ 47	$ 57	$ 54	$ 158	$ 144	$ 14	$ 41	$ 37	$ 3
Operating Expenses	15	12	11	38	39	1	15	13	(2.1)
Operating Margin	32	45	42	120	104	15	25	24	1.1
Depreciation & Amortization	10	10	10	30	26	(4)	10	9	(1.5)
General & Administrative	2	8	14	25	12	(13)	5	4	(1.2)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-
Operating Income	20	27	18	65	66	(2)	10	12	(1.6)
Equity Earnings	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	(0)	1	0	1	2	(1)	0	0	(0.2)
Earnings Before Interest & Taxes	$ 20	$ 28	$ 18	$ 66	$ 68	$ (3)	$ 10	$ 12	$ (2)

Earnings Variance Explanation

Volume		
Weather	$ (5)	$ -
Customer choice/PPO	(2)	1
Non-Weather Volume	8	(0)
Stretch Initiative	(5)	
Cost		
O&M: Operations permanent variances/mapping to GM	11	
Operations approved timing variances	1	
General Taxes	1	
Corporate Allocations (Benefits Reversal - O&M)	1	
Stretch	(8)	
Regulatory Asset Amortization/DD&A	3	
G&A: G&A departments permanent variances	5	
Approved timing variances	-	
Increased Litigation Reserves	(7)	
Increased Claims expense/IBNR Liability	(6)	
Severance Expense	(1)	
Loadings (A&G, Benefits to Construction, etc)	(4)	
Corporate Allocations	1	
Stretch Initiative	(1)	
Other Expense/Income	(0)	
One Time		
Transmission Sale (3rd Qtr: GM $17.7M,O&M -$5.0M Reg Asset -$6.3M, DD&A -$1.2M, Other -$0.9M)	4	
(October: GM $4.1M,O&M -$1.4M Reg Asset -$2.1M, DD&A -$0.4M, Other -$0.1M)		
Total Variance Explained	$ (3)	$ (2)

Volume - Net

Electric Sales - (Millions of KWH)	Est	Plan	+/-	Est	Plan	+/-
Residential	1,766	1,765	1	317	313	4
Commercial	1,208	1,223	(15)	368	367	1
Industrial	1,560	1,463	97	545	495	50
ARES Transport	642	834	(192)	241	285	(44)
Other/Interchange	106	104	2	33	33	-
Total Electric Delivered	5,282	5,389	(107)	1,505	1,494	11
Gas Sales - (Millions of Therms)						
Residential	18	20	(2.5)	17	17	-
Commercial	11	12	(1.4)	10	10	-
Industrial	11	23	(11.5)	8	8	-
Transport	48	42	6.0	15	15	-
Sale to Affiliates	5	5	0.1	2	2	-
Total Gas Delivered	92	102	(9)	51	51	-

Oct. 2003

Cash Flow Highlights

	July Act	August Act	September Est	3rd QTR Est	3rd QTR Plan	3rd QTR +/-	October Est	October Plan	October +/-
Operating Cash Flow	$ 85	$ (2)	$ (17)	$ 66	$ (40)	$ 106	$ 19	$ 51	$ (32)
Investing Cash Flow	(12)	(9)	(13)	(34)	(35)	1	(10)	(10)	-
Free Cash Flow Before Asset Sales	$ 73	$ (11)	$ (30)	$ 32	$ (75)	$ 107	$ 9	$ 41	$ (32)
Asset Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Free Cash Flow Before Asset Sales Variance Explanation

Corporate plan changes to tax payment assumptions	$ 14	$ 9
Corporate plan changes to A/P assumptions	(16)	6
Int. received on ILN note-earlier than Plan	85	(71)
A/R-Favorable change due to higher LPP & regular collections and unfavorable weather impact of June, July & Sept.	9	9
Taxes accrued-lower income tax payment	16	14
Other operating cash flow	(2)	1
Capital expenditures deferred or eliminated	1	-
Total Variance Explained	$ 107	$ (32)

Hot Topics

Top 5 Initiatives

Performance Leadership: With the implementation of the recent leadership reorganization and other changes at both the IP and corporate levels, we are now seeking to refocus the IP organization on the unfinished business initiatives for 2003 and developing plans that will be supportive of achieving targeted financial and operating performance in 2004. As part of this process, we will be undertaking a significant employee communication and alignment initiative to help maintain focus on the business needs and opportunities.

Labor Negotiations/Relations:

Following successful negotiations with IP's bargaining units on wages, working conditions and benefits and efforts to address the backlog of grievances, the current focus is developing processes to support a sustained improvement in overall union-management relationships and developing the framework for business strategies that can be achieved through collaborative efforts.

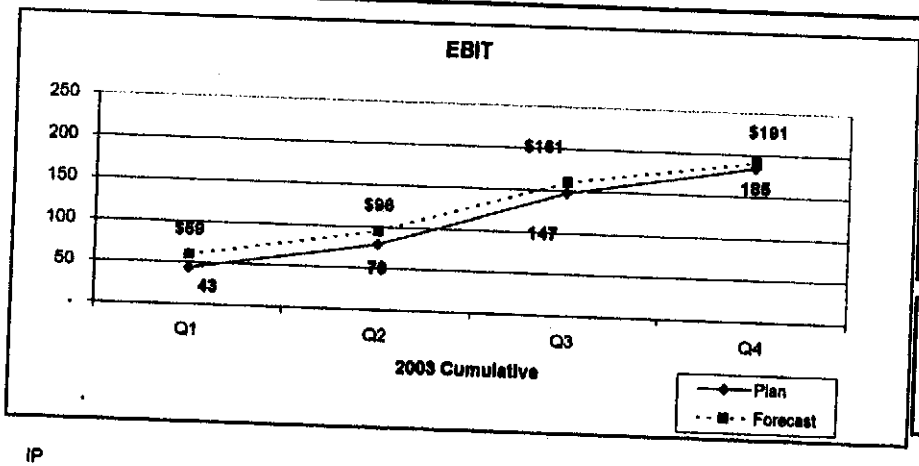
Key Stakeholder Relationships:

A key factor affecting the business success of IP is the quality of relationships that exist with our customers, the communities we serve and the regulators and other public officials who oversee our activities. Historically, IP has maintained reasonably favorable relationships with these key stakeholders. Recently, issues have surfaced in some of our community relationships, and while we have responded quickly to the specifics of those situations, we are also conducting a comprehensive assessment of these relationships in all our key communities that will be the basis for additional relationship effort activities.

Safety:	Sept YTD 2003	2003 Target	2002 Results
Recordables	58	56	75
Lost Time Injuries	13	11	21

While safety performance has generally been disappointing in 2003, we have not reduced our resolve to continue to look for keys to unlocking improved performance for the balance of this year and are already positioning ourselves for a kick-off to a more successful 2004.

Value Creation: Several Value Creation initiatives involving IP are being pursued. Several of these initiatives will require support of labor and regulators. Plans are currently being developed to engage these groups in near-term discussions to support the achievement of the Value Creation objectives. Additionally, because of the inter-dependence of some of these initiatives, efforts continue to address the appropriate sequencing and coordination of these activities.



Participant Notes

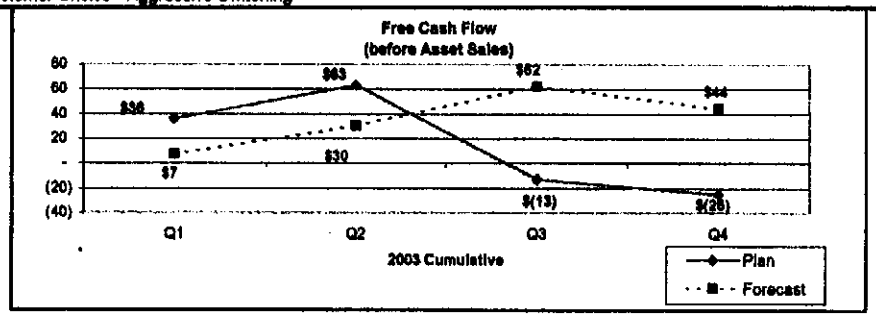
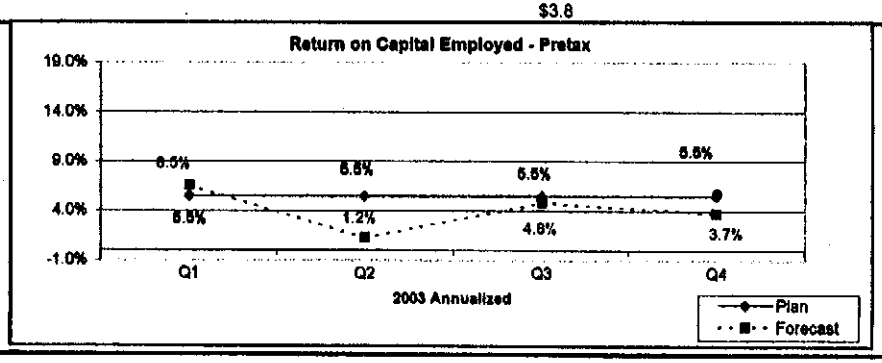
IP

Illinois Power

DIVISIONAL SUMMARY

($ million, except per share and ratios)

10/17/2003 4:46 PM

	Quarter 1			Quarter 2			Quarter 3			Quarter 4					
	Act	Plan	+/-	Act	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-	Est	Plan	+/-
Operating Margin	$ 106	$ 89	$ 17	$ 82	$ 71	$ 11	$ 120	$ 104	$ 15	$ 77	$ 75	$ 2	$ 384	$ 339	$ 46
Depreciation & Amortization	30	34	4	30	120	90	30	26	(4)	30	26	(4)	121	206	85
General & Administrative	17	12	(5)	16	12	(4)	25	12	(13)	17	12	(5)	75	48	(26)
Impairment/Reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring Op Income	59	42	16	36	(62)	97	65	67	(2)	30	37	(7)	189	84	105
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/(Expense)	1	1	(0)	1	97	(97)	1	2	(1)	0	1	(1)	2	101	(99)
Minority Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Redeemable Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recurring EBIT	59	43	16	36	35	1	65	68	(3)	30	38	(7)	191	185	6
Interest Expense	(2)	(2)	0	(4)	(3)	1	(6)	(5)	1	(7)	(6)	0	(19)	(16)	2
Recurring EBT	62	45	16	40	38	2	71	73	(2)	37	44	(7)	209	201	8
Income Taxes	24	16	(8)	14	13	(0)	27	28	(1)	15	15	1	79	70	(9)
Tax Rate	39%	35%	-4%	34%	35%	1%	38%	35%	-3%	40%	36%	-5%	38%	35%	-3%
DiscOps/Change in Acctg Principle	(2)	-	(2)	-	-	-	(0)	-	(0)	-	-	-	(2)	-	(2)
Net Income	$ 36	$ 30	$ 6	$ 26	$ 25	$ 1	$ 44	$ 48	$ (4)	$ 22	$ 29	$ (6)	$ 128	$ 131	$ (3)
Current Income / (Loss)	35	30	6	26	25	1	44	48	(4)	22	29	(6)	128	131	(3)
Depreciation and Amortization	30	34	(4)	37	120	(83)	32	26	6	30	26	4	129	206	(77)
Equity Earnings less Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	3	11	(8)	37	10	27	-	18	(18)	(21)	11	(32)	19	50	(31)
Risk Management Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non cash Adjustments	2	-	2	2	-	2	3	-	3	-	-	-	7	-	7
Fund From Operations	70	75	(5)	102	155	(53)	79	92	(13)	31	65	(34)	283	387	(105)
A/R-A/P, net	(59)	(3)	(55)	36	20	16	29	(45)	74	(15)	(15)	0	(9)	(43)	34
Inventory	28	36	(8)	(17)	(20)	3	(35)	(25)	(10)	13	11	2	(11)	1	(13)
Prepaids and other	-	(12)	12	(5)	34	(40)	(11)	(8)	(3)	4	(9)	13	(12)	5	(18)
Other, net	(2)	(26)	24	(56)	(123)	67	4	(55)	59	(25)	(36)	11	(79)	(240)	161
Operating Cash Flow	38	69	(32)	59	66	(7)	66	(40)	107	8	16	(8)	171	111	60
Capital Expenditures	(31)	(34)	3	(36)	(39)	3	(34)	(35)	1	(26)	(28)	2	(127)	(136)	9
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow	$ 7	$ 36	$ (29)	$ 23	$ 27	$ (4)	$ 32	$ (76)	$ 108	$ (18)	$ (12)	$ (6)	$ 44	$ (26)	$ 69

Price Sensitivity	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Upside	Downside	Upside	Downside	Upside	Downside	Upside	Downside
Weather - Hot Summer/Cold Winter							$1.9	
Weather - Mild Summer/Mild Winter								$1.9
Customer Choice - Mild Switching							$1.3	
Customer Choice - Aggressive Switching								$3.8