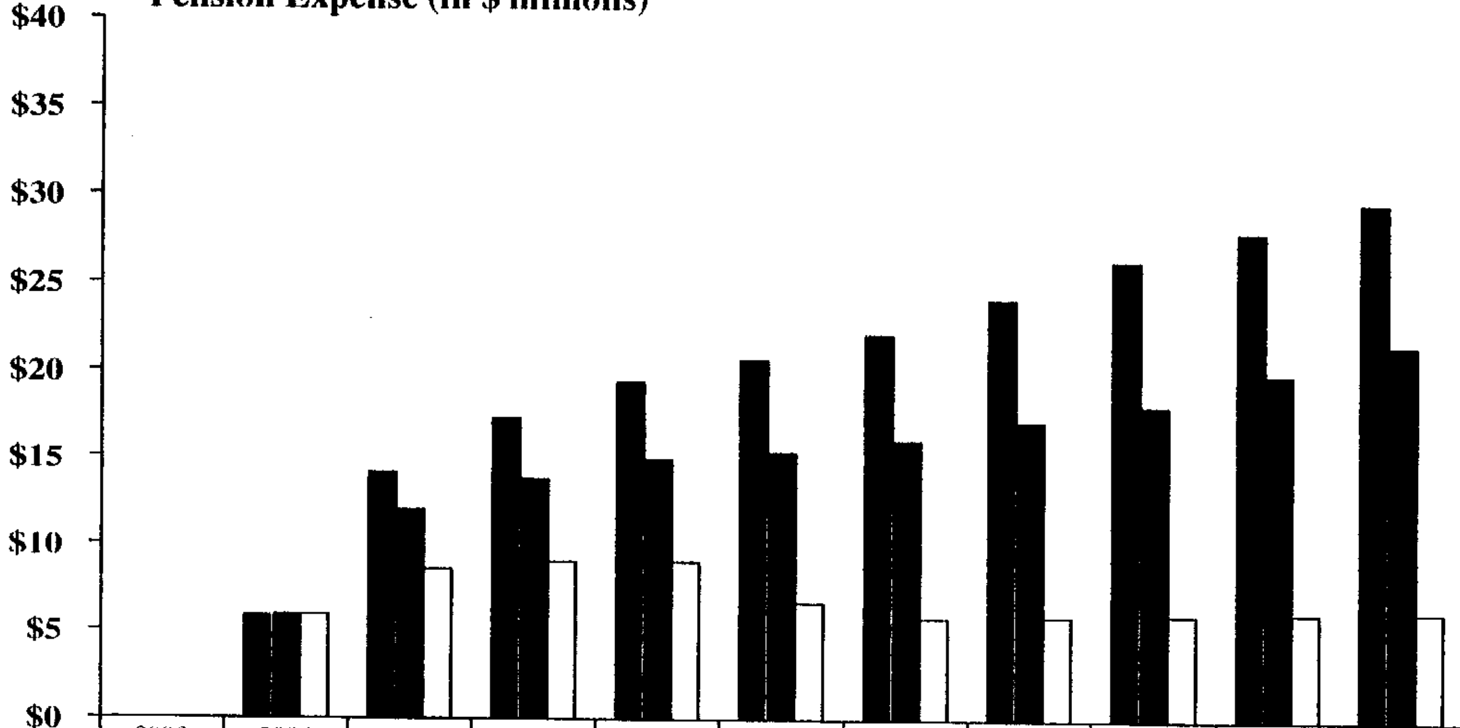
10-Year Projection—Union Plan IP Books

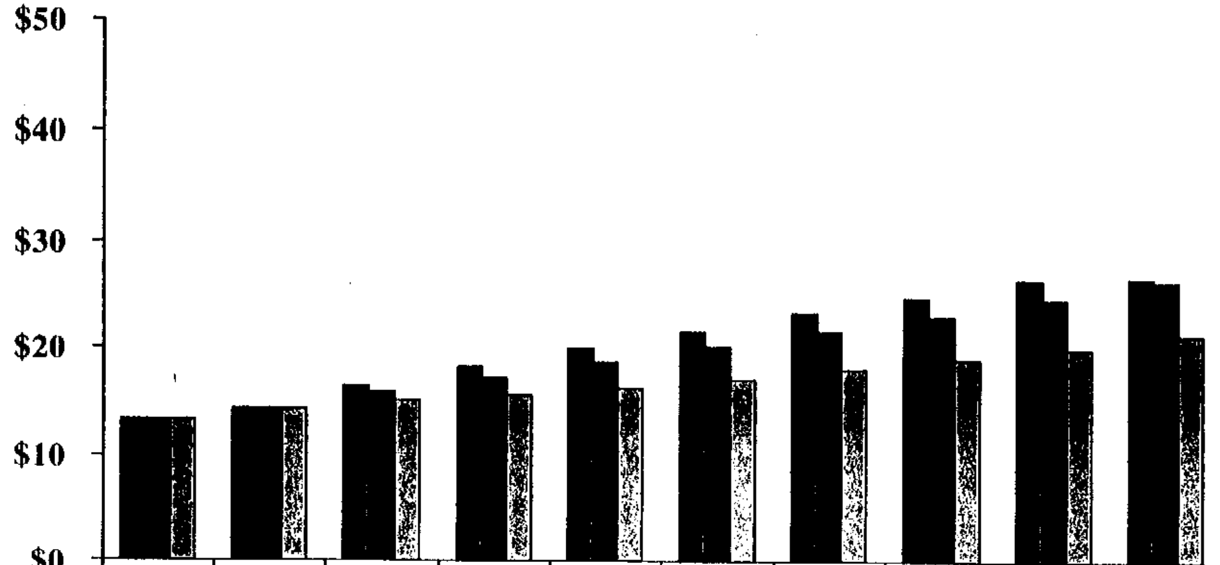
Pension Expense (in $ millions)



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
■ -5% Return	(0.9)	6.0	14.1	17.3	19.4	20.7	22.1	24.1	26.2	27.9	29.6
■ 0% Return	(0.9)	6.0	12.1	13.9	14.9	15.3	16.0	17.2	18.1	19.8	21.5
□ 8% Return	(0.9)	6.0	8.6	9.0	9.1	6.6	5.8	5.9	6.0	6.1	6.3

10-Year Projection—FAS 106
Dynegy Books

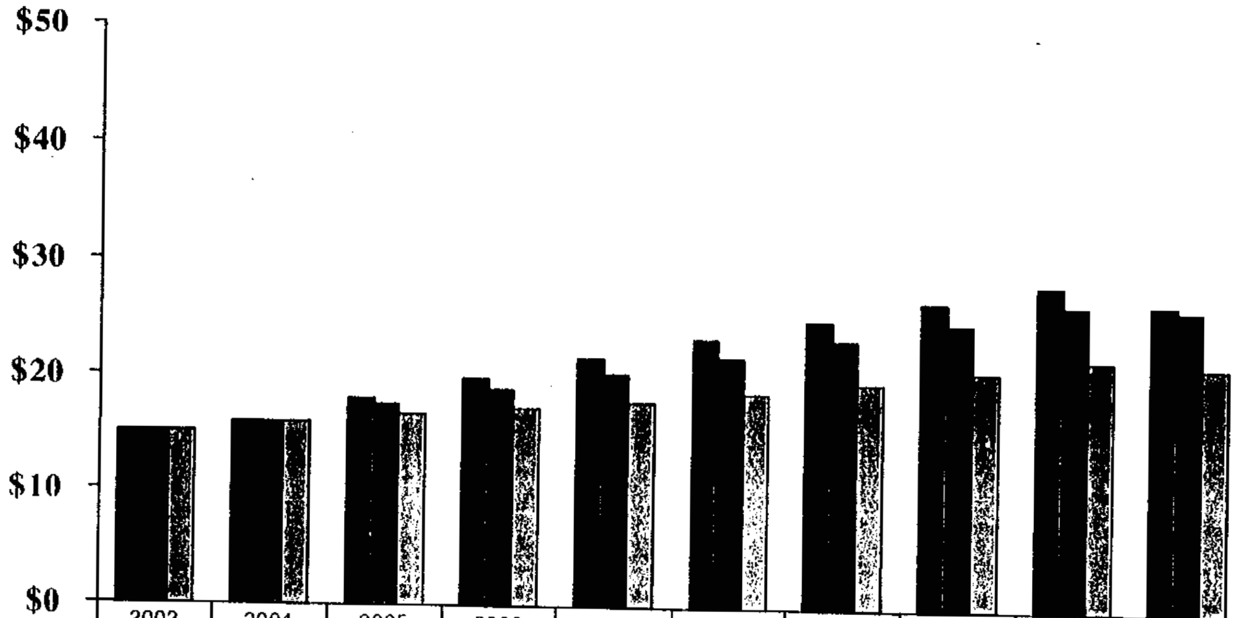
FAS 106 Expense ($ millions)



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
-5% Asset Return	13.4	14.4	16.5	18.3	20.0	21.7	23.4	24.9	26.5	26.7
0% Asset Return	13.4	14.4	15.9	17.3	18.7	20.2	21.7	23.2	24.8	26.4
8% Asset Return	13.4	14.4	15.1	15.6	16.3	17.1	18	19	20.1	21.4

10-Year Projection—FAS 106 IP Books

FAS 106 Expense ($ millions)



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
-5% Asset Return	15	16	18.1	19.9	21.7	23.4	25.1	26.7	28.3	26.7
0% Asset Return	15.0	16.0	17.6	19.0	20.4	21.9	23.4	25.0	26.6	26.3
8% Asset Return	15.0	16.0	16.7	17.3	18.0	18.8	19.7	20.8	21.9	21.4

Other Topics

Legislative Update - Other Miscellaneous Pension Topics

- Recent cash balance proposed age discrimination regulations
  - Dynegy would have very little problem with requirements
  - Lots of negative feedback received from participant groups and sponsors
  - Nondiscrimination requirements already "pulled" from proposal
  - Remaining provisions will not be finalized in near-term (never?)
- Reminder about PBGC Reportable Events
  - ERISA requires timely notice to PBGC about certain events
  - PBGC considers events to present a risk to ability to fund pension plan
  - Wide range of events - many unknown to actuary (see separate document)

Current Liability Interest Rate Relief Update

- Many pension calculations based on 30-Year Treasury bond yields
  - Current liability (which will drive funding requirements)
  - PBGC reporting and variable rate premiums
  - Lump sums
- 30-Year Treasuries no longer being issued
  - IRS still publishes proxy to this rate
  - However, yields are historically low (e.g., 4.53% for May 2003)
- Replacement must be found
  - JCWAA provided relief for 2002 and 2003
  - Relief scheduled to end as of January 1, 2004
  - Would significantly impact current liability interest rate (5.4% vs. 6.2%) and current liability amount and funded ratios (approximately 10%)

Current Liability Interest Rate Relief Update

- Pension Preservation and Savings Expansion Act (PPSEA, Portman/Cardin)
  - Replacement rate based on conservative, long-term corporate bond indices
  - 2004 estimated current liability interest rate of 6.8%
- Gregg Amendment
  - Replacement rate also based on corporate bonds, but without adjustment (currently 105% of average rates allowed)
  - 2004 estimated current liability interest rate of 6.5%
- Treasury
  - Extension of current relief while permanent fix is studied (yield curve approach?)
  - 2004 estimated current liability interest rate of 6.2%
- Dynegy has been lobbying for relief which could impact funding results over next five years by $20+ million

Other Retirement Legislation

- Medicare Prescription Drug Program
  - House and Senate have separate but similar proposals
    - $35 monthly premiums
    - $275 deductible
    - 50% on first $4,000, 90% catastrophic coverage
  - Strong support from President
  - Employers will have options for integration with program
    - Apply to be a "qualified" plan and get reimbursed from Medicare
    - Enroll retirees in new Medicare Part D program
    - Allow retirees to enroll as individuals

PBGC Reporting Requirements Under ERISA Section 4010

- Required if aggregate unfunded vested benefits of all plans in controlled group exceed $50 million as of end of fiscal year
- Employer must submit the following by April 15
  - Plan actuarial information including present value of benefits on plan termination basis
  - Financial information for each controlled group member including audited financial statements
- Dynegy was not required to file in 2002 and 2003, but may be required to file in 2004

ERISA Section 4011 Participant Notice Requirements

- Certain underfunded plans required to notify participants annually of plan's Current Liability Funded Percentage and limits of PBGC's guarantee
- Requires plan administrator to notify participants if a variable rate premium is payable for the plan.
- Plans that are at the Full Funding Limit for the plan year preceding the premium payment year are exempt from variable rate premiums.
- The Dynegy plans qualify for Full Funding Limit exemption.
  - No variable-rate premium is due for 2003
  - A 4011 participant notice is not required
  - Notices will be required in a few years if the plans begin to pay a premium
- Avoidance guaranteed if Current Liability Funded Percentage always 90%+

Nondiscrimination Testing

- Complex Rules
- Extends beyond DB Plans
- Union Plan and participants may be excluded
- Testing will be required for 2002 Form 5500 filing
- Hewitt will be performing over next two months

Appendix

Basis for Preliminary Valuation Results

- **Actuarial Assumptions**—As summarized in the 2002 actuarial valuation reports unless noted otherwise.
- **Plan Provisions**—As summarized in the 2002 actuarial valuation reports unless noted otherwise.
- **Participant Data**—January 1, 2003 (October 1, 2002 for DNE) data as provided by Dynegy through Hewitt's TBA system.
- **Market Value of Assets**
  - December 31, 2002 (September 30, 2002 for DNE) unaudited assets as provided by Northern Trust
  - After January 1, 2003 —Projections of the December 31, 2002 assets with estimates of benefit payments, contributions and asset returns, unless otherwise noted.

Basis for Preliminary Valuation Results

- Basis for Estimated 2004 Expense
  - Projected minimum contributions and expected benefit payments
- Basis for Estimated 2004 Expense for Retiree Welfare Plans
  - Expected claims contributions and benefit payments

Basis for Projected Contributions

- 2003 preliminary valuation results with unaudited assets
- Demographic and pay changes during projection period match actuarial assumptions with terminations replaced to keep constant employee count
- Asset returns as disclosed
- Future 30-year Treasury rates of 4.75%
- Only use projections for trend and magniture

"Javier Hernandez"
<jxhernan@hewitt.com
>

02/09/2004 11:00 AM

To: carolyn.j.stone@dynegy.com, melessa.fox@dynegy.com, denean_smith@illinoispower.com, ryan.smith@dynegy.com
cc: bethany.spurrier@dynegy.com, peggy.carter@dynegy.com, "Adrienne Wagner" <Adrienne.Wagner@hewitt.com>, "Leon Rieger" <leon.rieger@hewitt.com>
Subject: Year end Disclosure Revised

Enclosed are the revised year end disclosure and 2004 estimates for the pension and retiree medical plans. Northern revised the VEBA assets, so the disclosure values and 2004 expense estimate for the retiree medical plan had to be revised.

We've also added the sensitivity analysis you requested for the 2004 expense. One final change, the was a rounding problem that Denean point out on the IP reconciliation for year end 2003 (the millions rounding was off on page 11). This has been corrected.

If you have any questions, please let us know.

thanks.

Javier Hernandez
Hewitt Associates
Javier.Hernandez@hewitt.com
Direct: 281-882-6220
Fax: 281-363-9049

---

 eoy disc ltr-revised.pd

Hewitt

Hewitt Associates LLC
2601 Research Forest Drive
The Woodlands, TX 77381
Tel (281) 363-0456
Fax (281) 363-9049
www.hewitt.com

February 9, 2004

Private and Confidential

Mr. Ryan Smith
Dynegy Inc.
1000 Louisiana Street, Suite 5800
Houston, TX 77002

Ms. Denean V. Smith
Illinois Power Company
500 South 27th Street
Decatur, IL 62525-0511

Dear Ryan and Denean:

Subject: 2003 Financial Statement Disclosure and 2004 Budget Estimates for Illinois Power and Dynegy - Revised

Enclosed are revised fiscal 2003 year-end footnote disclosure information and the fiscal 2004 budget estimates for the pension and postretirement welfare benefit plans. These revisions are due to the revision of assets reported by the Northern Trust Company for the VEBAs. The FAS 106 disclosures as of year end and the 2004 FAS 106 expense estimates have been affected by the revised assets. We have also included the sensitivity analysis for the 2004 expense estimates. These exhibits include the rounded values for Dynegy year-end disclosure. The exhibits are organized as follows:

	Pages
Dynegy Unrounded and Rounded Year-End Disclosure	1-10
Illinois Power Unrounded and Rounded Year-End Disclosure	11-17
Fiscal 2004 Budget Estimates	18-20
Sensitivity Analysis for Fiscal 2004 Budget Estimate	21

Please note we have provided this information for the Illinois Power Company and Dynegy Inc. books separately. The pages reflect the disclosure format set forth in the Statement of Financial Accounting Standards No. 132 and your decision to use 6.00% as the December 31, 2003 discount rate for liability measurement purposes. Below are some additional comments about the disclosure information:

- Based on your guidance, we have prepared disclosure information for the Illinois Power books. This disclosure was prepared under the premise that Illinois Power remained a separate entity. The Illinois Power disclosure differs from the Dynegy

Hewitt

disclosure in that 1) purchase accounting was not reflected in IP's books at the time Dynegy acquired Illinois Power, and 2) the Salaried Plan's liability in the IP disclosure does not reflect the Dynegy Inc. Portable Retirement Benefit that was introduced for Dynegy employees in 2001;

- Asset information was provided by Northern Trust.

- The Illinois postretirement medical plan participant contributions and benefit payments came from asset statements provided by Northern Trust.

- DNE medical claims were provided by JoAnna Wojick at MVP Healthcare. Claims were provided through December 2003. Dental premiums and expenses were estimated by Hewitt based on premiums and enrollment. Aetna did not provide the actual data to Hewitt.

- The 2002 information shown on the enclosures matches last year's FAS 132 disclosure;

- Paragraph 5j of Statement 132 suggests that companies should consider disclosing the alternative amortization method used to amortize prior service cost: "As permitted under Paragraph 26 of Statement No. 87, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the Plan."

- Denean Smith confirmed the Illinois Power expense and balance sheet entries. Karen Keeping confirmed the Dynegy expense and balance sheet entries.

2004 Budget Estimates
We have included the 2004 budget estimates reflecting this disclosure information and the decision to lower the expected rate of return on assets from 9.00% to 8.75% and the decision to change the health care cost trend rate to 10% in 2003 grading down to the ultimate rate of 5.5% in 2009. This was changed from 8.7% in 2003 grading down to 5.5% in 2009. (There were no changes to the salary scale.)

A summary of actual 2003 expense and the estimate for 2004 expense are illustrated on page 18. The expense amounts include an allocation for the Dynegy Portable Retirement Benefit on Dynegy books and allocations for the Illinois Power and DMG subsidiaries on the Illinois Power books. Page 21 illustrates the effects of increasing or decreasing the discount rate and the expected rate of return 50 basis points.

Hewitt

We would appreciate a copy of the final disclosure information for our files and to assist with the following year's disclosure preparation.

If you have any questions, please do not hesitate to call.

Sincerely,

Hewitt Associates LLC

Javier Hernandez

JH:elg
Enclosures
cc: Ms. Melessa Fox, Dynegy Inc. (w/enc.)
Ms. Karen M. Keeping, Dynegy Inc. (w/enc.)
Mr. Amin Maredia, Dynegy Inc. (w/enc.)
Ms. Carolyn J. Stone, Dynegy Inc. (w/enc.)
Ms. Peggy Carter, Illinois Power Company (w/enc.)
Mr. Leon E. Rieger, Jr., Hewitt Associates (w/enc.)
Ms. Adrienne R. Wagner, Hewitt Associates (w/enc.)

Dynegy Inc.
FAS132 Disclosure Information

All Benefit Plans

	Unrounded Results				Rounded to Millions			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2003	2002	2003	2002	2003	2002	2003	2002
Change in Benefit Obligation								
Benefit Obligation at Beginning of Year	$ 626,251,626	$ 524,190,009	$ 161,011,203	$ 139,945,460	$ 626.3	$ 524.2	$ 161.0	$ 139.9
Service Cost	20,673,994	18,924,644	4,518,745	3,461,077	20.7	18.9	4.5	3.5
Interest Cost	39,341,816	38,098,561	11,057,768	10,081,520	39.3	38.1	11.1	10.1
Plan Amendments	1,295,254	99,640	0	0	1.3	0.1	0.0	0.0
Actuarial (Gain)/Loss	39,715,425	74,610,667	33,331,794	14,495,474	39.7	74.7	33.4	14.4
Special Termination Benefits	0	528,907	0	0	0.0	0.5	0.0	0.0
Curtailment (Gain)/Loss	0	2,086,915	0	0	0.0	2.1	0.0	0.0
Participant Contributions	0	0	1,348,642	1,153,420	0.0	0.0	1.3	1.2
Benefits Paid	(33,865,201)	(32,287,717)	(9,113,793)	(8,125,748)	(33.9)	(32.3)	(9.1)	(8.1)
Benefit Obligation at End of Year	$ 693,412,914	$ 626,251,626	$ 202,154,359	$ 161,011,203	$ 693.4	$ 626.3	$ 202.2	$ 161.0
Change in Plan Assets								
Fair Value of Plan Assets at Beginning of Year	$ 501,314,975	$ 583,712,400	$ 66,973,621	$ 79,403,574	$ 501.3	$ 583.7	$ 67.0	$ 79.4
Actual Return on Plan Assets	103,765,292	(50,964,270)	14,188,677	(11,039,933)	103.8	(51.0)	14.2	(11.1)
Employer Contributions	0	854,562	5,777,250	5,582,308	0.0	0.9	5.8	5.6
Participant Contributions	0	0	1,348,642	1,153,420	0.0	0.0	1.3	1.2
Benefits Paid	(33,865,201)	(32,287,717)	(9,113,793)	(8,125,748)	(33.9)	(32.3)	(9.1)	(8.1)
Fair Value of Plan Assets at End of Year	$ 571,215,066	$ 501,314,975	$ 79,174,397	$ 66,973,621	$ 571.2	$ 501.3	$ 79.2	$ 67.0
Reconciliation of Funded Status								
Funded Status	$ (122,197,848)	$ (124,936,651)	$ (122,979,962)	$ (94,037,582)	$ (122.2)	$ (125.0)	$ (123.0)	$ (94.0)
Unrecognized Transition Obligation/(Asset)	0	0	0	0	0.0	0.0	0.0	0.0
Unrecognized Prior Service Cost	6,730,130	6,012,545	0	0	6.7	6.0	0.0	0.0
Unrecognized Actuarial (Gain)/Loss	267,588,698	287,893,643	103,461,396	83,732,317	267.6	288.0	103.5	83.7
Net Amount Recognized	$ 152,120,980	$ 168,969,537	$ (19,518,566)	$ (10,305,265)	$ 152.1	$ 169.0	$ (19.5)	$ (10.3)
Amounts Recognized in the Statement of Financial Position Consist of:								
Prepaid Benefit Cost	$ 123,749,478	$ 126,858,902	$ 0	$ 0	$ 123.7	$ 126.9	$ 0.0	$ 0.0
Accrued Benefit Liability	(65,004,182)	(67,550,916)	(19,518,566)	(10,305,265)	(64.9)	(67.5)	(19.5)	(10.3)
Intangible Asset	5,542,814	6,012,545	n/a	n/a	5.5	6.0	n/a	n/a
Accumulated Other Comprehensive Income	87,832,870	103,649,006	n/a	n/a	87.8	103.6	n/a	n/a
Net Amount Recognized	$ 152,120,980	$ 168,969,537	$ (19,518,566)	$ (10,305,265)	$ 152.1	$ 169.0	$ (19.5)	$ (10.3)

Dynegy Inc.
FAS132 Disclosure Information

All Benefit Plans

	Unrounded Results				Rounded to Millions			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2003	2002	2003	2002	2003	2002	2003	2002
Accumulated Benefit Obligation, December 31	$ 615,313,341	$ 559,277,016	n/a	n/a	$ 615.3	$ 559.3	n/a	n/a
Information for Pension Plans with an Accumulated Benefit Obligation in Excess of Plan Assets, December 31								
Accumulated Benefit Obligation	$ 336,329,832	$ 309,063,726			$ 336.3	$ 309.1		
Projected Benefit Obligation	$ 386,203,153	$ 352,687,084			$ 386.2	$ 352.7		
Fair Value of Plan Assets	$ 273,445,067	$ 243,478,465			$ 273.4	$ 243.5		
Development of Additional Minimum (Liability) and Accumulated Other Comprehensive Income (Expense), December 31								
Accumulated Benefit (Obligation)	$ (615,313,341)	$ (559,277,016)			$ (615.3)	$ (559.3)		
Fair Value of Assets	571,215,066	501,314,975			571.2	501.3		
Minimum (Liability)	$ (62,884,765)	$ (65,585,261)			$ (62.9)	$ (65.6)		
Prepaid (Accrued) Benefit Cost	152,120,980	168,969,537			152.1	169.0		
Additional Minimum (Liability)	$ (93,375,684)	$ (109,661,551)			$ (93.3)	$ (109.6)		
Offsetting Intangible Asset	5,542,814	6,012,545			5.5	6.0		
Accumulated Other Comprehensive Income (Expense)	$ (87,832,870)	$ (103,649,006)			$ (87.8)	$ (103.6)		
Development of Balance Sheet Adjustments								
Change in Additional Minimum (Liability)	$ 16,285,867	$ (109,661,551)			$ 16.3	$ (109.6)		
Change in Offsetting Intangible Asset	(469,731)	6,012,545			(0.5)	6.0		
Other Comprehensive Income (Expense), Before Taxes	$ 15,816,136	$ (103,649,006)			$ 15.8	$ (103.6)		
Components of Net Periodic Benefit Cost								
Service Cost	$ 20,673,994	$ 18,924,644	$ 4,518,745	$ 3,461,077	$ 20.7	$ 18.9	$ 4.5	$ 3.5
Interest Cost	39,341,816	38,098,561	11,057,768	10,081,520	39.3	38.1	11.1	10.1
Expected Return on Plan Assets	(52,833,014)	(58,953,699)	(5,874,626)	(7,104,306)	(52.8)	(59.0)	(5.9)	(7.1)
Amortization of Transition Liability/(Asset)	0	0	0	0	0.0	0.0	0.0	0.0
Amortization of Prior Service Cost	577,669	548,187	0	0	0.6	0.5	0.0	0.0
Recognized Net Actuarial (Gain)/Loss	9,088,092	14,437	5,288,664	2,559,084	9.0	0.1	5.3	2.5
Net Periodic Benefit Cost	$ 16,848,557	$ (1,367,870)	$ 14,990,551	$ 8,997,375	$ 16.8	$ (1.4)	$ 15.0	$ 9.0
Additional Cost/(Income) due to FAS88	0	2,615,822	0	0	0.0	2.6	0.0	0.0
Total Net Periodic Benefit Cost	$ 16,848,557	$ 1,247,952	$ 14,990,551	$ 8,997,375	$ 16.8	$ 1.2	$ 15.0	$ 9.0

Dynegy Inc.
FAS132 Disclosure Information

All Benefit Plans

	Unrounded Results				Rounded to Millions			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2003	2002	2003	2002	2003	2002	2003	2002
Weighted Average Assumptions Used to Determine Benefit Obligation at December 31								
Discount Rate	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Weighted Average Assumptions Used to Determine Benefit Cost for Period Ending December 31								
Discount Rate	6.50%	7.50%	6.50%	7.50%	6.50%	7.50%	6.50%	7.50%
Expected Return on Plan Assets	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

(Sample Language) Illinois Power's overall expected long-term rate of return before taxes on assets is 8.75%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

	Unrounded Other Benefits 2003	Unrounded Other Benefits 2002	Rounded Other Benefits 2003	Rounded Other Benefits 2002
Health Care Cost Trend Rate				
Current Year	10.06%	9.44%	10.06%	9.44%
Ultimate Year	5.47%	5.47%	5.47%	5.47%
Year of Ultimate	2009/2016	2009/2016	2009/2016	2009/2016

Assumed health care cost trends have a significant effect on the amounts reported for other postretirement benefit plans. A one-percentage point change in assumed health care cost trends would have the following effects:

Impact of a 1% Increase/Decrease in Medical Trend	Increase	Decrease		
Aggregate Impact on Service Cost and Interest Cost	$ 2,826,446	$ 1,984,534	$ 2.8	$ 2.0
Impact on APBO	$ 26,330,461	$ 17,904,975	$ 26.3	$ 17.9

Dynegy Inc.
FAS132 Disclosure Information

All Benefit Plans

	Unrounded Results				Rounded to Millions			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2003	2002	2003	2002	2003	2002	2003	2002

Investment Policies and Strategies for Plan Assets

(Sample Language) Dynegy employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plai assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed income investments. Furthermore, equity investments are diversified across U.S. and non-U.S.. stocks as well as growth, value, and small and large capitalizations. Other assets such as real estate, private equity, and hedge funds are used judiciously to enhance long-term returns while improving portfolio diversification.

Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments <would need to put an exception in here if hedge funds are used>. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews.

Weighted-Average Asset Allocation by Asset Category

Equity Securities	xx%	62%	xx%	xx%	xx%	62%	xx%	xx%
Debt Securities	xx%	30%	xx%	xx%	xx%	30%	xx%	xx%
Real Estate	xx%	6%	xx%	xx%	xx%	6%	xx%	xx%
Cash	xx%	2%	xx%	xx%	xx%	2%	xx%	xx%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Equity securities include Dynegy common stock in the amounts of $xx million (x percent of total plan assets) and $x million (x percent of total plan assets) at December 31, 2003, and 2002, respectively.

Contributions

Dynegy expects to contribute $8.1 million to their pension plans and $5 million to their other postretirement benefit plans in 2004.

Deferral of Medicare Prescription Drug Reflection

(Sample Language) On December 8, 2003, President Bush signed into law a bill that expands Medicare, primarily adding a prescription drug benefit for Medicare-eligible retirees starting in 2006. The company anticipates that the benefits it pays after 2006 will be lower as a result of the new Medicare provisions; however, the retiree medical obligations and costs reported do not reflect the impact of this legislation. Deferring recognition of the new Medicare provisions' impact is permitted by Financial Accounting Standards Board Staff Position 106-1 due to the open questions about some of the new Medicare provisions and a lack of authoritative accounting guidance about certain matters. The final accounting guidance could require changes to previously reported information.

Other Information

As permitted, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.

Dynegy Inc.
FAS132 Disclosure Information

Postretirement Medical and Life Insurance Plan

	Illinois Power		DNE		Total Plans	
	2003	2002	2003	2002	2003	2002
Change in Benefit Obligation						
Benefit Obligation at Beginning of Year	$ 150,625,281	$ 133,666,758	$ 10,385,922	$ 6,278,702	$ 161,011,203	$ 139,945,460
Service Cost	3,797,720	3,026,115	721,025	434,962	4,518,745	3,461,077
Interest Cost	10,383,788	9,610,623	673,980	470,897	11,057,768	10,081,520
Plan Amendments	0	0	0	0	0	0
Actuarial (Gain)/Loss	32,719,040	11,275,513	612,754	3,219,961	33,331,794	14,495,474
Special termination benefits	0	0	0	0	0	0
Curtailment (Gain)/Loss	0	0	0	0	0	0
Participant Contributions	1,346,514	1,151,320	2,128	2,100	1,348,642	1,153,420
Benefits Paid	(9,076,115)	(8,105,048)	(37,678)	(20,700)	(9,113,793)	(8,125,748)
Benefit Obligation at End of Year	$ 189,796,228	$ 150,625,281	$ 12,358,131	$ 10,385,922	$ 202,154,359	$ 161,011,203
Change in Plan Assets						
Fair Value of Plan Assets at Beginning of Year	$ 66,973,621	$ 79,403,574	$ 0	$ 0	$ 66,973,621	$ 79,403,574
Actual Return on Plan Assets	14,188,677	(11,039,933)	0	0	14,188,677	(11,039,933)
Employer Contributions	5,741,700	5,563,708	35,550	18,600	5,777,250	5,582,308
Participant Contributions	1,346,514	1,151,320	2,128	2,100	1,348,642	1,153,420
Benefits Paid	(9,076,115)	(8,105,048)	(37,678)	(20,700)	(9,113,793)	(8,125,748)
Fair Value of Plan Assets at End of Year	$ 79,174,397	$ 66,973,621	$ 0	$ 0	$ 79,174,397	$ 66,973,621
Reconciliation of Funded Status						
Funded Status	$ (110,621,831)	$ (83,651,660)	$ (12,358,131)	$ (10,385,922)	$ (122,979,962)	$ (94,037,582)
Unrecognized Transition Obligation	0	0	0	0	0	0
Unrecognized Prior Service Cost	0	0	0	0	0	0
Unrecognized Actuarial (Gain)/Loss	99,458,000	80,194,672	4,003,396	3,537,645	103,461,396	83,732,317
Net Amount Recognized	$ (11,163,831)	$ (3,456,988)	$ (8,354,735)	$ (6,848,277)	$ (19,518,566)	$ (10,305,265)
Amounts Recognized in the Statement of Financial Position Consist of:						
Prepaid Benefit Cost	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Accrued Benefit Liability	(11,163,831)	(3,456,988)	(8,354,735)	(6,848,277)	(19,518,566)	(10,305,265)
Intangible Asset	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated Other Comprehensive Income	n/a	n/a	n/a	n/a	n/a	n/a
Total Recognized	$ (11,163,831)	$ (3,456,988)	$ (8,354,735)	$ (6,848,277)	$ (19,518,566)	$ (10,305,265)

Dynegy Inc.
FAS132 Disclosure Information

Postretirement Medical and Life Insurance Plan

	Illinois Power		DNE		Total Plans	
	2003	2002	2003	2002	2003	2002
Components of Net Periodic Benefit Cost						
Service Cost	$ 3,797,720	$ 3,026,115	$ 721,025	$ 434,962	$ 4,518,745	$ 3,461,077
Interest Cost	10,383,788	9,610,623	673,980	470,897	11,057,768	10,081,520
Expected Return on Plan Assets	(5,874,626)	(7,104,306)	0	0	(5,874,626)	(7,104,306)
Amortization of Transition Amount	0	0	0	0	0	0
Amortization of Prior Service Cost	0	0	0	0	0	0
Recognized Net Actuarial (Gain)/Loss	5,141,661	2,559,084	147,003	0	5,288,664	2,559,084
Net Periodic Benefit Cost	$ 13,448,543	$ 8,091,516	$ 1,542,008	$ 905,859	$ 14,990,551	$ 8,997,375
Additional Cost/(Income) due to FAS88	0	0	0	0	0	0
Total Net Periodic Benefit Cost	$ 13,448,543	$ 8,091,516	$ 1,542,008	$ 905,859	$ 14,990,551	$ 8,997,375
Weighted Average Assumptions Used to Determine Benefit Obligation at December 31						
Discount Rate	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Weighted Average Assumptions Used to Determine Benefit Cost for Period Ending December 31						
Discount Rate	6.50%	7.50%	6.50%	7.50%	6.50%	7.50%
Expected Return on Plan Assets	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

(Sample Language) The Company's overall expected long-term rate of return before taxes on assets is 8.75%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

	Illinois Power 2003	Illinois Power 2002	DNE 2003	DNE 2002	Total Plans 2003	Total Plans 2002
Health Care Cost Trend Rate						
Current Year	10.00%	9.30%	11.00%	11.50%	10.06%	9.44%
Ultimate Year	5.50%	5.50%	5.00%	5.00%	5.47%	5.47%
Year of Ultimate	2009	2009	2016	2016	2009/2016	2009/2016

Assumed health care cost trends have a significant effect on the amounts reported for other postretirement benefit plans. A one-percentage point change in assumed health care cost trends would have the following effects:

	Illinois Power 2003	Illinois Power 2002	DNE 2003	DNE 2002	Total Plans 2003	Total Plans 2002
Impact of a 1% Increase in Medical Trend						
Aggregate Impact on Service Cost and Interest Cost	$ 2,533,817	$ 1,671,474	$ 292,629	$ 313,060	$ 2,826,446	$ 1,984,534
Impact on APBO	$ 24,237,036	$ 15,710,961	$ 2,093,425	$ 2,194,014	$ 26,330,461	$ 17,904,975
Impact of a 1% Decrease in Medical Trend						
Aggregate Impact on Service Cost and Interest Cost	$ (2,092,971)	$ (1,513,605)	$ (242,584)	$ (252,906)	$ (2,335,555)	$ (1,766,511)
Impact on APBO	$ (20,469,956)	$ (14,227,077)	$ (1,744,704)	$ (1,801,789)	$ (22,214,660)	$ (16,028,866)

Dynegy Inc.
FAS132 Disclosure Information

Postretirement Medical and Life Insurance Plan

	Illinois Power		DNE		Total Plans	
	2003	2002	2003	2002	2003	2002

Investment Policies and Strategies for Plan Assets

(Sample Language) Illinois Power employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed income investments. Furthermore, equity investments are diversified across U.S. and non-U.S.. stocks as well as growth, value, and small and large capitalizations. Other assets such as real estate, private equity, and hedge funds are used judiciously to enhance long-term returns while improving portfolio diversification.

Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments <would need to put an exception in here if hedge funds are used>. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews.

Weighted-Average Asset Allocation by Asset Category						
Equity Securities	xx%	xx%	n/a	n/a	xx%	xx%
Debt Securities	xx%	xx%	n/a	n/a	xx%	xx%
Real Estate	xx%	xx%	n/a	n/a	xx%	xx%
Cash	xx%	xx%	n/a	n/a	xx%	xx%
Total	100%	100%	n/a	n/a	100%	100%

Equity securities include Dynegy common stock in the amounts of $xx million (x percent of total plan assets) and $x million (x percent of total plan assets) at December 31. 2003, and 2002, respectively.

Contributions

Dynegy expects to contribute $5 million to their other postretirement benefit plans in 2004.

Deferral of Medicare Prescription Drug Reflection

(Sample Language) On December 8, 2003, President Bush signed into law a bill that expands Medicare, primarily adding a prescription drug benefit for Medicare-eligible retirees starting in 2006. The company anticipates that the benefits it pays after 2006 will be lower as a result of the new Medicare provisions; however, the retiree medical obligations and costs reported do not reflect the impact of this legislation. Deferring recognition of the new Medicare provisions' impact is permitted by Financial Accounting Standards Board Staff Position 106-1 due to the open questions about some of the new Medicare provisions and a lack of authoritative accounting guidance about certain matters. The final accounting guidance could require changes to previously reported information.

Other Information

As permitted, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.

Dynegy Inc.
FAS132 Disclosure Information

Supplemental Pension Plan Detail

	Dynegy Inc. Retirement Plan		Illinois Power Collectively Bargained Plan		DMS Pension Plan		DNE Pension Plan		Total All Pension Plans	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Change in Benefit Obligation										
Benefit Obligation at Beginning of Year	$ 317,620,804	$ 264,854,916	$ 273,564,542	$ 233,246,366	$ 11,826,415	$ 9,412,796	$ 23,239,865	$ 16,675,931	$ 626,251,626	$ 524,190,009
Service Cost	11,116,272	11,205,039	8,145,780	6,587,368	298,858	232,520	1,113,084	899,717	20,673,994	18,924,644
Interest Cost	19,625,012	19,298,297	17,452,674	16,862,359	758,414	692,835	1,505,716	1,245,070	39,341,816	38,098,561
Plan Amendments	0	99,640	1,295,254	0	0	0	0	0	1,295,254	99,640
Actuarial (Gain)/Loss	15,279,531	38,854,355	20,392,534	29,401,624	491,936	1,811,877	3,551,424	4,542,811	39,715,425	74,610,667
Special Termination Benefits	0	528,907	0	0	0	0	0	0	0	528,907
Curtailment (Gain)/Loss	0	2,086,915	0	0	0	0	0	0	0	2,086,915
Participant Contributions	0	0	0	0	0	0	0	0	0	0
Benefits Paid	(19,642,351)	(19,307,265)	(13,641,023)	(12,533,175)	(326,926)	(323,613)	(254,901)	(123,664)	(33,865,201)	(32,287,717)
Benefit Obligation at End of Year	$ 343,999,268	$ 317,620,804	$ 307,209,761	$ 273,564,542	$ 13,048,697	$ 11,826,415	$ 29,155,188	$ 23,239,865	$ 693,412,914	$ 626,251,626
Change in Plan Assets										
Fair Value of Plan Assets at Beginning of Yea	$ 218,837,636	$ 262,986,513	$ 257,836,510	$ 294,428,382	$ 8,465,307	$ 9,381,440	$ 16,175,522	$ 16,916,065	$ 501,314,975	$ 583,712,400
Actual Return on Plan Assets	45,086,963	(24,841,612)	53,574,512	(24,058,697)	1,701,021	(592,520)	3,402,796	(1,471,441)	103,765,292	(50,964,270)
Employer Contributions	0	0	0	0	0	0	0	854,562	0	854,562
Participant Contributions	0	0	0	0	0	0	0	0	0	0
Benefits Paid	(19,642,351)	(19,307,265)	(13,641,023)	(12,533,175)	(326,926)	(323,613)	(254,901)	(123,664)	(33,865,201)	(32,287,717)
Fair Value of Plan Assets at End of Year	$ 244,282,248	$ 218,837,636	$ 297,769,999	$ 257,836,510	$ 9,839,402	$ 8,465,307	$ 19,323,417	$ 16,175,522	$ 571,215,066	$ 501,314,975
Reconciliation of Funded Status										
Funded Status	$ (99,717,020)	$ (98,783,168)	$ (9,439,762)	$ (15,728,032)	$ (3,209,295)	$ (3,361,108)	$ (9,831,771)	$ (7,064,343)	$ (122,197,848)	$ (124,936,651)
Unrecognized Transition Asset	0	0	0	0	0	0	0	0	0	0
Unrecognized Prior Service Cost	5,542,814	6,012,545	1,187,316	0	0	0	0	0	6,730,130	6,012,545
Unrecognized Actuarial (Gain)/Loss	125,375,138	136,054,107	132,001,924	142,586,934	(473,851)	(284,634)	10,685,487	9,537,236	267,588,698	287,893,643
Net Amount Recognized	$ 31,200,932	$ 43,283,484	$ 123,749,478	$ 126,858,902	$ (3,683,146)	$ (3,645,742)	$ 853,716	$ 2,472,893	$ 152,120,980	$ 168,969,537
Amounts Recognized in the Statement of Financial Position Consist of:										
Prepaid Benefit Cost	$ 0	$ 0	$ 123,749,478	$ 126,858,902	$ 0	$ 0	$ 0	$ 0	$ 123,749,478	$ 126,858,902
Accrued Benefit Liability	(57,635,431)	(61,866,795)	0	0	(3,683,146)	(3,645,742)	(3,685,605)	(2,038,379)	(65,004,182)	(67,550,916)
Intangible Asset	5,542,814	6,012,545	0	0	0	0	0	0	5,542,814	6,012,545
Accumulated Other Comprehensive Income	83,293,549	99,137,734	0	0	0	0	4,539,321	4,511,272	87,832,870	103,649,006
Net Amount Recognized	$ 31,200,932	$ 43,283,484	$ 123,749,478	$ 126,858,902	$ (3,683,146)	$ (3,645,742)	$ 853,716	$ 2,472,893	$ 152,120,980	$ 168,969,537

Dynegy Inc.
FAS132 Disclosure Information

Supplemental Pension Plan Detail

	Dynegy Inc. Retirement Plan		Illinois Power Collectively Bargained Plan		DMS Pension Plan		DNE Pension Plan		Total All Pension Plans	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Accumulated Benefit Obligation, December 31	$ 301,917,679	$ 280,704,431	$ 278,983,509	$ 250,213,290	$ 11,403,131	$ 10,145,394	$ 23,009,022	$ 18,213,901	$ 615,313,341	$ 559,277,016
Information for Pension Plans with an Accumulated Benefit Obligation in Excess of Plan Assets, December 31										
Accumulated Benefit Obligation	$ 301,917,679	$ 280,704,431	$ 0	$ 0	$ 11,403,131	$ 10,145,394	$ 23,009,022	$ 18,213,901	$ 336,329,832	$ 309,063,726
Projected Benefit Obligation	$ 343,999,268	$ 317,620,804	$ 0	$ 0	$ 13,048,697	$ 11,826,415	$ 29,155,188	$ 23,239,865	$ 386,203,153	$ 352,687,084
Fair Value of Plan Assets	$ 244,282,248	$ 218,837,636	$ 0	$ 0	$ 9,839,402	$ 8,465,307	$ 19,323,417	$ 16,175,522	$ 273,445,067	$ 243,478,465
Development of Additional Minimum (Liability) and Accumulated Other Comprehensive Income (Expense), December 31										
Accumulated Benefit (Obligation)	$ (301,917,679)	$ (280,704,431)	$ (278,983,509)	$ (250,213,290)	$ (11,403,131)	$ (10,145,394)	$ (23,009,022)	$ (18,213,901)	$ (615,313,341)	$ (559,277,016)
Fair Value of Assets	244,282,248	218,837,636	297,769,999	257,836,510	9,839,402	8,465,307	19,323,417	16,175,522	571,215,066	501,314,975
Minimum (Liability)	$ (57,635,431)	$ (61,866,795)	$ 0	$ 0	$ (1,563,729)	$ (1,680,087)	$ (3,685,605)	$ (2,038,379)	$ (62,884,765)	$ (65,585,261)
Prepaid (Accrued) Benefit Cost	31,200,932	43,283,484	123,749,478	126,858,902	(3,683,146)	(3,645,742)	853,716	2,472,893	152,120,980	168,969,537
Additional Minimum (Liability)	$ (88,836,363)	$ (105,150,279)	$ 0	$ 0	$ 0	$ 0	$ (4,539,321)	$ (4,511,272)	$ (93,375,684)	$ (109,661,551)
Offsetting Intangible Asset	5,542,814	6,012,545	0	0	0	0	0	0	5,542,814	6,012,545
Accumulated Other Comprehensive Income (Expense)	$ (83,293,549)	$ (99,137,734)	$ 0	$ 0	$ 0	$ 0	$ (4,539,321)	$ (4,511,272)	$ (87,832,870)	$ (103,649,006)
Development of Balance Sheet Adjustments										
Change in Additional Minimum (Liability)	$ 16,313,916	$ (105,150,279)	$ 0	$ 0	$ 0	$ 0	$ (28,049)	$ (4,511,272)	$ 16,285,867	$ (109,661,551)
Change in Offsetting Intangible Asset	(469,731)	6,012,545	0	0	0	0	0	0	(469,731)	6,012,545
Other Comprehensive Income (Expense), Before Taxes	$ 15,844,185	$ (99,137,734)	$ 0	$ 0	$ 0	$ 0	$ (28,049)	$ (4,511,272)	$ 15,816,136	$ (103,649,006)
Components of Net Periodic Benefit Cost										
Service Cost	$ 11,116,272	$ 11,205,039	$ 8,145,780	$ 6,587,368	$ 298,858	$ 232,520	$ 1,113,084	$ 899,717	$ 20,673,994	$ 18,924,644
Interest Cost	19,625,012	19,298,297	17,452,674	16,862,359	758,414	692,835	1,505,716	1,245,070	39,341,816	38,098,561
Expected Return on Plan Assets	(23,015,233)	(26,044,798)	(27,438,009)	(30,404,062)	(930,725)	(864,346)	(1,449,047)	(1,640,493)	(52,833,014)	(58,953,699)
Amortization of Transition Amount	0	0	0	0	0	0	0	0	0	0
Amortization of Prior Service Cost	469,731	548,187	107,938	0	0	0	0	0	577,669	548,187
Recognized Net Actuarial (Gain)/Loss	3,886,770	346,719	4,841,041	0	(89,143)	(344,965)	449,424	12,683	9,088,092	14,437
Net Periodic Benefit Cost	$ 12,082,552	$ 5,353,444	$ 3,109,424	$ (6,954,335)	$ 37,404	$ (283,956)	$ 1,619,177	$ 516,977	$ 16,848,557	$ (1,367,870)
Additional Cost/(Income) due to FAS88	0	2,615,822	0	0	0	0	0	0	0	2,615,822
Total Net Periodic Benefit Cost	$ 12,082,552	$ 7,969,266	$ 3,109,424	$ (6,954,335)	$ 37,404	$ (283,956)	$ 1,619,177	$ 516,977	$ 16,848,557	$ 1,247,952

Dynegy Inc.
FAS132 Disclosure Information

Supplemental Pension Plan Detail

	Dynegy Inc. Retirement Plan		Illinois Power Collectively Bargained Plan		DMS Pension Plan		DNE Pension Plan		Total All Pension Plans	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Weighted Average Assumptions Used to Determine Benefit Obligation at December 31										
Discount Rate	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Weighted Average Assumptions Used to Determine Benefit Cost for Period Ending December 31										
Discount Rate	6.50%	7.50%	6.50%	7.50%	6.50%	7.50%	6.50%	7.50%	6.50%	7.50%
Expected Return on Plan Assets	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

(Sample Language) Illinois Power's overall expected long-term rate of return on assets is 8.75%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

Investment Policies and Strategies for Plan Assets

(Sample Language) Illinois Power employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed income investments. Furthermore, equity investments are diversified across U.S. and non-U.S.. stocks as well as growth, value, and small and large capitalizations. Other assets such as real estate, private equity, and hedge funds are used judiciously to enhance long-term returns while improving portfolio diversification.

Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments <would need to put an exception in here if hedge funds are used>. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews.

Weighted-Average Asset Allocation by Asset Category										
Equity Securities	xx%	62%	xx%	62%	xx%	62%	xx%	62%	xx%	62%
Debt Securities	xx%	30%	xx%	30%	xx%	30%	xx%	30%	xx%	30%
Real Estate	xx%	6%	xx%	6%	xx%	6%	xx%	6%	xx%	6%
Cash	xx%	2%	xx%	2%	xx%	2%	xx%	2%	xx%	2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Equity securities include Dynegy common stock in the amounts of $xx million (x percent of total plan assets) and $x million (x percent of total plan assets) at December 31, 2003, and 2002, respectively.

Contributions
Dynegy expects to contribute $8.1 million to their pension plans in 2004.

Other Information
As permitted, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.

Illinois Power Company
FAS132 Disclosure Information

All Benefit Plans

	Unrounded Results				Rounded to Millions			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2003	2002	2003	2002	2003	2002	2003	2002
Change in Benefit Obligation								
Benefit Obligation at Beginning of Year	$ 573,479,286	$ 489,567,135	$ 150,625,281	$ 133,666,758	$ 573.5	$ 489.6	$ 150.6	$ 133.7
Service Cost	13,399,427	10,563,104	3,797,720	3,026,115	13.4	10.6	3.8	3.0
Interest Cost	36,078,786	35,596,251	10,383,788	9,610,623	36.1	35.6	10.4	9.6
Plan Amendments	1,295,254	0	0	0	1.3	0.0	0.0	0.0
Actuarial (Gain)/Loss	37,967,152	69,593,236	32,719,040	11,275,513	38.0	69.5	32.8	11.3
Participant Contributions	0	0	1,346,514	1,151,320	0.0	0.0	1.3	1.1
Benefits Paid	(33,283,374)	(31,840,440)	(9,076,115)	(8,105,048)	(33.3)	(31.8)	(9.1)	(8.1)
Benefit Obligation at End of Year	$ 628,936,531	$ 573,479,286	$ 189,796,228	$ 150,625,281	$ 629.0	$ 573.5	$ 189.8	$ 150.6
Change in Plan Assets								
Fair Value of Plan Assets at Beginning of Year	$ 476,674,146	$ 557,414,895	$ 66,973,621	$ 79,403,574	$ 476.7	$ 557.4	$ 67.0	$ 79.4
Actual Return on Plan Assets	98,661,475	(48,900,309)	14,188,677	(11,039,933)	98.7	(48.9)	14.2	(11.0)
Employer Contributions	0	0	5,741,700	5,563,708	0.0	0.0	5.8	5.6
Participant Contributions	0	0	1,346,514	1,151,320	0.0	0.0	1.3	1.1
Benefits Paid	(33,283,374)	(31,840,440)	(9,076,115)	(8,105,048)	(33.3)	(31.8)	(9.1)	(8.1)
Fair Value of Plan Assets at End of Year	$ 542,052,247	$ 476,674,146	$ 79,174,397	$ 66,973,621	$ 542.1	$ 476.7	$ 79.2	$ 67.0
Reconciliation of Funded Status								
Funded Status	$ (86,884,284)	$ (96,805,140)	$ (110,621,831)	$ (83,651,660)	$ (86.9)	$ (96.8)	$ (110.6)	$ (83.6)
Unrecognized Transition Obligation/(Asset)	(4,400,548)	(5,856,028)	17,143,304	19,253,347	(4.4)	(5.9)	17.1	19.3
Unrecognized Prior Service Cost	6,404,618	6,577,025	0	0	6.4	6.6	0.0	0.0
Unrecognized Actuarial (Gain)/Loss	103,978,498	114,298,488	91,909,189	72,106,660	104.0	114.3	91.9	72.0
Net Amount Recognized	$ 19,098,284	$ 18,214,345	$ (1,569,338)	$ 7,708,347	$ 19.1	$ 18.2	$ (1.6)	$ 7.7
Amounts Recognized in the Statement of Financial Position Consist of:								
Prepaid Benefit Cost	$ 38,457,973	$ 37,562,152	$ 0	$ 7,708,347	$ 38.5	$ 37.6	$ 0.0	$ 7.7
Accrued Benefit Liability	(36,206,267)	(44,503,679)	(1,569,338)	0	(36.2)	(44.5)	(1.6)	0.0
Intangible Asset	2,410,191	2,982,461	n/a	n/a	2.4	3.0	n/a	n/a
Accumulated Other Comprehensive Income	14,436,387	22,173,411	n/a	n/a	14.4	22.1	n/a	n/a
Net Amount Recognized	$ 19,098,284	$ 18,214,345	$ (1,569,338)	$ 7,708,347	$ 19.1	$ 18.2	$ (1.6)	$ 7.7

Illinois Power Company
FAS132 Disclosure Information

All Benefit Plans

	Unrounded Results				Rounded to Millions			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2003	2002	2003	2002	2003	2002	2003	2002
Accumulated Benefit Obligation, December 31	$ 280,488,515	$ 263,341,315			$ 280.5	$ 263.3		
Information for Pension Plans with an Accumulated Benefit Obligation in Excess of Plan Assets, December 31								
Accumulated Benefit Obligation	$ 280,488,515	$ 263,341,315			$ 280.5	$ 263.3		
Projected Benefit Obligation	$ 321,726,770	$ 299,914,744			$ 321.7	$ 299.9		
Fair Value of Plan Assets	$ 244,282,248	$ 218,837,636			$ 244.3	$ 218.8		
Development of Additional Minimum (Liability) and Accumulated Other Comprehensive Income (Expense), December 31								
Accumulated Benefit (Obligation)	$ (559,472,024)	$ (513,554,605)			$ (559.5)	$ (513.6)		
Fair Value of Assets	542,052,247	476,674,146			542.1	476.7		
Minimum (Liability)	$ (36,206,267)	$ (44,503,679)			$ (36.2)	$ (44.5)		
Prepaid (Accrued) Benefit Cost	19,098,284	18,214,345			19.1	18.2		
Additional Minimum (Liability)	$ (16,846,578)	$ (25,155,872)			$ (16.8)	$ (25.2)		
Offsetting Intangible Asset	2,410,191	2,982,461			2.4	3.0		
Accumulated Other Comprehensive Income (Expense)	$ (14,436,387)	$ (22,173,411)			$ (14.4)	$ (22.2)		
Development of Balance Sheet Adjustments								
Change in Additional Minimum (Liability)	$ 8,309,294	$ (25,155,872)			$ 8.3	$ (25.2)		
Change in Offsetting Intangible Asset	(572,270)	2,982,461			(0.6)	3.0		
Other Comprehensive Income (Expense), Before Taxes	$ 7,737,024	$ (22,173,411)			$ 7.7	$ (22.2)		
Components of Net Periodic Benefit Cost								
Service Cost	$ 13,399,427	$ 10,563,104	$ 3,797,720	$ 3,026,115	$ 13.4	$ 10.6	$ 3.8	$ 3.0
Interest Cost	36,078,786	35,596,251	10,383,788	9,610,623	36.1	35.6	10.4	9.6
Expected Return on Plan Assets	(50,374,333)	(56,561,177)	(5,874,626)	(7,104,306)	(50.4)	(56.6)	(5.9)	(7.1)
Amortization of Transition Liability/(Asset)	(1,455,480)	(3,360,845)	2,110,043	2,110,043	(1.5)	(3.4)	2.1	2.1
Amortization of Prior Service Cost	1,467,661	1,359,723	0	0	1.5	1.4	0.0	0.0
Recognized Net Actuarial (Gain)/Loss	0	(4,361,208)	4,602,460	1,993,488	0.0	(4.4)	4.6	2.0
Net Periodic Benefit Cost	$ (883,939)	$ (16,764,152)	$ 15,019,385	$ 9,635,963	$ (0.9)	$ (16.8)	$ 15.0	$ 9.6

Illinois Power Company
FAS132 Disclosure Information

All Benefit Plans

	Unrounded Results				Rounded to Millions			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2003	2002	2003	2002	2003	2002	2003	2002
Weighted Average Assumptions Used to Determine Benefit Obligation at December 31								
Discount Rate	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Weighted Average Assumptions Used to Determine Benefit Cost for Period Ending December 31								
Discount Rate	6.50%	7.50%	6.00%	6.50%	6.50%	7.50%	6.00%	6.50%
Expected Return on Plan Assets	9.00%	9.00%	8.75%	9.00%	9.00%	9.00%	8.75%	9.00%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

(Sample Language) The Company's overall expected long-term rate of return before taxes on assets is 8.75%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

Health Care Cost Trend Rate								
Current Year	n/a	n/a	10.00%	9.30%	n/a	n/a	10.00%	9.30%
Ultimate Year	n/a	n/a	5.50%	5.50%	n/a	n/a	5.50%	5.50%
Year of Ultimate	n/a	n/a	2009	2009	n/a	n/a	2009	2009

Assumed health care cost trends have a significant effect on the amounts reported for other postretirement benefit plans. A one-percentage point change in assumed health care cost trends would have the following effects:

Impact of a 1% Increase/Decrease in Medical Trend	Increase	Decrease		
Aggregate Impact on Service Cost and Interest Cost	$ 2,533,817	$ (2,092,971)	$ 2.5	$ (2.1)
Impact on APBO	$ 24,237,036	$ (20,469,956)	$ 24.2	$ (20.5)

Illinois Power Company
FAS132 Disclosure Information

All Benefit Plans

	Unrounded Results				Rounded to Millions			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2003	2002	2003	2002	2003	2002	2003	2002
Weighted-Average Asset Allocation by Asset Category								
Equity Securities	xx%	62%	xx%	xx%	xx%	62%	xx%	xx%
Debt Securities	xx%	30%	xx%	xx%	xx%	30%	xx%	xx%
Real Estate	xx%	6%	xx%	xx%	xx%	6%	xx%	xx%
Cash	xx%	2%	xx%	xx%	xx%	2%	xx%	xx%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Investment Policies and Strategies for Plan Assets

(Sample Language) Illinois Power employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed income investments. Furthermore, equity investments are diversified across U.S. and non-U.S.. stocks as well as growth, value, and small and large capitalizations. Other assets such as real estate, private equity, and hedge funds are used judiciously to enhance long-term returns while improving portfolio diversification.

Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments <would need to put an exception in here if hedge funds are used>. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews.

Equity securities include Dynegy common stock in the amounts of $xx million (x percent of total plan assets) and $x million (x percent of total plan assets) at December 31, 2003, and 2002, respectively.

Contributions

Illinois Power expects to contribute $2 million to their pension plans and $5 million to their other postretirement benefit plans in 2004.

Deferral of Medicare Prescription Drug Reflection

(Sample Language) On December 8, 2003, President Bush signed into law a bill that expands Medicare, primarily adding a prescription drug benefit for Medicare-eligible retirees starting in 2006. The company anticipates that the benefits it pays after 2006 will be lower as a result of the new Medicare provisions; however, the retiree medical obligations and costs reported do not reflect the impact of this legislation. Deferring recognition of the new Medicare provisions' impact is permitted by Financial Accounting Standards Board Staff Position 106-1 due to the open questions about some of the new Medicare provisions and a lack of authoritative accounting guidance about certain matters. The final accounting guidance could require changes to previously reported information.

Other Information

As permitted, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expectec to receive benefits under the plan.

Illinois Power Company
FAS132 Disclosure Information

Supplemental Pension Plan Detail

	Illinois Power Salaried Plan 2003	Illinois Power Salaried Plan 2002	Illinois Power Collectively Bargained Plan 2003	Illinois Power Collectively Bargained Plan 2002	Illinois Power Pension Plans-Total 2003	Illinois Power Pension Plans-Total 2002
Change in Benefit Obligation						
Benefit Obligation at Beginning of Year	$ 299,914,744	$ 256,320,769	$ 273,564,542	$ 233,246,366	$ 573,479,286	$ 489,567,135
Service Cost	5,253,647	3,975,736	8,145,780	6,587,368	13,399,427	10,563,104
Interest Cost	18,626,112	18,733,892	17,452,674	16,862,359	36,078,786	35,596,251
Plan Amendments	0	0	1,295,254	0	1,295,254	0
Actuarial (Gain)/Loss	17,574,618	40,191,612	20,392,534	29,401,624	37,967,152	69,593,236
Participant Contributions	0	0	0	0	0	0
Benefits Paid	(19,642,351)	(19,307,265)	(13,641,023)	(12,533,175)	(33,283,374)	(31,840,440)
Benefit Obligation at End of Year	$ 321,726,770	$ 299,914,744	$ 307,209,761	$ 273,564,542	$ 628,936,531	$ 573,479,286
Change in Plan Assets						
Fair Value of Plan Assets at Beginning of Year	$ 218,837,636	$ 262,986,513	$ 257,836,510	$ 294,428,382	$ 476,674,146	$ 557,414,895
Actual Return on Plan Assets	45,086,963	(24,841,612)	53,574,512	(24,058,697)	98,661,475	(48,900,309)
Employer Contributions	0	0	0	0	0	0
Participant Contributions	0	0	0	0	0	0
Benefits Paid	(19,642,351)	(19,307,265)	(13,641,023)	(12,533,175)	(33,283,374)	(31,840,440)
Fair Value of Plan Assets at End of Year	$ 244,282,248	$ 218,837,636	$ 297,769,999	$ 257,836,510	$ 542,052,247	$ 476,674,146
Reconciliation of Funded Status						
Funded Status	$ (77,444,522)	$ (81,077,108)	$ (9,439,762)	$ (15,728,032)	$ (86,884,284)	$ (96,805,140)
Unrecognized Transition Asset	(4,400,548)	(5,856,028)	0	0	(4,400,548)	(5,856,028)
Unrecognized Prior Service Cost	2,410,191	2,982,461	3,994,427	3,594,564	6,404,618	6,577,025
Unrecognized Actuarial (Gain)/Loss	60,075,190	64,602,868	43,903,308	49,695,620	103,978,498	114,298,488
Net Amount Recognized	$ (19,359,689)	$ (19,347,807)	$ 38,457,973	$ 37,562,152	$ 19,098,284	$ 18,214,345
Amounts Recognized in the Statement of Financial Position Consist of:						
Prepaid Benefit Cost	$ 0	$ 0	$ 38,457,973	$ 37,562,152	$ 38,457,973	$ 37,562,152
Accrued Benefit Liability	(36,206,267)	(44,503,679)	0	0	(36,206,267)	(44,503,679)
Intangible Asset	2,410,191	2,982,461	0	0	2,410,191	2,982,461
Accumulated Other Comprehensive Income	14,436,387	22,173,411	0	0	14,436,387	22,173,411
Net Amount Recognized	$ (19,359,689)	$ (19,347,807)	$ 38,457,973	$ 37,562,152	$ 19,098,284	$ 18,214,345

Illinois Power Company
FAS132 Disclosure Information

Supplemental Pension Plan Detail

	Illinois Power Salaried Plan 2003	Illinois Power Salaried Plan 2002	Illinois Power Collectively Bargained Plan 2003	Illinois Power Collectively Bargained Plan 2002	Illinois Power Pension Plans-Total 2003	Illinois Power Pension Plans-Total 2002
Accumulated Benefit Obligation, December 31	$ 280,488,515	$ 263,341,315	$ 278,983,509	$ 250,213,290	$ 559,472,024	$ 513,554,605
Information for Pension Plans with an Accumulated Benefit Obligation in Excess of Plan Assets, December 31						
Accumulated Benefit Obligation	$ 280,488,515	$ 263,341,315	$ 0	$ 0	$ 280,488,515	$ 263,341,315
Projected Benefit Obligation	$ 321,726,770	$ 299,914,744	$ 0	$ 0	$ 321,726,770	$ 299,914,744
Fair Value of Plan Assets	$ 244,282,248	$ 218,837,636	$ 0	$ 0	$ 244,282,248	$ 218,837,636
Development of Additional Minimum (Liability) and Accumulated Other Comprehensive Income (Expense), December 31						
Accumulated Benefit (Obligation)	$ (280,488,515)	$ (263,341,315)	$ (278,983,509)	$ (250,213,290)	$ (559,472,024)	$ (513,554,605)
Fair Value of Assets	244,282,248	218,837,636	297,769,999	257,836,510	542,052,247	476,674,146
Minimum (Liability)	$ (36,206,267)	$ (44,503,679)	$ 0	$ 0	$ (36,206,267)	$ (44,503,679)
Prepaid (Accrued) Benefit Cost	(19,359,689)	(19,347,807)	38,457,973	37,562,152	19,098,284	18,214,345
Additional Minimum (Liability)	$ (16,846,578)	$ (25,155,872)	$ 0	$ 0	$ (16,846,578)	$ (25,155,872)
Offsetting Intangible Asset	2,410,191	2,982,461	0	0	2,410,191	2,982,461
Accumulated Other Comprehensive Income (Expense)	$ (14,436,387)	$ (22,173,411)	$ 0	$ 0	$ (14,436,387)	$ (22,173,411)
Development of Balance Sheet Adjustments						
Change in Additional Minimum (Liability)	$ 8,309,294	$ (25,155,872)	$ 0	$ 0	$ 8,309,294	$ (25,155,872)
Change in Offsetting Intangible Asset	(572,270)	2,982,461	0	0	(572,270)	2,982,461
Other Comprehensive Income (Expense), Before Taxes	$ 7,737,024	$ (22,173,411)	$ 0	$ 0	$ 7,737,024	$ (22,173,411)
Components of Net Periodic Benefit Cost						
Service Cost	$ 5,253,647	$ 3,975,736	$ 8,145,780	$ 6,587,368	$ 13,399,427	$ 10,563,104
Interest Cost	18,626,112	18,733,892	17,452,674	16,862,359	36,078,786	35,596,251
Expected Return on Plan Assets	(22,984,667)	(26,324,713)	(27,389,666)	(30,236,464)	(50,374,333)	(56,561,177)
Amortization of Transition Amount	(1,455,480)	(1,455,480)	0	(1,905,365)	(1,455,480)	(3,360,845)
Amortization of Prior Service Cost	572,270	572,270	895,391	787,453	1,467,661	1,359,723
Recognized Net Actuarial (Gain)/Loss	0	(1,450,596)	0	(2,910,612)	0	(4,361,208)
Net Periodic Benefit Cost	$ 11,882	$ (5,948,891)	$ (895,821)	$ (10,815,261)	$ (883,939)	$ (16,764,152)

Illinois Power Company
FAS132 Disclosure Information

Supplemental Pension Plan Detail

	Illinois Power Salaried Plan 2003	Illinois Power Salaried Plan 2002	Illinois Power Collectively Bargained Plan 2003	Illinois Power Collectively Bargained Plan 2002	Illinois Power Pension Plans-Total 2003	Illinois Power Pension Plans-Total 2002
Weighted Average Assumptions Used to Determine Benefit Obligation at December 31						
Discount Rate	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Weighted Average Assumptions Used to Determine Benefit Cost for Period Ending December 31						
Discount Rate	6.50%	7.50%	6.50%	7.50%	6.50%	7.50%
Expected Return on Plan Assets	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Rate of Compensation Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

(Sample Language) Illinois Power's overall expected long-term rate of return on assets is 8.75%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

Investment Policies and Strategies for Plan Assets

(Sample Language) Illinois Power employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed income investments. Furthermore, equity investments are diversified across U.S. and non-U.S.. stocks as well as growth, value, and small and large capitalizations. Other assets such as real estate, private equity, and hedge funds are used judiciously to enhance long-term returns while improving portfolio diversification.

Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments <would need to put an exception in here if hedge funds are used>. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews.

Weighted-Average Asset Allocation by Asset Category	Salaried 2003	Salaried 2002	Collectively Bargained 2003	Collectively Bargained 2002	Total 2003	Total 2002
Equity Securities	xx%	62%	xx%	62%	xx%	62%
Debt Securities	xx%	30%	xx%	30%	xx%	30%
Real Estate	xx%	6%	xx%	6%	xx%	6%
Cash	xx%	2%	xx%	2%	xx%	2%
Total	100%	100%	100%	100%	100%	100%

Equity securities include Dynegy common stock in the amounts of $xx million (x percent of total plan assets) and $x million (x percent of total plan assets) at December 31, 2003, and 2002, respectively.

Contributions

Illinois Power expects to contribute $2 million to their pension plans in 2004.

Other Information

As permitted, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expectec to receive benefits under the plan.

Dynegy Inc.

Pension and Postretirement Welfare Plans
2004 Accounting Expenses Estimates

	Actual 2003 Expense	Estimated 2004 Expense
Discount Rate	**6.50%**	**6.00%**
Expected Rate of Return	**9.00%**	**8.75%**

Dynegy Accounting Books

Pension Plans - FAS 87		
Dynegy Inc. Retirement Plan		
Allocated to PRB	$ 7,266,256	$ 8,389,768
Allocated to IP/DMG	4,816,296	10,491,794
Total	$ 12,082,552	$ 18,881,562
Illinois Power Collectively Bargained Plan	3,109,424	10,974,162
Dynegy Midstream Services (Trident) Pension	37,404	236,840
DNE Pension	1,619,177	1,992,195
Total Pension	$ 16,848,557	$ 32,084,759
Retiree Welfare Plans - FAS 106		
Illinois Power Retiree Welfare	$ 13,448,543	$ 14,663,125
DNE Retiree Welfare	1,542,008	1,739,167
Total Retiree Welfare	$ 14,990,551	$ 16,402,292
Total Expense	$ 31,839,108	$ 48,487,051

Illinois Power Accounting Books

Pension Plans - FAS 87		
Dynegy Inc. Retirement Plan		
Allocated to DMG	$ 1,409,800	$ 1,784,185
Allocated to IP	(1,397,918)	3,402,565
Total	$ 11,882	$ 5,186,750
Illinois Power Collectively Bargained Plan		
Allocated to DMG	$ 949,877	$ 1,863,865
Allocated to IP	(1,845,698)	2,571,249
Total	$ (895,821)	$ 4,435,114
Total Pension	$ (883,939)	$ 9,621,864
Retiree Welfare Plans - FAS 106		
Illinois Power Retiree Welfare		
Allocated to DMG	$ 2,378,266	$ 2,749,532
Allocated to IP	$ 12,641,119	$ 13,520,382
Total Retiree Welfare	$ 15,019,385	$ 16,269,914
Total Expense	$ 14,135,446	$ 25,891,778

Pension and Retiree Welfare Plans - Dynegy Accounting Books

Development of Estimated Net Periodic Benefit Cost for 2004

	Pension - FAS 87					Retiree Welfare - FAS 106 -		
	Salaried	Bargained	DMS	DNE	Total	Illinois Power	DNE	Total
Assumptions as of December 31, 2003								
Discount Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Long-Term Asset Rate of Return	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	n/a	n/a
Salary Scale	4.50%	4.50%	4.50%	4.50%	4.50%	n/a	n/a	n/a
Health Care Cost Trend Rate								
Current	n/a	n/a	n/a	n/a	n/a	10.00%	11.00%	11.00%
Ultimate	n/a	n/a	n/a	n/a	n/a	5.50%	5.00%	5.00%
Year Ultimate Rate is Reached	n/a	n/a	n/a	n/a	n/a	2009	2016	2016
Estimated Net Benefit Payments	$ 20,000,000	$ 12,500,000	$ 317,000	$ 150,000	$ 32,967,000	$ 9,200,000	$ 46,000	$ 9,246,000
Estimated Contributions	$ 7,300,000	$ 0	$ 0	$ 500,000	$ 7,800,000	$ 5,000,000	$ 46,000	$ 5,046,000
Market-Related Value of Assets	$ 246,529,898	$ 298,563,675	$ 9,859,143	$ 19,323,417	$ 574,276,133	$ 79,174,397	$ 0	$ 79,174,397
Reconciliation of Funded Status as of 12/31/2003								
Projected Benefit Obligation	$(343,999,268)	$(311,140,689)	$(13,048,697)	$(29,155,188)	$(697,343,842)	$(189,796,228)	$(12,358,131)	$(202,154,359)
Market Value of Assets	244,282,248	297,769,999	9,839,402	19,323,417	571,215,066	79,174,397	0	79,174,397
Funded Status	$ (99,717,020)	$ (13,370,690)	$ (3,209,295)	$ (9,831,771)	$ (126,128,776)	$ (110,621,831)	$ (12,358,131)	$ (122,979,962)
Unrecognized Net Transition	0	0	0	0	0	0	0	0
Unrecognized Prior Service Cost	5,542,814	5,118,244	0	0	10,661,058	0	0	0
Unrecognized Net (Gain)/Loss	125,375,138	132,001,924	(473,851)	10,685,487	267,588,698	99,458,000	4,003,396	103,461,396
Prepaid/(Accrued) Benefit Cost	$ 31,200,932	$ 123,749,478	$ (3,683,146)	$ 853,716	$ 152,120,980	$ (11,163,831)	$ (8,354,735)	$ (19,518,566)
2004 Net Periodic Benefit Cost								
Service Cost	$ 12,429,346	$ 9,481,471	$ 312,234	$ 1,428,497	$ 23,651,548	$ 4,729,615	$ 826,085	$ 5,555,700
Interest Cost	20,039,956	18,293,441	773,412	1,744,811	40,851,620	11,111,774	740,108	11,851,882
Expected Return on Assets	(20,882,668)	(25,577,447)	(848,806)	(1,706,111)	(49,015,032)	(6,543,489)	0	(6,543,489)
Amortization of Net Transition	0	0	0	0	0	0	0	0
Amortization of Prior Service Cost	469,731	435,515	0	0	905,246	0	0	0
Amortization of Net (Gain)/Loss	6,825,197	8,341,182	0	524,998	15,691,377	5,365,225	172,974	5,538,199
Net Periodic Benefit Cost	$ 18,881,562	$ 10,974,162	$ 236,840	$ 1,992,195	$ 32,084,759	$ 14,663,125	$ 1,739,167	$ 16,402,292

Pension and Retiree Welfare Plans - Illinois Power Accounting Books

Development of Estimated Net Periodic Benefit Cost for 2004

	Pension - FAS 87					Retiree Welfare - FAS 106		
	Salaried	Bargained	DMS	DNE	Total	Illinois Power	DNE	Total
Assumptions as of December 31, 2003								
Discount Rate	6.00%	6.00%	n/a	n/a	6.00%	6.00%	n/a	6.00%
Long-Term Asset Rate of Return	8.75%	8.75%	n/a	n/a	8.75%	8.75%	n/a	8.75%
Salary Scale	4.50%	4.50%	n/a	n/a	4.50%	n/a	n/a	n/a
Health Care Cost Trend Rate								
Current	n/a	n/a	n/a	n/a	n/a	10.00%	n/a	10.00%
Ultimate	n/a	n/a	n/a	n/a	n/a	5.50%	n/a	5.50%
Year Ultimate Rate is Reached	n/a	n/a	n/a	n/a	n/a	2009	n/a	2009
Estimated Net Benefit Payments	$ 16,400,000	$ 12,500,000	n/a	n/a	$ 28,900,000	$ 9,200,000	n/a	$ 9,200,000
Expected Contributions	$ 2,000,000	$ 0	n/a	n/a	$ 2,000,000	$ 5,000,000	n/a	$ 5,000,000
Market-Related Value of Assets	$ 246,602,826	$ 298,475,580	n/a	n/a	$ 545,078,406	$ 79,174,397	n/a	$ 79,174,397
Reconciliation of Funded Status as of 12/31/2003								
Projected Benefit Obligation	$(321,726,770)	$(311,140,689)	n/a	n/a	$ (632,867,459)	$ (189,796,228)	n/a	$ (189,796,228)
Market Value of Assets	244,282,248	297,769,999	n/a	n/a	542,052,247	79,174,397	n/a	79,174,397
Funded Status	$ (77,444,522)	$ (13,370,690)	n/a	n/a	$ (90,815,212)	$ (110,621,831)	n/a	$ (110,621,831)
Unrecognized Net Transition	(4,400,548)	0	n/a	n/a	(4,400,548)	17,143,304	n/a	17,143,304
Unrecognized Prior Service Cost	2,410,191	7,925,355	n/a	n/a	10,335,546	0	n/a	0
Unrecognized Net (Gain)/Loss	60,075,190	43,903,308	n/a	n/a	103,978,498	91,909,189	n/a	91,909,189
Prepaid/(Accrued) Benefit Cost	$ (19,359,689)	$ 38,457,973	n/a	n/a	$ 19,098,284	$ (1,569,338)	n/a	$ (1,569,338)
2004 Net Periodic Benefit Cost								
Service Cost	$ 6,201,802	$ 9,481,471	n/a	n/a	$ 15,683,273	$ 4,729,615	n/a	$ 4,729,615
Interest Cost	18,811,606	18,293,441	n/a	n/a	37,105,047	11,111,774	n/a	11,111,774
Expected Return on Assets	(20,911,289)	(25,569,738)	n/a	n/a	(46,481,027)	(6,543,489)	n/a	(6,543,489)
Amortization of Net Transition	(1,455,480)	0	n/a	n/a	(1,455,480)	2,110,043	n/a	2,110,043
Amortization of Prior Service Cost	572,270	1,222,968	n/a	n/a	1,795,238	0	n/a	0
Amortization of Net (Gain)/Loss	1,967,841	1,006,972	n/a	n/a	2,974,813	4,861,971	n/a	4,861,971
Net Periodic Benefit Cost	$ 5,186,750	$ 4,435,114	n/a	n/a	$ 9,621,864	$ 16,269,914	n/a	$ 16,269,914

Dynegy Inc.

Pension and Postretirement Welfare Plans
2004 Accounting Expenses Estimates

	Estimated 2004
Discount Rate	**6.00%**
Expected Rate of Return	**8.75%**

Dynegy Accounting Books

Current Assumptions

Projected PBO, 12/31/2004	$ 939,196,000
Projected (Accrued)/Prepaid Benefit Cost, 12/31/2004 [1]	$ 96,961,000
Estimated 2004 Net Periodic Benefit Cost	$ 48,487,000

	Impact On		
	12/31/2004 PBO	**12/31/2004 (Accrued)/Prepaid**	**12/31/2004 2004 Expense**
Effect of Change in Discount Rate			
Increase 50 basis points (6.50%)	$ (58,466,000)	$ 5,338,000	$ (5,338,000)
Decrease 50 basis points (5.50%)	$ 64,613,000	$ (5,713,000)	$ 5,713,000
Effect of Change in Expected Rate of Return			
Increase 50 basis points (9.25%)	$ 0	$ 3,175,000	$ (3,175,000)
Decrease 50 basis points (8.25%)	$ 0	$ (3,175,000)	$ 3,175,000

Illinois Power Accounting Books

Current Assumptions

Projected PBO, 12/31/2004	$ 853,194,000
Projected (Accrued)/Prepaid Benefit Cost, 12/31/2004 [1]	$ (1,362,000)
Estimated 2004 Net Periodic Benefit Cost	$ 25,892,000

	Impact On		
	12/31/2004 PBO	**12/31/2004 (Accrued)/Prepaid**	**12/31/2004 2004 Expense**
Effect of Change in Discount Rate			
Increase 50 basis points (6.50%)	$ (54,181,000)	$ 5,016,000	$ (5,016,000)
Decrease 50 basis points (5.50%)	$ 59,841,000	$ (5,376,000)	$ 5,376,000
Effect of Change in Expected Rate of Return			
Increase 50 basis points (9.25%)	$ 0	$ 3,030,000	$ (3,030,000)
Decrease 50 basis points (8.25%)	$ 0	$ (3,030,000)	$ 3,030,000

[1] Liabilities projected from December 31, 2003 to December 31, 2004 assuming no gains or losses. Assuming a funding policy of the minimum required contribution.