

Ameren Services

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**OFFICIAL FILE**  
**ILLINOIS COMMERCE COMMISSION**

February 22, 2005

**ORIGINAL**

Ms. Elizabeth Rolando  
Chief Clerk  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701



**Re: Accounting Entries**

04-0294  
Report

Dear Ms. Rolando:

Attached please find the revised accounting records, specifically the "Purchase entries less pushdown" worksheet, with regard to Illinois Power Company d/b/a AmerenIP's September 30, 2004 filing, per the Staff's request.

Sincerely,

A handwritten signature in black ink that reads "Edward C. Fitzhenry".

Edward C. Fitzhenry  
Associate General Counsel

ECF/acs

Cc: Mary Selvaggio  
Gary Weiss

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ILLINOIS  
COMMERCE COMMISSION  
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**Illinois Power Company**  
**Accounting Entries for Elimination of Intercompany Note**  
**September 2004**

<u>Account</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Entry I</b>			
145	Notes receivable from associated companies		2,271,389,339.55
190	Accumulated deferred income taxes		94,603,167.00
201	Common stock issued	626,307,744.00	
216,216.1	Unappropriated retained earnings	457,078,794.99	
234	Accounts payable to associated companies	6,552,157.10	
236	Taxes accrued (current taxes)	15,023,136.00	
253	Other deferred credits (interest paid but unearned)	170,354,200.46	
282	Accumulated deferred income taxes-Other property	436,056,847.00	
283	Accumulated deferred income taxes-Other	654,619,627.00	
		<u>2,365,992,506.55</u>	<u>2,365,992,506.55</u>

To record the elimination of certain IP payables and interest paid but unearned and corresponding reduction in Intercompany Note, and the elimination of the remaining balance of the Intercompany Note in consideration of IP's net deferred tax obligations and the contemporaneous repurchase of IP's common stock

<b>Entry II</b>			
182.3	Other regulatory assets		1,811,926.00
190	Accumulated deferred income taxes		29,371,582.00
254	Other regulatory liabilities	60,697,190.00	
282	Accumulated deferred income taxes-Other property		30,992,807.00
283	Accumulated deferred income taxes-Other	1,479,125.00	
		<u>62,176,315.00</u>	<u>62,176,315.00</u>

To record elimination of FAS 109 ADIT and FAS 109 regulatory assets and liabilities

<b>Entry III</b>			
190	Accumulated deferred income taxes		5,726,481.00
219	Accumulated other comprehensive income	5,726,481.00	
		<u>5,726,481.00</u>	<u>5,726,481.00</u>

To record reversal of OCI ADIT related to minimum pension liability

**Ameren Corporation and Subsidiaries  
Purchase Accounting Entries  
September 2004**

<u>Account</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Entries at Ameren Corporation (AMC)</u></b>			
123	Investment in IP	251,892,450.00	
123	Investment in IHC (for EEI)	125,000,000.00	
131	Cash		376,892,450.00
<b>To record cash payment by AMC to Dynegy. Cash voucher # 299601</b>			
123	Investment in IP	100,000,000.00	
131	Cash		100,000,000.00
<b>To record cash payment by AMC to JP Morgan for environmental liability indemnification escrow. Cash voucher #299600</b>			
123	Investment in IP's Preferred Stock	33,146,200.00	
123	Investment in IP		33,146,200.00
<b>To separately recognize AMC's investment in IP's preferred stock, which was also acquired in the acquisition from Dynegy. Valued at book.</b>			
123	Investment in IP	10,000,000.00	
131	Cash		10,000,000.00
<b>To record cash payment by AMC to Bank of New York for HMAC Trust. Ameren's portion of trust funding. Cash voucher #299605</b>			
123	Investment in IP	15,105,453.04	
186	Deferred Asset		15,105,453.04
<b>To record transaction related costs incurred prior to the acquisition as an investment in IP.</b>			
		535,144,103.04	535,144,103.04

<b><u>Entries at Ameren Energy Resources Company (IHC)</u></b>			
186	Goodwill	112,129,871.00	
123	Investment in EEI	12,870,129.00	
211	Miscellaneous Paid-In Capital		125,000,000.00
<b>To record IHC's acquisition of 20% of EEI.</b>			
		125,000,000.00	125,000,000.00

<b><u>Entries at Illinois Power Company (IP)</u></b>			
216	Unappropriated Retained Earnings	159,353,067.47	
211	Miscellaneous Paid-In Capital	2,416,126.50	
201	Common Stock Issued	42,297,869.77	
219	Accumulated Other Comprehensive Income		14,436,387.00
186	Goodwill		189,630,676.74
<b>To eliminate IP's existing equity and reestablish IP equity equal to value paid to Dynegy.</b>			

**Ameren Corporation and Subsidiaries**  
**Purchase Accounting Entries**  
**September 2004**

<u>Account</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
108	Accumulated Provision for Depreciation	1,107,123,054.21	
111	Accumulated Provision for Amortization	104,675,463.53	
122	Accumulated Provision for Depreciation	172,790.37	
121	Non-Utility Property		172,790.37
101	Plant in Service		1,211,793,511.68
105	Electric plant held for future use		5,006.06
<b>To reset accumulated depreciation to zero.</b>			
<b>This entry does not include the cost of removal recorded in account 108.</b>			
221	Bonds	7,862,545.85	
186	Goodwill		7,862,545.85
<b>To eliminate IP's existing fair value (FMV) adjustment for debt. This balance stems from IP's quasi reorganization.</b>			
182.3	Other Regulatory Asset	41,507,875.29	
186	Goodwill	157,888,832.71	
221	Bonds		199,396,708.00
<b>To adjust debt issues to FMV and establish, under SFAS 71, a regulatory asset</b>			
255	Accumulated Deferred Investment Tax Credit	18,794,099.00	
186	Goodwill		18,794,099.00
<b>To adjust the deferred investment tax credits to FMV. These credits have no value to AmerenIP.</b>			
186	Goodwill	222,373,729.30	
253	Other Deferred Credits		184,831,895.58
186	Miscellaneous Deferred Debits		37,541,833.72
<b>Adjust pension and OPEB liability to FMV based on actuary information.</b>			
186	Goodwill	108,587,993.00	
116	Other Electric Plant Adjustments		105,167,849.00
242	Miscellaneous current and accrued liabilities		3,420,144.00

**To value the Joppa power supply agreement to FMV. At time of acquisition, IP had a FMV balance stemming from their quasi reorganization for a power supply agreement with EEI. This balance was eliminated.**

**Ameren Corporation and Subsidiaries  
Purchase Accounting Entries  
September 2004**

<u>Account</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
242	Miscellaneous current and accrued liabilities	7,835,266.40	
186	Goodwill		7,835,266.40
<b>To eliminate FMV balance related to the Clinton power supply contract (700MW). This balance originated in IP's quasi reorganization.</b>			
186	Miscellaneous Deferred Debits	9,600,000.00	
186	Goodwill	109,539,362.00	
242	Miscellaneous current and accrued liabilities		32,308,000.00
253	Other Deferred Credits		86,831,362.00
<b>To fair value IP's other power supply agreements. IP has the following contracts:</b>			
<b>A) 700 MW contract with the Clinton power station expiring in December 2004.</b>			
<b>B) 2,800 MW contract with Dynegy expiring in December 2004.</b>			
<b>C) 2,800 MW contract with Dynegy expiring in December 2006.</b>			
186	Goodwill	7,510,000.00	
232	Accounts Payable		7,510,000.00
<b>To record estimated employee related liabilities. These liabilities include involuntary severance, medical costs for severed employees, and relocation costs.</b>			
186	Goodwill	87,141,194.00	
182.3	Other Regulatory Assets		87,141,194.00
<b>To eliminate IP's transitional period cost recovery asset. This asset has no continuing value to AmerenIP.</b>			
186	Goodwill	19,000,000.00	
101	Plant in Service		19,000,000.00
<b>To establish an estimated reserve for IP's software that will no longer be used after Ameren system conversion date.</b>			
186	Goodwill	10,452,049.60	
232	Accounts Payable		10,452,049.60

**The Stock Purchase Agreement Amendment number 4, states that if the acquisition closes before IP receives the MISO refund, then IP must remit the MISO refund to Dynegy.**

**Ameren Corporation and Subsidiaries  
Purchase Accounting Entries  
September 2004**

<u>Account</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
128	Other Special Funds	10,000,000.00	
186	Goodwill		10,000,000.00
<b>Dynegy funded 1/2 of the HMAc trust. This entry records Dynegy's payment.</b>			
128	Other Special Funds	10,000,000.00	
201	Common Stock Issued		10,000,000.00
<b>Ameren funded 1/2 of the HMAc trust. AMC made payment on cash voucher #299605</b>			
190	Accumulated Deferred Income Taxes	210,945,917.00	
186	Goodwill		201,342,727.00
283	Accumulated Deferred Income Taxes - Other		9,603,190.00
<b>To record deferred tax on the above purchase accounting entries</b>			
186	Goodwill	6,783,083.50	
165	Prepayments		271,779.00
216	Unappropriated Retained Earnings		3,923,386.50
236	Taxes Accrued		2,587,918.00
<b>To record adjustments stemming from the post closing review of IP's working capital as provided by Stock Purchase Agreement.</b>			
186	Goodwill	15,105,453.04	
201	Common Stock Issued		15,105,453.04
<b>To record transaction related costs pushed down from AMC.</b>			
201	Common Stock Issued	343,851,703.04	
211	Miscellaneous Paid-In Capital		343,851,703.04
<b>Reclassification to present no par common stock consistent with Ameren presentation.</b>			
		<u>2,820,817,475.58</u>	<u>2,820,817,475.58</u>

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131	Cash		376,892,450.00
<b>To record cash payment by AMC to Dynegy. Cash voucher # 299601</b>			
123	Investment in IP	100,000,000.00	
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123	Investment in IP's Preferred Stock	33,146,200.00	
123	Investment in IP		33,146,200.00
<b>To separately recognize AMC's investment in IP's preferred stock, which was also acquired in the acquisition from Dynegy. Valued at book.</b>			
123	Investment in IP	10,000,000.00	
131	Cash		10,000,000.00
<b>To record cash payment by AMC to Bank of New York for HMA Trust. Ameren's portion of trust funding. Cash voucher #299605</b>			
123	Investment in IP	15,105,453.04	
186	Deferred Asset		15,105,453.04
<b>To record transaction related costs incurred prior to the acquisition as an investment in IP.</b>			
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**To eliminate IP's existing equity and reestablish IP equity equal to  
value paid to Dynegy.**

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**Purchase Accounting Entries**  
**September 2004**

<u>Account</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
221	Bonds	7,862,545.85	
114	Acquisition Adjustments		7,862,545.85
<b>To eliminate IP's existing fair value (FMV) adjustment for debt. This balance stems from IP's quasi reorganization.</b>			
255	Accumulated Deferred Investment Tax Credit	18,794,099.00	
114	Acquisition Adjustments		18,794,099.00
<b>To adjust the deferred investment tax credits to FMV. These credits have no value to AmerenIP.</b>			
114	Acquisition Adjustments		34,726,270.70
253	Other Deferred Credits	44,868,104.42	
186	Miscellaneous Deferred Debits		10,141,833.72
<b>Adjust pension asset and OPEB liability to the actuarial split prior to the application of purchase accounting.</b>			
114	Acquisition Adjustments	132,750,000.00	
116	Other Electric Plant Adjustments		132,750,000.00
<b>IP had a FMV balance stemming from their quasi reorganization for a power supply agreement with EEI. This balance was eliminated.</b>			

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Purchase Accounting Entries  
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114	Acquisition Adjustments		7,835,266.40
<b>To eliminate FMV balance related to the Clinton power supply contract (700MW). This balance originated in IP's quasi reorganization.</b>			
114	Acquisition Adjustments	87,141,194.00	
182.3	Other Regulatory Assets		87,141,194.00
<b>To eliminate IP's transitional period cost recovery asset. This asset has no continuing value to AmerenIP.</b>			
114	Acquisition Adjustments	19,000,000.00	
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<b>To establish an estimated reserve for IP's software that will no longer be used after Ameren system conversion date.</b>			
114	Acquisition Adjustments	10,452,049.60	
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<b>The Stock Purchase Agreement Amendment number 4, states that if the acquisition closes before IP receives the MISO refund, then IP must remit the MISO refund to Dynegy.</b>			

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 <b>Reclassification to present no par common stock consistent with Ameren presentation.</b>			
		<u>918,510,562.59</u>	<u>918,510,562.59</u>