

**CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AmerenCIPS
ENVIRONMENTAL ADJUSTMENT CLAUSE
ANNUAL REPORT FOR 2004**

INTRODUCTION

In accordance with CIPS' environmental riders ("Riders") designated as ELECTRIC ENVIRONMENTAL ADJUSTMENT CLAUSE ("EEAC") and GAS ENVIRONMENTAL ADJUSTMENT CLAUSE ("GEAC"), CIPS is filing this Annual Report. The Annual Report provides a reconciliation of Rider revenues and costs for 2004 along with a description of remediation activities.

RECONCILIATION

Attached to this report are schedules which provide the reconciliations of costs incurred with revenues received during 2003.

| | |
|--------------|---|
| Schedule 1.0 | Reconciliation for Annual Recovery Period |
| Schedule 2.0 | Incremental Costs |
| Schedule 3.0 | Total Cumulative Recoveries |
| Schedule 4.0 | Cumulative EEAC and GEAC Revenue by Class |

SUMMARY OF 2004 REMEDIATION ACTIVITIES

The Company has identified thirteen manufactured gas plant ("MGP") sites for which the Company has and will continue to incur environmental cleanup costs as a potentially responsible party ("PRP") under federal and state law. The Company's prior Annual Reports provide background information with regard to these sites, and discuss environmental remediation activities through year-end 2003. The Company's 2004 environmental remediation activities are discussed below. As indicated, these activities are primarily in continuation of those discussed in prior Annual Reports.

TAYLORVILLE

In 2004, the Company incurred costs of \$574,599 in connection with remedial activities. The majority of these costs relates to continued operation of the groundwater pump and treat system discussed in prior Annual Reports. Other costs included routine monitoring of area groundwater and studies of fish in an adjacent residential pond. The Company submitted a request to the Illinois Environmental Protection Agency (IEPA) to allow injection of a modified Fenton's Reagent for source reduction.

The Company also incurred costs of \$18,508 in defending bodily injury lawsuits that arose from remedial activities at the site. These lawsuits were also discussed in prior Annual Reports. All pending bodily injury lawsuits were settled in 2002. Monies paid in settlement were not charged to the environmental rider.

DUQUOIN

In 2004, the Company incurred costs of \$2,375 in connection with remedial activities. The majority of those costs were associated with site maintenance (mowing and cap maintenance).

BEARDSTOWN

In 2004, the Company incurred costs of \$ 52,899 in connection with remedial activities. The bulk of this amount was for generation of information to respond to the IEPA regarding the site closure report and groundwater monitoring well abandonment. A portion of the cost was for routine cap maintenance.

CANTON

In 2004 the Company incurred costs of \$4,066,234 in connection with site remediation. A portion of the cost was for routine monitoring of area ground water pursuant to IEPA protocols.

HOOPESTON

In 2004 the Company incurred costs of \$8,709 in connection with site remediation activities. The majority of this cost is associated with a consultant that developed the specifications for characterizing and defining the site contamination.

PANA

In 2004, the Company incurred costs of \$245,418 in connection with remedial activities. The majority of this cost is associated with a consultant that is characterizing and defining the site contamination.

PARIS

In 2004, the Company incurred costs of \$54,507 in connection with remedial activities. The majority of this cost is associated with a consultant that is characterizing and defining the site contamination

Central Illinois Public Service Company d/b/a AmerenCIPS
Reconciliation For Annual Recovery Period
Ending December 31, 2004

| | <u>Amount</u> |
|---|----------------------|
| Rider Revenues | \$1,723,481 |
| Insurance Recoveries | \$4,372 |
| Total Revenues | \$1,727,853 |
| Actual Costs | <u>\$5,023,249</u> |
| Balance for Calendar Year- Over/ (Under) Recovery | <u>(\$3,295,396)</u> |

Central Illinois Public Service Company d/b/a AmerenCIPS

Manufactured Gas Plant Sites

2004 Actual Costs

| <u>Work Order</u> | <u>Job Order</u> | <u>Location</u> | <u>Amount</u> |
|-------------------|------------------|--|---------------------------|
| 0K500 | JB2058 | Beardstown-Investigation and Cleanup | \$52,899 |
| 0K501 | JB2059 | Canton-Investigations and Cleanup | \$4,066,234 |
| 0K503 | JB2071 | Duquoin-Investigation and Cleanup | \$2,375 |
| 0K504 | JB2061 | Hoopeston-Investigation and Cleanup | \$8,709 |
| 0K508 | JB2063 | Pana-Investigation and Cleanup | \$245,418 |
| 0K509 | JB2064 | Paris-Investigation and Cleanup | \$54,507 |
| 0K513 | JB2085 | Investigation of Ins. Coverage for MGP | \$18,508 |
| 0K531 | JB2250 | Taylorville-Pump & Treat System O & M Costs | <u>\$574,599</u> |
| Total | | | <u><u>\$5,023,249</u></u> |

**Central Illinois Public Service Company d/b/a AmerenCIPS
 Cumulative Status of Recoveries and Costs
 Associated with Riders EEAC & GEAC
 As of 12/31/04**

| | JB # | WO # | Actuals Including Accepted Staff Adj 2003 | Per CIPS Cumulative Actuals 04-0105 12/31/03 | Actuals per CIPS 2004 | Negative Rounding Eliminated 2004 | Per CIPS Cumulative Actuals 05-0104 12/31/04 |
|--------------------------------|------|-------|---|---|--------------------------|--|---|
| EEAC/GEAC Recoveries | | 0K075 | \$4,550,055.39 | \$19,535,240.45 | \$1,723,481.11 | \$0.00 | \$21,258,721.56 |
| Insurance Recoveries | | 0K515 | \$4,885.17 | \$34,824,797.51 | \$4,372.03 | \$0.00 | \$34,829,169.54 |
| Total Recoveries | | | \$4,554,940.56 | \$54,360,037.96 | \$1,727,853.14 | \$0.00 | \$56,087,891.10 |
| Taylorville Lawsuit II-Brannan | | 0K092 | \$0.00 | \$172,848.27 | \$0.00 | \$0.00 | \$172,848.27 |
| Murphysboro | | 0K160 | \$0.00 | \$11,303.00 | \$0.00 | \$0.00 | \$11,303.00 |
| Taylorville | 2056 | - | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Beardstown | 2058 | 0K500 | \$207,505.11 | \$6,518,119.29 | \$52,898.77 | \$0.00 | \$6,571,018.06 |
| Canton | 2059 | 0K501 | \$1,095,771.31 | \$1,936,203.73 | \$4,066,233.77 | \$0.00 | \$6,002,437.50 |
| DuQuoin | 2071 | 0K503 | \$5,385.63 | \$1,210,489.81 | \$2,375.00 | \$0.00 | \$1,212,864.81 |
| Hoopeston | 2061 | 0K504 | \$0.00 | \$11,284.00 | \$8,708.67 | \$0.00 | \$19,992.67 |
| Charleston | 2060 | 0K506 | \$0.00 | \$5,383.15 | \$0.00 | \$0.00 | \$5,383.15 |
| Macomb | 2062 | 0K507 | \$0.00 | \$4,758.01 | \$0.00 | \$0.00 | \$4,758.01 |
| Pana | 2063 | 0K508 | \$33,665.03 | \$67,027.93 | \$245,417.67 | \$0.00 | \$312,445.60 |
| Paris | 2064 | 0K509 | \$71,886.08 | \$96,728.42 | \$54,506.51 | \$0.00 | \$151,234.93 |
| Quincy | 2065 | 0K510 | \$0.00 | \$6,817.80 | \$0.00 | \$0.00 | \$6,817.80 |
| Shelbyville | 2066 | 0K511 | \$0.00 | \$5,784.31 | \$0.00 | \$0.00 | \$5,784.31 |
| Insurance Litigation | 2085 | 0K513 | \$9.57 | \$16,445,880.71 | \$18,508.07 | \$0.00 | \$16,464,388.78 |
| Mattoon | 2090 | 0K514 | \$0.00 | \$29,332.37 | \$0.00 | \$0.00 | \$29,332.37 |
| T'ville Pump/Treat Constr | 2187 | 0K516 | \$0.00 | \$8,250,270.64 | \$0.00 | \$0.00 | \$8,250,270.64 |
| Personal Injury Litigation | 3157 | 0K517 | \$20,388.45 | \$13,238,045.75 | \$0.00 | \$0.00 | \$13,238,045.75 |
| T'ville Pump/Treat O & M | 2250 | 0K531 | \$433,626.73 | \$3,707,198.44 | \$574,601.09 | \$0.00 | \$4,281,799.53 |
| DuQuoin Arbitration | 2224 | 0K555 | \$0.00 | \$34,415.50 | \$0.00 | \$0.00 | \$34,415.50 |
| Rounding | | | \$0.00 | (\$1.65) | \$0.00 | \$1.65 | \$0.00 * |
| Allowed Expenditures | | | \$1,868,237.91 | \$51,751,889.48 | \$5,023,249.55 | \$1.65 | 56,775,140.68 |
| Carrying Costs | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total Costs | | | \$1,868,237.91 | \$51,751,889.48 | \$5,023,249.55 | \$1.65 | \$56,775,140.68 |
| Over (Under) Recovery | | | \$2,686,702.65 | \$2,608,148.48 | (\$3,295,396.41) | (\$1.65) | (\$687,249.58) |
| | | | | \$2,608,148.48 | | | (\$687,249.58) |

* Adjustment to eliminate (\$1.65) rounding from cumulative total.

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AmerenCIPS
Cumulative EEAC and GEAC Revenues by Class
at 12/31/04

| Actual EEAC Revenues | | | | | | | | | Cumulative Revenues |
|-----------------------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Rate Class | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | at 12/31/04 |
| Residential | \$584,879.91 | \$1,426,443.11 | (\$122,149.99) | \$198,976.77 | \$1,616,160.31 | \$504,541.09 | \$1,538,241.32 | \$844,837.00 | \$7,671,712.88 |
| Commercial | \$255,160.14 | \$534,302.46 | (\$5,444.14) | \$158,969.50 | \$1,265,167.94 | \$312,547.59 | \$1,269,143.05 | \$250,303.39 | 4,484,682.52 |
| Industrial | \$360,569.32 | \$1,057,213.50 | (\$154,840.91) | \$82,232.04 | \$802,734.44 | \$176,652.02 | \$656,602.88 | \$143,075.12 | 4,025,567.24 |
| Municipal | \$16,391.67 | \$38,985.72 | (\$234.50) | \$40,172.43 | \$115,589.67 | \$54,207.98 | \$78,696.43 | \$52,169.10 | 427,247.31 |
| Total | \$1,217,001.04 | \$3,056,944.79 | (\$282,669.54) | \$480,350.74 | \$3,799,652.36 | \$1,047,948.68 | \$3,542,683.68 | \$1,290,384.61 | \$16,609,209.95 |

| Actual GEAC Revenues | | | | | | | | | Total |
|-----------------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|
| Rate Class | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
| Residential | \$278,873.30 | \$510,727.01 | (\$9,515.57) | \$77,238.56 | \$699,229.98 | \$268,517.65 | \$608,950.09 | \$267,375.95 | \$2,947,645.62 |
| Commercial | \$90,505.72 | \$160,317.61 | \$4,663.92 | \$26,233.48 | \$248,490.10 | \$78,384.99 | \$215,941.68 | \$102,920.83 | 1,008,075.87 |
| Industrial | \$34,600.00 | \$113,720.85 | (\$5,207.95) | \$21,893.30 | \$150,389.38 | \$54,408.54 | \$182,479.94 | \$62,799.72 | 693,790.12 |
| Municipal | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.00 |
| Total | \$403,979.02 | \$784,765.47 | (\$10,059.60) | \$125,365.34 | \$1,098,109.46 | \$401,311.18 | \$1,007,371.71 | \$433,096.50 | \$4,649,511.61 |

| | | | | | | | | | |
|--------------------------------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Annual Environmental Revenues | \$1,620,980.06 | \$3,841,710.26 | (\$292,729.14) | \$605,716.08 | \$4,897,761.82 | \$1,449,259.86 | \$4,550,055.39 | \$1,723,481.11 | \$21,258,721.56 |
|--------------------------------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|