$4.00 Series	150,000 shares	105.625	15	15
$4.30 Series	40,000 shares	105.00	4	4
$4.50 Series	213,595 shares	110.00(a)	21	21
$4.56 Series	200,000 shares	102.47	20	20
$4.75 Series	20,000 shares	102.176	2	2
$5.50 Series A	14,000 shares	110.00	1	1
$7.64 Series	330,000 shares	103.82(b)	33	33
Total			$ 113	$ 113

CIPS:				
With par value of $100 per share, 2 million shares authorized				
4.00% Series	150,000 shares	$ 101.00	$ 15	$ 15
4.25% Series	50,000 shares	102.00	5	5
4.90% Series	75,000 shares	102.00	8	8
4.92% Series	50,000 shares	103.50	5	5
5.16% Series	50,000 shares	102.00	5	5
6.625% Series	125,000 shares	100.00	12	12
Total			$ 50	$ 50
CILCO:				
With par value of $100 per share, 1.5 million shares authorized				
4.50% Series	111,264 shares	$ 110.00	$ 11	$ 11
4.64% Series	79,940 shares	102.00	8	8
Total			$ 19	$ 19

		Redemption Price (per share)	2004	2003
IP:(c)				
With par value of $50 per share, 5 million shares authorized				
4.08% Series	225,510 shares	$ 51.50	$ 12	$ 12
4.20% Series	143,760 shares	52.00	7	7
4.26% Series	104,280 shares	51.50	5	5
4.42% Series	102,190 shares	51.50	5	5
4.70% Series	145,170 shares	51.50	7	7
7.75% Series	191,765 shares	50.00	10	10
Total			$ 46	$ 46
Less: IP balances prior to acquisition date			-	(46)

Less: Shares of IP preferred stock owned by Ameren[d]		(33)		-
Total Ameren	$	195	$	182

(a) In the event of voluntary liquidation, $105.50.
(b) Beginning February 15, 2003, declining to $100 per share in 2012.
(c) 2003 amounts represent predecessor information.
(d) Ameren purchased 662,924 shares of IP's preferred stock on September 30, 2004. See Note 2 – Acquisitions for additional information.

The following table presents the outstanding preferred stock of CILCO that is subject to mandatory redemption, is entitled to cumulative dividends and is redeemable, at a determinable price on a fixed date or dates, at the prices presented as of December 31, 2004 and 2003, respectively:

		Redemption Price (per share)	2004	2003
CILCO:[a]				
Without par value and stated value of $100 per share, 3.5 million shares authorized:				
5.85% Series	200,000 shares	$ 100.00[b]	$ 20	$ 21

(a) Beginning July 1, 2003, this preferred stock became redeemable, at the option of CILCO, at $100 per share. A mandatory redemption fund was established on July 1, 2003. The fund provides for the redemption of 11,000 shares for $1.1 million on July 1 of each year through July 1, 2007. On July 1, 2008, the remaining shares outstanding will be retired for $16.5 million.

(b) In the event of voluntary or involuntary liquidation, the stockholder receives $100 per share plus accrued dividends.

NOTE 11 – RETIREMENT BENEFITS

We have defined benefit and postretirement benefit plans covering substantially all employees of UE, CIPS, CILCORP, CILCO, IP, EEI and Ameren Services and certain employees of Resources Company and its subsidiaries, including Genco. Ameren uses a measurement date of December 31 for its pension and postretirement benefit plans.

IP merged into the Ameren pension and postretirement plans during the fourth quarter of 2004. Previously, IP had been part of the Dynegy benefit plans, so the IP predecessor amounts below represent the components of IP's participation in the Dynegy plans prior to Ameren's acquisition of IP. Plan participants included not only employees of IP, but certain Illinova and DMG employees. IP was reimbursed by participating Dynegy subsidiaries for their respective shares of the expenses of these benefit plans. Effective with Ameren's acquisition of IP, employees of the other Dynegy subsidiaries were not transferred into the Ameren plans and, therefore, are not included in successor information presented.

Investment Strategy and Return on Asset Assumption

The primary objective of the Ameren Retirement Plan and postretirement benefit plans is to provide eligible employees with pension and postretirement health care benefits. Ameren manages plan assets in accordance with the "prudent investor" guidelines contained in the ERISA. Ameren's goal is to earn the highest possible return on plan assets consistent with its tolerance for risk. Ameren delegates investment management to specialists in each asset class. Where appropriate, Ameren provides the investment manager with specific guidelines that specify allowable and prohibited investment types. Ameren regularly monitors manager performance and compliance with investment guidelines.

The expected return on plan assets is based on historical and projected rates of return for current and planned asset classes in the investment portfolio. Assumed projected rates of return for each asset class were selected after an analysis of historical experience and future expectations of the returns and the volatility of the various asset classes. Depending on the target asset allocation for each asset class, the overall expected rate of return for the portfolio was adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets.

Pension

Pension benefits are based on the employees' years of service and compensation. Our plans are funded in compliance with income tax regulations and federal funding requirements.

The following table presents the cash contributions made to our defined benefit retirement plan qualified trusts during 2004 and 2003. The current-year contribution provided cost savings to us by eliminating the need to pay a portion of insurance premiums to the Pension Benefit Guarantee Corporation.

	2004	2003
Ameren(a)	$ 295	$ 27
UE	186	18
CIPS	33	4
Genco	29	3
CILCORP(b)	41	-
CILCO	41	-

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for Ameren Registrant and non-Registrant subsidiaries and intercompany eliminations.
(b) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

A minimum pension liability was recorded at December 31, 2002, which resulted in an after-tax charge to OCI and a reduction in stockholders' equity of $102 million. In 2003, the minimum pension liability was reduced, resulting in OCI of $46 million and an increase in stockholders' equity. In 2004, the minimum pension liability was increased, resulting in a charge to OCI of $6 million and a decrease in stockholders' equity.

The following table presents the minimum pension liability amounts, after taxes, as of December 31, 2004 and 2003:

	2004	2003
Ameren(a)	$ 62	$ 56
UE	36	34
CIPS	8	7
Genco	4	4
CILCORP(b)	-	-
CILCO	17	13
IP(c)	-	10

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; and includes amounts for Ameren Registrant and non-Registrant subsidiaries.
(b)CILCORP consolidate s CILCO and therefore includes CILCO amounts in its balances.
(c) Represents predecessor information in 2003.

The following tables present the funded status of our pension plans for the years ended December 31, 2004 and 2003:

	Ameren(a)	IP(b)
2004:		
Change in benefit obligation:		
Projected benefit obligation at beginning of year	$ 2,142	$ 629
Service cost	46	12
Interest cost	142	28

Plan amendments	16	-
Actuarial (gain) loss	150	(38)
Transfer of IP into Ameren plan	606	(606)
Special termination benefits	4	-
Benefits paid	(126)	(25)
Projected benefit obligation at end of year	2,980	-
Change in plan assets:		
Fair value of plan assets at beginning of year	1,493	$ 542
Actual return on plan assets	216	13
Transfer of IP into Ameren plan	485	(485)
Allocated to Dynegy per ERISA Section 4044	-	(52)
Employer contributions	295	7
Benefits paid(c)	(124)	(25)
Fair value of plan assets at end of year	2,365	-
Funded status – deficiency	615	-
Unrecognized net actuarial loss	(311)	-
Unrecognized prior service cost	(85)	-
Unrecognized net transition asset	1	-
Accrued pension cost at December 31, 2004	$ 220	$ -

	Ameren(a)(d)	IP(b)
2003:		
Change in benefit obligation:		
Projected benefit obligation at beginning of year	$ 1,638	$ 574
Service cost	39	13
Interest cost	131	36
Plan amendments	20	1
Actuarial loss	121	38
Addition from CILCO	355	-
Special termination benefits	2	-
Benefits paid	(164)	(33)
Projected benefit obligation at end of year	$ 2,142	$ 629

	Ameren(a)(d)	IP(b)
Change in plan assets:		

Fair value of plan assets at beginning of year	$ 1,100	$ 476
Actual return on plan assets	292	99
Addition from CILCO	236	-
Employer contributions	27	-
Benefits paid(c)	(162)	(33)
Fair value of plan assets at end of year	1,493	542
Funded status – deficiency	649	87
Unrecognized net actuarial loss	(268)	(104)
Unrecognized prior service cost	(80)	(6)
Unrecognized net transition asset	2	4
Accrued (prepaid) pension cost at December 31, 2003	$ 303	$ (19)

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; includes amounts for Ameren Registrant and non-Registrant subsidiaries.
(b) Represents predecessor information.
(c) Excludes amounts paid from company funds.
(d) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for Ameren Registrant and non-Registrant subsidiaries.

The following table presents the assumptions used to determine benefit obligations at December 31, 2004 and 2003:

	2004	2003
Ameren, UE, CIPS, Genco, CILCORP, CILCO and IP(a):		
Discount rate at measurement date	5.75%	6.25%
Increase in future compensation	3.00	3.25
IP(b):		
Discount rate at measurement date	(b)	6.00%
Increase in future compensation	(b)	4.50

(a) 2003 amounts do not include IP.
(b) Included in Ameren's plan at December 31, 2004. 2003 amounts represent predecessor information.

Based on our assumptions at December 31, 2004, we expect to be required under ERISA to fund an aggregate of $400 million for the period of 2005 to 2009, in order to maintain minimum funding levels for our pension plan with no minimum contribution required until 2008, assuming continuation of the current interest rate relief beyond 2005. We expect UE's, CIPS', Genco's, CILCO's, and IP's portion of the future funding requirements to be approximately 50%, 9%, 9%, 11%, and 21%, respectively. These amounts are estimates and may change with actual stock market performance, changes in interest rates, any pertinent changes in government regulations, and any prior voluntary contributions.

The following tables present the amounts recorded in the Consolidated Balance Sheets as of December 31, 2004 and 2003:

	Ameren
2004:	
Accrued pension liability	$ 409
Prepaid benefit cost	-
Intangible asset	(88)

Accumulated OCI		(101)
Accrued pension cost at December 31, 2004	$	220

	Ameren(a)	IP(b)
2003:		
Accrued pension liability	$ 479	$ 38
Prepaid benefit cost	-	(39)
Intangible asset	(85)	(2)
Accumulated OCI	(91)	(16)
Accrued pension cost at December 31, 2003	$ 303	$ (19)

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004.
(b) Represents predecessor information.

The following table presents our pension plan asset categories as of December 31, 2004 and 2003 and our target allocations for 2005:

Asset Category	Target Allocation	Percentage of Plan Assets at December 31, 2004	2003
Ameren, UE, CIPS, Genco, CILCORP, CILCO and IP(a):			
Equity securities	40% - 80%	62%	63%
Debt securities	15 - 50	30	31
Real estate	0 - 10	5	4
Other	0 - 15	3	2
Total		100%	100%
IP(b):			
Equity securities		(b)	64%
Debt securities	(b)	(b)	28
Real estate	(b)	(b)	5
Other	(b)	(b)	3
Total	(b)		100%

(a) 2003 amounts do not include IP.
(b) Included in Ameren's plan at December 31, 2004; 2003 amounts represent predecessor information.

The following table presents the projected benefit obligation, the accumulated benefit obligation and the fair value of plan assets for plans that have a projected benefit obligation and accumulated benefit obligation in excess of plan assets at December 31, 2004 and 2003:

	2004	2003
Ameren, UE, CIPS, Genco, CILCORP, CILCO and IP(a):		
Projected benefit obligation	$ 2,980	$ 2,142

Accumulated benefit obligation	2,775	1,971
Fair value of plan assets	2,365	1,493
IP(b):		
Projected benefit obligation	(b)	629
Accumulated benefit obligation	(b)	559
Fair value of plan assets	(b)	542

(a) 2003 amounts do not include IP.
(b) Included in Ameren's plan at December 31, 2004; 2003 amounts represent predecessor information.

The following table presents the components of the net periodic pension benefit cost during 2004, 2003 and 2002:

	Ameren(a)	IP(b)
2004:		
Service cost	$ 46	$ 12
Interest cost	142	28
Expected return on plan assets	(133)	(35)
Amortization of:		
Transition asset	(1)	(1)
Prior service cost	11	1
Actuarial loss	24	2
Net periodic benefit cost	89	7
Net periodic benefit cost, including special termination benefits(e)	$ 93	$ 7
	Ameren(c)	**IP(d)**
2003:		
Service cost	$ 39	$ 13
Interest cost	131	36
Expected return on plan assets	(127)	(50)
Amortization of:		
Transition asset	(1)	(1)
Prior service cost	9	1
Actuarial loss	8	-
Net periodic benefit cost (income)	59	(1)
Net periodic benefit cost (income), including special termination benefits	$ 61	$ (1)

	Ameren(c)	CILCORP(d)	CILCO	IP(d)
2002:				
Service cost	$ 35	$ 4	$ 4	$ 10
Interest cost	106	22	22	36
Expected return on plan assets	(117)	(25)	(25)	(57)
Amortization of:				
Transition asset	(1)	-	(1)	(3)
Prior service cost	9	-	1	1
Actuarial (gain) loss	(12)	1	-	(4)
Net periodic benefit cost (income)	20	2	1	(17)
Net periodic benefit cost (income), including special termination benefits	$ 85	$ 2	$ 1	$ (17)

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; includes amounts for Ameren Registrant and non-Registrant subsidiaries.
(b) Represents predecessor information for the first nine months of 2004.
(c) *Excludes amounts for IP prior to the acquisition* date of September 30, 2004; excludes amounts for CILCORP prior to the acquisition date of January 31, 2003; includes amounts for Ameren Registrant and non-Registrant subsidiaries.
(d) Represents predecessor information. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.
(e) Special termination benefits are deferred as a regulatory asset. See Note 3 – Rate and Regulatory Matters.

Prior service cost is amortized on a straight-line basis over the average future service of active participants benefiting under the plan. The net actuarial (gain) loss subject to amortization is amortized on a straight-line basis over 10 years.

UE, CIPS, Genco, CILCORP, CILCO and IP are participants in Ameren's plans and are responsible for their proportional share of the costs. The following table presents the pension costs (benefits) incurred for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
Ameren(a)	$ 89	$ 59	$ 20
UE	54	35	12
CIPS	11	7	3
Genco	8	5	2
CILCORP(b)	14	7	2
CILCO	22	17	1
IP(c)	9	(1)	(17)

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; excludes amounts for CILCORP prior to the acquisition date of January 31, 2003; includes amounts for Ameren Registrant and non-Registrant subsidiaries.
(b) Includes predecessor information for periods prior to the acquisition date of January 31, 2003. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.
(c) *Includes predecessor* information for periods prior to the acquisition date of September 30, 2004. Predecessor amount in 2004 is $7 million.

The expected pension benefit payments from qualified trust and company funds, which reflect expected future service, are as follows:

	Pension from Qualified Trust	Pension from Company Funds
2005	$ 162	$ 2
2006	165	2
2007	168	2
2008	173	2

2009	177	2
2010 - 2014	987	8

The following table presents the assumptions used to determine net periodic benefit cost for the years ended December 31, 2004, 2003, and 2002:

	2004	2003	2002
Ameren, UE, CIPS , Genco, CILCORP, CILCO and IP[(a)]:			
Discount rate at measurement date	**6.25%**	6.75%	7.25%
Expected return on plan assets	**8.50**	8.50	8.50
Increase in future compensation	**3.25**	3.75	4.25
CILCORP[(b)] and CILCO:			
Discount rate at measurement date	**(b)**	(b)	7.00%
Expected return on plan assets	**(b)**	(b)	9.00
Increase in future compensation	**(b)**	(b)	3.50
IP[(c)]:			
Discount rate at measurement date	**6.00%**	6.50%	7.50%
Expected return on plan assets	**8.75**	9.00	9.50
Increase in future compensation	**4.50**	4.50	4.50

(a) 2003 amounts do not include IP. 2002 amounts do not include CILCORP or CILCO.
Included in Ameren's plan for 2003 and 2004. Represents predecessor information for 2002.
Included in Ameren's plan for 2004. Represents predecessor information for 2003 and 2002.

Postretirement

Our policy for postretirement benefits is primarily to fund the Voluntary Employee Beneficiary Association trusts (VEBA) to match the annual postretirement expense.

The following table presents the cash contributions made to our postretirement plan during 2004. We made cash contributions of $70 million in 2003, excluding predecessor IP. IP contributions in 2003 were $6 million. We expect to make contributions of $75 million during 2005.

	2004
Ameren[(a)]	**$ 69**
UE	**44**
CIPS	**8**
Genco	**3**
CILCORP[(b)]	**8**
CILCO	**8**
IP[(c)]........	**6**

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; includes amounts for Ameren Registrant and non-Registrant Ameren subsidiaries.
CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.
There were no contributions made by predecessor IP during the first nine months of 2004.

The following tables present the funded status of Ameren's postretirement benefit plansat December 31, 2004, and 2003:

	Ameren(a)	IP(b)
2004:		
Change in benefit obligation:		
Net benefit obligation at beginning of year	$ 1,063	$ 190
Service cost	17	4
Interest cost	65	8
Plan amendments	(23)	-
Participant contributions	5	1
Actuarial (gain) loss	109	1
Reflection of Medicare Part D	(71)	-
Transfer of IP into Ameren plan	197	(197)
Special termination benefits	1	-
Benefits paid	(65)	(7)
Net benefit obligation at end of year	1,298	-
Change in plan assets:		
Fair value of plan assets at beginning of year	476	79
Actual return on plan assets	43	-
Addition from IP	73	(73)
Employer contributions	69	-
Participant contributions	5	1
Benefits paid(c)	(62)	(7)
Fair value of plan assets at end of year	604	-
Funded status - deficiency	694	-
Unrecognized net actuarial loss	(406)	-
Unrecognized prior service cost	75	-
Unrecognized net transition obligation(e)	(16)	-
Postretirement benefit liability at December 31, 2004	$ 347	$ -

	Ameren(a)(d)	IP(b)
2003:		
Change in benefit obligation:		
Net benefit obligation at beginning of year	$ 814	$ 151
Service cost	14	4
Interest cost	64	10
Plan amendments	(14)	-

....				
Employee contributions		3		1
Actuarial loss		83		33
Addition from CILCO		156		-
Benefits paid		(57)		(9)
Net benefit obligation at end of year	$	1,063	$	190

	Ameren(a)(d)		IP(b)	
Change in plan assets:				
Fair value of plan assets at beginning of year	$	357	$	67
Actual return on plan assets		69		14
Addition from CILCO		33		-
Employer contributions		70		6
Employee contributions		3		1
Benefits paid(c)		(56)		(9)
Fair value of plan assets at end of year		476		79
Funded status - deficiency		587		111
Unrecognized net actuarial loss		(406)		(92)
Unrecognized prior service cost		58		-
Unrecognized net transition obligation(e)		(19)		(18)
Postretirement benefit liability at December 31, 2003	$	220	$	1

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; includes amounts for Ameren Registrant and non-Registrant subsidiaries.
(b) Represents predecessor information.
(c) Excludes amounts paid from company funds.
Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for Ameren Registrant and non-Registrant subsidiaries.
Ameren's transition obligation at December 31, 2004, is being amortized over the next 10 years.

The following table presents the assumptions used to determine the benefit obligations at December 31, 2004, and 2003:

	2004	2003
Ameren, UE, CIPS, Genco, CILCORP, CILCO and IP(a):		
Discount rate at measurement date	**5.75%**	6.25%
Medical cost trend rate (initial)	**9.00**	9.00
Medical cost trend rate (ultimate)	**5.00**	5.00
IP(b):		
Discount rate at measurement date	**(b)**	6.00%
Medical cost trend rate (initial)	**(b)**	10.00

Medical cost trend rate (ultimate)	(b)	5.50

(a) 2003 amounts do not include IP.
Included in Ameren's plan at December 31, 2004; 2003 amounts represent predecessor information.

The following tables present the components of Ameren's net periodic postretirement benefit cost as of December 31, 2004, 2003 and 2002:

	Ameren[(a)]	IP[(b)]
2004:		
Service cost	$ 17	$ 4
Interest cost	65	8
Expected return on plan assets	(39)	(5)
Amortization of:		
Transition obligation	2	1
Prior service cost	(4)	-
Actuarial loss	33	4
Net periodic benefit cost	$ 74	$ 12

	Ameren[(c)]	IP[(d)]
2003:		
Service cost	$ 14	$ 4
Interest cost	64	10
Expected return on plan assets	(36)	(6)
Amortization of:		
Transition obligation	2	2
Prior service cost	(3)	-
Actuarial loss	34	5
Net periodic benefit cost	$ 75	$ 15

	Ameren[(c)]	CILCORP[(d)]	CILCO	IP[(d)]
2002:				
Service cost	$ 27	$ 2	$ 2	$ 3
Interest cost	54	9	9	10
Expected return on plan assets	(32)	(3)	(3)	(7)
Amortization of:				
Transition obligation	17	-	3	2
Actuarial loss	8	2	2	2

Net periodic benefit cost	74	10	13	10
Net periodic benefit cost, including special termination benefits	$ 82	$ 10	$ 13	$ 10

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; includes amounts for Ameren Registrant and non-Registrant subsidiaries. Represents predecessor information for the first nine months of 2004.
(b) Excludes amounts for IP prior to the acquisition date of September 30, 2004; excludes amounts for CILCORP prior to the acquisition date of January 31, 2003; includes amounts for Ameren Registrant and non-Registrant subsidiaries.
(c) Represents predecessor information. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Prior service cost is amortized on a straight-line basis over the average future service of active plan participants benefiting under the postretirement plans. The net actuarial loss subject to amortization is amortized on a straight-line basis over 10 years.

Ameren adopted FSP SFAS 106-2 during the second quarter of 2004, retroactive to January 1, 2004, which resulted in the recognition of a federal subsidy for postretirement benefit costs related to prescription drug benefits. See Note 1 – Summary of Significant Accounting Policies. The effect of this subsidy was a reduction of various components of Ameren's and principally UE's net periodic postretirement benefit costs. Interest costs were reduced by $4 million and amortization of losses were reduced by $7 million. The impact of the subsidy on the expected return on plan assets was minimal.

UE, CIPS, Genco, CILCORP, CILCO and IP are responsible for their proportional share of the postretirement benefit costs. The following table presents the postretirement benefit costs for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
Ameren(a)	$ 74	$ 75	$ 74
UE	44	52	57
CIPS	9	9	12
Genco	3	2	4
CILCORP(b)	14	10	10
CILCO	23	18	13
IP(c)	15	15	10

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; excludes amounts for CILCORP prior to the acquisition date of January 31, 2003; includes amounts for Ameren Registrant and non-Registrant subsidiaries.
(b) Includes predecessor information for periods prior to the acquisition date of January 31, 2003. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.
(c) Includes predecessor information for periods prior to the acquisition date of September 30, 2004. Predecessor amount in 2004 is $12 million.

The following expected postretirement benefit payments, which reflect expected future service, are as follows:

	Benefits from Qualified Trust	Benefits from Company Funds
2005	$ 83	$ 1
2006	81	1
2007	83	1
2008	85	1
2009	86	1
2010 - 2014	479	7

The following table presents our postretirement plan asset categories as of December 31, 2004 and 2003, and our target allocations for 2005:

Asset Category	Target Allocation 2005	Percentage of Plan Assets at December 31, 2004	2003
Ameren, UE, CIPS, Genco, CILCORP, CILCO and IP[(a)]:			
Equity securities	40% - 80%	**62%**	57%
Debt securities	15 - 55	**34**	32
Other	0 - 15	**4**	11
Total		**100%**	100%

Asset	Target Allocation 2005	Percentage of Plan Assets at December 31, 2004	2003
IP[(b)]:			
Equity securities	(b)	**(b)**	75%
Debt securities	(b)	**(b)**	25
Total	(b)	(b)	100%

(a) 2003 amounts do not include IP.
(b) Included in Ameren's plan at December 31, 2004. 2003 amounts represent predecessor information.

The following table presents the assumptions used to determine net periodic benefit cost for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
Ameren, UE, CIPS, Genco, CILCORP, CILCO and IP[(a)]:			
Discount rate at measurement date	**6.25%**	6.75%	7.25%
Expected return on plan assets	**8.50**	8.50	8.50
Medical cost trend rate (initial)	**9.00**	10.00	5.25
Medical cost trend rate (ultimate)	**5.00**	5.00	5.25
CILCORP[(b)] and CILCO:			
Discount rate at measurement date	**(b)**	(b)	7.00%
Expected return on plan assets	**(b)**	(b)	9.00
Medical cost trend rate (initial)	**(b)**	(b)	11.50
Medical cost trend rate (ultimate)	**(b)**	(b)	5.00
IP:[(c)]			
Discount rate at measurement date	**6.00%**	6.00%	7.50%
Expected return on plan assets	**8.75**	9.00	9.50
Medical cost trend rate (initial)	**10.00**	10.00	9.30

Medical cost trend rate (ultimate)	**5.50**	5.50	5.50

(a) 2003 amounts do not include IP. 2002 amounts do not include CILCORP or CILCO.
(b) Included in Ameren's plan in 2003 and 2004. Represents predecessor information for 2002.
(c) Included in Ameren's plan in 2004. Represents predecessor information for 2003 and 2002.

Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. In addition, we have plan limits on the amount Ameren will contribute to future postretirement benefits. The following table presents the effects of a 1% change in assumed health care cost trend rates:

	1% Increase	1% Decrease
Ameren:		
Effect on net periodic cost	$ 3	$ (3)
Effect on accumulated postretirement benefit obligation	47	(46)

Other

Ameren and CIPS sponsor 401(k) plans for eligible employees. An IP plan was merged into the Ameren plan during the fourth quarter of 2004. The CILCO plan was merged into the Ameren plan at the beginning of 2004. The plans allow employees to contribute a portion of their base pay in accordance with specific guidelines. Ameren, CIPS and IP (predecessor) match a percentage of the employee contributions up to certain limits. Ameren's and IP's matching contributions to the 401(k) plans totaled $15 million and $2 million (predecessor), respectively, in 2004. Matching contributions to the Ameren, previous IP, and previous CILCO plans were $14 million, $2 million, and $1 million, respectively, in each of the years 2003 and 2002. CIPS' matching contributions to its 401(k) plan were less than $1 million annually in 2004, 2003 and 2002.

NOTE 12 – STOCK-BASED COMPENSATION

Ameren has a long-term incentive plan for eligible employees called the Long-term Incentive Plan of 1998, which provides for the grant of options, performance awards, restricted stock, dividend equivalents, and stock appreciation rights. Restricted stock awards were granted in 2004, 2003 and 2002 as a component of our compensation programs. We applied APB Opinion No. 25 in accounting for our stock-based compensation for years prior to 2003. There have not been any stock options granted since December 31, 2000. Effective January 1, 2003, we prospectively adopted accounting for our stock-based compensation plans using the fair value recognition provisions of SFAS No. 123. See Note 1 – Summary of Significant Accounting Policies for further information.

Restricted Stock

Restricted stock awards in Ameren common stock may be granted under our long-term incentive plan. Upon the achievement of certain performance levels, the restricted stock award vests over a period of seven years, beginning at the date of grant, and includes provisions requiring certain stock ownership levels based on position and salary. An accelerated vesting provision included in this plan reduces the vesting period from seven years to three years. During 2004, 2003, and 2002, respectively, 135,340, 152,956, and 154,678 restricted stock awards were granted. The weighted-average fair value for restricted stock awards granted in 2004, 2003, and 2002 was $46.34, $39.74, and $42.50 per share, respectively. We record unearned compensation (as a component of stockholders' equity) equal to the market value of the restricted stock on the date of grant and charge the unearned compensation to expense over the vesting period.

Stock Options

Ameren

Options in Ameren common stock may be granted under our long-term incentive plan at a price not less than the fair-market value of the common shares at the date of grant. Granted options vest over a period of five years, beginning at the date of grant, and provide for accelerated exercising upon the occurrence of certain events, including retirement. Outstanding options expire on various dates through 2010. Subject to adjustment, 4 million shares have been authorized to be issued or delivered under our long-term incentive plan. In accordance with APB Opinion No. 25, no compensation expense was recognized related to our stock options for 2004, 2003 and 2002.

The following table presents Ameren stock option activity during 2004, 2003 and 2002:

	2004		2003		2002	
	Number of Shares	Weighted-average Option Price	Number of Shares	Weighted-average Option Price	Number of Shares	Weighted-average Option Price
Outstanding at beginning of year	1,499,676	$ 34.88	1,977,453	$ 35.10	2,241,107	$ 35.23
Granted	-	-	-	-	-	-
Exercised	1,088,437	35.44	477,777	35.78	260,324	36.11
Cancelled or expired	-	-	-	-	3,330	43.00
Outstanding at end of year	411,239	33.38	1,499,676	34.88	1,977,453	35.10
Exercisable at end of year	272,439	$ 34.59	1,032,001	$ 36.00	901,187	$ 36.97

The following table presents additional information about Ameren stock options outstanding at December 31, 2004:

Options Outstanding				Options Exercisable	
Exercise Price	Outstanding Shares	Weighted-average Life (Years)	Weighted-average Exercise Price	Exercisable Shares	Weighted-average Exercise Price
$ 31.00	267,775	5.0	$ 31.00	128,975	$ 31.00
36.625	89,575	4.0	36.625	89,575	36.625
38.50	1,605	2.1	38.50	1,605	38.50
39.25	43,974	3.2	39.25	43,974	39.25
43.00	8,310	0.8	43.00	8,310	43.00

The fair values of stock options were estimated using a binomial option-pricing model with the following assumptions:

Grant Date	Risk-free Interest Rate	Option Term	Expected Volatility	Expected Dividend Yield
2/11/00	6.81%	10 years	17.39%	6.61%
2/12/99	5.44	10 years	18.80	6.51
6/16/98	5.63	10 years	17.68	6.55
4/28/98	6.01	10 years	17.63	6.55
2/10/97	5.70	10 years	13.17	6.53
2/7/96	5.87	10 years	13.67	6.32

CILCORP

Prior to Ameren's acquisition of CILCORP, employees of CILCORP and CILCO participated in the AES Stock Option Plan that provided for grants of AES common stock options to eligible participants. Under the terms of the plan, options were issued to purchase shares of AES common stock at a price equal to 100% of the market price at the date the option was granted. The options became eligible for exercise under various schedules. The following table presents CILCORP stock option activity during 2002:

	Predecessor 2002	
	Shares	Weighted-average Exercise Price
Outstanding at beginning of year	566,445	$ 18.28
Granted	-	-

Exercised	-	-
Cancelled or expired	18,003	28.61
Outstanding at end of year	548,442	$ 17.94
Exercisable at end of year	528,062	

Provisions of CILCORP bonus programs allowed for the cash-out of certain AES stock options in the event of an acquisition of CILCORP. CILCORP paid $3 million during 2003 for the cash-out of the entire 73,502 shares that were eligible under these provisions. All other outstanding options under the AES Stock Option Plan remain the sole obligation of AES.

The following table presents the assumptions that were used in the Black-Scholes valuation method for shares of AES common stock granted:

Year of Grant	Risk-free Interest Rate	Option Term	Expected Volatility	Expected Dividend Yield
2001	4.8%	8.2 years	86%	0%

IP

Prior to Ameren's acquisition of IP, certain IP employees participated in the equity compensation plans of Dynegy. On October 1, 2004, as a result of the acquisition, all unvested stock options granted to IP employees became null and void. The following table presents IP stock option activity:

	Predecessor					
	January 1, 2004 to September 30, 2004		For the year ended		For the year ended December 31, 2002	
	Number of Shares	Weighted-average Option Price	Number of Shares	Weighted-average Option Price	Number of Shares	Weighted-average Option Price
Outstanding at beginning of period	**1,739,592**	**$ 24.59**	1,606,086	$ 29.94	1,716,790	$ 29.92
Granted	**42,987**	**3.06**	335,500	1.77	-	-
Exercised	**(143,141)**	**1.77**	-	-	(16,497)	23.38
Cancelled, forfeited or expired	**(1,616,844)**	**2.05**	(201,994)	29.22	(94,207)	30.66
Outstanding at end of period[(a)]	**22,594**	**26.02**	1,739,592	24.59	1,606,086	29.94
Exercisable at end of period[(a)]	**22,594**	**1.77**	1,291,010	29.76	1,504,157	27.66
Weighted average fair value of options granted at market		**4.07**		1.54		

(a) The 22,594 exercisable options as of September 30, 2004, are an obligation of Dynegy; therefore, additional successor information is not presented.

The following table presents the assumptions that were used in the Black-Scholes valuation method for shares of Dynegy common stock granted:

Year of Grant[(a)]	Risk-free Interest Rate	Option Term	Expected Volatility	Expected Dividend Yield
2003	3.92%	10 years	90%	n/a
2001	4.82	10 years	46	1%

(a) Assumptions for the 2004 grant are not presented as the expense associated with the options was negligible and the options were either cancelled or assumed by Dynegy.

NOTE 13 – INCOME TAXES

The following table presents the effective tax rates on income before income taxes as a result of total income tax expense for each of the Ameren Companies for 2004, 2003 and 2002:

	2004	2003	2002
Ameren[(a)]	**34%**	37%	38%
UE	**36**	36	36
CIPS	**33**	18	39
Genco	**37**	40	39
CILCORP[(b)]	**(218)**	31	22
CILCO	**14**	38	36
IP[(c)]	**39**	39	39

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; excludes amounts for CILCORP prior to the acquisition date of January 31, 2003.
(b) Represents predecessor information for 2002.
(c) Represents predecessor information for January - September 2004, 2003 and 2002.

The following table presents the principal reasons why the effective income tax rate differed from the statutory federal income tax rate for the years ended December 31, 2004, 2003 and 2002:

	Ameren[(a)]	UE	CIPS	Genco	CILCORP[(b)]	CILCO	IP[(c)]
2004:							
Statutory federal income tax rate:	**35%**	**35%**	**35%**	**35%**	**35%**	**35%**	**35%**
Increases (decreases) from:							
Permanent Items[(d)]	**(2)**	**-**	**(1)**	**-**	**(151)**	**(16)**	**-**
Depreciation differences	**1**	**1**	**(1)**	**-**	**(41)**	**(4)**	**1**
Amortization of investment tax credit	**(1)**	**(1)**	**(3)**	**(1)**	**(32)**	**(3)**	**(1)**
State tax	**3**	**4**	**5**	**5**	**(12)**	**3**	**5**
Other[(e)]	**(2)**	**(3)**	**(2)**	**(2)**	**(17)**	**(1)**	**(1)**
Effective income tax rate	**34%**	**36%**	**33%**	**37%**	**(218)%**	**14%**	**39%**
2003:							
Statutory federal income tax rate:	35%	35%	35%	35%	35%	35%	35%
Increases (decreases) from:							
Depreciation differences	1	1	1	-	(1)	(1)	2
Amortization of investment tax credit	-	-	(4)	(1)	(4)	(2)	(1)
State tax	3	3	7	5	6	3	5
Resolution of state income tax matters	(1)	-	(21)	-	-	-	-
Other[(e)]	(1)	(3)	-	1	(5)	3	(2)
Effective income tax rate	37%	36%	18%	40%	31%	38%	39%

2002:							
Statutory federal income tax rate:	35%	35%	35%	35%	35%	35%	35%
Increases (decreases) from:							
Depreciation differences	2	2	1	(1)	(4)	(2)	1
Amortization of investment tax credit	-	-	(3)	(3)	(5)	(2)	(1)
State tax	3	3	6	5	5	5	5
Other(e)	(2)	(4)	-	3	(9)	-	(1)
Effective income tax rate	38%	36%	39%	39%	22%	36%	39%

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; excludes amounts for CILCORP prior to the acquisition date of January 31, 2003.
(b) Represents predecessor information for 2002.
(c) Represents predecessor information for January - September 2004, 2003 and 2002.
(d) Permanent items primarily include FAS 106-2 Medicare Part D for Ameren, UE, CIPS, CILCORP and CILCO and a litigation settlement at CILCORP and CILCO.
(e) CILCORP Other primarily includes low-income housing tax credits and company-owned life insurance.

The following table presents the components of income tax expense for the years ended December 31, 2004, 2003 and 2002:

	Ameren(a)	UE	CIPS	Genco	CILCORP(b)	CILCO	IP(c)
2004:							
Taxes currently payable (principally federal)	**$ (57)**	**$ 97**	**$ 6**	**$ 6**	**$ (51)**	**$(35)**	**$ 50**
Deferred taxes (principally federal)	**350**	**117**	**11**	**60**	**45**	**43**	**40**
Deferred investment tax credits, amortization	**(11)**		**(1)**	**(2)**	**(2)**	**(2)**	**(1)**
Total income tax expense (benefit)	**$ 282**	**$ 208**	**$ 16**	**$ 64**	**$ (8)**	**$ 6**	**$ 89**

	Ameren(a)	UE	CIPS	Genco	CILCORP(b)	CILCO	IP(c)
2003:							
Taxes currently payable (principally federal)	$ 313	$ 254	$ 25	$ 22	$ 19	$ 53	$101
Deferred taxes (principally federal)	11	3	(18)	30	(6)	(23)	(23)
Deferred investment tax credits, amortization	(11)	(6)	(1)	(2)	(2)	(2)	(1)
Total income tax expense	$ 313	$ 251	$ 6	$ 50	$ 11	$ 28	$ 77
Included in cumulative effect of change in accounting principle	(12)	-	-	(12)	(2)	(16)	(2)
Included in Income Taxes on Statement of Income	$ 301	$ 251	$ 6	$ 38	$ 9	$ 12	$ 75
2002:							
Taxes currently payable (principally federal)							

	$ 172	$ 171	$ 33	$ (41)	$ 14	$ 31	$139
Deferred taxes (principally federal)	74	28	(15)	63	(5)	(3)	(34)
Deferred investment tax credits, amortization	(9)	(6)	(1)	(2)	(2)	(2)	(1)
Total income tax expense	$ 237	$ 193	$ 17	$ 20	$ 7	$ 26	$104

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; excludes amounts for CILCORP prior to the acquisition date of January 31, 2003.
(b) Represents predecessor information for 2002.
(c) Represents predecessor information for January - September 2004, 2003 and 2002.

The following table presents the deferred tax assets and deferred tax liabilities recorded as a result of temporary differences at December 31, 2004 and 2003:

	Ameren(a)	UE	CIPS	Genco	CILCORP(b)	CILCO	IP(c)
2004:							
Accumulated deferred income taxes, net liability (asset):							
Plant related	$ 1,748	$1,102	$ 103	$ 234	$ 258	$ 198	$ 28
Deferred intercompany tax gain/basis step-up	-	-	149	(149)	-	-	-
Regulatory assets (liabilities), net	45	55	(4)	-	(6)	(6)	-
Capitalized taxes and expenses	394	149	53	60	90	(8)	(7)
Deferred benefit costs	(265)	(46)	2	2	(122)	(64)	(110)
Other	(24)	(42)	(3)	(1)	(1)	14	24
Total net accumulated deferred income tax liabilities	$ 1,898	$1,218	$	$ 146	$ 219	$ 134	$(65)
2003:							
Accumulated deferred income taxes, net liability (asset):							
Plant related	$ 1,634	$1,123	$ 78	$ 210	$ 228	$ 162	$ 275
Deferred intercompany tax gain/basis step-up	-	-	162	(162)	-	-	630
Regulatory assets (liabilities), net	116	126	(6)	-	(4)	(4)	(23)
Capitalized taxes and expenses	388	135	59	54	93	(7)	81
Deferred benefit costs	(223)	(82)	(4)	(5)	(122)	(59)	5
Other	(60)	(12)	(20)	1	(12)	11	25
Total net accumulated deferred income tax liabilities	$ 1,855	$1,290	$ 269	$ 98	$ 183	$ 103	$ 993

(a) Excludes amounts for IP prior to the acquisition date of September 30, 2004; excludes amounts for CILCORP prior to the acquisition date of January 31, 2003; and includes amounts for Ameren Registrant and non-Registrant subsidiaries and intercompany eliminations.
(b) CILCORP consolidates CILCO and therefore includes CILCO in its balances.
(c) Represents predecessor information for 2003.

Upon Ameren's acquisition of IP, IP's net accumulated deferred income tax liabilities and unamortized accumulated investment tax credits were eliminated. Subsequent to the acquisition, IP began recording new accumulated deferred tax assets and liabilities and had recorded net deferred income tax assets of $65 million as of December 31, 2004.

NOTE 14 – RELATED PARTY TRANSACTIONS

The Ameren Companies have engaged in, and may in the future engage in, affiliate transactions in the normal course of business. These transactions primarily consist of gas and power purchases and sales, services received or rendered, and borrowings and lendings. Transactions between affiliates are reported as intercompany transactions on their financial statements, but are eliminated in consolidation for Ameren's financial statements. Below are the material related-party agreements.

Electric Power Supply Agreements

Under two electric power supply agreements, Genco is obliged to supply to Marketing Company, and Marketing Company, in turn, is obliged to supply to CIPS with all of the energy and capacity CIPS needs to offer service for resale to its native load customers at ICC-related rates and to fulfill its other obligations under all applicable federal and state tariffs or contracts. Any power not used by CIPS is sold by Marketing Company under various long-term wholesale and retail contracts. For native load, CIPS pays an annual capacity charge per megawatt (the greater of its forecasted peak demand or actual demand), plus an energy charge per megawatthour to Marketing Company. For fixed-price retail customers outside of the tariff, CIPS pays Marketing Company the price it receives under these contracts. The fees paid by CIPS to Marketing Company for native load and fixed-price retail customers and any other sales by Marketing Company under various long-term wholesale and retail contracts are passed through to Genco. In addition, under the power supply agreement between Genco and Marketing Company, Genco bears all generation-related operating risks, including plant performance, operations, maintenance, efficiency, employee retention, and other matters. There are no guarantees, bargain purchase options, or other terms that may convey to CIPS the right to use the property and plant of Genco. The expiration date for the agreement between CIPS and Marketing Company has been extended to December 31, 2006. The agreement between Genco and Marketing Company can be terminated by either party upon one year's notice. This extension was required by the ICC in its order approving Ameren's acquisition of CILCORP and CILCO.

In October 2003, in conjunction with CILCO's transfer to AERG of substantially all of its generating assets, AERG entered into an electric power supply agreement to supply CILCO with sufficient power to meet its native load requirements. CILCO pays a monthly capacity charge per megawatt based on its system capacity requirements, plus an energy charge per megawatthour. The expiration date for this agreement has been extended to December 31, 2006. The ICC required this extension in its order approving Ameren's acquisition of CILCORP and CILCO. Also in conjunction with CILCO's generating asset transfer, a bilateral power supply agreement was entered into between AERG and Marketing Company. This agreement provides for AERG to sell excess power to Marketing Company for sales outside the CILCO control area, and it also allows Marketing Company to sell power to AERG to fulfill CILCO's native load requirements.

CILCO had an agreement with CIPS for the purchase of 100 megawatts of capacity and firm energy for the months of January and June through September under a contract that commenced in January 2000 and expired in September 2003. This power was supplied by Genco through the Marketing Company, CIPS, and Genco electric power supply agreements discussed above.

UE, CIPS, IP and a nonaffiliated company are parties to a power supply agreement with EEI to purchase and sell capacity and energy. This agreement expires on December 31, 2005. Under a separate agreement that expires on December 31, 2005, CIPS resold its entitlements under the power supply agreement with EEI to Marketing Company. Marketing Company and certain nonaffiliated companies are parties to a power supply agreement with Midwest Electric Power, Inc., a subsidiary of EEI, to purchase capacity and energy. This agreement's term is year to year on a calendar basis unless the purchasing parties unanimously agree to terminate their participation.

UE has a 150-megawatt power supply agreement with Marketing Company that expires December 31, 2005. UE also had a one-year 450-megawatt power supply agreementwith Marketing Company that expired in May 2002 and another one-year 200 megawatt power supply agreement with Marketing Company that expired in May 2003. Power supplied by Marketing Company to UE through these agreements is being obtained from Genco.

In December 2003, the SEC approved an agency agreement between AERG and Marketing Company that authorizes Marketing Company, on behalf of AERG, to sell AERG's excess generation or to purchase power needed to supply AERG customers.

In December 2004, Marketing Company and IP entered into an agency agreement that authorizes Marketing Company, on behalf of IP, to sell or purchase, as necessary, electric energy and capacity in the wholesale market for 2005 and 2006.

IP had a contract with a former affiliate, DMG, to supply power via purchase agreements that expired at the end of 2004. The purchased power agreement with DMG obliged DMG to provide power to IP up to the reservation amount, and at the same prices, even if DMG had individual units unavailable at various times.

IP is party to several commercial and industrial electric and gas sales agreements with DMG, which were entered into prior to Ameren's acquisition of IP. These are typically yearly contracts that renew automatically unless cancelled by either party pursuant to a 30-day written notice.

Also prior to Ameren's acquisition, IP purchased natural gas from Dynegy to serve its gas distribution business under a Gas Industry Standards Board master base contract that terminated October 1, 2004. Under this agreement, IP executed multiple transactions in 2002 and 2003 that covered deliveries for the yearly winter peak season from November through March. One transaction was executed in 2004 to provide deliveries from January to March 2004.

Interconnection and Transmission Agreements

UE, CIPS and IP are parties to an interconnection agreement for the use of their respective transmission lines and other facilities for the distribution of power. In addition, CILCO and IP are parties to a similar interconnection agreement These agreements have no contractual expiration date but may be terminated by either party with three years notice.

IP is party to transmission and interconnection sales agreements with DYPM, a former affiliate, for the use of IP's transmission lines and other facilities. The transmission sale agreements expire in April and June 2005. The interconnection sales agreements expire January 1, 2006. On October 1, 2004, pursuant to the sale of IP to Ameren, all continuing contracts with Dynegy and its affiliates became third-party agreements.

Joint Dispatch Agreement

UE and Genco jointly dispatch electric generation under a joint dispatch agreement among UE, Genco and CIPS. Under the agreement, each affiliate is permitted to use the cheapest generation available first, whether it be from UE or Genco. Each affiliate has the option to serve its load requirements from its own generation first, and then to allow access to any available generation to its affiliate. The joint dispatch agreement can be terminated by either party upon one year's notice. In an order approving the transfer of UE's Illinois-based utility businesses to CIPS (see Note 3 – Rate and Regulatory Matters), the MoPSC ordered UE to amend the joint dispatch agreement so that margins on short-term power sales will be determined by generation output as opposed to load. This will provide UE with a larger share of the margins on short-term sales of power from the combined generation of UE and Genco. Such an amendment is expected to provide to UE with additional annual margins ranging from $7 million to $24 million for UE's share of short-term power sales. Such an amendment is expected to result in a corresponding reduction in Genco's margins from its share of short-term power sales. However, this reduction is expected to be mitigated by margins received from additional power sales by Genco (through Marketing Company) to CIPS to serve the transferred UE Illinois-based electric utility business through the end of 2006 under the current power supply contracts.

The termination of the joint dispatch agreement, or modifications to it, could have a material effect on Ameren, UE or Genco. Modifications to or termination of the agreement would not have an immediate impact on Ameren because of UE's Missouri electric rate moratorium, which ends June 30, 2006.

Any excess generation not used by UE or Genco through the joint dispatch agreement is sold to third parties through Ameren Energy, serving as each affiliate's agent. Ameren Energy also acts as agent on behalf of UE and Genco to purchase power when they require it.

Support Services Agreements

Costs of support services provided by Ameren Services, Ameren Energy, and AFS to their affiliates, including wages, employee benefits, professional services, and other expenses are based on, or are an allocation of, actual costs incurred. Effective September 30, 2004, IP was added to the support services agreements with Ameren Services and AFS. Prior to this, IP operated under Dynegy's consolidated group's Services and Facilities Agreement, whereby other Dynegy affiliates exchanged with IP services such as financial, legal, information technology, and human resources, as well as shared facility space. IP services were exchanged at fully distributed costs and revenues were not recorded under this agreement. This agreement was terminated in conjunction with IP's sale to Ameren.

Executory Tolling, Gas Sales, and Transportation Agreements

Under an executory tolling agreement, CILCO purchases steam, chilled water, and electricity from Medina Valley. In connection with this agreement, Medina Valley purchases gas to fuel its generating facility from AFS under a fuel supply and services agreement. Prior to September 2003, Medina Valley purchased gas from CILCORP Energy Services, Inc., a subsidiary of CILCORP that operated gas management services including commodity procurement and redelivery to retail customers, and gas transportation from CILCO.

Under a gas transportation agreement, Genco acquires gas transportation service from UE for its Columbia, Missouri CTs. This agreement expires in February 2016.

Notes Receivable from Former Affiliate

At December 31, 2004, there was no principal outstanding under IP's $2.3 billion Note Receivable from Former Affiliate, as it was eliminated in connection with the sale of all of IP's common stock and approximately 73% of its preferred stock to Ameren. Due to the prepayments described below, IP had no accrued interest at December 31, 2004 or 2003. In July, September, October and December 2003, Dynegy made interest payments totaling $256 million on its $2.3 billion intercompany note payable to Illinova, which in turn made interest payments totaling $256 million to IP under the Note Receivable from Former Affiliate. These interest payments represented accrued interest on the notes for the months of April through December 2003 and prepaid interest for the months of January 2004 through September 2004. In January 2004, IP received an additional interest prepayment of $43 million. These notes contained payment provisions pursuant to which semi-annual interest payments of $86 million were due on April 1 and October 1 of each year. See Note 2 - Acquisitions for further information.

Transitional Funding Securitization Financing Agreement

IP's financial statements include related-party transactions with the IP SPT, its wholly owned unconsolidated subsidiary, which was deconsolidated in accordance with the adoption of FIN No. 46R effective on December 31, 2003. In accordance with the Transitional Funding Securitization Financing Agreement, IP must designate a portion of the cash received from customer billings to fund payment of the TFNs. The amounts received are remitted to the IP SPT and are restricted for the sole purpose of paying down the TFNs. Due to the adoption of FIN No. 46R and resulting deconsolidation of IP SPT, these amounts are netted against the current portion of IP's long-term debt payable to IP SPT on IP's December 31, 2004 consolidated balance sheet. See Note 1 – Summary of Significant Accounting Policies for further information.

Money Pools

Utility

UE, CIPS, CILCO and IP have the ability to borrow from Ameren and from each other through a utility money pool agreement. Ameren Services administers the utility money pool and tracks internal and external funds separately. Ameren Services also participates in the utility money pool. Ameren and AERG may participate in the utility money pool only as lenders. Internal funds are surplus funds contributed to the utility money pool from participants. The primary source of external funds for the utility money pool is the UE commercial paper program. Through the utility money pool, the pool participants can access committed credit facilities at Ameren that totaled $935 million at December 31, 2004. These facilities are in addition to UE's $154 million, CIPS' $15 million, and CILCO's $60 million in committed credit facilities, which are also available to the utility money pool participants. Based on outstanding UE commercial paper borrowings at December 31, 2004, $789 million was available for borrowing under Ameren credit facilities through the utility money pool agreement. The total amount available to the pool participants from the utility money pool at any given time is reduced by the amount of borrowings by their affiliates, but increased to the extent the pool participants have surplus funds or other external sources are used to increase the available amounts. The availability of funds is also determined by funding requirement limits established by the SEC under the PUHCA. UE, CIPS, CILCO, IP and Ameren Services rely on the utility money pool to coordinate and provide for certain short-term cash and working capital requirements. Borrowers receiving a loan under the utility money pool agreement must repay the principal amount of such loan, together with accrued interest. The rate of interest depends on the composition of internal and external funds in the utility money pool. The average interest rate for borrowing under the utility money pool for the year ended December 31, 2004 was 1.38% (2003 - 1.14%).

On September 30, 2004, in conjunction with the completion on that date of Ameren's acquisition of IP, a unilateral borrowing agreement was entered into between Ameren, IP, and Ameren Services that enables IP to make short-term borrowings directly from Ameren. The aggregate amount of borrowings outstanding at any time by IP under the unilateral borrowing agreement and the utility money pool agreement, together with any short-term borrowings by IP, may not exceed $500 million, pursuant to authorization from the ICC and the SEC under the PUHCA. Ameren Services is responsible for operation and administration of the agreement. At December 31, 2004, IP had loaned $140 million to the utility money pool.

Non-state-regulated subsidiaries

Genco and other non-state-regulated Ameren subsidiaries have the ability to borrow up to $935 million in total from Ameren through a non-state-regulated subsidiary money pool agreement. However, the total amount available to the pool participants at any time is reduced by the amount of borrowings from Ameren by its subsidiaries and is increased to the extent that other pool participants advance surplus funds to the non-state-regulated subsidiary money pool or external sources are used to increase the available amounts. At December 31, 2004, $789 million was available through the non-state-regulated subsidiary money pool, excluding additional funds available through excess cash balances. The non-state-regulated subsidiary money pool was established to coordinate and provide for short-term cash and working capital requirements of Ameren's non-state-regulated activities. It is administered by Ameren Services. Borrowers receiving a loan under the non-state-regulated subsidiary money pool agreement must repay the principal amount of such loan, together with accrued interest. The rate of interest depends on the composition of internal and external funds in the non-state-regulated subsidiary money pool. These rates are based on the cost of funds used for money pool advances. Ameren and CILCORP are authorized to act only as lenders to the non-state-regulated subsidiary money pool. In October 2003, AERG received the required regulatory approval necessary to participate in the non-state-regulated subsidiary money pool. The average interest rate for borrowing under the non-state-regulated subsidiary money pool for the year ended December 31, 2004 was 8.84% (2003 - 8.84%).

CILCORP has been granted authority by the SEC under the PUHCA to borrow up to $250 million directly from Ameren in a separate arrangement unrelated to the money pools. At December 31, 2004, CILCORP had notes payable under this agreement of $72 million (2003 - $46 million) at an average interest rate of 8.84% for the year ended December 31, 2004.

Intercompany Promissory Notes

As of December 31, 2004, Genco has affiliate notes payable of $249 million and $34 million to CIPS and Ameren, respectively, which, by their current terms, have final payments of principal and interest due on May 1, 2005. These notes bear interest at 7%. In November 2004, Genco made a $75 million principal prepayment under its note payable to CIPS. The note payable to CIPS was issued in conjunction with the transfer of its electric generating assets and related liabilities to Genco. Genco and CIPS plan to renew or modify the CIPS note to extend the principal maturity to May 1, 2010, which is expected to include continued amortization of the principal amount. Genco and Ameren are currently evaluating various alternatives with respect to the note payable to Ameren. In the event the maturities of these notes are not extended or restructured, Genco may need to access other financing sources to meet the maturity obligation to the extent it does not have cash available from its operating cash flows. Such sources of financing could include borrowings under the non-state-regulated subsidiary money pool, or infusion of equity capital or new direct borrowings from Ameren, all subject to applicable regulatory financing authorizations and provisions in Genco's senior note indenture.

Operating Leases

Under an operating lease agreement, Genco is leasing certain CTs at a Joppa, Illinois site to its parent, Development Company for a minimum term of 15 years, expiring September 30, 2015. Under an electric power supply agreement with Marketing Company, Development Company supplies the capacity and energy from these leased units to Marketing Company, which in turn supplies the energy to Genco.

In September 1999, IP entered into an operating lease on four gas turbines located in Tilton, Illinois and a separate land lease at the Tilton site. IP sublet the turbines to its former affiliate, DMG, in October 1999. In July 2004, subsequent to the expiration of a statutory notice period after a filing at the ICC, IP terminated its lease with the original lessor. DMG then executed a transfer agreement under which the original lessor sold the turbine assets to DMG for the full contract price of $81 million. Additionally, IP assigned its associated land lease on the Tilton site to DMG. For IP, the Tilton lease was a complete pass-through, with no revenue or expense to IP, as DMG made all of the payments on IP's behalf. The receivable from DMG was offset by a corresponding payable to the lessor. For additional information relating to the Tilton capital lease and related asset retirement obligation liability, see Note 1 – Summary of Significant Accounting Policies.

UE

The following tables present the impact of related party transactions on UE's Consolidated Statement of Income for the years ended December 31, 2004, 2003 and 2002, and on the Consolidated Balance Sheet as of December 31, 2004 and 2003, based primarily on the agreements discussed above:

Statement of Income	2004	2003	2002
Operating revenues from affiliates:			
Power supply agreement with EEI	$ 7	$ 6	$ 9
Joint dispatch agreement with Genco	117	112	75
Agency agreement with Ameren Energy	214	202	165
Gas transportation agreement with Genco	1	1	1
Total operating revenues	$ 339	$ 321	$ 250
Fuel and purchased power expenses from affiliates:			
Power supply agreements:			
EEI	$ 68	$ 58	$ 51
Marketing Company	9	9	17
Joint dispatch agreement with Genco	46	40	40
Agency agreement with Ameren Energy	72	66	127
Total fuel and purchased power expenses	$ 195	$ 173	$ 235
Other operating expenses:			
Support service agreements:			
Ameren Services	$ 158	$ 165	$ 163
Ameren Energy	2	22	33
AFS	4	6	5
Total other operating expenses	$ 164	$ 193	$ 201
Interest expense:			
Borrowings (advances) related to money pool	$ 3	$ 2	$ 1

Balance Sheet	2004	2003
Assets:		
Miscellaneous accounts and notes receivable	$ 9	$ 16
Advances to money pool	1	12
		12
Liabilities:		
Accounts payable and wages payable	$ 53	$ 46
Borrowings from money pool	2	-

CIPS

The following tables present the impact of related party transactions on CIPS' Statement of Income for the years ended December 31, 2004, 2003 and 2002, and on the Balance Sheet as of December 31, 2004, and 2003, based primarily on the agreements discussed above:

Statement of Income	2004	2003	2002
Operating revenues from affiliates:			
Power supply agreements:			
Marketing Company	$ 34	$ 29	$ 25
CILCO	-	8	8
Total operating revenues	$ 34	$ 37	$ 33
Fuel and purchased power expenses from affiliates:			
Power supply agreements:			
Marketing Company	$ 291	$ 312	$ 393
EEI	34	29	25
Total fuel and purchased power expenses	$ 325	$ 341	$ 418
Other operating expenses:			
Support service agreements:			
Ameren Services	$ 48	$ 54	$ 61
AFS	1	1	1
Total other operating expenses	$ 49	$ 55	$ 62
Interest (expense) income:			
Note receivable from Genco	$ 23	$ 27	$ 31
Borrowings (advances) related to money pool	-	-	(1)

Balance Sheet	2004	2003
Assets:		
Miscellaneous accounts and notes receivable	$ 12	$ 10
Promissory note receivable from Genco[a]	249	373
Tax receivable from Genco[b]	149	162
Liabilities:		
Accounts payable and wages payable	$ 49	$ 43
Borrowings from money pool	68	121

(a) Amount includes current portion of $249 million as of December 31, 2004 (December 31, 2003 - $49 million).
Amount includes current portion of $11 million as of December 31, 2004 (December 31, 2003 - $12 million).

Genco

The following tables present the impact of related party transactions on Genco's Statement of Income for the years ended December 31, 2004, 2003 and 2002, and on the Balance Sheet as of December 31, 2004 and 2003, based primarily on the agreements discussed above:

Statement of Income	2004	2003	2002
Operating revenues from affiliates:			
Power supply agreements:			
Marketing Company	$ 693	$ 632	$ 626
EEI	3	4	4

NOTES TO FINANCIAL STATEMENTS (Continued)

Joint dispatch agreement with UE	46	40	40
Agency agreement with Ameren Energy	113	96	56
Operating lease with Development Company	10	10	10
Total operating revenues	$ 865	$ 782	$ 736
Fuel and purchased power expenses from affiliates:			
Joint dispatch agreement with UE	$ 117	$ 112	$ 75
Agency agreement with Ameren Energy	25	36	42
Power purchase agreement with Marketing Company	-	2	2
Gas transportation agreement with UE	1	1	1
Total fuel and purchased power expenses	$ 143	$ 151	$ 120

Statement of Income	2004	2003	2002
Other operating expenses:			
Support service agreements:			
Ameren Services	$ 18	$ 18	$ 19
Ameren Energy	2	11	16
AFS	2	2	2
Total other operating expenses	$ 22	$ 31	$ 37
Interest expense:			
Borrowings (advances) related to money pool	$ 12	$ 15	$ 6
Note payable to CIPS	23	27	31
Note payable to Ameren	2	3	3

Balance Sheet	2004	2003
Assets:		
Miscellaneous accounts and notes receivable	$ 86	$ 78
Liabilities:		
Accounts payable and wages payable	$ 13	$ 22
Interest payable	5	7
Promissory note payable to CIPS(a)	249	373
Promissory note payable to Ameren(b)	34	38
Tax payable to CIPS(c)	149	162
Borrowings from money pool	116	124

(a) Amount includes current portion of $249 million as of December 31, 2004 (December 31, 2003 - $49 million).
(b) Amount includes current portion of $34 million as of December 31, 2004 (December 31, 2003 - $4 million).
(c) Amount includes current portion of $11 million as of December 31, 2004 (December 31, 2003 - $12 million).

CILCORP

The following tables present the impact of related party transactions on CILCORP's Consolidated Statement of Income for the years ended December 31, 2004, 2003 and 2002, and on the Consolidated Balance Sheet as of December 31, 2004 and 2003, based primarily on the agreements discussed above:

Statement of Income[(a)(b)]	2004	2003	2002
Operating revenues from affiliates:			
Gas supply and services agreement with Medina Valley	$ -	$ 12	$ 14
Total operating revenues	$ -	$ 12	$ 14
Fuel and purchased power expenses from affiliates:			
Executory tolling agreement with Medina Valley	$ 30	$ 26	$ 25
Power purchase agreement with CIPS[(c)]	-	8	8
Bilateral supply agreement with Marketing Company	-	1	-
Total fuel and purchased power expenses	$ 30	$ 35	$ 33
Other operating expenses:			
Support services agreements:			
Ameren Services	$ 54	$ 15	$ -
AFS	2	2	-
Total other operating expenses	$ 56	$ 17	$ -
Interest expense:			
Note payable to Ameren	$ 5	$ 1	$ -
Borrowings related to money pool	5	-	-

(a) 2002 amounts represent predecessor information. 2003 amounts include January 2003 predecessor information, which included $2 million in operating revenues and $3 million in purchased power associated with the executory tolling agreement with Medina Valley.
(b) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.
(c) CIPS was not a related party of CILCORP prior to January 31, 2003.

Balance Sheet[(a)]	2004	2003
Assets:		
Miscellaneous accounts and notes receivable	$ 9	$ 8
Liabilities:		
Accounts and wages payable	$ 42	$ 16
Note payable to Ameren	72	46
Borrowings from money pool	166	145

(a) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

CILCO

The following tables present the impact of related party transactions on CILCO's Consolidated Statement of Income for the years ended December 31, 2004, 2003 and 2002, and on the Consolidated Balance Sheet as of December 31, 2004, and 2003, based primarily on the various agreements discussed above:

Statement of Income	2004	2003	2002

Fuel and purchased power expenses from affiliates:			
Executory tolling agreement with Medina Valley	$ 30	$ 26	$ 25
Power purchase agreement with CIPS	-	8	8
Bilateral supply agreement with Marketing Company	-	1	-
Total fuel and purchased power expenses	$ 30	$ 35	$ 33
Other operating expenses:			
Support services agreements:			
Ameren Services	$ 52	$ 15	$ -
AFS	2	2	-
Total other operating expenses	$ 54	$ 17	$ -
Interest expense:			
Borrowings related to money pool	$ 5	$ -	$ -

Balance Sheet	2004	2003
Assets:		
Miscellaneous accounts and notes receivable	$ 11	$ 6
Liabilities:		
Accounts and wages payable	$ 42	$ 23
Borrowings from money pool	169	149

IP

The following tables present the impact of related party transactions on IP's Consolidated Statement of Income for the years ended December 31, 2004, 2003 and 2002, and on the Consolidated Balance Sheet as of December 31, 2004 and 2003, based primarily on the various agreements discussed above:

Statement of Income	Three Months	Nine Months Ended September 30, 2004(a)	2003(a)	2002(a)
Operating revenues from affiliates and former affiliates:				
Retail electricity sales to DMG	$ -	$ 1	$ 3	$ 3
Retail natural gas sales DMG	-	5	9	10
Transmission sales to DYPM	-	10	14	17
Interconnection transmission with DYPM	-	3	2	3
Interest income from former affiliates	-	128	170	170
Total operating revenues	$ -	$ 147	$198	$ 203
Fuel and purchased power expenses from affiliates and former affiliates:				
Power supply agreements:				
DMG	$ -	$ 346	$472	$ 486
EEI	3	-	-	-
Gas purchased from Dynegy	-	6	50	25
Total fuel and purchased power expenses	$ 3	$ 352	$522	$ 511

Other operating expenses:				
Services and facilities agreement - Dynegy	$ -	$ 11	$ 16	$ 25
Total other operating expenses	$ -	$ 11	$ 16	$ 25
Interest expense (income):				
Interest expense for IP SPT	$ 4	$ 17	$ -	$ -
Interest expense on Tilton lease	-	8	4	-
Interest income on Tilton lease	-	(8)	(4)	-
Advances to money pool	(1)	-	-	-

(a) Represents predecessor information.

Balance Sheet	2004	2003[a]
Assets:		
Accounts receivable	$ -	$ 75
Miscellaneous accounts and notes receivable	4	-
Advances related to money pool	140	-
Investment in IP SPT	7	6
Notes receivable from former affiliate	-	2,271
Liabilities:		
Accounts and wages payable	$ 4	$ 14
Long-term debt to IP SPT[b]	351	419
Other deferred credits and other noncurrent liabilities	-	128

(a) Represents predecessor information.
1 Amount includes current portion of $74 million as of December 31, 2004 (December 31, 2003 - $74 million) and includes a purchase accounting fair value adjustment of $18 million as of December 31, 2004.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

As a result of issues generated in the course of daily business, we are involved in legal, tax and regulatory proceedings before various courts, regulatory commissions, and governmental agencies, some of which involve substantial amounts of money. We believe that the final disposition of these proceedings, except as otherwise disclosed in these notes to our financial statements, will not have an adverse material effect on our results of operations, financial position or liquidity.

Capital Expenditures

See Note 3 – Rate and Regulatory Matters for information regarding Ameren's capital expenditure commitment with respect to IP, which was included in the ICC order approving Ameren's acquisition of IP, as well as for information regarding Ameren's and UE's capital expenditure commitments, which were agreed upon in relation to UE's 2002 Missouri electric rate case settlement and UE's 2003 Missouri gas rate case settlement. Additionally, UE's future estimated capital expenditures include the addition of new CTs with approximately 330 megawatts of capacity at its Venice, Illinois plant site by the end of 2005. Total costs expected to be incurred for these units are $125 million, of which $82 million was committed as of December 31, 2004.

Callaway Nuclear Plant

The following table presents insurance coverage at UE's Callaway nuclear plant at December 31, 2004:

Type and Source of Coverage	Maximum Coverages	Maximum Assessments for Single Incidents