AmerenIP Exhibit 32.0

ILLINOIS COMMERCE COMMISSION

DOCKET NOS. 06-0070, 06-0071 and 06-0072

REBUTTAL TESTIMONY

OF

ROBERT PORTER

Submitted On Behalf

Of

CENTRAL ILLINOIS LIGHT COMPANY d/b/a AMERENCILCO,
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AMERENCIPS and
ILLINOIS POWER COMPANY, d/b/a AMERENIP

May 25, 2006

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Q. Please state your name and business address.

A. My name is Robert Porter. My business address is 1901 Chouteau Avenue, St. Louis, MO 63103.

Q. Are you the same Robert Porter who previously submitted testimony in these proceedings?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the testimony of AG witness Effron and IIEC witness Gorman regarding adjustments to revenue requirements related to costs and savings from the acquisition of Illinois Power. Specifically I will address the adjustment to O&M expense suggested by AG witness Effron relating to differences in allocated corporate A&G to AmerenIP and the adjustment suggested by IIEC witness Gorman to amortization of the acquisition cost regulatory asset.

Q. Please describe the adjustment to O&M expense for changes in corporate allocated A&G expense as proposed by Mr. Effron.

A. Mr. Effron calculates the difference between the A&G expense expected to be allocated to AmerenIP by AMS and the actual A&G expense allocated to IP by Dynegy, as reflected in IP's 2004 actual results. He includes an adjustment to the Dynegy costs for injuries and damages costs reflected in the Company's Schedule C-2.12. Mr. Effron asserts that the difference between the expected AMS costs and the adjusted Dynegy costs represents a net increase in costs to customers resulting from the acquisition of Illinois Power by Ameren.

Q. Mr. Effron calculates the difference in IP allocated corporate costs to be $13.8 million. Is this a fair representation of the difference in costs under Ameren ownership vs. ongoing ownership by Dynegy?

A. No. As with any acquisition, it is difficult to determine what actual costs of service would have been had the transaction not occurred. Such comparisons are speculative at best. While the kind of comparison Mr. Effron is attempting to make can be useful, there are problems in the numbers he uses. Specifically, the 2004 Dynegy allocation he uses is inappropriate for such a comparison.

Q. What adjustments should be made to the Dynegy allocation to result in a valid comparison?

A. First, Mr. Effron's adjustment for injuries and damages should be eliminated. At the time Mr. Effron filed his testimony this adjustment was valid. However, the

Company has since accepted an adjustment to the injuries and damages amount on Schedule C-2.12 for the amount of the Dynegy allocated costs. Therefore, the adjustment is no longer needed. Eliminating this adjustment increases the Dynegy value from $13.5 million to $17.4 million.

Second, the Dynegy allocation for 2004 represents only 9 months of allocated costs and should be adjusted to reflect a full year under Dynegy ownership. If Dynegy had owned IP for the entire year the cost would have been $23.1 million based on a simple extrapolation of the first nine months.

Third, Dynegy was already in the process of reducing its corporate support structure to reflect a change in focus to its core business. Prior to changes in Dynegy's corporate cost structure, the annual corporate allocation to IP was in excess of $40 million. Only after Dynegy was led by its circumstances to take a shorter-term business focus was the level of allocation to IP reduced to its 2004 level. Since IP would most likely have continued under Dynegy ownership only in the absence of Dynegy's financial challenges, it is more appropriate to use a historical average of the allocated corporate costs as an indication of what costs would have been under continued Dynegy ownership. Using the above-mentioned $23.1 million for a full year of 2004 costs, the average annual allocated corporate costs from 2001-2004 were $27.1 million.

Finally, the Dynegy allocated costs are in 2004 dollars whereas the AMS costs are in 2006 dollars. Adjusting for two years of wage increases and general inflation brings the annual value for the Dynegy allocation to $29.3 million.

Q. Please state the comparison of allocated A&G costs as modified for the changes you have described and any conclusions that you have drawn from the results of the comparison.

A. The expected AMS allocation of A&G costs of $28.6 million is less than the estimated allocation of Dynegy A&G costs of $29.3 million. Therefore, no adjustment to O&M expense should be made based on differences in corporate A&G allocated costs.

Q. Although the comparison you outline shows no increase in allocated A&G costs resulting from the acquisition of Illinois Power by Ameren, do you accept Mr. Effron's premise that changes in this or other individual cost components represent an increase in the net costs resulting from the acquisition?

A. No. By focusing only on allocated A&G costs, Mr. Effron fails to take into account other benefits resulting from the acquisition of IP by Ameren, such as reductions in debt interest, depreciation expense, and fuel costs. The cost of capital presented in Company witness McShane's direct testimony reflects reductions in high cost debt issued by IP under Dynegy ownership. Changes in depreciation expense resulting from the acquisition of IP by Ameren are included in schedules filed with the Company's initial request and sponsored by Company witness Stafford. Benefits related to improvements in service and overall financial health are also ignored in Mr. Effron's analysis. All benefits of the acquisition, both quantitative and qualitative, must be included in any analysis of the overall costs and benefits to customers.

Any such comparison would still be speculative. However, I would note that the qualitative benefits of the transaction are substantial. For example**,** Information Systems has experienced a large number of improvements. In Disaster Recovery, there have been improvements in data storage, data center operations, the Call Center, and Mainframe operations. These improvements lead to faster recovery with higher reliability. IP equipment that was no longer supported by the manufacturer was upgraded with new equipment and contracted maintenance programs were put into place. Sarbanes-Oxley compliance, documentation, and procedures were improved by a move to Ameren systems which were more fully documented and tested for compliance. IT Technology upgrades include Mobile Data Terminals, Mobile Data Radio Service, Mainframe technical software, and an upgrade from PC operating system to Windows XP. These upgrades have moved IP forward in technology. There have also been printer provisioning process improvements. Automated training applications are available to employees and these include free online classes, free user guides, and professional training throughout the territory. The shift from outsourced IT support to in house staff for application development and support has been of benefit. Online published information provide easy access to job postings, notification of IT outages, policies and plans, and on-line forms, reference materials, and documentation. Further improvements in Information Systems includes improvements in HR reporting capabilities, improved IT hardware repair and replacement capabilities, improvement within the IT Change Management process and notification, implementation of a voice recognition software for automated attendant, and better project management methodology and project management tools. Employees have access to specialized tools and expertise not available to smaller organizations. The Call Center has become more effective in responding to customers with improvements in overflow response, call load balancing, and off hours support. Service Dispatch has the potential for improvement in response time due to new systems implemented and future implementation of automated meter reading.

General Counsel has been improved in several areas. A dedicated Rate department and specialization of legal resources have allowed for quicker response to regulatory inquiries, better resolution capability, and the ability to adapt to Staff and intervenor's concerns and needs. Security has also been greatly improved. When the IP facilities were taken over the card access system was so antiquated that spare parts are no longer available for them. The video system was also in a state of disrepair and numerous cameras had to be replaced. Both of these systems are being replaced. Improvements have also been made in attempting to meet requirements set by NERC and Illinois law with regard to providing specific levels of protection at "critical cyber" locations.

Safety of employees, customers, and property has been a priority and an area that has also witnessed improvements. Safety was improved by flame resistant clothing requirements imposed on IP employees and by increased safety training and education. Economic Development has benefited from increased staff and resources dedicated to economic development. The supply chain has also been improved with cross company inventory sharing benefits. The supply chain has seen better standardization which has resulted in the use of best practices in equipment. Environmental has worked to find better solutions to potential environmental problems and to reduce risks to customers and communities. Improvements here include specialized support staff in specific disciplines and coal tar expertise. Fleet has seen increased service reliability, capability, and response by implementing fleet replacement cycles and has moved to in house fleet management. Forestry is utilizing newer technology for vegetation control and they are now back on a four year schedule for vegetation management. More indirect improvements have also been realized in a number of areas. Electric Planning has seen an improvement in reliability through shared expertise in key areas, such as underground methods and project design. Changes in processes and management to increase service levels to customers is an improvement that has come from Design and Engineering. Metering and Relay Services are now in house and this has led to quick response lab work. Improvements in the Human Resources area include a higher level of service provided to employees for benefit questions, an in-house Organizational Development staff, a return to industry standards with respect to training and development, and improvements in reporting capabilities for managing operations. All of these improvements have provided customers with a better trained, more professional staff that is able to deliver more effective solutions. Field training is another area that has been improved. Training facilities have been improved by increased in house training capability and specialization. There is also a potential increase in training standards. Another service area that has experienced improvement is Industrial Relations. Oversight and coordination of union relations at the corporate level is an improvement seen in this functional area. The Treasurer's account has seen better access to necessary cash flows by utilizing the Money Pool. The Corporate Communications area has been improved by offering a web-based information center that is available to employees. Real Estate has been improved by offering an in-house non-utility property management expertise. This has led to more effective utilization and management. Internal Audit replaced Dynegy functions with in-house, utility-specific capabilities.

Finally, it should be noted that in approving the acquisition of IP by Ameren in 04-0294, the Commission recognized a number of benefits to IP and its customers that go beyond what is discussed above.

Q. Please describe the adjustment proposed by Mr. Gorman to the amortization of the acquisition cost regulatory asset.

A. Mr. Gorman proposes a reduction in the amortization of the acquisition cost regulatory asset based on the premise that the Company has not met the commitments it made as outlined in the Commission's Order in Docket 04-0294.

Q. What is the basis for Mr. Gorman's assertion that the Company has not met its commitments.

A. Mr. Gorman cites a portion of the Commission's conclusion in Finding 7 beginning on page 24 of the Order. The quoted portion is stated as follows, with emphasis shown as in Mr. Gorman's testimony:

> "**Commission Conclusion:** The Commission finds that Ameren, AG, and CUB have agreed that, with the conditions agreed to by Ameren, including

> Conditions 19 through 25 on Appendix A to this Order, the record supports a conclusion that the Reorganization is not likely to result in any adverse rate impacts for retail customers. No other party has disputed this conclusion. While there was some disagreement in the record as to the specific amounts of savings that IP will achieve after closing, Ameren has agreed to measures to assure that IP is taking adequate steps to produce savings and to impose quantifiable measures to insure that rates are not increased if savings fail to materialize." (ICC Docket No. 04-0294, Order, September 22, 2004, p. 24)

Mr. Gorman asserts that the Company has not met its commitments with respect to the estimated synergy savings based on information provided in my direct testimony, which shows that the estimated synergy savings had not yet been achieved.

Q. What are the commitments agreed to by the Company with respect to synergy savings in Docket 04-0294?

A. The portion of the Commission Order in Docket 04-0294 cited by Mr. Gorman refers to Commitments 19 through 25 of Appendix A to the Order. Commitments 21 through 23 address the treatment of synergy savings for purposes of setting electric and gas rates. They read in part as follows:

> 21. In its next electric rate case and next gas rate case, IP will file as a component of its initial filing a report (verified by a witness in the case) detailing the milestones achieved as well as other identified savings. The verified report shall provide information current as of the time of the rate filing.
>
> 22. In IP's next electric rate case and next gas rate case, for all Associated Savings Amounts not reflected in the proposed test year, the Commission may reduce O&M expenses by the jurisdictional (i.e., electric vs. gas) portion of any Associated Savings Amount ("Jurisdictional O&M Reduction") for any milestone that IP has not achieved or cannot demonstrate that it is reasonably certain to achieve by the time the rates approved in that case go into effect…

> 23. In IP's next electric rate case and next gas rate case, IP will allocate Associated Savings Amounts on a basis consistent with the underlying O&M expenses to which they relate.

Q. Please explain how the Company has met these commitments.

A. In my direct testimony, I provided the status of each milestone related to synergy savings, satisfying the terms of Commitment 21. Commitment 22 has been satisfied as shown in the Company's Schedule C-2, which includes a reduction to test year revenue requirements for savings not yet achieved, thus ensuring that all Associated Savings Amounts are reflected in the proposed test year. Commitment 23 has been satisfied as shown in the Company's Schedule C-2.4, in which savings are allocated to O&M accounts based on the costs to which the savings relate.

Q. Are these savings offset by changes in the allocation of A&G costs from AMS to AmerenIP?

A. No. As I mentioned previously, the A&G costs allocated by AMS to AmerenIP are less than those that might have been allocated by Dynegy had the acquisition not occurred, based on historical costs.

Q. Mr. Gorman is proposing a reduction to the Company's proposed amortization of acquisition cost regulatory asset. Does the Commission Order in Docket 04-0294 address treatment of these costs?

A. Yes. On page 27 of the Order the Commission concludes that:

> "…the proposed allocation of savings and costs is reasonable, and that establishment of a regulatory asset of up to $67 million, to be amortized over the period 2007-2010, is acceptable and should be approved, subject to the conditions proposed by Staff and set forth in Paragraph 11 of Appendix A to this Order."

Q. Please state the conditions set forth in Paragraph 11 of Appendix A.

A. Paragraph 11 of Appendix A states that:

> "Except to the extent reflected in the regulatory asset approved in this Order, IP will not seek recovery in rate proceedings of: (i) the stock issuance costs associated with the equity issued by Ameren to acquire IP; (ii) the severance and relocation costs associated with the integration of IP into Ameren; (iii) the implementation costs associated with integration of IP into Ameren; (iv) any acquisition adjustment associated with the acquisition of IP by Ameren; and (v) any debt redemption costs associated with the recapitalization of IP described in Applicants' Ex. 24.1."

Q. Has the Company met the conditions of this commitment as it relates to this proceeding?

A. Yes. The Company has not included in its requested revenue requirement any of the costs proscribed by Paragraph 11.

Q. What is your conclusion with respect to Mr. Gorman's proposed adjustment to the amortization of acquisition costs?

A. Mr. Gorman's assertion that the Company has not met its commitments as stated in the Commission Order in Docket 04-0294 are without basis, and the proposed adjustment should be rejected.

Q. In your direct testimony you noted that the total acquisition costs recorded to the regulatory asset had not yet reached the $67 million maximum allowed in the Commission's Order in Docket 04-0294. Have the actual costs now reached the $67 million maximum?

A. Yes. As of December 31, 2005, the charges eligible to be recorded to the acquisition cost regulatory asset had exceeded the allowed maximum of $67 million. The Company made an entry on its books to reduce the balance held for future rate recovery to the $67 million maximum.

Q. Does this conclude your rebuttal testimony?

A. Yes.

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