Respondents'
Exhibit 52.0

ILLINOIS COMMERCE COMMISSION

DOCKET NOS. 06-0070 / 06-0071 / 06-0072 (CONSOLIDATED)

SURREBUTTAL TESTIMONY

OF

ROBERT PORTER

Submitted On Behalf

Of

AMEREN COMPANIES

July 14, 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 provided testimony in this proceeding?

A. Yes.

Q. What is the purpose of your testimony?

A. The purpose of my surrebuttal testimony is to respond to issues raised in the rebuttal testimony of AG witness Effron regarding changes in costs as a result of the acquisition of Illinois Power by Ameren.

Q. In his rebuttal testimony, Mr. Effron indicates his agreement with most of the adjustments you suggested in your rebuttal testimony with respect to comparing the A&G costs allocated to Illinois Power by Ameren and those that might have been allocated to Illinois Power by Dynegy. However, he disagrees with the use of a four-year average of Dynegy allocated costs for comparison purposes on the basis that Dynegy's costs decreased sharply in 2003. Please respond.

A. Mr. Effron's view is based on an unrealistic and unsubstantiated assumption about Dynegy's operations. As I stated in my rebuttal testimony, any comparison of allocated A&G costs must be based on equivalently realistic alternative scenarios. In this case, considering a scenario in which Dynegy continued to own Illinois Power would require that Dynegy be in good financial health, which was clearly not the case after 2002. This indicates – in the absence of any other explanation – both that the sharp decline in Dynegy allocated costs in 2003 occurred at least in part in response to financial distress and that such a sharp decline would not likely have occurred if Dynegy had been in better financial health. It would not be unreasonable to use the pre-2003 Dynegy allocated costs as the basis for comparison. Therefore, my use of a four-year average that includes the years in which costs were lower is conservative.

Q. Mr. Effron points out that the majority of the decrease in Dynegy allocations from 2002 to 2003 was in the area of Outside Services. Is this relevant to the comparison?

A. No. Allocated costs charged by Dynegy to Illinois Power were accounted for as Outside Services regardless of the resources that were used by Dynegy to provide the service. The only exceptions were certain Dynegy costs that were charged to specific accounts, such as injuries and damages. Therefore, the vast majority of the Dynegy allocation reductions from 2002 to 2003 were Dynegy labor costs and other direct costs for providing most corporate services and management oversight.

Q. Do you maintain that a four-year average is best for purposes of comparing allocated A&G costs from Dynegy and AMS?

A. Yes. As I mentioned, using a four-year average is conservative when comparing the costs allocated to Illinois Power by Ameren and those that might have been allocated by Dynegy under a realistic alternative scenario. Mr. Effron himself points out that there may have been some costs that did not occur in 2003 or 2004 that may have occurred in 2001 and 2002 and would have occurred again after 2004 under Dynegy ownership. Using a four-year average helps to mitigate such uncertainty in comparing costs under alternative ownership scenarios.

Q. Mr. Effron notes that Ameren did not allude to any changes in corporate allocated costs in Docket 04-0294. Please respond.

A. Mr. Effron is correct that no changes in allocated corporate costs were reflected in the Company's filed testimony and exhibits in this acquisition application. Ameren assumed that such costs would be no greater than those historically charged by Dynegy. Since it would have been difficult to quantify the change in allocated A&G costs, Ameren conservatively assumed it would be the same and left allocated A&G costs out of the cost-benefit comparison of Illinois Power under Ameren ownership and under Dynegy ownership. As I have discussed here, the allocated A&G costs from AMS are less than the four-year average costs from Dynegy and are clearly less than those charged by Dynegy before it fell into financial distress.

Q. Mr. Effron suggests that a 3% annual escalation is more appropriate than a 4% annual escalation in estimating what Dynegy's allocated costs might have

been and that the escalation factor should be applied for only one year's increase. Please comment.

A. Since Ameren is not privy to Dynegy's current costs we can only guess how those costs might be changing. I used 4% based on the assumption that much of the service provided by Dynegy was from internal Dynegy labor and that labor escalations are often greater than those on other costs. I should also point out that the four-year average itself did not account for an adjustment to 2004 dollars of the costs for years 2001 through 2003, introducing yet more conservatism to the comparison. Mr. Effron does not give a reason for applying the escalation factor for only one year rather than two to escalate 2004 costs to 2006. Doing so is inconsistent with the way escalation factors are typically applied, so I continue to support the need to apply the escalation factor for two years.

Q. Assuming that a four-year average and a 3% escalation factor, as suggested by Mr. Effron, is appropriate, please identify the resultant comparison of AMS and Dynegy allocated A&G costs and any conclusions to be made.

A. Using the four-year average Dynegy costs of $27.1 million and a 3% annual escalation for two years yields an estimated Dynegy allocation of $28.7 million, which is slightly greater than the $28.6 million estimated allocation from AMS to Illinois Power. Given the conservative approach of using a four-year average and only 3% annual escalation, it is clear that the A&G costs allocated by AMS to Illinois Power are no greater than those that might have been allocated by Dynegy had it been in a financial condition that would have allowed it to continue to own Illinois Power.

Q. Mr. Effron points out that approximately $6.4 million of merger savings were already reflected in test year costs and were related to open positions. He goes on to suggest that recognizing this savings is inconsistent with the use of a four-year average to negate the short-term business focus reflected in Dynegy's allocated costs in your comparison. Do you agree?

A. No. To the contrary, recognizing that both Dynegy's costs and Illinois Power's costs would have been higher had Dynegy not fallen into financial distress is perfectly consistent. The allocated costs from Dynegy would have been higher, closer to those that were allocated prior to 2003, and vacant positions at Illinois Power would have been filled, increasing Illinois Power's costs.

Q. Is it reasonable to assume that vacant positions at Illinois Power would have been filled were it not for Dynegy's short-term business focus?

A. Certainly. Once Dynegy had reached agreement to sell Illinois Power it had no incentive to fill positions at Illinois Power that did not contribute directly to safe and reliable day-to-day operations. Likewise, prospective employees had little incentive to seek positions at Illinois Power given the uncertainty surrounding ownership and the longer term prospects for employment. I should also note that a number of those positions had been vacated and left unfilled in 2003 in an effort to 'ready' the company for sale. Since some of these vacant positions were not filled and were later eliminated as a result of the integration, Ameren did not have to pay severance to eliminate those positions resulting in lower costs to effect the merger and achieve savings.

Q. Mr. Effron suggests that, assuming all other costs and benefits related to the acquisition of Illinois Power by Ameren balance or offset, any increase in corporate allocated costs represents an increase in costs to Illinois Power customers with no additional benefit. Is this a fair assumption?

A. No. Simply looking at the costs of services provided by AMS without considering incremental benefits beyond those that had been provided by Dynegy is not a fair assessment. Such improvements and enhancements in service should be considered separate and apart from a comparison of costs under two different ownership scenarios. As just one example, Ameren has a dedicated staff and specialized resources to respond to regulatory inquiries and intervenor concerns, a function that goes well beyond the level of service provided by Dynegy. As such, a small increase in allocated A&G costs does not mean there is an imbalance in the costs and benefits of the acquisition.

Q. Does this conclude your surrebuttal testimony?

A. Yes.

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