

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission)	
On its own motion)	
)	Docket No. 07-0292
Consideration of the federal standard on fossil fuel generation efficiency in Section 1251 of the Energy Policy Act of 2005.)	

REPLY COMMENTS OF THE AMEREN ILLINOIS UTILITIES

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 (the “Ameren Illinois Utilities”) hereby submit their reply comments in response to the initial comments filed by the parties to the above-captioned proceeding.

On June 21, 2007, MidAmerican Energy Company (“Mid-American”), Commonwealth Edison Company (“ComEd”), Staff of the Illinois Commerce Commission (“Staff” and “Commission,” respectively), and the Ameren Illinois Utilities filed initial comments responsive to the directive of the Administrative Law Judge (“ALJ”) for the parties to address the following topics:

- whether the federal fossil fuel generation efficiency standard is applicable to ComEd and the Ameren Illinois Utilities;
- the utilities’ initial position on applying or not applying that standard;
- whether the utilities have incentives to follow this standard;
- the public policies regarding this standard.

The topics set forth above are pertinent to the Commission’s May 2, 2007 order initiating this docket for the purpose of evaluating the implementation of a standard requiring Illinois

electric utilities to develop a 10-year plan to increase fossil fuel generating efficiency pursuant to the Energy Policy Act of 2005 (“EPAAct”). See 16 USCS § 2621(d)(13).

Ameren Illinois Utilities’ initial comments focused on the first two topics as threshold issues in regards to the Commission’s consideration of the EPAAct fossil fuel generating efficiency standard. The other parties’ comments were substantially similar to the perspectives offered by the Ameren Illinois Utilities, and all parties concluded that the Commission should decline to adopt a fossil fuel generating efficiency standard for jurisdictional utilities.

The Ameren Illinois Utilities believe that the standard is not appropriately applicable to its operations because of its de minimus ownership and operation of generating facilities. The Ameren Illinois Utilities lack of ownership, control, and operation of generating facilities make it impossible to ensure the efficient operation of such facilities and, therefore, we believe the Commission should determine the federal standard is not appropriate to adopt at this time.

ComEd expressed a similar position in its initial comments, simply stating “...since ComEd does not own any fossil fuel generating facilities, the standard does not apply to it.” Initial Comments of ComEd, 2. MidAmerican argued that because the majority of its customers are located in Iowa and the consideration of the EPAAct fossil fuel generating efficiency standard in that jurisdiction is currently pending, the Commission should decline the adoption of such a standard. Initial Comments of MidAmerican, 2-3. MidAmerican further argued that sufficient competitive and regulatory pressure to maintain efficient plants currently exists and, therefore, the adoption of such a standard is unnecessary. Initial Comments of MidAmerican, 4.

Staff expressed a position in general agreement with the position of the utility parties in its initial comments and recommended that the Commission should decline to adopt the EPAAct standard. Initial Comments of Staff, 2. Staff concluded that the enactment of the Electric

Service Customer Choice and Rate Relief Act of 1997 and the subsequent divestiture by the Ameren Illinois Utilities and ComEd of their respective generation assets rendered inappropriate the adoption of a generating efficiency standard applicable to these entities. Initial Comments of Staff, 2-3.

The Ameren Illinois Utilities agree with Staff's conclusion and recommendation in this docket. The Ameren Illinois Utilities simply are not capable of developing and implementing a meaningful plan "...to increase the efficiency of [their] fossil fuel generation," as set forth in the federal standard because of the de minimus amount of generation these utilities own as a result of the divestiture of such assets pursuant to the Electric Service Customer Choice and Rate Relief Act of 1997.

As noted in initial comments, the Ameren Illinois Utilities agree with a statewide policy promoting sustainable energy and energy efficiency initiatives. However, adoption of the EPA standard at issue in this docket will not advance these aims due to the unbundling of generation assets pursuant to the 1997 law.

For all of the reasons stated above, the Commission should enter an order (1) finding that the federal fossil fuel efficiency standard does not apply to the Ameren Illinois Utilities and (2) rejecting such federal standard with respect to the Ameren Illinois Utilities.

Dated: July 12, 2007

CENTRAL ILLINOIS LIGHT COMPANY
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CERTIFICATE OF SERVICE

I, Laura M. Earl, certify that on July 12, 2007, I served a copy of the foregoing Reply Comments of the Ameren Illinois Utilities by electronic mail to the individuals on the Commission's Service List for Docket 07-0292.

/s/ Laura M. Earl

Laura M. Earl
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