



Stewardship

balancing the needs of our environment, our customers and our economy



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A Letter From the Chairman



A Commitment to Stewardship

When we included *stewardship* among Ameren's five core values, we did not do so lightly. For Ameren, stewardship has many meanings. It means providing customers with the reliable energy they need at a price they can afford. It means making the best use of every Ameren asset. It means safeguarding our shareholders' investment in us. And, of course, it means protecting the environment we all share.

Fulfilling these commitments requires a careful balance. Over the past three decades our engineers, environmental scientists and power plant operators have made Ameren an industry leader in reducing emissions from coal-fired power plants while meeting our customers' ever-increasing demand for electricity at affordable rates. Since 1990 we have met growing customer demand at rates below the national average while reducing sulfur dioxide (SO₂) and nitrogen oxide (NO_x) emissions by more than 50 percent — well ahead of 1990 Clean Air Act mandates.

But no matter how strong our current environmental performance, stewardship at Ameren compels us to constantly set and meet even higher standards. Every day we draw upon our employees' expertise and innovation to address the special environmental challenges we face as an energy company. None is more important — or daunting — than reducing carbon dioxide (CO₂), the greenhouse gas at the center of today's global climate change concerns.

While we have increased the efficiency of our plants over the past two decades and taken other measures that limit our carbon footprint, these important steps have barely begun to scratch the surface of this enormous challenge. Because our economy is based on carbon, reducing greenhouse gases will require completely new thinking, still undiscovered technologies and massive new levels of investment.

From extensive economic modeling we know that reducing CO₂ emissions will have a significant impact on jobs, lifestyles and our economy, as well as on our environment. Even with meaningful reductions in energy consumption, consumers will face higher costs for everything from energy to household goods. The economic stakes — particularly for the region we serve — are enormous. There is no single answer to this challenge. It will require a portfolio of solutions from new emission technologies to energy-efficiency programs to renewable resources to carbon capture-and-storage initiatives to increased nuclear generation.

Ameren will play a central role in advancing efforts to reduce CO₂ levels. We also will play an active role in the carbon policy debate, supporting measures that strike the right balance among meaningful carbon reductions, the time we will need to develop new technologies and the profound impact mandates will have on our customers and our economy.

This report will outline how we have worked to meet our environmental responsibilities and how we plan to use our expertise to address the challenges ahead. Our hope is that you will view this report as another step in a constructive dialogue between Ameren and the many constituencies we serve. We pledge to continue to be responsible stewards for the environment, for the customers we serve, for the assets we manage and for our shareholders.

Sincerely,

A handwritten signature in black ink, appearing to read "G. L. Rainwater". The signature is fluid and cursive, written in a professional style.

Gary L. Rainwater

Chairman, President and Chief Executive Officer
Ameren Corporation

Stewardship Inside Ameren

Ameren's stewardship principles guide our planning and our daily actions. We believe sound environmental policies and practices benefit our customers, employees, shareholders and the communities we serve. We believe every Ameren employee and operating group is responsible for ensuring compliance with all environmental laws and regulations. And we support public policy that addresses both the needs of our environment and our economic well-being.

From our history of early compliance to our leadership in plant performance to our significant investment in research and development, Ameren has a proven record of effectively meeting our environmental responsibilities and our customers' needs.

We know that CO₂ emissions — which are at the very core of the fuel-burning process — present a completely new challenge. We will attack it with the same innovative mindset and discipline we have used to reduce NO_x, SO₂, mercury and particulates to date. Reducing carbon emissions, however, will require a portfolio of actions. And while the road ahead is still uncertain, we know it will require great change within our organization, within our industry and across both the private and public sectors.

This report is intended to communicate the scope and depth of our commitment to environmental stewardship and our plans to address the challenges ahead. It was developed under the direction of the chairman, president and chief executive officer of Ameren Corp. and the public policy committee of the Ameren board of directors. It is another step in a continuing dialogue with our stakeholders about Ameren and its environmental efforts.

As part of that dialogue we welcome your feedback on the environmental, business, industry and economic issues discussed in this report. Please send your questions or comments to Environmental Report, Ameren Corp., P.O. Box 66149, MC 1500, St. Louis, MO, 63166-6149; or via e-mail to envreport@ameren.com.

Sincerely,



Warner L. Baxter

Chairman, President and Chief Executive Officer
Ameren Services Company



Scott A. Cisel

Chairman, President and Chief Executive Officer
AmerenCILCO, AmerenCIPS and AmerenIP



Alan Kelley

Chairman, President and Chief Executive Officer
Ameren Energy Resources Company



Thomas R. Voss

Chairman, President and Chief Executive Officer
AmerenUE

Ameren's Environmental Stewardship Principles

Ameren is committed to protecting the environment. We will abide by the following principles in planning, managing and implementing all corporate activities:

- Meet or exceed compliance with all laws and regulations that protect the environment and human health and that are applicable to Ameren's operations.
- Consider the environmental factors in planning and managing our activities and in the procurement, use and disposal of purchased materials.
- Work to prevent pollution before it is produced, consistent with operating requirements.
- Reduce, reuse or recycle waste materials where practical.
- Monitor environmental performance through direct measurements or evaluation protocols.
- Improve environmental performance by periodically evaluating goals and through the application of innovative and cost-effective controls.
- Promote efficiency in the generation, distribution and end-use of energy products.



AmerenUE President and CEO Thomas R. Voss in 2006 launched Missouri Schools Going Solar – an energy education project coordinated by the Missouri Department of Natural Resources' Energy Center and sponsored by AmerenUE. Through this program, photovoltaic solar systems were installed at 15 K-12 schools to teach students, teachers and communities about energy efficiency and renewable energy options and technology.

Executive Overview

About Ameren

With headquarters in St. Louis, Mo., Ameren Corp. generates and delivers electricity to nearly 2.4 million customers and natural gas to an additional 1 million customers throughout our service territory. With more than 16,400 megawatts (MW) of generating capacity, Ameren and our subsidiaries serve a 64,000-square-mile territory in Missouri and Illinois.



Ameren's headquarters is now "green" because AmerenUE is buying enough renewable energy credits to cover the building's energy use.

Our power plants use a variety of fuels to generate electricity, including coal, nuclear power, hydroelectricity and natural gas (see Figure I). Similar to other Midwestern utility companies, coal accounts for close to 85 percent of Ameren's total generation. Low-sulfur coal from Wyoming's Power River Basin (PRB) now represents the majority of coal used in our facilities.

The Ameren family of companies operates through multiple subsidiaries in different regulatory environments.

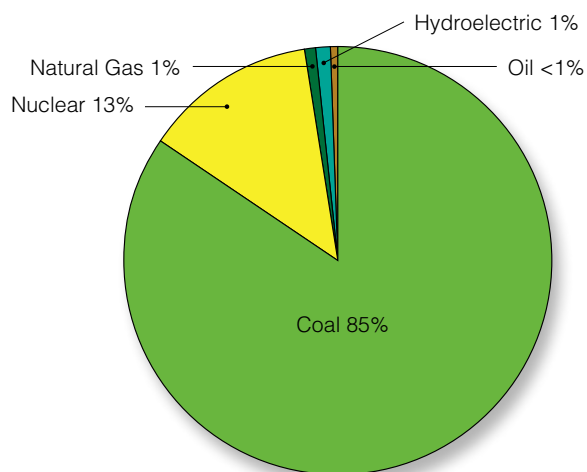
In Missouri, AmerenUE generates electricity, delivers gas and electricity and is regulated by the Missouri Public Service Commission. We operate three Illinois utilities — AmerenCILCO, AmerenCIPS and AmerenIP — that deliver gas and electricity and are regulated by the Illinois Commerce Commission. We also operate a number of non rate-regulated companies that generate, market and sell electricity on the open market. Ameren companies also are regulated by the Federal Energy Regulatory Commission, the Nuclear Regulatory Commission and other federal and state agencies. All of our companies share a proven record of reducing emissions from coal-fired power plants while controlling costs for customers.

A History of Leadership

At Ameren, we take pride in our long-standing commitment to generate and deliver electricity in a safe, reliable, efficient and environmentally sound manner while

Figure I

Ameren Generation by Fuel Type



Representative of 2006

keeping rates affordable for customers, maintaining our financial strength and delivering solid returns to shareholders. We are committed to being good stewards of the environment and working aggressively not only to reduce emissions but also to preserve and protect the environment through conservation, resource preservation and effective waste management.

Abundant, low-cost coal has been a critical source of energy for our nation and a significant economic driver in our region. In an uncertain world, coal also continues to provide a more secure, domestic source of energy. However, without special controls coal-fired plants release a number of emissions, including SO₂, NO_x and mercury. While these emissions are strictly regulated at state and federal levels, regulation is not the sole driver of our environmental efforts. Even before regulatory mandates, we focused on finding new ways to provide reliable, low-cost energy to meet our customers' growing needs and reduce the environmental impact of our power generation.

In the 1960s, when SO₂ became an issue for communities close to power plants, we took action. With no regulations in place, we responded to local public concern about air quality by voluntarily installing one of the first wet scrubbers in the nation at our Missouri Meramec Plant. In the 1970s we worked with the U.S. Environmental Protection Agency (EPA) to develop protocols for continuous emissions-monitoring systems. In the 1980s we voluntarily spent \$120 million on controls for particulates at our Labadie and Meramec plants.

In 1989 Ameren began a program to reduce NO_x emissions to unprecedented levels through the use of advanced combustion control. Helping to pioneer this technology in the U.S., we invested \$40 million to install low-NO_x burners on our Missouri and Illinois coal-fired plants. With new computerized controls to monitor hundreds of variables and make fine adjustments to the air and fuel flow, we further reduced NO_x emissions.

These early proactive steps provided a solid foundation for our ongoing environmental and regulatory efforts. The 1990 Clean Air Act amendments, for example, required Ameren and other companies to significantly reduce total annual emissions of SO₂ and NO_x. With three decades of progress already in place, we added fuel-switching, innovative combustion controls and other initiatives to further reduce emissions and comply with the regulations years ahead of schedule. We also significantly reduced SO₂ and NO_x emissions by switching to low-sulfur, PRB coal, which led us to invest in modifications to our fuel-handling and plant systems. These changes put us at the forefront of our industry in demonstrating the viability of burning low-sulfur coal in plants originally designed to rely on high-sulfur coal.



In terms of reducing nitrogen oxide emissions, AmerenUE's Labadie Plant units have often ranked among the top units in the nation among those that do not have selective catalytic or noncatalytic reduction systems.

Recognized for Our Performance

Environmental stewardship is part of our core value system. It drives our planning and our actions. We are proud to have been recognized both regionally and nationally for some of our stewardship efforts.

- Ameren received the 1998 Missouri Governor's Pollution Prevention Award for achieving unprecedented NO_x reductions at AmerenUE's Sioux plant.
- We received the Resource Steward Award from Missouri for leading the industry in converting oil containing polychlorinated biphenyls (PCBs) into energy, and destroying the PCBs.
- Six AmerenUE generating units were listed by the EPA in 2000 to be among the best performing coal-fired plants for low NO_x emissions.
- Ameren plants annually rank at the top among units that do not have selective catalytic (SCR) or noncatalytic reduction (SNCR) systems installed to reduce NO_x emissions.
- AmerenUE's Sioux plant has the lowest NO_x emission rate of any cyclone-fired boiler in the nation without SCR.
- The two units at our Newton, Ill., power plant ranked as the nation's second- and third-lowest NO_x-emitting units for plants without SCR, according to second quarter 2007 EPA data.
- Ameren's Newton plant also was nominated for the Best Operated Wastewater Treatment Works Award by the Illinois EPA Division of Water Pollution Control Field Operations Section.



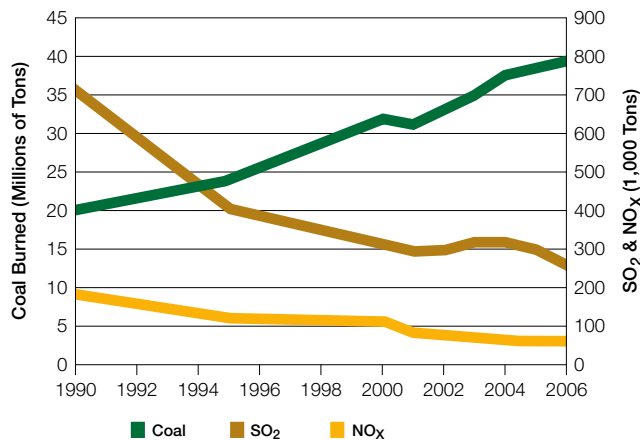
Ameren's Newton Plant in Illinois was nominated for the Best Operated Wastewater Treatment Works Award by the Illinois EPA Division of Water Pollution Control Field Operations Section.

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While we were successfully reducing our emissions, we were meeting our customers' increasing energy needs. For example, demand in Missouri has increased by more than 50 percent since 1990 — and it's still growing. During that period we made the switch to low-sulfur coal. In fact, we have become its single largest purchaser in the U.S. But with its lower energy content, we must burn more low-sulfur coal to generate the same amount of electricity. Even with this dramatic increase in both energy demand and coal consumption, we have reduced our SO₂ and NO_x emissions by more than 50 percent (see Figure II).

Figure II

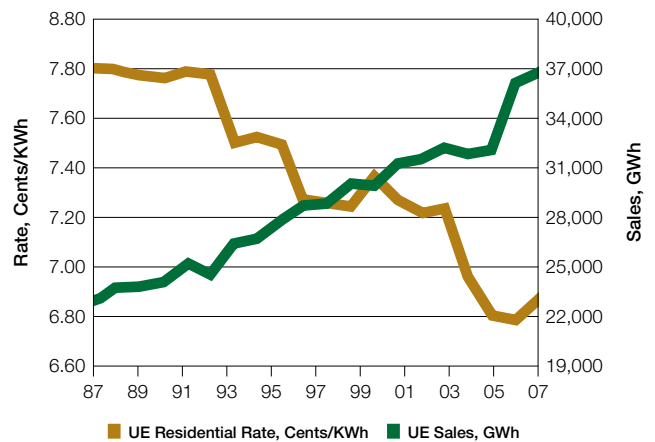
Ameren Coal Burned, SO₂ & NO_x Emissions



During this same period, we continued to balance the resulting costs of environmental controls and technology with ways to keep energy costs down for our customers. Today AmerenUE's electric rates in Missouri are almost 40 percent below the national average. In fact, AmerenUE's residential rates in Missouri *declined* over a 20-year period, despite a 50 percent increase in electricity consumption (see Figure III). Our electric rates in Illinois still hover near the national average even after Illinois moved to a structure based on open-market energy costs in 2007, following a 10-year rate freeze.

Figure III

AmerenUE Residential Rates & Energy Sales



A Broader Focus on Stewardship

Stewardship is not only about reducing emissions; it's about making our communities a better place to live by improving our environment in various ways.

Preserving Resources, Protecting Wildlife

Illinois

- Coffeen power station provides recreation on an 1,100-acre lake that boasts more than 20 species of fish.
- Newton power station sits on 1,755-acre Newton Lake, popular for its fishing and natural beauty.
- Duck Creek power station includes an 1,800-acre cooling lake created by an earthen dam across Duck Creek. The surrounding natural areas host a range of plant and animal life.



Ameren's Coffeen Plant in Illinois provides recreation on a 1,100-acre lake that boasts more than 20 species of fish.

Missouri

- Lake of the Ozarks, home of AmerenUE's Osage plant, was created in the 1930s by our company's hydropower facility on the Osage River. Ameren spearheads aggressive preservation activities along the lake's 1,150-mile shoreline and restocks local fish.
- Our Callaway nuclear plant provides 6,300 acres to the Missouri Department of Conservation for wildlife preservation and recreation.

Waste Management/Recycling

- Ameren operations have used oil containing PCBs to generate electricity, destroying the PCBs in the process.
- Combustion byproducts, such as fly ash, are used in concrete production, cement, road construction and roofing products.
- Our coal-fired plants have used waste products, such as tires, as fuel.

Greenhouse Gas Reduction: A Critical Balance of Priorities

CO₂ is an unavoidable byproduct of the combustion process. Our nation — especially the Midwest — is reliant on the combustion of coal for much of its energy needs today. Reducing CO₂ will have major economic, as well as environmental, consequences. And it is a significantly greater challenge than lowering NO_x, SO₂ or mercury emissions. We are looking today at the most innovative and effective ways to address this extraordinary environmental challenge.

At coal-fired plants only two ways exist today to reduce CO₂ emissions: increase the efficiency of generating units or capture and store the resulting CO₂. As in the past, we will continue to look for ways to improve the efficiency of our plants. But the impact of those efficiency measures on carbon emissions, while important, is limited. And while capture-and-store and other carbon-reduction technologies show promise, they are years away from viability on a large scale.

However, we will continue to apply our know-how to tackle this daunting challenge while doing our utmost to keep energy costs affordable and our economy strong. There is no single answer. Striking this critical balance will require a portfolio of approaches.

A Portfolio Approach

We continue to explore and advance new technologies designed to mitigate the environmental impact of coal-fired generation. Our carbon reduction efforts also include investments in the development of renewable generating resources, in offsets and in efficiency measures in our distribution systems and facilities, as well as in our plants. To advance these efforts we have built and participated in industry and supplier coalitions that give us access to groundbreaking new technologies. We also support a range of efficiency programs that help consumers reduce their electric consumption.

Ameren's Carbon Reductions and Offset Progress to Date

Since 1991 we have reported nearly 19 million tons of CO₂ reductions or offsets through the U.S. Department of Energy's (DOE) voluntary greenhouse gas (GHG) reporting program. Much of this reduction comes from the increasingly efficient operation of AmerenUE's Callaway nuclear plant. We also have implemented a range of generation improvements, including efficiency control enhancements in our coal-fired plants, upgrades in our hydro plants and the repowering of an old coal-fired plant as a combined-cycle natural gas plant. Through other CO₂ reduction programs we have:

- Recycled half of our coal combustion byproducts, including fly ash as a cement replacement, resulting in a reduction of more than 180,000 tons of CO₂ annually.
- Worked with PowerTree Carbon Company, LLC, a corporation formed by 25 U.S. electric utilities, to fund forestation projects in the lower Mississippi

River Valley. Ameren will offset 50,000 tons of CO₂ annually through this partnership.

- Purchased alternative energy generated from landfill gas (methane) and other nontraditional energy initiatives.
- Burned chipped tires as part of the fuel mix at AmerenUE's Sioux plant.



At AmerenUE's Labadie Plant, a new concrete packaging facility recycles annually more than 60,000 tons of fly and bottom ash previously sent to landfills into two million bags of high-quality Quikrete® concrete mix – a unique partnership between AmerenUE and others.

Renewable Energy

For more than a decade Ameren has incorporated renewable resources into our generation portfolio. And with an intensified focus on renewables today, we have a more robust plan for our overall power generation mix. We have increased our hydroelectric generation capacity through upgrades at our Osage and Keokuk plants, and we plan to increase capacity at those plants in the future. We also are exploring the viability of other renewable energy sources, including solar power, biomass, landfill gas and wind power. AmerenUE is pursuing an agreement to add at least 100 MW of wind power to our generating portfolio by 2010. With a greater availability of sustained winds needed to drive turbines, Illinois is better positioned than Missouri for this source of power.



In October 2007, AmerenUE's Launched Pure Power™ —a voluntary renewable energy program. The company staged a once-of-a-kind celebration emceed by Senior Vice President for Missouri Energy Delivery Richard Mark, who along with the mayor of St. Louis and other officials signed a 2.1-ton, 131-foot utility grade turbine blade that was on display. Mark and other speakers encouraged AmerenUE customers to sign up for Pure Power to support the development of wind power and other forms of renewable energy in Missouri and the Midwest through the purchase of certified renewable energy certificates (RECs).

To further advance renewable energy options, AmerenUE launched Pure Power in 2007, a voluntary renewable energy credit program for Missouri residential customers. Pure Power allows our customers to voluntarily pay an additional 1.5 cents per kilowatt-hour to purchase credits to encourage development of renewable resources.

Advanced Coal Generation; Carbon Capture and Storage

Ameren continues to support research and development on such advanced technologies as carbon capture-and-storage by working with the Electric Power Research Institute (EPRI), among other experts. We are participating in promising research on carbon injection for storage in the Illinois basin and shallow carbon sequestration in sandstone formations beneath our plants. And we have been working with a Missouri consortium to help advance exploration of southwestern Missouri's unique carbon sequestration opportunities.

We also have analyzed a number of other new generation technologies — including ultra-supercritical combustion — that show promise of generating far less CO₂. We are committed to working with our industry and others to develop this key component of our company's carbon control portfolio. However, none of these new combustion technologies is available today for application on a scale required for power-generating plants.

Customer Energy Efficiency

As a central component of our environmental strategy, we will continue our efforts to reduce individual and commercial/industrial electricity demand. We have a long history of helping our customers reduce their energy consumption — and thus their environmental impact — through a wide range of programs. These include:

- Low-income weatherization and energy conservation.
- Incentives to purchase compact fluorescent light (CFL) bulbs, which use 75 percent less energy than incandescent bulbs.

New Source Review (NSR) regulations require power plants undergoing major modifications that directly increase emissions to install the “best available” emission-control technology. Under a proposed NSR agreement with the EPA, the U.S. Department of Justice, the Illinois attorney general’s office and the Illinois EPA, Ameren would commit to install additional pollution-control equipment to reduce SO₂, NO_x and particulate emissions from our Illinois generating fleet. While not mandated by the Clean Air Act, this agreement also would result in a substantial reduction of CO₂ no later than 2020.

The Road Ahead: Advancing Effective Climate Change Policy

We are committed to reducing our greenhouse gas emissions. And we are applying our environmental knowledge and operating expertise to prepare for likely new standards in carbon-emission reductions. However, supporting both environmental and economic sustainability is a major national — and global — policy challenge. That is why we advocate a carefully balanced approach to establishing climate-change regulation.

Our View: CO₂ Emissions Policy

We firmly support public policy that will result in substantial reductions in CO₂ emissions. Reducing our collective carbon footprint is critical to our future. However, CO₂ policy must take into account the profound economic implications of moving toward a carbon constrained economy.

We have committed significant resources to examine the implications of a number of policy approaches being considered today. The economic impact of all current proposals — from the least to the most stringent — is significant. Poor policy could severely penalize consumers, damage both the economy and the environment over the long term and undermine U.S. global competitiveness. We advocate a balanced approach that incorporates the following principles:

- 1) Recognition of the significant economic impact of GHG policies on consumers and businesses in regions now dependent on coal.** GHG policies must be structured to minimize economic disruption to individuals, business owners and the economy, particularly in regions largely reliant on coal for their energy. Otherwise, we risk enormous economic repercussions that could seriously impact individuals, jobs and the competitiveness of the Midwest and our nation.
- 2) Compliance timelines consistent with development and deployment of advanced technologies.** Policies must allow sufficient time for research, testing and development of safe, proven, cost-effective technologies for CO₂ emission reductions for our industry. None are currently viable on a scale needed for our plants. We are supporting research toward this end in collaboration with others in our industry. But CO₂ emissions present fundamentally new technology challenges that will take time to solve.
- 3) Provisions for significant research funding.** A challenge of this magnitude requires a national effort with goals for rapid technology development and deployment. Government funding and programs are essential for major research on a range of carbon-elimination technologies, including sequestration, clean coal, nuclear, energy efficiency and renewables.
- 4) Provisions for an effective cap-and-trade program.** Under an effective cap-and-trade program, coal-fired plants should qualify for equitable allowance allocations based on historical (input-based) emissions. And companies should be allowed to trade allocated emission credits. Cap-and-trade policies also should incorporate a clear and reasonable allowance price ceiling, or “safety valve,” provision. A properly structured cap-and-trade strategy is fundamental to a flexible, cost-effective approach to reducing CO₂.
- 5) Allowances for GHG offsets.** CO₂ reductions can be achieved through many avenues, including offset efforts such as reforestation. We believe offsets are important tools for a balanced solution.

- 6) **Removal of potential regulatory and financial barriers.** Provisions should be made to allow utilities to conduct normal maintenance, improvements to existing infrastructure and other efficiency improvement activities without the threat of financial penalties imposed through the NSR program.
- 7) **Broad-based CO₂ regulation.** Although we will continue to pursue strategies that address our company's and industry's emissions, effective policies must address all possible sources of GHG emissions, including other industries and motor vehicles.
- 8) **A national/global policy approach.** Emission-reduction programs should be guided by national policy. A state-by-state approach creates a patchwork of differing regulations that may not reduce overall emissions. Moreover, federal legislation should incorporate measures to encourage global planning and compliance, particularly in developing countries.

Ameren's Climate Change Action Plan

Ameren will continue to develop new strategies to reduce emissions, explore and test innovative new technologies and work with the federal government on effective national policies. We have devoted significant resources to understanding the science of climate change and the implications of alternative U.S. carbon policies on the environment and the economy, as well as on Ameren's customers and shareholders. To best serve all of these constituencies, Ameren will:

- 1. Continue to advance customer efficiency efforts and cost-effective opportunities to reduce and offset emissions.
- 2. Advocate for reasonable, balanced and sustainable national policy approaches.
- 3. Continue to improve our planning processes to make sure our asset investment decisions meet our stewardship responsibilities.

Ameren favors a phase-in of controls. A “do-nothing” or “do-little” environmental approach is not an option. We will actively promote balanced policies that advance long-term, sustainable efforts to remove carbon from our energy systems without creating severe economic disruption.



The Callaway Plant has achieved the fourth highest generation record from among more than 100 U.S. nuclear power units.

To help create a path forward, we will advocate policies that effectively balance the true technology and social costs that will be required. Based on our research findings, policy decisions must factor in time for new technologies to develop and mature, the true costs of the transition to a reduced-carbon economy and the need for a coordinated national and global policy approach.

These issues are critically important in CO₂ policy considerations. As an abundant and secure resource, coal remains a fundamental driver of the Midwest economy. Ameren generates most of the electricity that

powers our Missouri and Illinois service territories by burning low-sulfur coal. Making a wholesale transition from coal to other fuel sources would almost certainly impose a tremendous economic burden on our customers and damage our region's and nation's ability to retain and attract business. For example, our analysis shows that under some policy scenarios now being considered, by 2030:

- The regional wholesale price of electricity could rise as much as 175 percent; consumer rates could double.
- Wholesale natural gas prices in our region could jump by 90 percent.
- Higher prices for electricity, natural gas and other energy commodities would significantly influence the overall cost of consumer goods and services.
- Net U.S. job losses — even with “green” business job gains — could range from 1 million to 4.5 million as businesses relocate to other parts of the globe or shut down entirely.

A switch to other energy forms also would have national security implications. Policymakers must consider these realities and ensure a role for coal-fired generation in a carbon-constrained world.

Our analysis of legislative approaches currently before Congress reveals the potential for severe economic displacement and major consumer cost increases — particularly in the Midwest — unless the principles we advocate are applied. Ameren can most effectively balance our environmental, customer and shareholder responsibilities by promoting environmental policies that address these issues and result in an equitable sharing of societal costs across all U.S. regions and sectors.



As an abundant and secure resource, coal remains a fundamental driver of the Midwest economy.

Our Continued Commitment to Stewardship

Our past actions underscore our resolve to be an active participant in the solutions to the environmental challenges we face today. In keeping with our stewardship principles, we will continue to take actions to protect the environment and reduce and offset CO₂ emissions while meeting the growing energy needs of our customers. We will continue to actively contribute to advances in technology, to renewable sources of energy, and to efficiency efforts that improve our environmental performance.

We also will work hard to make sure our policymakers understand both the environmental and economic impact of the policy options they consider.

The outcome of our efforts is critical to our customers, to our region and to our nation. We must get this right.

Forward-Looking Statements

Forward-Looking Statements

Statements in this publication not based on historical facts are considered "forward-looking" and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions and financial performance. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated.

The following factors, in addition to those discussed elsewhere in this publication and in our filings with the Securities and Exchange Commission, could cause actual results to differ materially from management expectations as suggested by such forward-looking statements:

- Regulatory or legislative actions, including changes in regulatory policies and rate-making determinations, such as the outcome of pending AmerenCIPS, AmerenCILCO and AmerenIP rate proceedings or future legislative actions that seek to limit rate increases.
- Uncertainty as to the implementation of the Illinois electric settlement agreement on Ameren and our Illinois utilities and generating companies, including in respect of the new power procurement process in Illinois for 2008 and 2009.
- Changes in laws and other governmental actions, including monetary and fiscal policies.
- The effects of increased competition in the future caused by, among other things, deregulation of certain aspects of our business at both the state and federal levels and the implementation of deregulation, such as occurred when the electric rate freeze and power supply contracts expired in Illinois at the end of 2006.
- The effects of participation in the Midwest Independent Transmission System Operator.
- The availability of fuel such as coal, natural gas and enriched uranium used to produce electricity; the availability of purchased power and natural gas for distribution; and the level and volatility of future market prices for such commodities, including the ability to recover the costs for such commodities.
- The effectiveness of our risk management strategies and the use of financial and derivative instruments.
- Prices for power in the Midwest.

- Business and economic conditions, including their impact on interest rates.
- Disruptions of the capital markets or other events that make access to necessary capital more difficult or costly.
- The impact of the adoption of new accounting standards and the application of appropriate technical accounting rules and guidance.
- Actions of credit rating agencies and the effects of such actions.
- Weather conditions and other natural phenomena.
- The impact of system outages caused by severe weather conditions or other events.
- Generation plant construction, installation and performance, including costs associated with AmerenUE's Taum Sauk pumped-storage hydroelectric plant incident and the plant's future operation.
- Recoverability through insurance of costs associated with AmerenUE's Taum Sauk pumped-storage hydroelectric plant incident.
- Operation of AmerenUE's nuclear power facility, including planned and unplanned outages, and decommissioning costs.
- The effects of strategic initiatives, including acquisitions and divestitures.
- The impact of current environmental regulations on utilities and power-generating companies and the expectation that more stringent requirements, including those related to greenhouse gases, will be introduced over time, which could have a negative financial effect.
- Labor disputes, future wage and employee benefits costs, including changes in returns on benefit plan assets.
- The inability of our counterparties and affiliates to meet their obligations with respect to contracts and financial instruments.
- The cost and availability of transmission capacity for the energy generated or required to satisfy energy sales.
- Legal and administrative proceedings.
- Acts of sabotage, war, terrorism or intentionally disruptive acts.

Given these uncertainties, undue reliance should not be placed on these forward-looking statements. Except to the extent required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise.