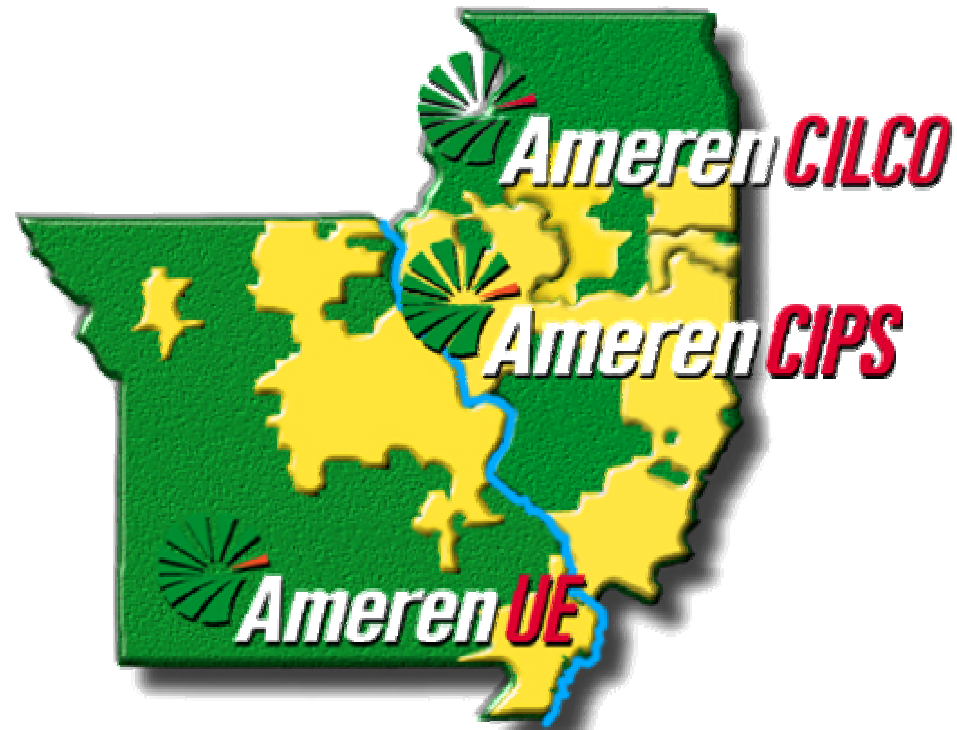




"People are the Foundation of our Success and the Key to Achieving our Vision"

David Whiteley
Senior Vice President
Energy Delivery



Our Company....

Electric Customers	1.7 Million
Gas Customers	500,000
Service Area	49,000 Sq. Miles
Generation (more than)	14,500 MW
Electric System Miles	54,500
Gas Distribution Miles	11,400
Total Assets	\$13 Billion
Total Revenues (2001)	\$ 4.5 Billion



Our Transmission System....

- 1,266.5 miles of 345 KV
- 3,289.7 miles of 138 KV
- 28 interconnections
- \$815 million in Assets

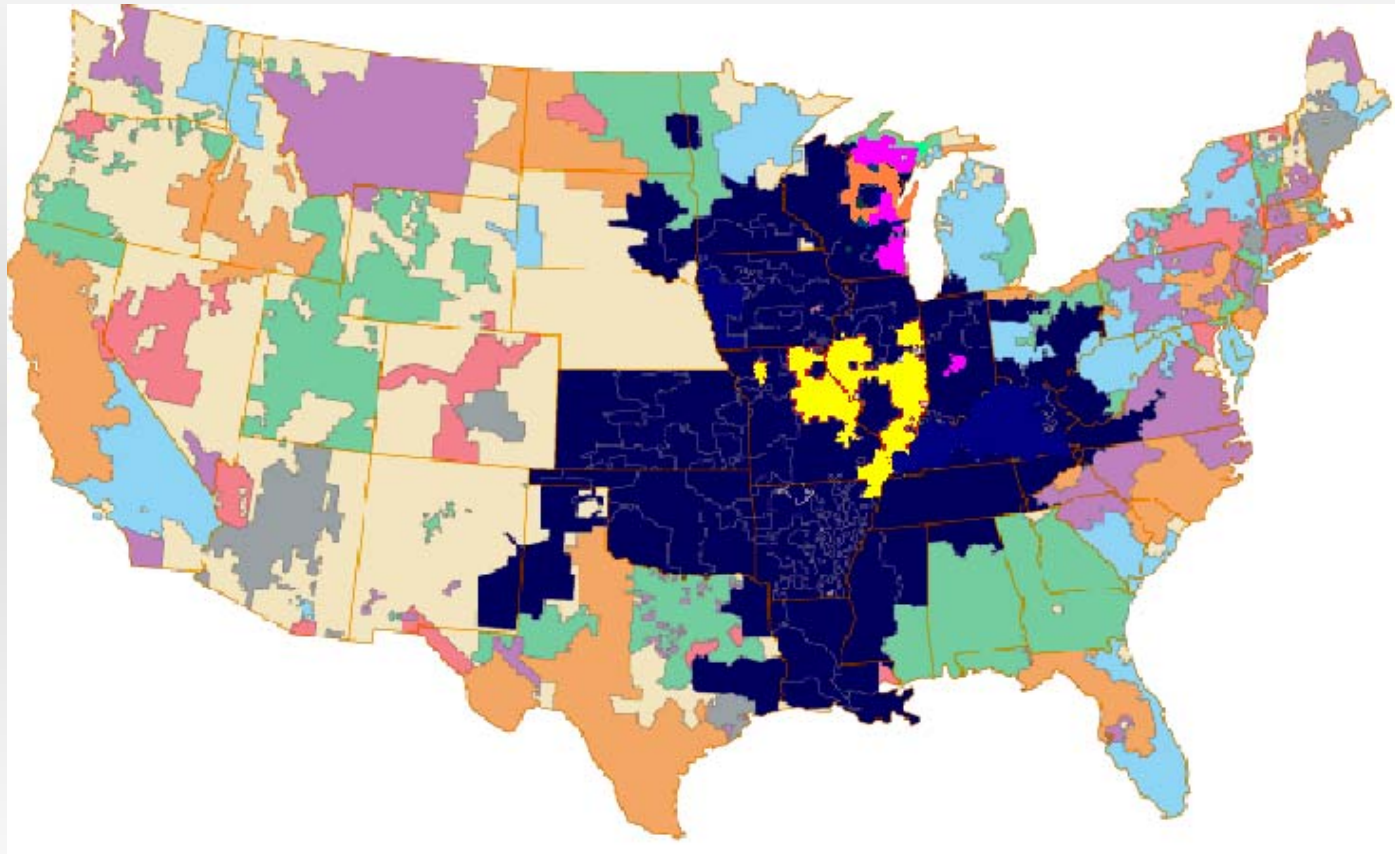


Our Transmission System....

- Ameren has 28 interconnected control areas
- Significant market interconnections include:
 - TVA
 - Entergy
 - AEP
 - Cinergy
 - ComEd
 - Southwest Power Pool
 - IP
- Central geographic location allows power transfer across Ameren in any direction
- Transmission service cost among the lowest in the industry



-  **Ameren Direct Connects**
-  **Ameren**



Our Position....

**Thoughtful
RTO & Market
formation is Critical**



Competing Goals...

Goal 1: Quickly develop RTOs and Markets

- 📄 **Uncertainty will kill investment**
- 📄 **Clear and certain understanding of the rules**

Goal 2: Maintain healthy transmission business climate

- 📄 **Owners investments must be respected**
- 📄 **Heavy regulatory hand could cause significant undervaluing of assets**



For example...



For example...

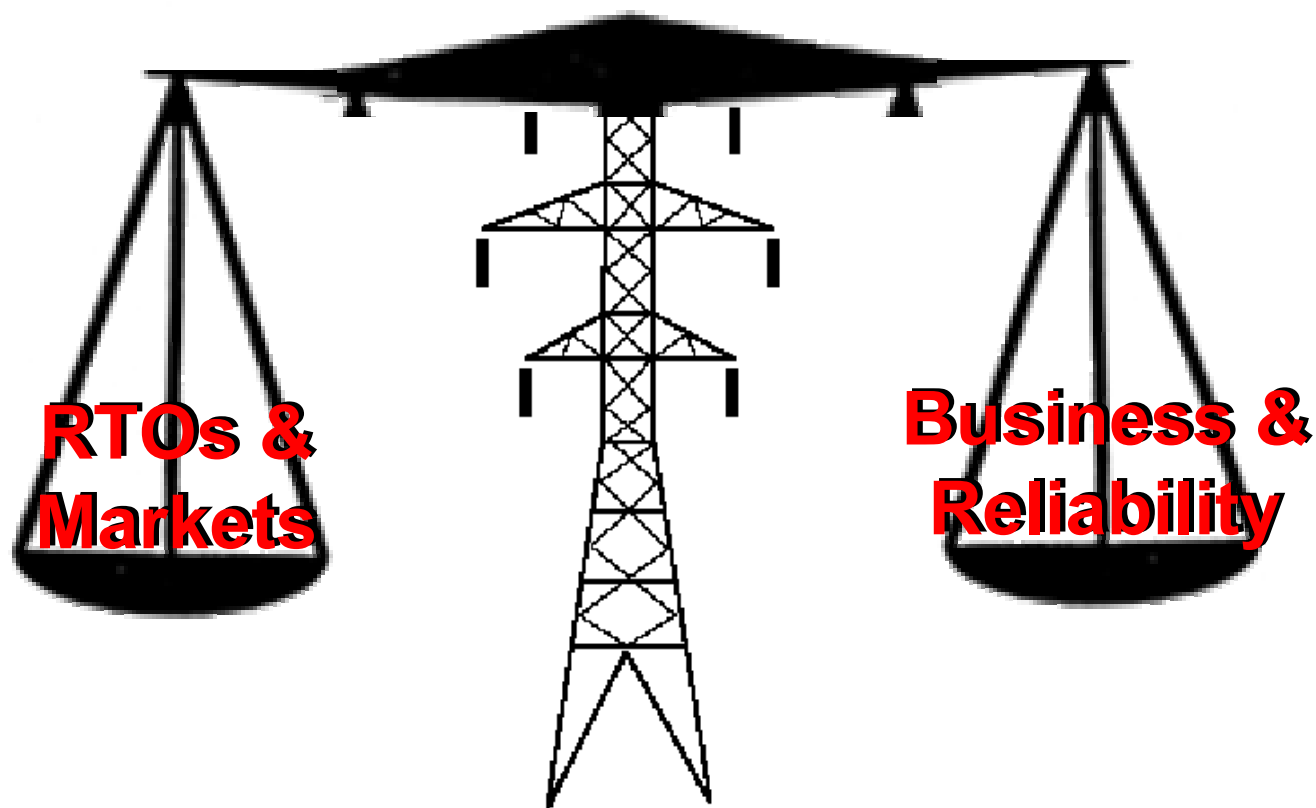


**A forced sale eliminates the
OPTION of “not to sell!”**

**The Value of the
business is impacted**



Must Balance...



Principles:

- 1. There must be consistent & equitable regulation**
- 2. There must be fair compensation for existing facilities**
- 3. There must be fair compensation for system expansion**
- 4. There must be adequate investigation into future improvements and transmission pricing and compensation**



Consistent & equitable regulation...

- **Markets require certainty**
- **Companies want to avoid State/Federal tug of war**
- **Assets must be fairly valued**
- **Incentives to join RTOs must be adequate**
- **Regulatory certainty & flexibility**



Fair compensation for existing facilities...

- Mechanism to recover lost revenues
- SECA (Seams Elimination Compensation Adjustment)



Fair compensation for system expansion...

- **FERC commitment to a reliable system**
- **Incentives to maintain a reliable system**
- **Enhance regulatory and financial certainty**
 - 📄 FERC policy that increases ROE for new construction
 - 📄 CWIP in rate base & precertification of cost of transmission investment in rate base
 - 📄 Zonal impact of RTO expansion



Fair compensation for system expansion...

- **FERC commitment to a reliable system**
- **Incentives to maintain a reliable system**
- **Enhances regulatory and financial certainty**



Will we have this conversation 3 years from now?

- **FERC policies still changing**
- **MISO is still developing its energy market**
- **RTO membership is far from settled**
- **Discussion on cost recovery during “safe haven” period**





Questions????

