

Explanation of Increased Transmission Rates for Ameren Illinois

June 2009

Ameren Illinois (AMIL)	Prior Rate	Effective June 2009	Dollar Change	Percent Change
Schedule 9 Monthly Charge (\$/MW-Mo)	\$875.4715	\$955.8050	\$80.3335	9.2%
Schedule 26 Monthly Charge (\$/MW-Mo)	\$8.5337	\$31.1074	\$22.5737	264.5%
Total Schedule 9 & 26	\$884.00518	\$986.91232	\$102.90714	11.6%

The cost of transmission service is recovered through Schedule 9 (Network Integration Transmission Service – NITS) and Schedule 26 (Network Upgrade Charge from Transmission Expansion Plan – NUC). Ameren directly bills Schedule 9 since it retains all this revenue. MISO bills Schedule 26 since these revenues are allocated to the appropriate Transmission Owners.

Consistent with the MISO Attachment O tariff, Ameren updates its transmission rates June 1st each year based on costs from the previous calendar year. Effective June 1, 2009, the Ameren Illinois (AMIL) Schedule 9 rate will be 9.2% higher than last year. Based on 2008 cost data, the revenue requirement to be collected under Schedule 9 is 6.5% higher. The load in 2008 was also 2.2% lower than in 2007, further increasing the per unit charge.

While the percent increase in Schedule 26 is significant, the actual charge is considerably smaller. Schedule 26 is a relatively new transmission charge associated with transmission projects that are approved and included in the MISO Transmission Expansion Plan (MTEP). Note that the MTEP process is open to stakeholder participation.

Projects recovered through Schedule 26 may be within Illinois or located throughout MISO. As a general rule, the cost of new transmission expansion projects that are estimated to be less than \$5 million will continue to be recovered through Schedule 9. However, projects greater than \$5 million will be recovered through Schedule 26 and are subject to regional cost sharing through MISO's Attachment FF.

For transmission projects with Voltages between 100 kV and 344 kV; 100% of the project costs will be allocated on a sub-regional basis. For transmission projects with Voltages of 345kV or higher, 20% of the project costs will be allocated system-wide across all MISO pricing zones. The remaining 80% will be allocated on a sub-regional basis. The sub-regional cost allocation is determined on a project specific basis, but generally much of the costs will remain in the host pricing zone with some costs possibly being allocated to nearby pricing zones.

Because most new transmission projects will be part of the MTEP, Schedule 26 charges will continue to increase in the future as more transmission projects are constructed across MISO. Schedule 9 charges should continue to be relatively stable or possibly decline slightly as existing transmission facilities depreciate or retire and are replaced with new transmission projects. Also, please note that some Transmission Owners update their revenue requirements on January 1st rather than June 1st, so increases in Schedule 26 may occur in both January and June each year.