

AmerenUE's Response to
OPC Data Request
MPSC Case No. ER-2007-0002
AmerenUE's Tariff Filing to Increase Rates for Electric Service
Provided to Customers in the Company's Missouri Service Area

FILED³

APR 20 2007

Missouri Public
Service Commission

Requested From: Ryan Kind

Data Request No. OPC 2214HC

Please reference Attachment 4 of Ryan Kind's rebuttal testimony. The document is dated December 21, 2005 and is entitled "DYNEGY CALL OPTIONS EARLY EXERCISE." Please provide a copy of the document which contains signatures on the signature lines at the bottom of the document.

Response:

See attached, which related to the two call options sold to Dynegy in 2001 at a time when the strike price was below the ten-market price for SO2 allowances.

Prepared By: James C. Moore, II
Title: General Exec., Coal Supply & Emissions
Date: February 15, 2007

OPC Exhibit No. 444
Case No(s). ER-2007-0002
Date 3-26-07 Rptr XF

HIGHLY CONFIDENTIAL

FUS-143-X

December 21, 2005

DYNEGY CALL OPTION EARLY EXERCISE

FUS-14-R Dec 01, 2006 \$180 Call Option on 7,250 tons

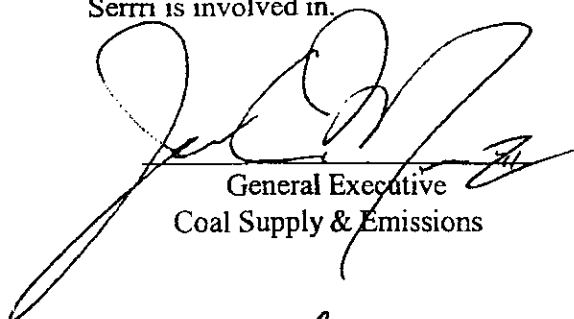
FUS-14-R Dec 03, 2007 \$170 Call Option on 7,250 tons

Ameren is pursuing early exercise on outstanding SO2 call options. The FASB 133 mark-to-market requirement combined with the extreme volatility in the SO2 market have combined to cause unnecessary fluctuations in earnings. Early exercise will result in selling allowances early, but will remove the mark-to-market fluctuations.

As of 12/19/05 the time premium left in the options is \$175,000. In order to induce Dynegy to agree to early exercise, they are requesting a payment of \$634,919. The difference of \$459,919 is their cost of capital to outlay \$2,537,500 earlier than they otherwise would.

AFS requests approval of the \$634,919 expenditure to induce Dynegy to exercise the options early. Early exercise will bring in \$2,537,500 in revenue.

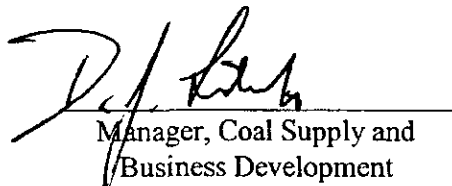
This transaction is also contingent upon considerations in a reactive power case Andy Serri is involved in.



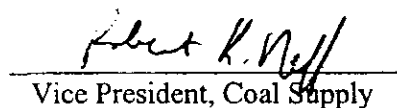
General Executive
Coal Supply & Emissions



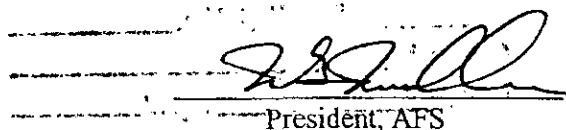
Managing Executive
Coal Supply & Emissions



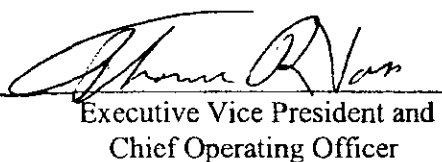
Manager, Coal Supply and
Business Development



Vice President, Coal Supply



President, AFS



Executive Vice President and
Chief Operating Officer