



DYNERGY MIDWEST GENERATION, LLC
4000 East Port Plaza Drive
Louisville, KY 40225

Via UPS

November 30, 2007

Mr. Richard Cobb, P.E.
Deputy Division Manager
Bureau of Water, Division of Public Water Supplies
Illinois Environmental Protection Agency
1000 North Grand Avenue East
Springfield, Illinois 62754-9206

Dear Mr. Cobb:

**Re: Vermilion Site
Ash Pond Closure Options Report**

Enclosed please find the Vermilion site ash pond closure options report requested in your May 30, 2007 letter. Options are identified for the north, old east, and new east ash ponds at our former Vermilion power station site. The report was prepared by Starnes Consulting Services, Inc. (St. Louis, MO). It includes cost estimates for the various identified ash pond closure options and costs for associated river bank stabilization options. This report should be read in conjunction with the river bank stabilization options report submitted to you on November 6, 2007 and the groundwater flow and transport modeling report that will be submitted to you in October 2008.

The probable cost estimates are based on information available at this time and should not viewed as exact cost determinations. The estimates are based upon numerous assumptions such as the viability of beneficial reuse, ability to obtain U.S. Army Corp of Engineers permits, availability and costs of materials, etc.

At this time, Dynergy Midwest Generation, LLC (DMG) is unable to make a recommendation as to the closure option that it would like to implement for each ash pond. DMG believes it must wait until the hydrogeologic studies are completed in October 2008 to make a recommendation.

In the meantime, DMG will proceed with Section 404 permitting with Army Corp of Engineers (Louisville, KY District) for implementing river bank stabilization along the north and old east ash ponds.

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