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AMEREN CORP  
Form 10-Q  
November 10, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

ý Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period Ended September 30, 2014

OR

.. Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to

Commission File Number	Exact name of registrant as specified in its charter; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-14756	Ameren Corporation (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-1723446
1-2967	Union Electric Company (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-0559760
1-3672	Ameren Illinois Company (Illinois Corporation) 6 Executive Drive Collinsville, Illinois 62234 (618) 343-8150	37-0211380

Indicate by check mark whether the registrants: (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Ameren Corporation	Yes	ý	No	..
Union Electric Company	Yes	ý	No	..
Ameren Illinois Company	Yes	ý	No	..

Indicate by check mark whether each registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Ameren Corporation	Yes	ý	No	..
Union Electric Company	Yes	ý	No	..
Ameren Illinois Company	Yes	ý	No	..

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Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

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	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company
Ameren Corporation	ý	..	..	..
Union Electric Company	..	..	ý	..
Ameren Illinois Company	..	..	ý	..

Indicate by check mark whether each registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Ameren Corporation	Yes	..	No	ý
Union Electric Company	Yes	..	No	ý
Ameren Illinois Company	Yes	..	No	ý

The number of shares outstanding of each registrant's classes of common stock as of October 31, 2014, was as follows:

Ameren Corporation	Common stock, \$0.01 par value per share - 242,634,798
Union Electric Company	Common stock, \$5 par value per share, held by Ameren Corporation - 102,123,834
Ameren Illinois Company	Common stock, no par value, held by Ameren Corporation - 25,452,373

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This combined Form 10-Q is separately filed by Ameren Corporation, Union Electric Company, and Ameren Illinois Company. Each registrant hereto is filing on its own behalf all of the information contained in this quarterly report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

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This report contains “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements should be read with the cautionary statements and important factors under the heading “Forward-looking Statements.” Forward-looking statements are all statements other than statements of historical fact, including those statements that are identified by the use of the words “anticipates,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” and similar expressions.

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## GLOSSARY OF TERMS AND ABBREVIATIONS

We use the words “our,” “we” or “us” with respect to certain information that relates to Ameren, Ameren Missouri and Ameren Illinois, collectively. When appropriate, subsidiaries of Ameren Corporation are named specifically as their various business activities are discussed. Refer to the Form 10-K for a complete listing of glossary terms and abbreviations. Only new or significantly changed terms and abbreviations are included below.

**2006 Incentive Plan** - The 2006 Omnibus Incentive Compensation Plan, which became effective in May 2006 and provided for compensatory stock-based awards to eligible employees and directors. The 2006 Omnibus Incentive Compensation Plan was replaced prospectively for new grants by the 2014 Incentive Plan.

**2014 Incentive Plan** - The 2014 Omnibus Incentive Compensation Plan, which became effective in April 2014 and provides for compensatory stock-based awards to eligible employees and directors.

**Clean Power Plan** - “Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units,” a proposed rule issued by the EPA on June 18, 2014.

**Form 10-K** - The combined Annual Report on Form 10-K for the year ended December 31, 2013, filed by the Ameren Companies with the SEC.

**NEIL** - Nuclear Electric Insurance Limited, which includes all of its affiliated companies.

**Net energy cost** - Net energy cost, as defined in the FAC, includes fuel and purchased power costs, including transportation charges and revenues, net of off-system sales.

## FORWARD-LOOKING STATEMENTS

Statements in this report 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 under Risk Factors in the Form 10-K and elsewhere in this report and in our other filings with the SEC, could cause actual results to differ materially from management expectations suggested in such forward-looking statements:

regulatory, judicial, or legislative actions, including changes in regulatory policies and ratemaking determinations, such as Ameren Missouri’s July 2014 electric rate case filing; Ameren Illinois’ appeals of the ICC’s electric and natural gas

rate orders issued in December 2013; Ameren Illinois’ April 2014 annual electric delivery service formula update filing; FERC settlement procedures regarding a potential Ameren Illinois electric transmission rate refund; the complaint case filed with FERC seeking a reduction in the allowed return on common equity under the MISO tariff; and future regulatory, judicial, or legislative actions that seek to change regulatory recovery mechanisms; the effect of Ameren Illinois participating in a performance-based formula ratemaking process under the IEIMA, including the direct relationship between Ameren Illinois’ return on common equity and 30-year United States Treasury bond yields, the related financial commitments required by the IEIMA, and the resulting uncertain impact on the financial condition, results of operations, and liquidity of Ameren Illinois; the potential extension of the IEIMA after its current sunset provision at the end of 2017, and any changes to the performance-based formula ratemaking process or required financial commitments; the effects of Ameren Illinois’ expected participation, beginning in 2015, in the regulatory framework provided by the state of Illinois’ Natural Gas Consumer, Safety and Reliability Act, which allows for the use of a rider to recover costs of certain natural gas infrastructure investments made between rate cases; the effects of increased competition in the future due to, among other things, deregulation of certain aspects of our business at either the state or federal levels and the implementation of deregulation; changes in laws and other governmental actions, including monetary, fiscal, and tax policies;

the effects on demand for our services resulting from technological advances, including advances in customer energy efficiency and distributed generation sources, which generate electricity at the site of consumption;

the effectiveness of Ameren Missouri's energy efficiency programs and the ability to earn incentive awards under the MEEIA;

the timing of increasing capital expenditure and operating expense requirements and our ability to timely recover these costs;

the cost and availability of fuel, such as coal, natural gas, and enriched uranium, used to produce electricity; the cost and availability of purchased power and natural gas for distribution; and the level and volatility of future market prices for such commodities, including our ability to recover the costs for such commodities;

the effectiveness of our risk management strategies and the use of financial and derivative instruments;

business and economic conditions, including their impact on interest rates, bad debt expense, and demand for our products;

disruptions of the capital markets, deterioration in credit metrics of the Ameren Companies, or other events that may have an adverse effect on the cost or availability of capital, including short-term credit and liquidity;

our assessment of our liquidity;

the impact of the adoption of new accounting guidance and the application of appropriate technical accounting rules and guidance;

actions of credit rating agencies and the effects of such actions;

the impact of weather conditions and other natural phenomena on us and our customers, including the impact of system outages;

generation, transmission, and distribution asset construction, installation, performance, and cost recovery;

- the effects of our increasing investment in electric transmission projects and uncertainty as to whether we will achieve our expected returns in a timely fashion, if at all;

the extent to which Ameren Missouri prevails in its claim against an insurer in connection with its Taum Sauk pumped-storage hydroelectric energy center incident;

the extent to which Ameren Missouri is permitted by its regulators to recover in rates the investments it made in connection with additional nuclear generation at its Callaway energy center;

operation of Ameren Missouri's Callaway energy center, including planned and unplanned outages, and decommissioning costs;

the effects of strategic initiatives, including mergers, acquisitions and divestitures, and any related tax implications;

the impact of current environmental regulations and new, more stringent or changing requirements, including those related to greenhouse gases, other emissions and discharges, cooling water intake structures, CCR, and energy efficiency, that are enacted over time and that could limit or terminate the operation of certain of our energy centers, increase our costs or investment requirements, result in an impairment of our assets, cause us to sell our assets, reduce our customers' demand for electricity or natural gas, or otherwise have a negative financial effect;

the impact of complying with renewable energy portfolio requirements in Missouri;

labor disputes, workforce reductions, future wage and employee benefits costs, including changes in discount rates, mortality tables, and returns on benefit plan assets;

the inability of our counterparties to meet their obligations with respect to contracts, credit agreements, and financial instruments;

the cost and availability of transmission capacity for the energy generated by Ameren Missouri's energy centers or required to satisfy Ameren Missouri's energy sales;

the inability of Dynegy and IPH to satisfy their indemnity and other obligations to Ameren in connection with the divestiture of New AER to IPH;

legal and administrative proceedings; and

acts of sabotage, war, terrorism, cyber attacks 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 update or revise publicly any forward-looking statements to reflect new information or future events.

PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS.

AMEREN CORPORATION  
CONSOLIDATED STATEMENT OF INCOME  
(Unaudited) (In millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Operating Revenues:				
Electric	\$1,523	\$1,507	\$3,864	\$3,823
Gas	147	131	819	693
Total operating revenues	1,670	1,638	4,683	4,516
Operating Expenses:				
Fuel	236	222	638	648
Purchased power	112	128	335	400
Gas purchased for resale	49	42	432	344
Other operations and maintenance	404	383	1,236	1,229
Depreciation and amortization	187	175	551	528
Taxes other than income taxes	121	121	362	354
Total operating expenses	1,109	1,071	3,554	3,503
Operating Income	561	567	1,129	1,013
Other Income and Expense:				
Miscellaneous income	21	20	60	51
Miscellaneous expense	7	5	20	18
Total other income	14	15	40	33
Interest Charges	85	88	266	289
Income Before Income Taxes	490	494	903	757
Income Taxes	194	187	357	288
Income from Continuing Operations	296	307	546	469
Loss from Discontinued Operations, Net of Taxes (Note 12)	(1	) (3	) (3	) (212
Net Income	295	304	543	257
Less: Net Income from Continuing Operations Attributable to Noncontrolling Interests	2	2	5	5
Net Income (Loss) Attributable to Ameren Corporation:				
Continuing Operations	294	305	541	464
Discontinued Operations	(1	) (3	) (3	) (212
Net Income Attributable to Ameren Corporation	\$293	\$302	\$538	\$252
Earnings (Loss) per Common Share – Basic:				
Continuing Operations	\$1.21	\$1.26	\$2.23	\$1.92
Discontinued Operations	—	(0.01	) (0.01	) (0.88
Earnings per Common Share – Basic	\$1.21	\$1.25	\$2.22	\$1.04
Earnings (Loss) per Common Share – Diluted:				
Continuing Operations	\$1.20	\$1.25	\$2.21	\$1.91
Discontinued Operations	—	(0.01	) (0.01	) (0.88
Earnings per Common Share – Diluted	\$1.20	\$1.24	\$2.20	\$1.03



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Dividends per Common Share	\$0.40	\$0.40	\$1.20	\$1.20
Average Common Shares Outstanding – Basic	242.6	242.6	242.6	242.6
Average Common Shares Outstanding – Diluted	244.3	245.1	244.3	244.4

The accompanying notes are an integral part of these consolidated financial statements.

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AMEREN CORPORATION  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(Unaudited) (In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Income from Continuing Operations	\$296	\$307	\$546	\$469
Other Comprehensive Income (Loss), Net of Taxes				
Pension and other postretirement benefit plan activity, net of income taxes (benefit) of \$-, \$(5), \$3 and \$3, respectively	—	(5	) 3	5
Comprehensive Income from Continuing Operations	296	302	549	474
Less: Comprehensive Income from Continuing Operations Attributable to Noncontrolling Interests	2	2	5	5
Comprehensive Income from Continuing Operations Attributable to Ameren Corporation	294	300	544	469
Loss from Discontinued Operations, Net of Taxes	(1	) (3	) (3	) (212
Other Comprehensive Loss from Discontinued Operations, Net of Taxes	—	(5	) —	(16
Comprehensive Loss from Discontinued Operations Attributable to Ameren Corporation	(1	) (8	) (3	) (228
Comprehensive Income Attributable to Ameren Corporation	\$293	\$292	\$541	\$241

The accompanying notes are an integral part of these consolidated financial statements.

AMEREN CORPORATION  
 CONSOLIDATED BALANCE SHEET  
 (Unaudited) (In millions, except per share amounts)

	September 30, 2014	December 31, 2013
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$13	\$30
Accounts receivable – trade (less allowance for doubtful accounts of \$21 and \$18, respectively)	467	404
Unbilled revenue	203	304
Miscellaneous accounts and notes receivable	117	196
Materials and supplies	561	526
Current regulatory assets	199	156
Current accumulated deferred income taxes, net	301	106
Other current assets	66	85
Assets of discontinued operations (Note 12)	15	165
Total current assets	1,942	1,972
Property and Plant, Net	16,991	16,205
Investments and Other Assets:		
Nuclear decommissioning trust fund	529	494
Goodwill	411	411
Intangible assets	20	22
Regulatory assets	1,259	1,240
Other assets	724	698
Total investments and other assets	2,943	2,865
<b>TOTAL ASSETS</b>	<b>\$21,876</b>	<b>\$21,042</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$119	\$534
Short-term debt	753	368
Accounts and wages payable	466	806
Taxes accrued	161	55
Interest accrued	105	86
Current regulatory liabilities	132	216
Other current liabilities	350	351
Liabilities of discontinued operations (Note 12)	33	45
Total current liabilities	2,119	2,461
Long-term Debt, Net	5,825	5,504
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	3,845	3,250
Accumulated deferred investment tax credits	59	63
Regulatory liabilities	1,805	1,705
Asset retirement obligations	385	369
Pension and other postretirement benefits	400	466
Other deferred credits and liabilities	522	538
Total deferred credits and other liabilities	7,016	6,391
Commitments and Contingencies (Notes 2, 9, 10 and 12)		
Ameren Corporation Stockholders' Equity:		

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Common stock, \$.01 par value, 400.0 shares authorized – shares outstanding of 242.6	2	2
Other paid-in capital, principally premium on common stock	5,612	5,632
Retained earnings	1,154	907
Accumulated other comprehensive income	6	3
Total Ameren Corporation stockholders' equity	6,774	6,544
Noncontrolling Interests	142	142
Total equity	6,916	6,686
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$21,876</b>	<b>\$21,042</b>

The accompanying notes are an integral part of these consolidated financial statements.

AMEREN CORPORATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(Unaudited) (In millions)

	Nine Months Ended September 30,	
	2014	2013
Cash Flows From Operating Activities:		
Net income	\$543	\$257
Loss from discontinued operations, net of taxes	3	212
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	526	500
Amortization of nuclear fuel	70	46
Amortization of debt issuance costs and premium/discounts	16	18
Deferred income taxes and investment tax credits, net	370	258
Allowance for equity funds used during construction	(26)	(26)
Stock-based compensation costs	20	19
Other	(9)	14
Changes in assets and liabilities:		
Receivables	16	(88)
Materials and supplies	(34)	7
Accounts and wages payable	(187)	(102)
Taxes accrued	100	104
Assets, other	(123)	20
Liabilities, other	(70)	(24)
Pension and other postretirement benefits	(27)	(34)
Counterparty collateral, net	20	34
Net cash provided by operating activities – continuing operations	1,208	1,215
Net cash provided by (used in) operating activities – discontinued operations	(5)	99
Net cash provided by operating activities	1,203	1,314
Cash Flows From Investing Activities:		
Capital expenditures	(1,310)	(943)
Nuclear fuel expenditures	(28)	(34)
Purchases of securities – nuclear decommissioning trust fund	(365)	(147)
Sales and maturities of securities – nuclear decommissioning trust fund	354	134
Proceeds from note receivable – Marketing Company	79	—
Contributions to note receivable – Marketing Company	(84)	—
Other	3	(1)
Net cash used in investing activities – continuing operations	(1,351)	(991)
Net cash provided by (used in) investing activities – discontinued operations	139	(42)
Net cash used in investing activities	(1,212)	(1,033)
Cash Flows From Financing Activities:		
Dividends on common stock	(291)	(291)
Dividends paid to noncontrolling interest holders	(5)	(5)
Short-term debt, net	385	—
Redemptions and maturities of long-term debt	(692)	—
Issuances of long-term debt	598	—
Capital issuance costs	(4)	—
Other	1	—
Net cash used in financing activities – continuing operations	(8)	(296)
Net cash used in financing activities – discontinued operations	—	—

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Net cash used in financing activities	(8	) (296	)
Net change in cash and cash equivalents	(17	) (15	)
Cash and cash equivalents at beginning of year	30	209	
Cash and cash equivalents at end of period	13	194	
Less cash and cash equivalents at end of period – discontinued operations	—	25	
Cash and cash equivalents at end of period – continuing operations	\$13	\$169	

The accompanying notes are an integral part of these consolidated financial statements.

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UNION ELECTRIC COMPANY (d/b/a AMEREN MISSOURI)  
 STATEMENT OF INCOME AND COMPREHENSIVE INCOME  
 (Unaudited) (In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Operating Revenues:				
Electric	\$1,076	\$1,075	\$2,696	\$2,667
Gas	21	17	117	110
Other	—	1	1	1
Total operating revenues	1,097	1,093	2,814	2,778
Operating Expenses:				
Fuel	236	222	638	648
Purchased power	25	33	86	100
Gas purchased for resale	7	4	58	52
Other operations and maintenance	228	212	677	686
Depreciation and amortization	118	114	351	338
Taxes other than income taxes	89	91	248	247
Total operating expenses	703	676	2,058	2,071
Operating Income	394	417	756	707
Other Income and Expense:				
Miscellaneous income	15	16	45	44
Miscellaneous expense	4	2	10	10
Total other income	11	14	35	34
Interest Charges	53	43	159	159
Income Before Income Taxes	352	388	632	582
Income Taxes	129	149	234	217
Net Income	223	239	398	365
Other Comprehensive Income	—	—	—	—
Comprehensive Income	\$223	\$239	\$398	\$365
Net Income	\$223	\$239	\$398	\$365
Preferred Stock Dividends	1	1	3	3
Net Income Available to Common Stockholder	\$222	\$238	\$395	\$362

The accompanying notes as they relate to Ameren Missouri are an integral part of these financial statements.

## UNION ELECTRIC COMPANY (d/b/a AMEREN MISSOURI)

## BALANCE SHEET

(Unaudited) (In millions, except per share amounts)

	September 30, 2014	December 31, 2013
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$1	\$1
Accounts receivable – trade (less allowance for doubtful accounts of \$7 and \$5, respectively)	261	191
Accounts receivable – affiliates	12	1
Unbilled revenue	134	168
Miscellaneous accounts and notes receivable	86	57
Materials and supplies	350	352
Current regulatory assets	137	118
Other current assets	40	71
Total current assets	1,021	959
Property and Plant, Net	10,660	10,452
Investments and Other Assets:		
Nuclear decommissioning trust fund	529	494
Intangible assets	20	22
Regulatory assets	539	534
Other assets	410	443
Total investments and other assets	1,498	1,493
<b>TOTAL ASSETS</b>	<b>\$13,179</b>	<b>\$12,904</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$119	\$109
Borrowings from money pool	—	105
Short-term debt	65	—
Accounts and wages payable	189	387
Accounts payable – affiliates	32	30
Taxes accrued	200	220
Interest accrued	66	57
Current regulatory liabilities	11	57
Other current liabilities	99	82
Total current liabilities	781	1,047
Long-term Debt, Net	3,885	3,648
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	2,656	2,524
Accumulated deferred investment tax credits	55	59
Regulatory liabilities	1,107	1,041
Asset retirement obligations	383	366
Pension and other postretirement benefits	147	189
Other deferred credits and liabilities	44	37
Total deferred credits and other liabilities	4,392	4,216
Commitments and Contingencies (Notes 2, 8, 9 and 10)		
Stockholders' Equity:		
Common stock, \$5 par value, 150.0 shares authorized – 102.1 shares outstanding	511	511



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Other paid-in capital, principally premium on common stock	1,560	1,560
Preferred stock not subject to mandatory redemption	80	80
Retained earnings	1,970	1,842
Total stockholders' equity	4,121	3,993
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$13,179	\$12,904

The accompanying notes as they relate to Ameren Missouri are an integral part of these financial statements.

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UNION ELECTRIC COMPANY (d/b/a AMEREN MISSOURI)  
 STATEMENT OF CASH FLOWS  
 (Unaudited) (In millions)

	Nine Months Ended September 30,	
	2014	2013
Cash Flows From Operating Activities:		
Net income	\$398	\$365
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	329	313
Amortization of nuclear fuel	70	46
FAC prudence review charge	—	26
Amortization of debt issuance costs and premium/discounts	5	6
Deferred income taxes and investment tax credits, net	139	62
Allowance for equity funds used during construction	(24)	(22)
Other	1	1
Changes in assets and liabilities:		
Receivables	(76)	(148)
Materials and supplies	3	27
Accounts and wages payable	(151)	(124)
Taxes accrued	(22)	260
Assets, other	(10)	59
Liabilities, other	6	(78)
Pension and other postretirement benefits	(8)	(12)
Net cash provided by operating activities	660	781
Cash Flows From Investing Activities:		
Capital expenditures	(548)	(480)
Nuclear fuel expenditures	(28)	(34)
Money pool advances, net	—	24
Purchases of securities – nuclear decommissioning trust fund	(365)	(147)
Sales and maturities of securities – nuclear decommissioning trust fund	354	134
Other	(6)	(3)
Net cash used in investing activities	(593)	(506)
Cash Flows From Financing Activities:		
Dividends on common stock	(268)	(320)
Dividends on preferred stock	(3)	(3)
Short-term debt, net	65	—
Money pool borrowings, net	(105)	—
Maturities of long-term debt	(104)	—
Issuances of long-term debt	350	—
Capital issuance costs	(2)	—
Net cash used in financing activities	(67)	(323)
Net change in cash and cash equivalents	—	(48)
Cash and cash equivalents at beginning of year	1	148
Cash and cash equivalents at end of period	\$1	\$100

The accompanying notes as they relate to Ameren Missouri are an integral part of these financial statements.

AMEREN ILLINOIS COMPANY (d/b/a AMEREN ILLINOIS)  
 STATEMENT OF INCOME AND COMPREHENSIVE INCOME  
 (Unaudited) (In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Operating Revenues:				
Electric	\$445	\$432	\$1,162	\$1,160
Gas	127	115	703	585
Other	—	—	—	2
Total operating revenues	572	547	1,865	1,747
Operating Expenses:				
Purchased power	89	96	256	303
Gas purchased for resale	43	38	374	292
Other operations and maintenance	185	166	580	538
Depreciation and amortization	66	59	193	182
Taxes other than income taxes	31	30	109	102
Total operating expenses	414	389	1,512	1,417
Operating Income	158	158	353	330
Other Income and Expense:				
Miscellaneous income	4	4	12	7
Miscellaneous expense	2	3	7	7
Total other income	2	1	5	—
Interest Charges	31	31	90	96
Income Before Income Taxes	129	128	268	234
Income Taxes	54	51	110	93
Net Income	75	77	158	141
Other Comprehensive Loss, Net of Taxes:				
Pension and other postretirement benefit plan activity, net of income taxes (benefit) of \$(1), \$(1), \$(2) and \$(2), respectively	—	—	(2)	(2)
Comprehensive Income	\$75	\$77	\$156	\$139
Net Income	\$75	\$77	\$158	\$141
Preferred Stock Dividends	—	—	2	2
Net Income Available to Common Stockholder	\$75	\$77	\$156	\$139

The accompanying notes as they relate to Ameren Illinois are an integral part of these financial statements.

## AMEREN ILLINOIS COMPANY (d/b/a AMEREN ILLINOIS)

## BALANCE SHEET

(Unaudited) (In millions)

	September 30, 2014	December 31, 2013
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 1	\$ 1
Accounts receivable – trade (less allowance for doubtful accounts of \$14 and \$13, respectively)	192	201
Accounts receivable – affiliates	2	—
Unbilled revenue	69	135
Miscellaneous accounts receivable	6	13
Materials and supplies	211	174
Current regulatory assets	62	38
Current accumulated deferred income taxes, net	125	45
Other current assets	17	26
Total current assets	685	633
Property and Plant, Net	6,030	5,589
Investments and Other Assets:		
Goodwill	411	411
Regulatory assets	712	701
Other assets	145	120
Total investments and other assets	1,268	1,232
<b>TOTAL ASSETS</b>	<b>\$7,983</b>	<b>\$7,454</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Short-term debt	\$ 189	\$—
Borrowings from money pool	16	56
Accounts and wages payable	212	243
Accounts payable – affiliates	28	18
Taxes accrued	16	23
Customer deposits	71	79
Current environmental remediation	53	43
Current regulatory liabilities	121	159
Other current liabilities	148	150
Total current liabilities	854	771
Long-term Debt, Net	1,940	1,856
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	1,330	1,116
Accumulated deferred investment tax credits	3	4
Regulatory liabilities	698	664
Pension and other postretirement benefits	189	197
Environmental remediation	202	232
Other deferred credits and liabilities	165	166
Total deferred credits and other liabilities	2,587	2,379
Commitments and Contingencies (Notes 2, 8 and 9)		
Stockholders' Equity:		
Common stock, no par value, 45.0 shares authorized – 25.5 shares outstanding	—	—

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Other paid-in capital	1,965	1,965
Preferred stock not subject to mandatory redemption	62	62
Retained earnings	566	410
Accumulated other comprehensive income	9	11
Total stockholders' equity	2,602	2,448
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$7,983</b>	<b>\$7,454</b>

The accompanying notes as they relate to Ameren Illinois are an integral part of these financial statements.

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AMEREN ILLINOIS COMPANY (d/b/a AMEREN ILLINOIS)  
 STATEMENT OF CASH FLOWS  
 (Unaudited) (In millions)

	Nine Months Ended September	
	30,	2013
	2014	2013
Cash Flows From Operating Activities:		
Net income	\$ 158	\$ 141
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	190	178
Amortization of debt issuance costs and premium/discounts	10	11
Deferred income taxes and investment tax credits, net	136	120
Other	(6	) (7
Changes in assets and liabilities:		
Receivables	80	66
Materials and supplies	(37	) (20
Accounts and wages payable	1	31
Taxes accrued	(5	) (2
Assets, other	(102	) (33
Liabilities, other	(31	) 1
Pension and other postretirement benefits	(12	) (13
Counterparty collateral, net	14	34
Net cash provided by operating activities	396	507
Cash Flows From Investing Activities:		
Capital expenditures	(633	) (462
Other	6	6
Net cash used in investing activities	(627	) (456
Cash Flows From Financing Activities:		
Dividends on common stock	—	(45
Dividends on preferred stock	(2	) (2
Short-term debt, net	189	—
Money pool borrowings, net	(40	) (3
Redemptions of long-term debt	(163	) —
Issuances of long-term debt	248	—
Capital issuance costs	(2	) —
Other	1	—
Net cash provided by (used in) financing activities	231	(50
Net change in cash and cash equivalents	—	1
Cash and cash equivalents at beginning of year	1	—
Cash and cash equivalents at end of period	\$ 1	\$ 1

The accompanying notes as they relate to Ameren Illinois are an integral part of these financial statements.

AMEREN CORPORATION (Consolidated)  
UNION ELECTRIC COMPANY (d/b/a Ameren Missouri)  
AMEREN ILLINOIS COMPANY (d/b/a Ameren Illinois)  
COMBINED NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005, administered by FERC. Ameren's primary assets are its equity interests in its subsidiaries. Ameren's subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. Dividends on Ameren's common stock and the payment of parent company expenses by Ameren depend on distributions made to it by its subsidiaries. Ameren's principal subsidiaries are listed below. Also see the Glossary of Terms and Abbreviations at the front of this report and in the Form 10-K.

Union Electric Company, doing business as Ameren Missouri, operates a rate-regulated electric generation, transmission, and distribution business, and a rate-regulated natural gas transmission and distribution business in Missouri. Ameren Missouri supplies electric service to 1.2 million customers and natural gas service to 127,000 customers.

Ameren Illinois Company, doing business as Ameren Illinois, operates a rate-regulated electric and natural gas transmission and distribution business in Illinois. Ameren Illinois supplies electric service to 1.2 million customers and natural gas service to 807,000 customers.

Ameren has various other subsidiaries responsible for activities such as the provision of shared services. Ameren also has a subsidiary, ATXI, that operates a FERC rate-regulated electric transmission business and is constructing the Illinois Rivers project.

The operating results, assets, and liabilities for New AER and the Elgin, Gibson City, Grand Tower, Meredosia, and Hutsonville energy centers have been presented separately as discontinued operations for all periods presented in this report. Unless otherwise stated, these notes to Ameren's financial statements exclude discontinued operations for all periods presented. On January 31, 2014, Medina Valley completed its sale of the Elgin, Gibson City, and Grand Tower gas-fired energy centers to Rockland Capital. See Note 12 - Divestiture Transactions and Discontinued Operations in this report for additional information regarding the discontinued operations presentation and Note 16 - Divestiture Transactions and Discontinued Operations under Part II, Item 8, of the Form 10-K for additional information regarding Ameren's divestiture of New AER in December 2013.

The financial statements of Ameren are prepared on a consolidated basis, and therefore include the accounts of its majority-owned subsidiaries. All significant intercompany transactions have been eliminated. Ameren Missouri and Ameren Illinois have no subsidiaries, and therefore their financial statements are not prepared on a consolidated basis. All tabular dollar amounts are in millions, unless otherwise indicated.

Our accounting policies conform to GAAP. Our financial statements reflect all adjustments (which include normal, recurring adjustments) that are necessary, in our opinion, for a fair presentation of our results. The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. Such estimates and assumptions affect reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. The results of operations of an interim period may not give a true indication of results that may be expected for a full year. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Form 10-K.

Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to Ameren Corporation common stockholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income attributable to common stockholders by the diluted weighted-average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that would occur if certain stock-based performance share units were settled.



The following table presents Ameren's basic and diluted earnings per share calculations and reconciles the weighted-average number of common shares outstanding to the diluted weighted-average number of common shares outstanding for the three and nine months ended September 30, 2014, and 2013:

	Three Months		Nine Months	
	2014	2013	2014	2013
Net income (loss) attributable to Ameren Corporation:				
Continuing operations	\$294	\$305	\$541	\$464
Discontinued operations	(1	) (3	) (3	) (212
Net income attributable to Ameren Corporation	\$293	\$302	\$538	\$252
Average common shares outstanding - basic	242.6	242.6	242.6	242.6
Assumed settlement of performance share units	1.7	2.5	1.7	1.8
Average common shares outstanding - diluted	244.3	245.1	244.3	244.4
Earnings (loss) per common share – basic:				
Continuing operations	\$1.21	\$1.26	\$2.23	\$1.92
Discontinued operations	—	(0.01	) (0.01	) (0.88
Earnings per common share – basic	\$1.21	\$1.25	\$2.22	\$1.04
Earnings (loss) per common share – diluted:				
Continuing operations	\$1.20	\$1.25	\$2.21	\$1.91
Discontinued operations	—	(0.01	) (0.01	) (0.88
Earnings per common share – diluted	\$1.20	\$1.24	\$2.20	\$1.03

There were no potentially dilutive securities excluded from the diluted earnings per share calculations for the three and nine months ended September 30, 2014, and 2013.

#### Stock-based Compensation

Ameren's long-term incentive plan available for eligible employees and directors, the 2006 Incentive Plan, was replaced prospectively for new grants by the 2014 Incentive Plan effective April 24, 2014. The 2014 Incentive Plan provides for a maximum of 8 million common shares to be available for grant to eligible employees and directors, and retains many of the features of the 2006 Incentive Plan. To the extent that the issuance of a share that is subject to an outstanding award under the 2006 Incentive Plan, as of April 24, 2014, would cause Ameren to exceed the maximum authorized shares under the 2006 Incentive Plan, the issuance of that share will take place under the 2014 Incentive Plan and will therefore reduce the maximum number of shares that may be granted under the 2014 Incentive Plan. The 2014 Incentive Plan awards may be stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance share units, cash-based awards, and other stock-based awards.

A summary of nonvested performance share units at September 30, 2014, and changes during the nine months ended September 30, 2014, under the 2006 Incentive Plan and the 2014 Incentive Plan are presented below:

	Performance Share Units	
	Share Units	Weighted-average Fair Value Per Share Unit at Grant Date
Nonvested at January 1, 2014	1,218,544	\$33.23
Granted <sup>(a)</sup>	685,026	38.90
April Grants <sup>(b)</sup>	38,559	50.34
Forfeitures	(65,847	) 33.82
Vested <sup>(c)</sup>	(123,295	) 38.64
Nonvested at September 30, 2014	1,752,987	\$35.42

- (a) Includes performance share units (share units) granted to certain executive and nonexecutive officers and other eligible employees in 2014 under the 2006 Incentive Plan and the 2014 Incentive Plan.  
In April 2014, certain executive officers were granted additional share units under the 2006 Incentive Plan and the
- (b) 2014 Incentive Plan. The significant assumptions used to calculate fair value included a prorated three-year risk-free rate ranging from 0.76% to 0.79%, volatility of 12% to 18% for the peer group, and Ameren's attainment of a three-year average earnings per share threshold during the performance period.
- (c) Share units vested due to the attainment of retirement eligibility by certain employees. Actual shares issued for retirement-eligible employees will vary depending on actual performance over the three-year measurement period.

The fair value of each share unit awarded in 2014, excluding the April Grants, under the 2006 Incentive Plan and the 2014 Incentive Plan was determined to be \$38.90. That amount was based on Ameren's closing common share price of \$36.16 at December 31, 2013, and lattice simulations. Lattice simulations are used to estimate expected share payout based on Ameren's total stockholder return for a three-year performance period relative to the designated peer group beginning January 1, 2014. The simulations can produce a greater fair value for the share unit than the applicable closing common share price because they include the weighted payout scenarios in which an increase in the share price has occurred. The significant assumptions used to calculate fair value also included a three-year risk-free rate of 0.78%, volatility of 12% to 18% for the peer group, and Ameren's attainment of a three-year average earnings per share threshold during the performance period.

#### Intangible Assets

Ameren and Ameren Missouri classify renewable energy credits and emission allowances as intangible assets.

Ameren Illinois consumes renewable energy credits as they are purchased through the IPA procurement process and expenses them immediately. Ameren Missouri's emission allowances are allocated by the EPA and therefore are recorded at zero cost. We evaluate intangible assets for impairment if events or changes in circumstances indicate that their carrying amount might be impaired.

At September 30, 2014, Ameren's and Ameren Missouri's intangible assets consisted of renewable energy credits obtained through wind and solar power purchase agreements. The book values of both Ameren's and Ameren Missouri's renewable energy credits were \$20 million and \$22 million at September 30, 2014 and December 31, 2013, respectively.

Ameren Missouri's and Ameren Illinois' renewable energy credits and Ameren Missouri's emission allowances are charged to "Purchased power" expense and "Fuel" expense, respectively, as they are used in operations. The following table presents amortization expense based on usage of renewable energy credits and emission allowances, net of gains from sales, for Ameren, Ameren Missouri and Ameren Illinois, during the three and nine months ended September 30, 2014, and 2013:

	Three Months		Nine Months	
	2014	2013	2014	2013
Ameren Missouri	\$ 1	\$ —	\$ 7	\$ (a)
Ameren Illinois	1	2	7	9
Ameren	\$ 2	\$ 2	\$ 14	\$ 9

(a) Less than \$1 million.

#### Excise Taxes

Excise taxes levied on us are reflected on Ameren Missouri electric customer bills and on Ameren Missouri and Ameren Illinois natural gas customer bills. They are recorded gross in "Operating Revenues - Electric," "Operating Revenues - Gas" and "Operating Expenses - Taxes other than income taxes" on

the statement of income or the statement of income and comprehensive income. Excise taxes reflected on Ameren Illinois electric customer bills are imposed on the customer and are therefore not included in revenues and expenses. They are included in "Taxes accrued" on the balance sheet. The following table presents excise taxes recorded in "Operating Revenues - Electric," "Operating Revenues - Gas" and "Operating Expenses - Taxes other than income taxes" for the three and nine months ended September 30, 2014, and 2013:

	Three Months		Nine Months	
	2014	2013	2014	2013
Ameren Missouri	\$47	\$49	\$120	\$120
Ameren Illinois	9	10	46	43
Ameren	\$56	\$59	\$166	\$163

#### Uncertain Tax Positions

With the adoption of new accounting guidance in the first quarter of 2014, unrecognized tax benefits are recorded as a reduction to the deferred tax assets for net operating losses and tax credit carryforwards within "Accumulated deferred income taxes, net" on our balance sheets. Unrecognized tax benefits that exceed these carryforwards are recorded in

“Other deferred credits and liabilities” on our balance sheets. At September 30, 2014, unrecognized tax benefits of \$89 million, \$13 million, and \$2 million were recorded in “Accumulated deferred income taxes, net” on Ameren's, Ameren Missouri's and Ameren Illinois' balance sheets, respectively. At December 31, 2013, unrecognized tax benefits of \$84 million, \$15 million, and \$- million previously recorded in “Other deferred credits and liabilities” on Ameren's, Ameren Missouri's and Ameren Illinois' respective balance sheets were reclassified to “Accumulated deferred income taxes, net” for comparative purposes. For additional information see the Accounting and Reporting Developments section below. The following table presents the total amount of reserves for unrecognized tax benefits (detriments) related to uncertain tax positions as of September 30, 2014, and December 31, 2013:

	September 30, 2014	December 31, 2013
Ameren	\$97	\$90
Ameren Missouri	35	31
Ameren Illinois	1	(1 )

The following table presents the amount of reserves for unrecognized tax benefits, included in the table above, related to uncertain tax positions that would impact results of operations, if recognized, as of September 30, 2014, and December 31, 2013:

	September 30, 2014	December 31, 2013
Ameren	\$55	\$54
Ameren Missouri	3	3
Ameren Illinois	—	—

In October 2014, a settlement was reached with the Appeals Office of the IRS for the years 2007 through 2010. During the

fourth quarter of 2014, this settlement, which is primarily related to uncertain tax positions associated with the timing of research tax deductions, will result in a decrease in Ameren's uncertain tax benefits of \$16 million, of which \$9 million is related to Ameren Missouri. This settlement will not have a material impact on Ameren's or Ameren Missouri's results of operations or liquidity.

Ameren's federal income tax returns for the years 2011 and 2012 are before the Appeals Office of the IRS. It is reasonably possible that a settlement will be reached with the Appeals Office of the IRS in the next 12 months for the years 2011 and 2012. The potential settlement, which would primarily relate to uncertain tax positions associated with the timing of research tax deductions, is expected to result in a decrease in Ameren's uncertain tax benefits of \$6 million, all of which relates to Ameren Missouri and none of which will have a material impact on their respective results of operations or liquidity.

Ameren's federal income tax return for the year 2013 is currently under examination by the IRS and it is reasonably possible that a settlement will be reached with the IRS examination team in the next 12 months for that year. The potential settlement, which would relate to the timing of research tax deductions and the tax basis of certain leases related to the divestiture of the merchant generation business, is expected to result in a decrease in Ameren's uncertain tax benefits of \$73 million, of which \$17 million relates to Ameren Missouri and \$1 million relates to Ameren Illinois. Although we are unable to estimate the impact of any potential settlement at this time, up to \$55 million of the Ameren total could increase net income from

Ameren's discontinued operations. Settlement of the remaining \$18 million of uncertain tax positions at Ameren, as well as those positions at Ameren Missouri and Ameren Illinois, are associated with the timing of deductions and will not have a material impact on our results of operations.

In addition, it is reasonably possible that other events will occur during the next 12 months that would cause the total amount of our unrecognized tax benefits to fluctuate. However, other than as described above, we do not believe any such fluctuations would be material to our results of operations, financial position, or liquidity.

State income tax returns are generally subject to examination for a period of three years after filing of the return. We do not currently have material state income tax issues under examination, administrative appeals, or litigation. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states.

#### Asset Retirement Obligations

AROs at Ameren, Ameren Missouri and Ameren Illinois increased at September 30, 2014, compared to December 31, 2013, to reflect the accretion of obligations to their fair value and an additional ARO at Ameren and Ameren Missouri of \$2 million related to the retirement costs for a CCR storage facility, partially offset by immaterial settlements.

#### Noncontrolling Interests

As of September 30, 2014, Ameren's noncontrolling interests were composed of the preferred stock not subject to mandatory redemption of Ameren Missouri and Ameren Illinois. All noncontrolling interests are classified as a component of equity separate from Ameren's equity on its consolidated balance sheet. A reconciliation of the equity changes attributable to the noncontrolling interests at Ameren for the three and nine months ended September 30, 2014, and 2013, are shown below:

	Three Months		Nine Months		
	2014	2013	2014	2013	
Noncontrolling interests, beginning of period	\$ 142	\$ 151	(a) \$ 142	\$ 151	(a)
Net income from continuing operations attributable to noncontrolling interests	2	2	5	5	
Dividends paid to noncontrolling interest holders	(2	) (2	) (5	) (5	)
Noncontrolling interests, end of period	\$ 142	\$ 151	(a) \$ 142	\$ 151	(a)

(a)Included the 20% EEI ownership interest not owned by Ameren prior to the divestiture of New AER to IPH. Prior to the divestiture of New AER, the assets and liabilities of EEI were consolidated in Ameren's balance sheet at a 100% ownership level and were included in "Assets of discontinued operations" and "Liabilities of discontinued

operations,” respectively. The divestiture of New AER, which included EEI, was completed in the fourth quarter of 2013. See Note 12 - Divestiture Transactions and Discontinued Operations for additional information.

Accounting and Reporting Developments

The following is a summary of recently adopted or issued authoritative accounting guidance relevant to the Ameren Companies.

Presentation of an Unrecognized Tax Benefit

In July 2013, FASB issued additional authoritative accounting guidance to provide clarity for the financial statement presentation of an unrecognized tax benefit when a net operating

loss carryforward, a similar tax loss, or a tax credit carryforward exists. The objective of this guidance is to eliminate diversity in practice related to the presentation of certain unrecognized tax benefits. It requires entities to present an unrecognized tax benefit as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward to the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is available under the tax law. This guidance was effective for the Ameren Companies beginning in

the first quarter of 2014. Previously, unrecognized tax benefits were recorded in “Other deferred credits and liabilities” on Ameren's, Ameren Missouri's and Ameren Illinois' respective balance sheets. Beginning in the first quarter 2014, unrecognized tax benefits are recorded as a reduction to the deferred tax assets for net operating losses and tax credit carryforwards within “Accumulated deferred income taxes, net” on our balance sheets. Unrecognized tax benefits that exceed these carryforwards are recorded in “Other deferred credits and liabilities,” on the respective balance sheets. For comparative purposes, the Ameren Companies reclassified the December 31, 2013 balances in accordance with the new guidance as discussed in the Uncertain Tax Positions section above. The implementation of the additional authoritative accounting guidance did not affect the Ameren Companies' results of operations or liquidity, as this guidance is presentation-related only.

#### Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity

In April 2014, FASB issued authoritative accounting guidance that changes the criteria for reporting and qualifying for discontinued operations. Under the new guidance, a component of an entity, or a group of components of an entity, that either meets the criteria to be classified as held for sale or is disposed of by sale or otherwise, is required to be reported in discontinued operations if the disposal represents a strategic shift that has or will have a major effect on an entity's operations and financial results. The guidance includes expanded disclosure requirements for discontinued operations and additional disclosures about a disposal of an individually significant component of an entity that does not qualify for discontinued operations presentation. The guidance will be effective for the Ameren Companies in the first quarter of 2015 for components that are classified as held for sale or disposed of on or after January 1, 2015. Early adoption is permitted, but only for disposals or classifications as held for sale that have not been reported in financial statements previously issued. Therefore, Ameren's existing discontinued operations would not be subject to the new disclosure requirements. The guidance will not affect the Ameren Companies' results of operations, financial position, or liquidity, as this guidance is presentation-related only.

#### Revenue from Contracts with Customers

In May 2014, FASB issued authoritative accounting guidance to clarify the principles for recognizing revenue and to develop a common revenue standard for GAAP. The guidance requires an entity to recognize an amount of revenue for the transfer of promised goods or services to customers that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires additional disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The guidance will be effective for the Ameren Companies in the first quarter of 2017. The Ameren Companies are currently assessing the impacts of this guidance.

#### NOTE 2 - RATE AND REGULATORY MATTERS

Below is a summary of updates to significant regulatory proceedings and related lawsuits. See also Note 2 - Rate and Regulatory Matters under Part II, Item 8, of the Form 10-K. We are unable to predict the ultimate outcome of these matters, the timing of the final decisions of the various agencies and courts, or the impact on our results of operations, financial position, or liquidity.

##### Missouri

#### Rate Shift Complaint and Earnings Complaint Cases

In February 2014, Noranda and 37 residential customers filed a rate shift complaint case and an earnings complaint case with the MoPSC.

On August 20, 2014, the MoPSC issued an order that rejected Noranda's and the residential customers' request in the rate shift complaint case. On September 12, 2014, Noranda, the MoOPC, the MIEC, and other parties filed a rehearing request, which was subsequently denied by the MoPSC.

In the earnings complaint case, Noranda and the residential customers asserted that Ameren Missouri's electric service business is earning more than the 9.8% return on common equity authorized in the MoPSC's December 2012 electric rate order. The MoOPC, the MIEC, and other parties, participated in the earnings complaint case. On October 1, 2014, the MoPSC issued an order that rejected Noranda's and the residential customers' request in the earnings complaint case. On October 30, 2014, Noranda, the MoOPC, the MIEC, and other parties filed a rehearing request, which was subsequently denied by the MoPSC.

#### 2014 Electric Rate Case

In July 2014, Ameren Missouri filed a request with the MoPSC seeking approval to increase its annual revenues for electric service by \$264 million. The rate request seeks recovery of increased net energy costs and rebates provided for customer-installed solar generation, as well as recovery of, and a return on, additional electric infrastructure investments made for the benefit of Ameren Missouri's customers. Plant additions to rate base since the last electric rate order are expected to total approximately \$1.4 billion through the true-up date in this rate case and include electric infrastructure investments for upgrades to the electrostatic precipitators at the coal-fired Labadie energy center, the replacement of the nuclear reactor vessel head at the Callaway energy center, two new substations in St. Louis, and the O'Fallon solar energy center, among other additions. Approximately \$127 million of the request relates to an increase in net energy costs above the current levels included in base rates previously authorized by the MoPSC in its December 2012 electric rate order, 95% of which, absent initiation of this general rate proceeding, would have been reflected in rate adjustments implemented under Ameren Missouri's existing FAC. The electric rate increase request is based on a 10.4% return on common equity, a capital structure composed of 51.6% common equity, an



electric rate base for Ameren Missouri of \$7.3 billion, and a test year ended March 31, 2014, with certain pro-forma adjustments expected through the true-up date of December 31, 2014.

As a part of its filing, Ameren Missouri also requested continued use of the FAC and the regulatory tracking mechanisms for storm costs, vegetation management/ infrastructure inspection costs, pension and postretirement benefits, and uncertain income tax positions that the MoPSC previously authorized in earlier electric rate orders. The MoPSC proceeding relating to the proposed electric service rate increase will take place over a period of up to 11 months and a decision by the MoPSC in such proceeding is expected by May 2015, with rates effective by June 2015. Ameren Missouri cannot predict the level of any electric service rate change the MoPSC may approve, when any rate change may go into effect, or whether any rate increase that may eventually be approved will be sufficient for Ameren Missouri to recover its costs and earn a reasonable return on its investments when the increase goes into effect. In October 2014, as part of this rate case proceeding, the MoOPC, the MIEC, and other parties, filed a rate shift request that seeks to reduce Noranda's electric rates with an offsetting increase in electric rates for Ameren Missouri's other customers. Ameren Missouri supplies electricity to Noranda's aluminum smelter in southeast Missouri under a 15-year agreement, that is subject to termination as early as 2020 upon at least five years notice given by either party. Termination of the agreement by Ameren Missouri would require MoPSC approval.

#### Accounting Authority Order

In July 2011, Ameren Missouri filed a request with the MoPSC for an accounting authority order that would allow Ameren Missouri to defer fixed costs totaling \$36 million that were not previously recovered from Noranda as a result of the loss of load caused by the severe 2009 ice storm for potential recovery in a future electric rate case. In November 2013, the MoPSC issued an accounting authority order that allowed Ameren Missouri to seek recovery of these fixed costs in an electric rate case. Ameren Missouri's July 2014 electric rate case filing requested recovery of these fixed costs over five years. In February 2014, the MIEC and the MoOPC filed appeals of the MoPSC's November 2013 accounting authority order with the Missouri Court of Appeals, Western District. Ameren Missouri has not recorded any potential revenue associated with this accounting authority order.

#### Illinois

##### IEIMA

Under the provisions of the IEIMA, Ameren Illinois' electric delivery service rates are subject to an annual revenue requirement reconciliation to its actual costs. Throughout each year, Ameren Illinois records a regulatory asset or a regulatory liability and a corresponding increase or decrease to operating revenues for any differences between the revenue requirement in

effect for customer billings for that year and its estimate of the probable increase or decrease in the revenue requirement expected to ultimately be approved by the ICC based on that year's actual costs incurred. As of September 30, 2014, Ameren Illinois had recorded regulatory assets of \$76 million and \$64 million, respectively, to reflect its expected 2014 and 2013 revenue requirement reconciliation adjustments, with interest. As of September 30, 2014, Ameren Illinois had recorded a regulatory liability of \$13 million to reflect its 2012 revenue requirement reconciliation adjustment, with interest, which is being refunded to customers during 2014.

In December 2013, the ICC issued an order in Ameren Illinois' annual formula rate update filing, which was based on 2012 recoverable costs and expected net plant additions for 2013. The ICC order established rates for 2014. In February 2014, Ameren Illinois filed an appeal to the Appellate Court of the Fourth District of Illinois regarding the rate treatment of accumulated deferred income taxes related to the transfer of former Ameren Missouri electric assets located in Illinois to Ameren Illinois.

In April 2014, Ameren Illinois filed with the ICC its annual electric delivery service formula rate update to establish the revenue requirement used to set rates for 2015. Pending ICC approval, Ameren Illinois' update filing, as revised in July 2014, will result in a \$205 million increase in Ameren Illinois' electric delivery service revenue requirement beginning in January 2015. This update reflects an increase to the annual formula rate based on 2013 actual costs and expected net plant additions for 2014, an increase to include the annual reconciliation of the revenue requirement in effect for 2013 to the actual costs incurred in that year, and an increase resulting from the conclusion of a refund to customers in 2014 for the 2012 revenue requirement reconciliation. In August 2014, the ICC staff submitted its

revised calculation of the revenue requirement. The ICC staff recommended a \$205 million increase in Ameren Illinois' electric delivery service revenue requirement. Other intervenors requested an electric delivery service revenue requirement up to \$7 million lower than the revenue requirement recommended by the ICC staff. In October 2014, the administrative law judges issued a proposed order that reflected an increase to Ameren Illinois' electric delivery service revenue requirement of \$204 million. A final ICC decision on this April 2014 filing is expected by December 2014.

#### 2013 Natural Gas Delivery Service Rate Case

In December 2013, the ICC issued a rate order that approved an increase in revenues for natural gas delivery service of \$32 million. The revenue increase was based on a 9.1% return on common equity, a capital structure composed of 51.7% common equity, and a rate base of \$1.1 billion. The rate order was based on a 2014 future test year. The rate changes became effective January 1, 2014. In March 2014, Ameren Illinois filed an appeal of the allowed return on common equity included in the ICC's order and also appealed the rate treatment of accumulated deferred income taxes related to the transfer of former Ameren Missouri natural gas assets located in Illinois to Ameren Illinois

with the Appellate Court of the Fourth District of Illinois. Ameren Illinois sought a 10.4% return on common equity in this rate case.

#### ATXI Transmission Project

The Spoon River project in northwest Illinois is a MISO-approved transmission line project. In August 2014, ATXI made a filing with the ICC requesting a certificate of public convenience and necessity and project approval for the Spoon River project. A decision is expected from the ICC in 2015. A certificate of public convenience and necessity is required before ATXI can proceed with right-of-way acquisition.

#### Federal

##### 2011 Wholesale Distribution Rate Case

In January 2011, Ameren Illinois filed a request with FERC to increase its annual revenues for electric delivery service for its wholesale customers. These wholesale distribution revenues are treated as a deduction from Ameren Illinois' revenue requirement in retail rate filings with the ICC with no material impact on net income. In March 2011, FERC issued an order authorizing the proposed rates to take effect, subject to refund when the final rates are determined. In November 2012, a FERC administrative law judge issued an initial decision finding that refunds were due to the wholesale customers. In September 2014, FERC issued an order affirming certain findings in the initial decision. Ameren and Ameren Illinois recognized in "Current regulatory liabilities" an estimate of \$24 million and \$13 million as of September 30, 2014, and December 31, 2013, respectively, for the refund due to the wholesale customers relating to billings since March 2011. In October 2014, Ameren Illinois refunded \$24 million, including interest, to the wholesale customers and requested a rehearing on certain aspects of the order.

##### Ameren Illinois Electric Transmission Rate Refund

In July 2012, FERC issued an order concluding that Ameren Illinois improperly included acquisition premiums, including goodwill, in determining the common equity used in its electric transmission formula rate, and thereby inappropriately recovered a higher amount from its electric transmission customers. The order required Ameren Illinois to make refunds to customers for such improperly included amounts. In August 2012, Ameren Illinois filed a request for a rehearing of this order.

Ameren Illinois submitted a refund report in November 2012 and concluded that no refund was warranted. Several wholesale customers filed a protest with FERC regarding Ameren Illinois' conclusion that no refund was warranted. In June 2013, FERC issued an order that rejected Ameren Illinois' November 2012 refund report and provided guidance as to the filing of a new refund report. In July 2013, Ameren Illinois filed a revised refund report based on the guidance provided in the June 2013 order, as well as a request for a rehearing of that order. Ameren Illinois' July 2013 refund report also concluded that no refund was warranted.

In June 2014, FERC issued an order that denied Ameren Illinois' rehearing requests of the July 2012 order and the June 2013 order. Separately, in June 2014, FERC issued an order that established hearing and settlement procedures for Ameren Illinois' July 2013 refund report. In July 2014, Ameren Illinois filed an appeal of FERC's orders denying rehearing of the July 2012 and June 2013 orders with the United States Court of Appeals for the District of Columbia Circuit. Also in July 2014, Ameren Illinois separately filed a request for rehearing with FERC of its June 2014 order regarding the July 2013 refund report.

Ameren Illinois estimates the maximum pretax charge to earnings for this possible refund obligation through December 31, 2014, would be \$19 million, before interest charges. For the nine months ended September 30, 2014, Ameren and Ameren Illinois recorded a \$4 million reduction to "Operating Revenues - Electric" with a corresponding increase to "Current regulatory liabilities" for its estimate of the refund due to electric transmission customers based on the June 2014 order. If Ameren Illinois were to determine that a refund to its electric transmission customers in excess of the amount already recorded is probable, an additional charge to earnings would be recorded in the period in which that determination is made.

##### FERC Complaint Case

In November 2013, a customer group filed a complaint case with FERC seeking a reduction in the allowed base return on common equity for FERC-regulated MISO transmission rate base to 9.15%, as well as a limit on the common equity ratio, under the MISO tariff. Currently, the FERC-allowed base return on common equity for MISO

transmission owners is 12.38%. In October 2014, FERC issued an order establishing settlement procedures and, if necessary, hearing procedures regarding the allowed base return on common equity and denied all other aspects of the MISO complaint case. This complaint case could result in a reduction to Ameren Illinois' and ATXI's allowed base return on common equity, which would result in a refund for transmission service revenues earned from the refund effective date of November 12, 2013.

In October 2014, FERC issued an order, which confirmed its June 2014 order, reducing the allowed base return on common equity for New England transmission owners from 11.14% to 10.57%, with rate incentives allowed up to 11.74%. The FERC orders in the New England transmission owners' case applied observable market data from October 2012 to March 2013 to determine the allowed base return on common equity. FERC expects the evidence and the calculation used in the New England transmission owners' case to guide its decision in the MISO complaint case. The calculation FERC will use to establish the allowed base return on common equity, which is based on a unique time period for each complaint case, will require multiple inputs based on observable market data specific to the utility industry and broader macroeconomic data. The unique time period of observable market data for the MISO complaint case has not been established by FERC. Due to the wide range of potential outcomes and significant uncertainty regarding the value of inputs required in FERC's calculation, the Ameren

Companies cannot reasonably estimate the impact, if any, that a resolution in the MISO complaint case could have on their allowed base return on common equity.

On November 6, 2014, we filed a request with FERC to include an incentive adder of up to 50 basis points for participation in an RTO on the allowed base return on common equity. The filing requests a November 7, 2014 effective date and seeks authorization to defer collection of the incentive adder until after the issuance of the final order addressing the pending MISO complaint case discussed above. FERC is required to issue an order within 60 days of our filing.

If MISO's allowed base return on common equity was lowered to 10.57%, as established in the New England transmission owners' case, with no additional rate incentives, the required refund for Ameren and Ameren Illinois would be \$14 million and \$11 million, respectively, from the refund effective date of November 12, 2013 through September 30, 2014. The estimated annual reduction in revenues if the MISO return on common equity was 10.57% for Ameren and Ameren Illinois would be \$16 million and \$12 million, respectively. Ameren Missouri would not expect that a reduction in the FERC-allowed base return on common equity for MISO transmission owners would be material to its results of operations, financial position or liquidity. If Ameren and Ameren Illinois were to determine that a refund to their electric transmission customers could be reasonably estimated, a charge to earnings would be recorded for the refund in the period in which that determination is made.

#### Ameren Missouri Power Purchase Agreement with Entergy

Beginning in 2005, FERC issued a series of orders addressing a complaint filed in 2001 by the Louisiana Public Service Commission against Entergy and certain of its affiliates. The complaint alleged unjust and unreasonable cost allocations. As a result of the FERC orders, Entergy began billing Ameren Missouri in 2007 for additional charges under a 165-megawatt power purchase agreement, which expired August 31, 2009. In May 2012, FERC issued an order stating that Entergy should not have included additional charges to Ameren Missouri under the power purchase agreement. Pursuant to the order, in June 2012, Entergy paid Ameren Missouri \$31 million. In July 2012, Entergy filed an appeal of FERC's May 2012 order to the United States Court of Appeals for the District of Columbia Circuit, which was subsequently dismissed on a procedural issue. In November

2013, Entergy refiled the appeal of FERC's May 2012 order with the United States Court of Appeals for the District of Columbia Circuit. Ameren is not able to predict when or how the court will rule on Entergy's appeal.

The Louisiana Public Service Commission appealed FERC's orders regarding Louisiana Public Service Commission's complaint against Entergy Services, Inc. to the United States Court of Appeals for the District of Columbia Circuit. In April 2008, that court ordered further FERC proceedings regarding Louisiana Public Service Commission's complaint. The court ordered FERC to explain its previous denial of retroactive refunds and the implementation of prospective charges. Ameren Missouri is unable to predict when or how FERC will respond to the court's decisions. Ameren Missouri estimates that it could incur an additional expense of up to \$25 million if FERC orders retroactive application for the years 2001 to 2005. Ameren Missouri believes that the likelihood of incurring an expense is not probable, and therefore no liability has been recorded as of September 30, 2014.

#### Combined Construction and Operating License

In 2008, Ameren Missouri filed an application with the NRC for a COL for a new nuclear unit at Ameren Missouri's existing Callaway County, Missouri, energy center site. In 2009, Ameren Missouri suspended its efforts to build a new nuclear unit at its existing Missouri nuclear energy center site, and the NRC suspended review of the COL application. Ameren Missouri estimated the total cost required to obtain a small modular reactor COL to be \$80 million to \$120 million. As of September 30, 2014, Ameren Missouri had capitalized investments of \$69 million for the development of a new nuclear energy center. Ameren Missouri is currently evaluating all potential nuclear technologies in order to maintain an option for nuclear power in the future.

All of Ameren Missouri's capitalized investments for the development of a new nuclear energy center will remain capitalized while management pursues options to maximize the value of its investment. If efforts to license additional nuclear generation are abandoned or management concludes it is probable that the costs incurred will be disallowed in rates, a charge to earnings would be recognized in the period in which that determination is made.

**NOTE 3 - SHORT-TERM DEBT AND LIQUIDITY**

The liquidity needs of the Ameren Companies are typically supported through the use of available cash, drawings under committed credit agreements, commercial paper issuances, or, in the case of Ameren Missouri and Ameren Illinois, short-term intercompany borrowings.

The 2012 Missouri Credit Agreement and the 2012 Illinois Credit Agreement, both of which expire on November 14, 2017, were not utilized for direct borrowings during the nine months ended September 30, 2014, but they were used to support commercial paper issuances and to issue letters of credit. Based on letters of credit issued under the 2012 Credit Agreements, as well as commercial paper outstanding, the aggregate amount of credit capacity available to Ameren (parent), Ameren Missouri and Ameren Illinois, collectively, at September 30, 2014, was \$1.3 billion.

## Commercial Paper

The following table presents commercial paper outstanding at Ameren (parent), Ameren Missouri and Ameren Illinois as of September 30, 2014, and December 31, 2013. Ameren Illinois established a commercial paper program in May 2014.

	September 30, 2014	December 31, 2013
Ameren (parent)	\$499	\$368
Ameren Missouri	65	—
Ameren Illinois	189	—
Ameren Consolidated	\$753	\$368

The following table summarizes the commercial paper activity and relevant interest rates under Ameren's (parent), Ameren Missouri's and Ameren Illinois' commercial paper programs for the nine months ended September 30, 2014, and 2013:

	Ameren (parent)	Ameren Missouri	Ameren Illinois	Ameren Consolidated	
2014					
Average daily commercial paper outstanding	\$386	\$141	\$157	\$609	
Weighted-average interest rate	0.36	% 0.38	% 0.31	% 0.35	%
Peak commercial paper during period <sup>(a)</sup>	\$531	\$495	\$300	\$907	
Peak interest rate	0.75	% 0.70	% 0.34	% 0.75	%
2013					
Average daily commercial paper outstanding	\$26	\$—	\$—	\$26	
Weighted-average interest rate	0.52	% —	% —	% 0.52	%
Peak commercial paper during period <sup>(a)</sup>	\$92	\$—	\$—	\$92	
Peak interest rate	0.85	% —	% —	% 0.85	%

<sup>(a)</sup> The timing of peak commercial paper issuances varies by company, and therefore the peak amounts presented by company might not equal the Ameren Consolidated peak commercial paper issuances for the period.

## Indebtedness Provisions and Other Covenants

The information below is a summary of the Ameren Companies' compliance with indebtedness provisions and other covenants within the 2012 Credit Agreements. See Note 4 – Short-term Debt and Liquidity under Part II, Item 8, in the Form 10-K for a detailed description of these provisions.

The 2012 Credit Agreements contain nonfinancial covenants, including restrictions on the ability to incur liens, to transact with affiliates, to dispose of assets, to make investments in or transfer assets to its affiliates, and to merge with other entities. The 2012 Credit Agreements require each of Ameren, Ameren Missouri and Ameren Illinois to maintain consolidated indebtedness of not more than 65% of its consolidated total capitalization pursuant to a defined calculation set forth in the agreements. As of September 30, 2014, the ratios of consolidated indebtedness to total consolidated capitalization, calculated in accordance with the provisions of the 2012 Credit Agreements, were 49%, 48% and 46%, for Ameren, Ameren Missouri and Ameren Illinois, respectively. In addition, under the 2012 Illinois Credit Agreement and by virtue of the cross-default provisions of the 2012 Missouri Credit Agreement, Ameren is required to maintain a ratio of consolidated funds from operations plus interest expense to consolidated interest expense of at least 2.0 to 1.0, to be calculated quarterly, as of the end of the most recent four fiscal quarters then ending, in accordance with the 2012 Illinois Credit Agreement. Ameren's ratio as of September 30, 2014, was 6.1 to 1.0. Failure of a borrower to satisfy a financial covenant constitutes an immediate default under the applicable

2012 Credit Agreement. The calculation of Ameren's ratios discussed above includes both continuing and discontinued operations.

None of the Ameren Companies' credit agreements or financing arrangements contain credit rating triggers that would cause a default or acceleration of repayment of outstanding balances. The Ameren Companies were in compliance with the provisions and covenants of their credit agreements at September 30, 2014.

## Money Pools

Ameren (parent) has money pool agreements with and among its subsidiaries to coordinate and provide for certain short-term cash and working capital requirements. Ameren Services is responsible for the operation and administration of the money pool agreements.

Ameren Missouri, Ameren Illinois and Ameren Services may participate in the utility money pool as both lenders and borrowers. Ameren (parent) may participate in the utility money pool only as a lender. Surplus internal funds are contributed to the utility money pool from participants. The primary sources of external funds for the utility money pool are the 2012 Credit Agreements and the commercial paper programs. The total amount available to the pool participants from the utility money pool at any given time is reduced by the amount of borrowings made by participants, but is increased to the extent that the pool participants advance surplus funds to the utility money pool or remit funds from other external sources. The availability of funds is also determined by funding requirement limits established by



regulatory authorizations. Participants receiving a loan under the utility money pool agreement must repay the principal amount of such loan, together with accrued interest. The rate of interest depends on the composition of internal and external funds in the utility money pool. The average interest rate for borrowing under the utility money pool for the three and nine months ended September 30, 2014, was 0.10% and 0.23%, respectively (2013 -

0.05% and 0.08%, respectively).

See Note 8 - Related Party Transactions for the amount of interest income and expense from the money pool arrangements recorded by the Ameren Companies for the three and nine months ended September 30, 2014, and 2013.

#### NOTE 4 - LONG-TERM DEBT

Ameren (parent)

In May 2014, Ameren (parent) repaid at maturity \$425 million of its 8.875% senior unsecured notes due May 15, 2014, plus accrued interest. The notes were repaid with proceeds from commercial paper issuances.

Ameren Missouri

In April 2014, Ameren Missouri issued \$350 million of 3.50% senior secured notes due April 15, 2024, with interest payable semiannually on April 15 and October 15 of each year, beginning October 15, 2014. Ameren Missouri received proceeds of \$348 million, which were used to repay at maturity \$104 million of its 5.50% senior secured notes due May 15, 2014 and to repay a portion of its short-term debt.

Ameren Illinois

In January 2014, Ameren Illinois redeemed the following environmental improvement and pollution control revenue bonds at par value plus accrued interest:

Environmental improvement and pollution control revenue bonds	Principal Amount
5.90% Series 1993 due 2023 <sup>(a)</sup>	\$32
5.70% 1994A Series due 2024 <sup>(a)</sup>	36
5.95% 1993 Series C-1 due 2026	35
5.70% 1993 Series C-2 due 2026	8
5.40% 1998A Series due 2028	19
5.40% 1998B Series due 2028	33
Total amount redeemed	\$163

(a) Less than \$1 million principal amount of the bonds remain outstanding after redemption.

In June 2014, Ameren Illinois issued \$250 million of 4.30% senior secured notes due July 1, 2044, with interest payable semiannually on January 1 and July 1 of each year, beginning January 1, 2015. Ameren Illinois received proceeds of \$246 million, which were used to repay a portion of its short-term debt.

Indenture Provisions and Other Covenants

Ameren Missouri's and Ameren Illinois' indentures and articles of incorporation include covenants and provisions related to issuances of first mortgage bonds and preferred stock. Ameren Missouri and Ameren Illinois are required to meet certain ratios to issue additional first mortgage bonds and preferred stock. A failure to achieve these ratios would not result in a default under these covenants and provisions, but would restrict the companies' ability to issue bonds or preferred stock. The following table summarizes the required and actual interest coverage ratios for interest charges and dividend coverage ratios and bonds and preferred stock issuable as of September 30, 2014, at an assumed annual interest rate of 5% and dividend rate of 6%.

	Required Interest Coverage Ratio <sup>(a)</sup>	Actual Interest Coverage Ratio	Bonds Issuable <sup>(b)</sup>	Required Dividend Coverage Ratio <sup>(c)</sup>	Actual Dividend Coverage Ratio	Preferred Stock Issuable
Ameren Missouri	≥2.0	4.6	\$3,304	≥2.5	126.3	\$2,823
Ameren Illinois	≥2.0	6.7	3,636	<sup>(d)</sup> ≥1.5	2.4	203 <sup>(e)</sup>

(a) Coverage required on the annual interest charges on first mortgage bonds outstanding and to be issued. Coverage is not required in certain cases when additional first mortgage bonds are issued on the basis of retired bonds.

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- Amount of bonds issuable based either on required coverage ratios or unfunded property additions, whichever is
- (b) more restrictive. The amounts shown also include bonds issuable based on retired bond capacity of \$833 million and \$204 million at Ameren Missouri and Ameren Illinois, respectively.
  - (c) Coverage required on the annual dividend on preferred stock outstanding and to be issued, as required in the respective company's articles of incorporation.
  - (d) Amount of bonds issuable by Ameren Illinois based on unfunded property additions and retired bonds solely under the former IP mortgage indenture.
  - (e) Preferred stock issuable is restricted by the amount of preferred stock that is currently authorized by Ameren Illinois' articles of incorporation.

Ameren Missouri and Ameren Illinois and certain other Ameren subsidiaries are subject to Section 305(a) of the Federal Power Act, which makes it unlawful for any officer or director of a public utility, as defined in the Federal Power Act, to participate in the making or paying of any dividend from any funds “properly included in capital account.” FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividends are not excessive, and (3) there is no self-dealing on the part of corporate officials. At a minimum, Ameren believes that dividends can be paid by its subsidiaries that are public utilities from net income and retained earnings. In addition, under Illinois law, Ameren Illinois may not pay any dividend on its stock, unless, among other things, its earnings and earned surplus are sufficient to declare and pay a dividend after provision is made for reasonable and proper reserves, or unless Ameren Illinois has specific authorization from the ICC.

Ameren Illinois’ articles of incorporation require dividend payments on its common stock to be based on ratios of common stock to total capitalization and other provisions related to certain

operating expenses and accumulations of earned surplus. Ameren Illinois committed to FERC to maintain a minimum 30% equity capital structure. As of September 30, 2014, Ameren Illinois had a 54% equity capital structure.

In order for the Ameren Companies to issue securities in the future, they will have to comply with all applicable requirements in effect at the time of any such issuances.

#### Off-Balance-Sheet Arrangements

At September 30, 2014, none of the Ameren Companies had any off-balance-sheet financing arrangements, other than operating leases entered into in the ordinary course of business. None of the Ameren Companies expect to engage in any significant off-balance-sheet financing arrangements in the near future. See Note 12 - Divestiture Transactions and Discontinued Operations for Ameren (parent) guarantees and letters of credit issued to support New AER based on the transaction agreement with IPH.

## NOTE 5 - OTHER INCOME AND EXPENSES

The following table presents the components of “Other Income and Expenses” in the Ameren Companies’ statements of income for the three and nine months ended September 30, 2014, and 2013:

	Three Months		Nine Months	
	2014	2013	2014	2013
Ameren: <sup>(a)</sup>				
Miscellaneous income:				
Allowance for equity funds used during construction	\$ 10	\$ 10	\$ 26	\$ 26
Interest income on industrial development revenue bonds	6	7	20	21
Interest income	3	2	8	3
Other	2	1	6	1
Total miscellaneous income	\$ 21	\$ 20	\$ 60	\$ 51
Miscellaneous expense:				
Donations	\$ 3	\$ 2	\$ 9	\$ 7
Other	4	3	11	11
Total miscellaneous expense	\$ 7	\$ 5	\$ 20	\$ 18
Ameren Missouri:				
Miscellaneous income:				
Allowance for equity funds used during construction	\$ 9	\$ 8	\$ 24	\$ 22
Interest income on industrial development revenue bonds	6	7	20	21
Interest income	—	1	1	1
Total miscellaneous income	\$ 15	\$ 16	\$ 45	\$ 44
Miscellaneous expense:				
Donations	\$ 2	\$ —	\$ 5	\$ 3
Other	2	2	5	7
Total miscellaneous expense	\$ 4	\$ 2	\$ 10	\$ 10
Ameren Illinois:				
Miscellaneous income:				
Allowance for equity funds used during construction	\$ 1	\$ 2	\$ 2	\$ 4
Interest income	2	1	5	2
Other	1	1	5	1
Total miscellaneous income	\$ 4	\$ 4	\$ 12	\$ 7
Miscellaneous expense:				
Donations	\$ —	\$ —	\$ 3	\$ 3
Other	2	3	4	4
Total miscellaneous expense	\$ 2	\$ 3	\$ 7	\$ 7

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.

## NOTE 6 - DERIVATIVE FINANCIAL INSTRUMENTS

We use derivatives to manage the risk of changes in market prices for natural gas, diesel, power, and uranium. Such price fluctuations may cause the following:

- an unrealized appreciation or depreciation of our contracted commitments to purchase or sell when purchase or sale prices under the commitments are compared with current commodity prices;
- market values of natural gas and uranium inventories that differ from the cost of those commodities in inventory; and

actual cash outlays for the purchase of these commodities that differ from anticipated cash outlays.

The derivatives that we use to hedge these risks are governed by our risk management policies for forward contracts, futures, options, and swaps. Our net positions are continually assessed within our structured hedging programs to determine whether new or offsetting transactions are required. The goal of the hedging program is generally to mitigate financial risks while ensuring that sufficient volumes are available to meet our requirements. Contracts we enter into as part of our risk management program may be settled financially, settled by physical delivery, or net settled with the counterparty.

The following table presents open gross commodity contract volumes by commodity type for derivative assets and liabilities as of September 30, 2014, and December 31, 2013. As of September 30, 2014, these contracts ran through October 2017, October 2019, May 2032, and October 2016 for fuel oils, natural gas, power, and uranium, respectively.

Commodity	Quantity (in millions, except as indicated)					
	2014			2013		
	Ameren Missouri	Ameren Illinois	Ameren	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils (in gallons) <sup>(a)</sup>	52	(b)	52	66	(b)	66
Natural gas (in mmbtu)	23	102	125	28	108	136
Power (in megawatthours)	1	11	12	3	11	14
Uranium (pounds in thousands)	557	(b)	557	796	(b)	796

(a) Fuel oils consist of ultra-low-sulfur diesel, on-highway diesel, and crude oil.

(b) Not applicable.

Authoritative accounting guidance regarding derivative instruments requires that all contracts considered to be derivative instruments be recorded on the balance sheet at their fair values, unless the NPNS exception applies. See Note 7 - Fair Value Measurements for a discussion of our methods of assessing the fair value of derivative instruments. Many of our physical contracts, such as our purchased power contracts, qualify for the NPNS exception to derivative accounting rules. The revenue or expense on NPNS contracts is recognized at the contract price upon physical delivery.

If we determine that a contract meets the definition of a derivative and is not eligible for the NPNS exception, we review the contract to determine if it qualifies for hedge accounting. We also consider whether gains or losses resulting from such derivatives qualify for regulatory deferral. Derivative contracts that qualify for regulatory deferral are recorded at fair value, with changes in fair value recorded as regulatory assets or regulatory liabilities in the period in which the change occurs. We believe

derivative losses and gains deferred as regulatory assets and regulatory liabilities are probable of recovery or refund through future rates charged to customers. Regulatory assets and regulatory liabilities are amortized to operating income as related losses and gains are reflected in rates charged to customers. Therefore, gains and losses on these derivatives have no effect on operating income. As of September 30, 2014, and December 31, 2013, all contracts that qualify for hedge accounting received regulatory deferral.

Authoritative accounting guidance permits companies to offset fair value amounts recognized for the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a liability) against fair value amounts recognized for derivative instruments that are executed with the same counterparty under the same master netting arrangement. The Ameren Companies did not elect to adopt this guidance for any eligible commodity contracts.

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The following table presents the carrying value and balance sheet location of all derivative commodity contracts, none of which were designated as hedging instruments, as of September 30, 2014, and December 31, 2013:

	Balance Sheet Location	Ameren Missouri	Ameren Illinois	Ameren
2014				
Fuel oils	Other current assets	\$3	\$—	\$3
Natural gas	Other current assets	—	1	1
	Other assets	—	1	1
Power	Other current assets	10	—	10
	Other assets	1	—	1
	Total assets	\$14	\$2	\$16
Fuel oils	Other current liabilities	\$5	\$—	\$5
	Other deferred credits and liabilities	1	—	1
Natural gas	Other current liabilities	3	16	19
	Other deferred credits and liabilities	3	6	9
Power	Other current liabilities	6	8	14
	Other deferred credits and liabilities	—	116	116
Uranium	Other current liabilities	2	—	2
	Other deferred credits and liabilities	1	—	1
	Total liabilities	\$21	\$146	\$167
2013				
Fuel oils	Other current assets	\$6	\$—	\$6
	Other assets	3	—	3
Natural gas	Other current assets	1	1	2
Power	Other current assets	23	—	23
	Total assets	\$33	\$1	\$34
Fuel oils	Other current liabilities	\$2	\$—	\$2
	Other deferred credits and liabilities	1	—	1
Natural gas	Other current liabilities	5	27	32
	Other deferred credits and liabilities	6	19	25
Power	Other current liabilities	4	9	13
	Other deferred credits and liabilities	—	99	99
Uranium	Other current liabilities	5	—	5
	Other deferred credits and liabilities	1	—	1
	Total liabilities	\$24	\$154	\$178

The following table presents the cumulative amount of pretax net gains (losses) on all derivative instruments deferred as regulatory assets or regulatory liabilities as of September 30, 2014, and December 31, 2013:

	Ameren Missouri	Ameren Illinois	Ameren
2014			
Fuel oils derivative contracts <sup>(a)</sup>	\$(5	) \$—	\$(5 )
Natural gas derivative contracts <sup>(b)</sup>	(6	) (20	) (26 )
Power derivative contracts <sup>(c)</sup>	5	(124	) (119 )
Uranium derivative contracts <sup>(d)</sup>	(3	) —	(3 )
2013			
Fuel oils derivative contracts	\$2	\$—	\$2
Natural gas derivative contracts	(10	) (45	) (55 )
Power derivative contracts	19	(108	) (89 )

Uranium derivative contracts (6 ) — (6 )

Represents net losses associated with fuel oil derivative contracts at Ameren Missouri. These contracts are a partial (a) hedge of Ameren Missouri's transportation costs for coal through December 2017. Current losses deferred as regulatory assets include \$4 million and \$4 million at Ameren and Ameren Missouri, respectively.

Represents net losses associated with natural gas derivative contracts. These contracts are a partial hedge of natural gas requirements through October 2019 at Ameren and Ameren Missouri and through October 2018 at Ameren (b) Illinois. Current gains deferred as regulatory liabilities include \$1 million and \$1 million at Ameren and Ameren Illinois, respectively. Current losses deferred as regulatory assets include \$19 million, \$3 million, and \$16 million at Ameren, Ameren Missouri and Ameren Illinois, respectively.

Represents net gains (losses) associated with power derivative contracts. These contracts are a partial hedge of power price requirements through May 2032 at Ameren and Ameren Illinois and through December 2015 at (c) Ameren Missouri. Current gains deferred as regulatory liabilities include \$10 million and \$10 million at Ameren and Ameren Missouri. Current losses deferred as regulatory assets include \$14 million, \$6 million, and \$8 million at Ameren, Ameren Missouri and Ameren Illinois, respectively.

Represents net losses on uranium derivative contracts at Ameren Missouri. These contracts are a partial hedge of (d) Ameren Missouri's uranium requirements through December 2016. Current losses deferred as regulatory assets include \$2 million and \$2 million at Ameren and Ameren Missouri, respectively.



Derivative instruments are subject to various credit-related losses in the event of nonperformance by counterparties to the transaction. Exchange-traded contracts are supported by the financial and credit quality of the clearing members of the respective exchanges and have nominal credit risk. In all other transactions, we are exposed to credit risk. Our credit risk management program involves establishing credit limits and collateral requirements for counterparties, using master trading and netting agreements, and reporting daily exposure to senior management.

We believe that entering into master trading and netting agreements mitigates the level of financial loss that could result from default by allowing net settlement of derivative assets and liabilities. We generally enter into the following master trading and netting agreements: (1) the International Swaps and Derivatives Association Agreement, a standardized financial natural gas and electric contract; (2) the Master Power Purchase and Sale Agreement, created by the Edison Electric Institute and the National Energy Marketers Association, a standardized contract for the purchase and sale of wholesale power; and (3) the North American Energy Standards Board Inc. Agreement, a standardized contract for the purchase and sale of natural gas. These master trading and netting agreements allow the counterparties to net settle sale and purchase transactions. Further, collateral requirements are calculated at the master trading and netting agreement level by counterparty.

The following table provides the recognized gross derivative balances and the net amounts of those derivatives subject to an enforceable master netting arrangement or similar agreement as of September 30, 2014, and December 31, 2013:

Commodity Contracts Eligible to be Offset	Gross Amounts Recognized in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet		
		Derivative Instruments	Cash Collateral Received/Posted <sup>(a)</sup>	Net Amount
2014				
Assets:				
Ameren Missouri	\$ 14	\$ 7	\$ —	\$ 7
Ameren Illinois	2	1	—	1
Ameren	\$ 16	\$ 8	\$ —	\$ 8
Liabilities:				
Ameren Missouri	\$ 21	\$ 7	\$ 5	\$ 9
Ameren Illinois	146	1	—	145
Ameren	\$ 167	\$ 8	\$ 5	\$ 154
2013				
Assets:				
Ameren Missouri	\$ 33	\$ 9	\$ —	\$ 24
Ameren Illinois	1	1	—	—
Ameren	\$ 34	\$ 10	\$ —	\$ 24
Liabilities:				
Ameren Missouri	\$ 24	\$ 9	\$ 9	\$ 6
Ameren Illinois	154	1	15	138
Ameren	\$ 178	\$ 10	\$ 24	\$ 144

Cash collateral received reduces gross asset balances and is included in “Other current liabilities” and “Other deferred (a) credits and liabilities” on the balance sheet. Cash collateral posted reduces gross liability balances and is included in “Other current assets” and “Other assets” on the balance sheet.

#### Concentrations of Credit Risk

In determining our concentrations of credit risk related to derivative instruments, we review our individual counterparties and categorize each counterparty into groupings according to the primary business in which each engages. We calculate maximum exposures based on the gross fair value of financial instruments, including accrual and NPNS contracts. As of September 30, 2014, if counterparty groups were to fail completely to perform on contracts, Ameren, Ameren Missouri and Ameren Illinois' maximum exposure was \$6 million, \$4 million, and \$2

million, respectively. As of December 31, 2013, if counterparty groups were to fail completely to perform on contracts, Ameren, Ameren Missouri and Ameren Illinois' maximum exposure was \$13 million, \$12 million, and \$1 million, respectively. The potential loss on counterparty exposures is reduced by the application of master trading and netting agreements and collateral held to the extent of reducing the exposure to zero. As of September 30, 2014, the potential loss after consideration of the application of master trading and netting agreements and collateral held for Ameren, Ameren Missouri and Ameren Illinois was \$4 million, \$3 million, and \$1 million, respectively. As of December 31, 2013, the potential loss after consideration of the application of master trading and netting agreements and collateral held for Ameren, Ameren Missouri and Ameren Illinois was \$6 million, \$6 million, and \$- million, respectively.

## Derivative Instruments with Credit Risk-Related Contingent Features

Our commodity contracts contain collateral provisions tied to the Ameren Companies' credit ratings. If we were to experience an adverse change in our credit ratings, or if a counterparty with reasonable grounds for uncertainty regarding performance of an obligation requested adequate assurance of performance, additional collateral postings might be required. The following table presents, as of September 30, 2014, and December 31, 2013, the aggregate fair value of all derivative instruments with credit risk-related contingent features in a gross liability position, the cash collateral posted, and the aggregate amount of additional collateral that could be required to be posted with counterparties. The additional collateral required is the net liability position allowed under the master trading and netting agreements, assuming (1) the credit risk-related contingent features underlying these agreements were triggered on September 30, 2014, or December 31, 2013, respectively, and (2) those counterparties with rights to do so requested collateral.

	Aggregate Fair Value of Derivative Liabilities <sup>(a)</sup>	Cash Collateral Posted	Potential Aggregate Amount of Additional Collateral Required <sup>(b)</sup>
2014			
Ameren Missouri	\$62	\$2	\$ 57
Ameren Illinois	61	—	56
Ameren	\$123	\$2	\$ 113
2013			
Ameren Missouri	\$70	\$2	\$ 67
Ameren Illinois	75	15	55
Ameren	\$145	\$17	\$ 122

(a) Prior to consideration of master trading and netting agreements and including NPNS and accrual contract exposures.

(b) As collateral requirements with certain counterparties are based on master trading and netting agreements, the aggregate amount of additional collateral required to be posted is determined after consideration of the effects of such agreements.

## NOTE 7 - FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We use various methods to determine fair value, including market, income, and cost approaches. With these approaches, we adopt certain assumptions that market participants would use in pricing the asset or liability, including assumptions about market risk or the risks inherent in the inputs to the valuation. Inputs to valuation can be readily observable, market-corroborated, or unobservable. We use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Authoritative accounting guidance established a fair value hierarchy that prioritizes the inputs used to measure fair value. All financial assets and liabilities carried at fair value are classified and disclosed in one of the following three hierarchy levels: Level 1: Inputs based on quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities are primarily exchange-traded derivatives and assets, including cash and cash equivalents and listed equity securities, such as those held in Ameren Missouri's nuclear decommissioning trust fund.

The market approach is used to measure the fair value of equity securities held in Ameren Missouri's nuclear decommissioning trust fund. Equity securities in this fund are representative of the S&P 500 index, excluding securities of Ameren Corporation, owners and/or operators of nuclear power plants and the trustee and investment managers. The S&P 500 index comprises stocks of large capitalization companies.

Level 2: Market-based inputs corroborated by third-party brokers or exchanges based on transacted market data. Level 2 assets and liabilities include certain assets held in Ameren Missouri's nuclear decommissioning trust fund, including corporate bonds and other fixed-income securities, United States Treasury and agency securities, and certain

over-the-counter derivative instruments, including natural gas and financial power transactions.

Fixed income securities are valued using prices from independent industry recognized data vendors who provide values that are either exchange-based or matrix-based. The fair value measurements of fixed income securities classified as Level 2 are based on inputs other than quoted prices that are observable for the asset or liability.

Examples are matrix pricing, market-corroborated pricing, and inputs such as yield curves and indices. Level 2 fixed income securities in the nuclear decommissioning trust fund are primarily corporate bonds, asset-backed securities and United States agency bonds.

Derivative instruments classified as Level 2 are valued by corroborated observable inputs, such as pricing services or prices from similar instruments that trade in liquid markets. Our development and corroboration process entails obtaining multiple quotes or prices from outside sources. To derive our forward view to price our derivative instruments at fair value, we average the midpoints of the bid/ask spreads. To validate forward prices obtained from outside parties, we compare the pricing to recently settled market transactions. Additionally, a review of all sources is performed to identify any anomalies or potential errors. Further, we consider the volume of transactions on certain trading platforms in our reasonableness assessment of the averaged midpoint. Natural gas derivative contracts are valued based upon

exchange closing prices without significant unobservable adjustments. Power derivative contracts are valued based upon the use of multiple forward prices provided by third parties. The prices are averaged and shaped to a monthly profile when needed without significant unobservable adjustments.

Level 3: Unobservable inputs that are not corroborated by market data. Level 3 assets and liabilities are valued by internally developed models and assumptions or methodologies that use significant unobservable inputs. Level 3 assets and liabilities include derivative instruments that trade in less liquid markets, where pricing is largely unobservable. We value Level 3 instruments by using pricing models with inputs that are often unobservable in the market, as well as certain internal

assumptions. Our development and corroboration process entails obtaining multiple quotes or prices from outside sources. As a part of our reasonableness review, an evaluation of all sources is performed to identify any anomalies or potential errors.

We perform an analysis each quarter to determine the appropriate hierarchy level of the assets and liabilities subject to fair value measurements. Financial assets and liabilities are classified in their entirety according to the lowest level of input that is significant to the fair value measurement. All assets and liabilities whose fair value measurement is based on significant unobservable inputs are classified as Level 3.

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The following table describes the valuation techniques and unobservable inputs for the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy as of September 30, 2014:

		Fair Value		Valuation Technique(s)	Unobservable Input	Range	Weighted Average			
Assets	Liabilities									
Level 3 Derivative asset and liability - commodity contracts <sup>(a)</sup> :										
Ameren Missouri	Fuel oils	\$3	\$(3)	) Option model Discounted cash flow	Volatilities(%)( <sup>b</sup> )	2 - 27	14			
					Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.25 - 1	0.72			
					Ameren Missouri credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.43	(e)			
	Natural gas	1	—	) Discounted cash flow	Nodal basis(\$/mmbtu)( <sup>c</sup> )	(0.10) - 0	(0.10)			
					Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.30 - 2	0.62			
					Ameren Illinois credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.43	(e)			
	Power <sup>(f)</sup>	10	(129)	) Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps(\$/MWh)( <sup>c</sup> )	29 - 59	35			
					Estimated auction price for FTRs(\$/MW)( <sup>b</sup> )	(1,853) - 2,087	199			
					Nodal basis(\$/MWh)( <sup>c</sup> )	(6) - 0	(3)			
					Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.40	(e)			
					Ameren Missouri and Ameren Illinois credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.43	(e)			
					Fundamental energy production model	Estimated future gas prices(\$/mmbtu)( <sup>b</sup> )	4 - 5	5		
					Escalation rate(%)( <sup>b</sup> )( <sup>g</sup> )	2	(e)			
	Contract price allocation	Estimated renewable energy credit costs(\$/credit)( <sup>b</sup> )	5 - 7	6						
	Uranium	—	(3)	) Discounted cash flow	Average forward uranium pricing(\$/pound)( <sup>b</sup> )	35 - 41	36			
Fuel oils	\$3	\$(3)	) Option model Discounted cash flow	Volatilities(%)( <sup>b</sup> )	2 - 27	14				
				Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.25 - 1	0.72				
				Ameren Missouri credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.43	(e)				
				Power <sup>(f)</sup>	10	(5)	) Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps(\$/MWh)( <sup>c</sup> )	30 - 59	48
								Estimated auction price for FTRs(\$/MW)( <sup>b</sup> )	(1,853) - 2,087	199
								Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.40	(e)
				Ameren Missouri credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.43	(e)				
Uranium	—	(3)	) Discounted cash flow	Average forward uranium pricing(\$/pound)( <sup>b</sup> )	35 - 41	36				
Natural gas	\$1	\$—	) Discounted cash flow	Nodal basis(\$/mmbtu)( <sup>c</sup> )	(0.10) - 0	(0.10)				
				Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.30 - 2	0.62				
				Ameren Illinois credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.43	(e)				
Power <sup>(f)</sup>	—	(124)	) Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps(\$/MWh)( <sup>b</sup> )	29 - 42	33				

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	Nodal basis(\$/MWh) <sup>(b)</sup>	(6) - 0	(3)
	Ameren Illinois credit risk(%) <sup>(c)(d)</sup>	0.43	(e)
Fundamental energy production model	Estimated future gas prices(\$/mmbtu) <sup>(b)</sup>	4 - 5	5
	Escalation rate(%) <sup>(b)(g)</sup>	2	(e)
Contract price allocation	Estimated renewable energy credit costs(\$/credit) <sup>(b)</sup>	5 - 7	6

- (a) The derivative asset and liability balances are presented net of counterparty credit considerations.
- (b) Generally, significant increases (decreases) in this input in isolation would result in a significantly higher (lower) fair value measurement.
- (c) Generally, significant increases (decreases) in this input in isolation would result in a significantly lower (higher) fair value measurement.
- (d) Counterparty credit risk is applied only to counterparties with derivative asset balances. Ameren Missouri and Ameren Illinois credit risk is applied only to counterparties with derivative liability balances.
- (e) Not applicable.
- (f) Power valuations use visible third-party pricing evaluated by month for peak and off-peak demand through 2018. Valuations beyond 2018 use fundamentally modeled pricing by month for peak and off-peak demand.
- (g) Escalation rate applies to power prices 2026 and beyond.

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The following table describes the valuation techniques and unobservable inputs for the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy as of December 31, 2013:

		Fair Value		Valuation Technique(s)	Unobservable Input	Range	Weighted Average				
Assets	Liabilities										
Level 3 Derivative asset and liability – commodity contracts <sup>(a)</sup> :											
Ameren Missouri	Fuel oils	\$8	\$(3)	Option model	Volatilities(%)( <sup>b</sup> )	10 - 35	16				
				Discounted cash flow	Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.26 - 2	1				
	Power <sup>(e)</sup>	21	(110)	Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps(\$/MWh)( <sup>c</sup> )	25 - 51	32				
					Estimated auction price for FTRs(\$/MW)( <sup>b</sup> )	(1,594) - 945	305				
					Nodal basis(\$/MWh)( <sup>c</sup> )	(3) - (1)	(2)				
					Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.39 - 0.50	0.42				
					Ameren Missouri and Ameren Illinois credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	2	(f)				
	Fundamental energy production model				Estimated future gas prices(\$/mmbtu)( <sup>b</sup> )	4 - 5	5				
					Escalation rate(%)( <sup>b</sup> )( <sup>g</sup> )	3 - 4	4				
					Contract price allocation	Estimated renewable energy credit costs(\$/credit)( <sup>b</sup> )	5 - 7	6			
	Uranium	—	(6)	Discounted cash flow	Average forward uranium pricing(\$/pound)( <sup>b</sup> )	34 - 41	36				
	Ameren Illinois	Fuel oils	\$8	\$(3)	Option model	Volatilities(%)( <sup>b</sup> )	10 - 35	16			
					Discounted cash flow	Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.26 - 2	1			
Power <sup>(e)</sup>		21	(2)	Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps(\$/MWh)( <sup>c</sup> )	25 - 51	40				
					Estimated auction price for FTRs(\$/MW)( <sup>b</sup> )	(1,594) - 945	305				
					Nodal basis(\$/MWh)( <sup>c</sup> )	(3) - (1)	(2)				
					Counterparty credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	0.39 - 0.50	0.42				
					Ameren Missouri credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	2	(f)				
Uranium		—	(6)	Discounted cash flow	Average forward uranium pricing(\$/pound)( <sup>b</sup> )	34 - 41	36				
Power <sup>(e)</sup>		\$—	\$(108)	Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps(\$/MWh)( <sup>b</sup> )	27 - 36	30				
					Nodal basis(\$/MWh)( <sup>b</sup> )	(4) - 0	(2)				
					Ameren Illinois credit risk(%)( <sup>c</sup> )( <sup>d</sup> )	2	(f)				
					Fundamental energy production model				Estimated future gas prices(\$/mmbtu)( <sup>b</sup> )	4 - 5	5
									Escalation rate(%)( <sup>b</sup> )( <sup>g</sup> )	3 - 4	4
Contract price allocation	Estimated renewable energy credit costs(\$/credit)( <sup>b</sup> )	5 - 7	6								

(a) The derivative asset and liability balances are presented net of counterparty credit considerations.

(b)



Generally, significant increases (decreases) in this input in isolation would result in a significantly higher (lower) fair value measurement.

- (c) Generally, significant increases (decreases) in this input in isolation would result in a significantly lower (higher) fair value measurement.
- (d) Counterparty credit risk is applied only to counterparties with derivative asset balances. Ameren Missouri and Ameren Illinois credit risk is applied only to counterparties with derivative liability balances.
- (e) Power valuations use visible third-party pricing evaluated by month for peak and off-peak demand through 2017. Valuations beyond 2017 use fundamentally modeled pricing by month for peak and off-peak demand.
- (f) Not applicable.
- (g) Escalation rate applies to power prices 2026 and beyond.

In accordance with applicable authoritative accounting guidance, we consider nonperformance risk in our valuation of derivative instruments by analyzing the credit standing of our counterparties and considering any counterparty credit enhancements (e.g., collateral). The guidance also requires that the fair value measurement of liabilities reflect the nonperformance risk of the reporting entity, as applicable. Therefore, we have factored the impact of our credit standing, as well as any potential credit enhancements, into the fair value measurement of both derivative assets and derivative liabilities. Included in our valuation, and based on current market conditions, is a valuation adjustment for counterparty default derived from market data such as the price of credit default swaps, bond yields, and credit ratings. No gains or losses related to valuation adjustments for counterparty default risk were recorded at Ameren, Ameren Missouri or Ameren Illinois in the first nine months of 2014 or 2013. At September 30, 2014, the counterparty default risk liability valuation adjustment related to derivative contracts totaled \$1 million, less than \$1 million, and \$1 million, for Ameren, Ameren Missouri and Ameren Illinois, respectively. At December 31, 2013, the counterparty default risk liability valuation adjustment related to derivative contracts totaled \$3 million, less than \$1 million, and \$3 million, for Ameren, Ameren Missouri and Ameren Illinois, respectively.

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The following table sets forth, by level within the fair value hierarchy, our assets and liabilities measured at fair value on a recurring basis as of September 30, 2014:

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Observable Inputs (Level 2)	Other Inputs (Level 3)	Significant Unobservable Inputs (Level 3)	Total
Assets:					
Ameren	Derivative assets - commodity contracts <sup>(a)</sup> :				
	Fuel oils	\$ —	\$ —	\$ 3	\$ 3
	Natural gas	—	1	1	2
	Power	—	1	10	11
	Total derivative assets - commodity contracts	\$ —	\$ 2	\$ 14	\$ 16
	Nuclear decommissioning trust fund:				
	Cash and cash equivalents	\$ 1	\$ —	\$ —	\$ 1
	Equity securities:				
	U.S. large capitalization	348	—	—	348
	Debt securities:				
	Corporate bonds	—	60	—	60
	Municipal bonds	—	2	—	2
	U.S. treasury and agency securities	—	100	—	100
	Asset-backed securities	—	11	—	11
	Other	—	5	—	5
	Total nuclear decommissioning trust fund	\$ 349	\$ 178	\$ —	\$ 527
	Total Ameren	\$ 349	\$ 180	\$ 14	\$ 543
Ameren	Derivative assets - commodity contracts <sup>(a)</sup> :				
Missouri	Fuel oils	\$ —	\$ —	\$ 3	\$ 3
	Power	—	1	10	11
	Total derivative assets - commodity contracts	\$ —	\$ 1	\$ 13	\$ 14
	Nuclear decommissioning trust fund:				
	Cash and cash equivalents	\$ 1	\$ —	\$ —	\$ 1
	Equity securities:				
	U.S. large capitalization	348	—	—	348
	Debt securities:				
	Corporate bonds	—	60	—	60
	Municipal bonds	—	2	—	2
	U.S. treasury and agency securities	—	100	—	100
	Asset-backed securities	—	11	—	11
	Other	—	5	—	5
	Total	\$ 349	\$ 178	\$ —	\$ 527

(b)

(b)

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	Total nuclear decommissioning trust fund				
	Total Ameren Missouri	\$ 349	\$ 179	\$ 13	\$ 541
Ameren	Derivative assets - commodity contracts <sup>(a)</sup> :				
Illinois	Natural gas	\$ —	\$ 1	\$ 1	\$ 2
Liabilities:					
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
	Fuel oils	\$ 3	\$ —	\$ 3	\$ 6
	Natural gas	2	26	—	28
	Power	—	1	129	130
	Uranium	—	—	3	3
	Total Ameren	\$ 5	\$ 27	\$ 135	\$ 167
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
Missouri	Fuel oils	\$ 3	\$ —	\$ 3	\$ 6
	Natural gas	2	4	—	6
	Power	—	1	5	6
	Uranium	—	—	3	3
	Total Ameren Missouri	\$ 5	\$ 5	\$ 11	\$ 21
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
Illinois	Natural gas	\$ —	\$ 22	\$ —	\$ 22
	Power	—	—	124	124
	Total Ameren Illinois	\$ —	\$ 22	\$ 124	\$ 146

(a) The derivative asset and liability balances are presented net of counterparty credit considerations.

(b) Balance excludes \$2 million of receivables, payables, and accrued income, net.

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The following table sets forth, by level within the fair value hierarchy, our assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total	
Assets:					
Ameren	Derivative assets - commodity contracts <sup>(a)</sup> :				
	Fuel oils	\$ 1	\$—	\$8	\$9
	Natural gas	—	2	—	2
	Power	—	2	21	23
	Total derivative assets - commodity contracts	\$ 1	\$4	\$29	\$34
	Nuclear decommissioning trust fund:				
	Cash and cash equivalents	\$ 3	\$—	\$—	\$3
	Equity securities:				
	U.S. large capitalization	332	—	—	332
	Debt securities:				
	Corporate bonds	—	52	—	52
	Municipal bonds	—	2	—	2
	U.S. treasury and agency securities	—	94	—	94
	Asset-backed securities	—	10	—	10
	Other	—	1	—	1
	Total nuclear decommissioning trust fund	\$ 335	\$ 159	\$—	\$494
	Total Ameren	\$ 336	\$ 163	\$29	\$528
Ameren Missouri	Derivative assets - commodity contracts <sup>(a)</sup> :				
	Fuel oils	\$ 1	\$—	\$8	\$9
	Natural gas	—	1	—	1
	Power	—	2	21	23
	Total derivative assets - commodity contracts	\$ 1	\$3	\$29	\$33
	Nuclear decommissioning trust fund:				
	Cash and cash equivalents	\$ 3	\$—	\$—	\$3
	Equity securities:				
	U.S. large capitalization	332	—	—	332
	Debt securities:				
	Corporate bonds	—	52	—	52
	Municipal bonds	—	2	—	2
	U.S. treasury and agency securities	—	94	—	94
	Asset-backed securities	—	10	—	10
	Other	—	1	—	1
	Total nuclear decommissioning trust fund	\$ 335	\$ 159	\$—	\$494

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	Total Ameren Missouri	\$ 336	\$ 162	\$29	\$527
Ameren	Derivative assets - commodity contracts <sup>(a)</sup> :				
Illinois	Natural gas	\$ —	\$ 1	\$—	\$ 1
Liabilities:					
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
	Fuel oils	\$ —	\$—	\$3	\$3
	Natural gas	3	54	—	57
	Power	—	2	110	112
	Uranium	—	—	6	6
	Total Ameren	\$ 3	\$56	\$119	\$178
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
Missouri	Fuel oils	\$ —	\$—	\$3	\$3
	Natural gas	3	8	—	11
	Power	—	2	2	4
	Uranium	—	—	6	6
	Total Ameren Missouri	\$ 3	\$10	\$11	\$24
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
Illinois	Natural gas	\$ —	\$46	\$—	\$46
	Power	—	—	108	108
	Total Ameren Illinois	\$ —	\$46	\$108	\$154

(a) The derivative asset and liability balances are presented net of counterparty credit considerations.

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The following table summarizes the changes in the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy for the three months ended September 30, 2014:

Three Months	Net derivative commodity contracts		
	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils:			
Beginning balance at July 1, 2014	\$ 2	\$ (a)	\$ 2
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(2	) (a)	(2 )
Ending balance at September 30, 2014	\$ —	\$ (a)	\$ —
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	\$ (2	)\$ (a)	\$ (2 )
Natural gas:			
Beginning balance at July 1, 2014	\$ —	\$ —	\$ —
Realized and unrealized gains (losses) included in regulatory assets/liabilities	—	1	1
Ending balance at September 30, 2014	\$ —	\$ 1	\$ 1
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	\$ —	\$ —	\$ —
Power:			
Beginning balance at July 1, 2014	\$ 15	\$ (103	)\$ (88 )
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(5	) (23	) (28 )
Settlements	(5	) 2	(3 )
Ending balance at September 30, 2014	\$ 5	\$ (124	)\$ (119 )
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	\$ (6	)\$ (22	)\$ (28 )
Uranium:			
Beginning balance at July 1, 2014	\$ (7	)\$ (a)	\$ (7 )
Realized and unrealized gains (losses) included in regulatory assets/liabilities	3	(a)	3
Settlements	1	(a)	1
Ending balance at September 30, 2014	\$ (3	)\$ (a)	\$ (3 )
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	\$ 3	\$ (a)	\$ 3

(a)Not applicable.

The following table summarizes the changes in the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy for the three months ended September 30, 2013:

Three Months	Net derivative commodity contracts		
	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils:			
Beginning balance at July 1, 2013	\$ 3	\$ (a)	\$ 3
Realized and unrealized gains (losses) included in regulatory assets/liabilities	1	(a)	1
Purchases	1	(a)	1
Sales			