

Edgar Filing: AMEREN CORP - Form 10-Q

AMEREN CORP  
 Form 10-Q  
 May 10, 2016  
 UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549  
 FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period  
 Ended March 31, 2016  
 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  No   
 Union Electric Company      Yes  No   
 Ameren Illinois Company      Yes  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  No   
 Union Electric Company      Yes  No   
 Ameren Illinois Company      Yes  No

Edgar Filing: AMEREN CORP - Form 10-Q

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.

---

Edgar Filing: AMEREN CORP - Form 10-Q

	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 April 29, 2016, 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

---

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.

---

## TABLE OF CONTENTS

	Page
<u>Glossary of Terms and Abbreviations</u>	<u>1</u>
<u>Forward-looking Statements</u>	<u>1</u>
<u>PART I Financial Information</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	<u>3</u>
<u>Ameren Corporation</u>	<u>3</u>
<u>Consolidated Statement of Income</u>	<u>3</u>
<u>Consolidated Statement of Comprehensive Income</u>	<u>4</u>
<u>Consolidated Balance Sheet</u>	<u>5</u>
<u>Consolidated Statement of Cash Flows</u>	<u>6</u>
<u>Union Electric Company (d/b/a Ameren Missouri)</u>	<u>7</u>
<u>Statement of Income and Comprehensive Income</u>	<u>7</u>
<u>Balance Sheet</u>	<u>8</u>
<u>Statement of Cash Flows</u>	<u>9</u>
<u>Ameren Illinois Company (d/b/a Ameren Illinois)</u>	<u>10</u>
<u>Statement of Income and Comprehensive Income</u>	<u>10</u>
<u>Balance Sheet</u>	<u>11</u>
<u>Statement of Cash Flows</u>	<u>12</u>
<u>Combined Notes to Financial Statements</u>	<u>13</u>
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>36</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>52</u>
Item 4. <u>Controls and Procedures</u>	<u>53</u>
<u>PART II Other Information</u>	
Item 1. <u>Legal Proceedings</u>	<u>54</u>
Item 1A. <u>Risk Factors</u>	<u>54</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>54</u>
Item 6. <u>Exhibits</u>	<u>55</u>
<u>Signatures</u>	<u>56</u>

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.

---

## 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.

Form 10-K - The combined Annual Report on Form 10-K for the year ended December 31, 2015, filed by the Ameren Companies with the SEC.

MEEIA 2013 - Ameren Missouri’s portfolio of customer energy efficiency programs, net shared benefits and performance incentive for 2013 through 2015, as approved by the MoPSC in August 2012.

MEEIA 2016 - Ameren Missouri’s portfolio of customer energy efficiency programs, throughput disincentive and performance incentive for March 2016 through February 2019, as approved by the MoPSC in February 2016.

## 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, that may result from the complaint cases filed with the FERC seeking a reduction in the allowed base return on common equity under the MISO tariff, Ameren Missouri's appeal of how an input used to calculate its performance incentive under MEEIA 2013 is determined, Ameren Illinois' April 2016 annual electric delivery service formula rate update filing, and future regulatory, judicial, or legislative actions that 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 Ameren Illinois' results of operations, financial position, and liquidity;

- our ability to align our overall spending, both operating and capital, with regulatory frameworks established by our regulators in an attempt to earn our allowed return on equity;

- the effects of changes in laws and other governmental actions, including monetary, fiscal, tax, and energy policies;

- the effects of changes in federal, state, or local tax laws, regulations, interpretations, or rates and any challenges to the tax positions taken by the Ameren Companies;

- 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 and are becoming more cost-competitive;

- the effectiveness of Ameren Missouri's customer energy efficiency programs and the related amount of any revenues and performance incentive earned under MEEIA 2013, MEEIA 2016, and any future approved MEEIA plan;

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

-

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 and our customers' tolerance for the related rate increases;

disruptions in the delivery of fuel, failure of our fuel suppliers to provide adequate quantities or quality of fuel, or lack of adequate inventories of fuel, including ultra-low-sulfur coal used for Ameren Missouri's compliance with environmental regulations;

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

the ability to obtain sufficient insurance, including insurance relating to Ameren Missouri's Callaway energy center and insurance for cyber attacks or, in the absence of insurance, the ability to recover uninsured losses from customers;

business and economic conditions, including their impact on key customers, interest rates, collection of our receivable balances, and demand for our products;

Noranda's bankruptcy filing, the idling of operations at its aluminum smelter located in southeast Missouri, and the resulting impacts to Ameren Missouri's ability to recover its revenue requirement until rates are adjusted by the MoPSC in a future electric rate case to reflect Noranda's actual sales volumes;

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;

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

the construction, installation, performance, and cost recovery of generation, transmission, and distribution assets;

the effects of breakdowns or failures of equipment in the operation of natural gas distribution and transmission systems and storage facilities, such as leaks, explosions and mechanical problems, and compliance with natural gas safety regulations;

the effects of our increasing investment in electric transmission projects, our ability to obtain all of the necessary approvals to complete the projects, and the uncertainty as to whether we will achieve our expected returns in a timely manner;

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 CO<sub>2</sub>, 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, work force 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;

legal and administrative proceedings;

the impact of cyber attacks, which could result in the loss of operational control of energy centers and electric and natural gas transmission and distribution systems and/or the loss of data, such as utility customer data and account information; and

acts of sabotage, war, terrorism, or other intentionally disruptive acts.

New factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any

forward-looking statement. 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 March 31,	
	2016	2015
Operating Revenues:		
Electric	\$1,102	\$1,143
Gas	332	413
Total operating revenues	1,434	1,556
Operating Expenses:		
Fuel	203	206
Purchased power	138	139
Gas purchased for resale	152	236
Other operations and maintenance	400	401
Depreciation and amortization	207	193
Taxes other than income taxes	114	125
Total operating expenses	1,214	1,300
Operating Income	220	256
Other Income and Expense:		
Miscellaneous income	20	19
Miscellaneous expense	7	11
Total other income	13	8
Interest Charges	95	88
Income Before Income Taxes	138	176
Income Taxes	31	66
Income from Continuing Operations	107	110
Income from Discontinued Operations, Net of Taxes	—	—
Net Income	107	110
Less: Net Income from Continuing Operations Attributable to Noncontrolling Interests	2	2
Net Income Attributable to Ameren Common Shareholders:		
Continuing Operations	105	108
Discontinued Operations	—	—
Net Income Attributable to Ameren Common Shareholders	\$105	\$108
Earnings per Common Share – Basic and Diluted:		
Continuing Operations	\$0.43	\$0.45
Discontinued Operations	—	—
Earnings per Common Share – Basic and Diluted	\$0.43	\$0.45
Dividends per Common Share	\$0.425	\$0.41
Average Common Shares Outstanding – Basic	242.6	242.6
The accompanying notes are an integral part of these consolidated financial statements.		





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

	Three Months Ended March 31,	
	2016	2015
Income from Continuing Operations	\$107	\$110
Other Comprehensive Income from Continuing Operations, Net of Taxes		
Pension and other postretirement benefit plan activity, net of income taxes of \$1 and \$-, respectively	(2 )	—
Comprehensive Income from Continuing Operations	105	110
Less: Comprehensive Income from Continuing Operations Attributable to Noncontrolling Interests	2	2
Comprehensive Income Attributable to Ameren Common Shareholders	\$103	\$108

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

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

	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 13	\$ 292
Accounts receivable – trade (less allowance for doubtful accounts of \$21 and \$19, respectively)	428	388
Unbilled revenue	186	239
Miscellaneous accounts and notes receivable	56	98
Materials and supplies	483	538
Current regulatory assets	215	260
Other current assets	63	88
Assets of discontinued operations	14	14
Total current assets	1,458	1,917
Property and Plant, Net	19,000	18,799
Investments and Other Assets:		
Nuclear decommissioning trust fund	567	556
Goodwill	411	411
Regulatory assets	1,376	1,382
Other assets	573	575
Total investments and other assets	2,927	2,924
<b>TOTAL ASSETS</b>	<b>\$23,385</b>	<b>\$ 23,640</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$ 135	\$ 395
Short-term debt	581	301
Accounts and wages payable	429	777
Taxes accrued	77	43
Interest accrued	99	89
Customer deposits	98	100
Current regulatory liabilities	87	80
Other current liabilities	305	279
Liabilities of discontinued operations	28	29
Total current liabilities	1,839	2,093
Long-term Debt, Net	6,881	6,880
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	3,928	3,885
Accumulated deferred investment tax credits	59	60
Regulatory liabilities	1,931	1,905
Asset retirement obligations	625	618
Pension and other postretirement benefits	581	580
Other deferred credits and liabilities	530	531
Total deferred credits and other liabilities	7,654	7,579
Commitments and Contingencies (Notes 2, 9, and 10)		
Ameren Corporation Shareholders' Equity:		
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	5,539	5,616

Edgar Filing: AMEREN CORP - Form 10-Q

Retained earnings	1,333	1,331
Accumulated other comprehensive loss	(5	) (3
Total Ameren Corporation shareholders' equity	6,869	6,946
Noncontrolling Interests	142	142
Total equity	7,011	7,088
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$23,385</b>	<b>\$23,640</b>

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

5

---

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

	Three Months Ended March 31,	
	2016	2015
Cash Flows From		
Operating Activities:		
Net income	\$ 107	\$ 110
(Income) from discontinued operations, net of taxes	—	—
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	210	195
Amortization of nuclear fuel	24	23
Amortization of debt issuance costs and premium/discounts	6	5
Deferred income taxes and investment tax credits, net	42	59
Allowance for equity funds used during construction	(8 )	(5 )
Share-based compensation costs	6	8
Other	(3 )	(11 )
Changes in assets and liabilities:		
Receivables	55	(48 )
Materials and supplies	55	75
Accounts and wages payable	(246 )	(215 )
Taxes accrued	30	35
Regulatory assets and liabilities	81	62
Assets, other	4	14
Liabilities, other	(25 )	(21 )
Pension and other postretirement benefits	9	27
Counterparty collateral, net	3	(2 )
Net cash provided by operating activities – continuing operations	350	311
Net cash provided by (used in) operating activities – discontinued operations	(1 )	1

Edgar Filing: AMEREN CORP - Form 10-Q

Net cash provided by operating activities	349		312	
Cash Flows From Investing Activities:				
Capital expenditures	(496)	)	(417)	)
Nuclear fuel expenditures	(21)	)	(17)	)
Purchases of securities – nuclear decommissioning trust fund	(130)	)	(84)	)
Sales and maturities of securities – nuclear decommissioning trust fund	125		79	
Proceeds from note receivable – Marketing Company	—		5	
Contributions to note receivable – Marketing Company	—		(5)	)
Other	(2)	)	—	
Net cash used in investing activities – continuing operations	(524)	)	(439)	)
Net cash provided by investing activities – discontinued operations	14		—	
Net cash used in investing activities	(510)	)	(439)	)
Cash Flows From Financing Activities:				
Dividends on common stock	(103)	)	(99)	)
Dividends paid to noncontrolling interest holders	(2)	)	(2)	)
Short-term debt, net	280		241	
Maturity of long-term debt	(260)	)	—	
Employee payroll taxes related to share-based payments	(32)	)	(12)	)
Other	(1)	)	—	
Net cash provided by (used in) financing activities – continuing operations	(118)	)	128	
Net change in cash and cash equivalents	(279)	)	1	
Cash and cash equivalents at beginning of year	292		5	
Cash and cash equivalents at end of period	\$ 13		\$ 6	

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



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

	Three Months Ended March 31, 2016 2015	
Operating Revenues:		
Electric	\$694	\$742
Gas	47	58
Total operating revenues	741	800
Operating Expenses:		
Fuel	203	206
Purchased power	42	39
Gas purchased for resale	21	31
Other operations and maintenance	212	211
Depreciation and amortization	127	118
Taxes other than income taxes	73	80
Total operating expenses	678	685
Operating Income	63	115
Other Income and Expense:		
Miscellaneous income	15	11
Miscellaneous expense	2	3
Total other income	13	8
Interest Charges	52	55
Income Before Income Taxes	24	68
Income Taxes	9	26
Net Income	15	42
Other Comprehensive Income	—	—
Comprehensive Income	\$15	\$42

Net Income	\$15	\$42
Preferred Stock Dividends	1	1
Net Income Available to Common Shareholder	\$14	\$41

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)

	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$—	\$ 199
Advances to money pool	—	36
Accounts receivable – trade (less allowance for doubtful accounts of \$6 and \$7, respectively)	150	174
Accounts receivable – affiliates	16	54
Unbilled revenue	105	128
Miscellaneous accounts and notes receivable	44	78
Materials and supplies	389	387
Current regulatory assets	55	89
Other current assets	29	41
Total current assets	788	1,186
Property and Plant, Net	11,181	11,183
Investments and Other Assets:		
Nuclear decommissioning trust fund	567	556
Regulatory assets	591	605
Other assets	316	321
Total investments and other assets	1,474	1,482
<b>TOTAL ASSETS</b>	<b>\$13,443</b>	<b>\$ 13,851</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$6	\$ 266
Short-term debt	165	—
Accounts and wages payable	174	417
Accounts payable – affiliates	59	56
Taxes accrued	64	31
Interest accrued	50	59
Current regulatory liabilities	15	28
Other current liabilities	132	120
Total current liabilities	665	977
Long-term Debt, Net	3,845	3,844
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	2,857	2,844
Accumulated deferred investment tax credits	57	58
Regulatory liabilities	1,181	1,172
Asset retirement obligations	619	612
Pension and other postretirement benefits	236	234
Other deferred credits and liabilities	27	28
Total deferred credits and other liabilities	4,977	4,948
Commitments and Contingencies (Notes 2, 8, 9, and 10)		
Shareholders' Equity:		
Common stock, \$5 par value, 150.0 shares authorized – 102.1 shares outstanding	511	511
Other paid-in capital, principally premium on common stock	1,822	1,822

Edgar Filing: AMEREN CORP - Form 10-Q

Preferred stock	80	80
Retained earnings	1,543	1,669
Total shareholders' equity	3,956	4,082
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$13,443</b>	<b>\$ 13,851</b>

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

8

---

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

	Three Months Ended March 31, 2016 2015	
Cash Flows From Operating Activities:		
Net income	\$15	\$42
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	130	121
Amortization of nuclear fuel	24	23
Amortization of debt issuance costs and premium/discounts	2	2
Deferred income taxes and investment tax credits, net	9	21
Allowance for equity funds used during construction	(7 )	(4 )
Changes in assets and liabilities:		
Receivables	81	60
Materials and supplies	(2 )	(14 )
Accounts and wages payable	(172)	(171)
Taxes accrued	31	40
Regulatory assets and liabilities	45	27
Assets, other	5	3
Liabilities, other	3	(5 )
Pension and other postretirement benefits	5	12
Net cash provided by operating activities	169	157
Cash Flows From Investing Activities:		
Capital expenditures	(178)	(145)
Nuclear fuel expenditures	(21 )	(17 )
Purchases of securities – nuclear decommissioning trust fund	(130)	(84 )
Sales and maturities of securities – nuclear decommissioning trust fund	125	79
Money pool advances, net	36	—
Other	(2 )	(2 )
Net cash used in investing activities	(170)	(169)
Cash Flows From Financing Activities:		
Dividends on common stock	(140)	(315)
Dividends on preferred stock	(1 )	(1 )
Short-term debt, net	165	43
Money pool borrowings, net	—	61
Maturity of long-term debt	(260)	—
Capital contribution from parent	38	224
Net cash (used in) provided by financing activities	(198)	12
Net change in cash and cash equivalents	(199)	—
Cash and cash equivalents at beginning of year	199	1
Cash and cash equivalents at end of period	\$—	\$1

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 March 31,	
	2016	2015
Operating Revenues:		
Electric	\$392	\$390
Gas	285	355
Total operating revenues	677	745
Operating Expenses:		
Purchased power	104	102
Gas purchased for resale	131	205
Other operations and maintenance	194	202
Depreciation and amortization	77	73
Taxes other than income taxes	38	43
Total operating expenses	544	625
Operating Income	133	120
Other Income and Expense:		
Miscellaneous income	5	7
Miscellaneous expense	5	5
Total other income	—	2
Interest Charges	35	33
Income Before Income Taxes	98	89
Income Taxes	38	35
Net Income	60	54
Other Comprehensive Loss, Net of Taxes:		
Pension and other postretirement benefit plan activity, net of income taxes (benefit) of \$(1) and \$(1), respectively	(1 )	(1 )
Comprehensive Income	\$59	\$53
Net Income	\$60	\$54
Preferred Stock Dividends	1	1
Net Income Available to Common Shareholder	\$59	\$53

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)

	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$—	\$ 71
Advances to money pool	58	—
Accounts receivable – trade (less allowance for doubtful accounts of \$15 and \$12, respectively)	262	204
Accounts receivable – affiliates	10	22
Unbilled revenue	81	111
Miscellaneous accounts receivable	12	19
Materials and supplies	94	151
Current regulatory assets	156	167
Other current assets	13	15
Total current assets	686	760
Property and Plant, Net	6,956	6,848
Investments and Other Assets:		
Goodwill	411	411
Regulatory assets	777	771
Other assets	114	113
Total investments and other assets	1,302	1,295
<b>TOTAL ASSETS</b>	<b>\$8,944</b>	<b>\$ 8,903</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$129	\$ 129
Accounts and wages payable	180	249
Accounts payable – affiliates	55	66
Taxes accrued	12	13
Interest accrued	44	28
Customer deposits	67	69
Mark-to-market derivative liabilities	51	45
Current environmental remediation	38	28
Current regulatory liabilities	55	39
Other current liabilities	82	86
Total current liabilities	713	752
Long-term Debt, Net	2,343	2,342
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	1,518	1,480
Accumulated deferred investment tax credits	2	2
Regulatory liabilities	749	732
Pension and other postretirement benefits	271	271
Environmental remediation	187	205
Other deferred credits and liabilities	236	222
Total deferred credits and other liabilities	2,963	2,912
Commitments and Contingencies (Notes 2, 8, and 9)		
Shareholders' Equity:		

Edgar Filing: AMEREN CORP - Form 10-Q

Common stock, no par value, 45.0 shares authorized – 25.5 shares outstanding	—	—
Other paid-in capital	2,005	2,005
Preferred stock	62	62
Retained earnings	854	825
Accumulated other comprehensive income	4	5
Total shareholders' equity	2,925	2,897
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$8,944	\$ 8,903

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)  
 STATEMENT OF CASH FLOWS  
 (Unaudited) (In millions)

	Three Months Ended March 31, 2016 2015	
Cash Flows From Operating Activities:		
Net income	\$60	\$54
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	77	72
Amortization of debt issuance costs and premium/discounts	4	4
Deferred income taxes and investment tax credits, net	37	13
Other	(3 )	(3 )
Changes in assets and liabilities:		
Receivables	(22 )	(41 )
Materials and supplies	57	89
Accounts and wages payable	(33 )	(11 )
Taxes accrued	(3 )	24
Regulatory assets and liabilities	32	33
Assets, other	7	5
Liabilities, other	12	4
Pension and other postretirement benefits	4	11
Net cash provided by operating activities	229	254
Cash Flows From Investing Activities:		
Capital expenditures	(211)	(174)
Money pool advances, net	(58 )	(33 )
Net cash used in investing activities	(269)	(207)
Cash Flows From Financing Activities:		
Dividends on common stock	(30 )	—
Dividends on preferred stock	(1 )	(1 )
Short-term debt, net	—	(32 )
Money pool borrowings, net	—	(15 )
Net cash used in financing activities	(31 )	(48 )
Net change in cash and cash equivalents	(71 )	(1 )
Cash and cash equivalents at beginning of year	71	1
Cash and cash equivalents at end of period	\$—	\$—

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)

March 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005. Ameren's primary assets are its equity interests in its subsidiaries, including Ameren Missouri and Ameren Illinois. Ameren's subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. Dividends on Ameren's common stock and the payment of 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 Illinois Company, doing business as Ameren Illinois, operates rate-regulated electric and natural gas transmission and distribution businesses in Illinois.

Ameren has various other subsidiaries that conduct activities such as the provision of shared services. Ameren also has a subsidiary, ATXI, that operates a FERC rate-regulated electric transmission business. ATXI is developing MISO-approved electric transmission projects, including the Illinois Rivers, Spoon River, and Mark Twain projects. Ameren is also pursuing projects to improve electric transmission system reliability within Ameren Missouri's and Ameren Illinois' service territories as well as

competitive electric transmission investment opportunities outside of these territories, including investments outside of MISO.

Unless otherwise stated, these notes to Ameren's financial statements exclude discontinued operations for all periods presented. See Note 12 - Discontinued Operations in this report and Note 16 - Divestiture Transactions and Discontinued Operations under Part II, Item 8, of the Form 10-K for additional information.

Ameren's financial statements are prepared on a consolidated basis and therefore include the accounts of its majority-owned subsidiaries. All 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 statement 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.

Asset Retirement Obligations

AROs at Ameren, Ameren Missouri, and Ameren Illinois increased at March 31, 2016, compared to December 31, 2015, to reflect the accretion of obligations to their fair value, partially offset by immaterial settlements.

Share-based Compensation

A summary of nonvested performance share units at March 31, 2016, and changes during the three months ended March 31, 2016, 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
--	----------------	--

Nonvested at January 1, 2016	1,024,870	\$ 46.08
Granted <sup>(a)</sup>	580,737	44.13
Forfeitures	(12,315)	45.12
Vested <sup>(b)</sup>	(8,265)	42.91
Nonvested at March 31, 2016	1,585,027	\$ 45.39

(a) Performance share units granted to certain executive and nonexecutive officers and other eligible employees under the 2014 Incentive Plan.

Performance share units vested due to the attainment of retirement eligibility by certain employees. Actual shares (b) issued for retirement-eligible employees will vary depending on actual performance over the three-year measurement period.

The fair value of each performance share unit awarded in 2016 under the 2014 Incentive Plan was determined to be

\$44.13, which was based on Ameren's closing common share price of \$43.23 at December 31, 2015, and lattice simulations.

Lattice simulations are used to estimate expected share payout based on Ameren's total shareholder return for a three-year performance period relative to the designated peer group beginning January 1, 2016. The simulations can produce a greater fair value for the performance 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 1.31%, volatility of 15% to 20% for the peer group, and Ameren's attainment of a three-year average earnings per share threshold during the performance period.

#### Excise Taxes

Ameren Missouri and Ameren Illinois collect certain excise taxes from customers that are levied on the sale or distribution of natural gas and electricity. Excise taxes are levied on Ameren Missouri's electric and natural gas businesses and on Ameren Illinois' natural gas business and 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 for electric service in Illinois are levied on the customer and are therefore not included in Ameren Illinois' revenues and expenses. 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 months ended March 31, 2016 and 2015:

	Three Months 2016	2015
Ameren Missouri	\$30	\$34
Ameren Illinois	20	23
Ameren	\$50	\$57

#### Earnings Per Share

There were no material differences between Ameren's basic and diluted earnings per share amounts for the three months ended March 31, 2016 and 2015. The assumed settlement of dilutive performance share units had an immaterial impact on earnings per share. The calculation of diluted earnings per share reflected the adoption of FASB guidance related to employee share-based payment accounting discussed below.

#### Accounting and Reporting Developments

Below is a summary of recently issued authoritative accounting standards relevant to the Ameren Companies.

##### Revenue from Contracts with Customers

In May 2014, the FASB issued authoritative accounting guidance that changes the criteria for recognizing revenue from a contract with a customer. The underlying principle of the guidance is that an entity will recognize revenue for the transfer of promised goods or services to customers at an amount that the entity expects to be entitled to 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. Entities can apply the guidance retrospectively to each reporting period presented or retrospectively by recording a cumulative effect adjustment to retained earnings in the period of initial adoption. The Ameren Companies are currently assessing the impacts of this guidance on their results of operations, financial position, and disclosures, including their accounting for contributions in aid of construction and similar arrangements, as well as the transition method that they will use to adopt the guidance. In August 2015, the FASB deferred the effective date of this revenue guidance to the first quarter of 2018, with an option for entities to early adopt in the first quarter of 2017. The Ameren Companies do not expect to early adopt this guidance.

##### Amendments to the Consolidation Analysis

In February 2015, the FASB issued authoritative accounting guidance that amends the consolidation analysis for variable interest entities and voting interest entities. The new guidance affects (1) limited partnerships, similar legal entities, and certain investment funds, (2) the evaluation of fees paid to a decision maker or service provider as a variable interest, (3) how fee arrangements impact the primary beneficiary determination, and (4) the evaluation of

related party relationships on the primary beneficiary determination. The adoption of this guidance in the first quarter of 2016 did not impact the Ameren Companies' results of operations, financial position, cash flows, or disclosures.

#### Leases

In February 2016, the FASB issued authoritative accounting guidance that will require an entity to recognize assets and liabilities arising from a lease. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease will depend primarily on its classification as a finance or operating lease. The guidance also requires additional disclosures to enable users of financial statements to understand the amount, timing, and uncertainty of cash flows arising from leases. The guidance will be effective for the Ameren Companies in the first quarter of 2019 with an option for entities to early adopt. Upon adoption, the Ameren Companies will recognize and measure operating leases on their respective balance sheets at the beginning of the earliest period presented. The Ameren Companies are currently assessing the impacts of this guidance on their results of operations, financial position, cash flows, and disclosures.

#### Improvements to Employee Share-Based Payment Accounting

In March 2016, the FASB issued authoritative accounting guidance that simplifies the accounting for share-based payment transactions, including the income tax consequences, the calculation of diluted earnings per share, the classification of awards as either equity or liabilities, and the classification on the statement of cash flows. Ameren determines for each performance share unit award whether the difference between

the deduction for tax purposes and the compensation cost recognized for financial reporting purposes results in either an excess tax benefit or an excess tax deficit. Previously, excess tax benefits were recognized in "Other paid-in capital" on Ameren's consolidated balance sheet, and in certain cases, excess tax deficits were recognized in "Income taxes" on Ameren's consolidated income statement. The new guidance increases income statement volatility by requiring all excess tax benefits and deficits to be recognized in "Income taxes," and treated as discrete items in the period in which they occur. Ameren adopted this guidance in the first quarter of 2016, which resulted in recognition of a \$21 million income tax benefit during the period. For the three months ended March 31, 2015, Ameren reclassified, for comparison purposes, \$2 million of excess tax benefits on the statement of cash flows from financing to operating activity, and \$12 million of employee payroll taxes related to share-based payments from operating to financing activity.

#### 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

###### MEEIA 2013

The MEEIA 2013 performance incentive allowed Ameren Missouri an opportunity to earn additional revenues by achieving certain customer energy efficiency goals, including \$19 million if 100% of the goals were achieved during the three-year period, with the potential to earn a larger performance incentive if Ameren Missouri's energy savings exceeded those goals. In November 2015, the MoPSC issued an order that clarified how an input used in the calculation of the performance incentive would be determined. Ameren Missouri filed an appeal of the order with the Missouri Court of Appeals, Western District. If the Missouri Court of Appeals upholds the MoPSC order, the MEEIA 2013 performance incentive will be significantly less than the performance incentive calculated using Ameren Missouri's interpretation. A decision from the Missouri Court of Appeals is expected in 2016. Separately, an order from the MoPSC determining the MEEIA 2013 performance incentive is also expected in 2016. Ameren Missouri has not recorded any revenues associated with the MEEIA 2013 performance incentive. Ameren Missouri believes it will ultimately be found to have exceeded 100% of the customer energy efficiency goals, and it therefore expects to recognize revenues relating to the MEEIA 2013 performance incentive of at least \$19 million in 2016.

##### Noranda

Ameren Missouri supplies electricity to Noranda's aluminum smelter located in southeast Missouri under a long-term power supply agreement.

In the first quarter of 2016, Noranda idled production at its aluminum smelter. In addition, Noranda filed voluntary petitions for a court-supervised restructuring process under Chapter 11 of the United States Bankruptcy Code. Noranda stated it would maintain the flexibility to restart operations at the smelter should conditions allow. Ameren Missouri has been working with Noranda, legislators, and other stakeholders on a potential legislative solution to support Noranda's operations. For utility service through March 31, 2016, Noranda prepaid an amount to Ameren Missouri in excess of its utility service usage. Ameren Missouri expects to be paid in full for utility services provided to Noranda.

In its April 2015 electric rate order, the MoPSC approved a rate design that established \$78 million in annual revenues, net of fuel and purchased power costs, as Noranda's portion of Ameren Missouri's revenue requirement. The portion of Ameren Missouri's annual revenue requirement reflected in Noranda's electric rate is based on the smelter using approximately 4.2 million megawatthours annually, which is almost 100% of its operating capacity. Ameren Missouri's rates, including those for Noranda, are seasonal. Noranda's summer base rate (June through September) is \$45.78 per megawatthour, and its winter base rate (October through May) is \$31.11 per megawatthour.

In 2016, actual sales volumes to Noranda will be significantly below the sales volumes reflected in rates. As a result, Ameren Missouri will not fully recover its revenue requirement until rates are adjusted by the MoPSC in a future electric rate case to accurately reflect Noranda's actual sales volumes. As a result of Noranda's idled production

described above, Ameren Missouri is applying a provision in its FAC tariff that, under certain circumstances, allows Ameren Missouri to retain a portion of the revenues from any off-system sales it makes as a result of reduced tariff sales to Noranda. The current market price of electricity is less than Noranda's electric rate, and Ameren Missouri expects market prices to remain below Noranda's electric rate during 2016. Accordingly, this FAC-tariff provision will not enable Ameren Missouri to fully recover its revenue requirement under current market conditions.

Ameren Missouri expects to file an electric rate case in 2016 to reflect additional infrastructure investments and rising costs, including depreciation, transmission service, and property tax expenses, and expects the resulting new rates to reflect Noranda's actual sales volumes, which would prospectively eliminate the impact of the current revenue shortfall from Noranda sales levels. The rate case would take place over a period of up to 11 months from the date of filing. Ameren Missouri may seek recovery of lost revenues in a filing with the MoPSC to recover certain costs incurred but not contemporaneously recovered by rate revenues as a result of Noranda's reduced operations. Ameren Missouri will continue to monitor Noranda's

sales volumes and to evaluate regulatory and legislative options that might mitigate adverse financial impacts. The reduction in Noranda's sales volumes have adversely affected and will continue to adversely affect Ameren's and Ameren Missouri's results of operations, financial condition, and liquidity until customer rates are adjusted in a future rate case.

#### ATXI Transmission Projects

The Mark Twain project is a MISO-approved 95-mile transmission line located in northeast Missouri. In April 2016, the MoPSC granted ATXI a certificate of convenience and necessity for the Mark Twain project. Starting construction under the certificate is subject to ATXI obtaining assents from the five counties where the line will be constructed. The Mark Twain project is expected to be completed in 2018. Extended difficulties in obtaining the assents could delay the completion date.

#### Illinois

##### IEIMA

Under the provisions of the IEIMA's performance-based formula rate-making framework, which currently extends through 2019, Ameren Illinois' electric delivery service rates are subject to an annual revenue requirement reconciliation to its actual recoverable 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 reflected in customer rates 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 recoverable costs incurred. As of March 31, 2016, Ameren Illinois had recorded regulatory assets of \$9 million, \$65 million, and \$82 million, to reflect its expected 2016 and 2015 revenue requirement reconciliation adjustments and the approved 2014 revenue requirement reconciliation adjustment, with interest, respectively.

In April 2016, Ameren Illinois filed with the ICC its annual electric delivery service formula rate update to establish the revenue requirement used for 2017 rates. Pending ICC approval, Ameren Illinois' update filing will result in a \$14 million decrease in Ameren Illinois' electric delivery service revenue requirement, beginning in January 2017. This update reflects an increase to the annual formula rate based on 2015 actual costs and expected net plant additions for 2016, an increase to include the 2015 revenue requirement reconciliation adjustment, and a decrease for the conclusion of the 2014 revenue requirement reconciliation adjustment, which will be fully collected from customers in 2016, consistent with the ICC's December 2015 annual update filing order. As of December 31, 2015, Ameren Illinois had recorded a regulatory asset of \$103 million related to the approved 2014 revenue requirement reconciliation adjustment.

#### Federal

##### FERC Complaint Cases

In November 2013, a customer group filed a complaint case with the FERC seeking a reduction in the allowed base return on common equity for the FERC-regulated transmission rate base under the MISO tariff from 12.38% to 9.15%. In December 2015, an administrative law judge issued an initial decision in the November 2013 complaint case that would lower the allowed base return on common equity to 10.32% and would require customer refunds to be issued for the 15-month period ending February 2015. The allowed base return on common equity in the initial decision was based on observable market data for the six months ended June 30, 2015. The FERC is expected to issue a final order on the November 2013 complaint case in the fourth quarter of 2016.

Because the maximum FERC-allowed refund period for the November 2013 complaint case ended in February 2015, another customer complaint case was filed in February 2015. The February 2015 complaint case seeks a reduction in the allowed base return on common equity for the FERC-regulated transmission rate base under the MISO tariff to 8.67%. The initial decision from an administrative law judge in the February 2015 complaint case, which will subsequently require FERC approval, is expected to be issued in the second quarter of 2016.

On January 6, 2015, a FERC-approved incentive adder of up to 50 basis points on the allowed base return on common equity for our participation in an RTO became effective. Beginning with its January 6, 2015 effective date, the incentive adder will reduce any refund to customers relating to a reduction of the allowed base return on common equity from the complaint cases discussed above.

As of March 31, 2016, Ameren and Ameren Illinois had current regulatory liabilities of \$55 million and \$37 million, respectively, representing their estimates of the potential refunds from the November 12, 2013 refund effective date through March 31, 2016. Ameren and Ameren Illinois recorded liabilities to reflect the allowed base return on common equity in the initial decision for the November 2013 complaint case refund period and the observable market data for the six months ended December 31, 2015, for the February 2015 complaint case refund period. Ameren's and Ameren Illinois' liabilities also reflect the January 6, 2015 incentive adder discussed above. Ameren Missouri did not record a liability as of March 31, 2016, and it does 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.

**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 Missouri Credit Agreement and the Illinois Credit Agreement, both of which expire on December 11, 2019, were not utilized for direct borrowings during the three months ended March 31, 2016, but were used to support commercial paper issuances and to issue letters of credit. Based on letters of credit issued under the Credit Agreements, as well as commercial paper outstanding, the aggregate amount of credit capacity available under the Credit Agreements to Ameren (parent), Ameren Missouri, and Ameren Illinois, collectively, at March 31, 2016, was \$1.5 billion.

#### Commercial Paper

The following table presents commercial paper outstanding at Ameren (parent), Ameren Missouri, and Ameren Illinois as of March 31, 2016, and December 31, 2015:

	March 31, December 31,	
	2016	2015
Ameren (parent)	\$ 416	\$ 301
Ameren Missouri	165	—
Ameren Illinois	—	—
Ameren Consolidated	\$ 581	\$ 301

The following table summarizes the borrowing activity and relevant interest rates under Ameren's (parent), Ameren Missouri's, and Ameren Illinois' commercial paper programs for the three months ended March 31, 2016 and 2015:

	Ameren (parent)	Ameren Missouri	Ameren Illinois	Ameren Consolidated
2016				
Average daily commercial paper outstanding	\$349	\$ 68	\$ —	\$ 417
Weighted-average interest rate	0.82 %	0.80 %	— %	0.81 %
Peak commercial paper during period <sup>(a)</sup>	\$482	\$ 208	\$ —	\$ 581
Peak interest rate	0.95 %	0.85 %	— %	0.95 %
2015				
Average daily commercial paper outstanding	\$691	\$ 151	\$ 10	\$ 852
Weighted-average interest rate	0.55 %	0.49 %	0.44 %	0.53 %
Peak commercial paper during period <sup>(a)</sup>	\$815	\$ 243	\$ 39	\$ 955
Peak interest rate	0.70 %	0.60 %	0.60 %	0.70 %

<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 financial covenants in the 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 Credit Agreements also 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 Credit Agreements require Ameren, Ameren Missouri, and Ameren Illinois to each 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 March 31, 2016, the ratios of consolidated indebtedness to consolidated total capitalization, calculated in accordance with the provisions of the Credit Agreements, were 52%, 49%, and 46%, for Ameren, Ameren Missouri, and Ameren Illinois, respectively. In addition, under the Credit Agreements, if Ameren does not have a senior long-term unsecured credit rating of at least Baa3 from Moody's or BBB- from S&P, 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. As of March 31, 2016, Ameren's senior long-term unsecured credit rating exceeded the minimum rating requirements; therefore, the interest coverage requirement was not applicable. Failure of a borrower to satisfy a financial covenant constitutes an immediate default under the applicable Credit Agreement.

The Credit Agreements contain default provisions that apply separately to each borrower; provided, however, that a default of Ameren Missouri or Ameren Illinois under the applicable Credit Agreement will also be deemed to constitute a default of Ameren under such agreement. Defaults include a cross-default resulting from a default of such borrower under any other agreement covering outstanding indebtedness of such borrower and certain subsidiaries (other than project finance subsidiaries and nonmaterial subsidiaries) in excess of \$75 million in the aggregate (including under the other Credit Agreement). However, under the default provisions of the Credit Agreements, any default of Ameren under any Credit Agreement that results solely from a default of Ameren Missouri or Ameren Illinois thereunder does not result in a cross-default of Ameren under the other Credit Agreement. Further, the Credit Agreement default provisions provide that an Ameren default under any of the Credit Agreements does not constitute a default by Ameren Missouri or Ameren Illinois.

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 covenants in their credit agreements at March 31, 2016.

#### Money Pools

Ameren has money pool agreements with and among its subsidiaries to coordinate and provide for certain short-term cash and working capital requirements.

Ameren Missouri, Ameren Illinois, and ATXI may participate in the utility money pool as both lenders and borrowers. Ameren and Ameren Services may participate in the utility money pool only as lenders. 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 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 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 months ended March 31, 2016 and 2015, was 0.47% 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 months ended March 31, 2016 and 2015.

#### NOTE 4 - LONG-TERM DEBT AND EQUITY FINANCINGS

##### Ameren Missouri

In February 2016, \$260 million principal amount of Ameren Missouri's 5.40% senior secured notes matured and was repaid with cash on hand and commercial paper borrowings.

##### Indenture Provisions and Other Covenants

Ameren Missouri's and Ameren Illinois' indentures, credit facilities, 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, dividend coverage ratios, and bonds and preferred stock issuable as of March 31, 2016, 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	3.8	\$3,809	≥2.5	95.8	\$2,128
Ameren Illinois	≥2.0	6.4	3,642	<sup>(d)</sup> ≥1.5	2.6	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.

(b) Amount of bonds issuable based either on required coverage ratios or unfunded property additions, whichever is more restrictive. The amounts shown also include bonds issuable based on retired bond capacity of \$1,206 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. The amount of bonds issuable by Ameren Illinois is also subject to the lien

restrictions contained in the Illinois Credit Agreement.

- (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.” The 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 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 the FERC to maintain a minimum of 30% equity in its capital structure. As of March 31, 2016, Ameren Illinois had 51% equity in its capital structure.

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

#### Off-Balance-Sheet Arrangements

At March 31, 2016, none of the Ameren Companies had off-balance-sheet financing arrangements, other than operating leases entered into in the ordinary course of business, letters of credit, and Ameren parent guarantee arrangements on behalf of its subsidiaries. None of the Ameren Companies expect to engage in any significant off-balance-sheet financing arrangements in the near future.

#### 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 months ended March 31, 2016 and 2015:

	Three Months 2016 2015	
Ameren: <sup>(a)</sup>		
Miscellaneous income:		
Allowance for equity funds used during construction	\$8	\$ 5
Interest income on industrial development revenue bonds	7	7
Interest income	4	4
Other	1	3
Total miscellaneous income	\$20	\$ 19
Miscellaneous expense:		
Donations	\$5	\$ 8
Other	2	3
Total miscellaneous expense	\$7	\$ 11
Ameren Missouri:		
Miscellaneous income:		
Allowance for equity funds used during construction	\$7	\$ 4
Interest income on industrial development revenue bonds	7	7
Other	1	—
Total miscellaneous income	\$15	\$ 11
Miscellaneous expense:		
Donations	\$1	\$ 2
Other	1	1

Edgar Filing: AMEREN CORP - Form 10-Q

Total miscellaneous expense	\$2	\$3
Ameren Illinois:		
Miscellaneous income:		
Allowance for equity funds used during construction	\$1	\$1
Interest income	4	4
Other	—	2
Total miscellaneous income	\$5	\$7
Miscellaneous expense:		
Donations	\$4	\$3
Other	1	2
Total miscellaneous expense	\$5	\$5

(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, power, and uranium, as well as the risk of changes in rail transportation surcharges through fuel oil hedges. 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 March 31, 2016, and December 31, 2015. As of March 31, 2016, these contracts ran through October 2018, March 2021, May 2032, and January 2019 for fuel oils, natural gas, power, and uranium, respectively.

Commodity	Quantity (in millions, except as indicated)					
	2016			2015		
	Ameren Missouri	Ameren Illinois	Ameren	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils (in gallons) <sup>(a)</sup>	29 (b)	29		35 (b)	35	
Natural gas (in mmbtu)	29	150	179	30	151	181
Power (in megawatthours)	1	9	10	1	10	11
Uranium (pounds in thousands)	428	(b)	428	494	(b)	494

(a) Consists of ultra-low-sulfur diesel products.

(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 whether the resulting gains or losses 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 March 31, 2016, and December 31, 2015, all contracts 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 a master netting arrangement or similar agreement. The Ameren Companies did not elect to adopt this guidance for any eligible derivative

instruments.

20

---



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 March 31, 2016, and December 31, 2015:

Balance Sheet Location		Ameren Missouri	Ameren Illinois	Ameren
2016				
Natural gas	Other assets	\$ —	\$ 1	\$ 1
Power	Other current assets	6	—	6
	Total assets <sup>(a)</sup>	\$ 6	\$ 1	\$ 7
Fuel oils	Other current liabilities	\$ 19	\$ —	\$ 19
	Other deferred credits and liabilities	6	—	6
Natural gas	MTM derivative liabilities	(b)	36	(b)
	Other current liabilities	7	—	43
	Other deferred credits and liabilities	7	15	22
Power	MTM derivative liabilities	(b)	15	(b)
	Other current liabilities	—	—	15
	Other deferred credits and liabilities	—	172	172
Uranium	Other current liabilities	2	—	2
	Other deferred credits and liabilities	2	—	2
	Total liabilities <sup>(c)</sup>	\$ 43	\$ 238	\$ 281
2015				
Natural gas	Other current assets	\$ —	\$ 1	\$ 1
	Other assets	1	—	1
Power	Other current assets	16	—	16
	Total assets <sup>(a)</sup>	\$ 17	\$ 1	\$ 18
Fuel oils	Other current liabilities	\$ 22	\$ —	\$ 22
	Other deferred credits and liabilities	7	—	7
Natural gas	MTM derivative liabilities	(b)	32	(b)
	Other current liabilities	6	—	38
	Other deferred credits and liabilities	8	18	26
Power	MTM derivative liabilities	(b)	13	(b)
	Other current liabilities	—	—	13
	Other deferred credits and liabilities	—	157	157
Uranium	Other current liabilities	1	—	1
	Total liabilities <sup>(c)</sup>	\$ 44	\$ 220	\$ 264

(a) Because all contracts qualifying for hedge accounting receive regulatory deferral, the cumulative amount of pretax net gains on all derivative instruments is deferred as a regulatory liability.

(b) Balance sheet line item not applicable to registrant.

(c) Because all contracts qualifying for hedge accounting receive regulatory deferral, the cumulative amount of pretax net losses on all derivative instruments is deferred as a regulatory asset.

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 netting arrangements or similar agreements, and reporting daily exposure to senior management.

We believe that entering into master netting arrangements or similar 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 netting arrangements: (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 netting arrangements allow the counterparties to net settle sale and purchase transactions. Further, collateral requirements are calculated at the master netting arrangement or similar 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 March 31, 2016, and December 31, 2015:

Commodity Contracts Eligible to be Offset	Gross Amounts Recognized in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet			Net Amount
		Derivative Instruments	Cash Received	Collateral Posted <sup>(a)</sup>	
<b>2016</b>					
<b>Assets:</b>					
Ameren Missouri	\$ 6	\$ 2	\$ —	—	\$ 4
Ameren Illinois	1	1	—	—	—
Ameren	\$ 7	\$ 3	\$ —	—	\$ 4
<b>Liabilities:</b>					
Ameren Missouri	\$ 43	\$ 2	\$ 8	—	\$ 33
Ameren Illinois	238	1	2	—	235
Ameren	\$ 281	\$ 3	\$ 10	—	\$ 268
<b>2015</b>					
<b>Assets:</b>					
Ameren Missouri	\$ 17	\$ 1	\$ —	—	\$ 16
Ameren Illinois	1	—	—	—	1
Ameren	\$ 18	\$ 1	\$ —	—	\$ 17
<b>Liabilities:</b>					
Ameren Missouri	\$ 44	\$ 1	\$ 8	—	\$ 35
Ameren Illinois	220	—	3	—	217
Ameren	\$ 264	\$ 1	\$ 11	—	\$ 252

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 NPNS and other accrual contracts. These exposures are calculated on a gross basis, which include affiliate exposure not eliminated at the consolidated Ameren level. The potential loss on counterparty exposures may be reduced or eliminated by the application of master netting arrangements or similar agreements and collateral held. As of March 31, 2016, if counterparty groups were to fail completely to perform on contracts, the Ameren Companies’ maximum exposure would have been immaterial with or without consideration of the application of master netting arrangements or similar agreements and collateral held.

#### 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 our ability to satisfy an obligation requested adequate assurance of performance, additional collateral postings might be required. The following table presents, as of March 31, 2016, 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 counterparties could require. The additional collateral

Edgar Filing: AMEREN CORP - Form 10-Q

required is the net liability position allowed under the master netting arrangements or similar agreements, assuming (1) the credit risk-related contingent features underlying these arrangements were triggered on March 31, 2016, 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>
2016			
Ameren Missouri	\$ 88	\$ 7	\$ 76
Ameren Illinois	77	2	71
Ameren	\$ 165	\$ 9	\$ 147

(a) Before consideration of master netting arrangements or similar agreements and including NPNS and other accrual contract exposures.

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

**NOTE 7 - FAIR VALUE MEASUREMENTS**

Fair value is defined as the 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 three hierarchy levels. See

Note 8 - Fair Value Measurements under Part II, Item 8, of the Form 10-K for information related to hierarchy levels. 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.

Edgar Filing: AMEREN CORP - Form 10-Q

The following table describes the valuation techniques and unobservable inputs utilized by the Ameren Companies for the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy for the periods ended March 31, 2016, and December 31, 2015:

	Fair Value	Valuation	Unobservable Input	Range	Weighted
	Assets	Liabilities	Technique(s)		Average
Level 3 Derivative asset and liability - commodity contracts <sup>(a)</sup> :					
2016					
Natural gas	\$-	\$(1)	Discounted cash flow	Nodal basis(\$/mmbtu) <sup>(b)</sup>	(0.60) - 0 (0.50)
				Counterparty credit risk(%) <sup>(c)(d)</sup>	0.40 - 6 0.93
				Ameren Illinois credit risk(%) <sup>(c)(d)</sup>	0.40 (e)
Power <sup>(f)</sup>	6	(187)	Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps(\$/MWh) <sup>(g)</sup>	18 - 37 27
				Estimated auction price for FTRs(\$/MW) <sup>(b)</sup>	(818) - 1,062 67
				Nodal basis(\$/MWh) <sup>(g)</sup>	(10) - (1)(2)
				Counterparty credit risk(%) <sup>(c)(d)</sup>	0.55 (e)
				Ameren Illinois credit risk(%) <sup>(c)(d)</sup>	0.40 (e)
			Fundamental energy production model	Estimated future gas prices(\$/mmbtu) <sup>(b)</sup>	3 - 5 4
				Escalation rate(%) <sup>(b)(h)</sup>	4 (e)
			Contract price allocation	Estimated renewable energy credit costs(\$/credit) <sup>(b)</sup>	5 - 7 6
Uranium	—	(4)	Option model	Volatilities(%) <sup>(b)</sup>	20 (e)
			Discounted cash flow	Average forward uranium pricing(\$/pound) <sup>(b)</sup>	28 - 33 31
				Ameren Missouri credit risk(%) <sup>(c)(d)</sup>	0.40 (e)
2015					
Natural gas	\$1	\$(1)	Option model	Volatilities(%) <sup>(b)</sup>	35 - 55 45
				Nodal basis(\$/mmbtu) <sup>(c)</sup>	(0.30) - 0(0.20)
			Discounted cash flow	Nodal basis(\$/mmbtu) <sup>(b)</sup>	(0.10) - 0(0.10)
				Counterparty credit risk(%) <sup>(c)(d)</sup>	0.40 - 127
				Ameren Missouri credit risk(%) <sup>(c)(d)</sup>	0.40 (e)
Power <sup>(f)</sup>	16	(170)	Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps(\$/MWh) <sup>(g)</sup>	22 - 39 29
				Estimated auction price for FTRs(\$/MW) <sup>(b)</sup>	(270) - 2,057 211
				Nodal basis(\$/MWh) <sup>(g)</sup>	(10) - (1)(3)
				Counterparty credit risk(%) <sup>(c)(d)</sup>	0.86 (e)
				Ameren Illinois credit risk(%) <sup>(c)(d)</sup>	0.40 (e)
			Fundamental energy production model	Estimated future gas prices(\$/mmbtu) <sup>(b)</sup>	3 - 4 4
				Escalation rate(%) <sup>(b)(h)</sup>	3 (e)
			Contract price allocation	Estimated renewable energy credit costs(\$/credit) <sup>(b)</sup>	5 - 7 6
Uranium	—	(1)	Option model	Volatilities(%) <sup>(b)</sup>	20 (e)

Edgar Filing: AMEREN CORP - Form 10-Q

Discounted cash flow	Average forward uranium pricing(\$/pound) <sup>(b)</sup>	35 – 42	37
	Ameren Missouri credit risk(%) <sup>(c)(d)</sup>	0.40	(e)

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 2020. Valuations beyond 2020 use fundamentally modeled pricing by month for peak and off-peak demand.
- (g) The balance at Ameren is comprised of Ameren Missouri and Ameren Illinois power contracts, which respond differently to unobservable input changes due to their opposing positions.
- (h) Escalation rate applies to power prices 2031 and beyond for March 31, 2016 and to power prices 2026 and beyond for December 31, 2015.

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

24

---

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 quarter of 2016 or 2015. At March 31, 2016, and December 31, 2015, the counterparty default risk valuation adjustment related to derivative contracts was immaterial for Ameren, Ameren Missouri, and Ameren Illinois.

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 March 31, 2016:

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)	Significant Other Unobservable Inputs (Level 3)	Total
Assets:					
Ameren	Derivative assets - commodity contracts <sup>(a)</sup> :				
	Natural gas	\$ —	\$ 1	\$ —	\$ 1
	Power	—	—	6	6
	Total derivative assets - commodity contracts	\$ —	\$ 1	\$ 6	\$ 7
	Nuclear decommissioning trust fund:				
	Cash and cash equivalents	\$ 2	\$ —	\$ —	\$ 2
	Equity securities:				
	U.S. large capitalization	369	—	—	369
	Debt securities:				
	U.S. treasury and agency securities	—	121	—	121
	Corporate bonds	—	56	—	56
	Other	—	18	—	18
	Total nuclear decommissioning trust fund	\$ 371	\$ 195	\$ —	\$ 566 <sup>(b)</sup>
	Total Ameren	\$ 371	\$ 196	\$ 6	\$ 573
Ameren Missouri	Derivative assets - commodity contracts <sup>(a)</sup> :				
	Power	\$ —	\$ —	\$ 6	\$ 6
	Nuclear decommissioning trust fund:				
	Cash and cash equivalents	\$ 2	\$ —	\$ —	\$ 2
	Equity securities:				
	U.S. large capitalization	369	—	—	369
	Debt securities:				
	U.S. treasury and agency securities	—	121	—	121
	Corporate bonds	—	56	—	56
	Other	—	18	—	18
	Total nuclear decommissioning trust fund	\$ 371	\$ 195	\$ —	\$ 566 <sup>(b)</sup>
	Total Ameren Missouri	\$ 371	\$ 195	\$ 6	\$ 572
Ameren Illinois	Derivative assets - commodity contracts <sup>(a)</sup> :				
	Natural gas	\$ —	\$ 1	\$ —	\$ 1
Liabilities:					
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
	Fuel oils	\$ 25	\$ —	\$ —	\$ 25
	Natural gas	1	63	1	65
	Power	—	—	187	187
	Uranium	—	—	4	4



Edgar Filing: AMEREN CORP - Form 10-Q

	Total Ameren	\$ 26	\$ 63	\$ 192	\$281
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
Missouri	Fuel oils	\$ 25	\$ —	\$ —	\$25
	Natural gas	1	13	—	14
	Uranium	—	—	4	4
	Total Ameren Missouri	\$ 26	\$ 13	\$ 4	\$43
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
Illinois	Natural gas	\$ —	\$ 50	\$ 1	\$51
	Power	—	—	187	187
	Total Ameren Illinois	\$ —	\$ 50	\$ 188	\$238

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

(b) Balance excludes \$1 million of receivables, payables, and accrued income, net.

Edgar Filing: AMEREN CORP - Form 10-Q

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, 2015:

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)	Total	
<b>Assets:</b>					
Ameren	Derivative assets - commodity contracts <sup>(a)</sup> :				
	Natural gas	\$ —	\$ 1	\$ 1	\$ 2
	Power	—	—	16	16
	Total derivative assets - commodity contracts	\$ —	\$ 1	\$ 17	\$ 18
	Nuclear decommissioning trust fund:				
	Cash and cash equivalents	\$ 4	\$ —	\$ —	\$ 4
	Equity securities:				
	U.S. large capitalization	364	—	—	364
	Debt securities:				
	U.S. treasury and agency securities	—	109	—	109
	Corporate bonds	—	58	—	58
	Other	—	22	—	22
	Total nuclear decommissioning trust fund	\$ 368	\$ 189	\$ —	\$ 557 <sup>(b)</sup>
	Total Ameren	\$ 368	\$ 190	\$ 17	\$ 575
Ameren Missouri	Derivative assets - commodity contracts <sup>(a)</sup> :				
	Natural gas	\$ —	\$ —	\$ 1	\$ 1
	Power	—	—	16	16
	Total derivative assets - commodity contracts	\$ —	\$ —	\$ 17	\$ 17
	Nuclear decommissioning trust fund:				
	Cash and cash equivalents	\$ 4	\$ —	\$ —	\$ 4
	Equity securities:				
	U.S. large capitalization	364	—	—	364
	Debt securities:				
	U.S. treasury and agency securities	—	109	—	109
	Corporate bonds	—	58	—	58
	Other	—	22	—	22
	Total nuclear decommissioning trust fund	\$ 368	\$ 189	\$ —	\$ 557 <sup>(b)</sup>
	Total Ameren Missouri	\$ 368	\$ 189	\$ 17	\$ 574
Ameren Illinois	Derivative assets - commodity contracts <sup>(a)</sup> :				
	Natural gas	\$ —	\$ 1	\$ —	\$ 1
<b>Liabilities:</b>					
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
	Fuel oils	\$ 29	\$ —	\$ —	\$ 29
	Natural gas	1	62	1	64
	Power	—	—	170	170
	Uranium	—	—	1	1
	Total Ameren	\$ 30	\$ 62	\$ 172	\$ 264
Ameren					

Edgar Filing: AMEREN CORP - Form 10-Q

	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
Missouri	Fuel oils	\$ 29	\$ —	\$ —	\$29
	Natural gas	—	13	1	14
	Uranium	—	—	1	1
	Total Ameren Missouri	\$ 29	\$ 13	\$ 2	\$44
Ameren	Derivative liabilities - commodity contracts <sup>(a)</sup> :				
Illinois	Natural gas	\$ 1	\$ 49	\$ —	\$50
	Power	—	—	170	170
	Total Ameren Illinois	\$ 1	\$ 49	\$ 170	\$220

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

(b) Balance excludes \$(1) million of receivables, payables, and accrued income, net.

Edgar Filing: AMEREN CORP - Form 10-Q

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 March 31, 2016:

	Net derivative commodity contracts		
	Ameren Missouri	Ameren Illinois	Ameren
Natural gas:			
Beginning balance at January 1, 2016	\$ —	\$ —	\$ —
Settlements	—	(1 )	(1 )
Ending balance at March 31, 2016	\$ —	\$ (1 )	\$ (1 )
Change in unrealized gains (losses) related to assets/liabilities held at March 31, 2016	\$ —	\$ —	\$ —
Power:			
Beginning balance at January 1, 2016	\$ 16	\$ (170 )	\$ (154 )
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(3 )	(21 )	(24 )
Settlements	(7 )	4	(3 )
Ending balance at March 31, 2016	\$ 6	\$ (187 )	\$ (181 )
Change in unrealized gains (losses) related to assets/liabilities held at March 31, 2016	\$ —	\$ (19 )	\$ (19 )
Uranium:			
Beginning balance at January 1, 2016	\$ (1 )	\$ (a)	\$ (1 )
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(3 )	(a)	(3 )
Ending balance at March 31, 2016	\$ (4 )	\$ (a)	\$ (4 )
Change in unrealized gains (losses) related to assets/liabilities held at March 31, 2016	\$ (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 March 31, 2015:

	Net derivative commodity contracts		
	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils:			
Beginning balance at January 1, 2015	\$(6)	\$(a)	\$(6 )
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(1)	(a)	(1 )
Settlements	1	(a)	1
Ending balance at March 31, 2015	\$(6)	\$(a)	\$(6 )
Change in unrealized gains (losses) related to assets/liabilities held at March 31, 2015	\$(3)	\$(a)	\$(3 )
Natural gas:			
Beginning balance at January 1, 2015	\$(1)	\$—	\$(1 )
Purchases	—	1	1
Ending balance at March 31, 2015	\$(1)	\$1	\$—
Change in unrealized gains (losses) related to assets/liabilities held at March 31, 2015	\$—	\$—	\$—
Power:			
Beginning balance at January 1, 2015	\$9	\$(142 )	\$(133 )
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(2)	(25 )	(27 )
Settlements	(3)	3	—
Ending balance at March 31, 2015	\$4	\$(164 )	\$(160 )
Change in unrealized gains (losses) related to assets/liabilities held at March 31, 2015	\$—	\$(24 )	\$(24 )
Uranium:			
Beginning balance at January 1, 2015	\$(2)	\$(a)	\$(2 )
Realized and unrealized gains (losses) included in regulatory assets/liabilities	1	(a)	1
Ending balance at March 31, 2015	\$(1)	\$(a)	\$(1 )
Change in unrealized gains (losses) related to assets/liabilities held at March 31, 2015	\$1	\$(a)	\$1

(a) Not applicable.

The Ameren Companies' carrying amounts of cash and cash equivalents approximate fair value because of the short-term nature of these instruments. They are considered to be Level 1 in the fair value hierarchy. The Ameren Companies' short-term borrowings also approximate fair value because of their short-term nature. Short-term borrowings are considered to be Level 2 in the fair value hierarchy as they are valued based on market rates for similar market transactions. The estimated fair value of long-term debt and preferred stock is

based on the quoted market prices for same or similar issuances for companies with similar credit profiles or on the current rates offered to the Ameren Companies for similar financial instruments, which fair value measurement is considered to be Level 2 in the fair value hierarchy.

The following table presents the carrying amounts and estimated fair values of our long-term debt, capital lease obligations and preferred stock at March 31, 2016, and December 31, 2015:

	March 31, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Ameren:				
Long-term debt and capital lease obligations (including current portion)	\$7,016	\$7,744	\$7,275	\$7,814
Preferred stock <sup>(a)</sup>	142	126	142	125
Ameren Missouri:				
Long-term debt and capital lease obligations (including current portion)	\$3,851	\$4,280	\$4,110	\$4,449
Preferred stock	80	75	80	75
Ameren Illinois:				
Long-term debt (including current portion)	\$2,472	\$2,744	\$2,471	\$2,665
Preferred stock	62	51	62	50

(a) Preferred stock is recorded in "Noncontrolling Interests" on the consolidated balance sheet.

#### NOTE 8 - RELATED PARTY TRANSACTIONS

Ameren (parent) and its subsidiaries have engaged in, and may in the future engage in, affiliate transactions in the normal course of business. These transactions primarily consist of power purchases and sales, services received or rendered, and borrowings and lendings.

Transactions between affiliates are reported as intercompany transactions on their respective financial statements but are eliminated in consolidation for Ameren's financial statements. For a discussion of our material related party agreements, see Note 14 - Related Party Transactions under Part II, Item 8, of the Form 10-K and the money pool

arrangements discussed in Note 3 - Short-term Debt and Liquidity of this report.

#### Electric Power Supply Agreement

In April 2016, Ameren Illinois conducted a procurement event, administered by the IPA, to purchase energy products through May 31, 2019. Ameren Missouri was among the winning suppliers in this event. As a result Ameren Missouri and Ameren Illinois entered into an energy product agreement by which Ameren Missouri agreed to sell and Ameren Illinois agreed to purchase 375,200 megawatt-hours at an average price of \$34.71 per megawatt-hour during the period of June 1, 2017, through September 30, 2018.

The following table presents the impact on Ameren Missouri and Ameren Illinois of related party transactions for the three months ended March 31, 2016 and 2015:

Agreement	Income Statement Line Item	Three Months	
		Ameren Missouri	Ameren Illinois
Ameren Missouri power supply agreements with Ameren Illinois	Operating Revenues	2016 \$9	2015 \$ (a)
Ameren Missouri and Ameren Illinois rent and facility services	Operating Revenues	2016 6	2015 1
Ameren Missouri and Ameren Illinois miscellaneous support services	Operating Revenues	2016 (b)	2015 (b)
Total Operating Revenues		2016 \$15	2015 \$ 1
Ameren Illinois power supply agreements with Ameren Missouri	Purchased Power	2016 \$(a) \$9	2015 (a) 1
Ameren Illinois transmission services with ATXI	Purchased Power	2016 (a)	2015 (b) 1
Total Purchased Power		2016 \$(a) \$9	2015 (a) 2
Ameren Services support services agreement	Other Operations and Maintenance	2016 \$34	2015 \$31 29
Money pool borrowings (advances)	Interest Charges/ Miscellaneous Income	2016 \$(b)	2015 \$(b) (b)

(a) Not applicable.

(b) Amount less than \$1 million.

#### NOTE 9 - COMMITMENTS AND CONTINGENCIES

We are involved in legal, tax and regulatory proceedings before various courts, regulatory commissions, authorities and governmental agencies with respect to matters that arise in the ordinary course of business, some of which involve substantial amounts of money. We believe that the final disposition of these proceedings, except as otherwise disclosed in the notes to our financial statements in this report and in our Form 10-K, will not have a material adverse effect on our results of operations, financial position, or liquidity.

Reference is made to Note 1 - Summary of Significant Accounting Policies, Note 2 - Rate and Regulatory Matters, Note 14 - Related Party Transactions, Note 15 - Commitments and Contingencies, and Note 16 - Divestiture Transactions and Discontinued Operations under Part II, Item 8, of the Form 10-K. See also Note 2 - Rate and Regulatory Matters, Note 8 - Related Party Transactions, and Note 10 - Callaway Energy Center.

#### Callaway Energy Center

The following table presents insurance coverage at Ameren Missouri's Callaway energy center at March 31, 2016. The property coverage and the nuclear liability coverage must be renewed on April 1 and January 1, respectively, of each year. Both coverages were renewed in 2016.

Type and Source of Coverage	Maximum Coverages	Maximum Assessments for Single Incidents
Public liability and nuclear worker liability:		
American Nuclear Insurers	\$ 375	\$ —
Pool participation	13,114	(a) 127 (b)
	\$ 13,489	(c) \$ 127
Property damage:		
NEIL	\$ 2,750	(d) \$ 30 (e)
European Mutual Association for Nuclear Insurance	450	(f) —

Edgar Filing: AMEREN CORP - Form 10-Q

\$ 3,200      \$    30

Replacement power:

NEIL                      \$ 490      (g) \$    7                      (e)

(a) Provided through mandatory participation in an industrywide retrospective premium assessment program.

Retrospective premium under the Price-Anderson Act. This is subject to retrospective assessment with respect to a

(b) covered loss in excess of \$375 million in the event of an incident at any licensed United States commercial reactor, payable at \$19 million per year.



(c) Limit of liability for each incident under the Price-Anderson liability provisions of the Atomic Energy Act of 1954, as amended. A company could be assessed up to \$127 million per incident for each licensed reactor it operates with a maximum of \$19 million per incident to be paid in a calendar year for each reactor. This limit is subject to change to account for the effects of inflation and changes in the number of licensed reactors.

(d) NEIL provides \$2.25 billion in property damage, decontamination, and premature decommissioning insurance for radiation events. NEIL provides \$2.3 billion in property damage for nonradiation events. An additional \$500 million is provided for radiation events only. The total provided by NEIL for radiation and nonradiation events is \$2.75 billion and \$2.3 billion, respectively.

(e) All NEIL insured plants could be subject to assessments should losses exceed the accumulated funds from NEIL.

(f) European Mutual Association for Nuclear Insurance provides \$450 million in excess of the \$2.75 billion and \$2.3 billion property coverage for radiation and nonradiation events, respectively, provided by NEIL.

(g) Provides replacement power cost insurance in the event of a prolonged accidental outage. Weekly indemnity up to \$4.5 million for 52 weeks, which commences after the first twelve weeks of an outage, plus up to \$3.6 million per week for a minimum of 71 weeks thereafter for a total not exceeding the policy limit of \$490 million. Nonradiation events are sub-limited to \$328 million.

The Price-Anderson Act is a federal law that limits the liability for claims from an incident involving any licensed United States commercial nuclear energy center. The limit is based on the number of licensed reactors. The limit of liability and the maximum potential annual payments are adjusted at least every five years for inflation to reflect changes in the Consumer Price Index. The most recent five-year inflationary adjustment became effective in September 2013. Owners of a nuclear reactor cover this exposure through a combination of private insurance and mandatory participation in a financial protection pool, as established by the Price-Anderson Act.

Losses resulting from terrorist attacks on nuclear facilities are covered under NEIL's policies, subject to an industrywide aggregate policy limit of \$3.24 billion within a 12-month period, or \$1.83 billion for events not involving radiation contamination.

If losses from a nuclear incident at the Callaway energy center exceed the limits of, or are not covered by insurance, or if coverage is unavailable, Ameren Missouri is at risk for any uninsured losses. If a serious nuclear incident were to occur, it could have a material adverse effect on Ameren's and Ameren Missouri's results of operations, financial position, or liquidity.

#### Other Obligations

To supply a portion of the fuel requirements of Ameren Missouri's energy centers, Ameren Missouri has entered into various long-term commitments for the procurement of coal, natural gas, nuclear fuel, and methane gas. Additionally, Ameren Missouri and Ameren Illinois have entered into various long-term commitments for purchased power and natural gas for distribution. At March 31, 2016, total obligations related to commitments for coal, natural gas, nuclear fuel, purchased power, methane gas, equipment, and meter reading services, among other agreements, at Ameren, Ameren Missouri, and Ameren Illinois were \$4,566 million, \$2,786 million, and \$1,729 million, respectively. For additional information regarding our obligations and commitments at December 31, 2015, see Note 15 - Commitments and Contingencies under Part II, Item 8 of the Form 10-K.

In April 2016, Ameren Illinois conducted a procurement event, administered by the IPA, to purchase energy products through May 31, 2019. In this event, Ameren Illinois contracted to purchase approximately 3,609,800 megawatthours of energy products for \$105 million, from June 1, 2016, through May 31, 2019. See Note 8 - Related Party Transactions in this report for additional information regarding the energy product agreement between Ameren Missouri and Ameren Illinois as a result of this procurement event.

#### Environmental Matters

We are subject to various environmental laws and regulations enforced by federal, state, and local authorities. Such requirements can impact the siting, development and operation of new and existing generation, transmission, distribution and natural gas storage facilities. Such requirements can encompass emissions, discharges to water, water usage, impacts to air, land,

and water, and chemical and waste handling. Complex and lengthy approval processes are required to obtain, modify or renew permits and licenses for new or existing facilities. Additionally, the use and handling of various chemicals or hazardous materials at some of our facilities require release prevention plans and emergency response procedures. The EPA has promulgated several environmental regulations that will have a significant impact on the electric utility industry. Over time, compliance with these regulations could be costly for Ameren Missouri, which operates coal-fired power plants. Significant new rules include the regulation of CO<sub>2</sub> emissions from existing power plants through the Clean Power Plan and from new power plants through the revised NSPS; the CSAPR, which requires further reductions of SO<sub>2</sub> emissions and NO<sub>x</sub> emissions from power plants; a regulation governing management and storage of CCR; the MATS, which require reduction of emissions of mercury, toxic metals, and acid gases from power plants; revised NSPS for particulate matter, SO<sub>2</sub>, and NO<sub>x</sub> emissions from new sources; new effluent standards applicable to wastewater discharges from power plants; and new regulations under the Clean Water Act that could require significant capital expenditures, such as modifications to water intake structures or new cooling towers at Ameren Missouri's energy centers. The EPA also periodically reviews and revises national ambient air quality standards, including those standards associated with emissions from power plants, such as particulate matter, ozone, SO<sub>2</sub> and NO<sub>x</sub>. Certain of these new regulations are being or are likely to be challenged through litigation, so their ultimate implementation, as well as the timing of any such implementation, is uncertain. Although many details of future regulations are unknown, the individual or combined effects of new environmental regulations could result in significant capital expenditures and increased operating costs for Ameren and Ameren Missouri. Compliance with all of these environmental laws and regulations could be prohibitively expensive, result in

the closure or alteration of the operation of some of Ameren Missouri's energy centers, or require capital investment. Ameren and Ameren Missouri expect that these costs would be recoverable through rates, subject to MoPSC prudence review, but the nature and timing of costs and their recovery could result in regulatory lag.

Ameren Missouri's current plan for compliance with existing environmental regulations for air emissions includes burning ultra-low-sulfur coal and installing new or optimizing existing pollution control equipment. Ameren and Ameren Missouri estimate that they will need to make capital expenditures of \$600 million to \$700 million in the aggregate from 2016 through 2020 in order to comply with existing environmental regulations. Ameren Missouri may be required to install additional air emissions controls within the next six to 10 years. This estimate includes capital expenditures required for the CCR regulations, the rule applicable to cooling water intake structures at existing power plants under the Clean Water Act, and the effluent limitation guidelines applicable to steam electric generating units under the Clean Water Act, all of which are discussed below. These estimates do not include the impacts of the Clean Power Plan discussed below. Considerable uncertainty remains in these estimates. The actual amount of capital expenditures required to comply with existing environmental regulations may vary substantially from the above estimate due to uncertainty as to the precise compliance strategies that will be used and their ultimate cost, among other things.

The following sections describe the more significant new environmental laws and rules and environmental enforcement and remediation matters that affect or could affect our operations.

#### Clean Air Act

Federal and state laws require significant reductions in SO<sub>2</sub> and NO<sub>x</sub> through either emission source reductions or the use and retirement of emission allowances. The CSAPR became effective in 2015. There will be further emission reduction requirements in 2017 and potentially more in subsequent years. To achieve compliance with CSAPR, Ameren Missouri burns ultra-low-sulfur coal, operates two scrubbers at its Sioux energy center, and optimizes other existing pollution control equipment. Ameren Missouri does not expect to make additional capital investments to comply with the current CSAPR requirements. However, Ameren Missouri expects to incur additional costs to lower its emissions at one or more of its energy centers to comply with the CSAPR in future years. These higher costs are expected to be recovered from customers through the FAC or higher base rates.

#### CO<sub>2</sub> Emissions Standards

The Clean Power Plan, which sets forth CO<sub>2</sub> emissions standards applicable to existing power plants, was issued by the EPA in August 2015 but stayed by the United States Supreme Court in February 2016 pending the outcome of various appeals, as discussed below.

If upheld, the Clean Power Plan would require Missouri and Illinois to reduce CO<sub>2</sub> emissions from power plants within their states significantly below 2005 levels by 2030. The rule contains interim compliance periods commencing in 2022 that would require each state to demonstrate progress in achieving its CO<sub>2</sub> reduction target. Ameren is evaluating the Clean Power Plan's potential impacts to its operations, including those related to electric system reliability, and to its level of investment in customer energy efficiency programs, renewable energy, and other forms of generation investment. Significant uncertainty exists regarding the impact of the Clean Power Plan, as its implementation will depend upon plans to be developed by the states. Numerous legal challenges are pending, which could result in the rule being declared invalid or the nature and timing of CO<sub>2</sub> emissions reductions being revised. In February 2016, the United States Supreme Court stayed the Clean Power Plan and all implementation requirements until such time as legal appeals are concluded. The District of Columbia Circuit Court of Appeals has scheduled hearings for June 2016 on the legality of the rule. A decision by the District of Columbia Circuit Court of Appeals is expected to be issued in 2016 and subsequent appeals to the United States Supreme Court are likely. Appeals are expected to take several years to conclude. We cannot predict the outcome of such legal challenges or their impact on our results of operations, financial position, or liquidity. If the rule is ultimately upheld and implemented in substantially similar form to the rule when issued, compliance measures could result in the closure or alteration of the operation of some of Ameren Missouri's coal and natural-gas-fired energy centers, which could result in increased operating costs and require Ameren Missouri to make new or accelerated capital expenditures. Ameren Missouri expects substantially all of these increased costs to be recoverable, subject to MoPSC prudence review, through higher

rates to customers, which could be significant.

Also, in 2015, the EPA issued final regulations that set CO<sub>2</sub> emissions standards for new power plants. These new standards establish separate emissions limits for new natural-gas-fired combined cycle plants and new coal-fired plants.

Federal and state legislation or regulations that mandate limits on the emission of CO<sub>2</sub> may result in significant increases in capital expenditures and operating costs, which could lead to increased liquidity needs and higher financing costs. Mandatory limits on the emission of CO<sub>2</sub> could increase costs for Ameren Missouri's customers or have a material adverse effect on Ameren's and Ameren Missouri's results of operations, financial position, and liquidity if regulators delay or deny recovery in rates of these compliance costs. The cost of Ameren Illinois' purchased power and gas purchased for resale could increase. However, Ameren Illinois expects these costs would be recovered from customers with no material adverse effect on its results of operations, financial position, or liquidity. Ameren's and Ameren Missouri's earnings might benefit from increased investment to comply with CO<sub>2</sub> emission limitations to the extent that the investments are reflected and recovered on a timely basis in rates charged to customers.

#### NSR and Clean Air Litigation

In January 2011, the Department of Justice, on behalf of the EPA, filed a complaint against Ameren Missouri in the United States District Court for the Eastern District of Missouri. The EPA's complaint, as amended in October 2013, alleges that in performing projects at its Rush Island coal-fired energy center in 2007 and 2010, Ameren Missouri violated provisions of the Clean Air Act and Missouri law. Ameren Missouri anticipates that a trial of this case will occur in 2016. Ameren Missouri believes its defenses are meritorious and is defending itself vigorously. However, there can be no assurances that it will be successful in its efforts.

The ultimate resolution of this matter could have a material adverse effect on the results of operations, financial position, and liquidity of Ameren and Ameren Missouri. A resolution of this matter could result in increased capital expenditures for the installation of pollution control equipment and increased operations and maintenance expenses. We are unable to predict the ultimate resolution of these matters or the costs that might be incurred.

#### Clean Water Act

In 2014, the EPA issued its final rule applicable to cooling water intake structures at existing power plants. The rule requires a case-by-case evaluation and plan for reducing aquatic organisms impinged on the facility's intake screens or entrained through the plant's cooling water system. All of Ameren Missouri's coal-fired and nuclear energy centers are subject to this rule. Each of Ameren Missouri's affected energy centers will become subject to the revised limitations when the energy center renews its water discharge permit. These permits are scheduled to be renewed between 2018 and 2023. The rule could have an adverse effect on Ameren's and Ameren Missouri's results of operations, financial position, and liquidity if its implementation requires the installation of cooling towers or extensive modifications to the cooling water systems at our energy centers and if those investments are not recovered on a timely basis in electric rates charged to Ameren Missouri's customers.

In 2015, the EPA issued its final rule under the Clean Water Act to revise the effluent limitation guidelines applicable to steam electric generating units. Effluent limitation guidelines are national standards for water discharges that are based on the effectiveness of available control technology. The EPA's rule prohibits effluent discharges of certain waste streams and imposes more stringent limitations on certain components in water discharges from power plants. All of Ameren Missouri's coal-fired energy centers are subject to this rule, which will be applied when each energy center renews its water discharge permit beginning as early as 2018. Ameren Missouri is evaluating the final rule, which became effective in January 2016, and the possible effects on its operations. The rule could have an adverse effect on Ameren's and Ameren Missouri's results of operations, financial position, and liquidity if its implementation requires extensive changes in the water discharge systems at Ameren Missouri's energy centers and if these investments are not

recovered on a timely basis through electric rates charged to Ameren Missouri's customers.

#### Ash Management

In 2015, the EPA issued regulations regarding the management and disposal of CCR. These regulations will affect CCR disposal and handling costs at Ameren Missouri's energy centers. The regulations allow for the management of CCR as a solid waste, as well as for its continued beneficial uses, such as recycling, which could reduce the amount to be disposed. The regulations also establish criteria regarding the structural integrity, location, and operation of CCR impoundments and landfills. They require groundwater monitoring, and closure of impoundments if the groundwater standards are not achieved. Ameren Missouri's capital expenditure plan includes the cost of constructing landfills as part of its environmental compliance plan.

The new regulations do not apply to ash ponds at plants no longer in operation, such as Ameren's Meredosia and Hutsonville energy centers.

#### Remediation

The Ameren Companies are involved in a number of remediation actions to clean up sites impacted from the use or disposal of materials containing hazardous substances. Federal and state laws can require responsible parties to fund remediation actions regardless of their degree of fault, the legality of original disposal, or the ownership of a disposal site. Ameren Missouri and Ameren Illinois have each been identified by federal or state governments as a potentially responsible party at several contaminated sites.

As of March 31, 2016, Ameren Illinois owned or was otherwise responsible for 44 former MGP sites in Illinois, which are in various stages of investigation, evaluation, remediation, and closure. Ameren Illinois estimates it could substantially conclude remediation efforts by 2025. The ICC allows Ameren Illinois to recover remediation and litigation costs associated with its former MGP sites from its electric and natural gas utility customers through environmental adjustment rate riders. Costs are subject to annual review by the ICC. As of March 31, 2016, Ameren Illinois estimated the obligation related to these former MGP sites at \$224 million to \$313 million. Ameren and Ameren Illinois recorded a liability of \$224 million to represent the estimated minimum obligation for these sites, as no other amount within the range was a better estimate.

The scope and extent to which these former MGP sites are remediated may increase as remediation efforts continue. Considerable uncertainty remains in these estimates because many site specific factors can influence the ultimate actual costs, including unanticipated underground structures, the degree to which groundwater is encountered, regulatory changes, local ordinances, and site accessibility. The actual costs may vary substantially from these estimates.

Ameren Illinois formerly used a third-party owned landfill in connection with the operation of a previously-owned energy

center. While no litigation is pending, Ameren Illinois could be required to perform certain maintenance activities at that landfill, which is now closed. As of March 31, 2016, Ameren Illinois estimated the obligation related to this site at \$0.5 million to \$6 million. Ameren Illinois recorded a liability of \$0.5 million to represent its estimated minimum obligation for this site, as no other amount within the range was a better estimate. Ameren Illinois is also responsible for the cleanup of some underground storage tanks and a water treatment plant in Illinois. As of March 31, 2016, Ameren Illinois recorded a liability of \$0.7 million to represent its best estimate of the obligation for these sites. In 2008, the EPA issued an administrative order to three companies including Ameren Missouri pertaining to a former coal tar distillery in St. Louis, Missouri operated by Koppers Company or its predecessor and successor companies. While Ameren Missouri is the current owner of the site, it did not conduct any of the manufacturing operations involving coal tar or its byproducts. Site investigation activities have been concluded and reports have been submitted to the EPA for review and approval. As of March 31, 2016, Ameren Missouri estimated its obligation at \$2 million to \$5 million. Ameren Missouri recorded a liability of \$2 million to represent its estimated minimum obligation for this site, as no other amount within the range was a better estimate.

Ameren Missouri also participated in the investigation of various sites known as Sauget Area 2 located in Sauget, Illinois. In 2000, the EPA notified Ameren Missouri and numerous other companies, including Solutia, Inc., that former landfills and lagoons at those sites may contain soil and groundwater contamination. From about 1926 until 1976, Ameren Missouri operated an energy center adjacent to Sauget Area 2. Ameren Missouri currently owns a parcel of property at Sauget Area 2 that was once used by others as a landfill.

In December 2013, the EPA issued its record of decision for Sauget Area 2 approving the investigation and the remediation alternatives recommended by the potentially responsible parties. Further negotiation among the potentially responsible parties will determine how to fund the implementation of the EPA-approved cleanup remedies. As of March 31, 2016, Ameren Missouri estimated its obligation related to Sauget Area 2 at \$1 million to \$2.5 million. Ameren Missouri recorded a liability of \$1 million to represent its estimated minimum obligation for this site, as no other amount within the range was a better estimate.

In December 2012, Ameren Missouri signed an administrative order with the EPA and agreed to investigate soil and groundwater conditions at an Ameren Missouri-owned substation in St. Charles, Missouri. As of March 31, 2016, Ameren Missouri estimated and recorded a \$0.6 million liability related to the site. Although monitoring will continue for some time, no significant remediation measures are anticipated.

Our operations or those of our predecessor companies involve the use of, disposal of, and in appropriate circumstances, the cleanup of substances regulated under environmental laws. We are unable to determine whether such practices will result in

future environmental commitments or will affect our results of operations, financial position, or liquidity.

#### Ameren Missouri Municipal Taxes

The cities of Creve Coeur and Winchester, Missouri, on behalf of themselves and other municipalities in Ameren Missouri's service area, filed a class action lawsuit in November 2011, against Ameren Missouri in the Circuit Court of St. Louis County, Missouri. The lawsuit alleges that Ameren Missouri failed to collect and pay gross receipts taxes or license fees on certain revenues. Ameren and Ameren Missouri recorded immaterial liabilities on their respective balance sheets as of March 31, 2016 and December 31, 2015, representing their estimate of taxes and fees due as a result of this lawsuit. Ameren Missouri believes its defenses are meritorious and is defending itself vigorously; however, there can be no assurances that Ameren Missouri will be successful in its efforts. The ultimate resolution of any unpaid municipal tax or fees could have a material adverse effect on the results of operations, financial position, and liquidity of Ameren and Ameren Missouri.

#### NOTE 10 - CALLAWAY ENERGY CENTER

Under the NWPA, the DOE is responsible for disposing of spent nuclear fuel from the Callaway energy center and other commercial nuclear energy centers. Under the NWPA, Ameren and other utilities that own and operate those energy centers are responsible for paying the disposal costs. The NWPA established the fee that these utilities pay the federal government for disposing of the spent nuclear fuel at one mill, or one-tenth of one cent, for each kilowatt-hour generated and sold by those plants. The NWPA also requires the DOE to review the nuclear waste fee annually against

the cost of the nuclear waste disposal program and to propose to the United States Congress any fee adjustment necessary to offset the costs of the program. As required by the NWPA, Ameren Missouri and other utilities have entered into standard contracts with the DOE. Consistent with the NWPA and its standard contract, Ameren Missouri had historically collected one mill from its electric customers for each kilowatthour of electricity that it generated and sold from its Callaway energy center. Because the federal government is not meeting its disposal obligation, the collection of this fee is currently suspended.

Although both the NWPA and the standard contract stated that the DOE would begin to dispose of spent nuclear fuel by 1998, the DOE is not meeting its disposal obligation. The DOE's delay in carrying out its obligation to dispose of spent nuclear fuel from the Callaway energy center is not expected to adversely affect the continued operations of the energy center.

As a result of the DOE's failure to begin to dispose of spent nuclear fuel from commercial nuclear energy centers and fulfill its contractual obligations, Ameren Missouri and other nuclear energy center owners sued the DOE to recover costs, such as certain NRC fees and Missouri ad valorem taxes, incurred for ongoing storage of their spent fuel. The lawsuit resulted in a settlement agreement that provides for annual recovery of additional spent fuel storage and related costs. Ameren Missouri



will continue to apply for reimbursement from the DOE for allowable costs associated with the ongoing storage of spent fuel.

Electric utility rates charged to customers provide for the recovery of the Callaway energy center's decommissioning costs, which include decontamination, dismantling, and site restoration costs, over the expected life of the nuclear energy center. Amounts collected from customers are deposited into the external nuclear decommissioning trust fund to provide for the Callaway energy center's decommissioning. It is assumed that the Callaway energy center site will be decommissioned through the immediate dismantlement method and removed from service. Ameren and Ameren Missouri have recorded an ARO for the Callaway energy center decommissioning costs at fair value, which represents the present value of estimated future cash outflows. Annual decommissioning costs of \$7 million are included in the costs used to establish electric rates for Ameren Missouri's customers. Every three years, the MoPSC requires Ameren Missouri to file an updated cost study and funding

analysis for decommissioning its Callaway energy center. In April 2016, the MoPSC approved no change in electric service rates for decommissioning costs based on Ameren Missouri's updated cost study and funding analysis filed in April 2015.

The fair value of the trust fund for Ameren Missouri's Callaway energy center is reported as "Nuclear decommissioning trust fund" in Ameren's and Ameren Missouri's balance sheets. This amount is legally restricted and may be used only to fund the costs of nuclear decommissioning. Changes in the fair value of the trust fund are recorded as an increase or decrease to the nuclear decommissioning trust fund, with an offsetting adjustment to the related regulatory liability. If the assumed return on trust assets is not earned, Ameren Missouri believes that it is probable that any such earnings deficiency will be recovered in rates.

#### NOTE 11 - RETIREMENT BENEFITS

Ameren's pension plans are funded in compliance with income tax regulations and to meet federal funding or regulatory requirements. As a result, Ameren expects to fund its pension plans at a level equal to the greater of the pension expense or the legally required minimum contribution. Considering Ameren's assumptions at March 31, 2016, the plan's estimated investment performance through March 31, 2016, and Ameren's pension funding policy, Ameren expects to make annual contributions of \$40 million to \$70 million through 2020, with aggregate estimated contributions of \$280 million. These amounts are estimates which may change with actual investment performance, changes in interest rates, any pertinent changes in government regulations, and any voluntary contributions. Separately, our policy for postretirement benefits is primarily to fund the voluntary employees' beneficiary association trusts to match the annual postretirement expense.

The following table presents the components of the net periodic benefit cost (benefit) incurred for Ameren's pension and postretirement benefit plans for the three months ended March 31, 2016 and 2015:

	Pension Benefits		Postretirement Benefits	
	Three Months		Three Months	
	2016	2015	2016	2015
Service cost	\$20	\$24	\$ 5	\$ 5
Interest cost	47	44	12	12
Expected return on plan assets	(63 )	(62 )	(18 )	(17 )
Amortization of:				
Prior service benefit	—	—	(1 )	(1 )
Actuarial loss (gain)	9	18	(3 )	1
Net periodic benefit cost (benefit)	\$13	\$24	\$ (5 )	\$ —

Edgar Filing: AMEREN CORP - Form 10-Q

Ameren Missouri and Ameren Illinois are responsible for their respective shares of Ameren's pension and postretirement costs. The following table presents the pension costs and the postretirement benefit costs (benefit) incurred for the three months ended March 31, 2016 and 2015:

	Pension Benefits		Postretirement Benefits	
	Three Months		Three Months	
	2016	2015	2016	2015
Ameren Missouri <sup>(a)</sup>	\$ 8	\$ 15	\$ (1 )	\$ 1
Ameren Illinois	5	9	(4 )	(1 )
Ameren <sup>(a)(b)</sup>	\$ 13	\$ 24	\$ (5 )	\$ —

Does not include the impact of the regulatory tracking mechanism for the difference between the level of pension (a) and postretirement benefit costs incurred by Ameren Missouri under GAAP and the level of such costs included in rates.

(b) Includes amounts for Ameren registrants and nonregistrant subsidiaries.

## NOTE 12 - DISCONTINUED OPERATIONS

On January 31, 2014, Medina Valley completed the sale of the Elgin, Gibson City, and Grand Tower gas-fired energy centers to Rockland Capital for a total purchase price of \$168 million. The agreement with Rockland Capital required a portion of the purchase price to be held in escrow until January 31, 2016, to fund certain indemnity obligations, if any, of Medina Valley. Medina Valley received the amount held in escrow from Rockland Capital in the first quarter of 2016 and paid Genco its portion of the escrow amount in April 2016. See Note 16 - Divestiture Transactions and Discontinued Operations under Part II, Item 8, of the Form 10-K for additional information related to discontinued operations.

## NOTE 13 - SEGMENT INFORMATION

Ameren has two reportable segments: Ameren Missouri and Ameren Illinois. Ameren Missouri and Ameren Illinois each have one reportable segment. The Ameren Missouri segment for both Ameren and Ameren Missouri includes all of the operations of Ameren Missouri's business as described in Note 1 - Summary of Significant Accounting Policies. The Ameren Illinois segment for both Ameren and Ameren Illinois includes all of the operations of Ameren Illinois' business as described in Note 1 - Summary of Significant Accounting Policies. The category called Other primarily includes Ameren parent company activities, Ameren Services, and ATXI.

The following table presents information about the reported revenues and net income attributable to Ameren common shareholders from continuing operations for the three months ended March 31, 2016 and 2015, and total assets of continuing operations as of March 31, 2016, and December 31, 2015:

Three Months	Ameren Missouri	Ameren Illinois	Other	Intersegment Eliminations	Ameren
2016					
External revenues	\$726	\$676	\$32	\$ —	\$1,434
Intersegment revenues	15	1	—	(16 )	—
Net income attributable to Ameren common shareholders from continuing operations	14	59	32	—	105
2015					
External revenues	\$793	\$744	\$19	\$ —	\$1,556
Intersegment revenues	7	1	1	(9 )	—
Net income attributable to Ameren common shareholders from continuing operations	41	53	14	—	108
As of March 31, 2016:					
Total assets	\$13,443	\$8,944	\$1,214	\$ (230 )	\$23,371 <sup>(a)</sup>
As of December 31, 2015:					
Total assets	\$13,851	\$8,903	\$1,139	\$ (267 )	\$23,626 <sup>(a)</sup>

(a) Excludes total assets from discontinued operations of \$14 million as of March 31, 2016, and December 31, 2015.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the financial statements contained in this Form 10-Q as well as Management's Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors contained in the Form 10-K. We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our financial statements. The discussion also provides information about the financial results of our business segments to provide a better understanding of how those segments and their results affect the financial condition and results of operations of Ameren as a whole. Also see the Glossary of Terms and Abbreviations at the front of this report and in the Form 10-K.

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005. Ameren's primary assets are its equity interests in its subsidiaries, including Ameren Missouri and Ameren Illinois. Ameren's subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. Dividends on Ameren's common stock and the payment of expenses by Ameren depend on distributions made to it by its subsidiaries. Ameren's principal subsidiaries are listed below.

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 Illinois Company, doing business as Ameren Illinois, operates rate-regulated electric and natural gas transmission and distribution businesses in Illinois.

Ameren has various other subsidiaries that conduct activities such as the provision of shared services. Ameren also has a subsidiary, ATXI, that operates a FERC rate-regulated electric transmission business. ATXI is developing MISO-approved electric transmission projects, including the Illinois Rivers, Spoon River, and Mark Twain projects. Ameren is also pursuing projects to improve electric transmission system reliability within Ameren Missouri's and Ameren Illinois' service territories as well as competitive electric transmission investment opportunities outside of these territories, including investments outside of MISO.

Unless otherwise stated, the following sections of Management's Discussion and Analysis of Financial Condition and Results of Operations exclude discontinued operations for all periods presented. See Note 12 - Discontinued Operations under Part I, Item 1, of this report and Note 16 - Divestiture Transactions and Discontinued Operations under Part II, Item 8, of the Form 10-K for additional information regarding the divestiture transactions and discontinued operations presentation.

Ameren's financial statements are prepared on a consolidated basis, and therefore include the accounts of its

majority-owned subsidiaries. All 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.

In addition to presenting results of operations and earnings amounts in total, we present certain information in cents per share. These amounts reflect factors that directly affect Ameren's earnings. We believe this per share information helps readers to understand the impact of these factors on Ameren's earnings per share.

### OVERVIEW

Net income attributable to Ameren common shareholders from continuing operations was \$105 million in the first quarter of 2016, compared with \$108 million in the first quarter of 2015. Net income was unfavorably affected by decreased electric sales volumes primarily due to milder winter temperatures and the reduction in Noranda sales volumes at Ameren Missouri. The absence in 2016 of a January 2015 ICC order regarding Ameren Illinois' cumulative power usage cost and its purchased power mechanism also unfavorably affected earnings. Earnings also decreased as a result of the absence of net shared benefits and the carryover effect from MEEIA 2013 at Ameren Missouri. Earnings were favorably affected by an income tax benefit recorded at Ameren (parent) pursuant to the adoption of new accounting guidance related to share-based compensation; increased Ameren Illinois and ATXI electric

transmission service and Ameren Illinois electric delivery service earnings, reflecting Ameren's strategy to allocate incremental capital to those businesses; and increased rates for Ameren Illinois' natural gas delivery service pursuant to a December 2015 order.

Ameren remains focused on executing its strategy of investing in and operating its utilities in a manner consistent with existing regulatory frameworks, enhancing those frameworks and advocating for responsible energy policies, as well as creating and capitalizing on opportunities for investment for the benefit of its customers and shareholders. Ameren continues to allocate significant amounts of capital to those businesses that are supported by regulatory frameworks that provide predictable and timely cost-recovery. Ameren invested approximately \$300 million of its \$496 million in capital expenditures during the first three months of 2016 in FERC-regulated electric transmission projects and Ameren Illinois electric and natural gas delivery service infrastructure. Consistent with its strategic plan, one of Ameren's goals is to earn at or close to the allowed return on common equity in each of its jurisdictions. Ameren remains focused on improving operating performance, disciplined cost management, and strategic capital allocation. Construction continues on ATXI's \$1.4 billion Illinois Rivers transmission project, and ATXI anticipates line construction to begin on the Spoon River project in late 2016. In April 2016, the MoPSC granted ATXI a certificate of convenience and necessity for the Mark Twain project. Starting construction under the

certificate is subject to ATXI obtaining assents from the five counties where the line will be constructed.

With respect to the FERC-regulated electric transmission businesses, Ameren and Ameren Illinois transmission earnings continued to be reduced by the recognition of a liability for a potential refund to customers based on the pending FERC complaint cases regarding the allowed base return on common equity. The FERC is expected to issue a final order on the November 2013 complaint case in the fourth quarter of 2016. The initial decision from an administrative law judge in the February 2015 complaint case, which will subsequently require FERC approval, is expected to be issued in the second quarter of 2016.

Ameren Illinois has invested approximately \$145 million in electric and natural gas delivery infrastructure projects in the first three months of 2016, including those that are part of its modernization action plan. It remains on track to meet its remaining investment, reliability, and advanced metering goals under the IEIMA. In April 2016, Ameren Illinois filed with the ICC its annual electric delivery service formula rate update to establish the revenue requirement used for 2017 rates. Pending ICC approval, Ameren Illinois' update filing will result in a \$14 million decrease in Ameren Illinois' electric delivery service revenue requirement, beginning in January 2017. This update reflects an increase to the annual formula rate based on 2015 actual costs and expected net plant additions for 2016, an increase to include the 2015 revenue requirement reconciliation adjustment, and a decrease for the conclusion of the 2014 revenue requirement reconciliation adjustment, which will be fully collected from customers in 2016.

Ameren Missouri continues to pursue a modernized regulatory framework that supports investment to upgrade aging electric infrastructure and reduces regulatory lag. Ameren Missouri's MEEIA 2016 provides for timely recovery of both energy efficiency program costs and revenue losses resulting from these programs as well as the potential to earn a performance incentive. Ameren Missouri expects to recognize revenues relating to the MEEIA 2013 performance incentive of at least \$19 million in 2016, subject to MoPSC approval.

In the first quarter of 2016, Noranda, historically Ameren Missouri's largest customer, idled production at its aluminum smelter. In addition, Noranda filed voluntary petitions for a court-supervised restructuring process under Chapter 11 of the United States Bankruptcy Code. Ameren Missouri expects to be paid in full for utility services provided to Noranda. Ameren Missouri expects to file an electric rate case in 2016 to reflect additional infrastructure investments and rising costs, including depreciation, transmission service, and property tax expenses, and expects the resulting new rates to reflect Noranda's actual sales volumes, which would prospectively eliminate the impact of the current revenue shortfall from Noranda sales levels. Ameren Missouri may seek recovery of lost revenues in a filing with the MoPSC to recover certain costs incurred but not contemporaneously recovered by rate revenues as a result of Noranda's reduced operations. Ameren Missouri will continue to

monitor Noranda's sales volumes and to evaluate regulatory and legislative options that might mitigate adverse financial impacts.

## RESULTS OF OPERATIONS

Our results of operations and financial position are affected by many factors. Weather, economic conditions, energy efficiency investments by our customers and us, and the actions of key customers can significantly affect the demand for our services. Our results are also affected by seasonal fluctuations in winter heating and summer cooling demands. We are also affected by nuclear refueling and other energy center maintenance outages at Ameren Missouri.

Additionally, fluctuations in interest rates and conditions in the capital and credit markets affect our cost of borrowing and our pension and postretirement benefits costs. Almost all of Ameren's revenues are subject to state or federal regulation. This regulation has a material impact on the prices we charge for our services. Our results of operations, financial position, and liquidity are affected by our ability to align our overall spending, both operating and capital, with regulatory frameworks established by our regulators.

Ameren Missouri principally uses coal, nuclear fuel, and natural gas for fuel in its electric operations and purchases natural gas for its customers. Ameren Illinois purchases power and natural gas for its customers. The prices for these commodities can fluctuate significantly because of the global economic and political environment, weather, supply and demand, and many other factors. We have natural gas cost recovery mechanisms for our Illinois and Missouri natural gas delivery service businesses, a purchased power cost recovery mechanism for Ameren Illinois' electric delivery service business, and a FAC for Ameren Missouri's electric utility business.

Ameren Illinois' electric delivery service utility business, pursuant to the IEIMA, conducts an annual reconciliation of the revenue requirement necessary to reflect the actual costs incurred in a given year with the revenue requirement included in customer rates for that year, with recoveries from, or refunds to, customers made in a subsequent year. Included in Ameren Illinois' revenue requirement reconciliation is a formula for the return on equity, which is equal to the average of the monthly yields of 30-year United States Treasury bonds plus 580 basis points. Therefore, Ameren Illinois' annual return on equity is directly correlated to yields on United States Treasury bonds. Ameren Illinois and ATXI use a company-specific, forward-looking rate formula framework in setting their transmission rates. These forward-looking rates are updated each January with forecasted information. A reconciliation during the year, which adjusts for the actual revenue requirement and actual sales volumes, is used to adjust billing rates in a subsequent year. Ameren Illinois' and ATXI's electric transmission service businesses and Ameren Illinois' electric delivery service business operate under formula ratemaking, designed to provide for the recovery of actual costs of service that are prudently incurred as well as a return on equity. While rate-regulated, Ameren Illinois' natural gas business and Ameren Missouri do not operate under formula ratemaking. Ameren (parent) is not rate-regulated.

We employ various risk management strategies to reduce our exposure to commodity risk and other risks inherent in our business. The reliability of Ameren Missouri's energy centers and our transmission and distribution systems and the level of purchased power costs, operations and maintenance costs, and capital investment are key factors that we seek to manage in order to optimize our results of operations, financial position, and liquidity.

#### Earnings Summary

The following table presents a summary of Ameren's earnings for the three months ended March 31, 2016 and 2015:

	Three Months	
	2016	2015
Net income attributable to Ameren common shareholders - continuing operations	\$105	\$108
Earnings per common share - basic and diluted - continuing operations	0.43	0.45

Net income attributable to Ameren common shareholders from continuing operations decreased \$3 million, or 2 cents per diluted share, in the first quarter of 2016 compared with the same period in 2015. The decrease between periods was due to a \$27 million decrease in net income from the Ameren Missouri segment partially offset by an \$18 million increase in net income from Ameren (parent) and nonregistrant subsidiaries, which included an increase in ATXI's net income of \$5 million, as well as a \$6 million increase in net income from the Ameren Illinois segment.

Compared with 2015, 2016 earnings per diluted share from continuing operations were unfavorably affected by:

- decreased demand primarily due to milder winter temperatures in 2016 (estimated at 10 cents per share);
- decreased Ameren Illinois earnings resulting from the absence in 2016 of a January 2015 ICC order regarding Ameren Illinois' cumulative power usage cost and its purchased power rider mechanism (4 cents per share);

- decreased Ameren Missouri earnings resulting from the absence in 2016 of MEEIA net shared benefits due to the expiration of MEEIA 2013 (3 cents per share); and

- excluding the estimated effects of weather, a decrease in electric demand at Ameren Missouri, primarily as a result of a reduction in Noranda sales volumes and the carryover effect of MEEIA 2013 partially offset by the additional day in 2016 as a result of the leap year and growth (estimated at 2 cents per share).

Compared with 2015, 2016 earnings per diluted share from continuing operations were favorably affected by:

- a decrease in the effective tax rate primarily due to an income tax benefit recorded at Ameren (parent) pursuant to the adoption of new accounting guidance related to share-based compensation (8 cents per share);

- increased Ameren Illinois and ATXI electric transmission service and Ameren Illinois electric delivery service earnings under formula ratemaking primarily due to additional rate base investment (5 cents per share). These earnings were reduced by the recognition of a liability for a potential refund to customers based on the pending FERC complaint cases regarding the allowed base return on common equity (1 cent per share);

- higher natural gas distribution rates at Ameren Illinois pursuant to a December 2015 order (4 cents per share); and

- increased Ameren Illinois natural gas distribution rates due to seasonal rate redesign, which is not expected to materially affect earnings comparisons on an annual basis (2 cents per share).

The cents per share information presented in the explanations above is based on the average diluted shares outstanding in the first quarter of 2015. For additional details regarding the Ameren Companies' results of operations, including explanations of Margins, Other Operations and Maintenance Expenses, Depreciation and Amortization, Taxes Other Than Income Taxes, Other Income and Expenses, Interest Charges, and Income Taxes, see the major headings below.



Edgar Filing: AMEREN CORP - Form 10-Q

Below is a table of income statement components by segment for the three months ended March 31, 2016 and 2015:

	Ameren Missouri	Ameren Illinois	Other / Intersegment Eliminations	Ameren
<b>Three Months 2016:</b>				
Electric margins	\$ 449	\$ 288	\$ 24	\$ 761
Natural gas margins	26	154	—	180
Other operations and maintenance	(212 )	(194 )	6	(400 )
Depreciation and amortization	(127 )	(77 )	(3 )	(207 )
Taxes other than income taxes	(73 )	(38 )	(3 )	(114 )
Other income	13	—	—	13
Interest charges	(52 )	(35 )	(8 )	(95 )
Income taxes	(9 )	(38 )	16	(31 )
Income from continuing operations	15	60	32	107
Income from discontinued operations, net of tax	—	—	—	—
Net income	15	60	32	107
Noncontrolling interests - preferred dividends	(1 )	(1 )	—	(2 )
Net income attributable to Ameren common shareholders	\$ 14	\$ 59	\$ 32	\$ 105
<b>Three Months 2015:</b>				
Electric margins	\$ 497	\$ 288	\$ 13	\$ 798
Natural gas margins	27	150	—	177
Other operations and maintenance	(211 )	(202 )	12	(401 )
Depreciation and amortization	(118 )	(73 )	(2 )	(193 )
Taxes other than income taxes	(80 )	(43 )	(2 )	(125 )
Other income (expense)	8	2	(2 )	8
Interest charges	(55 )	(33 )	—	(88 )
Income taxes	(26 )	(35 )	(5 )	(66 )
Income from continuing operations	42	54	14	110
Income from discontinued operations, net of tax	—	—	—	—
Net income	42	54	14	110
Noncontrolling interests - preferred dividends	(1 )	(1 )	—	(2 )
Net income attributable to Ameren common shareholders	\$ 41	\$ 53	\$ 14	\$ 108

**Margins**

The following table presents the favorable (unfavorable) variations by segment for electric and natural gas margins in the first quarter of 2016, compared with the first quarter of 2015. Electric margins are defined as electric revenues less fuel and purchased power costs. Natural gas margins are defined as gas revenues less gas purchased for resale. We consider electric and natural gas margins useful measures to analyze the change in profitability of our electric and natural gas operations between periods. We have included the analysis below as a complement to the financial information we provide in accordance with GAAP. However, these margins may not be a presentation defined under GAAP and may not be comparable to other companies' presentations or more useful than the GAAP information we provide elsewhere in this report.

Three Months	Ameren Missouri	Ameren Illinois	Other <sup>(a)</sup>	Ameren
Electric revenue change:				
Effect of weather (estimate) <sup>(b)</sup>	\$ (37 )	\$ (12 )	\$ —	\$ (49 )
Base rates (estimate)	29	19	—	48
Sales volume (excluding Noranda and the estimated effect of weather)	5	(5 )	—	—
Noranda revenues	(24 )	—	—	(24 )
Off-system sales and transmission services revenues	14	—	—	14

Edgar Filing: AMEREN CORP - Form 10-Q

MEEIA 2013 net shared benefits	(11 )	—	—	(11 )
Transmission services revenues	—	7	12	19
Purchased power rider order in 2015	—	(15 )	—	(15 )
Other	5	4	(7 )	2
Cost recovery mechanisms - offset in fuel and purchased power: <sup>(c)</sup>				
Power supply costs	—	8	—	8
Recovery of FAC under-recovery	(21 )	—	—	(21 )

39

---

Edgar Filing: AMEREN CORP - Form 10-Q

Three Months	Ameren Missouri	Ameren Illinois	Other <sup>(a)</sup>	Ameren
Other cost recovery mechanisms: <sup>(d)</sup>				
Bad debt, energy efficiency programs, and environmental remediation cost riders	—	(4 )	—	(4 )
Gross receipts tax	(4 )	—	—	(4 )
MEEIA 2013 program costs	(4 )	—	—	(4 )
Total electric revenue change	\$ (48 )	\$ 2	\$ 5	\$ (41 )
Fuel and purchased power change:				
Energy costs	\$ (11 )	\$ —	\$ —	\$ (11 )
Noranda energy costs	11	—	—	11
Effect of weather (estimate) <sup>(b)</sup>	11	6	—	17
Effect of higher net energy costs included in base rates	(24 )	—	—	(24 )
FAC exclusion of transmission services expenses <sup>(e)</sup>	(5 )	—	—	(5 )
Other	(3 )	—	6	3
Cost recovery mechanisms - offsets in electric revenue: <sup>(c)</sup>				
Power supply costs	—	(8 )	—	(8 )
Recovery of FAC under-recovery	21	—	—	21
Total fuel and purchased power change	\$ —	\$ (2 )	\$ 6	\$ 4
Net change in electric margins	\$ (48 )	\$ —	\$ 11	\$ (37 )
Natural gas revenue change:				
Effect of weather (estimate) <sup>(b)</sup>	\$ (9 )	\$ (29 )	\$ —	\$ (38 )
Base rates (estimate)	—	14	—	14
Seasonal rate redesign	—	9	—	9
Cost recovery mechanism - offset in gas purchased for resale: <sup>(c)</sup>				
Purchased gas costs	(2 )	(49 )	—	(51 )
Other cost recovery mechanisms: <sup>(d)</sup>				
Bad debt, energy efficiency programs, and environmental remediation cost riders	—	(12 )	—	(12 )
Gross receipts tax	—	(3 )	—	(3 )
Total natural gas revenue change	\$ (11 )	\$ (70 )	\$ —	\$ (81 )
Gas purchased for resale change:				
Effect of weather (estimate) <sup>(b)</sup>	\$ 8	\$ 25	\$ —	\$ 33
Cost recovery mechanism - offset in natural gas revenue: <sup>(c)</sup>				
Purchased gas costs	2	49	—	51
Total gas purchased for resale change	\$ 10	\$ 74	\$ —	\$ 84
Net change in natural gas margins	\$ (1 )	\$ 4	\$ —	\$ 3

(a) Primarily includes amounts for ATXI and intercompany eliminations.

(b) Represents the estimated variation resulting primarily from changes in cooling and heating degree-days on electric and natural gas demand compared with the prior-year period; this variation is based on temperature readings from the National Oceanic and Atmospheric Administration weather stations at local airports in our service territories.

(c) Electric and natural gas revenue changes are offset by corresponding changes in Fuel, Purchased power, and Gas purchased for resale, resulting in no change to electric and gas margins.

(d) See Other Operations and Maintenance Expenses or Taxes Other Than Income Taxes in this section for the related offsetting increase or decrease to expense. These items have no overall impact on earnings.

(e) Ameren Missouri amounts are subsequent to May 30, 2015, due to the exclusion of transmission revenues and substantially all transmission charges from the FAC as a result of the April 2015 MoPSC electric rate order.

Ameren Corporation

Ameren's electric margins decreased \$37 million, or 5%, in the first quarter of 2016, compared with the first quarter of 2015. Ameren's natural gas margins increased \$3 million, or 2%, in the first quarter of 2016, compared with the first quarter of 2015. Ameren's results were primarily driven by the Ameren Missouri and Ameren Illinois results, as

discussed below, as well as ATXI's results of operations. ATXI's transmission services revenues increased \$12 million in the first quarter of 2016 compared with the first quarter of 2015 because of higher rate base investment and recoverable costs under forward-looking formula ratemaking.

#### Ameren Missouri

Ameren Missouri has a FAC cost recovery mechanism that

allows it to recover or refund, through customer rates, 95% of changes in net energy costs greater or less than the amount set in base rates without a traditional rate proceeding, subject to MoPSC prudence reviews.

Net energy costs, as defined in the FAC, include fuel and purchased power costs, including transportation, net of off-system sales. As of May 30, 2015, transmission revenues and substantially all transmission charges are excluded from net energy costs as a result of the April 2015 MoPSC electric rate order, which unfavorably affected margins as discussed below. Ameren Missouri accrues as a regulatory asset net energy costs that exceed the amount set in base rates (FAC under-recovery). Net recovery of these costs through customer rates does not affect Ameren Missouri's electric margins, as any change in revenue is offset by a corresponding change in fuel expense to

reduce the previously recognized FAC regulatory asset.

Ameren Missouri's electric margins decreased \$48 million, or 10%, in the first quarter of 2016, compared with the first quarter of 2015. The following items had an unfavorable effect on Ameren Missouri's electric margins in the first quarter of 2016, compared with the first quarter of 2015:

Temperatures were milder in 2016 as heating degree-days decreased 22%, which decreased margins by an estimated \$26 million. The change in margins due to weather is the sum of the effect of weather (estimate) on electric revenues (-\$37 million) and the effect of weather (estimate) on fuel and purchased power (+\$11 million) in the above table.

Noranda's operations were idled in the first quarter of 2016, which decreased margins by \$13 million. The change in margins is the sum of Noranda revenues (-\$24 million) and Noranda energy costs (+\$11 million) in the above table.

Noranda energy costs include the impact of a provision in the FAC tariff that, under certain circumstances, allows Ameren Missouri to retain a portion of the revenues from any off-system sales it makes as a result of reduced tariff sales to Noranda. See Note 2 - Rate and Regulatory Matters under Part I, Item 1, of this report for information regarding Noranda.

The absence in 2016 of net shared benefits due to the expiration of MEEIA 2013, which decreased margins by \$11 million. Net shared benefits compensated Ameren Missouri for lower sales volumes from energy-efficiency related volume reductions in current and future periods.

The exclusion of transmission revenues and substantially all transmission charges from the FAC beginning May 30, 2015, which decreased margins by \$5 million.

The following items had a favorable effect on Ameren Missouri's electric margins in the first quarter of 2016, compared with the first quarter of 2015:

Higher electric base rates, effective May 30, 2015, as a result of the April 2015 MoPSC electric rate order, which included a rate shift from Noranda to other customers, increased margins by an estimated \$5 million. The change in electric base rates is the sum of the change in base rates (estimate) (+\$29 million) and the effect of higher net energy costs included in base rates (-\$24 million) in the above table.

Excluding the estimated effect of weather and reduced sales to Noranda, total retail sales volumes increased 1%, which increased margins by \$5 million. The benefits of an additional day in 2016 as a result of the leap year, as well as growth, exceeded the carryover effect of MEEIA 2013.

Lower net energy costs, primarily due to higher MISO capacity revenues, which increased margins by \$3 million. The change in net energy costs is the sum of the change in off-system sales and transmission services revenues (+\$14 million) and the change in energy costs (-\$11 million) in the above table.

Ameren Missouri has a cost recovery mechanism for natural gas purchased on behalf of its customers. These pass-through purchased gas costs do not affect Ameren Missouri's natural gas

margins as they are offset by a corresponding amount in revenues.

Ameren Missouri's natural gas margins were comparable between periods.

Ameren Illinois

Ameren Illinois has a cost recovery mechanism for power purchased, and transmission services incurred, on behalf of its electric customers. These amounts do not affect Ameren Illinois' electric margins, as any change in costs is offset by a corresponding amount in revenues.

The provisions of the IEIMA and the FERC's electric transmission formula rate framework provide for annual reconciliations of the electric delivery and electric transmission service revenue requirements necessary to reflect the actual costs incurred in a given year with the revenue requirements in customer rates for that year, including an allowed return on equity. See Operations and Maintenance Expenses in this section for additional information regarding the components of the revenue requirements. In each of those electric jurisdictions, if the current year's revenue requirement is greater than the revenue requirement reflected in that year's customer rates, an increase to electric operating revenues with an offset to a regulatory asset is recorded to reflect the expected recovery of those additional costs from customers within the next two years. In each jurisdiction, if the current year's revenue requirement is less than the revenue requirement reflected in that year's customer rates, a reduction to electric operating revenues with an offset to a regulatory liability is recorded to reflect the expected refund to customers

within the next two years. The increases or reductions to electric operating revenues are shown in base rates (estimate) and transmission services revenues, in the above table, for the electric delivery and electric transmission service revenues, respectively. See Note 2 - Rate and Regulatory Matters under Part I, Item 1, of this report for information regarding Ameren Illinois' revenue requirement reconciliation pursuant to the IEIMA.

Ameren Illinois' electric margins were flat in the first quarter of 2016, compared with the first quarter of 2015. The following items had a favorable effect on Ameren Illinois' electric margins in the first quarter of 2016, compared with the first quarter of 2015:

- Electric delivery service revenues increased by an estimated \$19 million, primarily due to increased rate base investment and higher recoverable costs under formula ratemaking pursuant to the IEIMA.

- Transmission services revenues increased by \$7 million, primarily due to increased rate base investment and higher recoverable costs under forward-looking formula ratemaking.

The following items had an unfavorable effect on Ameren Illinois' electric margins:

- The absence in 2016 of a January 2015 ICC order regarding Ameren Illinois' cumulative power usage cost and its purchased power rider mechanism, which increased margins by \$15 million in the first quarter of 2015.

Temperatures were milder as heating degree-days decreased 20%, which decreased margins by an estimated \$6 million. The change in margins due to weather is the sum of the effect of weather (estimate) on electric revenues (-\$12 million) and the effect of weather (estimate) on fuel and purchased power (+\$6 million) in the above table. Excluding the estimated effect of weather, total retail sales volumes decreased 4%, which decreased margins by an estimated \$5 million. Lower retail sales volumes were due to industrial sales volumes, which decreased 8% and have less of a margin impact than residential and commercial sales volumes, which decreased a combined 2%. Ameren Illinois has a cost recovery mechanism for natural gas purchased on behalf of its customers. These pass-through purchased gas costs do not affect Ameren Illinois' natural gas margins as they are offset by a corresponding amount in revenues.

Ameren Illinois' natural gas margins increased \$4 million, or 3%, in the first quarter of 2016, compared with the first quarter of 2015. The following items had a favorable effect on Ameren Illinois' natural gas margins in the first quarter of 2016, compared with the first quarter of 2015:

- Higher natural gas base rates in 2016, which increased margins by an estimated \$14 million.

- The implementation of redesigned seasonal rates in 2016, which increased margins by \$9 million. These redesigned rates have an effect on quarterly earnings comparisons but are not expected to materially affect annual earnings.

Ameren Illinois' natural gas margins were unfavorably affected by the absence of colder-than-normal winter temperatures, which increased margins by \$4 million in the first quarter of 2015, while the VBA for residential and small nonresidential customers eliminated the impact of weather on natural gas margins in the first quarter of 2016. The change in margins due to weather is the sum of the effect of weather (estimate) on natural gas revenues (-\$29 million) and the effect of weather (estimate) on gas purchased for resale (+\$25 million) in the above table.

#### Other Operations and Maintenance Expenses

##### Ameren Corporation

Other operations and maintenance expenses were comparable in the first quarter of 2016 with the first quarter of 2015. Other operations and maintenance expenses were comparable at Ameren Missouri, decreased \$8 million at Ameren Illinois, and increased \$6 million at nonregistrant subsidiaries.

##### Ameren Missouri

Other operations and maintenance expenses were comparable in the first quarter of 2016 with the first quarter of 2015. The following items increased other operations and maintenance expenses between periods:

- Amortization of previously deferred solar rebate costs increased by \$7 million, as a result of the April 2015 MoPSC

electric rate order. Electric revenues from customer billings increased by a corresponding amount, with no overall effect on net income.

- Refueling and maintenance outage costs at the Callaway energy center increased by \$4 million, primarily due to preparation costs for the 2016 scheduled outage that began in April. There was no scheduled outage in 2015.

The following items decreased other operations and maintenance expenses between periods:

- MEEIA customer energy efficiency program costs decreased by \$4 million, due to the expiration of MEEIA 2013.

- The MEEIA 2016 customer programs began in March 2016. Electric revenues from customer billings decreased by a corresponding amount, with no overall effect on net income.

- Energy center maintenance costs decreased by \$4 million, primarily due to fewer major outages at coal-fired energy centers.

Employee benefit costs decreased by \$3 million, primarily due to a change in pension and postretirement expenses allowed in rates, as a result of the April 2015 MoPSC electric rate order. Electric revenues from customer billings decreased by a corresponding amount, with no overall effect on net income.

##### Ameren Illinois

Pursuant to the provisions of the IEIMA's and the FERC's formula rate frameworks, recoverable electric service costs that are not recovered through separate cost recovery mechanisms are included in Ameren Illinois' revenue requirement reconciliations, which result in corresponding adjustments to electric operating revenues, with no overall effect on net income. These recoverable electric service costs include other operations and maintenance expenses, depreciation and amortization, taxes other than income taxes, interest charges, and income taxes.

Other operations and maintenance expenses were \$8 million lower in the first quarter of 2016, as compared with the first quarter of 2015. The following items decreased other operations and maintenance expenses between periods: Bad debt, customer energy efficiency, and environmental remediation costs decreased by \$16 million. These expenses are included in cost riders that result in lower electric and natural gas revenues, resulting in no overall effect on net income.

Employee benefit costs decreased by \$5 million, primarily due to lower pension and postretirement expenses caused by changes in actuarial assumptions and the performance of plan assets.

The following items increased other operations and maintenance expenses between periods:

Storm-related repair costs increased by \$4 million.

Electric delivery maintenance expenditures increased by \$4 million, primarily related to increased system repair, circuit maintenance, and vegetation management work as a result of regulatory compliance requirements.



Labor costs increased by \$3 million, primarily because of staff additions to meet enhanced reliability standards and customer service goals related to the IEIMA.

#### Depreciation and Amortization

##### Ameren Corporation

Depreciation and amortization expenses increased \$14 million in the first quarter of 2016, as compared with the first quarter of 2015, primarily because of increased expenses at Ameren Missouri and Ameren Illinois, as discussed below.

##### Ameren Missouri

Depreciation and amortization expenses increased \$9 million, primarily because of increased depreciation rates resulting from the April 2015 MoPSC electric rate order.

##### Ameren Illinois

Depreciation and amortization expenses increased \$4 million, primarily because of electric system capital additions.

#### Taxes Other Than Income Taxes

##### Ameren Corporation

Taxes other than income taxes decreased \$11 million in the first quarter of 2016, as compared with the first quarter of 2015, primarily because of decreased expenses at Ameren Missouri and Ameren Illinois, as discussed below. See Excise Taxes in Note 1 - Summary of Significant Accounting Policies under Part I, Item 1, of this report for additional information.

##### Ameren Missouri

Taxes other than income taxes decreased \$7 million, primarily because of decreased gross receipts taxes resulting from lower electric sales volumes, and an increase in capitalized property taxes. Electric revenues for gross receipts taxes from customer billings decreased by a corresponding amount, with no overall effect on net income.

##### Ameren Illinois

Taxes other than income taxes decreased \$5 million, primarily because of decreased gross receipts taxes resulting from lower natural gas sales volumes and prices. Natural gas revenues for gross receipts taxes from customer billings decreased by a corresponding amount, with no overall effect on net income.

#### Other Income and Expenses

##### Ameren Corporation

Other income, net of expenses, increased \$5 million in the first quarter of 2016, as compared with the first quarter of 2015, primarily because of a \$3 million reduction in donations at Ameren (parent) due to the timing of charitable contributions. An

increase at Ameren Missouri was partially offset by a decrease at Ameren Illinois, as discussed below. See Note 5 - Other Income and Expenses under Part I, Item 1, of this report for additional information.

##### Ameren Missouri

Other income, net of expenses, increased \$5 million, primarily because of an increase in the allowance for equity funds used during construction, resulting from higher capital expenditures.

##### Ameren Illinois

Other income, net of expenses, decreased \$2 million, primarily because of decreased income from customer-requested construction.

#### Interest Charges

##### Ameren Corporation

Interest charges increased \$7 million in the first quarter of 2016, as compared with the first quarter of 2015, primarily because of a \$7 million increase in interest charges at Ameren (parent), resulting from the issuance of senior unsecured notes in November 2015 and the absence in 2016 of a 2015 uncertain tax position resolution. A reduction in interest charges at Ameren Missouri was partially offset by an increase in interest charges at Ameren Illinois, as discussed below.

##### Ameren Missouri

Edgar Filing: AMEREN CORP - Form 10-Q

Interest charges decreased \$3 million, primarily because of an increase in the allowance for funds used during construction, resulting from higher capital expenditures, and the maturity of senior secured notes in February 2016, which was repaid with cash on hand and lower-cost commercial paper.

Ameren Illinois

Interest charges increased \$2 million, primarily because of the issuance of senior secured notes in December 2015.

Income Taxes

The following table presents effective income tax rates for the three months ended March 31, 2016 and 2015:

	Three Months <sup>(a)</sup>	
	2016	2015
Ameren	22 %	38 %
Ameren Missouri	38 %	38 %
Ameren Illinois	39 %	39 %

<sup>(a)</sup> Based on the current estimate of the annual effective tax rate adjusted to reflect the tax effect of items discrete to the relevant period.

## Ameren Corporation

The effective tax rate was lower in the first quarter of 2016, as compared with the first quarter of 2015, primarily because of the recognition of excess tax benefits associated with share-based compensation resulting from the difference between the deduction for tax purposes and the compensation cost recognized for financial reporting purposes. See Accounting and Reporting Developments in Note 1 - Summary of Significant Accounting Policies under Part I, Item 1, of this report for additional information.

## Ameren Missouri

The effective tax rate was comparable between periods.

## Ameren Illinois

The effective tax rate was comparable between periods.

## LIQUIDITY AND CAPITAL RESOURCES

Our tariff-based gross margins are our principal source of cash from operating activities. A diversified retail customer mix, primarily consisting of rate-regulated residential, commercial, and industrial customers, provides us with a reasonably predictable source of cash. In addition to using cash generated from operating activities, we use available cash, credit agreement borrowings, commercial paper issuances, money pool

borrowings, or, in the case of Ameren Missouri and Ameren Illinois, other short-term borrowings from affiliates to support normal operations and temporary capital requirements. We may reduce our short-term borrowings with cash from operations, long-term borrowings, or, in the case of Ameren Missouri and Ameren Illinois, capital contributions from Ameren (parent). We expect to make significant capital expenditures over the next five years as we invest in our electric and natural gas utility infrastructure to support overall system reliability, environmental compliance, and other improvements. We intend to fund those capital expenditures with available cash on hand, cash generated from operating activities, and commercial paper and debt issuances so that we maintain an equity ratio around 50%, assuming constructive regulatory environments.

The use of cash from operating activities and short-term borrowings to fund capital expenditures and other long-term investments may periodically result in a working capital deficit, defined as current liabilities exceeding current assets, as was the case at March 31, 2016, for Ameren and Ameren Illinois. The working capital deficit as of March 31, 2016, was primarily the result of current maturities of long-term debt and commercial paper issuances. Considering the credit capacity available under the Credit Agreements and our cash and cash equivalents, the Ameren Companies, in the aggregate, had access to \$1.5 billion of liquidity at March 31, 2016.

The following table presents net cash provided by (used in) operating, investing and financing activities for the three months ended March 31, 2016 and 2015:

	Net Cash Provided By (Used In)			Net Cash Provided by (Used In)			Net Cash Provided by (Used In)		
	Operating Activities	Investing Activities	Financing Activities	Operating Activities	Investing Activities	Financing Activities	Operating Activities	Investing Activities	Financing Activities
	2016	2015	Variance	2016	2015	Variance	2016	2015	Variance
Ameren <sup>(a)</sup> - continuing operations	\$350	\$311	\$ 39	\$(524)	\$(439)	\$ (85 )	\$(118)	\$128	\$(246 )
Ameren <sup>(a)</sup> - discontinued operations	(1 )	1	(2 )	14	—	14	—	—	—
Ameren Missouri	169	157	12	(170 )	(169 )	(1 )	(198 )	12	(210 )
Ameren Illinois	229	254	(25 )	(269 )	(207 )	(62 )	(31 )	(48 )	17

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

## Cash Flows from Operating Activities

## Ameren Corporation

Ameren's cash from operating activities associated with continuing operations increased \$39 million in the first quarter of 2016, compared with the same period in 2015. The following items contributed to the increase:

• A \$57 million increase resulting from electric and natural gas margins, as discussed in Results of Operations, excluding certain noncash items, as well as the change in customer receivable balances.

A \$42 million insurance receipt at Ameren Missouri related to the Taum Sauk breach. See Note 15 - Commitments and Contingencies under Part II, Item 8, in the Form 10-K for additional information.

▲ \$21 million increase in net energy costs collected from Ameren Missouri customers under the FAC.

▲ \$16 million decrease in the cost of coal inventory at Ameren Missouri, as additional coal was purchased in 2015 to compensate for delivery disruptions experienced in 2014.

An \$8 million increase in cash associated with the recovery of Ameren Illinois' IEIMA revenue requirement reconciliation adjustments. The 2014 revenue requirement reconciliation adjustment, which is being recovered from customers in 2016, was greater than the 2013 revenue requirement reconciliation adjustment, which was recovered from customers in 2015.

Income tax refunds of \$3 million in 2016, compared with income tax payments of \$1 million in 2015. In 2016,

▲ Ameren continued to generate net operating losses due to bonus depreciation, resulting in no current federal income tax liability.

The following items partially offset the increase in Ameren's cash from operating activities associated with continuing operations between periods:

- A \$42 million increase in the cost of natural gas held in storage caused primarily by fewer withdrawals as a result of milder winter temperatures compared with the prior year.
  - ▲ \$36 million increase in payments to purchase stock associated with share-based compensation plan awards.
  - ▲ \$15 million increase in purchased power commodity costs incurred compared with amounts collected from Ameren Illinois customers.
  - An \$8 million increase in interest payments, primarily due to the issuance of senior unsecured notes at Ameren (parent) in November 2015 and the issuance of senior secured notes at Ameren Illinois in December 2015.
  - ▲ \$6 million increase in major storm restoration costs at Ameren Illinois.
  - ▲ \$5 million increase in property tax payments at Ameren Missouri caused by higher assessed property tax values.
- Ameren's cash from operating activities associated with discontinued operations was comparable between periods.

Ameren Missouri

Ameren Missouri's cash from operating activities increased \$12 million in the first quarter of 2016, compared with the same period in 2015. The following items contributed to the increase:

- A \$42 million insurance receipt related to the Taum Sauk breach. See Note 15 - Commitments and Contingencies under Part II, Item 8, in the Form 10-K for additional information.
- ▲ \$21 million increase in net energy costs collected from customers under the FAC.
- A \$16 million decrease in the cost of coal inventory, as additional coal was purchased in 2015 to compensate for delivery disruptions experienced in 2014.

The following items partially offset the increase in Ameren Missouri's cash from operating activities between periods:

- A \$52 million increase in income taxes paid to Ameren (parent) pursuant to the tax allocation agreement, primarily related to the absence in 2016 of audit settlement refunds received in 2015.
- A \$7 million increase in the cost of natural gas held in storage caused primarily by fewer withdrawals as a result of milder winter temperatures compared with the prior year.
- ▲ \$5 million increase in property tax payments caused by higher assessed property tax values.

Ameren Illinois

Ameren Illinois' cash from operating activities decreased \$25 million in the first quarter of 2016, compared with the same period in 2015. The following items contributed to the decrease:

- A \$35 million increase in the cost of natural gas held in storage caused primarily by fewer withdrawals as a result of milder winter temperatures compared with the prior year.
- A \$22 million increase in income taxes paid to Ameren (parent) pursuant to the tax allocation agreement, primarily related to the absence in 2016 of audit settlement refunds received in 2015.
- A \$15 million increase in purchased power commodity costs incurred compared with amounts collected from customers.
- ▲ \$6 million increase in major storm restoration costs.
- ▲ \$5 million increase in interest payments, primarily due to the issuance of senior secured notes in December 2015.

The following items partially offset the decrease in Ameren Illinois' cash from operating activities between periods:

- A \$53 million increase resulting from electric and natural gas margins, as discussed in Results of Operations, excluding certain noncash items, as well as the change in customer receivable balances.
- An \$8 million increase in cash associated with the recovery of IEIMA revenue requirement reconciliation adjustments. The 2014 revenue requirement reconciliation adjustment, which is being recovered from customers in 2016, was greater than the 2013 revenue requirement reconciliation adjustment, which was recovered from customers in 2015.

Cash Flows from Investing Activities

Ameren's cash used in investing activities associated with continuing operations increased \$85 million in the first quarter of 2016, compared with the same period in 2015. Capital expenditures increased \$79 million as a result of the activity at Ameren Missouri and Ameren Illinois, as discussed below, and a \$7 million increase in ATXI's capital expenditures, which primarily related to the Spoon River project.

Cash provided by investing activities associated with discontinued operations was \$14 million in the first quarter of 2016, due to the receipt of the amount held in escrow from the sale to Rockland Capital. In April 2016, Medina Valley paid Genco its portion of the escrow amount. In the first quarter of 2015, no cash was used or provided by discontinued operations.

Ameren Missouri's cash used in investing activities was comparable to 2015, as a return of a \$36 million money pool advance in 2016 was offset by increased capital expenditures in 2016 of \$33 million primarily related to electric distribution system reliability and energy center projects.

Ameren Illinois' cash used in investing activities increased \$62 million due to a \$37 million increase in capital expenditures primarily related to transmission projects, and a \$25 million increase in money pool advances.

Ameren Missouri continually reviews its generation portfolio and expected power needs. As a result, Ameren Missouri could modify its plan for generation capacity, the type of generation asset technology that will be employed, and whether capacity or power may be purchased, among other changes. Additionally, we continually review the reliability of our transmission and distribution systems, expected capacity needs, and opportunities for transmission investments. The timing and amount of investments could vary because of changes in expected capacity, the condition of transmission and distribution systems, changes in laws or regulations, and our ability and willingness to pursue transmission investments, among other factors. Any changes in future generation, transmission, or distribution needs could result in significant capital expenditures or impairment losses, which could be material. Compliance with environmental regulations could also have significant impacts on the level of capital expenditures. See Note 9 - Commitments and Contingencies in Part I, Item 1, of this report for additional information.

#### Cash Flows from Financing Activities

Ameren's financing activities associated with continuing operations used net cash of \$118 million during the first quarter of 2016, compared to providing net cash of \$128 million during the same period in 2015. The cash used in financing activities during 2016 primarily resulted from the payment at maturity of certain Ameren Missouri long-term debt, the payment of common stock dividends, and the remittance of employee payroll taxes related to share-based payments. The cash used in financing activities in 2016 was partially offset by an increase in short-term debt. In the first quarter of 2016, Ameren and its registrant subsidiaries issued short term debt, used cash on hand, and cash provided by operating activities to repay at maturity long-term debt, fund investing activities, and pay dividends. In comparison, during the

first quarter of 2015, Ameren and its registrant subsidiaries issued short-term debt and used cash provided by operating activities to fund investing activities and pay dividends.

Ameren Missouri's financing activities used net cash of \$198 million during the first quarter of 2016, compared to providing net cash of \$12 million during the same period in 2015. In the first quarter of 2016, Ameren Missouri paid common stock dividends of \$140 million, issued \$165 million of short-term debt, repaid at maturity \$260 million in long term-debt, and received a capital contribution of \$38 million. During the first quarter of 2016, Ameren Missouri used cash provided by operating activities along with cash on hand to fund investing activities and pay dividends. In 2015, Ameren Missouri issued \$43 million of short-term debt, borrowed \$61 million from the money pool, paid common stock dividends of \$315 million, and received a capital contribution of \$224 million. During the first quarter of 2015, Ameren Missouri used cash provided by these financing activities and cash provided by operating activities to fund investing activities and pay dividends.

Ameren Illinois' cash used in financing activities decreased \$17 million during the first quarter of 2016, compared with the same period in 2015. In the first quarter of 2016, Ameren Illinois paid common stock dividends of \$30 million. In the first quarter of 2015, Ameren Illinois repaid \$32 million of short-term debt and \$15 million to the money pool. During the first quarter of 2016, Ameren Illinois used cash provided by operating activities along with cash on hand to fund investing activities and pay dividends. During the first quarter of 2015, Ameren Illinois used cash provided by operating activities to fund investing and financing activities.

#### Credit Facility Borrowings and Liquidity

The liquidity needs of Ameren, Ameren Missouri, and Ameren Illinois are typically supported through the use of available cash, short-term intercompany borrowings, drawings under committed credit agreements or commercial paper issuances. See Note 3 - Short-term Debt and Liquidity under Part I, Item 1, of this report for additional information on credit agreements, short-term borrowing activity, commercial paper issuances, relevant interest rates, and borrowings under Ameren's money pool arrangements.

The following table presents Ameren's consolidated liquidity as of March 31, 2016:

Available  
at  
March  
31, 2016

Edgar Filing: AMEREN CORP - Form 10-Q

Ameren and Ameren Missouri:

Missouri Credit Agreement - borrowing capacity <sup>(a)</sup>	\$ 1,000
Less: Ameren (parent) commercial paper outstanding	408
Missouri Credit Agreement - credit available	592

Ameren and Ameren Illinois:

Illinois Credit Agreement - borrowing capacity <sup>(a)</sup>	1,100
Less: Ameren (parent) commercial paper outstanding	173
Less: Letters of credit	4
Illinois Credit Agreement - credit available	923
Total Credit Available	\$ 1,515
Cash and cash equivalents	13
Total Liquidity	\$ 1,528

(a)Expires in December 2019.



The Credit Agreements are used to borrow cash, to issue letters of credit, and to support issuances under Ameren's, Ameren Missouri's, and Ameren Illinois' commercial paper programs. Either of the Credit Agreements are available to Ameren to support issuances under Ameren's commercial paper program, subject to borrowing sublimits. The Missouri Credit Agreement is available to support issuances under Ameren Missouri's commercial paper program. The Illinois Credit Agreement is available to support issuances under Ameren Illinois' commercial paper program. Issuances under the Ameren, Ameren Missouri, and Ameren Illinois commercial paper programs were available at lower interest rates than the interest rates available under the Credit Agreements. As such, commercial paper issuances were a preferred source of third-party short-term debt relative to credit facility borrowings.

In addition, Ameren Missouri and Ameren Illinois may borrow cash from the utility money pool when funds are available. The rate of interest depends on the composition of internal and external funds in the utility money pool. Ameren Missouri and Ameren Illinois borrow from the utility money pool when funds are available before utilizing the Credit Agreements and commercial paper programs because the utility money pool interest rates are lower. The issuance of short-term debt securities by Ameren's utility subsidiaries is subject to approval by the FERC under the Federal Power Act. In February 2016, the FERC issued an order authorizing Ameren Missouri to issue up to \$1 billion of short-term debt securities through March 2018.

The Ameren Companies continually evaluate the adequacy and appropriateness of their liquidity arrangements given changing business conditions. When business conditions warrant, changes may be made to existing credit agreements or to other short-term borrowing arrangements.

#### Long-term Debt and Equity

In February 2016, \$260 million principal amount of Ameren Missouri's 5.40% senior secured notes matured and was repaid with cash on hand and commercial paper borrowings.

The Ameren Companies did not issue any common stock during the first quarter of 2016 or 2015. In March 2016 and 2015, Ameren Missouri received cash capital contributions of \$38 million and \$224 million, respectively, from Ameren (parent).

The Ameren Companies may sell securities registered under their effective registration statements if market conditions and capital requirements warrant such sales. Any offer and sale will be made only by means of a prospectus that meets the requirements of the Securities Act of 1933 and the rules and regulations thereunder.

#### Indebtedness Provisions and Other Covenants

See Note 3 - Short-term Debt and Liquidity and Note 4 - Long-term Debt and Equity Financings under Part I, Item 1, of this report and Note 4 - Short-term Debt and Liquidity and Note 5

- Long-term Debt and Equity Financings under Part II, Item 8, of the Form 10-K for a discussion of covenants and provisions (and applicable cross-default provisions) contained in our credit agreements and in certain of the Ameren Companies' indentures and articles of incorporation.

At March 31, 2016, the Ameren Companies were in compliance with the provisions and covenants contained within their credit agreements, indentures, and articles of incorporation.

We consider access to short-term and long-term capital markets a significant source of funding for capital requirements not satisfied by cash generated from our operating activities. Inability to raise capital on reasonable terms, particularly during times of uncertainty in the capital markets, could negatively affect our ability to maintain and expand our businesses. After assessing its current operating performance, liquidity, and credit ratings (see Credit Ratings below), Ameren, Ameren Missouri, and Ameren Illinois each believes that it will continue to have access to the capital markets. However, events beyond Ameren's, Ameren Missouri's, and Ameren Illinois' control may create uncertainty in the capital markets or make access to the capital markets uncertain or limited. Such events could increase our cost of capital and adversely affect our ability to access the capital markets.

#### Dividends

The amount and timing of dividends payable on Ameren's common stock are within the sole discretion of Ameren's board of directors. Ameren's board of directors has not set specific targets or payout parameters when declaring common stock dividends but considers various factors, including Ameren's overall payout ratio, payout ratios of our

peers, projected cash flow and potential future cash flow requirements, historical earnings and cash flow, projected earnings, impacts of regulatory orders or legislation, and other key business considerations. Ameren expects its dividend payout ratio to be between 55% and 70% of earnings over the next few years. On April 29, 2016, Ameren's board of directors declared a quarterly common stock dividend of 42.5 cents per share payable on June 30, 2016, to shareholders of record on June 8, 2016.

See Note 4 - Short-term Debt and Liquidity and Note 5 - Long-term Debt and Equity Financings under Part II, Item 8, of the Form 10-K for additional discussion of covenants and provisions contained in certain of the Ameren Companies' financial agreements and articles of incorporation that would restrict the Ameren Companies' payment of dividends in certain circumstances. At March 31, 2016, none of these circumstances existed at Ameren, Ameren Missouri, or Ameren Illinois and, as a result, these companies were not restricted from paying dividends.

The following table presents common stock dividends declared and paid by Ameren Corporation to its common shareholders and by Ameren Missouri and Ameren Illinois to their parent, Ameren Corporation, for the three months ended March 31, 2016 and 2015:

	Three Months	
	2016	2015
Ameren Missouri	\$ 140	\$ 315
Ameren Illinois	30	—
Ameren	103	99

#### Contractual Obligations

For a listing of our obligations and commitments, see Other Obligations in Note 9 - Commitments and Contingencies under Part I, Item 1, of this report. See Note 11 - Retirement Benefits under Part I, Item 1, of this report for information regarding expected minimum funding levels for our pension plan.

At March 31, 2016, total obligations related to commitments for coal, natural gas, nuclear fuel, purchased power, methane gas, equipment, and meter reading services, among other agreements, at Ameren, Ameren Missouri, and Ameren Illinois were \$4,566 million, \$2,786 million, and \$1,729 million, respectively.

#### Off-Balance-Sheet Arrangements

At March 31, 2016, none of the Ameren Companies had off-balance-sheet financing arrangements, other than operating leases entered into in the ordinary course of business, letters of credit, and Ameren parent guarantee arrangements on behalf of its subsidiaries. None of the Ameren Companies expect to engage in any significant off-balance-sheet financing arrangements in the near future.

#### Credit Ratings

The credit ratings of the Ameren Companies affect our liquidity, access to the capital markets and credit markets, cost of borrowing under credit facilities, commercial paper programs, and collateral posting requirements under commodity contracts.

The following table presents the principal credit ratings of the Ameren Companies by Moody's and S&P effective on the date of this report:

	Moody's S&P	
Ameren:		
Issuer/corporate credit rating	Baa1	BBB+
Senior unsecured debt	Baa1	BBB
Commercial paper	P-2	A-2
Ameren Missouri:		
Issuer/corporate credit rating	Baa1	BBB+
Secured debt	A2	A
Senior unsecured debt	Baa1	BBB+
Commercial paper	P-2	A-2
Ameren Illinois:		
Issuer/corporate credit rating	A3	BBB+
Secured debt	A1	A
Senior unsecured debt	A3	BBB+
Commercial paper	P-2	A-2

A credit rating is not a recommendation to buy, sell, or hold securities. It should be evaluated independently of any other rating. Ratings are subject to revision or withdrawal at any time by the rating organization.

#### Collateral Postings

Any adverse change in our credit ratings may reduce access to capital and trigger additional collateral postings and prepayments. Such changes may also increase the cost of borrowing, resulting in an adverse effect on earnings. Cash collateral postings and prepayments made with external parties, including postings related to exchange-traded

contracts, and cash collateral posted by external parties were immaterial at Ameren, Ameren Missouri, and Ameren Illinois at March 31, 2016. Sub-investment-grade issuer or senior unsecured debt rating (lower than “BBB-” or “Baa3”) at March 31, 2016, could have resulted in Ameren, Ameren Missouri, or Ameren Illinois being required to post additional collateral or other assurances for certain trade obligations amounting to \$147 million, \$76 million, and \$71 million, respectively.

Changes in commodity prices could trigger additional collateral postings and prepayments. Based on credit ratings at March 31, 2016, if market prices were 15% higher or lower than March 31, 2016 levels in the next 12 months and 20% higher or lower thereafter through the end of the term of the commodity contracts, then Ameren, Ameren Missouri, or Ameren Illinois would only be required to post collateral or other assurances for certain trade obligations that would be immaterial compared to each company’s liquidity.

## OUTLOOK

We seek to earn competitive returns on investments in our businesses. We are seeking to improve our regulatory frameworks and cost recovery mechanisms and simultaneously pursuing constructive regulatory outcomes within existing frameworks. We are seeking to align our overall spending, both operating and capital, with economic conditions and with regulatory frameworks established by our regulators. Consequently, we are focused on minimizing the gap between allowed and earned returns on equity. We intend to allocate capital resources to our business opportunities that offer the most attractive risk-adjusted return potential.

Below are some key trends, events, and uncertainties that are reasonably likely to affect our results of operations, financial condition, or liquidity, as well as our ability to achieve strategic and financial objectives, for 2016 and beyond.

### Operations

Our strategy for earning competitive returns on our investments involves meeting customer energy needs in an efficient fashion, working to enhance regulatory frameworks, making timely and well-supported rate case filings, and aligning overall spending with those rate case outcomes, economic conditions, and return opportunities.

Ameren continues to pursue its plans to invest in FERC-regulated electric transmission. MISO has approved three electric transmission projects to be developed by ATXI. The first project, Illinois Rivers, involves the construction of a transmission line from western Indiana across the state of Illinois to eastern Missouri. The last section of this project is expected to be completed by 2019. The Spoon River project in northwest Illinois and the Mark Twain project in northeast Missouri are the other two MISO-approved projects to be constructed by ATXI. These two projects are expected to be completed in 2018. The Illinois Rivers and the Spoon River projects have received all of the necessary commission approvals to authorize their construction. In April 2016, the MoPSC granted ATXI a certificate of convenience and necessity for the Mark Twain project. Starting construction under the certificate is subject to ATXI obtaining assents from the five counties where the line will be constructed. Extended difficulties in obtaining the assents could delay the completion date. The total investment in all three projects is expected to be more than \$1.0 billion from 2016 through 2019. This total includes over \$60 million of investment by Ameren Illinois to construct connections to its existing transmission system. In addition to its investment in the MISO-approved projects, Ameren Illinois expects to invest \$1.9 billion in electric transmission assets from 2016 through 2020 to address load growth and reliability requirements.

Both Ameren Illinois and ATXI use a forward-looking rate calculation with an annual revenue requirement reconciliation for each company's electric transmission business. With the rates that became effective on January 1, 2016, and the currently allowed 12.38% return on equity, the 2016 revenue requirement for Ameren Illinois' electric

transmission business would be \$241 million, which represents a \$42 million increase over the 2015 revenue requirement due to rate base growth. These rates reflect a capital structure composed of 51.9% common equity and a projected rate base of \$1.2 billion. With the rates that became effective on January 1, 2016, and the currently allowed 12.38% return on equity, the 2016 revenue requirement for ATXI's electric transmission business would be \$140 million, which represents a \$60 million increase over the 2015 revenue requirement due to rate base growth, primarily as a result of the Illinois Rivers project. These rates reflect a capital structure composed of 56.1% common equity and a projected rate base of \$0.9 billion.

The 12.38% return on common equity is the subject of two FERC complaint proceedings, the November 2013 complaint case and the February 2015 complaint case, that challenge the allowed base return on common equity for MISO transmission owners. In December 2015, a FERC administrative law judge issued an initial decision in the November 2013 complaint case that would lower the allowed base return on common equity to 10.32%. The FERC is expected to issue a final order on the November 2013 complaint case by the fourth quarter of 2016. The initial decision from an administrative law judge in the February 2015 complaint case, which will subsequently require FERC approval, is expected to be issued in the second quarter of 2016. A 50 basis point reduction in the FERC-allowed base return on common equity would reduce Ameren's and Ameren Illinois' annual earnings by an estimated \$6 million and \$3 million, respectively, based on each company's 2016 projected rate base. Ameren and Ameren Illinois recorded current regulatory liabilities on their respective March 31, 2016 balance sheets, representing

their estimate of the potential refunds from November 2013 through March 2016.

In January 2015, a FERC-approved incentive adder of up to 50 basis points on the allowed base return on common equity for our participation in an RTO became effective. Upon the issuance of the final order addressing the November 2013 complaint case, beginning with its January 2015 effective date, the incentive adder will reduce any refund to customers relating to a reduction of the base return on common equity.

In April 2015, the MoPSC issued an order approving an increase in Ameren Missouri's annual revenues for electric service. The order also approved Ameren Missouri's request for continued use of the FAC; however, it changed the FAC to exclude all transmission revenues and substantially all transmission charges. This change to Ameren Missouri's FAC is contributing to regulatory lag. For example, the April 2015 MoPSC electric rate order included \$29 million of transmission charges in base rates that were previously included in the FAC. Ameren Missouri expects transmission charges to increase to \$53 million in 2016, with further cost increases expected in the foreseeable future. However, transmission revenues included in base rates in the April 2015 MoPSC electric rate order totaled \$34 million and are expected to remain relatively constant in 2016 and into the near future.

Ameren Missouri supplies electricity to Noranda's aluminum smelter located in southeast Missouri. In its April 2015 electric rate order, the MoPSC approved a rate design that established \$78 million in annual revenues, net of fuel and purchased power costs, as Noranda's portion of Ameren Missouri's revenue requirement. The portion of Ameren Missouri's annual revenue requirement reflected in Noranda's electric rate is based on the smelter using approximately 4.2 million megawatthours annually, which is almost 100% of its operating capacity. In the first quarter of 2016, Noranda idled production at its aluminum smelter. In addition, Noranda filed voluntary petitions for a court-supervised restructuring process under Chapter 11 of the United States Bankruptcy Code. Noranda stated it would maintain the flexibility to restart operations at the smelter should conditions allow. As a result of these events in 2016, actual sales volumes to Noranda will be significantly below the sales volumes reflected in rates, and therefore, Ameren Missouri will not fully recover its revenue requirement until rates are adjusted by the MoPSC in a future electric rate case to reflect Noranda's actual sales volumes. Ameren Missouri estimates a \$38 million reduction in 2016 earnings, compared to 2015, relating to the significantly lower expected electric sales volumes to Noranda after consideration of the FAC-tariff provision that allows Ameren Missouri to retain a portion of its off-system sales. Ameren Missouri expects to file an electric rate case in 2016 to reflect additional infrastructure investments and rising costs, including depreciation, transmission service, and property tax expenses, and expects the resulting new rates to reflect Noranda's actual sales volumes, which would prospectively eliminate the impact of the current revenue shortfall from Noranda sales levels. Rate case proceedings take place over a period of up to 11 months from the date of filing. Ameren Missouri will continue to monitor Noranda's sales volumes and to evaluate its regulatory and legislative options that might mitigate adverse financial impacts. The reduction in Noranda's sales volumes have adversely affected and will continue to adversely affect Ameren's and Ameren Missouri's results of operations, financial condition, and liquidity until customer rates are adjusted in a future rate case.

The MEEIA 2013 performance incentive allowed Ameren Missouri an opportunity to earn additional revenues by achieving certain customer energy efficiency goals, including \$19 million if 100% of the goals were achieved during the three-year period, with the potential to earn a larger performance incentive if Ameren Missouri's energy savings exceeded those goals. In November 2015, the MoPSC issued an order that clarified how an input used in the calculation of the performance incentive would be determined. Ameren Missouri filed an appeal of the order with the Missouri Court of Appeals, Western District. If the Missouri Court of Appeals upholds the MoPSC order, the MEEIA 2013 performance incentive will be significantly less than the performance incentive calculated using Ameren Missouri's interpretation. A decision from the Missouri Court of Appeals is expected in 2016. Separately, an order from the MoPSC determining the MEEIA 2013 performance

incentive is also expected in 2016. Ameren Missouri has not recorded any revenues associated with the MEEIA 2013 performance incentive. Ameren Missouri believes it will ultimately be found to have exceeded 100% of the customer energy efficiency goals, and it therefore expects to recognize revenues relating to the MEEIA 2013 performance incentive of at least \$19 million in 2016.

The throughput disincentive recovery under MEEIA 2016 replaced the net shared benefits that were collected under MEEIA 2013. Net shared benefits compensated Ameren Missouri for the current year and longer-term financial impacts of customer energy efficiency programs in each year of the program from 2013 through 2015. The throughput disincentive included in MEEIA 2016, on the other hand, is designed to be earnings neutral each year by compensating Ameren Missouri for the lost sales volumes from its customer energy efficiency programs that occur in that year, and does not compensate for the longer-term financial impacts of these programs until sales volumes are lost in a future year. The unfavorable effects of sales volume reductions in 2016 from the MEEIA 2013 energy efficiency programs were previously recognized during 2013 through 2015 as net shared benefits, and therefore, any such lost sales volumes have impacted and will continue to negatively impact 2016 earnings.

The IEIMA provides for an annual reconciliation of the revenue requirement necessary to reflect the actual costs incurred in a given year with the revenue requirement that was reflected in customer rates for that year. Consequently, Ameren Illinois' 2016 electric delivery service revenues will be based on its 2016 actual recoverable costs, rate base, and return on common equity as calculated under the IEIMA's performance-based formula ratemaking framework. The 2016 revenue requirement is expected to be higher than the 2015 revenue requirement because of an expected

increase in recoverable costs and rate base growth. A 50 basis point change in the average monthly yields of the 30-year United States Treasury bonds would result in an estimated \$6 million change in Ameren's and Ameren Illinois' net income, based on its 2016 projected rate base.

In December 2015, the ICC issued an order with respect to Ameren Illinois' annual update filing. The ICC approved a \$106 million increase in Ameren Illinois' electric delivery service revenue requirement beginning in January 2016. These rates have affected and will continue to affect Ameren Illinois' cash receipts during 2016, but will not be the sole determinant of its electric delivery service operating revenues, which will instead be largely determined by the IEIMA's 2016 revenue requirement reconciliation. The 2016 revenue requirement reconciliation, as discussed above, is expected to result in a regulatory asset that will be collected from customers in 2018.

In April 2016, Ameren Illinois filed with the ICC its annual electric delivery service formula rate update to establish the revenue requirement used for 2017 rates. Pending ICC approval, Ameren Illinois' update filing will result in a \$14 million decrease in Ameren Illinois' electric delivery service revenue requirement, beginning in January 2017. This update reflects an increase to the annual formula rate based



on 2015 actual costs and expected net plant additions for 2016, an increase to include the 2015 revenue requirement reconciliation adjustment, and a decrease for the conclusion of the 2014 revenue requirement reconciliation adjustment, which will be fully collected from customers in 2016. These rates will affect Ameren Illinois' cash receipts during 2017, but will not be the sole determinant of its electric delivery service operating revenues, which will instead be largely determined by the IEIMA's 2017 revenue requirement reconciliation.

Ameren Missouri's Callaway energy center's scheduled refueling and maintenance outage began on April 2, 2016, and is expected to conclude in May. Ameren Missouri expects to incur approximately \$37 million of maintenance expenses in 2016 related to this outage. There was no refueling outage scheduled in 2015. During a scheduled outage, which occurs every 18 months, maintenance expenses increase relative to non-outage years. Additionally, depending on the availability of its other generation sources and the market prices for power, Ameren Missouri's purchased power costs may increase and the amount of excess power available for sale may decrease versus non-outage years. Changes in purchased power costs and excess power available for sale are included in the FAC, which results in limited impacts to earnings.

As we continue to experience cost increases and to make infrastructure investments, Ameren Missouri and Ameren Illinois expect to seek regular electric and natural gas rate increases and timely cost recovery and tracking mechanisms from their regulators. Ameren Missouri and Ameren Illinois will also seek, as necessary, legislative solutions to address regulatory lag and to support investment in their utility infrastructure for the benefit of their customers, including Ameren Missouri's current efforts to advocate for a legislative solution to support Noranda's operations and modernize the state's regulatory framework. Ameren Missouri and Ameren Illinois continue to face cost recovery pressures including limited economic growth in their service territories, customer conservation efforts, the impacts of additional customer energy efficiency programs, increased customer use of innovative and increasingly cost-effective technological advances including distributed generation and storage, increased investments and expected future investments for environmental compliance, system reliability improvements, and new generation capacity, including renewable energy requirements. Increased investments also result in higher depreciation and financing costs. Increased costs are also expected from rising employee benefit costs and higher property and income taxes, among other costs.

For additional information regarding recent rate orders and related appeals and pending requests filed with state and federal regulatory commissions, see Note 2 - Rate and Regulatory Matters under Part I, Item 1, of this report and Note 2 - Rate and Regulatory Matters under Part II, Item 8, of the Form 10-K.

#### Liquidity and Capital Resources

We expect to incur significant capital expenditures in order to make investments to improve our electric and natural gas utility infrastructure and to comply with existing environmental regulations. We estimate that we will incur up to \$11.5 billion (Ameren Missouri – up to \$4.3 billion; Ameren Illinois – up to \$6.2 billion; ATXI – up to \$1.0 billion) of capital expenditures during the period from 2016 through 2020, excluding the impact of the Clean Power Plan.

Environmental regulations, including those related to CO<sub>2</sub> emissions, or other actions taken by the EPA could result in significant increases in capital expenditures and operating costs. These costs could be prohibitive at some of Ameren Missouri's coal-fired energy centers. Ameren Missouri's capital expenditures are subject to MoPSC prudence reviews, which could result in cost disallowances as well as regulatory lag. The cost of Ameren Illinois' purchased power and gas purchased for resale could increase. However, Ameren Illinois expects these costs would be recovered from customers with no material adverse effect on its results of operations, financial position, or liquidity. Ameren's and Ameren Missouri's earnings could benefit from increased investment to comply with environmental regulations if those investments are reflected and recovered on a timely basis in rates charged to customers.

Ameren is evaluating the Clean Power Plan's potential impacts to its operations, including those related to electric system reliability, and its level of investment in customer energy efficiency programs, renewable energy, and other forms of generation investment. In February 2016, the United States Supreme Court stayed the Clean Power Plan and all implementation requirements until the legal appeals are concluded. Appeals are expected to take several years to conclude. If the rule is ultimately upheld and implemented in substantially similar form to the rule when issued, Ameren Missouri expects to incur increased net fuel and operating costs, and make new or accelerated capital

expenditures, in addition to the costs of making modifications to existing operations in order to achieve compliance. Compliance measures could result in the closure or alteration of the operation of some of Ameren Missouri's coal and natural-gas-fired energy centers, which could result in increased operating costs.

Ameren Missouri files a nonbinding integrated resource plan with the MoPSC every three years. Ameren Missouri's integrated resource plan filed with the MoPSC in October 2014, prior to the issuance of the Clean Power Plan, was a 20-year plan that supported a more fuel-diverse energy portfolio in Missouri, including coal, solar, wind, natural gas, and nuclear power. The plan involves expanding renewable generation, retiring coal-fired generation as energy centers reach the end of their useful lives, continuation and expansion of the then-existing energy efficiency programs, and adding natural gas-fired combined cycle generation.

The Ameren Companies have multiyear credit agreements that cumulatively provide \$2.1 billion of credit through December 2019, subject to a 364-day repayment term in the case of Ameren Missouri and Ameren Illinois. See Note 3 –

Short-term Debt and Liquidity under Part I, Item 1, of this report for additional information regarding the Credit Agreements. Ameren, Ameren Missouri, and Ameren Illinois believe that their liquidity is adequate given their expected operating cash flows, capital expenditures, and related financing plans. However, there can be no assurance that significant changes in economic conditions, disruptions in the capital and credit markets, or other unforeseen events will not materially affect their ability to execute their expected operating, capital, or financing plans.

In December 2015, a federal tax law was enacted that authorized the continued use of bonus depreciation that allows for an acceleration of deductions for tax purposes at a rate of 50% for 2015, 2016, and 2017. The rate will be reduced to 40% in 2018 and then to 30% in 2019. Bonus depreciation will be phased out in 2020 unless a new law is enacted. Bonus depreciation is expected to increase cash flow through at least 2020. Ameren expects to use this incremental cash flow to make capital investments in utility infrastructure for the benefit of its customers. Without these investments, bonus depreciation would reduce rate base, which reduces our revenue requirements and future earnings growth. The impact of bonus depreciation on Ameren Missouri, Ameren Illinois, and ATXI will vary based on investment levels at each company.

As of March 31, 2016, Ameren had \$557 million in tax benefits from federal and state net operating loss carryforwards (Ameren Missouri – \$74 million and Ameren Illinois – \$142 million) and \$137 million in federal and state income tax credit carryforwards (Ameren Missouri – \$27 million and Ameren Illinois – \$2 million). In addition, Ameren has \$37 million of expected state income tax refunds and state overpayments. Consistent with the tax allocation agreement between Ameren and its subsidiaries, these carryforwards are expected to partially offset income tax liabilities for Ameren Missouri until 2019 and Ameren Illinois until 2021. Ameren does not expect to make material federal income tax payments until 2021. These tax benefits, primarily at the Ameren (parent) level, when realized, would be available to fund ATXI transmission investments.

Ameren expects its cash used for capital expenditures and dividends to exceed cash provided by operating activities over the next several years. Ameren expects to use debt to fund such cash shortfalls; it does not currently expect to issue equity over the next several years.

The use of cash from operating activities and short-term borrowings to fund capital expenditures and other long-term investments may periodically result in a working capital deficit, defined by current liabilities exceeding current assets, as was the case at March 31, 2016, for Ameren and Ameren Illinois. The working capital deficit as of March 31, 2016, was primarily the result of current maturities of long-term debt and commercial paper issuances. With the credit capacity available under the Credit Agreements and our cash and cash equivalents, the Ameren Companies had access to \$1.5 billion of liquidity, at March 31, 2016.

The above items could have a material impact on our results of operations, financial position, or liquidity.

Additionally, in the

ordinary course of business, we evaluate strategies to enhance our results of operations, financial position, or liquidity. These strategies may include acquisitions, divestitures, and opportunities to reduce costs or increase revenues, and other strategic initiatives to increase Ameren's shareholder value. We are unable to predict which, if any, of these initiatives will be executed. The execution of these initiatives may have a material impact on our future results of operations, financial position, or liquidity.

#### REGULATORY MATTERS

See Note 2 - Rate and Regulatory Matters under Part I, Item 1, of this report.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of changes in value of a physical asset or a financial instrument, derivative or nonderivative, caused by fluctuations in market variables such as interest rates, commodity prices, and equity security prices. A derivative is a contract whose value is dependent on, or derived from, the value of some underlying asset or index. The following discussion of our risk management activities includes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. We handle market risk in accordance with established policies, which may include entering into various derivative transactions. In the normal course of business, we also face risks that are either nonfinancial or nonquantifiable. Such risks, principally business, legal, and operational risks, are not part of the following discussion.

Our risk management objectives are to optimize our physical generating assets and to pursue market opportunities within prudent risk parameters. Our risk management policies are set by a risk management steering committee, which is composed of senior-level Ameren officers, with Ameren board of directors oversight.

There have been no material changes to the quantitative and qualitative disclosures about interest rate risk, credit risk, equity price risk, commodity price risk, and commodity supplier risk included in the Form 10-K. Regarding commodity supplier risk, in April 2016, Ameren Missouri's primary supplier of ultra-low sulfur coal announced that it had filed a voluntary petition for restructuring under Chapter 11 of the United States Bankruptcy Code. At this time, Ameren and Ameren Missouri believe the restructuring proceeding will not affect the supplier's performance under the terms of its existing contracts with Ameren Missouri, and therefore do not expect any material impact to Ameren Missouri's operations as a result of this restructuring proceeding. See Item 7A under Part II of the Form 10-K for a more detailed discussion of our market risk.

## Fair Value of Contracts

We use derivatives principally to manage the risk of changes in market prices for natural gas, power, and uranium, as well as the risk of changes in rail transportation surcharges through fuel oil hedges. The following table presents the favorable (unfavorable) changes in the fair value of all derivative contracts marked-to-market during the three months ended March 31, 2016. We use various methods to determine the fair value of our contracts. In accordance with authoritative accounting guidance for fair value hierarchy levels, the sources we used to determine the fair value of these contracts were active quotes (Level 1), inputs corroborated by market data (Level 2), and other modeling and valuation methods that are not corroborated by market data (Level 3). See Note 7 - Fair Value Measurements under Part I, Item 1, of this report for additional information regarding the methods used to determine the fair value of these contracts.

	Ameren Missouri	Ameren Illinois	Ameren
Fair value of contracts at beginning of year, net	\$ (27 )	\$ (219 )	\$ (246 )
Contracts realized or otherwise settled during the period	(1 )	11	10
Other changes in fair value	(9 )	(29 )	(38 )
Fair value of contracts outstanding at end of period, net	\$ (37 )	\$ (237 )	\$ (274 )

The following table presents maturities of derivative contracts as of March 31, 2016, based on the hierarchy levels used to determine the fair value of the contracts:

Sources of Fair Value	Maturity Less than 1 Year	Maturity 1-3 Years	Maturity 3-5 Years	Maturity in Excess of 5 Years	Total Fair Value
<b>Ameren Missouri:</b>					
Level 1	\$ (20 )	\$ (6 )	\$ —	\$ —	\$ (26 )
Level 2 <sup>(a)</sup>	(5 )	(6 )	(2 )	—	(13 )
Level 3 <sup>(b)</sup>	3	(1 )	—	—	2
Total	\$ (22 )	\$ (13 )	\$ (2 )	\$ —	\$ (37 )
<b>Ameren Illinois:</b>					
Level 1	\$ —	\$ —	\$ —	\$ —	\$ —
Level 2 <sup>(a)</sup>	(36 )	(13 )	—	—	(49 )
Level 3 <sup>(b)</sup>	(15 )	(28 )	(27 )	(118 )	(188 )
Total	\$ (51 )	\$ (41 )	\$ (27 )	\$ (118 )	\$ (237 )
<b>Ameren:</b>					
Level 1	\$ (20 )	\$ (6 )	\$ —	\$ —	\$ (26 )
Level 2 <sup>(a)</sup>	(41 )	(19 )	(2 )	—	(62 )
Level 3 <sup>(b)</sup>	(12 )	(29 )	(27 )	(118 )	(186 )
Total	\$ (73 )	\$ (54 )	\$ (29 )	\$ (118 )	\$ (274 )

(a) Principally fixed-price vs. floating over-the-counter power swaps, power forwards, and fixed-price vs. floating over-the-counter natural gas swaps.

(b) Principally power forward contract values based on information from external sources, historical results, and our estimates. Level 3 also includes option contract values based on an option valuation model.

## ITEM 4. CONTROLS AND PROCEDURES.

## (a) Evaluation of Disclosure Controls and Procedures

As of March 31, 2016, evaluations were performed under the supervision and with the participation of management, including the principal executive officer and principal financial officer of each of the Ameren Companies, of the effectiveness of the design and operation of such registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based on those evaluations, as of March 31, 2016, the principal executive officer and the principal financial officer of each of the Ameren Companies concluded that such disclosure controls and procedures are effective to provide assurance that information required to be disclosed in such registrant's reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time

periods specified in the SEC's rules and forms and such information is accumulated and communicated to its management, including its principal executive and its principal financial officers, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Controls over Financial Reporting

There has been no change in any of the Ameren Companies' internal control over financial reporting during their most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, each of their internal control over financial reporting.

PART II. OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS.

We are involved in legal and administrative proceedings before various courts and agencies with respect to matters that arise in the ordinary course of business, some of which involve substantial amounts of money. We believe that the final disposition of these proceedings, except as otherwise disclosed in this report, will not have a material adverse effect on our results of operations, financial position, or liquidity. Risk of loss is mitigated, in some cases, by insurance or contractual or statutory indemnification. Material legal and administrative proceedings, which are discussed in Note 2 - Rate and Regulatory Matters, Note 9 - Commitments and Contingencies, and Note 10 - Callaway Energy Center, under Part I, Item 1, of this report include the following:

Ameren Missouri's appeal to the Missouri Court of Appeals, Western District, regarding the calculation of the MEEIA 2013 performance incentive;

Ameren Illinois' annual electric delivery service formula rate update filed with the ICC in April 2016;

ATXI's requests for assents from the five counties where the Mark Twain transmission project will be constructed; the complaint cases filed with the FERC seeking a reduction in the allowed base return on common equity under the MISO tariff;

the EPA's Clean Air Act-related litigation against Ameren Missouri;

remediation matters associated with former MGP and waste disposal sites of the Ameren Companies; and

class action lawsuit against Ameren Missouri relating to municipal taxes.

## ITEM 1A. RISK FACTORS.

There have been no material changes to the risk factors disclosed in Part I, Item 1A, Risk Factors in the Form 10-K.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following table presents Ameren Corporation's purchases of equity securities reportable under Item 703 of Regulation S-K:

Period	(a) Total Number of Shares (or Units) Purchased <sup>(a)</sup>	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2016	14,574	\$ 42.79	—	—
February 1 - February 29, 2016	1,060,000	47.30	—	—
March 1 - March 31, 2016	29,844	47.00	—	—
Total	1,104,418	\$ 47.23	—	—

The January shares were purchased in open-market transactions to fund Ameren's obligations under its directors' stock compensation awards, which were granted under the 2014 Incentive Plan. The February and March shares of (a) Ameren common stock were purchased in open-market transactions to fund Ameren's obligation with respect to vested performance units, which were granted under the 2006 Incentive Plan. Ameren does not have any publicly announced equity securities repurchase plans or programs.

Ameren Missouri and Ameren Illinois did not purchase equity securities reportable under Item 703 of Regulation S-K during the period from January 1, 2016 to March 31, 2016.

## ITEM 6. EXHIBITS.

The documents listed below are being filed or have previously been filed on behalf of the Ameren Companies and are incorporated herein by reference from the documents indicated and made a part hereof. Exhibits not identified as previously filed are filed herewith.

Exhibit Designation	Registrant(s)	Nature of Exhibit	Previously Filed as Exhibit to:
<b>Material Contracts</b>			
10.1	Ameren	Consulting Agreement between Jack D. Woodard and the Nuclear and Operations Committee of the Board of Directors of Ameren Corporation, effective May 1, 2016	
<b>Statement re: Computation of Ratios</b>			
12.1	Ameren	Ameren's Statement of Computation of Ratio of Earnings to Fixed Charges	
12.2	Ameren Missouri	Ameren Missouri's Statement of Computation of Ratio of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Stock Dividend Requirements	
12.3	Ameren Illinois	Ameren Illinois' Statement of Computation of Ratio of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Stock Dividend Requirements	
<b>Rule 13a-14(a) / 15d-14(a) Certifications</b>			
31.1	Ameren	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer of Ameren	
31.2	Ameren	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer of Ameren	
31.3	Ameren Missouri	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer of Ameren Missouri	
31.4	Ameren Missouri	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer of Ameren Missouri	
31.5	Ameren Illinois	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer of Ameren Illinois	
31.6	Ameren Illinois	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer of Ameren Illinois	
<b>Section 1350 Certifications</b>			
32.1	Ameren	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer of Ameren	
32.2	Ameren Missouri	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer of Ameren Missouri	
32.3	Ameren Illinois	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer of Ameren Illinois	
<b>Interactive Data Files</b>			
101.INS	Ameren Companies	XBRL Instance Document	
101.SCH	Ameren Companies	XBRL Taxonomy Extension Schema Document	
101.CAL	Ameren Companies	XBRL Taxonomy Extension Calculation Linkbase Document	
101.LAB	Ameren Companies	XBRL Taxonomy Extension Label Linkbase Document	



Edgar Filing: AMEREN CORP - Form 10-Q

101.PRE	Ameren Companies	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Ameren Companies	XBRL Taxonomy Extension Definition Document

The file number references for the Ameren Companies' filings with the SEC are: Ameren, 1-14756; Ameren Missouri, 1-2967; and Ameren Illinois, 1-3672.

Each registrant hereby undertakes to furnish to the SEC upon request a copy of any long-term debt instrument not listed above that such registrant has not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Exchange Act, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

AMEREN CORPORATION  
(Registrant)

/s/ Martin J. Lyons, Jr.  
Martin J. Lyons, Jr.  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

UNION ELECTRIC COMPANY  
(Registrant)

/s/ Martin J. Lyons, Jr.  
Martin J. Lyons, Jr.  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

AMEREN ILLINOIS COMPANY  
(Registrant)

/s/ Martin J. Lyons, Jr.  
Martin J. Lyons, Jr.  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

Date: May 10, 2016