

Ameren Illinois Co  
Form 10-Q  
August 08, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 10-Q**

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
for the Quarterly Period Ended June 30, 2012**

**OR**

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

Exact name of registrant as specified in its charter;

Commission	State of Incorporation;	IRS Employer
<b>File Number</b> 1-14756	<b>Address and Telephone Number</b> <b>Ameren Corporation</b> (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	<b>Identification No.</b> 43-1723446
1-2967	<b>Union Electric Company</b> (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-0559760
1-3672	<b>Ameren Illinois Company</b> (Illinois Corporation) 300 Liberty Street Peoria, Illinois 61602 (309) 677-5271	37-0211380
333-56594	<b>Ameren Energy Generating Company</b> (Illinois Corporation) 1500 Eastport Plaza Drive Collinsville, Illinois 62234 (618) 343-7700	37-1395586

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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	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Union Electric Company	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Ameren Illinois Company	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Ameren Energy Generating Company <sup>(a)</sup>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

- (a) Ameren Energy Generating Company is not required to file reports under the Securities Exchange Act of 1934. However, Ameren Energy Generating Company has filed all Exchange Act reports for the preceding 12 months.

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Indicate by check mark whether each registrant has submitted electronically and posted on its corporate Web site, 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	x	No	..
Union Electric Company	Yes	x	No	..
Ameren Illinois Company	Yes	x	No	..
Ameren Energy Generating Company	Yes	x	No	..

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.

	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company
Ameren Corporation	x	..	..	..
Union Electric Company	..	..	x	..
Ameren Illinois Company	..	..	x	..
Ameren Energy Generating Company	..	..	x	..

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	x
Union Electric Company	Yes	..	No	x
Ameren Illinois Company	Yes	..	No	x
Ameren Energy Generating Company	Yes	..	No	x

The number of shares outstanding of each registrant's classes of common stock as of July 31, 2012, was as follows:

Ameren Corporation	Common stock, \$0.01 par value per share 242,634,671
Union Electric Company	Common stock, \$5 par value per share, held by Ameren Corporation (parent company of the registrant) - 102,123,834
Ameren Illinois Company	Common stock, no par value, held by Ameren Corporation (parent company of the registrant) - 25,452,373
Ameren Energy Generating Company	Common stock, no par value, held by Ameren Energy Resources Company, LLC (parent company of the registrant and subsidiary of Ameren Corporation) - 2,000

### OMISSION OF CERTAIN INFORMATION

Ameren Energy Generating Company meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format allowed under that General Instruction.

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

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This Form 10-Q 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 included on page 4 of this Form 10-Q under the heading Forward-looking Statements. Forward-looking statements are all statements other than statements of historical fact, including those statements that are identified by the use of the words anticipates, estimates, expects, intends, plans, predicts, projects, and similar expressions.

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### **GLOSSARY OF TERMS AND ABBREVIATIONS**

We use the words *our*, *we* or *us* with respect to certain information that relates to the individual registrants within the Ameren Corporation consolidated group. 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.

**Ameren Illinois or AIC** - Ameren Illinois Company, an Ameren Corporation subsidiary that operates a rate-regulated electric and natural gas transmission and distribution business in Illinois, doing business as Ameren Illinois. Ameren Illinois is also defined as a financial reporting segment consisting of Ameren Illinois rate-regulated businesses.

**COL** - Nuclear energy center combined construction and operating license.

**Entergy** - Entergy Arkansas, Inc.

**Form 10-K** - The combined Annual Report on Form 10-K for the year ended December 31, 2011, filed by the Ameren Companies with the SEC.

**Megawatthour or MWh** - One thousand kilowatthours.

**Westinghouse** - Westinghouse Electric Company.

### **FORWARD-LOOKING STATEMENTS**

Statements in this report not based on historical facts are considered forward-looking and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions, and financial performance. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. The following factors, in addition to those discussed under Risk Factors in the Form 10-K and elsewhere in this report and in our other filings with the SEC, could cause actual results to differ materially from management expectations suggested in such forward-looking statements:

regulatory, judicial, or legislative actions, including changes in regulatory policies and ratemaking determinations, such as the outcome of Ameren Missouri's and Ameren Illinois' electric rate cases filed in 2012; Ameren Missouri's FAC prudence review and the related request for an accounting authority order; Ameren Illinois' expected request for rehearing of a July 2012 FERC order requiring a refund to transmission services customers; and future regulatory, judicial, or legislative actions that seek to change regulatory recovery mechanisms, such as the IEIMA, which provides for formula ratemaking in Illinois;

the effect of Ameren Illinois participating in a new performance-based formula ratemaking process under the IEIMA, the related financial commitments required by the IEIMA and the resulting uncertain impact on the financial condition, results of operations and liquidity of Ameren Illinois;

the effects of, or changes to, the Illinois power procurement process;

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changes in laws and other governmental actions, including monetary, fiscal, and tax policies;

changes in laws or regulations that adversely affect the ability of electric distribution companies and other purchasers of wholesale electricity to pay their suppliers, including Ameren Missouri and Marketing Company;

the effects of increased competition in the future due to, among other things, deregulation of certain aspects of our business at both the state and federal levels, and the implementation of deregulation;

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

increasing capital expenditure and operating expense requirements and our ability to recover these costs;

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

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

the level and volatility of future prices for power in the Midwest;

the development of a capacity market within MISO and the outcomes of MISO's inaugural capacity auction in 2013;

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

disruptions of the capital markets, deterioration in credit metrics of the Ameren Companies, or other events that make the Ameren Companies' access to necessary capital, including short-term credit and liquidity, impossible, more difficult, or more costly;

our assessment of our liquidity;

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

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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;

the impact of system outages;

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

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

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

the extent to which Ameren Missouri is permitted by its regulators to recover in rates the investments it made in connection with a proposed second unit at its Callaway energy center;

impairments of long-lived assets, intangible assets, or goodwill;

operation of Ameren Missouri's Callaway energy center, including planned and unplanned outages, decommissioning, costs and potential increased costs because of NRC orders to address nuclear plant readiness as a result of nuclear-related developments in Japan in 2011;

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

the impact of current environmental regulations on utilities and power generating companies and new, more stringent or changing requirements, including those related to greenhouse gases, other emissions, 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 generating units, increase our costs, result in an impairment of our assets, reduce our customers' demand for electricity or natural gas, or otherwise have a negative financial effect;

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

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

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



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the cost and availability of transmission capacity for the energy generated by the Ameren Companies energy centers or required to satisfy energy sales made by the Ameren Companies;

legal and administrative proceedings; and

acts of sabotage, war, terrorism, cybersecurity attacks or intentionally disruptive acts.

Given these uncertainties, undue reliance should not be placed on these forward-looking statements. Except to the extent required by the federal securities laws, we undertake no obligation to update or revise publicly any forward-looking statements to reflect new information or future events.

**Table of Contents****PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS.****AMEREN CORPORATION****CONSOLIDATED STATEMENT OF INCOME (LOSS)****(Unaudited) (In millions, except per share amounts)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Operating Revenues:</b>				
Electric	\$ 1,513	\$ 1,614	\$ 2,823	\$ 3,084
Gas	147	167	495	601
Total operating revenues	1,660	1,781	3,318	3,685
<b>Operating Expenses:</b>				
Fuel	346	371	673	750
Purchased power	133	237	296	464
Gas purchased for resale	49	79	264	367
Other operations and maintenance	458	473	885	936
Asset impairments	-	2	628	2
Depreciation and amortization	195	194	394	389
Taxes other than income taxes	116	109	237	234
Total operating expenses	1,297	1,465	3,377	3,142
<b>Operating Income (Loss)</b>	<b>363</b>	<b>316</b>	<b>(59)</b>	<b>543</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	20	17	37	33
Miscellaneous expense	7	5	22	10
Total other income	13	12	15	23
<b>Interest Charges</b>	<b>112</b>	<b>104</b>	<b>225</b>	<b>223</b>
<b>Income (Loss) Before Income Taxes</b>	<b>264</b>	<b>224</b>	<b>(269)</b>	<b>343</b>
<b>Income Taxes (Benefit)</b>	<b>54</b>	<b>85</b>	<b>(76)</b>	<b>130</b>
<b>Net Income (Loss)</b>	<b>210</b>	<b>139</b>	<b>(193)</b>	<b>213</b>
<b>Less: Net Income (Loss) Attributable to Noncontrolling Interests</b>	<b>(1)</b>	<b>1</b>	<b>(1)</b>	<b>4</b>
<b>Net Income (Loss) Attributable to Ameren Corporation</b>	<b>\$ 211</b>	<b>\$ 138</b>	<b>\$ (192)</b>	<b>\$ 209</b>
<b>Earnings (Loss) per Common Share Basic and Diluted</b>	<b>\$ 0.87</b>	<b>\$ 0.57</b>	<b>\$ (0.79)</b>	<b>\$ 0.87</b>

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<b>Dividends per Common Share</b>	<b>\$ 0.40</b>	\$ 0.385	<b>\$ 0.80</b>	\$ 0.77
<b>Average Common Shares Outstanding</b>	<b>246.6</b>	241.2	<b>242.6</b>	240.9

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

**Table of Contents****AMEREN CORPORATION****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)****(Unaudited) (In millions)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Net Income (Loss)</b>	<b>\$ 210</b>	<b>\$ 139</b>	<b>\$ (193)</b>	<b>\$ 213</b>
<b>Other Comprehensive Income (Loss), Net of Taxes:</b>				
Unrealized net gain (loss) on derivative hedging instruments, net of income taxes (benefit) of \$2, \$(5), \$9, and \$(4), respectively	<b>2</b>	<b>(8)</b>	<b>14</b>	<b>(6)</b>
Reclassification adjustments for derivative (gains) losses included in net income, net of income taxes (benefit) of \$(1), \$(4), \$(2), and \$(2), respectively	<b>2</b>	<b>7</b>	<b>4</b>	<b>3</b>
Pension and other postretirement benefit plan activity, net of income taxes (benefit) of \$1, \$(1), \$1, and \$(2), respectively	<b>1</b>	<b>-</b>	<b>2</b>	<b>(1)</b>
Total other comprehensive income (loss), net of taxes	<b>5</b>	<b>(1)</b>	<b>20</b>	<b>(4)</b>
<b>Comprehensive Income (Loss)</b>	<b>215</b>	<b>138</b>	<b>(173)</b>	<b>209</b>
<b>Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interests</b>	<b>(1)</b>	<b>1</b>	<b>(1)</b>	<b>4</b>
<b>Comprehensive Income (Loss) Attributable to Ameren Corporation</b>	<b>\$ 216</b>	<b>\$ 137</b>	<b>\$ (172)</b>	<b>\$ 205</b>

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

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**AMEREN CORPORATION**  
**CONSOLIDATED BALANCE SHEET**

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

	June 30, 2012	December 31, 2011
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 117	\$ 255
Accounts receivable trade (less allowance for doubtful accounts of \$24 and \$20, respectively)	417	473
Unbilled revenue	374	324
Miscellaneous accounts and notes receivable	69	69
Materials and supplies	686	712
Mark-to-market derivative assets	156	115
Current regulatory assets	236	215
Other current assets	99	132
<b>Total current assets</b>	<b>2,154</b>	<b>2,295</b>
<b>Property and Plant, Net</b>	<b>17,690</b>	<b>18,127</b>
<b>Investments and Other Assets:</b>		
Nuclear decommissioning trust fund	386	357
Goodwill	411	411
Intangible assets	12	7
Regulatory assets	1,551	1,603
Other assets	776	845
<b>Total investments and other assets</b>	<b>3,136</b>	<b>3,223</b>
<b>TOTAL ASSETS</b>	<b>\$ 22,980</b>	<b>\$ 23,645</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ 179	\$ 179
Short-term debt	30	148
Accounts and wages payable	479	693
Taxes accrued	141	65
Interest accrued	113	101
Customer deposits	97	98
Mark-to-market derivative liabilities	198	161
Current regulatory liabilities	145	133
Other current liabilities	221	207
<b>Total current liabilities</b>	<b>1,603</b>	<b>1,785</b>
<b>Long-term Debt, Net</b>	<b>6,678</b>	<b>6,677</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	3,199	3,315
Accumulated deferred investment tax credits	75	79
Regulatory liabilities	1,470	1,502
Asset retirement obligations	440	428
Pension and other postretirement benefits	1,251	1,344

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Other deferred credits and liabilities	564	447
<b>Total deferred credits and other liabilities</b>	<b>6,999</b>	<b>7,115</b>
<b>Commitments and Contingencies (Notes 2, 8, 9 and 10)</b>		
<b>Ameren Corporation Stockholders' Equity:</b>		
Common stock, \$.01 par value, 400.0 shares authorized    shares outstanding of 242.6 and 242.6, respectively	2	2
Other paid-in capital, principally premium on common stock	5,600	5,598
Retained earnings	1,983	2,369
Accumulated other comprehensive loss	(30)	(50)
<b>Total Ameren Corporation stockholders' equity</b>	<b>7,555</b>	<b>7,919</b>
<b>Noncontrolling Interests</b>	<b>145</b>	<b>149</b>
<b>Total equity</b>	<b>7,700</b>	<b>8,068</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 22,980</b>	<b>\$ 23,645</b>

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

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**AMEREN CORPORATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(Unaudited) (In millions)

	Six Months Ended June 30,	
	2012	2011
<b>Cash Flows From Operating Activities:</b>		
Net income (loss)	\$ (193)	\$ 213
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss on asset impairments	628	2
Net gain on sales of properties	(9)	(11)
Net mark-to-market (gain) loss on derivatives	11	(5)
Depreciation and amortization	373	373
Amortization of nuclear fuel	41	34
Amortization of debt issuance costs and premium/discounts	11	12
Deferred income taxes and investment tax credits, net	(100)	143
Allowance for equity funds used during construction	(17)	(15)
Other	8	-
Changes in assets and liabilities:		
Receivables	(9)	23
Materials and supplies	27	55
Accounts and wages payable	(146)	(134)
Taxes accrued	75	76
Assets, other	11	82
Liabilities, other	72	(3)
Pension and other postretirement benefits	24	31
Counterparty collateral, net	(2)	23
Net cash provided by operating activities	805	899
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(565)	(507)
Nuclear fuel expenditures	(52)	(33)
Purchases of securities – nuclear decommissioning trust fund	(206)	(125)
Sales of securities – nuclear decommissioning trust fund	169	113
Proceeds from sales of properties	18	49
Other	(2)	9
Net cash used in investing activities	(638)	(494)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(187)	(186)
Dividends paid to noncontrolling interest holders	(3)	(3)
Short-term debt and credit facility repayments, net	(118)	(192)
Maturities of long-term debt	-	(150)
Generator advances received for construction	3	-
Repayments of generator advances received for construction	-	(73)
Issuances of common stock	-	32

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Net cash used in financing activities	(305)	(572)
Net change in cash and cash equivalents	(138)	(167)
Cash and cash equivalents at beginning of year	255	545
Cash and cash equivalents at end of period	\$ 117	\$ 378
Noncash financing activity   dividends on common stock	\$ (7)	\$ -
Noncash investing activity   DOE settlement	-	9
The accompanying notes are an integral part of these consolidated financial statements.		



**Table of Contents****UNION ELECTRIC COMPANY****STATEMENT OF INCOME AND COMPREHENSIVE INCOME****(Unaudited) (In millions)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Operating Revenues:</b>				
Electric	\$ 822	\$ 791	\$ 1,458	\$ 1,493
Gas	21	28	76	97
Other	1	3	1	4
<b>Total operating revenues</b>	<b>844</b>	<b>822</b>	<b>1,535</b>	<b>1,594</b>
<b>Operating Expenses:</b>				
Fuel	177	204	357	433
Purchased power	-	26	20	46
Gas purchased for resale	5	11	37	51
Other operations and maintenance	206	231	408	464
Depreciation and amortization	109	98	217	198
Taxes other than income taxes	78	76	149	149
<b>Total operating expenses</b>	<b>575</b>	<b>646</b>	<b>1,188</b>	<b>1,341</b>
<b>Operating Income</b>	<b>269</b>	<b>176</b>	<b>347</b>	<b>253</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	18	16	33	29
Miscellaneous expense	4	3	7	6
<b>Total other income</b>	<b>14</b>	<b>13</b>	<b>26</b>	<b>23</b>
<b>Interest Charges</b>	<b>56</b>	<b>45</b>	<b>112</b>	<b>99</b>
<b>Income Before Income Taxes</b>	<b>227</b>	<b>144</b>	<b>261</b>	<b>177</b>
<b>Income Taxes</b>	<b>83</b>	<b>53</b>	<b>95</b>	<b>64</b>
<b>Net Income</b>	<b>144</b>	<b>91</b>	<b>166</b>	<b>113</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive Income</b>	<b>\$ 144</b>	<b>\$ 91</b>	<b>\$ 166</b>	<b>\$ 113</b>
<b>Net Income</b>	<b>\$ 144</b>	<b>\$ 91</b>	<b>\$ 166</b>	<b>\$ 113</b>
<b>Preferred Stock Dividends</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>

<b>Net Income Available to Common Stockholder</b>	<b>\$ 143</b>	<b>\$ 90</b>	<b>\$ 164</b>	<b>\$ 111</b>
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The accompanying notes as they relate to Union Electric Company are an integral part of these financial statements.

**Table of Contents****UNION ELECTRIC COMPANY****BALANCE SHEET**

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

	June 30, 2012	December 31, 2011
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ -	\$ 201
Accounts receivable trade (less allowance for doubtful accounts of \$7 and \$7, respectively)	180	212
Unbilled revenue	224	139
Miscellaneous accounts and notes receivable	46	43
Materials and supplies	388	348
Current regulatory assets	119	109
Other current assets	66	82
Total current assets	1,023	1,134
<b>Property and Plant, Net</b>	<b>10,038</b>	<b>9,958</b>
<b>Investments and Other Assets:</b>		
Nuclear decommissioning trust fund	386	357
Intangible assets	11	7
Regulatory assets	775	855
Other assets	447	446
Total investments and other assets	1,619	1,665
<b>TOTAL ASSETS</b>	<b>\$ 12,680</b>	<b>\$ 12,757</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ 178	\$ 178
Borrowings from money pool	67	-
Accounts and wages payable	168	414
Accounts payable affiliates	62	73
Taxes accrued	103	74
Interest accrued	76	62
Current regulatory liabilities	46	57
Other current liabilities	130	84
Total current liabilities	830	942
<b>Long-term Debt, Net</b>	<b>3,772</b>	<b>3,772</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	2,199	2,132
Accumulated deferred investment tax credits	67	70
Regulatory liabilities	879	836
Asset retirement obligations	337	328
Pension and other postretirement benefits	442	491
Other deferred credits and liabilities	153	149

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Total deferred credits and other liabilities	4,077	4,006
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## **Commitments and Contingencies (Notes 2, 8, 9 and 10)**

### **Stockholders' Equity:**

Common stock, \$5 par value, 150.0 shares authorized 102.1 shares outstanding	511	511
Other paid-in capital, principally premium on common stock	1,555	1,555
Preferred stock not subject to mandatory redemption	80	80
Retained earnings	1,855	1,891

Total stockholders' equity	4,001	4,037
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<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 12,680</b>	<b>\$ 12,757</b>
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The accompanying notes as they relate to Union Electric Company are an integral part of these financial statements.

**Table of Contents****UNION ELECTRIC COMPANY****STATEMENT OF CASH FLOWS****(Unaudited) (In millions)**

	<b>Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 166	\$ 113
Adjustments to reconcile net income to net cash provided by operating activities:		
Net mark-to-market loss on derivatives	-	1
Depreciation and amortization	201	184
Amortization of nuclear fuel	41	34
Amortization of debt issuance costs and premium/discounts	3	3
Deferred income taxes and investment tax credits, net	76	86
Allowance for equity funds used during construction	(15)	(14)
Other	-	(5)
Changes in assets and liabilities:		
Receivables	(65)	(82)
Materials and supplies	(43)	(2)
Accounts and wages payable	(164)	(137)
Taxes accrued	29	58
Assets, other	12	76
Liabilities, other	68	23
Pension and other postretirement benefits	18	15
Net cash provided by operating activities	327	353
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(299)	(272)
Nuclear fuel expenditures	(52)	(33)
Purchases of securities nuclear decommissioning trust fund	(206)	(125)
Sales of securities nuclear decommissioning trust fund	169	113
Other	(5)	(3)
Net cash used in investing activities	(393)	(320)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(200)	(135)
Dividends on preferred stock	(2)	(2)
Money pool borrowings, net	67	-
Repayments of generator advances received for construction	-	(19)
Net cash used in financing activities	(135)	(156)
Net change in cash and cash equivalents	(201)	(123)
Cash and cash equivalents at beginning of year	201	202
Cash and cash equivalents at end of period	\$ -	\$ 79

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**Noncash investing activity    DOE Settlement** **\$       -       \$       9**

**The accompanying notes as they relate to Union Electric Company are an integral part of these financial statements.**

**Table of Contents****AMEREN ILLINOIS COMPANY****STATEMENT OF INCOME AND COMPREHENSIVE INCOME****(Unaudited) (In millions)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Operating Revenues:</b>				
Electric	\$ 437	\$ 483	\$ 868	\$ 925
Gas	127	139	420	505
Other	-	1	-	1
<b>Total operating revenues</b>	<b>564</b>	<b>623</b>	<b>1,288</b>	<b>1,431</b>
<b>Operating Expenses:</b>				
Purchased power	162	196	352	407
Gas purchased for resale	44	67	227	315
Other operations and maintenance	186	181	354	349
Depreciation and amortization	55	54	110	106
Taxes other than income taxes	31	26	70	67
<b>Total operating expenses</b>	<b>478</b>	<b>524</b>	<b>1,113</b>	<b>1,244</b>
<b>Operating Income</b>	<b>86</b>	<b>99</b>	<b>175</b>	<b>187</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	2	1	3	3
Miscellaneous expense	2	1	13	2
<b>Total other income (expense)</b>	<b>-</b>	<b>-</b>	<b>(10)</b>	<b>1</b>
<b>Interest Charges</b>	<b>31</b>	<b>35</b>	<b>64</b>	<b>70</b>
<b>Income Before Income Taxes</b>	<b>55</b>	<b>64</b>	<b>101</b>	<b>118</b>
<b>Income Taxes</b>	<b>22</b>	<b>26</b>	<b>40</b>	<b>46</b>
<b>Net Income</b>	<b>33</b>	<b>38</b>	<b>61</b>	<b>72</b>
<b>Other Comprehensive Loss, Net of Taxes:</b>				
Pension and other postretirement benefit plan activity, net of income taxes (benefit) of \$(1), \$(1), \$(1) and \$(1), respectively	(1)	(1)	(2)	(2)
<b>Comprehensive Income</b>	<b>\$ 32</b>	<b>\$ 37</b>	<b>\$ 59</b>	<b>\$ 70</b>
<b>Net Income</b>	<b>\$ 33</b>	<b>\$ 38</b>	<b>\$ 61</b>	<b>\$ 72</b>
<b>Preferred Stock Dividends</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>
<b>Net Income Available to Common Stockholder</b>	<b>\$ 32</b>	<b>\$ 37</b>	<b>\$ 59</b>	<b>\$ 70</b>

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



**Table of Contents****AMEREN ILLINOIS COMPANY****BALANCE SHEET****(Unaudited) (In millions)**

	<b>June 30, 2012</b>	<b>December 31, 2011</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 60	\$ 21
Advances to money pool	67	-
Accounts receivable trade (less allowance for doubtful accounts of \$16 and \$13, respectively)	175	201
Accounts receivable affiliates	10	15
Unbilled revenue	118	146
Miscellaneous accounts receivable	9	6
Materials and supplies	137	199
Counterparty collateral asset	45	50
Current regulatory assets	231	306
Current accumulated deferred income taxes, net	44	58
Other current assets	10	15
Total current assets	906	1,017
<b>Property and Plant, Net</b>	<b>4,869</b>	<b>4,770</b>
<b>Investments and Other Assets:</b>		
Tax receivable Genco	49	56
Goodwill	411	411
Regulatory assets	775	748
Other assets	117	211
Total investments and other assets	1,352	1,426
<b>TOTAL ASSETS</b>	<b>\$ 7,127</b>	<b>\$ 7,213</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ 1	\$ 1
Accounts and wages payable	171	133
Accounts payable affiliates	76	103
Taxes accrued	14	15
Customer deposits	75	76
Mark-to-market derivative liabilities	97	99
Mark-to-market derivative liabilities affiliates	114	200
Environmental remediation	32	63
Current regulatory liabilities	98	76
Other current liabilities	86	92
Total current liabilities	764	858
<b>Long-term Debt, Net</b>	<b>1,657</b>	<b>1,657</b>
<b>Deferred Credits and Other Liabilities:</b>		

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Accumulated deferred income taxes, net	941	895
Accumulated deferred investment tax credits	6	7
Regulatory liabilities	591	666
Pension and other postretirement benefits	458	495
Other deferred credits and liabilities	276	183
Total deferred credits and other liabilities	2,272	2,246

## Commitments and Contingencies (Notes 2, 8 and 9)

### Stockholders' Equity:

Common stock, no par value, 45.0 shares authorized 25.5 shares outstanding	-	-
Other paid-in capital	1,965	1,965
Preferred stock not subject to mandatory redemption	62	62
Retained earnings	392	408
Accumulated other comprehensive income	15	17
Total stockholders' equity	2,434	2,452

<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 7,127</b>	<b>\$ 7,213</b>
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The accompanying notes as they relate to Ameren Illinois Company are an integral part of these financial statements.

**Table of Contents****AMEREN ILLINOIS COMPANY****STATEMENT OF CASH FLOWS****(Unaudited) (In millions)**

	<b>Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 61	\$ 72
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	105	102
Amortization of debt issuance costs and premium/discounts	4	4
Deferred income taxes and investment tax credits, net	63	21
Other	(5)	(4)
Changes in assets and liabilities:		
Receivables	62	110
Materials and supplies	59	53
Accounts and wages payable	13	(3)
Taxes accrued	(1)	21
Assets, other	(3)	15
Liabilities, other	3	(26)
Pension and other postretirement benefits	(5)	14
Counterparty collateral, net	4	22
Net cash provided by operating activities	360	401
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(184)	(174)
Returns of advances from ATXI for construction	-	49
Money pool advances, net	(67)	-
Other	4	4
Net cash used in investing activities	(247)	(121)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(75)	(150)
Dividends on preferred stock	(2)	(2)
Maturities of long-term debt	-	(150)
Generator advances received for construction	3	-
Repayments of generator advances received for construction	-	(53)
Capital contribution from parent	-	6
Net cash used in financing activities	(74)	(349)
Net change in cash and cash equivalents	39	(69)
Cash and cash equivalents at beginning of year	21	322
Cash and cash equivalents at end of period	\$ 60	\$ 253

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



**Table of Contents****AMEREN ENERGY GENERATING COMPANY****CONSOLIDATED STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)****(Unaudited) (In millions)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Operating Revenues</b>	<b>\$ 194</b>	<b>\$ 260</b>	<b>\$ 388</b>	<b>\$ 501</b>
<b>Operating Expenses:</b>				
Fuel	125	130	230	241
Purchased power	-	18	-	18
Other operations and maintenance	45	45	92	90
Depreciation and amortization	23	25	46	49
Taxes other than income taxes	5	5	11	12
Total operating expenses	198	223	379	410
<b>Operating Income (Loss)</b>	<b>(4)</b>	<b>37</b>	<b>9</b>	<b>91</b>
<b>Interest Charges</b>	<b>12</b>	<b>14</b>	<b>26</b>	<b>31</b>
<b>Income (Loss) Before Income Taxes</b>	<b>(16)</b>	<b>23</b>	<b>(17)</b>	<b>60</b>
<b>Income Taxes (Benefit)</b>	<b>(10)</b>	<b>10</b>	<b>(8)</b>	<b>25</b>
<b>Net Income (Loss)</b>	<b>(6)</b>	<b>13</b>	<b>(9)</b>	<b>35</b>
<b>Less: Net Income (Loss) Attributable to Noncontrolling Interest</b>	<b>(2)</b>	<b>-</b>	<b>(4)</b>	<b>1</b>
<b>Net Income (Loss) Attributable to Ameren Energy Generating Company</b>	<b>\$ (4)</b>	<b>\$ 13</b>	<b>\$ (5)</b>	<b>\$ 34</b>
<b>Net Income (Loss)</b>	<b>\$ (6)</b>	<b>\$ 13</b>	<b>\$ (9)</b>	<b>\$ 35</b>
<b>Other Comprehensive Income, Net of Taxes:</b>				
Pension and other postretirement benefit plan activity, net of income taxes of \$3, \$1, \$3 and \$1, respectively	4	-	5	1
Total other comprehensive income, net of taxes	4	-	5	1
<b>Comprehensive Income (Loss)</b>	<b>(2)</b>	<b>13</b>	<b>(4)</b>	<b>36</b>
<b>Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interest</b>	<b>(2)</b>	<b>-</b>	<b>(4)</b>	<b>1</b>
<b>Comprehensive Income Attributable to Ameren Energy Generating Company</b>	<b>\$ -</b>	<b>\$ 13</b>	<b>\$ -</b>	<b>\$ 35</b>

The accompanying notes as they relate to Ameren Energy Generating Company are an integral part of these consolidated financial statements.



**Table of Contents****AMEREN ENERGY GENERATING COMPANY****CONSOLIDATED BALANCE SHEET**

(Unaudited) (In millions, except shares)

	June 30, 2012	December 31, 2011
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 26	\$ 8
Advances to money pool	38	74
Accounts receivable affiliates	73	89
Miscellaneous accounts receivable	10	13
Materials and supplies	121	122
Other current assets	19	19
<b>Total current assets</b>	<b>287</b>	<b>325</b>
<b>Property and Plant, Net</b>	<b>2,274</b>	<b>2,231</b>
<b>Other assets</b>	<b>14</b>	<b>16</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,575</b>	<b>\$ 2,572</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts and wages payable	\$ 82	\$ 71
Accounts payable affiliates	11	13
Current portion of tax payable Ameren Illinois	9	8
Taxes accrued	20	20
Interest accrued	13	13
Other current liabilities	22	17
<b>Total current liabilities</b>	<b>157</b>	<b>142</b>
<b>Long-term Debt, Net</b>	<b>824</b>	<b>824</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	296	304
Accumulated deferred investment tax credits	2	2
Tax payable Ameren Illinois	49	56
Asset retirement obligations	68	66
Pension and other postretirement benefits	136	141
Other deferred credits and liabilities	21	12
<b>Total deferred credits and other liabilities</b>	<b>572</b>	<b>581</b>
<b>Commitments and Contingencies (Notes 8 and 9)</b>		
<b>Ameren Energy Generating Company Stockholder s Equity:</b>		
Common stock, no par value, 10,000 shares authorized 2,000 shares outstanding	-	-
Other paid-in capital	654	653
Retained earnings	432	437

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Accumulated other comprehensive loss	(67)	(72)
Total Ameren Energy Generating Company stockholder s equity	1,019	1,018
Noncontrolling Interest	3	7
Total equity	1,022	1,025
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,575</b>	<b>\$ 2,572</b>

The accompanying notes as they relate to Ameren Energy Generating Company are an integral part of these consolidated financial statements.



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**AMEREN ENERGY GENERATING COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(Unaudited) (In millions)

	Six Months Ended June 30,	
	2012	2011
<b>Cash Flows From Operating Activities:</b>		
Net income (loss)	\$ (9)	\$ 35
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
(Gain) loss on sales of properties	1	(11)
Net mark-to-market (gain) loss on derivatives	14	(6)
Depreciation and amortization	46	51
Amortization of debt issuance costs and premium/discounts	1	1
Deferred income taxes and investment tax credits, net	(10)	26
Other	6	1
Changes in assets and liabilities:		
Receivables	17	(15)
Materials and supplies	7	9
Accounts and wages payable	(8)	13
Taxes accrued	-	1
Assets, other	(2)	(2)
Liabilities, other	(5)	(12)
Pension and other postretirement benefits	2	(3)
Net cash provided by operating activities	60	88
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(79)	(84)
Proceeds from sales of properties	1	48
Money pool advances, net	36	25
Net cash used in investing activities	(42)	(11)
<b>Cash Flows From Financing Activities:</b>		
Credit facility repayments, net	-	(100)
Capital contribution from parent	-	24
Net cash used in financing activities	-	(76)
Net change in cash and cash equivalents	18	1
Cash and cash equivalents at beginning of year	8	6
Cash and cash equivalents at end of period	\$ 26	\$ 7

The accompanying notes as they relate to Ameren Energy Generating Company are an integral part of these consolidated financial statements.



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**AMEREN CORPORATION (Consolidated)**

**UNION ELECTRIC COMPANY**

**AMEREN ILLINOIS COMPANY**

**AMEREN ENERGY GENERATING COMPANY (Consolidated)**

**COMBINED NOTES TO FINANCIAL STATEMENTS**

**(Unaudited)**

**June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005, administered by FERC. Ameren's primary assets are the common stock of its subsidiaries. Ameren's subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. These subsidiaries operate, as the case may be, rate-regulated electric generation, transmission and distribution businesses, rate-regulated natural gas transmission and distribution businesses, and merchant electric generation businesses in Missouri and Illinois. 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, or 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, or Ameren Illinois, operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.

AER consists of non-rate-regulated operations, including Genco, AERG, and Marketing Company. Genco operates a merchant electric generation business in Illinois and holds an 80% ownership interest in EEI, which it consolidates for financial reporting purposes. Ameren has various other subsidiaries responsible for activities such as the provision of shared services.

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

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

**Earnings Per Share**

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There were no material differences between Ameren's basic and diluted earnings per share amounts for the three months and six months ended June 30, 2012, and 2011. The number of dilutive restricted stock shares and performance share units had an immaterial impact on earnings per share.

### **Stock-based Compensation**

The fair value of each share unit awarded in January 2012 under the 2006 Plan was determined to be \$35.68. That amount was based on Ameren's closing common share price of \$33.13 at December 31, 2011, 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, 2012. The simulations can produce a greater fair value for the share unit than the applicable closing common share price because they include the weighted payout scenarios in which an increase in the share price has occurred. The significant assumptions used to calculate fair value also included a three-year risk-free rate of 0.41%, volatility of 17% to 31% for the peer group, and Ameren's attainment of a three-year average earnings per share threshold during the performance period.

### **Accounting Changes**

#### *Disclosures about Fair Value Measurements*

In May 2011, FASB issued additional authoritative guidance regarding fair value measurements. The guidance amended the disclosure requirements for fair value measurements in order to align the principles for fair value measurements and the related disclosure requirements under GAAP and International Financial Reporting Standards. The amendments did not affect the Ameren Companies' results of operations, financial position, or liquidity, as this guidance only required additional disclosures. The Ameren Companies adopted this guidance in the first quarter of 2012. See Note 7 - Fair Value Measurements for the required additional disclosures.

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### *Presentation of Comprehensive Income*

In June 2011, FASB amended its guidance on the presentation of comprehensive income in financial statements. The amended guidance changed the presentation of comprehensive income in the financial statements. It required entities to report components of comprehensive income either in a continuous statement of comprehensive income or in two separate but consecutive statements. This guidance was effective for the Ameren Companies beginning in the first quarter of 2012 with retroactive application required. The implementation of the amended guidance did not affect the Ameren Companies' results of operations, financial position, or liquidity.

### **Goodwill and Intangible Assets**

*Goodwill.* Goodwill represents the excess of the purchase price of an acquisition over the fair value of the net assets acquired. As of June 30, 2012, Ameren's and Ameren Illinois' goodwill related to Ameren's acquisition of IP in 2004 and CILCORP in 2003. We evaluate goodwill for impairment as of October 31 of each year, or more frequently if events or changes in circumstances indicate that the asset might be impaired.

*Intangible Assets.* Ameren, Ameren Missouri and Genco classify emission allowances and renewable energy credits as intangible assets. We evaluate intangible assets for impairment if events or changes in circumstances indicate that their carrying amount might be impaired.

At June 30, 2012, Ameren's and Ameren Missouri's intangible assets consisted of renewable energy credits obtained through wind and solar power purchase agreements. The book value of each of Ameren's and Ameren Missouri's renewable energy credits was \$12 million and \$11 million, respectively, at June 30, 2012. The book value of each of Ameren's, Ameren Missouri's, and Genco's CAIR emission allowances was immaterial at June 30, 2012.

Renewable energy credits and emission allowances are charged to purchased power expense and fuel expense, respectively, as they are used in operations. The amortization expense based on usage of renewable energy credits and emission allowances was less than \$1 million for Ameren, Ameren Missouri, Ameren Illinois, and Genco for the three and six months ended June 30, 2012. The amortization expense based on usage of renewable energy credits and emission allowances was \$1 million, less than \$1 million, and less than \$1 million for Ameren, Ameren Illinois, and Genco, respectively, for the three months ended June 30, 2011, and \$3 million, \$1 million, and \$2 million for Ameren, Ameren Illinois, and Genco, respectively, for the six months ended June 30, 2011. Amortization expense based on Ameren Missouri's usage of renewable energy credits was deferred as a regulatory asset pending recovery from customers through rates.

During the second quarter of 2011, Ameren and Genco recorded a noncash pretax impairment charge of \$2 million and \$1 million, respectively. Ameren Missouri recorded a \$1 million impairment of its SO<sub>2</sub> emission allowances by reducing a previously established regulatory liability relating to the SO<sub>2</sub> emission allowances, which had no impact on earnings. The impairment was triggered by a significant observable decline in the market price of SO<sub>2</sub> and NO<sub>x</sub> allowances used for CAIR compliance.

### **Excise Taxes**

Excise taxes imposed on us are reflected on Ameren Missouri electric and Ameren Missouri and Ameren Illinois natural gas customer bills. They are recorded gross in Operating Revenues - Electric, Operating Revenues - Gas and Operating Expenses - Taxes other than income taxes on the statement of income or the statement of income and comprehensive income. Excise taxes reflected on Ameren Illinois electric customer bills are imposed on the consumer and are therefore not included in revenues and expenses. They are recorded as tax collections payable and included in Taxes accrued on the balance sheet. The following table presents excise taxes recorded in Operating Revenues - Electric, Operating Revenues - Gas and Operating Expenses - Taxes other than income taxes for the three and six months ended June 30, 2012, and 2011:

	<b>Three Months</b>		<b>Six Months</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Ameren Missouri	\$ 38	\$ 34	\$ 65	\$ 63
Ameren Illinois	10	10	28	32
Ameren	\$ 48	\$ 44	\$ 93	\$ 95

### **Uncertain Tax Positions**

The amount of unrecognized tax benefits as of June 30, 2012, was \$158 million, \$132 million, \$11 million, and \$11 million for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively. The amount of unrecognized tax benefits (detriments) as of June 30, 2012, that would impact

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the effective tax rate, if recognized, was \$1 million, \$1 million, \$(1) million and \$1 million for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively.

Ameren's federal income tax returns for the years 2007 through 2010 are before the Appeals Office of the Internal Revenue Service.

State income tax returns are generally subject to examination for a period of three years after filing of the return. The Ameren Companies do not currently have

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material state income tax issues under examination, administrative appeals, or litigation. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states.

It is expected that a partial settlement may be reached with the Appeals Office of the Internal Revenue Service in the next twelve months for the years 2007 through 2009 that would result in a decrease in uncertain tax liabilities. In addition, it is reasonably possible that events will occur during the next twelve months that would cause the total amount of unrecognized tax benefits for the Ameren Companies to increase or decrease. However, the Ameren Companies do not believe such increases or decreases would be material to their results of operations, financial position or liquidity.

**Asset Retirement Obligations**

AROs at Ameren, Ameren Missouri, Ameren Illinois and Genco increased compared to December 31, 2011, to reflect the accretion of obligations to their fair values. Ameren and Genco also recorded an additional ARO in the amount of \$1 million related to the retirement costs for a Genco coal combustion byproduct storage area during the six months ended June 30, 2012.

**Noncontrolling Interest**

Ameren's noncontrolling interests comprised the 20% of EEI not owned by Ameren and the preferred stock not subject to mandatory redemption of Ameren's subsidiaries. These noncontrolling interests were classified as a component of equity separate from Ameren's equity in its consolidated balance sheet. Genco's noncontrolling interest comprised the 20% of EEI not owned by Genco. This noncontrolling interest was classified as a component of equity separate from Genco's equity in its consolidated balance sheet.

A reconciliation of the equity changes attributable to the noncontrolling interests at Ameren and Genco for the three and six months ended June 30, 2012, and 2011, is shown below:

	<b>Three Months</b>		<b>Six Months</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Ameren:</b>				
Noncontrolling interests, beginning of period	\$ 147	\$ 155	\$ 149	\$ 154
Net income (loss) attributable to noncontrolling interests	(1)	1	(1)	4
Dividends paid to noncontrolling interest holders	(1)	(1)	(3)	(3)
Noncontrolling interests, end of period	\$ 145	\$ 155	\$ 145	\$ 155
<b>Genco:</b>				
Noncontrolling interest, beginning of period	\$ 5	\$ 12	\$ 7	\$ 11
Net income (loss) attributable to noncontrolling interest	(2)	-	(4)	1
Noncontrolling interest, end of period	\$ 3	\$ 12	\$ 3	\$ 12

**Medina Valley Asset Sale in 2012**

In February 2012, Ameren completed the sale of its Medina Valley energy center's net property and plant for cash proceeds of \$16 million and an additional \$1 million payment at the two-year anniversary date of the sale if there are no violations of representations and warranties contained in the sale agreement. Ameren recognized a \$10 million pretax gain during the first quarter of 2012 from this sale. Medina Valley was included in Ameren's Merchant Generation segment results.

**EEI Employee Separation**

In June 2012, EEI announced that it was reducing its workforce by 44 employees, which includes both management and labor union represented employees, in response to lower demand and prices for electricity. Affected employees will be leaving their employment during the third quarter of 2012, and management employees will receive benefits consistent with EEI's standard severance benefits. As a result, Ameren and Genco both recorded a \$1 million pretax charge to earnings during the second quarter of 2012 related to the workforce reduction. The charge was recorded to Other Operations and Maintenance expense on Ameren's and Genco's consolidated statements of income, and the charge was included in the Merchant Generation segment results.

The announced employee reduction will result in a curtailment of EEI's pension and postretirement benefit plans, which are separate from Ameren's pension and postretirement benefit plans. EEI is evaluating whether a curtailment gain or loss will be recognized during the quarter

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ended September 30, 2012, when the specific employee identification has been completed.

### **NOTE 2 - RATE AND REGULATORY MATTERS**

Below is a summary of 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.



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### **Missouri**

#### *2009 Electric Rate Order*

In November 2011, the Missouri Court of Appeals issued a ruling that upheld the MoPSC's January 2009 electric rate order. In March 2012, the Circuit Court of Stoddard County, Missouri released to Ameren Missouri all of the funds held in its registry relating to the stay, which totaled \$21 million, reducing previously recorded trade accounts receivable.

#### *2010 Electric Rate Order*

In May 2012, the Cole County Circuit Court issued a ruling that upheld the MoPSC's May 2010 electric rate order. In May 2012, the Cole County Circuit Court released to Ameren Missouri all of the funds held in its registry relating to the stay, which totaled \$16 million, reducing the previously recorded trade accounts receivable.

#### *2011 Electric Rate Order*

In July 2011, the MoPSC issued an order approving an increase for Ameren Missouri in annual revenues for electric service of \$173 million. The MoPSC's order disallowed the recovery of all costs of enhancements, or costs that would have been incurred absent the breach, related to the rebuilding of the Taum Sauk energy center in excess of amounts recovered from property insurance. In July 2012, the Missouri Court of Appeals, Western District, upheld the MoPSC's July 2011 electric rate order. Ameren Missouri will not seek further appeal of the MoPSC's order.

#### *Pending Electric Rate Case*

In February 2012, Ameren Missouri filed a request with the MoPSC to increase its annual revenue for electric service by \$376 million based on a 10.75% return on equity. The annual increase request included \$80 million for recovery of the costs associated with energy efficiency programs under the MEEIA, which are discussed below. As part of its filing, Ameren Missouri requested that the MoPSC approve the implementation of a storm cost tracking mechanism, as well as plant-in-service accounting treatment. The plant-in-service accounting proposal is designed to reduce the impact of regulatory lag on earnings and future cash flows related to assets placed in service between rate cases by both accruing a return on the assets and deferring depreciation expense from their in-service dates until those capitalized costs are included in rates.

In July 2012, the MoPSC staff responded to the Ameren Missouri request for an electric service rate increase. The MoPSC staff recommended an increase to Ameren Missouri's annual revenues of approximately \$210 million based on a return on equity of 9%. The MoPSC staff opposed Ameren Missouri's request to implement a storm cost tracking mechanism and Ameren Missouri's plant-in-service accounting proposal. Additionally, the MoPSC staff's recommended increase reflects its position that a refund received in June 2012 from Entergy relating to a power purchase agreement that expired in 2009 be returned to customers through a reduction in base rates over a three-year period. See below under Federal for additional information about this refund and Ameren Missouri's power purchase agreement with Entergy. Other parties also made recommendations through testimony filed in this case.

A decision by the MoPSC in this proceeding is expected in December 2012. Ameren Missouri cannot predict the level of any electric service rate change the MoPSC may approve or whether any rate increase that may eventually be approved will be sufficient for Ameren Missouri to recover its costs and earn a reasonable return on its investments when the increase goes into effect.

#### *MEEIA Filing*

In August 2012, the MoPSC issued an order that approved a stipulation and agreement between Ameren Missouri, MoPSC staff, and other parties. The order includes megawatt-hour savings targets for Ameren Missouri's energy efficiency programs as well as associated cost recovery mechanisms and incentive awards. The order provides that, beginning in 2013, Ameren Missouri will invest approximately \$147 million over three years for energy efficiency programs. The order allows for Ameren Missouri to collect, over the next three years, its program costs and 90% of its projected lost revenue from customers starting on the expected effective date for the pending electric service rate case, which is expected to be January 2, 2013. The remaining 10% of projected lost revenue is expected to be recovered as part of future rate proceedings.

Additionally, the order provides for an incentive award that would allow Ameren Missouri to earn revenues of approximately \$19 million if 100% of its energy efficiency goals are achieved during the three-year period, with the potential to earn more if Ameren Missouri's energy savings exceed those goals. Ameren Missouri must achieve at least 70% of its energy efficiency goals before it earns any incentive award. The recovery of the incentive award from customers, if the energy efficiency goals are achieved, would begin after the three-year energy efficiency plan is complete and upon the effectiveness of an electric service rate case or potentially with the future adoption of a rider mechanism.



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The MoPSC's order in this proceeding will not affect Ameren Missouri rates until these rates are included in an electric service rate case. The impacts of the MoPSC's decision in this MEEIA filing are expected to be included in rates set under its pending electric service rate case that was filed in February 2012. Ameren Missouri's pending electric service rate case includes an annual revenue increase request of \$80 million related to its planned portfolio of energy efficiency programs included in its MEEIA filing.

### *FAC Prudence Review*

Missouri law requires the MoPSC to complete prudence reviews of Ameren Missouri's FAC at least every 18 months. In April 2011, the MoPSC issued an order with respect to its review of Ameren Missouri's FAC for the period from March 1, 2009, to September 30, 2009. In this order, the MoPSC ruled that Ameren Missouri should have included in the FAC calculation all revenues and costs associated with certain long-term partial requirements sales that were made by Ameren Missouri because of the loss of Noranda's load caused by a severe ice storm in January 2009. As a result of the order, Ameren Missouri recorded a pretax charge to earnings of \$18 million, including \$1 million for interest, in 2011 for its obligation to refund to Ameren Missouri's electric customers the earnings associated with these sales previously recognized by Ameren Missouri during the period from March 1, 2009, to September 30, 2009.

Ameren Missouri disagrees with the MoPSC order's classification of these sales and believes that the terms of its FAC tariff did not provide for the inclusion of these sales in the FAC calculation. In May 2012, upon appeal by Ameren Missouri, the Cole County Circuit Court issued a ruling that reversed the MoPSC's April 2011 order. In June 2012, the MoPSC filed an appeal of the Cole County Circuit Court's ruling to the Missouri Court of Appeals, Western District. Ameren Missouri has not recorded additional revenues as a result of the Cole County Circuit Court's May 2012 ruling, as the MoPSC's appeal to the Missouri Court of Appeals is ongoing and is not expected to be concluded until 2013.

In February 2012, the MoPSC staff issued its FAC review report for the period from October 1, 2009, to May 31, 2011. In its report, the MoPSC staff asked the MoPSC to direct Ameren Missouri to refund to customers the pretax earnings associated with the same long-term partial requirements sales contracts subsequent to September 30, 2009. The MoPSC staff calculated these pretax earnings to be \$26 million. We cannot predict whether the MoPSC will approve the MoPSC staff's position. If Ameren Missouri were to determine that these sales were probable of refund to Ameren Missouri's electric customers, a charge to earnings would be recorded for the refund in the period in which that determination was made. Ameren Missouri does not currently believe these amounts are probable of refund to customers.

Separately, in July 2011, Ameren Missouri filed a request with the MoPSC for an accounting authority order that would allow Ameren Missouri to defer, as a regulatory asset, fixed costs totaling \$36 million that were not recovered from Noranda as a result of the loss of load caused by the severe 2009 ice storm for potential recovery in a future electric rate case. We cannot predict the ultimate outcome of these regulatory or judicial proceedings. If the courts ultimately rule in favor of Ameren Missouri's position regarding the classification of the long-term partial requirements sales, Ameren Missouri would not seek to recover from customers the sum that would be covered by the accounting authority order if it is granted.

## **Illinois**

### *IEIMA*

On January 3, 2012, Ameren Illinois elected to participate in the performance-based formula ratemaking process established pursuant to the IEIMA by filing initial performance-based formula rates with the ICC. The initial filing, based on 2010 recoverable costs and expected net plant additions for 2011 and 2012, will result in new electric delivery service rates in October 2012. Based on the ICC's 2010 electric rate order, Ameren Illinois is currently billing its electric customers based on an annual delivery service revenue requirement of \$834 million. In its initial filing, Ameren Illinois calculated its annual electric delivery service revenue requirement to be \$814 million, which would result in a decrease of \$20 million in its annual electric delivery service revenues. The ICC staff submitted its calculation of the revenue requirement included in Ameren Illinois' initial filing and recommended an annual electric delivery service revenue requirement of \$785 million, which would result in a decrease of \$49 million in Ameren Illinois' annual electric delivery service revenues. Other parties also made recommendations through testimony filed in Ameren Illinois' initial filing. The ICC deadline to establish the initial rates is September 28, 2012, with the rates becoming effective no later than 30 days after the ICC's decision. The initial rates will be effective from October through the end of 2012.

On April 20, 2012, Ameren Illinois filed a request with the ICC to update its annual electric delivery service revenue requirement based on 2011 recoverable costs and expected net plant additions for 2012. The update filing will result in new electric delivery service rates on January 1, 2013. The update filing, as amended in July 2012, requested an annual revenue requirement of \$798 million, which, pending ICC approval, would result in an annual decrease of \$16 million in Ameren Illinois' revenues for electric delivery service below the amount Ameren Illinois requested in its January 3, 2012 initial filing. The reduction primarily reflects rate base reductions due to increases in accumulated deferred income taxes as well as a lower return on equity due to decreases in the average 30-year



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United States treasury bond rates. In July 2012, the ICC staff submitted its calculation of the revenue requirement included in Ameren Illinois update filing. The ICC staff recommended a \$776 million electric delivery service revenue requirement, which is \$9 million below the amount the ICC staff recommended in the January 3, 2012 initial filing. Other parties also made recommendations through testimony filed in Ameren Illinois update filing.

The ICC staff's positions for both Ameren Illinois initial and update filings reflect positions that were included in the ICC's May 29, 2012 order for Commonwealth Edison Company's initial filing under the IEIMA's performance-based formula ratemaking process. In late June 2012, the ICC voted to rehear certain parts of its May 29, 2012 order, including the use of an average rate base as opposed to a year-end rate base and the method for calculating interest on the revenue requirement reconciliation. ICC decisions in the Commonwealth Edison Company's initial filing, to the extent they are consistent with the facts in Ameren Illinois filing, could also impact Ameren Illinois formula rates.

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 in effect for that year. Consequently, Ameren Illinois 2012 electric delivery service revenues will be based on its 2012 actual recoverable costs, rate base, and return on common equity as calculated under the IEIMA's performance-based formula ratemaking framework. As a result, throughout the year, Ameren Illinois will estimate the expected future recovery or return of revenue as a regulatory asset or liability. As of June 30, 2012, Ameren Illinois had recorded a regulatory asset of \$12 million with a corresponding increase in electric revenues for the estimated 2012 revenue requirement reconciliation adjustment. By the end of 2012, this regulatory asset will represent Ameren Illinois estimate of the probable increase in electric delivery service rates, compared to current and proposed rates, expected to be approved by the ICC to provide Ameren Illinois recovery of all prudently and reasonably incurred costs and an earned rate of return on common equity for 2012. The regulatory asset relating to the 2012 revenue requirement reconciliation will be recovered from customers during 2014.

The IEIMA requires Ameren Illinois to file for ICC approval of its advanced metering infrastructure deployment plan. The advanced metering infrastructure deployment plan outlines how Ameren Illinois will comply with the IEIMA requirement to spend \$360 million on smart grid assets over ten years on a cost-beneficial basis to its electric customers. In March 2012, Ameren Illinois submitted its advanced metering infrastructure deployment plan to the ICC, and the ICC subsequently denied that plan in May 2012. The ICC ruled that Ameren Illinois plan did not provide enough support to prove that it was cost beneficial for electric customers. Ameren Illinois requested and received a rehearing from the ICC. In its rehearing request, Ameren Illinois submitted a modified advanced metering infrastructure deployment plan designed to address the ICC's concerns about the cost justification of the plan. Ameren Illinois expects to receive an order from the ICC later this year. If approved, the plan targets the second quarter of 2014 to begin installation of smart meters.

## **Federal**

### *Electric Transmission Investment*

In February 2012, FERC approved ATXI's request for a forward-looking rate calculation with an annual reconciliation adjustment, as well as ATXI's request for the implementation of the incentives FERC approved in its May 2011 order for the Illinois Rivers project and the Big Muddy River project.

In July 2012, Ameren, on behalf of its transmission affiliates, filed a request with FERC seeking transmission rate incentives for the Spoon River project and the Mark Twain project. Both projects have been approved by MISO. Also in that filing, Ameren requested FERC to authorize Ameren Illinois use of a forward-looking rate calculation with an annual reconciliation adjustment for its electric transmission projects. This forward-looking rate calculation is almost identical to the calculation FERC approved in its May 2011 order for ATXI. Ameren expects FERC to issue an order in the third quarter of 2012.

### *Ameren Missouri Power Purchase Agreement with Entergy Arkansas, Inc.*

In May 2012, FERC issued an order upholding its January 2010 ruling that Entergy should not have included additional charges to Ameren Missouri under a 165-megawatt power purchase agreement. Ameren Missouri paid Entergy the additional charges from 2007 through the expiration of the power purchase agreement on August 31, 2009. Pursuant to the order, in June 2012, Entergy paid Ameren Missouri \$31 million, with \$26 million recorded as a reduction to Purchased power expense and \$5 million for interest recorded as Miscellaneous income in the statement of income. Ameren Missouri expects to refund to customers approximately \$2 million of the funds received from Entergy as such funds relate to the period when the FAC was effective and, therefore, such costs were previously included in customer rates. Consequently, Ameren Missouri recorded a \$2 million reduction, representing Ameren Missouri's best estimate of its refund to customers, to its FAC under-recovered asset as of June 30, 2012 with a corresponding increase to expense. As noted above, the MoPSC staff in Ameren Missouri's pending electric rate case has recommended that the entire Entergy refund be returned to customers through a reduction in base rates over a three-year period. In July 2012, Entergy filed an



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appeal of FERC's order to the United States Court of Appeals for the District of Columbia. A decision from the court is expected in 2013.

### *Ameren Illinois Electric Transmission Rate Refund*

On July 19, 2012, FERC issued an order approving Ameren Illinois' accounting for the Ameren Illinois Merger. As part of this order, FERC concluded that Ameren Illinois improperly included acquisition premiums, particularly goodwill, in determining its common equity used in its electric transmission formula rate, thereby inappropriately recovering a higher return on rate base from its electric transmission services customers. FERC directed Ameren Illinois to issue a refund within 30 days of the order to its electric transmission services customers for acquisition premiums inappropriately recovered from those customers. As a result of the order, Ameren Illinois expects to record a pretax charge to earnings of between \$10 million and \$15 million for its obligation to refund to Ameren Illinois' electric transmission customers during the quarter ended September 30, 2012. In August 2012, Ameren Illinois filed a request for an extension of time to complete the refund. Ameren Illinois is studying the impacts of the FERC order and expects to file a request for rehearing at FERC.

### *2011 Wholesale Distribution Rate Case*

In January 2011, Ameren Illinois filed a request with FERC to increase its annual revenues for electric delivery service for its wholesale customers by \$11 million. These wholesale distribution revenues are treated as a deduction from Ameren Illinois' revenue requirement in retail rate filings with the ICC. In March 2011, FERC issued an order authorizing the proposed rates to take effect, subject to refund when the final rates are determined. Ameren Illinois has reached an agreement with four of its nine wholesale customers. The impasse with the remaining five wholesale customers has resulted in FERC litigation. An initial decision by the FERC administrative law judge is expected in 2012, and a final FERC decision may be received after 2012. We cannot predict the ultimate outcome of this proceeding, but Ameren Illinois does not expect a material impact to its results of operations, financial position, or liquidity.

### *Combined Construction and Operating License*

In 2008, Ameren Missouri filed an application with the NRC for a COL for a new 1,600-megawatt nuclear unit at Ameren Missouri's existing Callaway County, Missouri, nuclear energy center site. In 2009, Ameren Missouri suspended its efforts to build a new nuclear unit at its existing Missouri nuclear energy center site, and the NRC suspended review of the COL application.

In March 2012, the DOE announced the availability of \$452 million of investment funds for the design, engineering, manufacturing, and sale of American-made small modular reactors. In April 2012, Ameren Missouri entered into an agreement with Westinghouse to exclusively support Westinghouse's application for the DOE's small modular reactor investment funds. The DOE investment funding is intended to support engineering and design certifications and a COL for up to two small modular reactor designs over five years. Westinghouse submitted its application to the DOE in May 2012. The DOE is expected to issue a decision on awarding the investment funds in the third quarter of 2012.

If Westinghouse is awarded DOE's small modular reactor investment funds, Ameren Missouri will seek a COL from the NRC for a Westinghouse small modular reactor or multiple reactors at its Callaway energy center site. A COL is issued by the NRC to permit construction and operation of a nuclear power plant at a specific site in accordance with established laws and regulations. Obtaining a COL from the NRC does not obligate Ameren Missouri to build a small modular reactor at the Callaway site; however, it does preserve the option to move forward in a timely fashion should conditions be right to build a small modular reactor in the future. A COL is valid for at least 40 years.

Ameren Missouri estimates the total cost to obtain the small modular reactor COL will be in the range of \$80 million to \$100 million. Ameren Missouri expects its incremental investment to obtain the small modular reactor COL to be minimal due to several factors, including the company's capitalized investments in new nuclear energy center development of \$69 million as of June 30, 2012, the DOE investment funds that would help support the COL application, and its agreement with Westinghouse. If the DOE does not approve Westinghouse's application for the small modular reactor investment funds, Ameren Missouri is not obligated to pursue a COL for the Westinghouse small modular reactor design and may terminate its agreement with Westinghouse.

All of Ameren Missouri's costs incurred to license additional nuclear generation at the Callaway site will remain capitalized while management pursues options to maximize the value of its investment in this project. If efforts are permanently abandoned or management concludes it is probable the costs incurred will be disallowed in rates, a charge to earnings would be recognized in the period in which that determination was made.

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The liquidity needs of the Ameren Companies are typically supported through the use of available cash, short-term intercompany borrowings, drawings under committed bank credit facilities, or commercial paper issuances.

The following table summarizes the borrowing activity and relevant interest rates under the 2010 Missouri Credit Agreement as of June 30, 2012, and excludes issued letters of credit:

<b>2010 Missouri Credit Agreement (\$800 million)</b>	<b>Ameren (Parent)</b>	<b>Ameren Missouri</b>	<b>Total</b>
Average daily borrowings outstanding during 2012	\$ -	\$ 2	\$ 2
Outstanding credit facility borrowings at period end	-	-	-
Weighted-average interest rate during 2012	-	4.15%	4.15%
Peak credit facility borrowings during 2012	\$ -	\$ 50	\$ 50
Peak interest rate during 2012	-	4.15%	4.15%

The 2010 Illinois Credit Agreement and the 2010 Genco Credit Agreement were not utilized for borrowings during the six months ended June 30, 2012. Based on letters of credit issued under the 2010 Credit Agreements as of June 30, 2012, as well as commercial paper outstanding as of such date, the aggregate amount of credit capacity available to Ameren (parent), Ameren Missouri, Ameren Illinois and Genco collectively at June 30, 2012, was \$2.06 billion.

**Commercial Paper**

At June 30, 2012, Ameren had \$30 million of commercial paper outstanding. The average daily commercial paper balances outstanding during the six months ended June 30, 2012, and 2011, were \$72 million and \$338 million, respectively. The weighted-average interest rates during the six months ended June 30, 2012, and 2011, were 0.94% and 0.87%, respectively. The peak short-term commercial paper balances outstanding during the six months ended June 30, 2012, and 2011, were \$229 million and \$400 million, respectively. The peak interest rates during the six months ended June 30, 2012, and 2011, were 1.25% and 1.46%, respectively.

**Indebtedness Provisions and Other Covenants**

The information below presents a summary of the Ameren Companies' compliance with indebtedness provisions and other covenants within the 2010 Credit Agreements. See Note 4 - Credit Facility Borrowings and Liquidity in the Form 10-K for a detailed description of those provisions.

The 2010 Credit Agreements contain conditions about borrowings and issuances of letters of credit, including the absence of default or unmatured default, material accuracy of representations and warranties (excluding any representation after the closing date as to the absence of material adverse change and material litigation), and obtaining required regulatory authorizations. In addition, solely as it relates to borrowings under the 2010 Illinois Credit Agreement, it is a condition for any such borrowing that, at the time of and after giving effect to such borrowing, the borrower not be in violation of any limitation on its ability to incur unsecured indebtedness contained in its articles of incorporation. The 2010 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 2010 Credit Agreements require each of Ameren, Ameren Missouri, Ameren Illinois and Genco to maintain consolidated indebtedness of not more than 65% of its consolidated total capitalization pursuant to a defined calculation set forth in the agreements. As of June 30, 2012, the ratios of consolidated indebtedness to total consolidated capitalization, calculated in accordance with the provisions of the 2010 Credit Agreements, were 48%, 48%, 41% and 45%, for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively. In addition, under the 2010 Genco Credit Agreement and the 2010 Illinois Credit Agreement, Ameren is required to maintain a ratio of consolidated funds from operations plus interest expense to consolidated interest expense of 2.0 to 1, to be calculated quarterly, as of the end of the most recent four fiscal quarters then ending, in accordance with the 2010 Genco Credit Agreement and the 2010 Illinois Credit Agreement, as applicable. Ameren's ratio as of June 30, 2012, was 5.1 to 1. Failure of a borrower to satisfy a financial covenant constitutes an immediate default under the applicable 2010 Credit Agreement.

None of the Ameren Companies' credit facilities or financing arrangements contains credit rating triggers that would cause an event of default or acceleration of repayment of outstanding balances. Management believes that the Ameren Companies were in compliance with the provisions and covenants of their credit facilities at June 30, 2012.



**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. Separate money pools are maintained for utility and non-state-regulated entities. Ameren Services is responsible for the operation and administration of the money pool agreements.

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### *Utility*

Ameren Missouri, Ameren Illinois and Ameren Services may participate in the utility money pool as both lenders and borrowers. Ameren and AERG may participate in the utility money pool only as lenders. Internal funds are surplus funds contributed to the utility money pool from participants. The primary sources of external funds for the utility money pool are the 2010 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. The utility money pool was established to coordinate and to provide short-term cash and working capital for the participants. Participants receiving a loan under the utility money pool agreement must repay the principal amount of such loan, together with accrued interest. The rate of interest depends on the composition of internal and external funds in the utility money pool. The average interest rate for borrowing under the utility money pool for the three and six months ended June 30, 2012, was 0.14% and 0.12%, respectively. There were no utility money pool borrowings during the three and six months ended June 30, 2011.

### *Non-state-regulated Subsidiaries*

Ameren, Ameren Services, AER, Genco, AERG, Marketing Company, and other non-state-regulated Ameren subsidiaries have the ability, subject to Ameren parent company and applicable regulatory short-term borrowing authorizations, to access funding from the 2010 Credit Agreements and the commercial paper programs through a non-state-regulated subsidiary money pool agreement. All participants may borrow from or lend to the non-state-regulated money pool, except for Ameren Services, which may participate only as a borrower. The total amount available to the pool participants from the non-state-regulated subsidiary 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 non-state-regulated subsidiary money pool or remit funds from other external sources. The non-state-regulated subsidiary money pool was established to coordinate and to provide short-term cash and working capital for the participants. Participants receiving a loan under the non-state-regulated subsidiary money pool agreement must repay the principal amount of such loan, together with accrued interest. The rate of interest depends on the composition of internal and external funds in the non-state-regulated subsidiary money pool. The average interest rate for borrowing under the non-state-regulated subsidiary money pool for the three and six months ended June 30, 2012, was 0.64% and 0.70%, respectively (2011 - 0.72% and 0.93%, respectively).

See Note 8 - Related Party Transactions for the amount of interest income and expense from the money pool arrangements recorded by the Ameren Companies for the three and six months ended June 30, 2012, and 2011.

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

### **Ameren Illinois**

On July 30, 2012, Ameren Illinois commenced a tender offer to purchase for cash its outstanding 9.75% senior secured notes due 2018 and its outstanding 6.25% senior secured notes due 2018 for an aggregate purchase price (including principal and premium) of up to \$450 million. Any validly tendered 9.75% senior secured notes will have priority over and be accepted for purchase before any validly tendered 6.25% senior secured notes. The tender offer is scheduled to expire on August 24, 2012, unless extended or earlier terminated by Ameren Illinois.

### **Indenture Provisions and Other Covenants**

Ameren Missouri's and Ameren Illinois' indentures and articles of incorporation include covenants and provisions related to issuances of first mortgage bonds and preferred stock. Ameren Missouri and Ameren Illinois are required to meet certain ratios to issue additional first mortgage bonds and preferred stock. However, a failure to achieve these ratios would not result in a default under these covenants and provisions, but would restrict the companies' ability to issue bonds or preferred stock. The following table summarizes the required and actual interest coverage ratios for interest charges and dividend coverage ratios and bonds and preferred stock issuable for the 12 months ended June 30, 2012, at an assumed interest rate of 6% and dividend rate of 7%.

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	<b>Required Interest Coverage Ratio<sup>(a)</sup></b>	<b>Actual Interest Coverage Ratio</b>	<b>Bonds Issuable<sup>(b)</sup></b>	<b>Required Dividend Coverage Ratio<sup>(c)</sup></b>	<b>Actual Dividend Coverage Ratio</b>	<b>Preferred Stock Issuable</b>
Ameren Missouri	≥2.0	3.7	\$ 2,780	≥2.5	100.3	\$ 1,912
Ameren Illinois	≥2.0	7.1	3,514 <sup>(d)</sup>	≥1.5	3.0	203

- (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 \$89 million and \$765 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. Ameren's indenture does not require Ameren to comply with any quantitative financial covenants. The indenture does, however, include certain cross-default provisions. Specifically, either (1) the failure by Ameren to pay when due and upon expiration of any applicable grace period any portion of any Ameren indebtedness in excess of \$25 million or (2) the acceleration upon default of the maturity of any Ameren indebtedness in excess of \$25 million under any indebtedness agreement, including the 2010 Credit Agreements, constitutes a default under the indenture, unless such past due or accelerated debt is discharged or the acceleration is rescinded or annulled within a specified period.

Ameren Missouri, Ameren Illinois, Genco and certain other nonregistrant 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 meaning of this limitation has never been clarified under the Federal Power Act or FERC regulations. However, FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividends are not excessive, and (3) there is no self-dealing on the part of corporate officials. At a minimum, Ameren believes that dividends can be paid by its subsidiaries that are public utilities from net income and retained earnings. In addition, under Illinois law, Ameren Illinois may not pay any dividend on its stock, unless, among other things, its earnings and earned surplus are sufficient to declare and pay a dividend after provision is made for reasonable and proper reserves, or unless Ameren Illinois has specific authorization from the ICC.

Ameren Illinois' articles of incorporation require its dividend payments on common stock to be based on ratios of common stock to total capitalization and other provisions related to certain operating expenses and accumulations of earned surplus. Ameren Illinois committed to FERC to maintain a minimum 30% ratio of common stock equity to total capitalization after the Ameren Illinois Merger and AERG distribution. As of June 30, 2012, Ameren Illinois' ratio of common stock equity to total capitalization was 58%.

Genco's indenture includes provisions that require Genco to maintain certain interest coverage and debt-to-capital ratios in order for Genco to pay dividends, to make principal or interest payments on subordinated borrowings, to make loans to or investments in affiliates, or to incur additional external, third party indebtedness. The following table summarizes these ratios for the 12 months ended and as of June 30, 2012:

	<b>Required</b>	<b>Actual</b>	<b>Required</b>	<b>Actual</b>
	<b>Interest Coverage Ratio</b>	<b>Interest Coverage Ratio</b>	<b>Debt-to- Capital Ratio</b>	<b>Debt-to- Capital Ratio</b>
Genco	≥1.75 <sup>(a)</sup> /2.50 <sup>(b)</sup>	3.39	≤60% <sup>(b)</sup>	43%

(a) A minimum interest coverage ratio of 1.75 is required for Genco to make certain restricted payments, as defined, including specified dividend payments and, principal and interest payments on subordinated borrowings. As of the date of the restricted payment, the minimum ratio must have been achieved for the most recently ended four fiscal quarters and projected by management to be achieved for each of the subsequent four six-month periods. Investments in the non-state-regulated subsidiary money pool and repayments of non-state-regulated subsidiary money pool borrowings are not subject to this incurrence test.

(b) A minimum interest coverage ratio of 2.50 for the most recently ended four fiscal quarters and a debt-to-capital ratio of no greater than 60% are required for Genco to incur additional indebtedness, as defined, other than permitted indebtedness, as defined, for borrowed money. The ratios must be computed on a pro forma basis considering the additional indebtedness to be incurred and the related interest expense. Non-state-regulated subsidiary money pool borrowings are defined as permitted indebtedness and are not subject to these incurrence tests. Credit facility borrowings, including borrowings under the 2010 Genco Credit Agreement, and other borrowings from third-party, external sources are included in the definition of indebtedness and are subject to these incurrence tests.

Genco's debt incurrence-related ratio restrictions under its indenture may be disregarded if both Moody's and S&P reaffirm the ratings of Genco in place at the time of the debt incurrence after considering the additional indebtedness.

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Under the provisions of Genco's indenture, Genco may not borrow additional funds from external, third-party sources if its interest coverage ratio is less than a specified minimum or its leverage ratio is greater than a specified maximum. Based on projections as of June 30, 2012, of Genco's operating results and cash flows, we expect that, by the end of the first quarter of 2013, Genco's interest coverage ratio will be less than the minimum ratio required for the company to borrow additional funds from external, third-party sources.

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Genco's indenture does not restrict intercompany borrowings from Ameren's non-state-regulated subsidiary money pool. However, borrowings from the money pool are subject to Ameren's control and, if a Genco intercompany financing need were to arise, borrowings from the non-state-regulated subsidiary money pool by Genco would be dependent on consideration by Ameren of the facts and circumstances existing at that time.

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

**Off-Balance-Sheet Arrangements**

At June 30, 2012, none of the Ameren Companies had any off-balance-sheet financing arrangements, other than operating leases entered into in the ordinary course of business. None of the Ameren Companies expect to engage in any significant off-balance-sheet financing arrangements in the near future.

**NOTE 5 - OTHER INCOME AND EXPENSES**

The following table presents the components of Other Income and Expenses in Ameren's, Ameren Missouri's, and Ameren Illinois' statement of income (loss) and statements of income and comprehensive income for the three and six months ended June 30, 2012, and 2011:

	<b>Three Months</b>		<b>Six Months</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Ameren:<sup>(a)</sup></b>				
Miscellaneous income:				
Allowance for equity funds used during construction	\$ 8	\$ 9	\$ 17	\$ 15
Interest income on industrial development revenue bonds	7	7	14	14
Interest and dividend income <sup>(b)</sup>	5	1	5	2
Other	-	-	1	2
Total miscellaneous income	\$ 20	\$ 17	\$ 37	\$ 33
Miscellaneous expense:				
Donations <sup>(c)</sup>	\$ 3	\$ 1	\$ 15	\$ 3
Other	4	4	7	7
Total miscellaneous expense	\$ 7	\$ 5	\$ 22	\$ 10
<b>Ameren Missouri:</b>				
Miscellaneous income:				
Allowance for equity funds used during construction	\$ 7	\$ 8	\$ 15	\$ 14
Interest income on industrial development revenue bonds	7	7	14	14
Interest and dividend income <sup>(b)</sup>	4	1	4	1
Total miscellaneous income	\$ 18	\$ 16	\$ 33	\$ 29
Miscellaneous expense:				
Donations	\$ 3	\$ 1	\$ 5	\$ 2
Other	1	2	2	4
Total miscellaneous expense	\$ 4	\$ 3	\$ 7	\$ 6
<b>Ameren Illinois:</b>				
Miscellaneous income:				
Allowance for equity funds used during construction	\$ 1	\$ 1	\$ 2	\$ 1
Interest and dividend income	-	-	-	1
Other	1	-	1	1
Total miscellaneous income	\$ 2	\$ 1	\$ 3	\$ 3
Miscellaneous expense:				
Donations <sup>(c)</sup>	\$ -	\$ -	\$ 10	\$ -
Other	2	1	3	2
Total miscellaneous expense	\$ 2	\$ 1	\$ 13	\$ 2

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

(b) Includes interest income relating to a refund of charges included in an expired power purchase agreement with Entergy. See Note 2 - Rate and Regulatory Matters for additional information.

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- (c) Includes Ameren Illinois one-time \$7.5 million donation and \$1 million annual donation to the Illinois Science and Energy Innovation Trust and \$1 million annual donation for customer assistance programs pursuant to the IEIMA as a result of Ameren Illinois participation in the formula ratemaking process.

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

an unrealized appreciation or depreciation of our contracted commitments to purchase or sell when purchase or sale prices under the commitments are compared with current commodity prices;

market values of coal, 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 derivative volumes by commodity type as of June 30, 2012, and December 31, 2011:

Commodity	Quantity (in millions, except as indicated)							
	NPNS		Cash Flow		Other		Qualify for	
	Contracts <sup>(a)</sup>		Hedges <sup>(b)</sup>		Derivatives <sup>(c)</sup>		Regulatory Deferral <sup>(d)</sup>	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Coal (in tons)</b>								
Ameren Missouri	106	116	(e)	(e)	-	(e)	(e)	(e)
Genco	31	24	(e)	(e)	5	(e)	(e)	(e)
Other <sup>(f)</sup>	9	7	(e)	(e)	1	(e)	(e)	(e)
Ameren	146	147	(e)	(e)	6	(e)	(e)	(e)
<b>Fuel oils (in gallons)<sup>(g)</sup></b>								
Ameren Missouri	(e)	(e)	(e)	(e)	(e)	(e)	59	53
Genco	(e)	(e)	(e)	(e)	43	27	(e)	(e)
Other <sup>(f)</sup>	(e)	(e)	(e)	(e)	12	9	(e)	(e)
Ameren	(e)	(e)	(e)	(e)	55	36	59	53
<b>Natural gas (in mmbtu)</b>								
Ameren Missouri	6	8	(e)	(e)	16	9	22	19
Ameren Illinois	27	42	(e)	(e)	(e)	(e)	153	174
Genco	(e)	(e)	(e)	(e)	26	7	(e)	(e)
Other <sup>(f)</sup>	(e)	(e)	(e)	(e)	1	1	(e)	(e)
Ameren	33	50	(e)	(e)	43	17	175	193
<b>Power (in megawatthours)</b>								
Ameren Missouri	4	1	(e)	(e)	1	1	13	6
Ameren Illinois	22	11	(e)	(e)	(e)	(e)	19	24
Genco	(e)	(e)	(e)	(e)	-	-	(e)	(e)
Other <sup>(f)</sup>	69	61	17	17	56	30	(4)	(9)
Ameren	95	73	17	17	57	31	28	21
<b>Uranium (pounds in thousands)</b>								
Ameren Missouri & Ameren	5,361	5,553	(e)	(e)	(e)	(e)	131	148

(a)

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Contracts through December 2017, March 2015, September 2035, and October 2024 for coal, natural gas, power, and uranium, respectively, as of June 30, 2012.

(b) Contracts through December 2016 for power as of June 30, 2012.

(c) Contracts through December 2014, October 2016, April 2015, and December 2016 for coal, fuel oils, natural gas, and power, respectively, as of June 30, 2012.

(d) Contracts through October 2014, October 2016, May 2032, and December 2013 for fuel oils, natural gas, power, and uranium, respectively, as of June 30, 2012.

(e) Not applicable.

(f) Includes AERG contracts for coal and fuel oils, Marketing Company contracts for natural gas and power, and intercompany eliminations for power.

(g) Fuel oils consist of heating and crude oil.

Authoritative 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 our methods of assessing the fair value of derivative instruments. Many of our physical contracts, such as our coal and 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.



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If we determine that a contract meets the definition of a derivative and is not eligible for the NPNS exception, we review the contract to determine if it qualifies for hedge accounting. We also consider whether gains or losses resulting from such derivatives qualify for regulatory deferral. Contracts that qualify for cash flow hedge accounting are recorded at fair value with changes in fair value charged or credited to accumulated OCI in the period in which the change occurs, to the extent the hedge is effective. To the extent the hedge is ineffective, the related changes in fair value are charged or credited to the statement of income or the statement of income and comprehensive income in the period in which the change occurs. When the contract is settled or delivered, the net gain or loss is recorded in the statement of income or the statement of income and comprehensive income.

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. Ameren Missouri and Ameren Illinois believe derivative gains and losses 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.

Certain derivative contracts are entered into on a regular basis as part of our risk management program but do not qualify for the NPNS exception, hedge accounting, or regulatory deferral accounting. Such contracts are recorded at fair value, with changes in fair value charged or credited to the statement of income or the statement of income and comprehensive income in the period in which the change occurs.

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

The following table presents the carrying value and balance sheet location of all derivative instruments as of June 30, 2012, and December 31, 2011:

	Balance Sheet Location	Ameren <sup>(a)</sup>	Ameren Missouri	Ameren Illinois	Genco
<b>2012:</b>					
<b>Derivative assets designated as hedging instruments</b>					
Commodity contracts:					
Power	MTM derivative assets	\$ 23	\$ (b)	\$ (b)	\$ (b)
	Other assets	31	-	-	-
	<b>Total assets</b>	<b>\$ 54</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Derivative liabilities designated as hedging instruments</b>					
Commodity contracts:					
Power	MTM derivative liabilities	\$ 1	\$ (b)	\$ -	\$ (b)
	<b>Total liabilities</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Derivative assets not designated as hedging instruments<sup>(c)</sup></b>					
Commodity contracts:					
Fuel oils	MTM derivative assets	\$ 13	\$ (b)	\$ (b)	\$ (b)
	Other current assets	-	8	-	4
	Other assets	5	4	-	1
Natural gas	MTM derivative assets	10	(b)	(b)	(b)
	Other current assets	-	2	2	5
	Other assets	-	-	-	-
Power	MTM derivative assets	110	(b)	(b)	(b)
	Other current assets	-	39	-	-
	Other assets	35	2	-	-
	<b>Total assets</b>	<b>\$ 173</b>	<b>\$ 55</b>	<b>\$ 2</b>	<b>\$ 10</b>
<b>Derivative liabilities not designated as hedging instruments<sup>(c)</sup></b>					
Commodity contracts:					
Coal	MTM derivative liabilities	\$ 4	\$ (b)	\$ -	\$ (b)
	Other current liabilities	-	-	-	4
	Other deferred credits and liabilities	6	-	-	4
Fuel oils	MTM derivative liabilities	5	(b)	-	(b)
	Other current liabilities	-	2	-	2
	Other deferred credits and liabilities	6	2	-	3
Natural gas	MTM derivative liabilities	91	(b)	78	(b)

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	Other current liabilities	-	12	-	1
	Other deferred credits and liabilities	77	11	66	-
Power	MTM derivative liabilities	96	(b)	19	(b)
	MTM derivative liabilities - affiliates	(b)	(b)	114	(b)

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	Balance Sheet Location	Ameren <sup>(a)</sup>	Ameren Missouri	Ameren Illinois	Genco
	Other current liabilities	\$ -	\$ 15	\$ -	\$ -
	Other deferred credits and liabilities	117	2	88	-
Uranium	MTM derivative liabilities	1	(b)	-	(b)
	Other current liabilities	-	1	-	-
	<b>Total liabilities</b>	<b>\$ 403</b>	<b>\$ 45</b>	<b>\$ 365</b>	<b>\$ 14</b>
<b>2011:</b>					
<b>Derivative assets designated as hedging instruments</b>					
Commodity contracts:					
Power	MTM derivative assets	\$ 8	\$ (b)	\$ (b)	\$ (b)
	Other assets	16	-	-	-
	<b>Total assets</b>	<b>\$ 24</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Derivative liabilities designated as hedging instruments</b>					
Commodity contracts:					
Power	Other deferred credits and liabilities	\$ 1	\$ -	\$ -	\$ -
	<b>Total liabilities</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Derivative assets not designated as hedging instruments<sup>(c)</sup></b>					
Commodity contracts:					
Fuel oils	MTM derivative assets	\$ 29	\$ (b)	\$ (b)	\$ (b)
	Other current assets	-	17	-	10
	Other assets	8	6	-	1
Natural gas	MTM derivative assets	6	(b)	(b)	(b)
	Other current assets	-	2	1	2
	Other assets	-	-	1	-
Power	MTM derivative assets	72	(b)	(b)	(b)
	Other current assets	-	30	-	-
	Other assets	99	-	77	-
	<b>Total assets</b>	<b>\$ 214</b>	<b>\$ 55</b>	<b>\$ 79</b>	<b>\$ 13</b>
<b>Derivative liabilities not designated as hedging instruments<sup>(c)</sup></b>					
Commodity contracts:					
Fuel oils	MTM derivative liabilities	\$ 2	\$ (b)	\$ -	\$ (b)
	Other current liabilities	-	1	-	1
Natural gas	MTM derivative liabilities	106	(b)	90	(b)
	Other current liabilities	-	13	-	2
	Other deferred credits and liabilities	92	13	79	-
Power	MTM derivative liabilities	53	(b)	9	(b)
	MTM derivative liabilities - affiliates	(b)	(b)	200	(b)
	Other current liabilities	-	9	-	-
	Other deferred credits and liabilities	26	-	8	-
Uranium	Other deferred credits and liabilities	1	1	-	-
	<b>Total liabilities</b>	<b>\$ 280</b>	<b>\$ 37</b>	<b>\$ 386</b>	<b>\$ 3</b>

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

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

(c) Includes derivatives subject to regulatory deferral.

The following table presents the cumulative amount of pretax net gains (losses) on all derivative instruments in accumulated OCI and regulatory assets or regulatory liabilities as of June 30, 2012, and December 31, 2011:

	Ameren	Ameren Missouri	Ameren Illinois	Genco	Other <sup>(a)</sup>
<b>2012:</b>					
Cumulative gains (losses) deferred in accumulated OCI:					
Power derivative contracts <sup>(b)</sup>	\$ 45	\$ -	\$ -	\$ -	\$ 45
Interest rate derivative contracts <sup>(c)(d)</sup>	(8)	-	-	(8)	-
Cumulative gains (losses) deferred in regulatory liabilities or assets:					
Fuel oils derivative contracts <sup>(e)</sup>	5	5	-	-	-
Natural gas derivative contracts <sup>(f)</sup>	(163)	(21)	(142)	-	-
Power derivative contracts <sup>(g)</sup>	(82)	24	(221)	-	115
Uranium derivative contracts <sup>(h)</sup>	(1)	(1)	-	-	-
<b>2011:</b>					

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Cumulative gains (losses) deferred in accumulated OCI:					
Power derivative contracts <sup>(b)</sup>	\$	19	\$	-	\$ - \$ 19
Interest rate derivative contracts <sup>(c)(d)</sup>		(8)		-	(8) -
Cumulative gains (losses) deferred in regulatory liabilities or assets:					
Fuel oils derivative contracts <sup>(e)</sup>		19		19	- -
Natural gas derivative contracts <sup>(f)</sup>		(191)		(24)	(167) - -
Power derivative contracts <sup>(g)</sup>		81		21	(140) - 200
Uranium derivative contracts <sup>(h)</sup>		(1)		(1)	- - -

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- (a) Includes amounts for Marketing Company and intercompany eliminations.
- (b) Represents net gains associated with power derivative contracts at Ameren. These contracts are a partial hedge of electricity price exposure through December 2016 as of June 30, 2012. Current gains of \$17 million and \$5 million were recorded at Ameren as of June 30, 2012, and December 31, 2011, respectively.
- (c) Includes net gains associated with interest rate swaps at Genco that were a partial hedge of the interest rate on debt issued in June 2002. The swaps covered the first 10 years of debt that has a 30-year maturity, and the gain in OCI was amortized over a 10-year period that began in June 2002. The balance of the gain was fully amortized as of June 30, 2012. The carrying value at December 31, 2011, was less than \$1 million.
- (d) Includes net losses associated with interest rate swaps at Genco. The swaps were executed during the fourth quarter of 2007 as a partial hedge of interest rate risks associated with Genco's April 2008 debt issuance. The loss on the interest rate swaps is being amortized over a 10-year period that began in April 2008. The carrying value at June 30, 2012, and December 31, 2011, was a loss of \$8 million and \$9 million, respectively. Over the next twelve months, \$1.4 million of the loss will be amortized.
- (e) Represents net gains on fuel oils derivative contracts at Ameren Missouri. These contracts are a partial hedge of Ameren Missouri's transportation costs for coal through October 2014 as of June 30, 2012. Current gains deferred as regulatory liabilities include \$7 million and \$7 million at Ameren and Ameren Missouri as of June 30, 2012, respectively. Current losses deferred as regulatory assets include \$2 million and \$2 million at Ameren and Ameren Missouri as of June 30, 2012, respectively. Current gains deferred as regulatory liabilities include \$16 million and \$16 million at Ameren and Ameren Missouri as of December 31, 2011, respectively. Current losses deferred as regulatory assets include \$1 million and \$1 million at Ameren and Ameren Missouri as of December 31, 2011, respectively.
- (f) Represents net losses associated with natural gas derivative contracts. These contracts are a partial hedge of natural gas requirements through October 2016 at Ameren, Ameren Missouri, and Ameren Illinois, in each case as of June 30, 2012. Current gains deferred as regulatory liabilities include \$2 million and \$2 million at Ameren and Ameren Illinois, respectively, as of June 30, 2012. Current losses deferred as regulatory assets include \$88 million, \$10 million, and \$78 million at Ameren, Ameren Missouri and Ameren Illinois, respectively, as of June 30, 2012. Current gains deferred as regulatory liabilities include \$1 million and \$1 million at Ameren and Ameren Illinois, respectively, as of December 31, 2011. Current losses deferred as regulatory assets include \$101 million, \$11 million, and \$90 million at Ameren, Ameren Missouri and Ameren Illinois, respectively, as of December 31, 2011.
- (g) Represents net losses associated with power derivative contracts. These contracts are a partial hedge of power price requirements through May 2032 at Ameren and Ameren Illinois and through December 2015 at Ameren Missouri, in each case as of June 30, 2012. Current gains deferred as regulatory liabilities include \$37 million and \$37 million at Ameren and Ameren Missouri, respectively, as of June 30, 2012. Current losses deferred as regulatory assets include \$33 million, \$14 million, and \$133 million at Ameren, Ameren Missouri and Ameren Illinois, respectively, as of June 30, 2012. Current gains deferred as regulatory liabilities include \$29 million and \$29 million at Ameren and Ameren Missouri, respectively, as of December 31, 2011. Current losses deferred as regulatory assets include \$17 million, \$8 million, and \$209 million at Ameren, Ameren Missouri and Ameren Illinois, respectively, as of December 31, 2011.
- (h) Represents net losses on uranium derivative contracts at Ameren Missouri. These contracts are a partial hedge of our uranium requirements through December 2013 as of June 30, 2012. Current losses deferred as regulatory assets include \$1 million and \$1 million at Ameren and Ameren Missouri as of June 30, 2012, respectively. Current losses deferred as regulatory assets include less than \$1 million and less than \$1 million at Ameren and Ameren Missouri as of December 31, 2011, respectively.

Derivative instruments are subject to various credit-related losses in the event of nonperformance by counterparties to the transaction.

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

We believe that entering into master trading and netting agreements mitigates the level of financial loss that could result from default by allowing net settlement of derivative assets and liabilities. We generally enter into the following master trading and netting agreements:

(1) International Swaps and Derivatives Association Agreement, a standardized financial natural gas and electric contract; (2) the Master Power Purchase and Sale Agreement, created by the Edison Electric Institute and the National Energy Marketers Association, a standardized contract for the purchase and sale of wholesale power; and (3) the North American Energy Standards Board Inc. agreement, a standardized contract for the purchase and sale of natural gas. These master trading and netting agreements allow the counterparties to net settle sale and purchase transactions. Further, collateral requirements are calculated at a master trading and netting agreement level by counterparty.

## 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 one of eight groupings according to the primary business in which each engages. The following table presents the maximum exposure, as of June 30, 2012, and December 31, 2011, if counterparty groups were to completely fail to perform on contracts by grouping. The maximum exposure is based on the gross fair value of financial instruments, including NPNS contracts, which excludes collateral held, and does not consider the legally binding right to net transactions based on master trading and netting agreements.

Affiliates <sup>(a)</sup>	Coal	Commodity	Electric	Financial	Municipalities/ Oil and Gas Companies	Retail	Total
	Producers	Marketing	Utilities	Companies	Cooperatives	Companies	

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Companies																		
2012:																		
AMO	\$	1	\$	1	\$	2	\$	6	\$	15	\$	4	\$	-	\$	-	\$	29
AIC		-		-		1		-		1		-		-		-		2

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	Commodity								Total
	Coal	Marketing	Electric	Financial	Municipalities/	Oil and Gas		Retail	
	Affiliates <sup>(a)</sup>	Producers	Companies	Utilities	Companies	Cooperatives	Companies	Companies	
Genco	\$ -	\$ -	\$ 2	\$ -	\$ 1	\$ -	\$ 3	\$ -	\$ 6
Other <sup>(b)</sup>	187	10	46	14	18	465 <sup>(c)</sup>	1	103	844
Ameren	\$ 188	\$ 11	\$ 51	\$ 20	\$ 35	\$ 469	\$ 4	\$ 103	\$ 881
<b>2011:</b>									
AMO	\$ 1	\$ 35	\$ 1	\$ 4	\$ 26	\$ 4	\$ -	\$ -	\$ 71
AIC	-	-	84	-	1	-	-	-	85
Genco	-	1	1	2	6	-	3	-	13
Other <sup>(b)</sup>	275	1	3	10	51	194 <sup>(c)</sup>	-	87	621
Ameren	\$ 276	\$ 37	\$ 89	\$ 16	\$ 84	\$ 198	\$ 3	\$ 87	\$ 790

(a) Primarily comprised of Marketing Company's exposure to Ameren Illinois related to financial contracts. The exposure is not eliminated at the consolidated Ameren level for purposes of this disclosure, as it is calculated without regard to the offsetting affiliate counterparty's liability position. See Note 14 - Related Party Transactions in the Form 10-K for additional information on these financial contracts.

(b) Includes amounts for Marketing Company, AERG, and AFS.

(c) Primarily composed of Marketing Company's exposure to NPNS contracts with terms through September 2035.

The potential loss on counterparty exposures is reduced by the application of master trading and netting agreements and collateral held to the extent of reducing the exposure to zero. Collateral includes both cash collateral and other collateral held. The amount of cash collateral held by Ameren and Marketing Company from counterparties and based on the contractual rights under the agreements to seek collateral, as well as the maximum exposure as calculated under the individual master trading and netting agreements, was \$2 million from marketing companies at June 30, 2012. Cash collateral held by Ameren and Marketing Company was less than \$1 million from retail companies at December 31, 2011. As of June 30, 2012, other collateral used to reduce exposure consisted of letters of credit in the amount of \$7 million held by Ameren and Marketing Company. As of December 31, 2011, other collateral used to reduce exposure consisted of letters of credit in the amount of \$9 million, \$1 million, \$1 million, and \$7 million held by Ameren, Ameren Missouri, Genco, and Marketing Company, respectively.

The following table presents the potential loss after consideration of collateral and application of master trading and netting agreements as of June 30, 2012, and December 31, 2011:

	Commodity								
	Coal	Marketing	Electric	Financial	Municipalities/			Retail	
	Affiliates <sup>(a)</sup>	Producers	Companies	Utilities	Companies	Cooperatives	Oil and Gas Companies	Companies	Total
2012:									
AMO	\$ -	\$ -	\$ 2	\$ 2	\$ 8	\$ 4	\$ -	\$ -	\$ 16
AIC	-	-	1	-	-	-	-	-	1
Genco	-	-	1	-	-	-	1	-	2
Other <sup>(b)</sup>	186	5	38	3	13	459 <sup>(c)</sup>	-	102	806
Ameren	\$ 186	\$ 5	\$ 42	\$ 5	\$ 21	\$ 463	\$ 1	\$ 102	\$ 825
2011:									
AMO	\$ 1	\$ 35	\$ 1	\$ 3	\$ 22	\$ 4	\$ -	\$ -	\$ 66
AIC	-	-	84	-	-	-	-	-	84
Genco	-	-	-	1	1	-	2	-	4
Other <sup>(b)</sup>	273	-	3	5	42	187 <sup>(c)</sup>	-	86	596
Ameren	\$ 274	\$ 35	\$ 88	\$ 9	\$ 65	\$ 191	\$ 2	\$ 86	\$ 750

(a) Primarily comprised of Marketing Company's exposure to Ameren Illinois related to financial contracts. The exposure is not eliminated at the consolidated Ameren level for purposes of this disclosure, as it is calculated without regard to the offsetting affiliate counterparty's liability position. See Note 14 - Related Party Transactions in the Form 10-K for additional information on these financial contracts.

(b) Includes amounts for Marketing Company, AERG, and AFS.

(c) Primarily composed of Marketing Company's exposure to NPNS contracts with terms through September 2035.





**Table of Contents****Derivative Instruments with Credit Risk-Related Contingent Features**

Our commodity contracts contain collateral provisions tied to the Ameren Companies' credit ratings. If we were to experience an adverse change in our credit ratings, or if a counterparty with reasonable grounds for uncertainty regarding performance of an obligation requested adequate assurance of performance, additional collateral postings might be required. The following table presents, as of June 30, 2012, and December 31, 2011, the aggregate fair value of all derivative instruments with credit risk-related contingent features in a gross liability position, the cash collateral posted, and the aggregate amount of additional collateral that could be required to be posted with counterparties. The additional collateral required is the net liability position allowed under the master trading and netting agreements, assuming (1) the credit risk-related contingent features underlying these agreements were triggered on June 30, 2012, or December 31, 2011, 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>
<b>2012:</b>			
Ameren Missouri	\$ 146	\$ 7	\$ 125
Ameren Illinois	174	91	106
Genco	48	1	41
Other <sup>(c)</sup>	86	12	63
Ameren	\$ 454	\$ 111	\$ 335
<b>2011:</b>			
Ameren Missouri	\$ 102	\$ 8	\$ 86
Ameren Illinois	220	96	125
Genco	55	1	58
Other <sup>(c)</sup>	79	11	63
Ameren	\$ 456	\$ 116	\$ 332

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

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

(c) Includes amounts for Marketing Company and Ameren (parent).

**Cash Flow Hedges**

The following table presents the pretax net gain or loss for the three and six months ended June 30, 2012, and 2011, associated with derivative instruments designated as cash flow hedges.

	Gain (Loss)	Location of (Gain) Loss	(Gain) Loss		Gain (Loss)
	Recognized in	Reclassified from	Reclassified from	Location of Gain (Loss)	Recognized
	OCI <sup>(a)</sup>	OCI into Income <sup>(b)</sup>	OCI into Income <sup>(b)</sup>	Recognized in Income <sup>(c)</sup>	in
					Income <sup>(c)</sup>
<b>Three Months</b>					
<b>2012:</b>					
<b>Ameren:<sup>(d)</sup></b>					
Power	\$ 5	Operating Revenues - Electric	\$ 2	Operating Revenues - Electric	\$ (1)
Interest rate <sup>(e)</sup>	-	Interest Charges	(f)	Interest Charges	-
<b>Genco:</b>					
Interest rate <sup>(e)</sup>	-	Interest Charges	(f)	Interest Charges	-
<b>2011:</b>					
<b>Ameren:<sup>(d)</sup></b>					
Power	\$ (3)	Operating Revenues - Electric	\$ 1	Operating Revenues - Electric	\$ 3
Interest rate <sup>(e)</sup>	-	Interest Charges	(f)	Interest Charges	-
<b>Genco:</b>					

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Interest rate <sup>(e)</sup>	-	Interest Charges	(f)	Interest Charges	-
<b>Six Months</b>					
<b>2012:</b>					
<b>Ameren:<sup>(d)</sup></b>					
Power	\$	23	Operating Revenues - Electric	\$	6
Interest rate <sup>(e)</sup>	-		Interest Charges	(f)	
<b>Genco:</b>					
Interest rate <sup>(e)</sup>	-		Interest Charges	(f)	
<b>2011:</b>					
<b>Ameren:<sup>(d)</sup></b>					
Power	\$	(7)	Operating Revenues - Electric	\$	2
Interest rate <sup>(e)</sup>	-		Interest Charges	(f)	
<b>Genco:</b>					
Interest rate <sup>(e)</sup>	-		Interest Charges	(f)	

- (a) Effective portion of gain (loss).
- (b) Effective portion of (gain) loss on settlements.
- (c) Ineffective portion of gain (loss) and amount excluded from effectiveness testing.
- (d) Includes amounts from Ameren registrant and nonregistrant subsidiaries.
- (e) Represents interest rate swaps settled in prior periods. The cumulative gain and loss on the interest rate swaps is being amortized into income over a 10-year period.
- (f) Less than \$1 million.

**Table of Contents****Other Derivatives**

The following table represents the net change in market value for derivatives not designated as hedging instruments for the three and six months ended June 30, 2012 and 2011:

		Location of Gain (Loss)	Gain (Loss)			
		Recognized in Income	Recognized in Income			
			Three Months		Six Months	
			2012	2011	2012	2011
Ameren <sup>(a)</sup>	Coal	Operating Expenses - Fuel	\$ (6)	\$ -	\$ (10)	\$ -
	Fuel oils	Operating Expenses - Fuel	(18)	(9)	(13)	10
	Natural gas (generation)	Operating Expenses - Fuel	4	-	5	-
	Power	Operating Revenues - Electric	7	(5)	6	(7)
		Total	\$ (13)	\$ (14)	\$ (12)	\$ 3
Ameren Missouri	Natural gas (generation)	Operating Expenses - Fuel	\$ -	\$ -	\$ -	\$ (1)
Genco	Coal	Operating Expenses - Fuel	\$ (5)	\$ -	\$ (8)	\$ -
	Fuel oils	Operating Expenses - Fuel	(14)	(8)	(10)	7
	Natural gas (generation)	Operating Expenses - Fuel	4	-	4	-
	Power	Operating Revenues	-	(1)	-	(1)
		Total	\$ (15)	\$ (9)	\$ (14)	\$ 6

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

**Derivatives that Qualify for Regulatory Deferral**

The following table represents the net change in market value for derivatives that qualify for regulatory deferral for the three and six months ended June 30, 2012, and 2011:

		Gain (Loss) Recognized in Regulatory Liabilities or Regulatory Assets			
		Three Months		Six Months	
		2012	2011	2012	2011
Ameren <sup>(a)</sup>	Fuel oils	\$ (19)	\$ (13)	\$ (14)	\$ 16
	Natural gas	46	3	28	34
	Power	(1)	88	(163)	90
	Uranium	-	(3)	-	(4)
	Total	\$ 26	\$ 75	\$ (149)	\$ 136
Ameren Missouri	Fuel oils	\$ (19)	\$ (13)	\$ (14)	\$ 16
	Natural gas	5	1	3	4
	Power	4	23	3	23
	Uranium	-	(3)	-	(4)
	Total	\$ (10)	\$ 8	\$ (8)	\$ 39
Ameren Illinois	Natural gas	\$ 41	\$ 2	\$ 25	\$ 30
	Power	63	121	(81)	148
	Total	\$ 104	\$ 123	\$ (56)	\$ 178

(a) Includes amounts for intercompany eliminations.

As part of the 2007 Illinois Electric Settlement Agreement and subsequent Illinois power procurement processes, Ameren Illinois entered into financial contracts with Marketing Company. These financial contracts are derivative instruments. They are accounted for as cash flow hedges by Marketing Company and as derivatives that qualify for regulatory deferral by Ameren Illinois. Consequently, Ameren Illinois and Marketing Company record the fair value of the contracts on their respective balance sheets and the changes to the fair value in regulatory assets or liabilities by Ameren Illinois and OCI by Marketing Company. In Ameren's consolidated financial statements, all financial statement effects of the derivative instruments entered into among affiliates were eliminated. The fair value of the financial contracts included in MTM derivative

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liabilities - affiliates on Ameren Illinois balance sheet totaled \$114 million and \$200 million at June 30, 2012, and December 31, 2011, respectively. See Note 14 - Related Party Transactions under Part II, Item 8, of the Form 10-K for additional information on these financial contracts.

### **NOTE 7 - FAIR VALUE MEASUREMENTS**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We use various methods to determine fair value, including market, income, and cost approaches. With these approaches, we adopt certain assumptions that market participants would use in pricing the asset or liability, including assumptions about market risk or the risks inherent in the inputs to the valuation. Inputs to valuation can be readily observable, market-corroborated,

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or unobservable. We use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Authoritative accounting guidance established a fair value hierarchy that prioritizes the inputs used to measure fair value. All financial assets and liabilities carried at fair value are classified and disclosed in one of the following three hierarchy levels:

*Level 1:* Inputs based on quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities are primarily exchange-traded derivatives and assets, including cash and cash equivalents and listed equity securities, such as those held in Ameren Missouri's Nuclear Decommissioning Trust Fund.

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

*Level 2:* Market-based inputs corroborated by third-party brokers or exchanges based on transacted market data. Level 2 assets and liabilities include certain assets held in Ameren Missouri's Nuclear Decommissioning Trust Fund, including corporate bonds and other fixed-income securities, U.S. treasury and agency securities, and certain over-the-counter derivative instruments, including natural gas and financial power transactions.

Fixed income securities are valued using prices from independent, industry recognized data vendors who provide values that are either exchange based or matrix based. The fair value measurements of fixed income securities classified as Level 2 are based on inputs other than quoted prices that are observable for the asset or liability. Examples are matrix pricing, market corroborated pricing, and inputs such as yield curves and indices. Level 2 fixed income securities in the Nuclear Decommissioning Trust Fund are comprised primarily of corporate bonds, asset-backed securities and U.S. agency bonds.

Derivative instruments classified as Level 2 are valued by corroborated observable inputs, such as pricing services or prices from similar instruments that trade in liquid markets. Our development and corroboration process entails obtaining multiple quotes or prices from outside sources. To derive our forward view to price our derivative instruments at fair value, we average the midpoints of the bid/ask spreads. To validate forward prices obtained from outside parties, we compare the pricing to recently settled market transactions. Additionally, a review of all sources is performed to identify any anomalies or potential errors. Further, we consider the volume of transactions on certain trading platforms in our reasonableness assessment of the averaged midpoint. Natural gas derivative contracts are valued based upon exchange closing prices without significant unobservable adjustments. Power derivative contracts are valued based upon the use of multiple forward prices provided by third parties. The prices are averaged and shaped to a monthly profile when needed without significant unobservable adjustments.

*Level 3:* Unobservable inputs that are not corroborated by market data. Level 3 assets and liabilities are valued by internally developed models and assumptions or methodologies that use significant unobservable inputs. Level 3 assets and liabilities include derivative instruments that trade in less liquid markets, where pricing is largely unobservable, including the financial contracts entered into between Ameren Illinois and Marketing Company as part of the 2007 Illinois Electric Supply Agreement. We value Level 3 instruments by using pricing models with inputs that are often unobservable in the market, as well as certain internal assumptions. Our development and corroboration process entails obtaining multiple quotes or prices from outside sources. As a part of our reasonableness review, an evaluation of all sources is performed to identify any anomalies or potential errors.

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

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The following table describes the valuation techniques and unobservable inputs for the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy for the three months ended June 30, 2012:

Fair Value				Range [Weighted			
		Assets	Liabilities	Valuation Technique(s)	Unobservable Input	Average]	
Level 3 Derivative asset and liability - commodity contracts <sup>(a)</sup> :							
Ameren <sup>(b)</sup>	Fuel oils	\$ 6	\$ (2)	Discounted Cash Flow	Escalation rate(%)( <sup>c</sup> )	0.50 - 0.78 [.72]	
					Counterparty credit risk(%)( <sup>d),(e</sup> )	0.12 - 4 [2]	
					Ameren credit risk(%)( <sup>d),(e</sup> )	4 - 23 [9]	
				Option model	Volatilities(%)( <sup>c</sup> )	23 - 33 [26]	
	Power <sup>(f)</sup>	182	(192)	Option model	Volatilities(%)( <sup>d</sup> )	17 - 143 [34]	
					Average bid/ask consensus peak and offpeak pricing - forwards/swaps (\$/MWh)( <sup>d</sup> )	21 - 44 [36]	
				Discounted Cash Flow	Average bid/ask consensus peak and offpeak pricing - forwards/swaps (\$/MWh)( <sup>d</sup> )	18 - 51 [34]	
					Estimated auction price for FTRs (\$/MW)( <sup>c</sup> )	(672) - 7,200 [138]	
					Nodal basis (\$/MWh)( <sup>c</sup> )	(6) - (0.50) [(3)]	
					Counterparty credit risk(%)( <sup>d),(e</sup> )	0.06 - 12 [4]	
					Ameren credit risk(%)( <sup>d),(e</sup> )	4 - 5 [5]	
				Fundamental energy production model	Estimated future gas prices (\$/mmbtu)( <sup>c</sup> )	4 - 6 [5]	
				Contract price allocation	Estimated renewable energy credit costs (\$/credit)( <sup>c</sup> )	5 - 7 [6]	
	Uranium	-	(1)	Discounted Cash Flow	Average bid/ask consensus pricing (\$/pound)( <sup>c</sup> )	62 - 63 [62]	
Ameren	Fuel oils	\$ 5	\$ (2)	Discounted Cash Flow	Escalation rate(%)( <sup>c</sup> )	0.50 - 0.75 [.65]	
Missouri						Counterparty credit risk(%)( <sup>d),(e</sup> )	0.12 - 2 [2]
					Ameren credit risk(%)( <sup>d),(e</sup> )	5	
				Option model	Volatilities(%)( <sup>c</sup> )	23 - 33 [25]	
	Power <sup>(f)</sup>	31	(5)	Option model	Volatilities(%)( <sup>d</sup> )	43 - 143 [76]	
					Average bid/ask consensus peak and offpeak pricing - (\$/MWh)( <sup>d</sup> )	24 - 32 [27]	
				Discounted Cash Flow	Average bid/ask consensus peak and offpeak pricing - forwards/swaps (\$/MWh)( <sup>d</sup> )	21 - 46 [25]	
					Estimated auction price for FTRs (\$/MW)( <sup>c</sup> )	(149) - 1,851 [140]	
					Nodal basis (\$/MWh)( <sup>c</sup> )	(3) - (0.48) [(2)]	
					Counterparty credit risk(%)( <sup>d),(e</sup> )	0.42 - 12 [7]	
					Ameren Missouri credit risk(%)( <sup>d),(e</sup> )	5	
	Uranium	-	(1)	Discounted Cash Flow	Average bid/ask consensus pricing (\$/pound)( <sup>c</sup> )	62 - 63 [62]	
Ameren	Power <sup>(f)</sup>	\$ -	\$ (221)	Discounted Cash Flow	Average bid/ask consensus peak and offpeak pricing - forwards/swaps (\$/MWh)( <sup>c</sup> )	19 - 45 [26]	
Illinois						Nodal basis (\$/MWh)( <sup>d</sup> )	(4) - (1) [(2)]
					Ameren Illinois credit risk (%)( <sup>d),(e</sup> )	5	
				Fundamental energy production model	Estimated future gas prices (\$/mmbtu)( <sup>c</sup> )	4 - 6 [5]	

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				Contract price allocation	Estimated renewable energy credit costs (\$/credit) <sup>(c)</sup>	5 - 7 [6]
Genco	Fuel oils	\$ 1	\$ -	Discounted Cash Flow	Escalation rate <sup>(c)</sup>	0.50 - 0.78 [0.71]
					Counterparty credit risk (%) <sup>(d),(e)</sup>	2
					Genco credit risk (%) <sup>(d),(e)</sup>	23
				Option model	Volatilities (%) <sup>(c)</sup>	23 - 33 [24]

- (a) The derivative asset and liability balances are presented net of counterparty credit considerations.
- (b) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
- (c) Generally, significant increases (decreases) in this input in isolation would result in a significantly higher (lower) fair value measurement.
- (d) Generally, significant increases (decreases) in this input in isolation would result in a significantly lower (higher) fair value measurement.
- (e) Counterparty credit risk is only applied to derivative asset balances. Ameren, Ameren Missouri, Ameren Illinois, and Genco credit risk is only applied to derivative liability balances.

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(f) Power valuations utilize visible third party pricing evaluated by month for peak and off-peak through 2015. Valuations beyond 2015 utilize fundamentally modeled pricing by month for peak and off-peak.

In accordance with applicable authoritative accounting guidance, we consider nonperformance risk in our valuation of derivative instruments by analyzing the credit standing of our counterparties and considering any counterparty credit enhancements (e.g., collateral). The guidance also requires that the fair value measurement of liabilities reflect the nonperformance risk of the reporting entity, as applicable. Therefore, we have factored the impact of our credit standing as well as any potential credit enhancements into the fair value measurement of both derivative assets and derivative liabilities. Included in our valuation, and based on current market conditions, is a valuation adjustment for counterparty default derived from market data such as the price of credit default swaps, bond yields, and credit ratings. Ameren recorded losses totaling \$2 million and less than \$1 million in the first six months of 2012 and 2011, respectively, related to valuation adjustments for counterparty default risk. Genco recorded gains of less than \$1 million and losses of less than \$1 million in the first six months of 2012 and 2011, respectively, related to valuation adjustments for counterparty default risk. At June 30, 2012, the counterparty default risk (asset)/liability valuation adjustment related to derivative contracts totaled \$7 million, less than \$1 million, \$14 million, and less than \$1 million for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively. At December 31, 2011, the counterparty default risk (asset)/liability valuation adjustment related to derivative contracts totaled \$1 million, less than \$1 million, \$19 million, and less than \$(1) million for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively.

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 June 30, 2012:

		Quoted Prices in			Total
		Active Markets for Identical Assets or Liabilities	Significant Other Observable Inputs	Significant Other Unobservable Inputs	
		(Level 1)	(Level 2)	(Level 3)	
<b>Assets:</b>					
Ameren <sup>(a)</sup>	Derivative assets - commodity contracts <sup>(b)</sup> :				
	Fuel oils	\$ 12	\$ -	\$ 6	\$ 18
	Natural gas	5	5	-	10
	Power	-	17	182	199
	Total derivative assets - commodity contracts	\$ 17	\$ 22	\$ 188	\$ 227
	Nuclear Decommissioning Trust Fund <sup>(c)</sup> :				
	Cash and cash equivalents	\$ 4	\$ -	\$ -	\$ 4
	Equity securities:				
	U.S. large capitalization	247	-	-	247
	Debt securities:				
	Corporate bonds	-	43	-	43
	Municipal bonds	-	1	-	1
	U.S. treasury and agency securities	-	87	-	87
	Asset-backed securities	-	12	-	12
	Other	-	1	-	1
	Total Nuclear Decommissioning Trust Fund	\$ 251	\$ 144	\$ -	\$ 395
	Total Ameren	\$ 268	\$ 166	\$ 188	\$ 622
Ameren Missouri	Derivative assets - commodity contracts <sup>(b)</sup> :				
	Fuel oils	\$ 7	\$ -	\$ 5	\$ 12
	Natural gas	2	-	-	2
	Power	-	10	31	41
	Total derivative assets - commodity contracts	\$ 9	\$ 10	\$ 36	\$ 55
	Nuclear Decommissioning Trust Fund <sup>(c)</sup> :				
	Cash and cash equivalents	\$ 4	\$ -	\$ -	\$ 4
	Equity securities:				
	U.S. large capitalization	247	-	-	247
	Debt securities:				
	Corporate bonds	-	43	-	43
	Municipal bonds	-	1	-	1
	U.S. treasury and agency securities	-	87	-	87



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	Asset-backed securities	-	12	-	12
	Other	-	1	-	1
	Total Nuclear Decommissioning Trust Fund	\$ 251	\$ 144	\$ -	\$ 395
	Total Ameren Missouri	\$ 260	\$ 154	\$ 36	\$ 450
Ameren	Derivative assets - commodity contracts <sup>(b)</sup> :				
Illinois	Natural gas	\$ -	\$ 2	\$ -	\$ 2

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		Quoted Prices in			
		Active Markets for Identical Assets		Significant Other	
		or Liabilities	Significant Other Observable Inputs	Unobservable Inputs	
		(Level 1)	(Level 2)	(Level 3)	Total
Genco	Derivative assets - commodity contracts <sup>(b)</sup> :				
	Fuel oils	\$ 4	\$ -	\$ 1	\$ 5
	Natural gas	2	3	-	5
	Total Genco	\$ 6	\$ 3	\$ 1	\$ 10
<b>Liabilities:</b>					
Ameren <sup>(a)</sup>	Derivative liabilities - commodity contracts <sup>(b)</sup> :				
	Coal	\$ 10	\$ -	\$ -	\$ 10
	Fuel oils	9	-	2	11
	Natural gas	15	153	-	168
	Power	-	22	192	214
	Uranium	-	-	1	1
	Total Ameren	\$ 34	\$ 175	\$ 195	\$ 404
Ameren Missouri	Derivative liabilities - commodity contracts <sup>(b)</sup> :				
	Fuel oils	2	-	2	4
	Natural gas	11	12	-	23
	Power	-	12	5	17
	Uranium	-	-	1	1
	Total Ameren Missouri	\$ 13	\$ 24	\$ 8	\$ 45
Ameren Illinois	Derivative liabilities - commodity contracts <sup>(b)</sup> :				
	Natural gas	\$ 2	\$ 142	\$ -	\$ 144
	Power	-	-	221	221
	Total Ameren Illinois	\$ 2	\$ 142	\$ 221	\$ 365
Genco	Derivative liabilities - commodity contracts <sup>(b)</sup> :				
	Coal	\$ 8	\$ -	\$ -	\$ 8
	Fuel oils	5	-	-	5
	Natural gas	1	-	-	1
	Total Genco	\$ 14	\$ -	\$ -	\$ 14

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

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

(c) Balance excludes \$(9) million of receivables, payables, and accrued income, net.

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, 2011:

		Quoted Prices in			
		Active Markets for Identical Assets		Significant Other	
		or Liabilities	Significant Other Observable Inputs	Unobservable Inputs	
		(Level 1)	(Level 2)	(Level 3)	Total
<b>Assets:</b>					
Ameren <sup>(a)</sup>	Derivative assets - commodity contracts <sup>(b)</sup> :				
	Fuel oils	\$ 33	\$ -	\$ 4	\$ 37
	Natural gas	4	-	2	6
	Power	-	2	193	195
	Total derivative assets - commodity contracts	\$ 37	\$ 2	\$ 199	\$ 238
	Nuclear Decommissioning Trust Fund <sup>(c)</sup> :				

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	Cash and cash equivalents	\$	3	\$	-	\$	-	\$	3
	Equity securities:								
	U.S. large capitalization		234		-		-		234
	Debt securities:								
	Corporate bonds		-		44		-		44
	Municipal bonds		-		1		-		1
	U.S. treasury and agency securities		-		65		-		65
	Asset-backed securities		-		10		-		10
	Other		-		1		-		1
	Total Nuclear Decommissioning Trust Fund	\$	237	\$	121	\$	-	\$	358
	Total Ameren	\$	274	\$	123	\$	199	\$	596
Ameren	Derivative assets - commodity contracts <sup>(b)</sup> :								
Missouri	Fuel oils	\$	20	\$	-	\$	3	\$	23
	Natural gas		2		-		-		2
	Power		-		1		29		