Ameren Illinois Co
Form 10-Q
November 09, 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 September 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 .**

Commission File Number	Exact name of registrant as specified in its charter; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-14756	**Ameren Corporation** (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-1723446
1-2967	**Union Electric Company** (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-0559760
1-3672	**Ameren Illinois Company** (Illinois Corporation) 300 Liberty Street Peoria, Illinois 61602 (309) 677-5271	37-0211380
333-56594	**Ameren Energy Generating Company** (Illinois Corporation) 1500 Eastport Plaza Drive Collinsville, Illinois 62234 (618) 343-7777	37-1395586

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	x	No	¨
Union Electric Company	Yes	x	No	¨
Ameren Illinois Company	Yes	x	No	¨
Ameren Energy Generating Company [(a)]	Yes	¨	No	x

(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.

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 October 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.

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 pages 3 and 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 simila 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.

MPS - Multi-Pollutant Standard, a compliance alternative within Illinois law covering reductions in emissions of $SO_{2,}$ $NO_{x,}$ and mercury, which Genco, EEI, and AERG elected in 2006.

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 request for rehearing of a July 2012 FERC order regarding the inclusion of acquisition premiums in Ameren Illinois transmission rates; 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;

impairments of goodwill, intangible assets, or long-lived assets, including the Merchant Generation segment and Genco energy centers, which had carrying values that exceeded their estimated fair values by an amount significantly in excess of $1 billion after the impairment of the Duck Creek energy center in the first quarter of 2012;

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

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 multiyear capacity market within MISO and the outcomes of MISO s inaugural annual capacity auction in 2013;

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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;

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

the impact of weather conditions and other natural phenomena on us and our customers, including the impacts of droughts which may cause lower river levels and could limit our energy centers ability to generate power;

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;

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;
- 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.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

AMEREN CORPORATION

CONSOLIDATED STATEMENT OF INCOME

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

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Operating Revenues:				
Electric	**$ 1,871**	$ 2,138	**$ 4,694**	$ 5,222
Gas	**130**	130	**625**	731
Total operating revenues	**2,001**	2,268	**5,319**	5,953
Operating Expenses:				
Fuel	**359**	467	**1,032**	1,217
Purchased power	**236**	332	**532**	796
Gas purchased for resale	**40**	46	**304**	413
Other operations and maintenance	**424**	432	**1,309**	1,368
Asset impairments and other charges	**-**	124	**628**	126
Depreciation and amortization	**188**	196	**582**	585
Taxes other than income taxes	**119**	121	**356**	355
Total operating expenses	**1,366**	1,718	**4,743**	4,860
Operating Income	**635**	550	**576**	1,093
Other Income and Expenses:				
Miscellaneous income	**17**	18	**54**	51
Miscellaneous expense	**7**	5	**29**	15
Total other income	**10**	13	**25**	36
Interest Charges	**113**	113	**338**	336
Income Before Income Taxes	**532**	450	**263**	793
Income Taxes	**158**	163	**82**	293
Net Income	**374**	287	**181**	500
Less: Net Income (Loss) Attributable to Noncontrolling Interests	**-**	2	**(1)**	6
Net Income Attributable to Ameren Corporation	**$ 374**	$ 285	**$ 182**	$ 494
Earnings per Common Share Basic and Diluted	**$ 1.54**	$ 1.18	**$ 0.75**	$ 2.05

Dividends per Common Share	**$ 0.40**	$ 0.385	**$ 1.20**	$ 1.155
Average Common Shares Outstanding	**242.6**	241.7	**242.6**	241.2

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

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AMEREN CORPORATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited) (In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
Net Income	**$ 374**	$ 287	**$ 181**	$ 500
Other Comprehensive Income (Loss), Net of Taxes:				
Unrealized net gain (loss) on derivative hedging instruments, net of income taxes (benefit) of $2, $(2), $11, and $(6), respectively	**3**	(2)	**17**	(8)
Reclassification adjustments for derivative (gains) losses included in net income, net of income taxes (benefit) of $3, $1, $1, and $(1), respectively	**(5)**	(1)	**(1)**	2
Pension and other postretirement benefit plan activity, net of income taxes (benefit) of $30, $-, $31, and $(2), respectively	**43**	(1)	**45**	(2)
Total other comprehensive income (loss), net of taxes	**41**	(4)	**61**	(8)
Comprehensive Income	**415**	283	**242**	492
Less: Comprehensive Income Attributable to Noncontrolling Interests	**9**	2	**8**	6
Comprehensive Income Attributable to Ameren Corporation	**$ 406**	$ 281	**$ 234**	$ 486

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)

	September 30, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 298	$ 255
Accounts receivable trade (less allowance for doubtful accounts of $24 and $20, respectively)	523	473
Unbilled revenue	265	324
Miscellaneous accounts and notes receivable	82	69
Materials and supplies	756	712
Mark-to-market derivative assets	134	115
Current regulatory assets	250	215
Other current assets	98	132
Total current assets	2,406	2,295
Property and Plant, Net	17,833	18,127
Investments and Other Assets:		
Nuclear decommissioning trust fund	407	357
Goodwill	411	411
Intangible assets	14	7
Regulatory assets	1,655	1,603
Other assets	772	845
Total investments and other assets	3,259	3,223
TOTAL ASSETS	$ 23,498	$ 23,645
LIABILITIES AND EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 206	$ 179
Short-term debt	5	148
Accounts and wages payable	458	693
Taxes accrued	163	65
Interest accrued	145	101
Customer deposits	96	98
Mark-to-market derivative liabilities	155	161
Current regulatory liabilities	125	133
Other current liabilities	193	207
Total current liabilities	1,546	1,785
Long-term Debt, Net	6,781	6,677
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	3,385	3,315
Accumulated deferred investment tax credits	74	79
Regulatory liabilities	1,542	1,502
Asset retirement obligations	429	428
Pension and other postretirement benefits	1,152	1,344

Other deferred credits and liabilities	**563**	447
Total deferred credits and other liabilities	**7,145**	7,115
Commitments and Contingencies (Notes 2, 8, 9 and 10)		
Ameren Corporation Stockholders Equity:		
Common stock, $.01 par value, 400.0 shares authorized shares outstanding of 242.6	**2**	2
Other paid-in capital, principally premium on common stock	**5,611**	5,598
Retained earnings	**2,259**	2,369
Accumulated other comprehensive gain (loss)	**2**	(50)
Total Ameren Corporation stockholders equity	**7,874**	7,919
Noncontrolling Interests	**152**	149
Total equity	**8,026**	8,068
TOTAL LIABILITIES AND EQUITY	**$ 23,498**	$ 23,645

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)

	Nine Months Ended September 30, 2012	2011
Cash Flows From Operating Activities:		
Net income	**$ 181**	$ 500
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on asset impairments and other charges	**628**	126
Net gain on sales of properties	**(11)**	(12)
Net mark-to-market loss on derivatives	**6**	15
Depreciation and amortization	**552**	558
Amortization of nuclear fuel	**63**	51
Amortization of debt issuance costs and premium/discounts	**17**	17
Deferred income taxes and investment tax credits, net	**40**	302
Allowance for equity funds used during construction	**(26)**	(25)
Other	**22**	2
Changes in assets and liabilities:		
Receivables	**(19)**	130
Materials and supplies	**(44)**	(34)
Accounts and wages payable	**(157)**	(192)
Taxes accrued	**97**	94
Assets, other	**(29)**	96
Liabilities, other	**137**	(2)
Pension and other postretirement benefits	**19**	(98)
Counterparty collateral, net	**23**	37
Premiums paid on long-term debt repurchases	**(138)**	-
Net cash provided by operating activities	**1,361**	1,565
Cash Flows From Investing Activities:		
Capital expenditures	**(905)**	(758)
Nuclear fuel expenditures	**(56)**	(45)
Purchases of securities nuclear decommissioning trust fund	**(341)**	(163)
Sales of securities nuclear decommissioning trust fund	**277**	147
Proceeds from sales of properties	**22**	50
Other	**(8)**	18
Net cash used in investing activities	**(1,011)**	(751)
Cash Flows From Financing Activities:		
Dividends on common stock	**(284)**	(279)
Dividends paid to noncontrolling interest holders	**(5)**	(5)
Short-term debt and credit facility repayments, net	**(143)**	(379)
Redemptions, repurchases, and maturities of long-term debt	**(754)**	(150)
Issuances:		
Long-term debt	**882**	-
Common stock	**-**	49
Capital issuance costs	**(7)**	-

Generator advances received for construction	**4**	-
Repayments of generator advances received for construction	**-**	(73)
Net cash used in financing activities	**(307)**	(837)
Net change in cash and cash equivalents	**43**	(23)
Cash and cash equivalents at beginning of year	**255**	545
Cash and cash equivalents at end of period	**$ 298**	$ 522
Noncash financing activity dividends on common stock	**$ (7)**	$ -

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

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UNION ELECTRIC COMPANY

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(Unaudited) (In millions)

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Operating Revenues:				
Electric	**$ 1,046**	$ 1,099	**$ 2,504**	$ 2,592
Gas	**18**	16	**94**	113
Other	**-**	-	**1**	4
Total operating revenues	**1,064**	1,115	**2,599**	2,709
Operating Expenses:				
Fuel	**192**	249	**549**	682
Purchased power	**37**	35	**57**	81
Gas purchased for resale	**5**	4	**42**	55
Other operations and maintenance	**203**	218	**611**	682
Loss from regulatory disallowance	**-**	89	**-**	89
Depreciation and amortization	**111**	102	**328**	300
Taxes other than income taxes	**87**	85	**236**	234
Total operating expenses	**635**	782	**1,823**	2,123
Operating Income	**429**	333	**776**	586
Other Income and Expenses:				
Miscellaneous income	**15**	16	**48**	45
Miscellaneous expense	**4**	2	**11**	8
Total other income	**11**	14	**37**	37
Interest Charges	**55**	54	**167**	153
Income Before Income Taxes	**385**	293	**646**	470
Income Taxes	**148**	102	**243**	166
Net Income	**237**	191	**403**	304
Other Comprehensive Income	**-**	-	**-**	-
Comprehensive Income	**$ 237**	$ 191	**$ 403**	$ 304
Net Income	**$ 237**	$ 191	**$ 403**	$ 304
Preferred Stock Dividends	**1**	1	**3**	3

Net Income Available to Common Stockholder	**$ 236**	$ 190	**$ 400**	$ 301

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

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UNION ELECTRIC COMPANY

BALANCE SHEET

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

	September 30, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 132**	$ 201
Accounts receivable trade (less allowance for doubtful accounts of $8 and $7, respectively)	**263**	212
Accounts receivable affiliates	**3**	1
Unbilled revenue	**127**	139
Miscellaneous accounts and notes receivable	**54**	42
Materials and supplies	**402**	348
Current regulatory assets	**147**	109
Other current assets	**63**	82
Total current assets	**1,191**	1,134
Property and Plant, Net	**10,092**	9,958
Investments and Other Assets:		
Nuclear decommissioning trust fund	**407**	357
Intangible assets	**12**	7
Regulatory assets	**813**	855
Other assets	**452**	446
Total investments and other assets	**1,684**	1,665
TOTAL ASSETS	**$ 12,967**	$ 12,757
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Current maturities of long-term debt	**$ 205**	$ 178
Accounts and wages payable	**187**	414
Accounts payable affiliates	**54**	73
Taxes accrued	**133**	74
Interest accrued	**68**	62
Current regulatory liabilities	**34**	57
Other current liabilities	**114**	84
Total current liabilities	**795**	942
Long-term Debt, Net	**3,806**	3,772
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	**2,322**	2,132
Accumulated deferred investment tax credits	**66**	70
Regulatory liabilities	**906**	836
Asset retirement obligations	**342**	328
Pension and other postretirement benefits	**432**	491
Other deferred credits and liabilities	**161**	149

Total deferred credits and other liabilities		**4,229**		4,006
Commitments and Contingencies (Notes 2, 8, 9 and 10)				
Stockholders Equity:				
Common stock, $5 par value, 150.0 shares authorized 102.1 shares outstanding		**511**		511
Other paid-in capital, principally premium on common stock		**1,555**		1,555
Preferred stock not subject to mandatory redemption		**80**		80
Retained earnings		**1,991**		1,891
Total stockholders equity		**4,137**		4,037
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**$**	**12,967**	$	12,757

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

UNION ELECTRIC COMPANY

STATEMENT OF CASH FLOWS

(Unaudited) (In millions)

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Cash Flows From Operating Activities:		
Net income	**$ 403**	$ 304
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from regulatory disallowance	**-**	89
Depreciation and amortization	**303**	278
Amortization of nuclear fuel	**63**	51
Amortization of debt issuance costs and premium/discounts	**5**	5
Deferred income taxes and investment tax credits, net	**217**	203
Allowance for equity funds used during construction	**(23)**	(22)
Other	**7**	(5)
Changes in assets and liabilities:		
Receivables	**(62)**	(46)
Materials and supplies	**(53)**	2
Accounts and wages payable	**(168)**	(143)
Taxes accrued	**59**	51
Assets, other	**(29)**	82
Liabilities, other	**71**	3
Pension and other postretirement benefits	**17**	2
Premiums paid on long-term debt repurchases	**(62)**	-
Net cash provided by operating activities	**748**	854
Cash Flows From Investing Activities:		
Capital expenditures	**(445)**	(402)
Nuclear fuel expenditures	**(56)**	(45)
Purchases of securities nuclear decommissioning trust fund	**(341)**	(163)
Sales of securities nuclear decommissioning trust fund	**277**	147
Other	**(5)**	4
Net cash used in investing activities	**(570)**	(459)
Cash Flows From Financing Activities:		
Dividends on common stock	**(300)**	(219)
Dividends on preferred stock	**(3)**	(3)
Redemptions, repurchases, and maturities of long-term debt	**(422)**	-
Issuances of long-term debt	**482**	-
Capital issuance costs	**(4)**	-
Repayments of generator advances received for construction	**-**	(19)
Net cash used in financing activities	**(247)**	(241)
Net change in cash and cash equivalents	**(69)**	154
Cash and cash equivalents at beginning of year	**201**	202

Cash and cash equivalents at end of period	**$ 132**	$ 356

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

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AMEREN ILLINOIS COMPANY

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(Unaudited) (In millions)

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Operating Revenues:				
Electric	**$ 536**	$ 631	**$ 1,404**	$ 1,556
Gas	**112**	114	**532**	619
Other	**-**	-	**-**	1
Total operating revenues	**648**	745	**1,936**	2,176
Operating Expenses:				
Purchased power	**224**	270	**576**	677
Gas purchased for resale	**35**	43	**262**	358
Other operations and maintenance	**159**	152	**513**	501
Depreciation and amortization	**55**	55	**165**	161
Taxes other than income taxes	**24**	29	**94**	96
Total operating expenses	**497**	549	**1,610**	1,793
Operating Income	**151**	196	**326**	383
Other Income and Expenses:				
Miscellaneous income	**2**	2	**5**	5
Miscellaneous expense	**2**	2	**15**	4
Total other income (expense)	**-**	-	**(10)**	1
Interest Charges	**34**	33	**98**	103
Income Before Income Taxes	**117**	163	**218**	281
Income Taxes	**46**	65	**86**	111
Net Income	**71**	98	**132**	170
Other Comprehensive Loss, Net of Taxes:				
Pension and other postretirement benefit plan activity, net of income taxes (benefit) of $(1), $(1), $(2) and $(2), respectively	**(1)**	(1)	**(3)**	(3)
Comprehensive Income	**$ 70**	$ 97	**$ 129**	$ 167
Net Income	**$ 71**	$ 98	**$ 132**	$ 170
Preferred Stock Dividends	**-**	-	**2**	2
Net Income Available to Common Stockholder	**$ 71**	$ 98	**$ 130**	$ 168

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

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AMEREN ILLINOIS COMPANY

BALANCE SHEET

(Unaudited) (In millions)

	September 30, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 93	$ 21
Accounts receivable trade (less allowance for doubtful accounts of $17 and $13, respectively)	197	201
Accounts receivable affiliates	9	15
Unbilled revenue	108	146
Miscellaneous accounts receivable	11	6
Materials and supplies	202	199
Current regulatory assets	161	306
Current accumulated deferred income taxes, net	46	58
Other current assets	47	65
Total current assets	874	1,017
Property and Plant, Net	4,948	4,770
Investments and Other Assets:		
Tax receivable Genco	40	56
Goodwill	411	411
Regulatory assets	842	748
Other assets	112	211
Total investments and other assets	1,405	1,426
TOTAL ASSETS	$ 7,227	$ 7,213
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 1	$ 1
Accounts and wages payable	148	133
Accounts payable affiliates	82	103
Taxes accrued	12	15
Interest accrued	37	22
Customer deposits	74	76
Mark-to-market derivative liabilities	78	99
Mark-to-market derivative liabilities affiliates	59	200
Environmental remediation	38	63
Current regulatory liabilities	91	76
Other current liabilities	62	70
Total current liabilities	682	858
Long-term Debt, Net	1,727	1,657
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	1,009	895
Accumulated deferred investment tax credits	6	7

Regulatory liabilities		**636**		666
Pension and other postretirement benefits		**444**		495
Other deferred credits and liabilities		**276**		183
Total deferred credits and other liabilities		**2,371**		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		**406**		408
Accumulated other comprehensive income		**14**		17
Total stockholders equity		**2,447**		2,452
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**$**	**7,227**	$	7,213

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

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AMEREN ILLINOIS COMPANY

STATEMENT OF CASH FLOWS

(Unaudited) (In millions)

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Cash Flows From Operating Activities:		
Net income	**$ 132**	$ 170
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**159**	154
Amortization of debt issuance costs and premium/discounts	**7**	6
Deferred income taxes and investment tax credits, net	**127**	137
Other	**(8)**	(7)
Changes in assets and liabilities:		
Receivables	**58**	169
Materials and supplies	**(6)**	(41)
Accounts and wages payable	**(4)**	(58)
Taxes accrued	**(3)**	(14)
Assets, other	**(2)**	3
Liabilities, other	**42**	(13)
Pension and other postretirement benefits	**(8)**	(98)
Counterparty collateral, net	**23**	29
Premiums paid on long-term debt repurchases	**(76)**	-
Net cash provided by operating activities	**441**	437
Cash Flows From Investing Activities:		
Capital expenditures	**(309)**	(261)
Returns of advances from ATXI for construction	**-**	49
Other	**5**	6
Net cash used in investing activities	**(304)**	(206)
Cash Flows From Financing Activities:		
Dividends on common stock	**(132)**	(238)
Dividends on preferred stock	**(2)**	(2)
Redemptions, repurchases, and maturities of long-term debt	**(332)**	(150)
Issuances of long-term debt	**400**	-
Capital issuance costs	**(3)**	-
Generator advances received for construction	**4**	-
Repayments of generator advances received for construction	**-**	(53)
Capital contribution from parent	**-**	6
Net cash used in financing activities	**(65)**	(437)
Net change in cash and cash equivalents	**72**	(206)
Cash and cash equivalents at beginning of year	**21**	322
Cash and cash equivalents at end of period	**$ 93**	$ 116

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

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AMEREN ENERGY GENERATING COMPANY

CONSOLIDATED STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited) (In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
Operating Revenues	**$ 218**	$ 327	**$ 606**	$ 828
Operating Expenses:				
Fuel	**122**	169	**352**	410
Purchased power	**1**	37	**1**	55
Other operations and maintenance	**41**	48	**133**	137
Asset impairments and other charges	**-**	35	**-**	36
Depreciation and amortization	**15**	24	**61**	73
Taxes other than income taxes	**5**	4	**16**	16
Total operating expenses	**184**	317	**563**	727
Operating Income	**34**	10	**43**	101
Other Income and Expenses:				
Miscellaneous income	**1**	1	**1**	1
Miscellaneous expense	**1**	-	**1**	-
Total other income	**-**	1	**-**	1
Interest Charges	**14**	16	**40**	47
Income (Loss) Before Income Taxes	**20**	(5)	**3**	55
Income Taxes (Benefit)	**9**	(1)	**1**	24
Net Income (Loss)	**11**	(4)	**2**	31
Less: Net Income (Loss) Attributable to Noncontrolling Interest	**(2)**	1	**(6)**	2
Net Income (Loss) Attributable to Ameren Energy Generating Company	**$ 13**	$ (5)	**$ 8**	$ 29
Net Income (Loss)	**$ 11**	$ (4)	**$ 2**	$ 31
Other Comprehensive Income, Net of Taxes:				
Pension and other postretirement benefit plan activity, net of income taxes of $30, $-, $33 and $1, respectively	**43**	1	**48**	2
Total other comprehensive income, net of taxes	**43**	1	**48**	2
Comprehensive Income (Loss)	**54**	(3)	**50**	33
Less: Comprehensive Income Attributable to Noncontrolling Interest	**7**	1	**3**	2

Comprehensive Income (Loss) Attributable to Ameren Energy Generating Company	**$ 47**	$ (4)	**$ 47**	$ 31

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 BALANCE SHEET

(Unaudited) (In millions, except shares)

	September 30, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 25	$ 8
Advances to money pool	32	74
Accounts receivable affiliates	62	89
Miscellaneous accounts receivable	15	13
Materials and supplies	117	122
Other current assets	23	19
Total current assets	274	325
Property and Plant, Net	2,288	2,231
Other assets	13	16
TOTAL ASSETS	$ 2,575	$ 2,572
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts and wages payable	$ 62	$ 71
Accounts payable affiliates	11	13
Current portion of tax payable Ameren Illinois	6	8
Taxes accrued	13	20
Interest accrued	27	13
Mark-to-market derivative liabilities	9	3
Other current liabilities	10	14
Total current liabilities	138	142
Long-term Debt, Net	824	824
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	350	304
Accumulated deferred investment tax credits	2	2
Tax payable Ameren Illinois	40	56
Asset retirement obligations	59	66
Pension and other postretirement benefits	66	141
Other deferred credits and liabilities	18	12
Total deferred credits and other liabilities	535	581
Commitments and Contingencies (Notes 8 and 9)		
Ameren Energy Generating Company Stockholder s Equity:		
Common stock, no par value, 10,000 shares authorized 2,000 shares outstanding	-	-
Other paid-in capital	656	653
Retained earnings	445	437

Accumulated other comprehensive loss	**(33)**	(72)
Total Ameren Energy Generating Company stockholder s equity	**1,068**	1,018
Noncontrolling Interest	**10**	7
Total equity	**1,078**	1,025
TOTAL LIABILITIES AND EQUITY	**$ 2,575**	$ 2,572

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)

	Nine Months Ended September 30, 2012	2011
Cash Flows From Operating Activities:		
Net income	**$ 2**	$ 31
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on asset impairments and other charges	**-**	36
(Gain) loss on sales of properties	**1**	(12)
Net mark-to-market loss on derivatives	**10**	5
Depreciation and amortization	**61**	75
Amortization of debt issuance costs and premium/discounts	**2**	2
Deferred income taxes and investment tax credits, net	**12**	45
Other	**8**	-
Changes in assets and liabilities:		
Receivables	**22**	22
Materials and supplies	**7**	6
Accounts and wages payable	**-**	(16)
Taxes accrued	**(7)**	(6)
Assets, other	**(3)**	3
Liabilities, other	**(7)**	(9)
Pension and other postretirement benefits	**3**	(3)
Net cash provided by operating activities	**111**	179
Cash Flows From Investing Activities:		
Capital expenditures	**(140)**	(112)
Proceeds from sales of properties	**4**	49
Money pool advances, net	**42**	(38)
Net cash used in investing activities	**(94)**	(101)
Cash Flows From Financing Activities:		
Credit facility repayments, net	**-**	(100)
Capital contribution from parent	**-**	24
Net cash used in financing activities	**-**	(76)
Net change in cash and cash equivalents	**17**	2
Cash and cash equivalents at beginning of year	**8**	6
Cash and cash equivalents at end of period	**$ 25**	$ 8

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)

September 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. 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

There were no material differences between Ameren s basic and diluted earnings per share amounts for the three months and nine months ended September 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.

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 September 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.

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At September 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 $14 million and $12 million, respectively, at September 30, 2012. The book value of each of Ameren s, Ameren Missouri s, and Genco s CAIR emission allowances was immaterial at September 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 following table presents amortization expense based on usage of renewable energy credits and emission allowances, net of gains from sales, for Ameren, Ameren Missouri, Ameren Illinois, and Genco during the three and nine months ended September 30, 2012, and 2011. Amortization expense based on Ameren Missouri s usage of renewable energy credits is expensed up to $1 million annually beginning in August each year in accordance with MoPSC s 2011 electric rate order, and the remainder is deferred as a regulatory asset pending recovery from customers through rates. The following table does not include the 2011 intangible asset impairment charges referenced below.

	Three Months		Nine Months	
	2012	**2011**	**2012**	**2011**
Ameren Missouri	**$ 1**	$ 1	**$ 1**	$ 1
Ameren Illinois	**1**	2	**1**	3
Genco	**(a)**	(a)	**(a)**	2
Other[b]	**2**	-	**2**	1
Ameren	**$ 4**	$ 3	**$ 4**	$ 7

(a) Less than $1 million.
(b) Consists of renewable energy credit expense for Marketing Company and emission allowance expense for AERG.

During the second quarter of 2011, Ameren and Genco recorded a noncash pretax impairment charge of their emission allowances of $2 million and $1 million, respectively. Ameren Missouri recorded a $1 million impairment of its SO_2 emission allowances by reducing a previously established regulatory liability relating to the SO_2 emission allowances, which had no impact on earnings. The impairment was triggered by a significant observable decline in the market price of SO_2 and NO_x 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 nine months ended September 30, 2012, and 2011:

	Three Months		Nine Months	
	2012	**2011**	**2012**	**2011**
Ameren Missouri	**$ 46**	$ 47	**$ 111**	$ 110
Ameren Illinois	**9**	10	**37**	42
Ameren	**$ 55**	$ 57	**$ 148**	$ 152

Uncertain Tax Positions

The amount of unrecognized tax benefits as of September 30, 2012, was $167 million, $143 million, $11 million, and $12 million for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively. The amount of unrecognized tax benefits (detriments) as of September 30, 2012, that would impact the effective tax rate, if recognized, was $1 million, $4 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.

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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 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 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

The following table provides a reconciliation of the beginning and ending carrying amount of AROs for the nine months ended September, 30 2012:

	Ameren Missouri[(a)]	Ameren Illinois[(b)]	Genco	AERG	Ameren[(a)]
Balance at December 31, 2011	$ 328	$ 3	$ 71 [(c)]	$ 31	$ 433 [(c)]
Liabilities incurred	-	-	1	-	1
Liabilities settled	(1)	(d)	(5)	(d)	(6)
Accretion in 2012[(e)]	14	(d)	3	2	19
Change in estimates[(f)]	1	(d)	(11)	(d)	(10)
Balance at September 30, 2012	$ 342	$ 3	$ 59	$ 33	$ 437[(g)]

(a) The nuclear decommissioning trust fund assets of $407 million and $357 million as of September 30, 2012, and December 31, 2011, respectively, were restricted for decommissioning of the Callaway energy center.
(b) Balance included in Other deferred credits and liabilities on the balance sheet.
(c) Balance included $5 million in Other current liabilities on the balance sheet as of December 31, 2011.
(d) Less than $1 million.
(e) Accretion expense was recorded as an increase to regulatory assets at Ameren Missouri and Ameren Illinois.
(f) Ameren Missouri and Genco changed their estimates for asbestos removal. The estimates for asbestos removal costs at Genco s Hutsonville and Meredosia energy centers decreased due to less asbestos than anticipated in the energy centers structures discovered during reviews made after the closure of these energy centers, and more cost efficient removal than anticipated being made possible due to the closure of the energy centers. Additionally, Genco changed the estimates related to retirement costs for its coal combustion byproduct storage areas.
(g) Balance included $8 million in Other current liabilities on the balance sheet as of September 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. See Note 12 - Retirement Benefits for information regarding other comprehensive income and amendments to EEI s benefit plans.

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

	Three Months		Nine Months	
	2012	2011	**2012**	2011
Ameren:				
Noncontrolling interests, beginning of period	**$ 145**	$ 155	**$ 149**	$ 154
Net income (loss) attributable to noncontrolling interests	**-**	2	**(1)**	6
Dividends paid to noncontrolling interest holders	**(2)**	(2)	**(5)**	(5)

Other comprehensive income attributable to noncontrolling interests[(a)]	**9**	-	**9**	-
Noncontrolling interests, end of period	**$ 152**	$ 155	**$ 152**	$ 155
Genco:				
Noncontrolling interest, beginning of period	**$ 3**	$ 12	**$ 7**	$ 11
Net income (loss) attributable to noncontrolling interest	**(2)**	1	**(6)**	2
Other comprehensive income attributable to noncontrolling interest[(a)]	**9**	-	**9**	-
Noncontrolling interest, end of period	**$ 10**	$ 13	**$ 10**	$ 13

(a) Represents pension and other postretirement benefit plan activity, net of income taxes of $6, $-, $6, and $-, respectively.

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Merchant Generation Asset Sales 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 all terms of the sale agreement are met. Ameren recognized a $10 million pretax gain during the first quarter of 2012 from this sale. In October 2012, the buyer of the Medina Valley energy center asserted that AER has not met all the terms of the sale agreement. AER is evaluating the buyer s claim. The dollar amount of the asserted claim does not materially differ from the payment due at the two-year anniversary date of the sale. Medina Valley was included in Ameren s Merchant Generation segment results.

In May 2012, Genco completed the sale of a building for cash proceeds of $1 million. Genco recognized a $1 million pretax loss from this sale.

In the third quarter of 2012, AERG completed various sales of land around its Duck Creek energy center for aggregate cash proceeds of $4 million. Ameren recognized a $2 million pretax gain during the third quarter of 2012 from these sales.

EEI Employee Separation

In June 2012, EEI announced that it was reducing its workforce by 44 employees, which included both management and labor union represented employees, in response to lower demand and prices for electricity. By the end of September 2012, the staff reduction was substantially complete. Ameren and Genco each recorded a $1 million pretax charge to earnings during the nine months ended September 30, 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 also resulted in a curtailment of EEI s pension and postretirement benefit plans, which are separate from Ameren s pension and postretirement benefit plans. See Note 12 - Retirement Benefits for information regarding EEI s plan curtailment and pension plan amendments in 2012.

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.

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.

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Pending Electric Rate Case

In February 2012, Ameren Missouri filed a request with the MoPSC to increase its annual revenue for electric service. The currently pending request, as amended in October 2012, seeks an annual revenue increase of $323 million based on a 10.5% return on equity. The annual increase request includes $73 million related to an anticipated increase in normalized net fuel costs above the net fuel costs included in base rates previously authorized by the MoPSC in its 2011 electric rate order. The annual increase request also includes $80 million for recovery of the costs associated with energy efficiency programs under the MEEIA, which are discussed below. In this rate case, 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.

The MoPSC staff is currently recommending an increase to Ameren Missouri s annual revenues of $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. The MoPSC staff also recommended that all transmission costs currently recovered through the FAC be recovered through base rates. Other parties also made recommendations through testimony filed in this case.

Ameren Missouri has agreed to settlements of various issues, some of which have been approved by the MoPSC and some of which are still subject to approval by the MoPSC. One of the approved settlements will allow Ameren Missouri to retain the refund received in June 2012 from Entergy related to a power purchase agreement that existed prior to the implementation of the FAC, which did not impact Ameren Missouri s pending request. See below under Federal for additional information about this refund and Ameren Missouri s power purchase agreement with Entergy.

The MoPSC has several important issues to consider in this case. Those issues include determining the appropriate return on equity, Ameren Missouri s request for the implementation of a storm cost tracking mechanism and plant-in-service accounting treatment, Ameren Missouri s request for recovery of its 2011 severance costs, and whether Ameren Missouri should be able to continue to employ its existing FAC, including all of the transmission costs currently included within the FAC, at the current 95% sharing level.

A decision by the MoPSC in this proceeding is expected in December 2012, with rates becoming effective on January 2, 2013. 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 megawatthour 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 additional revenues based on achievement of certain energy efficiency goals, including 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 effective date of an electric service rate case or potentially with the future adoption of a rider mechanism.

The MoPSC s order will not affect Ameren Missouri rates until these rates are included in an electric service rate case. The impacts of the MoPSC s order in this MEEIA filing are expected to be included in rates set under Ameren Missouri s 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 perform 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 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 a decision is not expected to be issued 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. Missouri law does not impose a specific deadline by which the MoPSC must complete its prudence reviews. 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 was based on 2010 recoverable costs and expected net plant additions for 2011 and 2012. In September 2012, the ICC issued an order approving an Ameren Illinois electric delivery service revenue requirement of $779 million, which is a $55 million decrease from the electric delivery service revenue requirement allowed in the pre-IEIMA 2010 electric delivery service rate order. The rates became effective on October 19, 2012, and will be effective through the end of 2012. Ameren Illinois requested a rehearing of the initial filing order, which the ICC denied. In October 2012, Ameren Illinois filed an appeal of the ICC order to the Appellate Court of the Fourth District of Illinois. A decision by the appellate court is expected in 2013. Ameren Illinois believes that the ICC misapplied Illinois law, through including the use of an average rate base as opposed to a year-end rate base, the treatment of accumulated deferred income taxes, the method for calculating the equity portion of Ameren Illinois capital structure, and the method for calculating interest on the revenue requirement reconciliation.

The ICC s September 2012 order jeopardizes Ameren Illinois ongoing ability to implement infrastructure improvements to the extent and on the timetable envisioned in the IEIMA. Until the uncertainty surrounding how the Illinois law will ultimately be implemented is removed, Ameren Illinois is reducing its IEIMA capital spending with a corresponding negative effect on the job creation that the legislature sought to achieve with the law. Ameren Illinois expects to reduce or defer a total of $30 million of its previously planned 2013 electric distribution capital expenditures.

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 September 2012, requested an annual revenue requirement of $796 million, which would result in an annual increase of $17 million in Ameren Illinois revenues for electric delivery service above the amount allowed in the ICC initial filing order. The requested increase primarily reflects higher recoverable operating expenses, higher taxes, and a higher equity portion of the capital structure offset by a lower return on equity due to decreases in the average 30-year United States treasury bond rates. In September 2012, the ICC staff recommended a $765 million electric delivery service revenue requirement, which is $14 million below the amount allowed in the ICC initial filing order. Other parties also made recommendations through testimony filed in Ameren Illinois update filing. On November 7, 2012, the administrative law judges issued a proposed order that reflected an annual revenue requirement of $764 million, which would result in an annual decrease of $15 million in Ameren Illinois revenues for electric delivery service below the amount allowed in the ICC initial filing order.

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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. The 2012 revenue requirement under the IEIMA s formula ratemaking framework is expected to be lower than the revenue requirement included in both the ICC s 2010 electric rate order and the ICC s September 2012 order related to Ameren Illinois initial IEIMA filing. As a result, Ameren Illinois recorded a regulatory liability to represent its estimate of the probable decrease in electric delivery service 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. Ameren Illinois actual return on equity relating to electric delivery service cannot exceed 50 basis points above or below its allowed return. During the third quarter of 2012, Ameren Illinois electric delivery service return on equity was capped at the maximum allowed return on equity based on the IEIMA formula ratemaking framework. As of September 30, 2012, Ameren Illinois recorded a cumulative regulatory liability of $35 million with a corresponding decrease in electric revenues for electric delivery service relating to the 2012 revenue requirement reconciliation and the return on equity collar, which will be refunded to customers during 2014 with interest pursuant to the provisions of the IEIMA.

The IEIMA requires Ameren Illinois to obtain 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 advance metering infrastructure deployment plan designed to address the ICC s concerns about the cost justification of the plan. Ameren Illinois expects the ICC will issue an order later this year. If approved, the plan targets the second quarter of 2014 to begin installation of smart meters. If an advanced metering infrastructure deployment plan is ultimately not approved by the ICC, Ameren Illinois may be precluded from using the IEIMA s performance-based formula rates.

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 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, in June 2012, Ameren Missouri recorded a $2 million reduction, representing Ameren Missouri s best estimate of its refund to customers, to its FAC under-recovered regulatory asset with a corresponding increase to expense. As noted above, Ameren Missouri, in its pending electric rate case, agreed to a settlement that will allow it to retain the refund received in June 2012 from Entergy relating to a power purchase agreement that existed prior to the implementation of the FAC. In July 2012, Entergy filed an 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. The order required Ameren Illinois to make refunds to customers for such improperly included amounts. In August 2012, Ameren Illinois filed a request for rehearing of this order. It is unknown when FERC will rule on Ameren s rehearing request as it is under no deadline to do so. Based on Ameren Illinois examination of the FERC order and its calculation of the impact on electric transmission formula rates, Ameren Illinois concluded that no refund was warranted. If Ameren Illinois were to determine that a refund to its electric transmission customers is probable, a charge to earnings would be recorded for the refund in the period in which that determination was made.

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 during 2013. 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 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 September 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.

NOTE 3 - SHORT-TERM DEBT AND LIQUIDITY

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.

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

2010 Missouri Credit Agreement ($800 million)	Ameren (Parent)	Ameren Missouri	Total
Average daily borrowings outstanding during 2012	$ -	$ 1	$ 1
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 nine months ended September 30, 2012. As of September 30, 2012, based on letters of credit issued under the 2010 Credit Agreements, 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 September 30, 2012, was $2.08 billion.

Commercial Paper

At September 30, 2012, Ameren had $5 million of commercial paper outstanding, which was included in Short-term debt on Ameren s consolidated balance sheet. The average daily commercial paper balances outstanding during the nine months ended September 30, 2012, and 2011, were $58 million and $335 million, respectively. The weighted-average interest rates during the nine months ended September 30, 2012, and 2011, were 0.93% and 0.85%, respectively. The peak short-term commercial paper balances outstanding during the nine months ended September 30, 2012, and 2011, were $229 million and $435 million, respectively. The peak interest rates during the nine months ended September 30, 2012, and 2011, were 1.25% and 1.46%, respectively. Ameren Missouri and Ameren Illinois did not utilize their commercial paper programs during the nine months ended September 30, 2012.

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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 these provisions.

The 2010 Credit Agreements contain conditions to 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 September 30, 2012, the ratios of consolidated indebtedness to total consolidated capitalization, calculated in accordance with the provisions of the 2010 Credit Agreements, were 47%, 47%, 42% and 44% 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 September 30, 2012, was 4.9 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 September 30, 2012.

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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.

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 nine months ended September 30, 2012, was 0.14% and 0.13%, respectively. There were no utility money pool borrowings during the three and nine months ended September 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 nine months ended September 30, 2012, was 0.52% and 0.64%, respectively (2011 - 0.83% and 0.89%, respectively).

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

NOTE 4 - LONG-TERM DEBT AND EQUITY FINANCINGS

Ameren Missouri

On September 11, 2012, Ameren Missouri issued $485 million principal amount of 3.90% senior secured notes due September 15, 2042, with interest payable semiannually on March 15 and September 15 of each year, beginning March 15, 2013. These notes are secured by first mortgage bonds. Ameren Missouri received net proceeds of $478 million. The proceeds

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were used, together with other available cash, to provide the funds necessary to complete Ameren Missouri s tender offer on September 20, 2012, including the payment of interest and all related fees and expenses, and to retire the $173 million principal amount 5.25% senior secured notes that matured in September 2012.

On September 20, 2012, Ameren Missouri completed its tender offer to purchase for cash its outstanding 6.00% senior secured notes due 2018, 6.70% senior secured notes due 2019, 5.10% senior secured notes due 2018, and 5.10% senior secured notes due 2019. Any notes that were not tendered and purchased in the tender offer will remain outstanding and continue to be obligations of Ameren Missouri. The following table sets forth the aggregate principal amount of each series of notes repurchased, along with certain other items of the tender offer:

Senior Secured Notes	Principal Amount Repurchased	Premium Plus Accrued and Unpaid Interest[(a)]	Principal Amount Outstanding After Tender Offer
6.00% senior secured notes due 2018	$ 71	$ 19	$ 179
6.70% senior secured notes due 2019	121	35	329
5.10% senior secured notes due 2018	1	(b)	199
5.10% senior secured notes due 2019	56	12	244

(a) The premiums paid in association with the tender offer were recorded as a regulatory asset and are being amortized over the life of the $485 million 3.90% senior secured notes.
(b) Amount is less than $1 million.

Ameren Illinois

On August 20, 2012, Ameren Illinois issued $400 million principal amount of 2.70% senior secured notes due September 1, 2022, with interest payable semiannually on March 1 and September 1 of each year, beginning March 1, 2013. These notes are secured by first mortgage bonds. Ameren Illinois received net proceeds of $397 million. The proceeds were used, together with other available cash, to provide the funds necessary to complete Ameren Illinois tender offer on August 27, 2012, including the payment of interest and all related fees and expenses, and to redeem all $51 million principal amount of 5.50% pollution control revenue bonds at par value plus accrued interest.

On August 27, 2012, Ameren Illinois completed its tender offer to purchase for cash its outstanding 9.75% senior secured notes due 2018 and 6.25% senior secured notes due 2018. Any notes that were not tendered and purchased in the tender offer will remain outstanding and continue to be obligations of Ameren Illinois. The following table sets forth the aggregate principal amount of each series of notes repurchased, along with certain other items of the tender offer:

Senior Secured Notes	Principal Amount Repurchased	Premium Plus Accrued and Unpaid Interest[(a)]	Principal Amount Outstanding After Tender Offer
9.75% senior secured notes due 2018	$ 87	$ 36	$ 313
6.25% senior secured notes due 2018	194	47	144

(a) The premiums paid in association with the tender offer were recorded as a regulatory asset and are being amortized over the life of the $400 million 2.70% senior secured notes.

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 September 30, 2012, at an assumed interest rate of 6% and dividend rate of 7%.

	Required Interest Coverage Ratio[(a)]	Actual Interest Coverage Ratio	Bonds Issuable[(b)]	Required Dividend Coverage Ratio[(c)]	Actual Dividend Coverage Ratio	Preferred Stock Issuable
Ameren Missouri	≥2.0	4.3	$ 3,651	≥2.5	113.8	$ 2,175
Ameren Illinois	≥2.0	7.3	3,374[(d)]	≥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 $485 million and $645 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.

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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 September 30, 2012, Ameren Illinois ratio of common stock equity to total capitalization was 57%.

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 September 30, 2012:

	Required Ratio	**Actual Ratio**
Restricted payment interest coverage ratio[(a)]	≥1.75[(a)]	2.9
Additional indebtedness interest coverage ratio[(b)]	≥2.50[(b)]	2.9
Additional indebtedness debt-to-capital ratio[(b)]	≤60%[(b)]	43%

(a) As of the date of the restricted payment, as defined, 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) 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.

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 September 30, 2012, of its operating results and cash flows, Genco expects that, by the end of the first quarter of 2013, its interest coverage ratio will be less than the minimum ratio required for the company to borrow additional funds from external, third-party sources. 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.

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Off-Balance-Sheet Arrangements

At September 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, Ameren Illinois and Genco s statement of income and statements of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2012, and 2011:

	Three Months		Nine Months	
	2012	**2011**	**2012**	**2011**
Ameren:[(a)]				
Miscellaneous income:				
Allowance for equity funds used during construction	**$ 9**	$ 10	**$ 26**	$ 25
Interest income on industrial development revenue bonds	**7**	7	**21**	21
Interest and dividend income	**-**	1	**5**[(b)]	3
Other	**1**	-	**2**	2
Total miscellaneous income	**$ 17**	$ 18	**$ 54**	$ 51
Miscellaneous expense:				
Donations	**$ 3**	$ 1	**$ 18**[(c)]	$ 4
Other	**4**	4	**11**	11
Total miscellaneous expense	**$ 7**	$ 5	**$ 29**	$ 15
Ameren Missouri:				
Miscellaneous income:				
Allowance for equity funds used during construction	**$ 8**	$ 8	**$ 23**	$ 22
Interest income on industrial development revenue bonds	**7**	7	**21**	21
Interest and dividend income	**-**	-	**4**[(b)]	1
Other	**-**	1	**-**	1
Total miscellaneous income	**$ 15**	$ 16	**$ 48**	$ 45
Miscellaneous expense:				
Donations	**$ 2**	$ 1	**$ 7**	$ 3
Other	**2**	1	**4**	5
Total miscellaneous expense	**$ 4**	$ 2	**$ 11**	$ 8
Ameren Illinois:				
Miscellaneous income:				
Allowance for equity funds used during construction	**$ 1**	$ 2	**$ 3**	$ 3
Interest and dividend income	**-**	-	**-**	1
Other	**1**	-	**2**	1
Total miscellaneous income	**$ 2**	$ 2	**$ 5**	$ 5
Miscellaneous expense:				
Donations	**$ 1**	$ 1	**$ 11**[(c)]	$ 1
Other	**1**	1		