AMEREN CORP
Form 10-Q
November 06, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

ý Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period Ended September 30, 2015

OR

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

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

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

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

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

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

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	ý	¨	¨	¨
Union Electric Company	¨	¨	ý	¨
Ameren Illinois Company	¨	¨	ý	¨

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

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

The number of shares outstanding of each registrant’s classes of common stock as of October 30, 2015, was as follows:

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

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

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

GLOSSARY OF TERMS AND ABBREVIATIONS

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

Clean Power Plan - “Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units,” an EPA rule that establishes emission guidelines for states to follow in developing plans to reduce greenhouse gas emissions from existing fossil fuel-fired generating units.
FAC - Fuel adjustment clause, a fuel and purchased power cost recovery mechanism that allows Ameren Missouri to recover or refund, through customer rates, 95% of changes in net energy costs greater or less than the amount set in base rates without a traditional rate proceeding, subject to MoPSC prudence reviews.
Form 10-K - The combined Annual Report on Form 10-K for the year ended December 31, 2014, filed by the Ameren Companies with the SEC.
Net energy costs - Net energy costs, as defined in the FAC, include fuel and purchased power costs, including transportation, net of off-system sales. As of May 30, 2015, transmission revenues and substantially all transmission charges are excluded from net energy costs as a result of the April 2015 MoPSC electric rate order.
Net shared benefits - Ameren Missouri’s share of the present value of lifetime energy savings, net of program costs, designed to offset sales volume reductions resulting from Ameren Missouri’s customer energy efficiency programs.

FORWARD-LOOKING STATEMENTS

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

- regulatory, judicial, or legislative actions, including changes in regulatory policies and ratemaking determinations, that may result from Ameren Illinois’ April 2015 annual electric delivery service formula update filing under the IEIMA; Ameren Illinois' January 2015 natural gas delivery service rate case filing; the complaint cases filed with the FERC seeking a reduction in the allowed base return on common equity under the MISO tariff; the complaint case filed with the MoPSC regarding the performance incentive for the 2013 through 2015 MEEIA plan; and future regulatory, judicial, or legislative actions that seek to change regulatory recovery mechanisms;
- the effect of Ameren Illinois participating in a performance-based formula ratemaking process under the IEIMA, including the direct relationship between Ameren Illinois' return on common equity and 30-year United States Treasury bond yields, the related financial commitments required by the IEIMA, and the resulting uncertain impact on the financial condition, results of operations, and liquidity of Ameren Illinois;
- our ability to align our overall spending, both operating and capital, with regulatory frameworks established by our regulators in an attempt to earn our allowed return on equity;
- the effects of increased competition in the future due to, among other factors, deregulation of certain aspects of our business at either the state or federal level;
- changes in laws and other governmental actions, including monetary, fiscal, tax, and energy policies;

- the effects on demand for our services resulting from technological advances, including advances in customer energy efficiency and distributed generation sources, which generate electricity at the site of consumption and are becoming more cost competitive;
- the effectiveness of Ameren Missouri's customer energy efficiency programs and the related amount of any net shared benefits and performance incentive earned under the current MEEIA plan and any future MEEIA plan;

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- the timing of increasing capital expenditure and operating expense requirements and our ability to recover these costs in a timely manner;
- the cost and availability of fuel such as coal, natural gas, and enriched uranium used to produce electricity; the cost and availability of purchased power and natural gas for distribution; and the level and volatility of future market prices for such commodities, including our ability to recover the costs for such commodities and our customers' tolerance for the related rate increases;
- the effectiveness of our risk management strategies and our use of financial and derivative instruments;
- the ability to obtain sufficient insurance, including insurance relating to Ameren Missouri’s Callaway energy center, and to recover the costs of such insurance or, in the absence of insurance, the ability to recover uninsured losses;
- business and economic conditions, including their impact on key customers, interest rates, collection of our receivable balances, and demand for our products;
- the financial condition of Noranda and any significant reductions in the sales volumes used by its aluminum smelter in southeast Missouri below the sales volumes assumed in determining Ameren Missouri’s electric rates;
- revisions to Ameren Missouri’s long-term power supply agreement with Noranda, including Ameren Missouri’s notification to terminate the agreement effective June 1, 2020 and Ameren Missouri’s decision whether to seek MoPSC approval to cease providing electricity to Noranda thereafter;
- disruptions of the capital markets, deterioration in credit metrics of the Ameren Companies, or other events that may have an adverse effect on the cost or availability of capital, including short-term credit and liquidity;
- the impact of the adoption of new accounting guidance and the application of appropriate technical accounting rules and guidance;
- actions of credit rating agencies and the effects of such actions;
- the impact of weather conditions and other natural phenomena on us and our customers, including the impact of system outages;
- the construction, installation, performance, and cost recovery of generation, transmission, and distribution assets;
- the effects of breakdowns or failures of equipment in the operation of natural gas distribution systems, such as leaks, explosions and mechanical problems, and compliance with natural gas distribution safety regulations;
- the effects of our increasing investment in electric transmission projects and uncertainty as to whether we will achieve our expected returns in a timely fashion, if at all;
- the extent to which Ameren Missouri prevails in its claim against an insurer in connection with the December 2005 breach of the upper reservoir at the Taum Sauk pumped-storage hydroelectric energy center;
- operation of Ameren Missouri's Callaway energy center, including planned and unplanned outages, and decommissioning costs;
- the effects of strategic initiatives, including mergers, acquisitions and divestitures, and any related tax implications;
- the impact of current environmental regulations and new, more stringent, or changing requirements, including those related to greenhouse gases, other emissions and discharges, cooling water intake structures, CCR, and energy efficiency, that are enacted over time and that could limit or terminate the operation of certain of our energy centers, increase our costs or investment requirements, result in an impairment of our assets, cause us to sell our assets, reduce our customers' demand for electricity or natural gas, or otherwise have a negative financial effect;
- the impact of complying with renewable energy portfolio requirements in Missouri;
- labor disputes, work force reductions, future wage and employee benefits costs, including changes in discount rates, mortality tables, and returns on benefit plan assets;
- the inability of our counterparties to meet their obligations with respect to contracts, credit agreements, and financial instruments;
- the cost and availability of transmission capacity for the energy generated by Ameren Missouri's energy centers or required to satisfy Ameren Missouri's energy sales;
- the inability of Dynegy and IPH to satisfy their indemnity and other obligations to Ameren in connection with the divestiture of New AER to IPH;
- legal and administrative proceedings; and

- acts of sabotage, war, terrorism, cyber attacks, or other intentionally disruptive acts.

New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statement. Given these uncertainties, undue reliance should not be placed on these forward-looking statements. Except to the extent required by the federal securities laws, we undertake no obligation to update or revise publicly any forward-looking statements to reflect new information or future events.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Operating Revenues:				
Electric	$1,700	$1,523	$4,093	$3,864
Gas	133	147	697	819
Total operating revenues	1,833	1,670	4,790	4,683
Operating Expenses:				
Fuel	259	236	670	638
Purchased power	153	114	393	340
Gas purchased for resale	38	49	320	432
Other operations and maintenance	428	402	1,256	1,231
Provision for Callaway construction and operating license (Note 2)	—	—	69	—
Depreciation and amortization	201	187	594	551
Taxes other than income taxes	128	121	369	362
Total operating expenses	1,207	1,109	3,671	3,554
Operating Income	626	561	1,119	1,129
Other Income and Expense:				
Miscellaneous income	19	21	54	60
Miscellaneous expense	5	7	22	20
Total other income	14	14	32	40
Interest Charges	87	85	264	266
Income Before Income Taxes	553	490	887	903
Income Taxes	208	194	333	357
Income from Continuing Operations	345	296	554	546
Income (Loss) from Discontinued Operations, Net of Taxes (Note 12)	—	(1)	52	(3)
Net Income	345	295	606	543
Less: Net Income from Continuing Operations Attributable to Noncontrolling Interests	2	2	5	5
Net Income (Loss) Attributable to Ameren Common Stockholders:				
Continuing Operations	343	294	549	541
Discontinued Operations	—	(1)	52	(3)
Net Income Attributable to Ameren Common Stockholders	$343	$293	$601	$538
Earnings (Loss) per Common Share – Basic:				
Continuing Operations	$1.42	$1.21	$2.27	$2.23
Discontinued Operations	—	—	0.21	(0.01)
Earnings per Common Share – Basic	$1.42	$1.21	$2.48	$2.22
Earnings (Loss) per Common Share – Diluted:				
Continuing Operations	$1.41	$1.20	$2.26	$2.21
Discontinued Operations	—	—	0.21	(0.01)
Earnings per Common Share – Diluted	$1.41	$1.20	$2.47	$2.20

Dividends per Common Share	$0.41	$0.40	$1.23	$1.20
Average Common Shares Outstanding – Basic	242.6	242.6	242.6	242.6
Average Common Shares Outstanding – Diluted	243.9	244.3	243.8	244.3

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Income from Continuing Operations	$345	$296	$554	$546
Other Comprehensive Income from Continuing Operations, Net of Taxes				
Pension and other postretirement benefit plan activity, net of income taxes of $-, $-, $4 and $3, respectively	—	—	4	3
Comprehensive Income from Continuing Operations	345	296	558	549
Less: Comprehensive Income from Continuing Operations Attributable to Noncontrolling Interests	2	2	5	5
Comprehensive Income from Continuing Operations Attributable to Ameren Common Stockholders	343	294	553	544
Income (Loss) from Discontinued Operations, Net of Taxes	—	(1)	52	(3)
Other Comprehensive Income from Discontinued Operations, Net of Taxes	—	—	—	—
Comprehensive Income (Loss) from Discontinued Operations Attributable to Ameren Common Stockholders	—	(1)	52	(3)
Comprehensive Income Attributable to Ameren Common Stockholders	$343	$293	$605	$541

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

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

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	$72	$5
Accounts receivable – trade (less allowance for doubtful accounts of $20 and $21, respectively)	508	423
Unbilled revenue	234	265
Miscellaneous accounts and notes receivable	113	81
Materials and supplies	548	524
Current regulatory assets	163	295
Current accumulated deferred income taxes, net	225	352
Other current assets	103	86
Assets of discontinued operations (Note 12)	17	15
Total current assets	1,983	2,046
Property and Plant, Net	18,307	17,424
Investments and Other Assets:		
Nuclear decommissioning trust fund	534	549
Goodwill	411	411
Regulatory assets	1,578	1,582
Other assets	646	664
Total investments and other assets	3,169	3,206
TOTAL ASSETS	$23,459	$22,676
LIABILITIES AND EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$395	$120
Short-term debt	783	714
Accounts and wages payable	525	711
Taxes accrued	160	46
Interest accrued	103	85
Current regulatory liabilities	89	106
Other current liabilities	404	434
Liabilities of discontinued operations (Note 12)	30	33
Total current liabilities	2,489	2,249
Long-term Debt, Net	5,981	6,120
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	4,084	3,923
Accumulated deferred investment tax credits	62	64
Regulatory liabilities	1,894	1,850
Asset retirement obligations	597	396
Pension and other postretirement benefits	666	705
Other deferred credits and liabilities	530	514
Total deferred credits and other liabilities	7,833	7,452
Commitments and Contingencies (Notes 2, 9, 10 and 12)		
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	5,612	5,617
Retained earnings	1,405	1,103
Accumulated other comprehensive loss	(5)	(9)
Total Ameren Corporation stockholders’ equity	7,014	6,713
Noncontrolling Interests	142	142
Total equity	7,156	6,855
TOTAL LIABILITIES AND EQUITY	$23,459	$22,676

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

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

	Nine Months Ended September 30,	
	2015	2014
Cash Flows From Operating Activities:		
Net income	$606	$543
(Income) loss from discontinued operations, net of taxes	(52)	3
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for Callaway construction and operating license	69	—
Depreciation and amortization	582	526
Amortization of nuclear fuel	71	70
Amortization of debt issuance costs and premium/discounts	16	16
Deferred income taxes and investment tax credits, net	318	370
Allowance for equity funds used during construction	(19)	(26)
Stock-based compensation costs	20	20
Other	(8)	(9)
Changes in assets and liabilities:		
Receivables	(71)	16
Materials and supplies	(23)	(34)
Accounts and wages payable	(172)	(187)
Taxes accrued	114	100
Regulatory assets and liabilities	74	(216)
Assets, other	20	44
Liabilities, other	(41)	(21)
Pension and other postretirement benefits	29	(27)
Counterparty collateral, net	—	20
Net cash provided by operating activities – continuing operations	1,533	1,208
Net cash used in operating activities – discontinued operations	(5)	(5)
Net cash provided by operating activities	1,528	1,203
Cash Flows From Investing Activities:		
Capital expenditures	(1,332)	(1,310)
Nuclear fuel expenditures	(30)	(28)
Purchases of securities – nuclear decommissioning trust fund	(301)	(365)
Sales and maturities of securities – nuclear decommissioning trust fund	290	354
Proceeds from note receivable – Marketing Company	12	79
Contributions to note receivable – Marketing Company	(8)	(84)
Other	7	3
Net cash used in investing activities – continuing operations	(1,362)	(1,351)
Net cash provided by investing activities – discontinued operations	—	139
Net cash used in investing activities	(1,362)	(1,212)
Cash Flows From Financing Activities:		
Dividends on common stock	(298)	(291)
Dividends paid to noncontrolling interest holders	(5)	(5)
Short-term debt, net	69	385
Redemptions and maturities of long-term debt	(114)	(692)
Issuances of long-term debt	249	598
Capital issuance costs	(2)	(4)
Other	2	1

Net cash used in financing activities – continuing operations	(99)	(8)
Net cash used in financing activities – discontinued operations	—	—
Net cash used in financing activities	(99)	(8)
Net change in cash and cash equivalents	67	(17)
Cash and cash equivalents at beginning of year	5	30
Cash and cash equivalents at end of period	$72	$13

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Operating Revenues:				
Electric	$1,151	$1,076	$2,752	$2,696
Gas	19	21	101	117
Other	1	—	2	1
Total operating revenues	1,171	1,097	2,855	2,814
Operating Expenses:				
Fuel	259	236	670	638
Purchased power	29	27	87	91
Gas purchased for resale	5	7	43	58
Other operations and maintenance	233	226	673	672
Provision for Callaway construction and operating license (Note 2)	—	—	69	—
Depreciation and amortization	125	118	367	351
Taxes other than income taxes	97	89	262	248
Total operating expenses	748	703	2,171	2,058
Operating Income	423	394	684	756
Other Income and Expense:				
Miscellaneous income	14	15	37	45
Miscellaneous expense	3	4	8	10
Total other income	11	11	29	35
Interest Charges	54	53	164	159
Income Before Income Taxes	380	352	549	632
Income Taxes	140	129	205	234
Net Income	240	223	344	398
Other Comprehensive Income	—	—	—	—
Comprehensive Income	$240	$223	$344	$398
Net Income	$240	$223	$344	$398
Preferred Stock Dividends	1	1	3	3
Net Income Available to Common Stockholder	$239	$222	$341	$395

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

UNION ELECTRIC COMPANY (d/b/a AMEREN MISSOURI)
BALANCE SHEET
(Unaudited) (In millions, except per share amounts)

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	$69	$1
Advances to money pool	250	—
Accounts receivable – trade (less allowance for doubtful accounts of $7 and $8, respectively)	260	190
Accounts receivable – affiliates	8	65
Unbilled revenue	148	146
Miscellaneous accounts and notes receivable	62	35
Materials and supplies	374	347
Current regulatory assets	97	163
Other current assets	57	92
Total current assets	1,325	1,039
Property and Plant, Net	11,041	10,867
Investments and Other Assets:		
Nuclear decommissioning trust fund	534	549
Regulatory assets	646	695
Other assets	395	391
Total investments and other assets	1,575	1,635
TOTAL ASSETS	$13,941	$13,541
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$266	$120
Short-term debt	—	97
Accounts and wages payable	187	405
Accounts payable – affiliates	35	56
Taxes accrued	273	32
Interest accrued	66	58
Current regulatory liabilities	41	18
Other current liabilities	116	117
Total current liabilities	984	903
Long-term Debt, Net	3,869	3,879
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	2,858	2,806
Accumulated deferred investment tax credits	59	61
Regulatory liabilities	1,166	1,147
Asset retirement obligations	590	389
Pension and other postretirement benefits	267	274
Other deferred credits and liabilities	30	30
Total deferred credits and other liabilities	4,970	4,707
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	1,784	1,569

Preferred stock	80	80
Retained earnings	1,743	1,892
Total stockholders' equity	4,118	4,052
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$13,941	$13,541

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

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

	Nine Months Ended September 30, 2015	2014
Cash Flows From Operating Activities:		
Net income	$344	$398
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for Callaway construction and operating license	69	—
Depreciation and amortization	356	329
Amortization of nuclear fuel	71	70
Amortization of debt issuance costs and premium/discounts	5	5
Deferred income taxes and investment tax credits, net	88	139
Allowance for equity funds used during construction	(16)	(24)
Other	1	1
Changes in assets and liabilities:		
Receivables	(51)	(76)
Materials and supplies	(26)	3
Accounts and wages payable	(177)	(151)
Taxes accrued	243	(22)
Regulatory assets and liabilities	101	(78)
Assets, other	6	44
Liabilities, other	11	30
Pension and other postretirement benefits	15	(8)
Net cash provided by operating activities	1,040	660
Cash Flows From Investing Activities:		
Capital expenditures	(444)	(548)
Nuclear fuel expenditures	(30)	(28)
Purchases of securities – nuclear decommissioning trust fund	(301)	(365)
Sales and maturities of securities – nuclear decommissioning trust fund	290	354
Money pool advances, net	(250)	—
Other	(4)	(6)
Net cash used in investing activities	(739)	(593)
Cash Flows From Financing Activities:		
Dividends on common stock	(490)	(268)
Dividends on preferred stock	(3)	(3)
Short-term debt, net	(97)	65
Money pool borrowings, net	—	(105)
Maturities of long-term debt	(114)	(104)
Issuances of long-term debt	249	350
Capital contribution from parent	224	—
Capital issuance cost	(2)	(2)
Net cash used in financing activities	(233)	(67)
Net change in cash and cash equivalents	68	—
Cash and cash equivalents at beginning of year	1	1
Cash and cash equivalents at end of period	$69	$1

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Operating Revenues:				
Electric	$540	$445	$1,316	$1,162
Gas	115	127	597	703
Total operating revenues	655	572	1,913	1,865
Operating Expenses:				
Purchased power	128	89	317	256
Gas purchased for resale	33	43	277	374
Other operations and maintenance	202	185	606	580
Depreciation and amortization	74	66	220	193
Taxes other than income taxes	29	31	101	109
Total operating expenses	466	414	1,521	1,512
Operating Income	189	158	392	353
Other Income and Expense:				
Miscellaneous income	4	4	15	12
Miscellaneous expense	3	2	10	7
Total other income	1	2	5	5
Interest Charges	33	31	99	90
Income Before Income Taxes	157	129	298	268
Income Taxes	59	54	114	110
Net Income	98	75	184	158
Other Comprehensive Loss, Net of Taxes:				
Pension and other postretirement benefit plan activity, net of income taxes (benefit) of $(1), $(1), $(2) and $(2), respectively	—	—	(2)	(2)
Comprehensive Income	$98	$75	$182	$156

Net Income	$98	$75	$184	$158
Preferred Stock Dividends	—	—	2	2
Net Income Available to Common Stockholder	$98	$75	$182	$156

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

AMEREN ILLINOIS COMPANY (d/b/a AMEREN ILLINOIS)
BALANCE SHEET
(Unaudited) (In millions)

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	$—	$1
Accounts receivable – trade (less allowance for doubtful accounts of $13 and $13, respectively)	229	212
Accounts receivable – affiliates	1	22
Unbilled revenue	86	119
Miscellaneous accounts receivable	11	9
Materials and supplies	174	177
Current regulatory assets	65	129
Current accumulated deferred income taxes, net	50	160
Other current assets	16	15
Total current assets	632	844
Property and Plant, Net	6,615	6,165
Investments and Other Assets:		
Goodwill	411	411
Regulatory assets	922	883
Other assets	76	78
Total investments and other assets	1,409	1,372
TOTAL ASSETS	$8,656	$8,381
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$129	$—
Short-term debt	—	32
Borrowings from money pool	122	15
Accounts and wages payable	251	207
Accounts payable – affiliates	36	50
Taxes accrued	7	17
Interest accrued	39	24
Customer deposits	70	77
Mark-to-market derivative liabilities	38	42
Current environmental remediation	35	52
Current regulatory liabilities	37	84
Other current liabilities	90	100
Total current liabilities	854	700
Long-term Debt, Net	2,112	2,241
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	1,412	1,408
Regulatory liabilities	728	703
Pension and other postretirement benefits	282	277
Environmental remediation	203	199
Other deferred credits and liabilities	224	192
Total deferred credits and other liabilities	2,849	2,779
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	1,980	1,980
Preferred stock	62	62
Retained earnings	793	611
Accumulated other comprehensive income	6	8
Total stockholders' equity	2,841	2,661
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$8,656	$8,381

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

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

	Nine Months Ended September 30,	
	2015	2014
Cash Flows From Operating Activities:		
Net income	$184	$158
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	218	190
Amortization of debt issuance costs and premium/discounts	11	10
Deferred income taxes and investment tax credits, net	108	136
Other	(7)	(6)
Changes in assets and liabilities:		
Receivables	45	80
Materials and supplies	3	(37)
Accounts and wages payable	11	1
Taxes accrued	(10)	(5)
Regulatory assets and liabilities	(31)	(135)
Assets, other	7	6
Liabilities, other	(13)	(4)
Pension and other postretirement benefits	13	(12)
Counterparty collateral, net	2	14
Net cash provided by operating activities	541	396
Cash Flows From Investing Activities:		
Capital expenditures	(620)	(633)
Other	5	6
Net cash used in investing activities	(615)	(627)
Cash Flows From Financing Activities:		
Dividends on preferred stock	(2)	(2)
Short-term debt, net	(32)	189
Money pool borrowings, net	107	(40)
Redemptions of long-term debt	—	(163)
Issuances of long-term debt	—	248
Capital issuance costs	—	(2)
Advances received for construction	—	1
Net cash provided by financing activities	73	231
Net change in cash and cash equivalents	(1)	—
Cash and cash equivalents at beginning of year	1	1
Cash and cash equivalents at end of period	$—	$1

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

AMEREN CORPORATION (Consolidated)
UNION ELECTRIC COMPANY (d/b/a Ameren Missouri)
AMEREN ILLINOIS COMPANY (d/b/a Ameren Illinois)
COMBINED NOTES TO FINANCIAL STATEMENTS
(Unaudited)
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

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

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

Our accounting policies conform to GAAP. Our financial statements reflect all adjustments (which include normal, recurring adjustments) that are necessary, in our opinion, for a fair 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.

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, 2015:

	Ameren	Ameren	Ameren

	Missouri	Illinois[a]	
Balance at December 31, 2014	$389	$7	$396
Liabilities incurred[b]	3	—	3
Liabilities settled	(1)	(c)	(1)
Accretion in 2015[d]	17	(c)	17
Change in estimates[e]	182	(c)	182
Balance at September 30, 2015	$590	$7	$597

(a) Included in “Other deferred credits and liabilities” on the balance sheet.

(b) Ameren and Ameren Missouri recorded a new ARO of $3 million related to the Callaway energy center’s dry spent fuel storage facility. See Note 10 - Callaway Energy Center for additional information.

(c) Less than $1 million.

(d) Accretion expense was recorded as an increase to regulatory assets.

(e) The ARO increase resulted in a corresponding increase recorded to “Property and Plant, Net.” During 2015, Ameren and Ameren Missouri increased their AROs related to the decommissioning of the Callaway energy center by $99 million to reflect the 2015 cost study and funding analysis filed with the MoPSC, extension of the estimated operating life until 2044, and a reduction in the discount rate assumption. See Note 10 - Callaway Energy Center for additional information. In addition, as a result of new federal regulations, Ameren and Ameren Missouri recorded an increase of $79 million to their AROs associated with CCR storage facilities. See Note 9 - Commitments and Contingencies for additional information. Ameren and Ameren Missouri also increased their AROs by $4 million due to a change in the estimated retirement dates of the Meramec and Rush Island energy centers as a result of the MoPSC’s April 2015 electric rate order.

Stock-based Compensation

A summary of nonvested performance share units at September 30, 2015, and changes during the nine months ended September 30, 2015, under the 2006 Incentive Plan and the 2014 Incentive Plan are presented below:

	Number of Performance Share Units	Weighted-average Fair Value Per Performance Share Unit
Nonvested at January 1, 2015	1,162,377	$35.35
Granted[(a)]	569,892	52.88
Forfeitures	(1,944)	34.75
Vested[(b)]	(92,892)	45.97
Nonvested at September 30, 2015	1,637,433	$40.85

(a) Performance share units granted to certain executive and nonexecutive officers and other eligible employees in 2015 under the 2014 Incentive Plan.

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

The fair value of each performance share unit awarded in 2015 under the 2014 Incentive Plan was determined to be $52.88, which was based on Ameren’s closing common share price of $46.13 at December 31, 2014, and lattice simulations. Lattice simulations are used to estimate expected share payout based on Ameren’s total stockholder return for a three-year performance period relative to the designated peer group beginning January 1, 2015. The simulations can produce a greater fair value for the performance share unit than the applicable closing common share price because they include the weighted payout scenarios in which an increase in the share price has occurred. The significant assumptions used to calculate fair value also included a three-year risk-free rate of 1.10%, volatility of 12% to 18% for the peer group, and Ameren’s attainment of a three-year average earnings per share threshold during the performance period.

Excise Taxes

Ameren Missouri and Ameren Illinois collect certain excise taxes from customers that are levied on the sale or distribution of natural gas and electricity. Excise taxes are levied on Ameren Missouri’s electric and natural gas businesses and on Ameren Illinois’ natural gas business and are recorded gross in “Operating Revenues - Electric,” “Operating Revenues - Gas” and “Operating Expenses - Taxes other than income taxes” on the statement of income or the statement of income and comprehensive income. Excise taxes for electric service in Illinois are levied on the customer and are therefore not included in Ameren Illinois’ revenues and expenses. The following table presents excise taxes recorded in “Operating Revenues - Electric,” “Operating Revenues - Gas” and “Operating Expenses - Taxes other than income taxes” for the three and nine months ended September 30, 2015 and 2014:

	Three Months		Nine Months	
	2015	2014	2015	2014
Ameren Missouri	$52	$47	$127	$120
Ameren Illinois	9	9	42	46
Ameren	$61	$56	$169	$166

Uncertain Tax Positions

The following table presents the total amount of reserves for unrecognized tax benefits (detriments) related to uncertain tax positions as of September 30, 2015, and December 31, 2014:

	September 30, 2015	December 31, 2014
Ameren	$—	$54
Ameren Missouri	—	—
Ameren Illinois	—	(1)

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

	December 31, 2014
Ameren	$52
Ameren Missouri	—
Ameren Illinois	(1)

In June 2015, a settlement was reached with the IRS for the 2013 tax year. This settlement resolved the uncertain tax position associated with the final tax basis of New AER and the related tax benefit resulting from the divested merchant generation business. The settlement resulted in a reduction of Ameren's unrecognized tax benefits of $53 million and an increase to net income from discontinued operations.

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

Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to Ameren common stockholders by the weighted-average number of common shares outstanding during the period. Earnings per diluted share is computed by dividing net income attributable to Ameren common stockholders by the weighted-average number of diluted common shares outstanding during the period. Earnings per diluted share reflects the potential dilution that would occur if certain stock-based performance share units were settled. The number of performance share units assumed to be settled was 1.3 million and 1.2 million in the three and nine months ended September 30, 2015, respectively, and 1.7 million in both of the year-ago periods. There were no potentially dilutive securities excluded from the earnings per diluted share calculations for the three and nine months ended September 30, 2015 and 2014.

Accounting and Reporting Developments

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

Revenue from Contracts with Customers

In 2014, FASB issued authoritative accounting guidance to clarify the principles for recognizing revenue and to develop a common revenue standard for GAAP. The guidance requires an entity to recognize an amount of revenue for the transfer of promised goods or services to customers that reflects the consideration which the entity expects to be entitled to in exchange for those goods or services. The guidance also requires additional disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In August 2015, FASB deferred the effective date of this revenue standard to the first quarter of 2018, with an option for entities to early adopt in the first quarter of 2017. The guidance allows entities to choose one of two transition methods, either by applying the guidance retrospectively to each reporting period presented or by recording a cumulative effect adjustment to retained earnings in the period of initial adoption. The Ameren Companies are currently assessing the impacts of this guidance on their results of operations, financial positions and disclosures, as well as the transition method that they will use to adopt the guidance.

Presentation of Debt Issuance Costs

In April 2015, FASB issued authoritative accounting guidance to simplify the presentation of debt issuance costs. The guidance requires debt issuance costs to be presented in the balance sheet as a reduction to the associated debt liability. Currently, debt issuance costs are presented as a component of “Other assets” on the Ameren Companies’ balance sheets. As of September 30, 2015, Ameren, Ameren Missouri, and Ameren Illinois had debt issuance costs of $35 million, $15 million, and $19 million, respectively. The Ameren Companies expect to early adopt this standard in the fourth quarter of 2015. The guidance will be applied retrospectively, and will not affect the Ameren Companies' results of operations or cash flows.

NOTE 2 - RATE AND REGULATORY MATTERS

Below is a summary of updates to significant regulatory proceedings and related lawsuits. See also Note 2 - Rate and

Regulatory Matters under Part II, Item 8, of the Form 10-K. We are unable to predict the ultimate outcome of these matters, the timing of the final decisions of the various agencies and courts, or the impact on our results of operations, financial position, or liquidity.

Missouri

2015 Electric Rate Order

In April 2015, the MoPSC issued an order approving an increase in Ameren Missouri’s annual revenues for electric service of $122 million, including $109 million related to the increase in net energy costs above those included in base rates previously authorized by the MoPSC. The revenue increase was based on a 9.53% return on common equity, a capital structure composed of 51.8% common equity, and a rate base of $7.0 billion to reflect investments through December 31, 2014. Rate changes consistent with the order became effective on May 30, 2015.

The order approved Ameren Missouri’s request for continued use of the FAC; however, it changed the FAC to exclude all transmission revenues and substantially all transmission charges. In addition, the order did not approve the continued use of the regulatory tracking mechanisms for storm costs and vegetation management and infrastructure inspection costs. These changes to Ameren Missouri’s recovery mechanisms are expected to contribute to regulatory lag. The order did approve the continued use of the regulatory tracking mechanisms for pension and other postretirement benefits, renewable energy standard costs, solar rebates, and uncertain tax positions that the MoPSC authorized in prior electric rate orders.

In addition, the order approved a reduction to Noranda's electric rates with an offsetting increase in electric rates for Ameren Missouri's other customers. The rate shift is revenue neutral to Ameren Missouri.

In June 2015, Ameren Missouri filed an appeal with the Missouri Court of Appeals, Western District, of the reduction to Noranda's electric rates included in the MoPSC's order. The outcome of this appeal is not expected to impact Ameren Missouri's results of operations, financial position, or liquidity.

MEEIA Filing

The MEEIA established a regulatory framework that, among other things, requires the MoPSC to ensure that a utility's financial incentives are aligned to help customers use energy more efficiently, to provide timely cost recovery, and to provide earnings opportunities associated with cost-effective energy efficiency programs. Missouri does not have a law mandating energy efficiency programs.

In August 2012, the MoPSC approved Ameren Missouri's customer energy efficiency programs, net shared benefits, and performance incentive for 2013 through 2015. The 2013 through 2015 plan anticipated Ameren Missouri would invest up to $147 million in customer energy efficiency programs, realize $100 million of net shared benefits, and be eligible for a performance incentive that would allow it the potential to earn additional revenues by achieving certain customer energy efficiency goals, including $19 million if 100% of the goals are achieved during the three-year period, with the potential to earn a larger performance incentive if Ameren Missouri's energy savings exceed those goals. From January 2013 through September 2015, Ameren Missouri invested $110 million in customer energy efficiency programs and realized $134 million of net shared benefits. In June 2015, the MoPSC staff filed a complaint case with the MoPSC regarding the method and inputs used in calculating the performance incentive. If the MoPSC agrees with the MoPSC staff's interpretation of the August 2012 MEEIA order, the performance incentive recognized in 2016 would be significantly less than the performance incentive calculated using Ameren Missouri's interpretation. Ameren Missouri has not recorded revenues associated with the performance incentive. However, regardless of the MoPSC's decision in the complaint case, Ameren Missouri believes it will exceed 100% of the customer energy efficiency goals, subject to MoPSC review, and therefore expects to recognize revenues of at least $19 million in 2016. There is no date by which the MoPSC must issue a decision in this complaint case.

In October 2015, the MoPSC rejected Ameren Missouri's MEEIA energy efficiency plan for 2016 through 2018, which included a portfolio of customer energy efficiency programs along with a rider to collect the program costs, net shared benefits, and a performance incentive from customers. Ameren Missouri is studying the MoPSC's October 2015 order and evaluating whether to file another proposed energy efficiency plan with the MoPSC.

Noranda Contract Notification

Ameren Missouri supplies electricity to Noranda's aluminum smelter in southeast Missouri under a long-term power supply agreement. In May 2015, Ameren Missouri notified Noranda of its intent to terminate the agreement effective June 1, 2020. If Ameren Missouri wanted to cease providing electricity to Noranda, Ameren Missouri would also be required to obtain approval from the MoPSC. Sales to Noranda represented 5% of Ameren Missouri's total electric revenue in 2014.

ATXI Transmission Projects

In May 2015, the MoPSC granted ATXI a certificate of convenience and necessity for the seven-mile portion of the Illinois Rivers project located in Missouri.

In June 2015, ATXI made a filing with the MoPSC requesting a certificate of convenience and necessity for the Mark Twain project. The Mark Twain project is a MISO-approved 100-mile transmission line located in northeast Missouri. A decision is expected from the MoPSC in 2016.

Illinois

IEIMA

Under the provisions of the IEIMA's formula rate framework, which currently extends through 2019, Ameren Illinois' electric delivery service rates are subject to an annual revenue requirement reconciliation to its actual recoverable costs. Throughout each year, Ameren Illinois records a regulatory asset or a regulatory liability and a corresponding increase or decrease to operating revenues for any differences between the revenue requirement reflected in customer rates for that year and its estimate of the probable increase or decrease in the revenue requirement expected to ultimately be approved by the ICC based on that year's actual recoverable costs incurred. As of September 30, 2015, Ameren Illinois had recorded regulatory assets of $52 million, $103 million, and $14 million, to reflect its expected 2015, 2014, and 2013 revenue requirement reconciliation adjustments, with interest, respectively. Ameren Illinois is collecting the 2013 revenue requirement reconciliation adjustment from customers during 2015.

Ameren Illinois' annual electric delivery service formula rate update to establish customer rates for 2016 is currently pending before the ICC. If the ICC approves as filed, the annual update filing would result in a $109 million increase in Ameren Illinois' electric delivery service revenue requirement, beginning in January 2016. This update reflects an increase to the annual formula rate based on 2014 actual recoverable costs and expected net plant additions for 2015, an increase to include the 2014 revenue requirement reconciliation adjustment, and a decrease for the conclusion of the 2013 revenue requirement reconciliation adjustment, which will be fully collected from customers in 2015. In October 2015, the ICC staff submitted its calculation of Ameren Illinois' revenue requirement. The ICC staff recommended adjustments that would result in a $107 million increase in Ameren Illinois' electric delivery service revenue

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requirement. An ICC decision on this update filing is required by December 2015.

2015 Natural Gas Delivery Service Rate Case

In January 2015, Ameren Illinois filed a request with the ICC seeking approval to increase its annual revenues for natural gas delivery service. In an attempt to reduce regulatory lag, Ameren Illinois used a 2016 future test year in this proceeding. Additionally, the request included a proposal to implement a volume balancing adjustment for residential and small nonresidential customers. The volume balancing adjustment would increase or decrease revenues as weather deviates from normal conditions to ensure that weather-related changes in natural gas sales volumes do not result in an over or under collection of natural gas revenues for these rate classes. This case includes a capital structure composed of 50% common equity and a rate base of $1.2 billion. In July 2015, Ameren Illinois, the ICC staff, and certain other intervenors filed a stipulation and agreement with the ICC that would result in rates that are based on a return on common equity of 9.6%. The agreement does not address the positions of all of the parties in the rate case. Based on the terms in the agreement and the unresolved positions in the case, Ameren Illinois' request seeks an annual revenue increase of $45 million, which is consistent with the ICC staff's recommendation and the administrative law judges' proposed order issued in November 2015. The administrative law judges' order also proposed the approval of the volume balancing adjustment.

A decision by the ICC in this proceeding is required by December 2015, with new rates expected to be effective in January 2016. Ameren Illinois cannot predict the level of any delivery service rate changes the ICC may approve, whether the ICC will approve the volume balancing adjustment, or if the ICC will approve the agreement between Ameren Illinois, the ICC staff, and certain other intervenors. In addition, Ameren Illinois cannot predict whether any rate changes that may eventually be approved will be sufficient to enable Ameren Illinois to recover its costs and to earn a reasonable return on investments when the rate changes go into effect.

2015 ICC Purchased Power Reconciliation

In January 2015, the ICC issued an order that approved Ameren Illinois' reconciliation of revenues collected under its purchased power rider mechanism and Ameren Illinois' related cumulative power usage cost. In the first quarter of 2015, based on the January 2015 order, both Ameren and Ameren Illinois recorded a $15 million increase to electric revenues for the recovery of this cumulative power usage cost from electric customers.

ATXI Transmission Project

The Spoon River project is a MISO-approved 46-mile transmission line to be constructed in northwest Illinois. In September 2015, the ICC granted a certificate of public convenience and necessity and project approval for the Spoon River project.

Federal

Ameren Illinois Electric Transmission Rate Refund

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

In July 2015, the FERC approved a settlement agreement between Ameren Illinois and the affected customers. The settlement agreement required Ameren Illinois to make refunds and payments of $8 million to electric transmission customers, all of which was paid by September 30, 2015. The settlement agreement also requires Ameren Illinois to take other actions, such as reducing common equity for electric transmission ratemaking purposes on a prospective basis.

FERC Complaint Cases

In November 2013, a customer group filed a complaint case with the FERC seeking a reduction in the allowed base return on common equity for the FERC-regulated MISO transmission rate base under the MISO tariff to 9.15%. Currently, the FERC-allowed base return on common equity for MISO transmission owners is 12.38%. The FERC scheduled the case for hearing proceedings, requiring a proposed order from its administrative law judge to be issued no later than November 30, 2015, which will subsequently require FERC approval. The FERC has previously utilized a calculation to establish the allowed base return on common equity, which requires multiple inputs based on observable market data specific to the utility industry and broader macroeconomic data spanning unique time periods for each return on equity complaint case. We expect observable market data for the six months ended February 11, 2015, will be used in the November 2013 complaint case. As the maximum FERC-allowed refund period for the November 2013 complaint case ended in February 2015, another customer complaint case was filed in February 2015. The February 2015 complaint case seeks a reduction in the allowed base return on common equity for the FERC-regulated MISO transmission rate base under the MISO tariff to 8.67%. The FERC scheduled the February 2015 complaint case for hearing proceedings, requiring a proposed order from its administrative law judge to be issued no later than June 30, 2016, which will subsequently require FERC approval. We expect observable market data for the six months ended December 31, 2015, will be used in the February 2015 complaint case.

As of September 30, 2015, Ameren and Ameren Illinois had current regulatory liabilities of $36 million and $25 million, respectively, representing their estimates of the potential refunds from the November 12, 2013 refund effective date. Ameren's and Ameren Illinois' recorded liabilities reflect their interpretation of the method and inputs used in the FERC's calculation to establish the allowed base return on common equity, based on observable market data for the six months ended February 11, 2015, with respect to the November 2013 complaint case refund period, and based on observable market data through September 30, 2015, with respect to the February 2015 complaint case refund period. Ameren's and Ameren Illinois' liabilities also reflect the incentive adder discussed below, which became effective in early January 2015. Ameren Missouri did not record a liability as of September 30, 2015, and does not expect that a reduction in the FERC-allowed base return on common equity for MISO transmission owners would be material to its results of operations, financial position, or liquidity. A 50 basis point reduction in the FERC-allowed return on common equity would reduce Ameren's and Ameren Illinois' annual earnings by an estimated $4 million and $2 million, respectively, based on 2015 projected rate base.

On January 6, 2015, a FERC-approved incentive adder of up to 50 basis points on the allowed base return on common equity for our participation in an RTO became effective. Upon the issuance of the final order addressing the initial MISO complaint case, beginning with its January 6, 2015 effective date, the incentive adder will reduce any refund to customers relating to a reduction of the base return on common equity.

Combined Construction and Operating License

In 2008, Ameren Missouri filed an application with the NRC for a COL for a second nuclear unit at Ameren Missouri's existing Callaway County, Missouri, energy center site. In 2009, Ameren Missouri suspended its efforts to build a second nuclear unit at its existing Callaway site, and the NRC suspended review of the COL application. Prior to suspending its efforts, Ameren Missouri had capitalized $69 million related to the project. Due primarily to changes in vendor support for licensing efforts at the NRC, Ameren Missouri's assessment of long-term capacity needs, declining costs of alternative generation technologies, and the regulatory framework in Missouri, Ameren Missouri discontinued its efforts to license and build a second nuclear unit at its existing Callaway site. As a result of this decision, in the second quarter of 2015, Ameren and Ameren Missouri recognized a $69 million noncash pretax provision for all of the previously capitalized costs of the COL. Ameren Missouri has withdrawn its COL application with the NRC.

NOTE 3 - SHORT-TERM DEBT AND LIQUIDITY

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

The 2012 Missouri Credit Agreement and the 2012 Illinois Credit Agreement, both of which expire on December 11, 2019, were not utilized for direct borrowings during the nine months ended September 30, 2015, but were used to support commercial paper issuances and to issue letters of credit. Based on letters of credit issued under the 2012 Credit Agreements, as well as commercial paper outstanding, the aggregate amount of credit capacity available under the 2012 Credit Agreements to Ameren (parent), Ameren Missouri, and Ameren Illinois, collectively, at September 30, 2015, was $1.3 billion.

Commercial Paper

The following table presents commercial paper outstanding at Ameren (parent), Ameren Missouri, and Ameren Illinois as of September 30, 2015, and December 31, 2014:

	September 30, 2015	December 31, 2014
Ameren (parent)	$783	$585
Ameren Missouri	—	97
Ameren Illinois	—	32
Ameren Consolidated	$783	$714

The following table summarizes the borrowing activity and relevant interest rates under Ameren's (parent), Ameren Missouri's, and Ameren Illinois' commercial paper programs for the nine months ended September 30, 2015 and 2014:

	Ameren (parent)	Ameren Missouri	Ameren Illinois	Ameren Consolidated
2015				
Average daily commercial paper outstanding	$770	$56	$6	$832

Weighted-average interest rate	0.56 %	0.50 %	0.44 %	0.56 %
Peak commercial paper during period[(a)]	$874	$294	$48	$1,108
Peak interest rate	0.70 %	0.60 %	0.60 %	0.70 %
2014				
Average daily commercial paper outstanding	$386	$141	$157	$609
Weighted-average interest rate	0.36 %	0.38 %	0.31 %	0.35 %
Peak commercial paper during period[(a)]	$531	$495	$300	$907
Peak interest rate	0.75 %	0.70 %	0.34 %	0.75 %

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

Indebtedness Provisions and Other Covenants

The information below is a summary of the Ameren Companies' compliance with financial covenants in the 2012 Credit Agreements. See Note 4 - Short-term Debt and Liquidity under Part II, Item 8, in the Form 10-K for a detailed description of these provisions. The 2012 Credit Agreements 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 2012 Credit Agreements require each of Ameren, Ameren Missouri, and Ameren Illinois to maintain consolidated indebtedness of not more than 65% of its consolidated total capitalization pursuant to a defined calculation set forth in the agreements. As of September 30, 2015, the ratios of consolidated indebtedness to consolidated total capitalization, calculated in accordance with the 2012 Credit Agreements, were 50%, 48%, and 46%, for Ameren, Ameren Missouri, and Ameren Illinois, respectively. In addition, under the 2012 Illinois Credit Agreement and, by virtue of the cross-default provisions of the 2012 Missouri Credit Agreement, under the 2012 Missouri Credit Agreement, Ameren is required to maintain a ratio of consolidated funds from operations plus interest expense to consolidated interest expense of at least 2.0 to 1.0. However, the interest coverage requirement only applies at such times as Ameren does not have a senior long-term unsecured credit rating of at least Baa3 from Moody's or BBB- from S&P. As of September 30, 2015, Ameren exceeded the rating requirements; therefore, the interest coverage requirement was not applicable. Failure of a borrower to satisfy a financial covenant constitutes an immediate default under the applicable 2012 Credit Agreement.

The 2012 Credit Agreements contain default provisions that apply separately to each borrower; provided, however, that a default of Ameren Missouri or Ameren Illinois under the applicable 2012 Credit Agreement will also be deemed to constitute a default of Ameren under such agreement. Defaults include a cross-default of such borrower under any other agreement covering outstanding indebtedness of such borrower and certain subsidiaries (other than project finance subsidiaries and nonmaterial subsidiaries) in excess of $75 million in the aggregate (including under the other 2012 Credit Agreement). However, under the default provisions of the 2012 Credit Agreements, any default of Ameren under any 2012 Credit

Agreement that results solely from a default of Ameren Missouri or Ameren Illinois thereunder does not result in a cross-default of Ameren under the other 2012 Credit Agreement. Further, the 2012 Credit Agreement default provisions provide that an Ameren default under any of the 2012 Credit Agreements does not constitute a default by Ameren Missouri or Ameren Illinois.

None of the Ameren Companies' credit agreements or financing arrangements contain credit rating triggers that would cause a default or acceleration of repayment of outstanding balances. The Ameren Companies were in compliance with the covenants in their credit agreements at September 30, 2015.

Money Pools

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

Ameren Missouri, Ameren Illinois, and ATXI may participate in the utility money pool as both lenders and borrowers. Ameren and Ameren Services may participate in the utility money pool only as lenders. Surplus internal funds are contributed to the utility money pool from participants. The primary sources of external funds for the utility money pool are the 2012 Credit Agreements and the commercial paper programs. The total amount available to the pool participants from the utility money pool at any given time is reduced by the amount of borrowings made by participants, but is increased to the extent that the pool participants advance surplus funds to the utility money pool or remit funds from other external sources. The availability of funds is also determined by funding requirement limits established by regulatory authorizations. Participants receiving a loan under the utility money pool 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 and lending under the utility money pool for the three and nine months ended September 30, 2015, was 0.10% and 0.09%, respectively

(2014 - 0.10% and 0.23%, 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, 2015 and 2014.

NOTE 4 - LONG-TERM DEBT AND EQUITY

Ameren Missouri

In March 2015, Ameren Missouri received cash capital contributions of $224 million from Ameren (parent).

In April 2015, Ameren Missouri issued $250 million of 3.65% senior secured notes due April 15, 2045, with interest payable semiannually on April 15 and October 15 of each year, beginning October 15, 2015. Ameren Missouri received proceeds of $247 million, which were used to repay outstanding short-term debt, including short-term debt that Ameren Missouri incurred in connection with the repayment of $114 million of its 4.75% senior secured notes that matured on April 1, 2015.

Indenture Provisions and Other Covenants

Ameren Missouri's and Ameren Illinois' indentures, credit facilities, and articles of incorporation include covenants and provisions related to issuances of first mortgage bonds and preferred stock. Ameren Missouri and Ameren Illinois are required to meet certain ratios to issue additional first mortgage bonds and preferred stock. A failure to achieve these ratios would not result in a default under these covenants and provisions, but would restrict the companies' ability to issue bonds or preferred stock. The following table summarizes the required and actual interest coverage ratios and dividend coverage ratios, and bonds and preferred stock issuable as of September 30, 2015, at an assumed annual interest rate of 5% and dividend rate of 6%.

	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	3.7	$3,338	≥2.5	99.3	$2,206
Ameren Illinois	≥2.0	7.0	3,659 [d]	≥1.5	3.0	203 [e]

(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 $946 million and $204 million at Ameren Missouri and Ameren Illinois, respectively.

(c) Coverage required on the annual dividend on preferred stock outstanding and to be issued, as required in the respective company's articles of incorporation.

(d) Amount of bonds issuable by Ameren Illinois based on unfunded property additions and retired bonds solely under the former IP mortgage indenture. The amount of bonds issuable by Ameren Illinois is also subject to the lien restrictions contained in the 2012 Illinois Credit Agreement.

(e) Preferred stock issuable is restricted by the amount of preferred stock that is currently authorized by Ameren Illinois' articles of incorporation.

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

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

operating expenses and accumulations of earned surplus. Ameren Illinois committed to the FERC to maintain a minimum of 30% equity in its capital structure. As of September 30, 2015, Ameren Illinois had 52% equity in its capital structure.

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

Off-Balance-Sheet Arrangements

At September 30, 2015, none of the Ameren Companies had any off-balance-sheet financing arrangements, other than operating leases entered into in the ordinary course of business. None of the Ameren Companies expect to engage in any significant off-balance-sheet financing arrangements in the near future. See Note 12 - Divestiture Transactions and Discontinued Operations for Ameren (parent) guarantees and letters of credit issued to support New AER based on the transaction agreement with IPH.

NOTE 5 - OTHER INCOME AND EXPENSES

The following table presents the components of “Other Income and Expenses” in the Ameren Companies’ statements of income for the three and nine months ended September 30, 2015 and 2014:

	Three Months		Nine Months	
	2015	2014	2015	2014
Ameren:[(a)]				
Miscellaneous income:				
Allowance for equity funds used during construction	$8	$10	$19	$26
Interest income on industrial development revenue bonds	7	6	20	20
Interest income	4	3	12	8
Other	—	2	3	6
Total miscellaneous income	$19	$21	$54	$60
Miscellaneous expense:				
Donations	$—	$3	$10	$9
Other	5	4	12	11
Total miscellaneous expense	$5	$7	$22	$20
Ameren Missouri:				
Miscellaneous income:				
Allowance for equity funds used during construction	$7	$9	$16	$24
Interest income on industrial development revenue bonds	7	6	20	20
Interest income	—	—	1	1
Total miscellaneous income	$14	$15	$37	$45
Miscellaneous expense:				
Donations	$—	$2	$3	$5
Other	3	2	5	5
Total miscellaneous expense	$3	$4	$8	$10
Ameren Illinois:				
Miscellaneous income:				
Allowance for equity funds used during construction	$1	$1	$3	$2
Interest income	3	2	10	5
Other	—	1	2	5
Total miscellaneous income	$4	$4	$15	$12
Miscellaneous expense:				
Donations	$—	$—	$4	$3
Other	3	2	6	4
Total miscellaneous expense	$3	$2	$10	$7

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

NOTE 6 - DERIVATIVE FINANCIAL INSTRUMENTS

We use derivatives to manage the risk of changes in market prices for natural gas, power, and uranium, as well as the risk of changes in rail transportation surcharges through fuel oil hedges. Such price fluctuations may cause the following:

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

- market values of natural gas and uranium inventories that differ from the cost of those commodities in inventory; and
- actual cash outlays for the purchase of these commodities that differ from anticipated cash outlays.

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

The following table presents open gross commodity contract volumes by commodity type for derivative assets and liabilities as of September 30, 2015, and December 31, 2014. As of September 30, 2015, these contracts ran through October 2017, March 2021, May 2032, and December 2016 for fuel oils, natural gas, power, and uranium, respectively.

	Quantity (in millions, except as indicated)					
	2015			2014		
Commodity	Ameren Missouri	Ameren Illinois	Ameren	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils (in gallons)[(a)]	33	(b)	33	50	(b)	50
Natural gas (in mmbtu)	30	152	182	28	108	136
Power (in megawatthours)	1	10	11	1	11	12
Uranium (pounds in thousands)	299	(b)	299	332	(b)	332

(a) Fuel oils consist of heating oil and ultra-low-sulfur diesel.
(b) Not applicable.

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

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

believe derivative losses and gains deferred as regulatory assets and regulatory liabilities are probable of recovery or refund through future rates charged to customers. Regulatory assets and regulatory liabilities are amortized to operating income as related losses and gains are reflected in rates charged to customers. Therefore, gains and losses on these derivatives have no effect on operating income. As of September 30, 2015, and December 31, 2014, all contracts that qualify for hedge accounting received regulatory deferral.

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

The following table presents the carrying value and balance sheet location of all derivative instruments, none of which were designated as hedging instruments under hedge accounting, as of September 30, 2015, and December 31, 2014:

	Balance Sheet Location	Ameren Missouri	Ameren Illinois	Ameren
2015				
Natural gas	Other current assets	$1	$—	$1
Power	Other current assets	22	—	22
	Other assets	1	—	1
	Total assets	$24	$—	$24
Fuel oils	Other current liabilities	$19	$—	$19
	Other deferred credits and liabilities	6	—	6
Natural gas	MTM derivative liabilities	(a)	26	(a)
	Other current liabilities	5	—	31
	Other deferred credits and liabilities	9	18	27
Power	MTM derivative liabilities	(a)	12	(a)
	Other current liabilities	1	—	13
	Other deferred credits and liabilities	—	158	158
Uranium	Other current liabilities	1	—	1
	Total liabilities	$41	$214	$255
2014				
Fuel oils	Other current assets	$2	$—	$2
Natural gas	Other current assets	1	1	2
Power	Other current assets	15	—	15
	Total assets	$18	$1	$19
Fuel oils	Other current liabilities	$22	$—	$22
	Other deferred credits and liabilities	7	—	7
Natural gas	MTM derivative liabilities	(a)	31	(a)
	Other current liabilities	6	—	37
	Other deferred credits and liabilities	6	13	19
Power	MTM derivative liabilities	(a)	11	(a)
	Other current liabilities	3	—	14
	Other deferred credits and liabilities	—	131	131
Uranium	Other current liabilities	2	—	2
	Total liabilities	$46	$186	$232

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

The following table presents the cumulative amount of pretax net gains (losses) on all derivative instruments deferred in regulatory assets or regulatory liabilities as of September 30, 2015, and December 31, 2014:

	Ameren Missouri	Ameren Illinois	Ameren
2015			
Fuel oils derivative contracts[(a)]	$(25)	$—	$(25)
Natural gas derivative contracts[(b)]	(13)	(44)	(57)
Power derivative contracts[(c)]	22	(170)	(148)
Uranium derivative contracts[(d)]	(1)	—	(1)
2014			
Fuel oils derivative contracts	$(29)	$—	$(29)
Natural gas derivative contracts	(11)	(43)	(54)
Power derivative contracts	12	(142)	(130)

Uranium derivative contracts	(2)	—	(2)

(a) Represents net losses associated with fuel oils derivative contracts at Ameren Missouri. These contracts are a partial hedge of Ameren Missouri's rail transportation surcharges for coal through December 2017. Losses deferred as current regulatory assets include $19 million at Ameren and Ameren Missouri.

(b) Represents net losses associated with natural gas derivative contracts. These contracts are a partial hedge of natural gas requirements through March 2021 at Ameren and Ameren Missouri and through October 2019 at Ameren Illinois. Gains deferred as current regulatory liabilities include $1 million at Ameren and Ameren Missouri. Losses deferred as current regulatory assets include $31 million, $5 million, and $26 million at Ameren, Ameren Missouri, and Ameren Illinois, respectively.

(c) Represents net gains (losses) associated with power derivative contracts. These contracts are a partial hedge of power price requirements through May 2032 at Ameren and Ameren Illinois and through December 2016 at Ameren Missouri. Gains deferred as current regulatory liabilities include $22 million at Ameren and Ameren Missouri. Losses deferred as current regulatory assets include $13 million, $1 million, and $12 million at Ameren, Ameren Missouri, and Ameren Illinois, respectively.

(d) Represents net losses on uranium derivative contracts at Ameren Missouri. These contracts are a partial hedge of Ameren Missouri's uranium requirements through January 2017. Losses deferred as current regulatory assets include $1 million at Ameren and Ameren Missouri.

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

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

The following table provides the recognized gross derivative balances and the net amounts of those derivatives subject to an enforceable master netting arrangement or similar agreement as of September 30, 2015, and December 31, 2014:

Commodity Contracts Eligible to be Offset	Gross Amounts Recognized in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet		
		Derivative Instruments	Cash Collateral Received/Posted[(a)]	Net Amount
2015				
Assets:				
Ameren Missouri	$24	$2	$ —	$22
Ameren Illinois	—	—	—	—
Ameren	$24	$2	$ —	$22
Liabilities:				
Ameren Missouri	$41	$2	$ 6	$33
Ameren Illinois	214	—	1	213
Ameren	$255	$2	$ 7	$246
2014				
Assets:				
Ameren Missouri	$18	$5	$ —	$13
Ameren Illinois	1	—	—	1
Ameren	$19	$5	$ —	$14
Liabilities:				
Ameren Missouri	$46	$5	$ 5	$36
Ameren Illinois	186	—	—	186
Ameren	$232	$5	$ 5	$222

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

Concentrations of Credit Risk

In determining our concentrations of credit risk related to derivative instruments, we review our individual counterparties and categorize each counterparty into groupings according to the primary business in which each engages. We calculate maximum exposures based on the gross fair value of financial instruments, including NPNS and other accrual contracts. These exposures are presented on a gross basis, which include affiliate exposure not eliminated at the consolidated Ameren level. As of September 30, 2015, if counterparty groups were to fail completely to perform on contracts, Ameren, Ameren Missouri, and Ameren Illinois' maximum exposures were $12 million, $12 million, and $- million, respectively. The potential loss on counterparty exposures may be reduced or eliminated by the application of master netting arrangements or similar agreements and collateral held. As of September 30, 2015, the potential loss after consideration of the application of master netting arrangements or similar agreements and collateral held for Ameren, Ameren Missouri, and Ameren Illinois was $11 million, $11 million, and $- million, respectively.

Derivative Instruments with Credit Risk-Related Contingent Features

Our commodity contracts contain collateral provisions tied to the Ameren Companies' credit ratings. If we were to experience an adverse change in our credit ratings, or if a counterparty with reasonable grounds for uncertainty regarding performance of an obligation requested adequate assurance of performance, additional collateral postings might be required. The following table presents, as of September 30, 2015, the aggregate fair value of all derivative instruments with credit risk-related contingent features in a gross liability position, the cash collateral posted, and the aggregate amount of additional collateral that could be required to be posted with counterparties. The additional collateral required is the net liability position allowed under the master netting arrangements or similar agreements, assuming (1) the credit risk-related contingent features underlying these arrangements were triggered on September 30, 2015, and (2) those counterparties with rights to do so requested collateral.

	Aggregate Fair Value of Derivative Liabilities[(a)]	Cash Collateral Posted	Potential Aggregate Amount of Additional Collateral Required[(b)]
2015			
Ameren Missouri	$88	$7	$ 75
Ameren Illinois	82	1	75
Ameren	$170	$8	$ 150

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

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

NOTE 7 - FAIR VALUE MEASUREMENTS

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

guidance established a fair value hierarchy that prioritizes the inputs used to measure fair value.

All financial assets and liabilities carried at fair value are classified and disclosed in one of three hierarchy levels. See Note 8 - Fair Value Measurements under Part II, Item 8, of the Form 10-K for information related to hierarchy levels. We perform an analysis each quarter to determine the appropriate hierarchy level of the assets and liabilities subject to fair value measurements. Financial assets and liabilities are classified in their entirety according to the lowest level of input that is significant to the fair value measurement. All assets and liabilities whose fair value measurement is based on significant unobservable inputs are classified as Level 3.

The following table describes the valuation techniques and unobservable inputs for the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy as of September 30, 2015:

		Fair Value					
		Assets	Liabilities	Valuation Technique(s)	Unobservable Input	Range	Weighted Average
Level 3 Derivative asset and liability - commodity contracts[a]:							
Ameren	Fuel oils	$—	$ (1)	Option model	Volatilities(%)[e]	63	(d)
				Discounted cash flow	Ameren Missouri credit risk(%)[b][c]	0.40	(d)
	Natural gas	—	(1)	Option model	Volatilities(%)[e]	20 - 44	33
					Nodal basis($/mmbtu)[b]	(0.30) - (0.10)	(0.20)
				Discounted cash flow	Nodal basis($/mmbtu)[e]	(1.40) - 0.10	(0.20)
					Counterparty credit risk(%)[b][c]	0.40 - 12.07	6.60
					Ameren Missouri credit risk(%)[b][c]	0.40	(d)
	Power[f]	23	(171)	Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps($/MWh)[g]	26 - 40	29
					Estimated auction price for FTRs($/MW)[e]	(480) - 2,333	193
					Nodal basis($/MWh)[e]	(10) - (1)	(3)
					Counterparty credit risk(%)[b][c]	0.46 - 0.84	0.73
					Ameren Illinois credit risk(%)[b][c]	0.40	(d)
				Fundamental energy production model	Estimated future gas prices($/mmbtu)[e]	3 - 4	4
					Escalation rate(%)[e][h]	2 - 3	2
				Contract price allocation	Estimated renewable energy credit costs($/credit)[e]	5 - 7	6
	Uranium	—	(1)	Discounted cash flow	Average forward uranium pricing($/pound)[e]	37 - 39	37
Ameren Missouri	Fuel oils	$—	$ (1)	Option model	Volatilities(%)[e]	63	(d)
				Discounted cash flow	Ameren Missouri credit risk(%)[b][c]	0.40	(d)
	Natural gas	—	(1)	Option model	Volatilities(%)[e]	20 - 44	33
					Nodal basis($/mmbtu)[b]	(0.30) - (0.10)	(0.20)
				Discounted cash flow	Nodal basis($/mmbtu)[e]	(1.40) - 0.10	(0.20)
					Counterparty credit risk(%)[b][c]	0.40 - 12.07	6.60
					Ameren Missouri credit risk(%)[b][c]	0.40	(d)
	Power[f]	23	(1)	Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps($/MWh)[b]	26 - 40	34
					Estimated auction price for FTRs($/MW)[e]	(480) - 2,333	193
					Nodal basis($/MWh)[b]	(10) - (5)	(9)

					Counterparty credit risk(%)[(b)(c)]	0.46 - 0.84	0.73
	Uranium	—	(1	)	Discounted cash flow	Average forward uranium pricing($/pound)[(e)]	37 - 39	37
Ameren Illinois	Power[(f)]	$—	$ (170	)	Discounted cash flow	Average forward peak and off-peak pricing - forwards/swaps($/MWh)[(e)]	27 - 33	30
						Nodal basis($/MWh)[(e)]	(6) - (1)	(3)
						Ameren Illinois credit risk(%)[(b)(c)]	0.40	(d)
					Fundamental energy production model	Estimated future gas prices($/mmbtu)[(e)]	3 - 4	4
						Escalation rate(%)[(e)(h)]	2 - 3	2
					Contract price allocation	Estimated renewable energy credit costs($/credit)[(e)]	5 - 7	6

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

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

(c) Counterparty credit risk is applied only to counterparties with derivative asset balances. Ameren Missouri and Ameren Illinois credit risk is applied only to counterparties with derivative liability balances.

(d) Not applicable.

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

(f) Power valuations use visible third-party pricing evaluated by month for peak and off-peak demand through 2019. Valuations beyond 2019 use fundamentally modeled pricing by month for peak and off-peak demand.

(g) The balance at Ameren is comprised of Ameren Missouri and Ameren Illinois power contracts, which respond differently to unobservable input changes due to their opposing positions. As such, refer to the power sensitivity analysis for each company above.

(h) Escalation rate applies to power prices 2026 and beyond.

The following table describes the valuation techniques and unobservable inputs for the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy as of December 31, 2014:

		Fair Value		Valuation Technique(s)	Unobservable Input	Range	Weighted Average
		Assets	Liabilities				
Level 3 Derivative asset and liability – commodity contracts[a]:							
Ameren	Fuel oils	$2	$(8)	Option model	Volatilities(%)[b]	3 - 39	32
				Discounted cash flow	Ameren Missouri credit risk(%)[b][c]	0.43	(d)
					Escalation rate(%)[e][f]	5	(d)
	Natural Gas	1	(2)	Option model	Volatilities(%)[b]	31 - 144	63
					Nodal basis($/mmbtu)[e]	(0.40) - 0	(0.20)
				Discounted cash flow	Nodal basis($/mmbtu)[e]	(0.40) - 0.10	(0.20)
					Counterparty credit risk(%)[b][c]	0.43 - 13	3
					Ameren Missouri and Ameren Illinois credit risk(%)[b][c]	0.43	(d)
	Power[g]	11	(144)	Discounted cash flow	Average forward peak and off-peak pricing – forwards/swaps($/MWh)[h]	27 - 50	32
					Estimated auction price for FTRs($/MW)[e]	(1,833) - 2,743	171
					Nodal basis($/MWh)[e]	(6) - 0	(2)
					Counterparty credit risk(%)[b][c]	0.26	(d)
					Ameren Missouri and Ameren Illinois credit risk(%)[b][c]	0.43	(d)
				Fundamental energy production model	Estimated future gas prices($/mmbtu)[e]	4 - 5	4
					Escalation rate(%)[e][i]	0 - 1	1
				Contract price allocation	Estimated renewable energy credit costs($/credit)[e]	5 - 7	6
	Uranium	—	(2)	Discounted cash flow	Average forward uranium pricing($/pound)[e]	35 - 40	36
Ameren Missouri	Fuel oils	$2	$(8)	Option model	Volatilities(%)[b]	3 - 39	32
				Discounted cash flow	Ameren Missouri credit risk(%)[b][c]	0.43	(d)
					Escalation rate(%)[e][f]	5	(d)
	Natural Gas	—	(1)	Option model	Volatilities(%)[b]	31 - 144	53
					Nodal basis($/mmbtu)[e]	(0.40) - 0	(0.30)
				Discounted cash flow	Nodal basis($/mmbtu)[e]	(0.10)	(d)
					Counterparty credit risk(%)[b][c]	0.57 - 13	5
					Ameren Missouri credit risk(%)[b][c]	0.43	(d)
	Power[g]	11	(2)	Discounted cash flow	Average forward peak and off-peak pricing – forwards/swaps($/MWh)[h]	27 - 50	32
							171

					Estimated auction price for FTRs($/MW)(e)	(1,833) - 2,743	
					Counterparty credit risk(%)(b)(c)	0.26	(d)
					Ameren Missouri credit risk(%)(b)(c)	0.43	(d)
	Uranium	—	(2)	Discounted cash flow	Average forward uranium pricing($/pound)(e)	35 - 40	36
Ameren Illinois	Natural Gas	$1	$(1)	Option model	Volatilities(%)(b)	50 - 144	94
					Nodal basis($/mmbtu)(e)	(0.10) - 0	(0.10)
				Discounted cash flow	Nodal basis($/mmbtu)(e)	(0.40) - 0.10	(0.20)
					Counterparty credit risk(%)(b)(c)	0.43 - 2	0.83
					Ameren Illinois credit risk(%)(b)(c)	0.43	(d)
	Power(g)	—	(142)	Discounted cash flow	Average forward peak and off-peak pricing – forwards/swaps($/MWh)(e)	27 - 38	32
					Nodal basis($/MWh)(e)	(6) - 0	(2)
					Ameren Illinois credit risk(%)(b)(c)	0.43	(d)
				Fundamental energy production model	Estimated future gas prices($/mmbtu)(e)	4 - 5	4
					Escalation rate(%)(e)(i)	0 - 1	1
				Contract price allocation	Estimated renewable energy credit costs($/credit)(e)	5 - 7	6

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

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

(c) Counterparty credit risk is applied only to counterparties with derivative asset balances. Ameren Missouri and Ameren Illinois credit risk is applied only to counterparties with derivative liability balances.

(d) Not applicable.
(e) Generally, significant increases (decreases) in this input in isolation would result in a significantly higher (lower) fair value measurement.
(f) Escalation rate applies to fuel oil prices 2017 and beyond.
(g) Power valuations use visible third-party pricing evaluated by month for peak and off-peak demand through 2018. Valuations beyond 2018 use fundamentally modeled pricing by month for peak and off-peak demand.
(h) The balance at Ameren is comprised of Ameren Missouri and Ameren Illinois power contracts, which respond differently to unobservable input changes due to their opposing positions. As such, refer to the power sensitivity analysis for each company above.
(i) Escalation rate applies to power prices 2026 and beyond.

In accordance with applicable authoritative accounting guidance, we consider nonperformance risk in our valuation of derivative instruments by analyzing the credit standing of our counterparties and considering any counterparty credit enhancements (e.g., collateral). The guidance also requires that the fair value measurement of liabilities reflect the nonperformance risk of the reporting entity, as applicable. Therefore, we have factored the impact of our credit standing, as well as any potential credit enhancements, into the fair value measurement of both derivative assets and derivative liabilities. Included in our valuation, and based on current market conditions, is a valuation adjustment for counterparty default derived from market data such as the price of credit default swaps, bond yields, and credit ratings. No gains or losses related to valuation adjustments for counterparty default risk were recorded at Ameren, Ameren Missouri, or Ameren Illinois in the first nine months of 2015 or 2014. At September 30, 2015, the counterparty default risk liability valuation adjustment related to derivative contracts totaled $1 million, less than $1 million, and $1 million for Ameren, Ameren Missouri, and Ameren Illinois, respectively. At December 31, 2014, the counterparty default risk liability valuation adjustment related to derivative contracts totaled $1 million, less than $1 million, and $1 million for Ameren, Ameren Missouri, and Ameren Illinois, respectively.

The following table sets forth, by level within the fair value hierarchy, our assets and liabilities measured at fair value on a recurring basis as of September 30, 2015:

		Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total	
Assets:						
Ameren	Derivative assets - commodity contracts[(a)]:					
	Natural gas	—	1	—	1	
	Power	—	—	23	23	
	Total derivative assets - commodity contracts	$ —	$ 1	$ 23	$ 24	
	Nuclear decommissioning trust fund:					
	Cash and cash equivalents	$ 3	$ —	$ —	$ 3	
	Equity securities:					
	U.S. large capitalization	338	—	—	338	
	Debt securities:					
	Corporate bonds	—	61	—	61	
	U.S. treasury and agency securities	—	109	—	109	
	Other	—	24	—	24	
	Total nuclear decommissioning trust fund	$ 341	$ 194	$ —	$ 535	(b)
	Total Ameren	$ 341	$ 195	$ 23	$ 559	
Ameren	Derivative assets - commodity contracts[(a)]:					
Missouri	Natural gas	—	1	—	1	
	Power	—	—	23	23	
	Total derivative assets - commodity contracts	$ —	$ 1	$ 23	$ 24	
	Nuclear decommissioning trust fund:					
	Cash and cash equivalents	$ 3	$ —	$ —	$ 3	
	Equity securities:					
	U.S. large capitalization	338	—	—	338	
	Debt securities:					
	Corporate bonds	—	61	—	61	
	U.S. treasury and agency securities	—	109	—	109	
	Other	—	24	—	24	
	Total nuclear decommissioning trust fund	$ 341	$ 194	$ —	$ 535	(b)
	Total Ameren Missouri	$ 341	$ 195	$ 23	$ 559	
Liabilities:						
Ameren	Derivative liabilities - commodity contracts[(a)]:					

	Fuel oils	$ 24	$—	$1	$25
	Natural gas	1	56	1	58
	Power	—	—	171	171
	Uranium	—	—	1	1
	Total Ameren	$ 25	$56	$174	$255
Ameren	Derivative liabilities - commodity contracts[a]:				
Missouri	Fuel oils	$ 24	$—	$1	$25
	Natural gas	1	12	1	14
	Power	—	—	1	1
	Uranium	—	—	1	1
	Total Ameren Missouri	$ 25	$12	$4	$41
Ameren	Derivative liabilities - commodity contracts[a]:				
Illinois	Natural gas	$ —	$44	$—	$44
	Power	—	—	170	170
	Total Ameren Illinois	$ —	$44	$170	$214

(a) The derivative asset and liability balances are presented net of counterparty credit considerations.
(b) Balance excludes $(1) million of receivables, payables, and accrued income, net.

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The following table sets forth, by level within the fair value hierarchy, our assets and liabilities measured at fair value on a recurring basis as of December 31, 2014:

		Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total	
Assets:						
Ameren	Derivative assets - commodity contracts[a]:					
	Fuel oils	$ —	$—	$ 2	$2	
	Natural gas	—	1	1	2	
	Power	—	4	11	15	
	Total derivative assets - commodity contracts	$ —	$ 5	$ 14	$19	
	Nuclear decommissioning trust fund:					
	Cash and cash equivalents	$ 1	$—	$—	$1	
	Equity securities:					
	U.S. large capitalization	364	—	—	364	
	Debt securities:					
	Corporate bonds	—	63	—	63	
	U.S. treasury and agency securities	—	102	—	102	
	Other	—	17	—	17	
	Total nuclear decommissioning trust fund	$ 365	$ 182	$—	$547	(b)
	Total Ameren	$ 365	$ 187	$ 14	$566	
Ameren Missouri	Derivative assets - commodity contracts[a]:					
	Fuel oils	$ —	$—	$ 2	$2	
	Natural gas	—	1	—	1	
	Power	—	4	11	15	
	Total derivative assets - commodity contracts	$ —	$ 5	$ 13	$18	
	Nuclear decommissioning trust fund:					
	Cash and cash equivalents	$ 1	$—	$—	$1	
	Equity securities:					
	U.S. large capitalization	364	—	—	364	
	Debt securities:					
	Corporate bonds	—	63	—	63	
	U.S. treasury and agency securities	—	102	—	102	
	Other	—	17	—	17	
	Total nuclear decommissioning trust fund	$ 365	$ 182	$—	$547	(b)
	Total Ameren Missouri	$ 365	$ 187	$ 13	$565	
Ameren Illinois	Derivative assets - commodity contracts[a]:					
	Natural gas	$ —	$—	$ 1	$1	

Liabilities:

Ameren	Derivative liabilities - commodity contracts[(a)]:				
	Fuel oils	$ 21	$—	$ 8	$ 29
	Natural gas	1	53	2	56
	Power	—	1	144	145
	Uranium	—	—	2	2
	Total Ameren	$ 22	$ 54	$ 156	$ 232
Ameren	Derivative liabilities - commodity contracts[(a)]:				
Missouri	Fuel oils	$ 21	$—	$ 8	$ 29
	Natural gas	1	10	1	12
	Power	—	1	2	3
	Uranium	—	—	2	2
	Total Ameren Missouri	$ 22	$ 11	$ 13	$ 46
Ameren	Derivative liabilities - commodity contracts[(a)]:				
Illinois	Natural gas	$ —	$ 43	$ 1	$ 44
	Power	—	—	142	142
	Total Ameren Illinois	$ —	$ 43	$ 143	$ 186

(a) The derivative asset and liability balances are presented net of counterparty credit considerations.
(b) Balance excludes $2 million of receivables, payables, and accrued income, net.

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The following table summarizes the changes in the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy for the three months ended September 30, 2015:

	Net derivative commodity contracts		
	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils:			
Beginning balance at July 1, 2015	$ (1)	$ (a)	$ (1)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(1)	(a)	(1)
Settlements	1	(a)	1
Ending balance at September 30, 2015	$ (1)	$ (a)	$ (1)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2015	$ —	$ (a)	$ —
Natural gas:			
Beginning balance at July 1, 2015	$ —	$ (1)	$ (1)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(1)	1	—
Ending balance at September 30, 2015	$ (1)	$ —	$ (1)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2015	$ —	$ —	$ —
Power:			
Beginning balance at July 1, 2015	$ 27	$ (165)	$ (138)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	2	(8)	(6)
Settlements	(7)	3	(4)
Ending balance at September 30, 2015	$ 22	$ (170)	$ (148)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2015	$ 1	$ (7)	$ (6)
Uranium:			
Beginning balance at July 1, 2015	$ (2)	$ (a)	$ (2)
Settlements	1	(a)	1
Ending balance at September 30, 2015	$ (1)	$ (a)	$ (1)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2015	$ —	$ (a)	$ —

(a) Not applicable.

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

	Net derivative commodity contracts		
	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils:			
Beginning balance at July 1, 2014	$ 2	$ (a)	$ 2
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(2)	(a)	(2)
Ending balance at September 30, 2014	$ —	$ (a)	$ —
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	$ (2)	$ (a)	$ (2)
Natural gas:			

Beginning balance at July 1, 2014	$ —	$ —	$ —
Realized and unrealized gains (losses) included in regulatory assets/liabilities	—	1	1
Ending balance at September 30, 2014	$ —	$ 1	$ 1
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	$ —	$ —	$ —
Power:			
Beginning balance at July 1, 2014	$ 15	$ (103)	$ (88)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(5)	(23)	(28)
Settlements	(5)	2	(3)
Ending balance at September 30, 2014	$ 5	$ (124)	$ (119)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	$ (6)	$ (22)	$ (28)
Uranium:			
Beginning balance at July 1, 2014	$ (7)	$ (a)	$ (7)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	3	(a)	3
Settlements	1	(a)	1
Ending balance at September 30, 2014	$ (3)	$ (a)	$ (3)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	$ 3	$ (a)	$ 3

(a) Not applicable.

The following table summarizes the changes in the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy for the nine months ended September 30, 2015:

	Net derivative commodity contracts		
	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils:			
Beginning balance at January 1, 2015	$ (6)	$ (a)	$ (6)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(1)	(a)	(1)
Settlements	4	(a)	4
Transfers out of Level 3	2	(a)	2
Ending balance at September 30, 2015	$ (1)	$ (a)	$ (1)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2015	$ —	$ (a)	$ —
Natural gas:			
Beginning balance at January 1, 2015	$ (1)	$ —	$ (1)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(1)	1	—
Settlements	1	(1)	—
Ending balance at September 30, 2015	$ (1)	$ —	$ (1)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2015	$ —	$ —	$ —
Power:			
Beginning balance at January 1, 2015	$ 9	$ (142)	$ (133)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	—	(37)	(37)
Purchases	29	—	29
Settlements	(16)	9	(7)
Ending balance at September 30, 2015	$ 22	$ (170)	$ (148)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2015	$ 1	$ (35)	$ (34)
Uranium:			
Beginning balance at January 1, 2015	$ (2)	$ (a)	$ (2)
Settlements	1	(a)	1
Ending balance at September 30, 2015	$ (1)	$ (a)	$ (1)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2015	$ —	$ (a)	$ —

(a) Not applicable.

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

	Net derivative commodity contracts		
	Ameren Missouri	Ameren Illinois	Ameren
Fuel oils:			
Beginning balance at January 1, 2014	$ 5	$ (a)	$ 5
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(3)	(a)	(3)
Settlements	(2)	(a)	(2)
Ending balance at September 30, 2014	$ —	$ (a)	$ —
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	$ (2)	$ (a)	$ (2)
Natural gas:			
Beginning balance at January 1, 2014	$ —	$ —	$ —
Realized and unrealized gains (losses) included in regulatory assets/liabilities	—	1	1
Purchases	—	(1)	(1)
Settlements	—	1	1
Ending balance at September 30, 2014	$ —	$ 1	$ 1
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	$ —	$ —	$ —
Power:			
Beginning balance at January 1, 2014	$ 19	$ (108)	$ (89)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(23)	(19)	(42)
Purchases	34	—	34
Settlements	(25)	3	(22)
Ending balance at September 30, 2014	$ 5	$ (124)	$ (119)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	$ (3)	$ (21)	$ (24)
Uranium:			
Beginning balance at January 1, 2014	$ (6)	$ (a)	$ (6)
Realized and unrealized gains (losses) included in regulatory assets/liabilities	(1)	(a)	(1)
Settlements	4	(a)	4
Ending balance at September 30, 2014	$ (3)	$ (a)	$ (3)
Change in unrealized gains (losses) related to assets/liabilities held at September 30, 2014	$ —	$ (a)	$ —

(a) Not applicable.

Transfers in or out of Level 3 represent either (1) existing assets and liabilities that were previously categorized as a higher level, but were recategorized to Level 3 because the inputs to the model became unobservable during the period or (2) existing assets and liabilities that were previously classified as Level 3, but were recategorized to a higher level because the lowest significant input became observable during the period. Transfers between Level 1 and Level 3 for fuel oils were primarily caused by changes in availability of similar financial trades observable on electronic exchanges between the periods. Any reclassifications are reported as transfers out of Level 3 at the fair value measurement reported at the beginning of the period in which the changes occur. For the three and nine months ended September 30, 2015, and 2014, there were no transfers between Level 1, Level 2, and Level 3 related to derivative commodity contracts, with the exception of $2 million of transfers out of Level 3 into Level 1 related to fuel oil contracts at Ameren and Ameren Missouri for the nine months ended September 30, 2015.

The Ameren Companies’ carrying amounts of cash and cash equivalents approximate fair value because of the short-term nature of these instruments. They are considered to be Level 1 in the fair value hierarchy. The Ameren Companies' short-term borrowings also approximate fair value because of their short-term nature. Short-term borrowings are considered to be Level 2 in the fair value hierarchy as they are valued based on market rates for similar market transactions. The estimated fair value of long-term debt and preferred stock is based on the quoted market prices for same or similar issuances for companies with similar credit profiles or on the current rates offered to the Ameren Companies for similar financial instruments, which fair value measurement is considered to be Level 2 in the fair value hierarchy.

The following table presents the carrying amounts and estimated fair values of our long-term debt, capital lease obligations and preferred stock at September 30, 2015, and December 31, 2014:

	September 30, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Ameren:[(a)]				
Long-term debt and capital lease obligations (including current portion)	$6,376	$6,916	$6,240	$7,135
Preferred stock	142	124	142	122
Ameren Missouri:				
Long-term debt and capital lease obligations (including current portion)	$4,135	$4,488	$3,999	$4,518
Preferred stock	80	75	80	73
Ameren Illinois:				
Long-term debt	$2,241	$2,428	$2,241	$2,517
Preferred stock	62	49	62	49

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

NOTE 8 - RELATED PARTY TRANSACTIONS

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

Transactions between affiliates are reported as intercompany transactions on their respective financial statements but are eliminated in consolidation for Ameren's financial statements. For a discussion of our material related party agreements, see Note 14 - Related Party Transactions under Part II, Item 8, of the Form 10-K and the money pool arrangements discussed in Note 3 - Short-term Debt and Liquidity of this report.

Electric Power Supply Agreements

In April and September 2015, Ameren Illinois conducted procurement events, administered by the IPA, to purchase energy products through May 31, 2018. Ameren Missouri was among the winning suppliers in these events. As a result, in April 2015, Ameren Missouri and Ameren Illinois entered into energy product agreements by which Ameren Missouri agreed to sell and Ameren Illinois agreed to purchase 667,000 megawatthours at an average price of $36 per megawatthour during the period of June 1, 2015, through June 30, 2017. In September 2015, Ameren Missouri and Ameren Illinois entered into energy product agreements by which Ameren Missouri agreed to sell and Ameren Illinois agreed to purchase 339,000 megawatthours at an average price of $38 per megawatthour during the period of November 1, 2015 through May 31, 2018.

The following table presents the impact on Ameren Missouri and Ameren Illinois of related party transactions for the three and nine months ended September 30, 2015 and 2014.

Agreement	Income Statement Line Item		Three Months Ameren Missouri	Three Months Ameren Illinois	Nine Months Ameren Missouri	Nine Months Ameren Illinois
Ameren Missouri power supply	Operating Revenues	2015	$4	$(a)	$9	$(a)
agreements with Ameren Illinois		2014	2	(a)	5	(a)
Ameren Missouri and Ameren Illinois	Operating Revenues	2015	6	1	19	3
rent and facility services		2014	6	(b)	15	1
	Operating Revenues	2015	1	(b)	2	(b)

Ameren Missouri and Ameren Illinois miscellaneous support services		2014	(b)	(b)	1	(b)
Total Operating Revenues		2015	$11	$1	$30	$3
		2014	8	(b)	21	1
Ameren Illinois power supply	Purchased Power	2015	$(a)	$4	$(a)	$9
agreements with Ameren Missouri		2014	(a)	2	(a)	5
Ameren Illinois transmission	Purchased Power	2015	(a)	1	(a)	2
services with ATXI		2014	(a)	1	(a)	2
Total Purchased Power		2015	$(a)	$5	$(a)	$11
		2014	(a)	3	(a)	7
Ameren Services support services	Other Operations and Maintenance	2015	$30	$28	$96	$87
agreement		2014	25	26	90	80
Money pool borrowings (advances)	Interest Charges/ Miscellaneous Income	2015	$(b)	$(b)	$(b)	$(b)
		2014	(b)	(b)	(b)	(b)

(a) Not applicable.
(b) Amount less than $1 million.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

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

Reference is made to Note 1 - Summary of Significant Accounting Policies, Note 2 - Rate and Regulatory Matters, Note 14 - Related Party Transactions, Note 15 - Commitments and Contingencies, and Note 16 - Divestiture Transactions and Discontinued Operations under Part II, Item 8, of the Form 10-K. See also Note 1 - Summary of Significant Accounting Policies, Note 2 - Rate and Regulatory Matters, Note 8 - Related Party Transactions, Note 10 - Callaway Energy Center, and Note 12 - Divestiture Transactions and Discontinued Operations in this report.

Callaway Energy Center

The following table presents insurance coverage at Ameren Missouri's Callaway energy center at September 30, 2015. The property coverage and the nuclear liability coverage must be renewed on April 1 and January 1, respectively, of each year. Both coverages were renewed in 2015.

Type and Source of Coverage	Maximum Coverages		Maximum Assessments for Single Incidents	
Public liability and nuclear worker liability:				
American Nuclear Insurers	$ 375		$—	
Pool participation	12,986	(a)	127	(b)
	$ 13,361	(c)	$ 127	
Property damage:				
NEIL	$ 2,750	(d)	$ 27	(e)
European Mutual Association for Nuclear Insurance	500	(f)	—	
	$ 3,250		$ 27	
Replacement power:				
NEIL	$ 490	(g)	$ 10	(e)

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

(b) Retrospective premium under the Price-Anderson Act. This is subject to retrospective assessment with respect to a covered loss in excess of $375 million in the event of an incident at any licensed United States commercial reactor, payable at $19 million per year.

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

(d) NEIL provides $2.25 billion in property damage, decontamination, and premature decommissioning insurance for both radiation and nonradiation events. An additional $500 million is provided for radiation events only for a total of $2.75 billion.

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

(f) European Mutual Association for Nuclear Insurance provides $500 million in excess of the $2.75 billion and $2.25 billion property coverage for radiation and nonradiation events, respectively, provided by NEIL.

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

The Price-Anderson Act is a federal law that limits the liability for claims from an incident involving any licensed United States commercial nuclear energy center. The limit is based on the number of licensed reactors. The limit of liability and the maximum potential annual payments are adjusted at least every five years for inflation to reflect changes in the Consumer Price Index. The most recent five-year inflationary adjustment became effective in

September 2013. Owners of a nuclear reactor cover this exposure through a combination of private insurance and mandatory participation in a financial protection pool, as established by the Price-Anderson Act.

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

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

Other Obligations

To supply a portion of the fuel requirements of Ameren Missouri's energy centers, Ameren Missouri has entered into various long-term commitments for the procurement of coal, natural gas, nuclear fuel, and methane gas. Additionally, Ameren Missouri and Ameren Illinois have entered into various long-term commitments for purchased power and natural gas for distribution. For a complete listing of our obligations and commitments, see Note 15 - Commitments and Contingencies under Part II, Item 8 of the Form 10-K.

At September 30, 2015, total other obligations related to commitments for coal, natural gas, nuclear fuel, purchased power, methane gas, equipment, and meter reading services, among other agreements, at Ameren, Ameren Missouri, and Ameren Illinois were \$4,832 million, \$2,913 million, and \$1,888 million, respectively.

In April and September 2015, Ameren Illinois conducted procurement events, administered by the IPA, to purchase energy products through May 31, 2018. In the April procurement event, Ameren Illinois contracted to purchase approximately 5,526,000 megawatthours of energy products for \$185 million from June 1, 2015, through May 31, 2018. In the September procurement event, Ameren Illinois contracted to purchase approximately 2,592,000 megawatt hours of energy products for \$83 million from November 1, 2015, through May 31, 2018. The results of both procurement events are included in Ameren's and Ameren Illinois' obligations discussed above. See Note 8 - Related Party Transactions in this report for additional information regarding energy product agreements between Ameren Missouri and Ameren Illinois as a result of these procurement events.

Environmental Matters

We are subject to various environmental laws and regulations enforced by federal, state, and local authorities. From the beginning phases of siting and development to the operation of existing or new electric generation, transmission and distribution facilities and natural gas storage, transmission and distribution facilities, our activities involve compliance with diverse environmental laws and regulations. These laws and regulations address emissions, discharges to water, water usage, impacts to air, land, and water, and chemical and waste handling. Complex and lengthy processes are required to obtain and renew approvals, permits, or licenses for new, existing or modified facilities. Additionally, the use and handling of various chemicals or hazardous materials require release prevention plans and emergency response procedures.

The EPA is developing and implementing environmental regulations that will have a significant impact on the electric utility industry. Over time, compliance with these regulations could be costly for certain companies, including Ameren Missouri, that operate coal-fired power plants. Significant new rules proposed or promulgated include the regulation of CO_2 emissions from existing power plants through the Clean Power Plan and from new power plants through the revised NSPS; the CSAPR, which requires further reductions of SO_2 emissions and NO_x emissions from power plants; a regulation governing management of CCR and CCR landfills and impoundments; the MATS, which require reduction of emissions of mercury, toxic metals, and acid gases from power plants; revised NSPS for particulate matter, SO_2, and NO_x emissions from new sources; new effluent standards applicable to waste water discharges from power plants and new regulations under the Clean Water Act that could require significant capital expenditures, such as modifications to water intake structures or new cooling towers at Ameren Missouri's energy centers. The EPA also periodically reviews and revises national ambient air quality standards, including those standards associated with emissions from power plants such as particulate matter, ozone, SO_2 and NO_x. The EPA issued a more stringent national ambient air quality standard for ozone on October 1, 2015. Certain of these new regulations are likely to be challenged through litigation, so their ultimate implementation, as well as the timing of any such implementation, is uncertain. Although many details of future regulations are unknown, the combined effects of new environmental regulations could result in significant capital expenditures and increased operating costs for Ameren and Ameren Missouri. Compliance with all of these environmental laws and regulations could be prohibitively expensive, result in the closure or alteration of the operation of some of Ameren Missouri's energy centers, or require capital investment. Ameren and Ameren Missouri expect these costs would be recoverable through rates, subject to MoPSC prudence review, but the nature and timing of costs, as well as the applicable regulatory framework, could result in regulatory lag.

Ameren Missouri's current plan for compliance with existing environmental regulations for air emissions includes burning ultra-low-sulfur coal and installing new or optimizing existing pollution control equipment. Ameren and Ameren Missouri estimate that they will need to make capital expenditures of $350 million to $400 million in the aggregate from 2015 through 2019 in order to comply with existing environmental regulations. Ameren Missouri may be required to install additional pollution controls within the next six to 10 years. This estimate includes our capital expenditures required for the CCR regulations that were published in 2015, compliance with the MATS, and the rule applicable to cooling water intake structures at existing power plants under the Clean Water Act, all of which are discussed below. This estimate does not include the impacts of the Clean Power Plan and the new effluent limitation guidelines applicable to steam electric generating units under the Clean Water Act, both of which are discussed below. Considerable uncertainty remains in this estimate. The actual amount of capital expenditures required to comply with existing environmental regulations may vary substantially from the above estimate due to uncertainty as to the precise compliance strategies that will be used and their ultimate cost, among other things.

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

Clean Air Act

Federal and state laws require significant reductions in SO_2 and NO_x through either emission source reductions or the use and retirement of emission allowances. The CSAPR became effective on January 1, 2015, for SO_2 and annual NO_x reductions, and on May 1, 2015, for ozone season NO_x reductions. There will be further emission reduction requirements in 2017 and potentially more in subsequent years. Ameren Missouri expects to have sufficiently reduced emissions and have sufficient allowances to avoid purchasing allowances to comply with CSAPR for 2015. To achieve compliance with CSAPR, Ameren Missouri operates two scrubbers at its Sioux energy center and burns ultra-low sulfur coal. Ameren Missouri does not expect to make additional capital investments to comply with the current CSAPR requirements. However, Ameren Missouri expects to incur additional operations and maintenance costs to lower its emissions at one or more of its energy centers for compliance with the CSAPR in future years. These higher operations and maintenance costs are expected to be collected from customers through the FAC or higher base rates.

In December 2011, the EPA issued the MATS under the Clean Air Act, which requires reductions in emissions of mercury and other hazardous air pollutants, such as acid gases, trace metals, and hydrogen chloride. The MATS do not require a specific control technology to achieve the emission reductions. The MATS apply to each unit at a coal-fired power plant. However, in certain cases, compliance can be achieved by averaging emissions from similar units at the same power plant. Compliance was required by April 2015 or, with a case-by-case extension, by April 2016. Ameren Missouri's Labadie and Meramec energy centers were granted extensions. In June 2015, the United States Supreme Court remanded a case challenging the MATS to the United States Court of Appeals for the District of Columbia Circuit for further consideration and ruled that the EPA was required to consider costs before deciding whether regulation of emissions of mercury and other hazardous air pollutants from power plants was appropriate and necessary. Ameren Missouri expects to make additional capital investments at its Labadie and Meramec energy centers to comply with the MATS by April 2016. These capital expenditure investments are included in Ameren's and Ameren Missouri's estimate of capital expenditures to comply with existing environmental regulations discussed above. In addition, Ameren Missouri is incurring additional operations and maintenance costs to lower its emissions at its energy centers in compliance with the MATS. These higher operations and maintenance costs are being collected from customers through the FAC or higher base rates.

Greenhouse Gas Regulation

The finalized version of the Clean Power Plan, which sets forth CO_2 emissions standards that will be applicable to existing power plants, was published in the Federal Register in October 2015 and will become effective in December 2015. The finalized regulations differ significantly from the proposed rule that the EPA issued in June 2014.

Under the Clean Power Plan, Ameren Missouri expects to incur increased net fuel and operating costs, and new or accelerated capital expenditures, in addition to making modifications to existing operations in order to achieve compliance. Missouri and Illinois are each required to reduce their greenhouse gas emissions significantly below 2005 levels by 2030. States are required to submit preliminary compliance plans to the EPA as early as 2016, although extensions until 2018 are available. The rule contains interim compliance periods commencing in 2022 that require each state to demonstrate progress in achieving its greenhouse gas reduction target. Ameren Missouri is evaluating the Clean Power Plan and its potential implementation by Missouri and Illinois. This assessment includes the potential impacts to its operations, including those related to electric system reliability and its level of investment in customer energy efficiency programs, renewable energy, and other forms of generation investment. Significant uncertainty exists regarding the impact of the Clean Power Plan, as the finalized rule is different from the proposed rule and its implementation will depend upon plans to be developed by the states. Numerous legal challenges are pending which could result in the rule being declared invalid or the nature and timing of CO_2 emissions reductions being revised. We cannot predict the outcome of the legal challenges or their impact on our results of operations, financial position or liquidity. Compliance measures could result in the closure or alteration of the operation of some of Ameren Missouri’s coal and natural gas-fired energy centers, which could result in increased operating costs. Ameren Missouri expects substantially all of these increased costs to be recoverable, subject to MoPSC prudence review, through higher rates to customers, which could be significant.

Also, in August 2015, the EPA issued final regulations that set CO_2 emissions standards for new power plants. These new standards establish separate emissions limits for new natural gas-fired plants and new coal-fired plants.

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

NSR and Clean Air Litigation

In January 2011, the Department of Justice, on behalf of the EPA, filed a complaint against Ameren Missouri in the United

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

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

Clean Water Act

In August 2014, the EPA published the final rule applicable to cooling water intake structures at existing power plants. The rule requires a case-by-case evaluation and plan for reducing aquatic organisms impinged on the facility’s intake screens or entrained through the plant's cooling water system. Implementation of this rule will be administered through each power plant’s water discharge permitting process. All of Ameren Missouri’s coal-fired and nuclear energy centers are subject to this rule. The rule could have an adverse effect on Ameren’s and Ameren Missouri’s results of operations, financial position, and liquidity if its implementation requires the installation of cooling towers or extensive modifications to the cooling water systems at our energy centers and if those investments are not recovered timely in electric rates charged to its customers.

In September 2015, the EPA issued its final rule under the Clean Water Act to revise the effluent limitation guidelines applicable to steam electric generating units. Effluent limitation guidelines are national standards for wastewater discharges that are based on the effectiveness of available control technology. The EPA's rule prohibits effluent discharges of certain, but not all, waste streams and imposes more stringent limitations on certain components in wastewater discharges from power plants. All of Ameren Missouri’s coal-fired energy centers are subject to this rule. Each of Ameren Missouri’s energy centers will become subject to the revised limitations when it renews its wastewater discharge permit. These permits are scheduled to be renewed between 2018 and 2023. Ameren Missouri is evaluating the final rule, which will become effective in January 2016, and the possible effects on its operations.

Ash Management

The EPA issued regulations in 2015 regarding the management and disposal of CCR, which will affect future CCR disposal and handling costs at Ameren Missouri's energy centers. The regulations allow for the management of CCR as a solid waste, as well as for its continued beneficial uses, such as recycling, which could reduce the amount to be disposed. The

regulations also establish criteria regarding the structural integrity, location, and operation of CCR impoundments and landfills. They require groundwater monitoring and closure of impoundments if the groundwater standards are not achieved. During the second quarter of 2015, Ameren and Ameren Missouri recorded an increase to their AROs associated with CCR storage facilities as a result of the new regulations. See Note 1 - Summary of Significant Accounting Policies in this report for additional information. Ameren Missouri's capital expenditure plan includes the cost of constructing landfills as part of its environmental compliance plan, with expenditures beginning in 2015. Ameren Missouri expects certain of its ash ponds could be closed within the next five years.

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

Remediation

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

As of September 30, 2015, Ameren Illinois owned or was otherwise responsible for 44 former MGP sites in Illinois, which are in various stages of investigation, evaluation, remediation, and closure. Ameren Illinois estimates it could

substantially conclude remediation efforts by 2025. The ICC allows Ameren Illinois to recover remediation and litigation costs associated with its former MGP sites from its electric and natural gas utility customers through environmental adjustment rate riders. To be recoverable, such costs must be prudently incurred. Costs are subject to annual review by the ICC. As of September 30, 2015, Ameren Illinois estimated the obligation related to these former MGP sites at $237 million to $309 million. Ameren and Ameren Illinois recorded a liability of $237 million to represent the estimated minimum obligation for these sites, as no other amount within the range was a better estimate. The scope and extent to which these former MGP sites are remediated may increase as remediation efforts continue. Considerable uncertainty remains in these estimates, as many factors can influence the ultimate actual costs, including site specific unanticipated underground structures, the degree to which groundwater is encountered, regulatory changes, local ordinances, and site accessibility. The actual costs may vary substantially from these estimates.
Ameren Illinois formerly used an off-site landfill, which Ameren Illinois did not own, in connection with the operation of a previously-owned energy center. Ameren Illinois could be required to perform certain maintenance activities at that landfill, which is now closed. As of September 30, 2015, Ameren Illinois estimated the obligation related to the landfill at $0.5 million to $6

million. Ameren Illinois recorded a liability of $0.5 million to represent its estimated minimum obligation for this site, as no other amount within the range was a better estimate. Ameren Illinois is also responsible for the cleanup of some underground storage tanks and a water treatment plant in Illinois. As of September 30, 2015, Ameren Illinois recorded a liability of $0.7 million to represent its best estimate of the obligation for these sites.

In 2008, the EPA issued an administrative order to Ameren Missouri pertaining to a former coal tar distillery in St. Louis, Missouri operated by Koppers Company or its predecessor and successor companies. While Ameren Missouri is the current owner of the site, it did not conduct any of the manufacturing operations involving coal tar or its byproducts. Ameren Missouri, along with two other potentially responsible parties, have completed site investigation activities and have submitted their findings to the EPA. As of September 30, 2015, Ameren Missouri estimated its obligation at $2 million to $5 million. Ameren Missouri recorded a liability of $2 million to represent its estimated minimum obligation, as no other amount within the range was a better estimate.

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

In December 2013, the EPA issued its record of decision for Sauget Area 2 approving the investigation and the remediation alternatives recommended by the potentially responsible parties. Further negotiation among the potentially responsible parties will determine how to fund the implementation of the EPA-approved cleanup remedies. As of September 30, 2015, Ameren Missouri estimated its obligation related to Sauget Area 2 at $1 million to $2.5 million. Ameren Missouri recorded a liability of $1 million to represent its estimated minimum obligation for this site, as no other amount within the range was a better estimate.

In December 2012, Ameren Missouri signed an administrative order with the EPA and agreed to investigate soil and groundwater conditions at an Ameren Missouri-owned substation in St. Charles, Missouri. As of September 30, 2015, Ameren Missouri estimated and recorded a $0.8 million liability related to the remaining cleanup of the site.

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

Pumped-storage Hydroelectric Facility Breach

In December 2005, there was a breach of the upper reservoir at Ameren Missouri's Taum Sauk pumped-storage hydroelectric energy center. The breach resulted in significant flooding in the local area, which damaged a state park. Ameren Missouri had liability insurance coverage for the Taum Sauk incident, subject to certain limits and deductibles.

In 2010, Ameren Missouri sued an insurance company that was providing Ameren Missouri with liability coverage on the date of the Taum Sauk incident. In the litigation, which is pending in the United States District Court for the Southern District of New York, Ameren Missouri claims that the insurance company breached its duty to indemnify Ameren Missouri for losses resulting from the incident.

As of September 30, 2015, Ameren Missouri had a net insurance receivable balance of $41 million. The insurance claim was $54 million as of September 30, 2015. Ameren Missouri expects to collect this receivable from the insurance company in the pending litigation described above. This receivable is included in “Other assets” on Ameren’s and Ameren Missouri’s balance sheets as of September 30, 2015. Ameren's and Ameren Missouri's results of operations, financial position, and liquidity could be adversely affected if Ameren Missouri's insurance receivable balance is not collected.

Asbestos-related Litigation

Ameren, Ameren Missouri, and Ameren Illinois have been named, along with numerous other parties, in a number of lawsuits filed by plaintiffs claiming varying degrees of injury from asbestos exposure at our current and former energy centers. Most have been filed in the Circuit Court of Madison County, Illinois. The total number of defendants named

in each case varies, with 73 as the average number of parties as of September 30, 2015. Each lawsuit seeks unspecified damages that, if awarded at trial, typically would be shared among the various defendants.
The following table presents the pending asbestos-related lawsuits filed against the Ameren Companies as of September 30, 2015:

Ameren	Ameren Missouri	Ameren Illinois	Total[(a)]
1	27	40	53

(a) Total does not equal the sum of the subsidiary unit lawsuits because some of the lawsuits name multiple Ameren entities as defendants.

As of September 30, 2015, Ameren, Ameren Missouri, and Ameren Illinois had “Other current liabilities” of $8 million, $3 million, and $5 million, respectively, recorded to represent their best estimate of their obligations related to asbestos claims.
Ameren Illinois has a tariff rider to recover the costs of IP asbestos-related litigation claims, subject to the following terms: 90% of cash expenditures in excess of the amount included in base electric rates are to be recovered from a trust fund that was

established when Ameren acquired IP. At September 30, 2015, the trust fund balance was $22 million, including accumulated interest. If cash expenditures are less than the amount in base rates, Ameren Illinois will contribute 90% of the difference to the trust fund. Once the trust fund is depleted, 90%