

Edgar Filing: AMEREN CORP - Form 10-Q

AMEREN CORP  
 Form 10-Q  
 November 03, 2017  
 UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549  
 FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period  
 Ended September 30, 2017  
 OR

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

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

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

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

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

Edgar Filing: AMEREN CORP - Form 10-Q

Ameren Corporation Yes  No

Union Electric Company Yes  No

Ameren Illinois Company Yes  No

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

	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company	Emerging Growth Company
Ameren Corporation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Union Electric Company	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ameren Illinois Company	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Ameren Corporation

Union Electric Company

Ameren Illinois Company

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

Union Electric Company Yes  No

Ameren Illinois Company Yes  No

The number of shares outstanding of each registrant’s classes of common stock as of October 31, 2017, was as follows:

Ameren Corporation Common stock, \$0.01 par value per share – 242,634,798

Union Electric Company Common stock, \$5 par value per share, held by Ameren Corporation – 102,123,834

Ameren Illinois Company Common stock, no par value, held by Ameren Corporation – 25,452,373

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

## TABLE OF CONTENTS

	Page
<u>Glossary of Terms and Abbreviations</u>	<u>1</u>
<u>Forward-looking Statements</u>	<u>1</u>
<u>PART I Financial Information</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	<u>3</u>
<u>Ameren Corporation</u>	<u>3</u>
<u>Consolidated Statement of Income</u>	<u>3</u>
<u>Consolidated Statement of Comprehensive Income</u>	<u>4</u>
<u>Consolidated Balance Sheet</u>	<u>5</u>
<u>Consolidated Statement of Cash Flows</u>	<u>6</u>
<u>Union Electric Company (d/b/a Ameren Missouri)</u>	<u>7</u>
<u>Statement of Income and Comprehensive Income</u>	<u>7</u>
<u>Balance Sheet</u>	<u>8</u>
<u>Statement of Cash Flows</u>	<u>9</u>
<u>Ameren Illinois Company (d/b/a Ameren Illinois)</u>	<u>10</u>
<u>Statement of Income and Comprehensive Income</u>	<u>10</u>
<u>Balance Sheet</u>	<u>11</u>
<u>Statement of Cash Flows</u>	<u>12</u>
<u>Note 1. Summary of Significant Accounting Policies</u>	<u>13</u>
<u>Note 2. Rate and Regulatory Matters</u>	<u>16</u>
<u>Note 3. Short-term Debt and Liquidity</u>	<u>18</u>
<u>Note 4. Long-term Debt and Equity Financings</u>	<u>19</u>
<u>Note 5. Other Income and Expenses</u>	<u>20</u>
<u>Note 6. Derivative Financial Instruments</u>	<u>20</u>
<u>Note 7. Fair Value Measurements</u>	<u>23</u>
<u>Note 8. Related Party Transactions</u>	<u>28</u>
<u>Note 9. Commitments and Contingencies</u>	<u>29</u>
<u>Note 10. Callaway Energy Center</u>	<u>32</u>
<u>Note 11. Retirement Benefits</u>	<u>34</u>
<u>Note 12. Segment Information</u>	<u>34</u>
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>37</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>62</u>
Item 4. <u>Controls and Procedures</u>	<u>64</u>
<u>PART II Other Information</u>	
Item 1. <u>Legal Proceedings</u>	<u>64</u>
Item 1A. <u>Risk Factors</u>	<u>64</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>65</u>
Item 6. <u>Exhibits</u>	<u>65</u>
<u>Signatures</u>	<u>66</u>

## 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.

EMANI – European Mutual Association for Nuclear Insurance.

Form 10-K – The combined Annual Report on Form 10-K for the year ended December 31, 2016, filed by the Ameren Companies with the SEC.

Westinghouse – Westinghouse Electric Company, LLC.

Zero-emission credit – A credit that represents the environmental attributes of one MWh of energy produced from certain zero-emissions nuclear-powered generating facilities, which Illinois utilities are required to purchase pursuant to the FEJA.

## 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 any changes in regulatory policies and ratemaking determinations, such as those that may result from the complaint case filed in February 2015 with the FERC seeking a reduction in the allowed base return on common equity under the MISO tariff, Ameren Illinois’ April 2017 annual electric distribution formula rate update filing, and future regulatory, judicial, or legislative actions that change regulatory recovery mechanisms;

- the effect of Ameren Illinois participating in a performance-based formula ratemaking process under the IEIMA, including the direct relationship between Ameren Illinois’ return on common equity and 30-year United States Treasury bond yields, and the related financial commitments;

- the effects of changes in federal, state, or local laws and other governmental actions, including monetary, fiscal, and energy policies;

- the effects of changes in federal, state, or local tax laws, regulations, interpretations, or rates, such as the July 2017 change in Illinois law that increased the state’s corporate income tax rate, or changes to federal tax laws as a result of tax reform legislation currently being developed by Congress, and any challenges to the tax positions taken by the Ameren Companies;

- the effects on demand for our services resulting from technological advances, including advances in customer energy efficiency and private 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 revenues and performance incentives earned under its MEEIA plans;

- Ameren Illinois’ ability to achieve FEJA electric energy efficiency goals and the resulting impact on its allowed return on program investments;

- our ability to align overall spending, both operating and capital, with frameworks established by our regulators and to recover these costs in a timely manner in our attempt to earn our allowed returns on equity;

the cost and availability of fuel, such as ultra-low-sulfur coal, natural gas, and enriched uranium used to produce electricity; the cost and availability of purchased power, zero-emission credits, renewable energy credits, and natural gas for distribution; and the level and volatility of future market prices for such commodities, including our ability to recover the costs for such commodities and our customers' tolerance for the related rate increases;

disruptions in the delivery of fuel, failure of our fuel suppliers to provide adequate quantities or quality of fuel, or lack of adequate inventories of fuel, including nuclear fuel assemblies from Westinghouse, Callaway's only NRC-licensed supplier of such assemblies, which is currently in bankruptcy proceedings;

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

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

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

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

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

the impact of adopting new accounting guidance and the application of appropriate accounting rules and guidance;

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 transmission and distribution systems and storage facilities, such as leaks, explosions, and mechanical problems, and compliance with natural gas safety regulations;

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

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

the effects of strategic initiatives, including mergers, acquisitions, and divestitures;

the impact of current environmental regulations and new, more stringent, or changing requirements, including those related to CO<sub>2</sub>, other emissions and discharges, cooling water intake structures, CCR, and energy efficiency, that are enacted over time and that could limit or terminate the operation of certain of Ameren Missouri's energy centers, increase our costs or investment requirements, result in an impairment of our assets, cause us to sell our assets, reduce our customers' demand for electricity or natural gas, or otherwise have a negative financial effect;

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

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

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

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

legal and administrative proceedings;

the impact of cyber-attacks, which could, among other things, result in the loss of operational control of energy centers and electric and natural gas transmission and distribution systems and/or the loss of data, such as customer, employee, financial, and operating system information; and

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

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

PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS.

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

	Three Months Ended September 30, 2017		Nine Months Ended September 30, 2016	
Operating Revenues:				
Electric	\$1,594	\$1,725	\$4,183	\$4,101
Natural gas	129	134	592	619
Total operating revenues	1,723	1,859	4,775	4,720
Operating Expenses:				
Fuel	199	205	594	574
Purchased power	162	178	491	451
Natural gas purchased for resale	25	34	196	227
Other operations and maintenance	402	411	1,229	1,246
Depreciation and amortization	225	211	668	628
Taxes other than income taxes	129	129	364	358
Total operating expenses	1,142	1,168	3,542	3,484
Operating Income	581	691	1,233	1,236
Other Income and Expenses:				
Miscellaneous income	13	18	42	54
Miscellaneous expense	2	8	16	21
Total other income	11	10	26	33
Interest Charges	97	97	295	287
Income Before Income Taxes	495	604	964	982
Income Taxes	205	233	376	356
Net Income	290	371	588	626
Less: Net Income Attributable to Noncontrolling Interests	2	2	5	5
Net Income Attributable to Ameren Common Shareholders	\$288	\$369	\$583	\$621
Earnings per Common Share – Basic	\$1.19	\$1.52	\$2.40	\$2.56
Earnings per Common Share – Diluted	\$1.18	\$1.52	\$2.39	\$2.56
Dividends per Common Share	\$0.44	\$0.425	\$1.32	\$1.275
Average Common Shares Outstanding – Basic	242.6	242.6	242.6	242.6
Average Common Shares Outstanding – Diluted	244.7	242.9	244.0	243.0

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, 2017		Nine Months Ended September 30, 2016	
Net Income	\$290	\$371	\$588	\$626
Other Comprehensive Income (Loss), Net of Taxes				
Pension and other postretirement benefit plan activity, net of income taxes of \$-, \$-, \$1 and \$4, respectively	—	(1)	2	1
Comprehensive Income	290	370	590	627
Less: Comprehensive Income Attributable to Noncontrolling Interests	2	2	5	5
Comprehensive Income Attributable to Ameren Common Shareholders	\$288	\$368	\$585	\$622

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, 2017	December 31, 2016
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 9	\$ 9
Accounts receivable – trade (less allowance for doubtful accounts of \$20 and \$19, respectively)	507	437
Unbilled revenue	262	295
Miscellaneous accounts receivable	85	63
Inventories	547	527
Current regulatory assets	75	149
Other current assets	96	113
Total current assets	1,581	1,593
Property, Plant, and Equipment, Net	20,906	20,113
Investments and Other Assets:		
Nuclear decommissioning trust fund	672	607
Goodwill	411	411
Regulatory assets	1,509	1,437
Other assets	538	538
Total investments and other assets	3,130	2,993
<b>TOTAL ASSETS</b>	<b>\$ 25,617</b>	<b>\$ 24,699</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$ 777	\$ 681
Short-term debt	446	558
Accounts and wages payable	548	805
Taxes accrued	159	46
Interest accrued	106	93
Customer deposits	108	107
Current regulatory liabilities	119	110
Other current liabilities	318	274
Total current liabilities	2,581	2,674
Long-term Debt, Net	6,922	6,595
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	4,721	4,264
Accumulated deferred investment tax credits	50	55
Regulatory liabilities	2,045	1,985
Asset retirement obligations	631	635
Pension and other postretirement benefits	711	769
Other deferred credits and liabilities	469	477
Total deferred credits and other liabilities	8,627	8,185
Commitments and Contingencies (Notes 2, 9, and 10)		
Ameren Corporation Shareholders' Equity:		
Common stock, \$.01 par value, 400.0 shares authorized – 242.6 shares outstanding	2	2
Other paid-in capital, principally premium on common stock	5,534	5,556
Retained earnings	1,830	1,568
Accumulated other comprehensive loss	(21	) (23

Edgar Filing: AMEREN CORP - Form 10-Q

Total Ameren Corporation shareholders' equity	7,345	7,103
Noncontrolling Interests	142	142
Total equity	7,487	7,245
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$25,617</b>	<b>\$24,699</b>

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

5

---

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

	Nine Months Ended September 30,	
	2017	2016
Cash Flows From		
Operating Activities:		
Net income	\$ 588	\$ 626
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	653	625
Amortization of nuclear fuel	71	63
Amortization of debt issuance costs and premium/discounts	16	17
Deferred income taxes and investment tax credits, net	366	364
Allowance for equity funds used during construction	(16 )	(20 )
Share-based compensation costs	12	17
Other	(7 )	(9 )
Changes in assets and liabilities:		
Receivables	(59 )	(134 )
Inventories	(20 )	(13 )
Accounts and wages payable	(183 )	(196 )
Taxes accrued	138	119
Regulatory assets and liabilities	89	146
Assets, other	14	9
Liabilities, other	12	(29 )
Pension and other postretirement benefits	(31 )	(26 )
Net cash provided by operating activities	1,643	1,559
Cash Flows From Investing Activities:		
Capital expenditures	(1,523 )	(1,496 )
Nuclear fuel expenditures	(52 )	(41 )
Purchases of securities – nuclear decommissioning trust fund	(248 )	(310 )
	235	297

Edgar Filing: AMEREN CORP - Form 10-Q

Sales and maturities of securities – nuclear decommissioning trust fund				
Other	3		(1	)
Net cash used in investing activities	(1,585	)	(1,551	)
Cash Flows From Financing Activities:				
Dividends on common stock	(320	)	(309	)
Dividends paid to noncontrolling interest holders	(5	)	(5	)
Short-term debt, net	(112	)	307	
Maturities of long-term debt	(425	)	(389	)
Issuances of long-term debt	849		149	
Share-based payments	(39	)	(32	)
Debt issuance costs	(5	)	(1	)
Other	(1	)	(2	)
Net cash used in financing activities	(58	)	(282	)
Net change in cash and cash equivalents	—		(274	)
Cash and cash equivalents at beginning of year	9		292	
Cash and cash equivalents at end of period	\$	9	\$	18

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

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

	Three Months Ended September 30, 2017		Nine Months Ended September 30, 2016	
Operating Revenues:				
Electric	\$1,098	\$1,144	\$2,757	\$2,682
Natural gas	17	20	83	90
Other	—	1	—	1
Total operating revenues	1,115	1,165	2,840	2,773
Operating Expenses:				
Fuel	199	205	594	574
Purchased power	42	77	201	169
Natural gas purchased for resale	4	6	29	33
Other operations and maintenance	224	220	655	670
Depreciation and amortization	134	130	399	384
Taxes other than income taxes	95	96	255	252
Total operating expenses	698	734	2,133	2,082
Operating Income	417	431	707	691
Other Income and Expenses:				
Miscellaneous income	13	14	36	38
Miscellaneous expense	2	2	6	6
Total other income	11	12	30	32
Interest Charges	50	53	157	158
Income Before Income Taxes	378	390	580	565
Income Taxes	143	148	218	215
Net Income	235	242	362	350
Other Comprehensive Income	—	—	—	—
Comprehensive Income	\$235	\$242	\$362	\$350
Net Income	\$235	\$242	\$362	\$350
Preferred Stock Dividends	1	1	3	3
Net Income Available to Common Shareholder	\$234	\$241	\$359	\$347

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, 2017	December 31, 2016
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ —	\$ —
Advances to money pool	18	161
Accounts receivable – trade (less allowance for doubtful accounts of \$8 and \$7, respectively)	274	187
Accounts receivable – affiliates	14	12
Unbilled revenue	151	154
Miscellaneous accounts receivable	45	14
Inventories	396	392
Current regulatory assets	23	35
Other current assets	43	49
Total current assets	964	1,004
Property, Plant, and Equipment, Net	11,538	11,478
Investments and Other Assets:		
Nuclear decommissioning trust fund	672	607
Regulatory assets	576	619
Other assets	318	327
Total investments and other assets	1,566	1,553
<b>TOTAL ASSETS</b>	<b>\$ 14,068</b>	<b>\$ 14,035</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$ 383	\$ 431
Accounts and wages payable	226	444
Accounts payable – affiliates	102	68
Taxes accrued	148	30
Interest accrued	61	54
Current regulatory liabilities	18	12
Other current liabilities	118	123
Total current liabilities	1,056	1,162
Long-term Debt, Net	3,584	3,563
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	3,073	3,013
Accumulated deferred investment tax credits	49	53
Regulatory liabilities	1,275	1,215
Asset retirement obligations	627	629
Pension and other postretirement benefits	274	291
Other deferred credits and liabilities	13	19
Total deferred credits and other liabilities	5,311	5,220
Commitments and Contingencies (Notes 2, 8, 9, and 10)		
Shareholders' Equity:		
Common stock, \$5 par value, 150.0 shares authorized – 102.1 shares outstanding	511	511
Other paid-in capital, principally premium on common stock	1,828	1,828
Preferred stock	80	80
Retained earnings	1,698	1,671

Edgar Filing: AMEREN CORP - Form 10-Q

Total shareholders' equity	4,117	4,090
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 14,068	\$ 14,035

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

8

---

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

	Nine Months Ended September 30,	
	2017	2016
Cash Flows From		
Operating Activities:		
Net income	\$ 362	\$ 350
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	384	381
Amortization of nuclear fuel	71	63
Amortization of debt issuance costs and premium/discounts	5	5
Deferred income taxes and investment tax credits, net	55	159
Allowance for equity funds used during construction	(15 )	(16 )
Other	4	—
Changes in assets and liabilities:		
Receivables	(117 )	(95 )
Inventories	(3 )	(5 )
Accounts and wages payable	(151 )	(176 )
Taxes accrued	160	165
Regulatory assets and liabilities	48	60
Assets, other	19	(8 )
Liabilities, other	4	13
Pension and other postretirement benefits	(7 )	(8 )
Net cash provided by operating activities	819	888
Cash Flows From Investing Activities:		
Capital expenditures	(533 )	(500 )
Nuclear fuel expenditures	(52 )	(41 )
Purchases of securities – nuclear decommissioning trust fund	(248 )	(310 )
Sales and maturities of securities – nuclear decommissioning trust fund	235	297

Edgar Filing: AMEREN CORP - Form 10-Q

Money pool advances, net	143		(165	)
Other	—		(5	)
Net cash used in investing activities	(455	)	(724	)
Cash Flows From Financing Activities:				
Dividends on common stock	(332	)	(285	)
Dividends on preferred stock	(3	)	(3	)
Maturities of long-term debt	(425	)	(260	)
Issuances of long-term debt	399		149	
Capital contribution from parent	—		38	
Debt issuance costs	(3	)	(1	)
Net cash used in financing activities	(364	)	(362	)
Net change in cash and cash equivalents	—		(198	)
Cash and cash equivalents at beginning of year	—		199	
Cash and cash equivalents at end of period	\$	—	\$	1

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

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

	Three Months Ended September 30, 2017		Nine Months Ended September 30, 2016	
	2017	2016	2017	2016
Operating Revenues:				
Electric	\$463	\$562	\$1,343	\$1,365
Natural gas	112	114	510	530
Other	—	—	1	—
Total operating revenues	575	676	1,854	1,895
Operating Expenses:				
Purchased power	124	110	312	304
Natural gas purchased for resale	21	28	167	194
Other operations and maintenance	183	198	590	592
Depreciation and amortization	86	80	254	237
Taxes other than income taxes	33	30	101	98
Total operating expenses	447	446	1,424	1,425
Operating Income	128	230	430	470
Other Income and Expenses:				
Miscellaneous income	1	4	7	15
Miscellaneous expense	—	3	8	11
Total other income (expense)	1	1	(1)	4
Interest Charges	36	35	109	105
Income Before Income Taxes	93	196	320	369
Income Taxes	38	77	127	144
Net Income	55	119	193	225
Other Comprehensive Loss, Net of Taxes:				
Pension and other postretirement benefit plan activity, net of income taxes (benefit) of \$-, \$(1), \$- and \$(2), respectively	—	(1)	—	(3)
Comprehensive Income	\$55	\$118	\$193	\$222
Net Income	\$55	\$119	\$193	\$225
Preferred Stock Dividends	—	—	2	2
Net Income Available to Common Shareholder	\$55	\$119	\$191	\$223

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, 2017	December 31, 2016
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable – trade (less allowance for doubtful accounts of \$12 and \$12, respectively)	219	242
Accounts receivable – affiliates	21	10
Unbilled revenue	111	141
Miscellaneous accounts receivable	31	22
Inventories	151	135
Current regulatory assets	51	108
Other current assets	18	25
Total current assets	602	683
Property, Plant, and Equipment, Net	7,987	7,469
Investments and Other Assets:		
Goodwill	411	411
Regulatory assets	921	816
Other assets	101	95
Total investments and other assets	1,433	1,322
<b>TOTAL ASSETS</b>	<b>\$ 10,022</b>	<b>\$ 9,474</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$ 394	\$ 250
Short-term debt	169	51
Borrowings from money pool	11	—
Accounts and wages payable	247	264
Accounts payable – affiliates	50	63
Taxes accrued	8	16
Interest accrued	37	33
Customer deposits	69	69
Current environmental remediation	43	38
Current regulatory liabilities	85	78
Other current liabilities	153	109
Total current liabilities	1,266	971
Long-term Debt, Net	2,196	2,338
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	1,874	1,631
Accumulated deferred investment tax credits	1	2
Regulatory liabilities	766	768
Pension and other postretirement benefits	322	346
Environmental remediation	143	162
Other deferred credits and liabilities	229	222
Total deferred credits and other liabilities	3,335	3,131
Commitments and Contingencies (Notes 2, 8, and 9)		
Shareholders' Equity:		
Common stock, no par value, 45.0 shares authorized – 25.5 shares outstanding	—	—

Edgar Filing: AMEREN CORP - Form 10-Q

Other paid-in capital	2,005	2,005
Preferred stock	62	62
Retained earnings	1,158	967
Total shareholders' equity	3,225	3,034
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 10,022	\$ 9,474

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

11

---

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

	Nine Months Ended September 30,	
	2017	2016
Cash Flows From		
Operating Activities:		
Net income	\$ 193	\$ 225
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	254	236
Amortization of debt issuance costs and premium/discounts	10	11
Deferred income taxes and investment tax credits, net	161	141
Other	(1 )	(8 )
Changes in assets and liabilities:		
Receivables	59	(36 )
Inventories	(17 )	(8 )
Accounts and wages payable	(24 )	(17 )
Taxes accrued	(22 )	5
Regulatory assets and liabilities	45	75
Assets, other	(9 )	11
Liabilities, other	(2 )	6
Pension and other postretirement benefits	(19 )	(14 )
Net cash provided by operating activities	628	627
Cash Flows From Investing Activities:		
Capital expenditures	(760 )	(683 )
Other	6	4
Net cash used in investing activities	(754 )	(679 )
Cash Flows From Financing Activities:		
Dividends on common stock	—	(95 )
Dividends on preferred stock	(2 )	(2 )
Short-term debt, net	118	157
	11	54

Money pool borrowings, net				
Maturities of long-term debt	—	(129	)	
Other	(1	)	(1	)
Net cash provided by (used in) financing activities	126	(16	)	
Net change in cash and cash equivalents	—	(68	)	
Cash and cash equivalents at beginning of year	—	71		
Cash and cash equivalents at end of period	\$ —	\$	3	

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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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