

# SECOND QUARTER 2013 RESULTS

08.01.13



# CAUTIONARY STATEMENTS

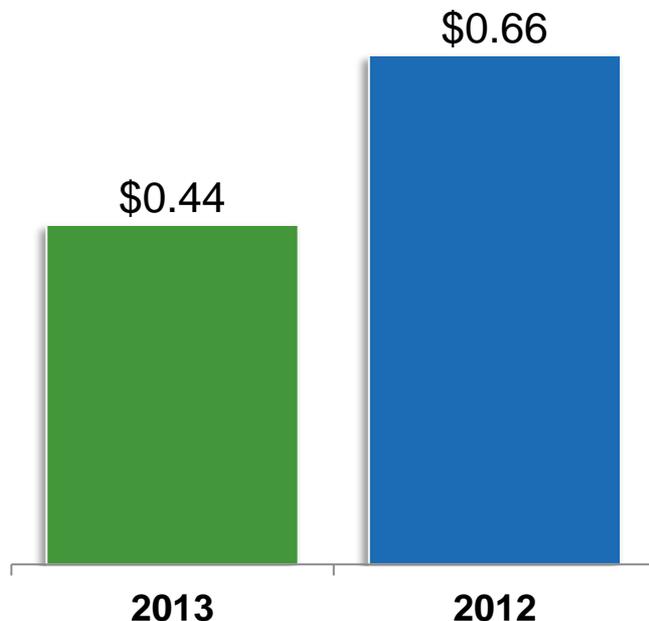
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## Forward-looking Statements

Statements in this presentation 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, Ameren is providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. In addition to factors discussed in this presentation, Ameren's Annual Report on Form 10-K for the year ended December 31, 2012, Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 and its other periodic reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934 contain a list of factors and a discussion of risks which could cause actual results to differ materially from management expectations suggested in such "forward-looking" statements. All "forward-looking" statements included in this presentation are based upon information presently available, and Ameren, except to the extent required by the federal securities laws, undertakes no obligation to update or revise publicly any "forward-looking" statements to reflect new information or current events.

# EARNINGS FROM CONTINUING OPERATIONS SUMMARY

## Earnings Per Share Q2 2013 vs. Q2 2012



## Key Earnings Drivers

- ↓ Callaway nuclear refueling outage expenses: \$(0.08)
- ↓ Charge resulting from a May 2013 Missouri Court of Appeals fuel adjustment clause (FAC) decision: \$(0.06)
- ↓ Absence in 2013 of 2012 benefit from FERC order related to disputed Missouri power purchase agreement: \$(0.07)
- ↓ Cooler early summer weather: ~\$(0.05)
- ↑ New rates for Missouri electric and Illinois transmission service: +\$0.08

# 2013 EARNINGS GUIDANCE UPDATED

- 2013 earnings from continuing operations now expected to be in the range of \$2.00 to \$2.15 per share, compared to prior range of \$2.00 to \$2.20 per share
  - Updated guidance reflects \$0.06 per share charge resulting from May 2013 Missouri Court of Appeals FAC decision and cost-containment within our Missouri operations
  - Incorporates parent company and other costs of ~\$0.20 per share including certain costs previously allocated to merchant generation business
    - Expect to reduce these costs to \$0.10 to \$0.15 per share in 2014 and lower in 2015 by refinancing \$425 million of 8.875% parent debt due May 2014 and rationalizing operating costs
- Presentation of guidance on a continuing operations basis reflects classification of the merchant generation business as discontinued operations

Ameren's 2013 earnings guidance for continuing operations assumes normal temperatures for the second half of the year. In addition, this guidance is subject to the effects of, among other things, completion of Ameren's announced divestiture of the merchant generation business; sale of the Elgin, Gibson City, and Grand Tower gas-fired energy centers; regulatory decisions and legislative actions; energy center operations; energy, economic, capital and credit market conditions; severe storms; unusual or otherwise unexpected gains or losses; and other risks and uncertainties outlined, or referred to, in the Forward-looking Statements section of this presentation and in Ameren's periodic reports filed with the Securities and Exchange Commission.

# MERCHANT EXIT PROGRESSING

- Divesting Ameren Energy Resources (AER) to an affiliate of Dynegy
  - Ameren to focus exclusively on rate-regulated electric, natural gas and transmission operations
- Continue to expect Q4 2013 closing
- Requests for regulatory approvals are pending
  - Dynegy's Illinois Power Holdings (IPH) unit and Ameren's AmerenEnergy Medina Valley Cogen and AER units requested air variance from Illinois Pollution Control Board (IPCB) in July 2013
    - Asked that IPH be granted same Multi-Pollutant Standard (MPS) variance granted to AER in 2012
    - IPCB has until late Nov. 2013 to rule on request
  - Filing for divestiture approval is pending at FERC
    - On July 26 FERC requested copies of wholesale contracts with two entities entered into under market-based rate authority and revised input into market power study
      - Ameren and Dynegy must respond by Aug. 9
- Three gas-fired energy centers retained by Ameren under Genco put option exercise are being marketed for sale
  - Have shortlisted multiple parties based on indicative proposals received
  - Anticipate completion of sale during 2013, subject to FERC approval

# ILLINOIS ENACTS REGULATORY IMPROVEMENTS

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- Electric delivery formula ratemaking – recently enacted SB 9 addresses *Illinois Energy Infrastructure Modernization Act (IEIMA)*
  - Ensures originally intended IEIMA provisions for promoting investment in electric grid modernization and job creation
  - Requires use of year-end rate base and capital structure for ratemaking, as well as weighted average cost of capital for computation of annual revenue requirement true-up deferrals
- Gas delivery ratemaking – recently enacted *Natural Gas Consumer, Safety & Reliability Act (SB 2266)* enhances regulatory framework in order to accelerate gas infrastructure investment, improve customer service and create jobs
  - Gas delivery utilities may implement surcharges on infrastructure investment between rate cases
    - Eligible plant additions include replacement of mains and older pipe, relocation of meters, installation of advanced meters, etc.
    - Rates may be updated monthly
  - Retains strong ICC oversight and consumer protections
    - Average annual cap on surcharges of 4% of utility base rate revenues
  - Ameren Illinois plans to participate beginning in 2014 or 2015, make incremental \$330 million capital investment above baseline \$770 million over 10 years and create 150 new jobs at program's peak

# PURSUING MODERN, CONSTRUCTIVE REGULATORY FRAMEWORKS IN MISSOURI

- We remain committed to enhancing Missouri regulatory framework to better support investment in energy infrastructure
  - Would support electric utility investments that are in place and serving customers between rate cases
  - Would provide long-term benefits for customers and state, including job creation
  - Proposed *Infrastructure Strengthening and Regulatory Streamlining Act* not approved in 2013 legislative session despite strong support in both houses of General Assembly – evaluating options for 2014

## Missouri electric service regulatory framework has improved in recent years

- Fuel adjustment clause with 95/5 sharing
- Pension/OPEB cost tracker
- Vegetation management/infrastructure inspection cost tracker
- Construction accounting for Sioux scrubber investment
- Storm restoration cost tracking mechanism
- *Missouri Energy Efficiency Investment Act* (MEEIA) provides timely recovery for energy efficiency programs and incentives

# ILLINOIS RIVERS TRANSMISSION PROJECT CONTINUES TO ADVANCE

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- Ameren Illinois and Ameren Transmission Company of Illinois (ATXI) plan to invest total of ~\$2.2 billion in FERC-regulated projects over 2013-2017 period
- ATXI's ~\$1.1 billion Illinois Rivers project continues to move toward construction
  - On July 3, 2013 ICC Administrative Law Judges (ALJs) recommended that majority of Project be granted a Certificate of Public Convenience and Necessity
    - Pleased that ALJs agreed Project is necessary and best approach to address transmission and reliability needs and development of competitive electricity market.
    - Encouraged that ALJs recommended that majority of proposed Project (7 of 9 segments) be granted a Certificate
    - Responded to ALJs' questions about location of 2 of 9 segments and certain substations in Briefs on Exceptions filed July 18, 2013
    - ICC order on Certificate filing due Aug. 20, 2013
  - Expect ICC decision that allows ATXI to maintain our previously disclosed capital investment plans for project
  - Right of way acquisition expected to begin in late 2013
  - Full range of construction activities expected in 2014

# SUMMARY OF PER SHARE RESULTS

	<u>Second Quarter</u>		<u>Six Months</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Earnings per share from continuing operations	\$ 0.44	\$ 0.66	\$ 0.66	\$ 0.81
Earnings (loss) per share from discontinued operations	(0.05)	0.21	(0.87)	(1.60)
Net income (loss) per share	\$ 0.39	\$ 0.87	\$(0.21)	\$(0.79)

- As a result of the March 2013 definitive agreement to divest our merchant generation business to an affiliate of Dynegy, we have classified the results of this business as discontinued operations in our financial statements

# Q2 2013 EARNINGS FROM CONTINUING OPERATIONS ANALYSIS

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Q2 2013 EPS of \$0.44 vs. Q2 2012 EPS of \$0.66

Key drivers of EPS decline:

- ↓ Callaway refueling and maintenance outage: \$(0.08)
- ↓ Charge related to May 2013 Missouri Court of Appeals FAC decision: \$(0.06)
- ↓ Q2 2012 benefit from FERC order related to disputed Missouri power purchase agreement: \$(0.07)
- ↓ Temperatures: ~\$(0.05)
  - Milder early summer temperatures
  - ~+\$0.01 compared to normal reflecting colder late winter temperatures
- ↓ Weather-normalized electric and gas sales volumes to native load customers: ~\$(0.02)
- ↑ New Missouri electric and Illinois transmission rates, net of certain expenses, both effective in Jan. 2013: +\$0.08

# SELECT Q3 & Q4 2013 EARNINGS CONSIDERATIONS

- Weather impacts
  - Q3 2012 temperatures were warmer-than-normal, increasing EPS by ~\$0.14
    - Missouri ~+\$0.10 and Illinois ~+\$0.04
  - Q4 2012 temperatures were warmer-than-normal, reducing EPS by ~\$0.02
    - Missouri ~\$(0.01) and Illinois ~\$(0.01)
- Expected variation in timing and amount of earnings recognized under Illinois electric delivery formula ratemaking
  - Q3 2013 vs. Q3 2012: ~+\$0.10
  - Q4 2013 vs. Q4 2012: ~+\$0.01
  - Full year 2013 guidance incorporates 30-year average Treasury yield of 3.4% and, therefore, formula allowed return on equity (ROE) of ~9.2%
- New Missouri electric and Illinois transmission rates, both effective in Jan. 2013

# UPDATED 2013 CASH FLOW GUIDANCE

(\$ in Millions)	<b><u>2013 Guidance</u></b>
Net cash provided by operating activities	\$ 1,600
Capital expenditures	(1,535)
Other cash flows from investing activities	(10)
Dividends: common, EEI and preferred	(395)
Advances received for construction	(10)
Merchant divestiture-related cash flows <sup>1</sup>	(100)
<b>Free cash flow</b>	<b>\$ (450)</b>

<sup>1</sup> Categorization within statement of cash flows is uncertain

- Includes \$25 million of cash currently held at Genco
- More than offset by expected cash tax benefits to be substantially realized in 2015

# PENDING ILLINOIS NATURAL GAS DELIVERY RATE CASE

- \$50 million annual natural gas delivery rate increase request pending at ICC (Jan. 2013 filing, July 2013 update)
  - ROE: 10.4%; Equity ratio: 51.82%; Rate base: \$1.06 billion
  - Future test year ended Dec. 31, 2014
- ICC Staff recommended \$19 million rate increase (June 2013)
  - ROE of 8.47% vs. our 10.4% request: ~\$(18) million
  - Total of various other items: ~\$(13) million
- Illinois Industrial Energy Customers recommended 9.1% ROE (June 2013)
- Attorney General/Citizens Utility Board recommendations vs. our request (June 2013)
  - Higher forecasted transportation and industrial revenues: \$(14) million
  - Total of various other items: \$(14) million
  - Did not file ROE recommendation
- Schedule
  - ICC hearings Aug. 26-29, 2013
  - ALJs' proposed order expected on or about Nov. 5, 2013
  - ICC decision due Dec. 19, 2013 with new rates expected to be effective late Dec. 2013

# PENDING ILLINOIS ELECTRIC RATE FORMULA UPDATE CASE

- Required electric delivery annual rate update case pending before ICC
  - Filing supports \$38 million net annual rate decrease consisting of:
    - \$56 million decrease reflecting reconciliation of ICC-approved 2012 revenues to 2012 incurred costs
      - Expected refund was reflected in 2012 financial results
    - \$18 million increase primarily reflecting increase in 2012 recoverable operations and maintenance costs (compared to 2011 level reflected in 2013 rates) and expected 2013 net plant additions per rate formula
- ICC Staff recommended \$60 million net rate decrease (June 2013)
  - Difference vs. our request primarily reflected cost of service adjustments made by ICC in our 2012 rate orders
- Schedule
  - ICC hearings Sept. 16-19, 2013
  - ALJs' proposed order expected on or about Nov. 8, 2013
  - ICC decision due Dec. 15, 2013 with new rates effective Jan. 2014

# SUMMARY

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- Q2 2013 earnings from continuing operations were in line with expectations excluding charge resulting from May 2013 Missouri Court of Appeals FAC decision
- Continuing to deliver highly reliable service to customers
- Remain committed to Q4 2013 closing of divestiture transaction
- Focused on improving regulatory frameworks
  - Recent progress in Illinois
- Utility infrastructure investment plans provide foundation for growing rate-regulated earnings
  - Rate base growth projected at ~7% annually from 2013 through 2017
- Ameren's current \$1.60<sup>1</sup> per share dividend provides attractive 4.5%<sup>2</sup> yield

<sup>1</sup> Annualized equivalent rate.

<sup>2</sup> Based on July 31, 2013 closing share price.



## APPENDIX



# SELECTED PENDING REGULATORY PROCEEDINGS

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## Illinois Commerce Commission

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- 2013 electric delivery service update rate filing: 13-0301
- 2013 gas delivery service rate filing: 13-0192
- Illinois Rivers project filing for Certificate of Public Convenience and Necessity: 12-0598
- Website: <http://www.icc.illinois.gov/e-docket/>

## Illinois Pollution Control Board

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- Request for air variance related to Illinois Multi-Pollutant Standard: PCB 2014-010
- Website: <http://www.ipcb.state.il.us/COOL/external/cases.aspx>

## Missouri Public Service Commission

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- Request for accounting order related to fixed costs not recovered as a result of loss of Noranda load due to Jan. 2009 storm: EU-2012-0027
- Website: <https://www.efis.psc.mo.gov/mpsc/DocketSheet.html>

## Federal Energy Regulatory Commission

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- Request for approval of merchant generation divestiture to Dynegy: EC13-93
- Website: <http://elibrary.ferc.gov/idmws/search/fercadvsearch.asp>

## Investor Relations

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Barclays CEO Energy-Power Conference	Sept. 13, 2013
Wolfe Research Power & Gas Leaders Conference	Sept. 25, 2013
Q3 2013 quiet period begins	Oct. 8, 2013
Q3 2013 earnings release and call	Early Nov., 2013
EEl Financial Conference	Nov. 11-12, 2013