Ameren Illinois Co
Form 10-Q
August 08, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

OR

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

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

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

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

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

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

Ameren Corporation	Yes	x	No	¨
Union Electric Company	Yes	x	No	¨
Ameren Illinois Company	Yes	x	No	¨
Ameren Energy Generating Company	Yes	x	No	¨

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

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

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

Ameren Corporation	Yes	¨	No	x
Union Electric Company	Yes	¨	No	x
Ameren Illinois Company	Yes	¨	No	x
Ameren Energy Generating Company	Yes	¨	No	x

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

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

OMISSION OF CERTAIN INFORMATION

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

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

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This Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements should be read with the cautionary statements and important factors included on page 4 of this Form 10-Q under the heading Forward-looking Statements. Forward-looking statements are all statements other than statements of historical fact, including those statements that are identified by the use of the words anticipates, estimates, expects, intends, plans, predicts, projects, and similar expr

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GLOSSARY OF TERMS AND ABBREVIATIONS

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

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

COL - Nuclear energy center combined construction and operating license.

Entergy - Entergy Arkansas, Inc.

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

Megawatthour or MWh - One thousand kilowatthours.

Westinghouse - Westinghouse Electric Company.

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

our assessment of our liquidity;

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

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

the impact of weather conditions and other natural phenomena on us and our customers;

the impact of system outages;

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

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

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

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

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

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

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

the impact of current environmental regulations on utilities and power generating companies and new, more stringent or changing requirements, including those related to greenhouse gases, other emissions, cooling water intake structures, CCR, and energy efficiency, that are enacted over time and that could limit or terminate the operation of certain of our generating units, increase our costs, result in an impairment of our assets, reduce our customers demand for electricity or natural gas, or otherwise have a negative financial effect;

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

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

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

- the cost and availability of transmission capacity for the energy generated by the Ameren Companies energy centers or required to satisfy energy sales made by the Ameren Companies;
- legal and administrative proceedings; and
- acts of sabotage, war, terrorism, cybersecurity attacks or intentionally disruptive acts.

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

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

AMEREN CORPORATION

CONSOLIDATED STATEMENT OF INCOME (LOSS)

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

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

Dividends per Common Share	**$ 0.40**	$ 0.385	**$ 0.80**	$ 0.77
Average Common Shares Outstanding	**246.6**	241.2	**242.6**	240.9

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

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AMEREN CORPORATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(Unaudited) (In millions)

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

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

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AMEREN CORPORATION

CONSOLIDATED BALANCE SHEET

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

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

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

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

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AMEREN CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited) (In millions)

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

Net cash used in financing activities	**(305)**	(572)
Net change in cash and cash equivalents	**(138)**	(167)
Cash and cash equivalents at beginning of year	**255**	545
Cash and cash equivalents at end of period	**$ 117**	$ 378
Noncash financing activity dividends on common stock	**$ (7)**	$ -
Noncash investing activity DOE settlement	**-**	9

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

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UNION ELECTRIC COMPANY

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(Unaudited) (In millions)

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

Net Income Available to Common Stockholder	**$ 143**	$ 90	**$ 164**	$ 111

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

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UNION ELECTRIC COMPANY

BALANCE SHEET

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

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

Total deferred credits and other liabilities		**4,077**		4,006
Commitments and Contingencies (Notes 2, 8, 9 and 10)				
Stockholders Equity:				
Common stock, $5 par value, 150.0 shares authorized 102.1 shares outstanding		**511**		511
Other paid-in capital, principally premium on common stock		**1,555**		1,555
Preferred stock not subject to mandatory redemption		**80**		80
Retained earnings		**1,855**		1,891
Total stockholders equity		**4,001**		4,037
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**$**	**12,680**	$	12,757

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

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UNION ELECTRIC COMPANY

STATEMENT OF CASH FLOWS

(Unaudited) (In millions)

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

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

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

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AMEREN ILLINOIS COMPANY

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(Unaudited) (In millions)

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

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

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AMEREN ILLINOIS COMPANY

BALANCE SHEET

(Unaudited) (In millions)

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

Accumulated deferred income taxes, net		**941**		895
Accumulated deferred investment tax credits		**6**		7
Regulatory liabilities		**591**		666
Pension and other postretirement benefits		**458**		495
Other deferred credits and liabilities		**276**		183
Total deferred credits and other liabilities		**2,272**		2,246
Commitments and Contingencies (Notes 2, 8 and 9)				
Stockholders Equity:				
Common stock, no par value, 45.0 shares authorized 25.5 shares outstanding		**-**		-
Other paid-in capital		**1,965**		1,965
Preferred stock not subject to mandatory redemption		**62**		62
Retained earnings		**392**		408
Accumulated other comprehensive income		**15**		17
Total stockholders equity		**2,434**		2,452
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**$**	**7,127**	$	7,213

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

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AMEREN ILLINOIS COMPANY

STATEMENT OF CASH FLOWS

(Unaudited) (In millions)

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

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

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AMEREN ENERGY GENERATING COMPANY

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

(Unaudited) (In millions)

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

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

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AMEREN ENERGY GENERATING COMPANY

CONSOLIDATED BALANCE SHEET

(Unaudited) (In millions, except shares)

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

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

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

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AMEREN ENERGY GENERATING COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited) (In millions)

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

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

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AMEREN CORPORATION (Consolidated)

UNION ELECTRIC COMPANY

AMEREN ILLINOIS COMPANY

AMEREN ENERGY GENERATING COMPANY (Consolidated)

COMBINED NOTES TO FINANCIAL STATEMENTS

(Unaudited)

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005, administered by FERC. Ameren s primary assets are the common stock of its subsidiaries. Ameren s subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. These subsidiaries operate, as the case may be, rate-regulated electric generation, transmission and distribution businesses, rate-regulated natural gas transmission and distribution businesses, and merchant electric generation businesses in Missouri and Illinois. Dividends on Ameren s common stock and the payment of expenses by Ameren depend on distributions made to it by its subsidiaries. Ameren s principal subsidiaries are listed below. Also see the Glossary of Terms and Abbreviations at the front of this report and in the Form 10-K.

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

Ameren Illinois Company, or Ameren Illinois, operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.

AER consists of non-rate-regulated operations, including Genco, AERG, and Marketing Company. Genco operates a merchant electric generation business in Illinois and holds an 80% ownership interest in EEI, which it consolidates for financial reporting purposes.

Ameren has various other subsidiaries responsible for activities such as the provision of shared services.

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

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

Earnings Per Share

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

Stock-based Compensation

The fair value of each share unit awarded in January 2012 under the 2006 Plan was determined to be $35.68. That amount was based on Ameren s closing common share price of $33.13 at December 31, 2011, and lattice simulations. Lattice simulations are used to estimate expected share payout based on Ameren s total shareholder return for a three-year performance period relative to the designated peer group beginning January 1, 2012. The simulations can produce a greater fair value for the share unit than the applicable closing common share price because they include the weighted payout scenarios in which an increase in the share price has occurred. The significant assumptions used to calculate fair value also included a three-year risk-free rate of 0.41%, volatility of 17% to 31% for the peer group, and Ameren s attainment of a three-year average earnings per share threshold during the performance period.

Accounting Changes

Disclosures about Fair Value Measurements

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

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Presentation of Comprehensive Income

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

Goodwill and Intangible Assets

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

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

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

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

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

Excise Taxes

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

	Three Months		Six Months	
	2012	**2011**	**2012**	**2011**
Ameren Missouri	**$ 38**	$ 34	**$ 65**	$ 63
Ameren Illinois	**10**	10	**28**	32
Ameren	**$ 48**	$ 44	**$ 93**	$ 95

Uncertain Tax Positions

The amount of unrecognized tax benefits as of June 30, 2012, was $158 million, $132 million, $11 million, and $11 million for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively. The amount of unrecognized tax benefits (detriments) as of June 30, 2012, that would impact the effective tax rate, if recognized, was $1 million, $1 million, $(1) million and $1 million for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively.

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

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

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

Asset Retirement Obligations

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

Noncontrolling Interest

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

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

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

Medina Valley Asset Sale in 2012

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

EEI Employee Separation

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

The announced employee reduction will result in a curtailment of EEI s pension and postretirement benefit plans, which are separate from Ameren s pension and postretirement benefit plans. EEI is evaluating whether a curtailment gain or loss will be recognized during the quarter ended September 30, 2012, when the specific employee identification has been completed.

NOTE 2 - RATE AND REGULATORY MATTERS

Below is a summary of significant regulatory proceedings and related lawsuits. See also Note 2 - Rate and Regulatory Matters under Part II, Item 8, of the Form 10-K. We are unable to predict the ultimate outcome of these matters, the timing of the final decisions of the various agencies and courts, or the impact on our results of operations, financial position, or liquidity.

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Missouri

2009 Electric Rate Order

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

2010 Electric Rate Order

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

2011 Electric Rate Order

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

Pending Electric Rate Case

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

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

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

MEEIA Filing

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

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

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

FAC Prudence Review

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

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

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

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

Illinois

IEIMA

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

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

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

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

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

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

Federal

Electric Transmission Investment

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

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

Ameren Missouri Power Purchase Agreement with Entergy Arkansas, Inc.

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

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

Ameren Illinois Electric Transmission Rate Refund

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

2011 Wholesale Distribution Rate Case

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

Combined Construction and Operating License

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

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

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

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

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

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NOTE 3 - SHORT-TERM DEBT AND LIQUIDITY

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

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

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

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

Commercial Paper

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

Indebtedness Provisions and Other Covenants

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

The 2010 Credit Agreements contain conditions about borrowings and issuances of letters of credit, including the absence of default or unmatured default, material accuracy of representations and warranties (excluding any representation after the closing date as to the absence of material adverse change and material litigation), and obtaining required regulatory authorizations. In addition, solely as it relates to borrowings under the 2010 Illinois Credit Agreement, it is a condition for any such borrowing that, at the time of and after giving effect to such borrowing, the borrower not be in violation of any limitation on its ability to incur unsecured indebtedness contained in its articles of incorporation. The 2010 Credit Agreements also contain nonfinancial covenants, including restrictions on the ability to incur liens, to transact with affiliates, to dispose of assets, to make investments in or transfer assets to its affiliates, and to merge with other entities.

The 2010 Credit Agreements require each of Ameren, Ameren Missouri, Ameren Illinois and Genco to maintain consolidated indebtedness of not more than 65% of its consolidated total capitalization pursuant to a defined calculation set forth in the agreements. As of June 30, 2012, the ratios of consolidated indebtedness to total consolidated capitalization, calculated in accordance with the provisions of the 2010 Credit Agreements, were 48%, 48%, 41% and 45%, for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively. In addition, under the 2010 Genco Credit Agreement and the 2010 Illinois Credit Agreement, Ameren is required to maintain a ratio of consolidated funds from operations plus interest expense to consolidated interest expense of 2.0 to 1, to be calculated quarterly, as of the end of the most recent four fiscal quarters then ending, in accordance with the 2010 Genco Credit Agreement and the 2010 Illinois Credit Agreement, as applicable. Ameren s ratio as of June 30, 2012, was 5.1 to 1. Failure of a borrower to satisfy a financial covenant constitutes an immediate default under the applicable 2010 Credit Agreement.

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

Money Pools

Ameren has money pool agreements with and among its subsidiaries to coordinate and provide for certain short-term cash and working capital requirements. Separate money pools are maintained for utility and non-state-regulated entities. Ameren Services is responsible for the operation and administration of the money pool agreements.

Utility

Ameren Missouri, Ameren Illinois and Ameren Services may participate in the utility money pool as both lenders and borrowers. Ameren and AERG may participate in the utility money pool only as lenders. Internal funds are surplus funds contributed to the utility money pool from participants. The primary sources of external funds for the utility money pool are the 2010 Credit Agreements and the commercial paper programs. The total amount available to the pool participants from the utility money pool at any given time is reduced by the amount of borrowings made by participants, but is increased to the extent that the pool participants advance surplus funds to the utility money pool or remit funds from other external sources. The availability of funds is also determined by funding requirement limits established by regulatory authorizations. The utility money pool was established to coordinate and to provide short-term cash and working capital for the participants. Participants receiving a loan under the utility money pool agreement must repay the principal amount of such loan, together with accrued interest. The rate of interest depends on the composition of internal and external funds in the utility money pool. The average interest rate for borrowing under the utility money pool for the three and six months ended June 30, 2012, was 0.14% and 0.12%, respectively. There were no utility money pool borrowings during the three and six months ended June 30, 2011.

Non-state-regulated Subsidiaries

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

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

NOTE 4 - LONG-TERM DEBT AND EQUITY FINANCINGS

Ameren Illinois

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

Indenture Provisions and Other Covenants

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

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	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	$ 2,780	≥2.5	100.3	$ 1,912
Ameren Illinois	≥2.0	7.1	3,514[(d)]	≥1.5	3.0	203

(a) Coverage required on the annual interest charges on first mortgage bonds outstanding and to be issued. Coverage is not required in certain cases when additional first mortgage bonds are issued on the basis of retired bonds.
(b) Amount of bonds issuable based either on required coverage ratios or unfunded property additions, whichever is more restrictive. The amounts shown also include bonds issuable based on retired bond capacity of $89 million and $765 million at Ameren Missouri and Ameren Illinois, respectively.
(c) Coverage required on the annual dividend on preferred stock outstanding and to be issued, as required in the respective company s articles of incorporation.
(d) Amount of bonds issuable by Ameren Illinois based on unfunded property additions and retired bonds solely under the former IP mortgage indenture.

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

Ameren Missouri, Ameren Illinois, Genco and certain other nonregistrant Ameren subsidiaries are subject to Section 305(a) of the Federal Power Act, which makes it unlawful for any officer or director of a public utility, as defined in the Federal Power Act, to participate in the making or paying of any dividend from any funds properly included in capital account. The meaning of this limitation has never been clarified under the Federal Power Act or FERC regulations. However, FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividends are not excessive, and (3) there is no self-dealing on the part of corporate officials. At a minimum, Ameren believes that dividends can be paid by its subsidiaries that are public utilities from net income and retained earnings. In addition, under Illinois law, Ameren Illinois may not pay any dividend on its stock, unless, among other things, its earnings and earned surplus are sufficient to declare and pay a dividend after provision is made for reasonable and proper reserves, or unless Ameren Illinois has specific authorization from the ICC.

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

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

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

(a) A minimum interest coverage ratio of 1.75 is required for Genco to make certain restricted payments, as defined, including specified dividend payments and, principal and interest payments on subordinated borrowings. As of the date of the restricted payment, the minimum ratio must have been achieved for the most recently ended four fiscal quarters and projected by management to be achieved for each of the subsequent four six-month periods. Investments in the non-state-regulated subsidiary money pool and repayments of non-state-regulated subsidiary money pool borrowings are not subject to this incurrence test.
(b) A minimum interest coverage ratio of 2.50 for the most recently ended four fiscal quarters and a debt-to-capital ratio of no greater than 60% are required for Genco to incur additional indebtedness, as defined, other than permitted indebtedness, as defined, for borrowed money. The ratios must be computed on a pro forma basis considering the additional indebtedness to be incurred and the related interest expense. Non-state-regulated subsidiary money pool borrowings are defined as permitted indebtedness and are not subject to these incurrence tests. Credit facility borrowings, including borrowings under the 2010 Genco Credit Agreement, and other borrowings from third-party, external sources are included in the definition of indebtedness and are subject to these incurrence tests.

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

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

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

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

Off-Balance-Sheet Arrangements

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

NOTE 5 - OTHER INCOME AND EXPENSES

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

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

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

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

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

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NOTE 6 - DERIVATIVE FINANCIAL INSTRUMENTS

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

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

market values of coal, natural gas, and uranium inventories that differ from the cost of those commodities in inventory; and

actual cash outlays for the purchase of these commodities that differ from anticipated cash outlays.

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

The following table presents open gross derivative volumes by commodity type as of June 30, 2012, and December 31, 2011:

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

(a)

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

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

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

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

(e) Not applicable.

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

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

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

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

Derivative contracts that qualify for regulatory deferral are recorded at fair value, with changes in fair value recorded as regulatory assets or regulatory liabilities in the period in which the change occurs. Ameren Missouri and Ameren Illinois believe derivative gains and losses deferred as regulatory assets and regulatory liabilities are probable of recovery or refund through future rates charged to customers. Regulatory assets and regulatory liabilities are amortized to operating income as related losses and gains are reflected in rates charged to customers. Therefore, gains and losses on these derivatives have no effect on operating income.

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

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

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

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

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

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

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(b) Balance sheet line item not applicable to registrant.
(c) Includes derivatives subject to regulatory deferral.

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

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

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

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

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

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

Concentrations of Credit Risk

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

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

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

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

(a) Primarily comprised of Marketing Company s exposure to Ameren Illinois related to financial contracts. The exposure is not eliminated at the consolidated Ameren level for purposes of this disclosure, as it is calculated without regard to the offsetting affiliate counterparty s liability position. See Note 14 - Related Party Transactions in the Form 10-K for additional information on these financial contracts.
(b) Includes amounts for Marketing Company, AERG, and AFS.
(c) Primarily composed of Marketing Company s exposure to NPNS contracts with terms through September 2035.

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

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

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

(a) Primarily comprised of Marketing Company s exposure to Ameren Illinois related to financial contracts. The exposure is not eliminated at the consolidated Ameren level for purposes of this disclosure, as it is calculated without regard to the offsetting affiliate counterparty s liability position. See Note 14 - Related Party Transactions in the Form 10-K for additional information on these financial contracts.
(b) Includes amounts for Marketing Company, AERG, and AFS.
(c) Primarily composed of Marketing Company s exposure to NPNS contracts with terms through September 2035.

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Derivative Instruments with Credit Risk-Related Contingent Features

Our commodity contracts contain collateral provisions tied to the Ameren Companies credit ratings. If we were to experience an adverse change in our credit ratings, or if a counterparty with reasonable grounds for uncertainty regarding performance of an obligation requested adequate assurance of performance, additional collateral postings might be required. The following table presents, as of June 30, 2012, and December 31, 2011, the aggregate fair value of all derivative instruments with credit risk-related contingent features in a gross liability position, the cash collateral posted, and the aggregate amount of additional collateral that could be required to be posted with counterparties. The additional collateral required is the net liability position allowed under the master trading and netting agreements, assuming (1) the credit risk-related contingent features underlying these agreements were triggered on June 30, 2012, or December 31, 2011, and (2) those counterparties with rights to do so requested collateral:

	Aggregate Fair Value of Derivative Liabilities[(a)]	Cash Collateral Posted	Potential Aggregate Amount of Additional Collateral Required[(b)]
2012:			
Ameren Missouri	**$ 146**	**$ 7**	**$ 125**
Ameren Illinois	**174**	**91**	**106**
Genco	**48**	**1**	**41**
Other[(c)]	**86**	**12**	**63**
Ameren	**$ 454**	**$ 111**	**$ 335**
2011:			
Ameren Missouri	$ 102	$ 8	$ 86
Ameren Illinois	220	96	125
Genco	55	1	58
Other[(c)]	79	11	63
Ameren	$ 456	$ 116	$ 332

(a) Prior to consideration of master trading and netting agreements and including NPNS contract exposures.
(b) As collateral requirements with certain counterparties are based on master trading and netting agreements, the aggregate amount of additional collateral required to be posted is after consideration of the effects of such agreements.
(c) Includes amounts for Marketing Company and Ameren (parent).

Cash Flow Hedges

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

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

Interest rate[e]		-	Interest Charges		(f)	Interest Charges		-
Six Months								
2012:								
Ameren:[d]								
Power	**$**	**23**	Operating Revenues - Electric	**$**	**6**	Operating Revenues - Electric	**$**	**1**
Interest rate[e]		**-**	Interest Charges		**(f)**	Interest Charges		**-**
Genco:								
Interest rate[e]		**-**	Interest Charges		**(f)**	Interest Charges		**-**
2011:								
Ameren:[d]								
Power	$	(7)	Operating Revenues - Electric	$	2	Operating Revenues - Electric	$	2
Interest rate[e]		-	Interest Charges		(f)	Interest Charges		-
Genco:								
Interest rate[e]		-	Interest Charges		(f)	Interest Charges		-

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

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Other Derivatives

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

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

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

Derivatives that Qualify for Regulatory Deferral

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

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

(a) Includes amounts for intercompany eliminations.

As part of the 2007 Illinois Electric Settlement Agreement and subsequent Illinois power procurement processes, Ameren Illinois entered into financial contracts with Marketing Company. These financial contracts are derivative instruments. They are accounted for as cash flow hedges by Marketing Company and as derivatives that qualify for regulatory deferral by Ameren Illinois. Consequently, Ameren Illinois and Marketing Company record the fair value of the contracts on their respective balance sheets and the changes to the fair value in regulatory assets or liabilities by Ameren Illinois and OCI by Marketing Company. In Ameren s consolidated financial statements, all financial statement effects of the derivative instruments entered into among affiliates were eliminated. The fair value of the financial contracts included in MTM derivative liabilities - affiliates on Ameren Illinois balance sheet totaled $114 million and $200 million at June 30, 2012, and December 31, 2011, respectively. See Note 14 - Related Party Transactions under Part II, Item 8, of the Form 10-K for additional information on these financial contracts.

NOTE 7 - FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The following table sets forth, by level within the fair value hierarchy, our assets and liabilities measured at fair value on a recurring basis as of June 30, 2012:

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

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

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		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
Genco	Derivative assets - commodity contracts[b]:				
	Fuel oils	$ 4	$ -	$ 1	$ 5
	Natural gas	2	3	-	5
	Total Genco	$ 6	$ 3	$ 1	$ 10
Liabilities:					
Ameren[a]	Derivative liabilities - commodity contracts[b]:				
	Coal	$ 10	$ -	$ -	$ 10
	Fuel oils	9	-	2	11
	Natural gas	15	153	-	168
	Power	-	22	192	214
	Uranium	-	-	1	1
	Total Ameren	$ 34	$ 175	$ 195	$ 404
Ameren Missouri	Derivative liabilities - commodity contracts[b]:				
	Fuel oils	2	-	2	4
	Natural gas	11	12	-	23
	Power	-	12	5	17
	Uranium	-	-	1	1
	Total Ameren Missouri	$ 13	$ 24	$ 8	$ 45
Ameren Illinois	Derivative liabilities - commodity contracts[b]:				
	Natural gas	$ 2	$ 142	$ -	$ 144
	Power	-	-	221	221
	Total Ameren Illinois	$ 2	$ 142	$ 221	$ 365
Genco	Derivative liabilities - commodity contracts[b]:				
	Coal	$ 8	$ -	$ -	$ 8
	Fuel oils	5	-	-	5
	Natural gas	1	-	-	1
	Total Genco	$ 14	$ -	$ -	$ 14

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(b) The derivative asset and liability balances are presented net of counterparty credit considerations.
(c) Balance excludes $(9) million of receivables, payables, and accrued income, net.

The following table sets forth, by level within the fair value hierarchy, our assets and liabilities measured at fair value on a recurring basis as of December 31, 2011:

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

	Cash and cash equivalents	$	3	$	-	$	-	$	3
	Equity securities:								
	U.S. large capitalization		234		-		-		234
	Debt securities:								
	Corporate bonds		-		44		-		44
	Municipal bonds		-		1		-		1
	U.S. treasury and agency securities		-		65		-		65
	Asset-backed securities		-		10		-		10
	Other		-		1		-		1
	Total Nuclear Decommissioning Trust Fund	$	237	$	121	$	-	$	358
	Total Ameren	$	274	$	123	$	199	$	596
Ameren	Derivative assets - commodity contracts(b):								
Missouri	Fuel oils	$	20	$	-	$	3	$	23
	Natural gas		2		-		-		2
	Power		-		1		29		30
	Total derivative assets - commodity contracts	$	22	$	1	$	32	$	55

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		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
	Nuclear Decommissioning Trust Fund[c]:				
	Cash and cash equivalents	$ 3	$ -	$ -	$ 3
	Equity securities:				
	U.S. large capitalization	234	-	-	234
	Debt securities:				
	Corporate bonds	-	44	-	44
	Municipal bonds	-	1	-	1
	U.S. treasury and agency securities	-	65	-	65
	Asset-backed securities	-	10	-	10
	Other	-	1	-	1
	Total Nuclear Decommissioning Trust Fund	$ 237	$ 121	$ -	$ 358
	Total Ameren Missouri	$ 259	$ 122	$ 32	$ 413
Ameren Illinois	Derivative assets - commodity contracts[b]:				
	Natural gas	$ -	$ -	$ 2	$ 2
	Power	-	-	77	77
	Total Ameren Illinois	$ -	$ -	$ 79	$ 79
Genco	Derivative assets - commodity contracts[b]:				
	Fuel oils	$ 10	$ -	$ 1	$ 11
	Natural gas	2	-	-	2
	Total Genco	$ 12	$ -	$ 1	$ 13
Liabilities:					
Ameren[a]	Derivative liabilities - commodity contracts[b]:				
	Fuel oils	$ 2	$ -	$ -	$ 2
	Natural gas	22	-	176	198
	Power	-	2	78	80
	Uranium	-	-	1	1
	Total Ameren	$ 24	$ 2	$ 255	$ 281
Ameren Missouri	Derivative liabilities - commodity contracts[b]:				
	Fuel oils	$ 1	$ -	$ -	$ 1
	Natural gas	12	-	14	26
	Power	-	1	8	9
	Uranium	-	-	1	1
	Total Ameren Missouri	$ 13	$ 1	$ 23	$ 37
Ameren Illinois	Derivative liabilities - commodity contracts[b]:				
	Natural gas	7	-	162	169
	Power	-	-	217	217
	Total Ameren Illinois	$ 7	$ -	$ 379	$ 386
Genco	Derivative liabilities - commodity contracts[b]:				
	Fuel oils	$ 1	$ -	$ -	$ 1
	Natural gas	2	-	-	2
	Total Genco	$ 3	$ -	$ -	$ 3

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(b) The derivative asset and liability balances are presented net of counterparty credit considerations.
(c) Balance excludes $(1) million of receivables, payables, and accrued income, net.

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 June 30, 2012:

	Net derivative commodity contracts				
Three Months	Ameren Missouri	Ameren Illinois	Genco	Other[c]	Ameren

Fuel oils:					
Beginning balance at April 1, 2012	$ 7	$ (a)	$ 2	$ -	$ 9
Realized and unrealized gains (losses):					
Included in earnings[(b)]	-	(a)	(2)	-	(2)
Included in regulatory assets/liabilities	(4)	(a)	(a)	(a)	(4)
Total realized and unrealized gains (losses)	(4)	(a)	(2)	-	(6)
Purchases	2	(a)	1	-	3
Sales	(1)	(a)	-	-	(1)
Settlements	(1)	(a)	-	-	(1)
Ending balance at June 30, 2012	$ 3	$ (a)	$ 1	$ -	$ 4
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2012	$ (2)	$ (a)	$ -	$ -	$ (2)

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Three Months	Ameren Missouri	Net derivative commodity contracts Ameren Illinois	Genco	Other(c)	Ameren
Power:					
Beginning balance at April 1, 2012	$ 20	$ (284)	$ -	$ 240	$ (24)
Realized and unrealized gains (losses):					
Included in earnings(b)	-	-	-	(1)	(1)
Included in OCI	-	-	-	10	10
Included in regulatory assets/liabilities	(4)	(1)	(a)	(5)	(10)
Total realized and unrealized gains (losses)	(4)	(1)	-	4	(1)
Purchases	22	-	-	6	28
Sales	-	-	-	6	6
Settlements	(11)	64	-	(73)	(20)
Transfers into Level 3	-	-	-	1	1
Transfers out of Level 3	(1)	-	-	1	-
Ending balance at June 30, 2012	$ 26	$ (221)	$ -	$ 185	$ (10)
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2012	$ (1)	$ (6)	$ -	$ 8	$ 1
Uranium:					
Beginning balance at April 1, 2012	$ (1)	$ (a)	$ (a)	$ (a)	$ (1)
Realized and unrealized gains (losses):					
Included in regulatory assets/liabilities	-	(a)	(a)	(a)	-
Total realized and unrealized gains (losses)	-	(a)	(a)	(a)	-
Ending balance at June 30, 2012	$ (1)	$ (a)	$ (a)	$ (a)	$ (1)
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2012	$ -	$ (a)	$ (a)	$ (a)	$ -

(a) Not applicable.
(b) Net gains and losses on fuel oils and natural gas derivative commodity contracts are recorded in Operating Expenses - Fuel , while net gains and losses on power derivative commodity contracts are recorded in Operating Revenues - Electric .
(c) Includes amounts for Merchant Generation nonregistrant subsidiaries and intercompany eliminations, including the elimination of financial power contracts between Ameren Illinois and Marketing Company.

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 June 30, 2011:

Three Months	Ameren Missouri	Net derivative commodity contracts Ameren Illinois	Genco	Other(c)	Ameren
Fuel oils:					
Beginning balance at April 1, 2011	$ 57	$ (a)	$ 29	$ 10	$ 96
Realized and unrealized gains (losses):					
Included in earnings(b)	-	(a)	(3)	(2)	(5)
Included in regulatory assets/liabilities	(9)	(a)	(a)	(a)	(9)
Total realized and unrealized gains (losses)	(9)	(a)	(3)	(2)	(14)
Purchases	1	(a)	-	-	1
Settlements	(8)	(a)	(5)	(2)	(15)
Ending balance at June 30, 2011	$ 41	$ (a)	$ 21	$ 6	$ 68
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2011	$ (8)	$ (a)	$ (4)	$ (2)	$ (14)
Natural gas:					
Beginning balance at April 1, 2011	$ (12)	$ (108)	$ -	$ -	$ (120)
Realized and unrealized gains (losses):					
Included in regulatory assets/liabilities	(1)	(19)	(a)	(a)	(20)
Total realized and unrealized gains (losses)	(1)	(19)	-	-	(20)
Purchases	-	1	-	-	1
Settlements	2	20	-	-	22
Ending balance at June 30, 2011	$ (11)	$ (106)	$ -	$ -	$ (117)
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2011	$ (1)	$ (17)	$ -	$ -	$ (18)
Power:					
Beginning balance at April 1, 2011	$ 2	$ (325)	$ 3	$ 351	$ 31
Realized and unrealized gains (losses):					
Included in earnings(b)	-	-	(1)	(14)	(15)
Included in OCI	-	-	-	5	5

Included in regulatory assets/liabilities	(1)	77	(a)	(10)	66
Total realized and unrealized gains (losses)	(1)	77	(1)	(19)	56

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Three Months	Ameren Missouri	Ameren Illinois	Genco	Other(c)	Ameren
	Net derivative commodity contracts				
Purchases	$ 29	$ -	$ -	$ 21	$ 50
Sales	-	-	-	(7)	(7)
Settlements	(6)	44	(1)	(53)	(16)
Transfers into Level 3	-	-	-	1	1
Transfers out of Level 3	1	-	-	1	2
Ending balance at June 30, 2011	$ 25	$ (204)	$ 1	$ 295	$ 117
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2011	$ (1)	$ 68	$ (1)	$ (7)	$ 59
Uranium:					
Beginning balance at April 1, 2011	$ 1	$ (a)	$ (a)	$ (a)	$ 1
Realized and unrealized gains (losses):					
Included in regulatory assets/liabilities	(3)	(a)	(a)	(a)	(3)
Total realized and unrealized gains (losses)	(3)	(a)	(a)	(a)	(3)
Ending balance at June 30, 2011	$ (2)	$ (a)	$ (a)	$ (a)	$ (2)
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2011	$ (2)	$ (a)	$ (a)	$ (a)	$ (2)

(a) Not applicable.
(b) Net gains and losses on fuel oils and natural gas derivative commodity contracts are recorded in Operating Expenses - Fuel, while net gains and losses on power derivative commodity contracts are recorded in Operating Revenues - Electric.
(c) Includes amounts for Merchant Generation nonregistrant subsidiaries and intercompany eliminations, including the elimination of financial power contracts between Ameren Illinois and Marketing Company.

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 six months ended June 30, 2012:

Six Months	Ameren Missouri	Ameren Illinois	Genco	Other(c)	Ameren
	Net derivative commodity contracts				
Fuel oils:					
Beginning balance at January 1, 2012	$ 3	$ (a)	$ 1	$ -	$ 4
Realized and unrealized gains (losses):					
Included in earnings(b)	-	(a)	-	-	-
Included in regulatory assets/liabilities	(2)	(a)	(a)	(a)	(2)
Total realized and unrealized gains (losses)	(2)	(a)	-	-	(2)
Purchases	2	(a)	1	-	3
Sales	(1)	(a)	-	-	(1)
Settlements	(1)	(a)	-	-	(1)
Transfers into Level 3	2	(a)	-	-	2
Transfers out of Level 3	-	(a)	(1)	-	(1)
Ending balance at June 30, 2012	$ 3	$ (a)	$ 1	$ -	$ 4
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2012	$ (1)	$ (a)	$ -	$ -	$ (1)
Natural gas:					
Beginning balance at January 1, 2012	$ (14)	$ (160)	$ -	$ -	$ (174)
Realized and unrealized gains (losses):					
Included in regulatory assets/liabilities	(2)	(26)	(a)	(a)	(28)
Total realized and unrealized gains (losses)	(2)	(26)	-	-	(28)
Settlements	1	16	-	-	17
Transfer out of Level 3	15	170	-	-	185
Ending balance at June 30, 2012	$ -	$ -	$ -	$ -	$ -
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2012	$ 9	$ 114	$ -	$ -	$ 123
Power:					
Beginning balance at January 1, 2012	$ 21	$ (140)	$ -	$ 234	$ 115
Realized and unrealized gains (losses):					
Included in earnings(b)	-	-	-	7	7
Included in OCI	-	-	-	34	34
Included in regulatory assets/liabilities	9	(221)	(a)	44	(168)
Total realized and unrealized gains (losses)	9	(221)	-	85	(127)

Purchases	22	-	-	5	27
Sales	-	-	-	7	7
Settlements	(24)	140	-	(150)	(34)
Transfers into Level 3	-	-	-	1	1

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	Net derivative commodity contracts				
Six Months	Ameren Missouri	Ameren Illinois	Genco	Other[c]	Ameren
Transfers out of Level 3	(2)	-	-	3	1
Ending balance at June 30, 2012	$ 26	$ (221)	$ -	$ 185	$ (10)
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2012	$ 3	$ (195)[d]	$ -	$ 42	$ (150)
Uranium:					
Beginning balance at January 1, 2012	$ (1)	$ (a)	$ (a)	$ (a)	$ (1)
Realized and unrealized gains (losses):					
Included in regulatory assets/liabilities	-	(a)	(a)	(a)	-
Total realized and unrealized gains (losses)	-	(a)	(a)	(a)	-
Ending balance at June 30, 2012	$ (1)	$ (a)	$ (a)	$ (a)	$ (1)
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2012	$ -	$ (a)	$ (a)	$ (a)	$ -

(a) Not applicable.
(b) Net gains and losses on fuel oils and natural gas derivative commodity contracts are recorded in Operating Expenses - Fuel , while net gains and losses on power derivative commodity contracts are recorded in Operating Revenues - Electric .
(c) Includes amounts for Merchant Generation nonregistrant subsidiaries and intercompany eliminations, including the elimination of financial power contracts between Ameren Illinois and Marketing Company.
(d) The change in unrealized losses was due to decreases in long-term power prices applied to 20-year Ameren Illinois swap contracts, which expire in May 2032.

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 six months ended June 30, 2011:

	Net derivative commodity contracts				
Six Months	Ameren Missouri	Ameren Illinois	Genco	Other[c]	Ameren
Fuel oils:					
Beginning balance at January 1, 2011	$ 30	$ (a)	$ 17	$ 4	$ 51
Realized and unrealized gains (losses):					
Included in earnings[b]	-	(a)	12	5	17
Included in regulatory assets/liabilities	22	(a)	(a)	(a)	22
Total realized and unrealized gains (losses)	22	(a)	12	5	39
Purchases	2	(a)	-	-	2
Settlements	(13)	(a)	(8)	(3)	(24)
Ending balance at June 30, 2011	$ 41	$ (a)	$ 21	$ 6	$ 68
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2011	$ 18	$ (a)	$ 9	$ 3	$ 30
Natural gas:					
Beginning balance at January 1, 2011	$ (14)	$ (134)	$ -	$ -	$ (148)
Realized and unrealized gains (losses):					
Included in regulatory assets/liabilities	(1)	(12)	(a)	(a)	(13)
Total realized and unrealized gains (losses)	(1)	(12)	-	-	(13)
Purchases	-	1	-	-	1
Settlements	4	39	-	-	43
Ending balance at June 30, 2011	$ (11)	$ (106)	$ -	$ -	$ (117)
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2011	$ 1	$ 8	$ -	$ -	$ 9
Power:					
Beginning balance at January 1, 2011	$ 2	$ (352)	$ 3	$ 383	$ 36
Realized and unrealized gains (losses):					
Included in earnings[b]	-	-	(1)	(17)	(18)
Included in OCI	-	-	-	5	5
Included in regulatory assets/liabilities	6	47	(a)	11	64
Total realized and unrealized gains (losses)	6	47	(1)	(1)	51
Purchases	29	-	-	30	59
Sales	-	-	-	(16)	(16)
Settlements	(12)	101	(1)	(104)	(16)
Transfers into Level 3	(1)	-	-	2	1
Transfers out of Level 3	1	-	-	1	2

Ending balance at June 30, 2011	$ 25	$ (204)	$ 1	$ 295	$ 117
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2011	$ -	$ 64	$ (1)	$ (4)	$ 59

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Six Months	Ameren Missouri	Ameren Illinois	Genco	Other[(c)]	Ameren
		Net derivative commodity contracts			
Uranium:					
Beginning balance at January 1, 2011	$ 2	$ (a)	$ (a)	$ (a)	$ 2
Realized and unrealized gains (losses):					
Included in regulatory assets/liabilities	(4)	(a)	(a)	(a)	(4)
Total realized and unrealized gains (losses)	(4)	(a)	(a)	(a)	(4)
Ending balance at June 30, 2011	$ (2)	$ (a)	$ (a)	$ (a)	$ (2)
Change in unrealized gains (losses) related to assets/liabilities held at June 30, 2011	$ (2)	$ (a)	$ (a)	$ (a)	$ (2)

(a) Not applicable.

(b) Net gains and losses on fuel oils and natural gas derivative commodity contracts are recorded in Operating Expenses - Fuel, while net gains and losses on power derivative commodity contracts are recorded in Operating Revenues - Electric.

(c) Includes amounts for Merchant Generation nonregistrant subsidiaries and intercompany eliminations, including the elimination of financial power contracts between Ameren Illinois and Marketing Company.

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 out of Level 3 into Level 2 for natural gas derivatives were due to management previously using broker quotations to estimate the fair value of natural gas contracts and changing to estimates based upon exchange closing prices without significant unobservable adjustments in the first quarter of 2012. Estimates of fair value based on exchange closing prices are deemed to be a more accurate approximation of natural gas prices. Transfers between Level 2 and Level 3 for power derivatives and between Level 1 and Level 3 for fuel oils were primarily caused by changes in availability of financial trades observable on electronic exchanges between the period ended June 30, 2012, and the previous reporting periods ended March 31, 2012 and December 31, 2011. 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 six months ended June 30, 2012, and 2011, there were no transfers between Level 1 and Level 2 related to derivative commodity contracts. The following table summarizes all transfers between fair value hierarchy levels related to derivative commodity contracts for the three and six months ended June 30, 2012, and 2011:

	Three Months		Six Months	
	2012	2011	2012	2011
Ameren - derivative commodity contracts:[(a)]				
Transfers into Level 3 / Transfers out of Level 1 - Fuel oils	$ -	$ -	$ 2	$ -
Transfers out of Level 3 / Transfers into Level 1 - Fuel oils	-	-	(1)	-
Transfers out of Level 3 / Transfers into Level 2 - Natural gas	-	-	185	-
Transfers into Level 3 / Transfers out of Level 2 - Power	1	1	1	1
Transfers out of Level 3 / Transfers into Level 2 - Power	-	2	1	2
Net fair value of Level 3 transfers	$ 1	$ 3	$ 188	$ 3
Ameren Missouri - derivative commodity contracts:				
Transfers into Level 3 / Transfers out of Level 1 - Fuel oils	$ -	$ -	$ 2	$ -
Transfers out of Level 3 / Transfers into Level 2 - Natural gas	-	-	15	-
Transfers into Level 3 / Transfers out of Level 2 - Power	-	-	-	(1)
Transfers out of Level 3 / Transfers into Level 2 - Power	(1)	1	(2)	1
Net fair value of Level 3 transfers	$ (1)	$ 1	$ 15	$ -
Ameren Illinois - derivative commodity contracts:				
Transfers out of Level 3 / Transfers into Level 2 - Natural gas	$ -	$ -	$ 170	$ -
Genco - derivative commodity contracts:				
Transfers out of Level 3 / Transfers into Level 1 - Fuel oils	$ -	$ -	$ (1)	$ -

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

The Ameren Companies carrying amounts of cash and cash equivalents approximate fair value because of the short-term nature of these instruments and are considered to be Level 1 in the fair value hierarchy. Short-term borrowings, which are composed of Ameren issued commercial paper, 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 Level 2 in the fair value hierarchy.

The following table presents the carrying amounts and estimated fair values of our long-term debt and capital lease obligations and preferred stock at June 30, 2012, and December 31, 2011:

	June 30, 2012		December 31, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Ameren:[(a)(b)]				
Long-term debt and capital lease obligations (including current portion)	**$ 6,857**	**$ 7,766**	$ 6,856	$ 7,800
Preferred stock	**142**	**93**	142	92
Ameren Missouri:				
Long-term debt and capital lease obligations (including current portion)	**$ 3,950**	**$ 4,619**	$ 3,950	$ 4,541
Preferred stock	**80**	**55**	80	55
Ameren Illinois:				
Long-term debt (including current portion)	**$ 1,658**	**$ 1,984**	$ 1,658	$ 1,943
Preferred stock	**62**	**38**	62	37
Genco:				
Long-term debt (including current portion)	**$ 824**	**$ 679**	$ 824	$ 839

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(b) Preferred stock not subject to mandatory redemption of the Ameren subsidiaries along with the 20% noncontrolling interest of EEI is recorded in Noncontrolling Interests on the balance sheet.

NOTE 8 - RELATED PARTY TRANSACTIONS

The Ameren Companies have engaged in, and may in the future engage in, affiliate transactions in the normal course of business. These transactions primarily consist of natural gas and power purchases and sales, services received or rendered, and borrowings and lendings.

Transactions between affiliates are reported as intercompany transactions on their 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.

Put Option Agreement and Guaranty

On March 28, 2012, Genco entered into a put option agreement with AERG. The put option gives Genco the option to sell to AERG all, but not less than all, of the Grand Tower, the Gibson City, and the Elgin energy centers. If Genco exercises the put option, the purchase price for all three energy centers will be the greater of $100 million or the fair market value of the energy centers, as determined by three third-party appraisers in accordance with the terms of the agreement. Upon exercise of the put option, the $100 million minimum purchase price would be payable to Genco within one business day. Genco may exercise the put option at any time from March 28, 2012 through March 28, 2014. The put option may be extended indefinitely for additional one-year periods by agreement of AERG and Genco. If Genco exercises the put option, the closing of the sale of all three energy centers will be subject to the receipt of all necessary regulatory approvals. In exchange for entering into the put option agreement, Genco paid AERG a put option premium of $2.5 million. The put option premium paid by Genco was recorded as an Other asset on Genco s consolidated balance sheet and is being amortized over two years. The amortization expense is eliminated in the consolidation of Ameren s financial statements.

The put option agreement requires AERG to secure and maintain an Ameren guaranty of payment of contingent obligations under the agreement. Ameren and AERG entered into such a guaranty agreement on March 28, 2012. The guaranty shall remain in effect until either AERG or Ameren satisfies all of the payment obligations under the put option agreement, or the put option agreement is terminated and no further payments are owed by AERG to Genco. As of June 30, 2012, Genco had not exercised the put option.

Intercompany Transfers

In June 2012, Genco transferred various assets from the Hutsonville and Meredosia energy centers to AERG. Both of the energy centers were retired in 2011. Genco recorded an intercompany receivable in the amount of less than $1 million at June 30, 2012. The transfer of the assets was accounted for as a transaction between entities under common control; therefore, Genco did not recognize a gain on the transfer, and upon consolidation Ameren recorded the assets at carrying value.

Electric Power Supply Agreements

During the second quarter of 2012, Ameren Illinois used a RFP process, administered by the IPA, to contract capacity for the period from June 1, 2012, through May 31, 2015. Both Marketing Company and Ameren Missouri were among the winning suppliers in the capacity RFP process. In April 2012, Marketing Company contracted to supply a portion of Ameren Illinois capacity requirements for less than $1 million and $4 million for the 12 months ending May 31, 2013 and 2015, respectively. In April 2012, Ameren Missouri contracted to supply a portion of Ameren Illinois capacity requirements for $1 million and $3 million for the 12 months ending May 31, 2014 and 2015, respectively.

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Collateral Postings

Under the terms of the Illinois power procurement agreements entered into through a RFP process administered by the IPA, suppliers must post collateral under certain market conditions to protect Ameren Illinois in the event of nonperformance. The collateral postings are unilateral, meaning that only the suppliers would be required to post collateral. Therefore, Ameren Missouri, as a winning supplier of capacity, and Marketing Company, as a winning supplier of capacity and financial energy swaps, may be required to post collateral. As of December 31, 2011 and June 30, 2012, there were no collateral postings required of Ameren Missouri or Marketing Company related to the Illinois power procurement agreements.

Marketing Company Sale of Trade Receivables to Ameren Illinois

In accordance with the Illinois Public Utilities Act, Ameren Illinois is required to purchase alternative retail electric suppliers receivables relating to Ameren Illinois delivery service customers who elected to receive power supply from the alternative retail electric supplier. Beginning in June 2012, Marketing Company sold and Ameren Illinois purchased trade receivables relating to the power supply of residential customers using Marketing Company as their alternative retail electric supplier. Marketing Company has no continuing involvement with or control over the trade receivables after the sale is completed to Ameren Illinois, and neither company has any restrictions on the assets associated with these purchase and sale transactions. As of June 30, 2012, Ameren Illinois payable to Marketing Company for the purchase of trade receivables totaled less than $1 million. For the six months ended June 30, 2012 Ameren Illinois purchased less than $1 million of trade receivables from Marketing Company. Marketing Company s receivable from Ameren Illinois as well as Ameren Illinois payable to Marketing Company are eliminated in the consolidated Ameren Corporation s financial statements.

Money Pools

See Note 3 - Short-term Debt and Liquidity for a discussion of affiliate borrowing arrangements.

The following table presents the impact on Ameren Missouri, Ameren Illinois and Genco of related party transactions for the three and six months ended June 30, 2012, and 2011. It is based primarily on the agreements discussed above and in 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.

			Three Months			Six Months		
	Income Statement		Ameren	Ameren		Ameren	Ameren	
Agreement	**Line Item**		**Missouri**	**Illinois**	**Genco**	**Missouri**	**Illinois**	**Genco**
Genco and EEI power supply	Operating Revenues	**2012**	**$ (a)**	**$ (a)**	**$ 193**	**$ (a)**	**$ (a)**	**$ 386**
agreements with Marketing Company		2011	(a)	(a)	242	(a)	(a)	482
Ameren Missouri and Ameren Illinois	Operating Revenues	**2012**	**4**	**(b)**	**(a)**	**8**	**(b)**	**(a)**
rent and facility services		2011	4	(b)	(a)	8	(b)	(a)
Ameren Missouri and Genco gas	Operating Revenues	**2012**	**(b)**	**(a)**	**(b)**	**(b)**	**(a)**	**(b)**
transportation agreement		2011	(b)	(a)	(b)	(b)	(a)	(b)
Total Operating Revenues		**2012**	**$ 4**	**$ (b)**	**$ 193**	**$ 8**	**$ (b)**	**$ 386**
		2011	4	(b)	242	8	(b)	482
Ameren Illinois power supply	Purchased Power	**2012**	**$ (a)**	**$ 72**	**$ (a)**	**$ (a)**	**$ 160**	**$ (a)**
agreements with Marketing Company		2011	(a)	48	(a)	(a)	94	(a)
EEI power supply agreement with	Purchased Power	**2012**	**(a)**	**(a)**	**(b)**	**(a)**	**(a)**	**(b)**
Marketing Company		2011	(a)	(a)	12	(a)	(a)	12
Total Purchased Power		**2012**	**$ (a)**	**$ 72**	**$ (b)**	**$ (a)**	**$ 160**	**$ (b)**
		2011	(a)	48	12	(a)	94	12
Ameren Services support services	Other Operations	**2012**	**$ 27**	**$ 22**	**$ 5**	**$ 55**	**$ 45**	**$ 10**
agreement	and Maintenance	2011	28	21	4	59	45	10
Insurance premiums(c)	Other Operations	**2012**	**(b)**	**(a)**	**(a)**	**(b)**	**(a)**	**(a)**
	and Maintenance	2011	(b)	(a)	(a)	(b)	(a)	(a)
Total Other Operations and		**2012**	**$ 27**	**$ 22**	**$ 5**	**$ 55**	**$ 45**	**$ 10**
Maintenance Expenses		2011	28	21	4	59	45	10
Money pool borrowings (advances)	Interest Charges	**2012**	**$ -**	**$ (b)**	**$ (b)**	**$ -**	**$ (b)**	**$ (b)**
		2011	-	-	(b)	-	-	(b)

(a) Not applicable.
(b) Amount less than $1 million.
(c) Represents insurance premiums paid to an affiliate for replacement power, property damage and terrorism coverage.

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NOTE 9 - COMMITMENTS AND CONTINGENCIES

We are involved in legal, tax and regulatory proceedings before various courts, regulatory commissions, 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, 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, and Note 15 - Commitments and Contingencies 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 and Note 10 - Callaway Nuclear Plant in this report.

Callaway Energy Center

The following table presents insurance coverage at Ameren Missouri s Callaway energy center at June 30, 2012. The property coverage and the nuclear liability coverage must be renewed on April 1 and January 1, respectively, of each year.

Type and Source of Coverage	Maximum Coverages		Maximum Assessments for Single Incidents	
Public liability and nuclear worker liability:				
American Nuclear Insurers	$	375	$	-
Pool participation		12,219[(a)]		118[(b)]
	$	12,594[(c)]	$	118
Property damage:				
Nuclear Electric Insurance Ltd.	$	2,750[(d)]	$	23
Replacement power:				
Nuclear Electric Insurance Ltd	$	490[(e)]	$	9
Energy Risk Assurance Company	$	64[(f)]	$	-

(a) Provided through mandatory participation in an industrywide retrospective premium assessment program.
(b) Retrospective premium under Price-Anderson. 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 $17.5 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 $118 million per incident for each licensed reactor it operates with a maximum of $17.5 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) Provides for $500 million in property damage and decontamination, excess property insurance, and premature decommissioning coverage up to $2.25 billion for losses in excess of the $500 million primary coverage.
(e) Provides the replacement power cost insurance in the event of a prolonged accidental outage at our nuclear energy center. Weekly indemnity up to $4.5 million for 52 weeks, which commences after the first eight 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.
(f) Provides the replacement power cost insurance in the event of a prolonged accidental outage at our nuclear energy center. The coverage commences after the first 52 weeks of insurance coverage from Nuclear Electric Insurance Ltd. and is for a weekly indemnity of $900,000 for 71 weeks in excess of the $3.6 million per week set forth above. Energy Risk Assurance Company is an affiliate and has reinsured this coverage with third-party insurance companies. See Note 8 - Related Party Transactions for more information on this affiliate transaction.

The Price-Anderson Act is a federal law that limits the liability for claims from an incident involving any licensed United States commercial nuclear power facility. 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 five-year inflationary adjustment as prescribed by the most recent Price-Anderson Act renewal was effective October 29, 2008. 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 Price-Anderson.

Losses resulting from terrorist attacks are covered under Nuclear Electric Insurance Ltd. s policies, subject to an industrywide aggregate policy limit of $3.24 billion within a 12-month period for coverage for such terrorist acts.

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.

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Other Obligations

To supply a portion of the fuel requirements of our generating plants, we have entered into various long-term commitments for the procurement of coal, natural gas, nuclear fuel, and methane gas. We have also 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.

Genco s commitments for the procurement of natural gas have materially increased from amounts previously disclosed as of December 31, 2011. The following table presents our total estimated natural gas commitments at June 30, 2012:

	2012	2013	2014	2015	2016	Thereafter	Total
Ameren	**$ 211**	$ 367	$ 241	$ 131	$ 53	$ 132	$ 1,135
Genco	**16**	34	3	2	-	-	55

In the second quarter of 2012, Ameren Illinois used a RFP process, administered by the IPA, to contract capacity and energy products for the period from June 1, 2012, through May 31, 2015. Ameren Illinois contracted to purchase approximately 48,000 MWs of capacity for approximately $15 million during this period. Ameren Illinois contracted to purchase approximately 612,000 megawatthours of energy products for approximately $17 million during this period.

Previously, Ameren Illinois entered into an agreement to purchase approximately 15.5 billion cubic feet of synthetic natural gas annually over a 10-year period beginning in 2016 for its natural gas customers. The agreement was entered into pursuant to an Illinois law, which became effective August 2, 2011. Ameren Illinois obligations under the agreement were contingent on the counterparty reaching certain milestones during the project development and the construction of the plant that was to produce the synthetic natural gas. The counterparty failed to meet certain milestones during the second quarter of 2012 and, accordingly, the contract was terminated.

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 ongoing operation of existing or new electric generating, 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, impacts to air, land, and water, noise, protected natural and cultural resources (such as wetlands, endangered species and other protected wildlife, and archeological and historical resources), and chemical and waste handling. Complex and lengthy processes are required to obtain approvals, permits, or licenses for new, existing or modified facilities. Additionally, the use and handling of various chemicals or hazardous materials (including wastes) requires release prevention plans and emergency response procedures.

In addition to existing laws and regulations, including the Illinois MPS that applies to our energy centers in Illinois, the EPA is developing numerous new environmental regulations that will have a significant impact on the electric utility industry. These regulations could be particularly burdensome for certain companies, including Ameren, Ameren Missouri and Genco, that operate coal-fired energy centers. Significant new rules proposed or promulgated since the beginning of 2010 include the regulation of greenhouse gas emissions; revised national ambient air quality standards for SO_2 and NO_2 emissions; the CSAPR, which requires further reductions of SO_2 and NO_x emissions from power plants; a regulation governing management of CCR and coal ash impoundments; the MATS, which requires 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; and new regulations under the Clean Water Act that could require significant capital expenditures such as new water intake structures or cooling towers at our energy centers. The EPA has proposed CO_2 limits for new coal-fired and natural gas-fired combined cycle units and is expected to propose limits for existing units in the future. These new regulations may be litigated, so the timing of their implementation is uncertain, as evidenced by the stay of the CSAPR by the United States Court of Appeals for the District of Columbia on December 30, 2011. Although many details of these future regulations are unknown, the combined effects of the new and proposed environmental regulations may result in significant capital expenditures and/or increased operating costs over the next five to ten years for Ameren, Ameren Missouri and Genco. Actions required to ensure that our facilities and operations are in compliance with environmental laws and regulations could be prohibitively expensive. If they are, these regulations could require us to close or to significantly alter the operation of our energy centers, which could have an adverse effect on our results of operations, financial position, and liquidity, including the impairment of long-lived assets. Failure to comply with environmental laws and regulations might also result in the imposition of fines, penalties, and injunctive measures.

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The estimates in the table below contain all of the known capital costs to comply with existing environmental regulations and our assessment of the potential impacts of the EPA s proposed regulation for CCR, the finalized MATS, the stayed CSAPR as currently designed, and the revised national ambient air quality standards for SO_2 and NO_x emissions as of June 30, 2012. The estimates in the table below assume that CCR will continue to be regarded as nonhazardous. The estimates in the table below do not include the impacts of regulations proposed by the EPA under the Clean Water Act in March 2011 regarding cooling water intake structures as our evaluation of those impacts is ongoing. The estimates shown in the table below could change significantly depending upon a variety of factors including:

- additional or modified federal or state requirements;
- regulation of greenhouse gas emissions;
- whether AER is granted a variance to extend compliance dates for SO_2 emission levels contained within the MPS for five years until December 31, 2020;
- new national ambient air quality standards or changes to existing standards for ozone, fine particulates, SO_2, and NO_x emissions;
- additional rules governing air pollutant transport;
- finalized regulations under the Clean Water Act;
- CCR being classified as hazardous;
- whether the CSAPR is implemented and whether any modifications are made to its existing requirements;
- new technology;
- expected power prices;
- variations in costs of material or labor; and
- alternative compliance strategies or investment decisions.

	2012	2013 - 2016	2017 - 2021	Total
AMO[(a)]	$ 55	$ 325 - $ 400	$ 845 - $ 1,030	$ 1,225 - $ 1,485
Genco	150	100 - 125	245 - 295	495 - 570
AERG	5	20 - 25	80 - 100	105 - 130
Ameren	$ 210	$ 445 - $ 550	$ 1,170 - $ 1,425	$ 1,825 - $ 2,185

(a) Ameren Missouri s expenditures are expected to be recoverable from ratepayers.

The decision to make pollution control equipment investments at our Merchant Generation business depends on whether the expected future market price for power reflects the increased cost for environmental compliance. During early 2012, the observable market price for power for delivery in the current year and in future years sharply declined below 2011 levels primarily because of declining natural gas prices, as well as the impact from the stay of the CSAPR. As a result of this sharp decline in the market price for power, as well as uncertain environmental regulations, Genco decelerated the construction of two scrubbers at its Newton energy center. These scrubbers were originally expected to be installed in late 2013 and early 2014. The ultimate installation of these scrubbers, now estimated to occur between 2017 and 2021 in the table above, has been postponed until such time as the incremental investment necessary for completion is justified by visible market conditions. However, Genco will continue to incur capital costs related to the construction of these scrubbers. The table above includes Genco s estimated costs of approximately $150 million in 2012 and approximately $20 million annually, excluding capitalized interest, from 2013 through 2016 for the construction of the two scrubbers. In addition to Genco s reduction in estimated capital expenditures, AERG deferred precipitator upgrades at its E.D. Edwards energy center beyond 2016. Based on current environmental rules and regulations, if Merchant Generation and Genco do not complete these environmental upgrades by the beginning of 2015, Merchant Generation and Genco may need to reduce generation output at their energy centers to meet applicable emissions requirements. To achieve flexibility in its efforts to comply with the MPS by 2015, AER filed a request for a variance with the Illinois Pollution Control Board to extend certain compliance dates as discussed in more detail below. If Merchant Generation is not granted a variance to extend compliance dates for SO_2 emission levels contained within the MPS, it is probable that Merchant Generation will have to mothball two of its unscrubbed coal-fired energy centers beginning in 2015.

The following sections describe the more significant environmental rules that affect or could affect our operations.

Clean Air Act

Both federal and state laws require significant reductions in SO_2 and NO_x emissions that result from burning fossil fuels. In March 2005, the EPA issued regulations with respect to SO_2 and NO_x emissions (the CAIR). The CAIR required generating facilities in 28 states, including Missouri and Illinois, and the District of Columbia, to participate in cap-and-trade programs to reduce annual SO_2 emissions, annual NO_x emissions, and ozone season NO_x emissions.

In December 2008, the United States Court of Appeals for the District of Columbia remanded the CAIR to the EPA for further action to remedy the rule s flaws, but allowed the CAIR s cap-and-trade programs to remain effective until they are replaced by the EPA. In July 2011, the EPA issued the CSAPR as the CAIR replacement. The CSAPR was to become effective on January 1, 2012, for SO_2 and annual NO_x reductions and on May 1, 2012, for ozone season NO_x reductions. In the CSAPR, the EPA developed federal implementation plans for each state covered by this rule; however, each impacted state can develop its own implementation rule starting as early as 2013. The CSAPR establishes emission allowance budgets for each of the states subject to the regulation, including Missouri and Illinois. With the CSAPR, the EPA abandoned CAIR s regional approach to cutting emissions and instead set a pollution budget for each of the impacted states based on the EPA s analysis of each upwind state s contribution to air quality in downwind states.

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For Missouri and Illinois, emission reductions were required in two phases beginning in 2012, with further reductions in 2014. With the CSAPR, the EPA adopted a cap-and-trade approach that allows intrastate and limited interstate trading of emission allowances with other sources within the same program, that is, in the SO_2 program, in the annual NO_x, and in the ozone season NO_x program. Multiple legal challenges were filed requesting to have CSAPR partially or entirely vacated and to stay the implementation of the CSAPR while the court considers the challenges. On December 30, 2011, the United States Court of Appeals for the District of Columbia issued a stay of the CSAPR. The stay does not invalidate the rule, but only delays its implementation until a final court ruling is issued. The United States Court of Appeals for the District of Columbia has expedited its consideration of the challenges to the regulation. The ultimate outcome of the challenges to the regulation is uncertain. The court could uphold CSAPR or remand it back to the EPA for partial or entire revision. Until the CSAPR appeal process is concluded, the EPA will continue to administer the CAIR.

In December 2011, the EPA issued the MATS under the Clean Air Act, which require emission reductions for mercury and other hazardous air pollutants, such as acid gases, toxic metals, and particulate matter by setting emission limits equal to the average emissions of the best performing 12% of existing coal and oil-fired electric generating units. Also, the standards require reductions in hydrogen chloride emissions, which were not regulated previously, and they will require continuous monitoring systems that are not currently in place. The MATS do not require a specific control technology to achieve the emission reductions. The MATS will apply to each unit at a coal-fired power plant; however, emission compliance can be averaged for the entire power plant. Compliance is required by April 2015 or, with a case-by-case extension, by April 2016.

Separately, on June 15, 2012, the EPA proposed to make more stringent the national ambient air quality standard for fine particulate matter. Under the proposed standard, the EPA and states would develop control measures designed to reduce the emission of fine particulate matter below required levels. Such measures may or may not apply to power plants. The EPA expects to issue a final standard for fine particulate matter by the end of 2012, which would require each state to achieve compliance with the final standard by 2020. In September 2011, the EPA announced that it was implementing the 2008 national ambient air quality standard for ozone. The EPA is required to revisit this standard for ozone again in 2013. The state of Illinois and the state of Missouri will be required to develop separate attainment plans to comply with the new ambient air quality standards for ozone and fine particulate matter. Ameren, Ameren Missouri and Genco continue to assess the impacts of these new standards.

Ameren Missouri s current environmental compliance plan for air emissions from its energy centers includes burning ultra-low-sulfur coal and installing new or optimizing existing pollution control equipment. In July 2011, Ameren Missouri contracted to procure significantly higher volumes of lower-sulfur-content coal than Ameren Missouri s energy centers have historically burned, which will allow Ameren Missouri to eliminate or postpone capital expenditures for pollution control equipment. In 2010, Ameren Missouri completed the installation of two scrubbers at its Sioux energy center to reduce SO_2 emissions. Currently, Ameren Missouri s compliance plan assumes the installation of two scrubbers within its coal-fired fleet during the next 10 years and precipitator upgrades at multiple energy centers. However, Ameren Missouri is currently evaluating its operations and options to determine how to comply with the additional emission reductions required by 2014 under the CSAPR, if ultimately implemented, the MATS, and other recently finalized or proposed EPA regulations.

Genco and AERG expect to install additional, or optimize existing, pollution control equipment, or modify or cease energy center operations to meet new and incremental emission reduction requirements under the MPS, the MATS, and the CSAPR as they become effective. Under the MPS, Illinois generators are required to reduce mercury, SO_2, and NO_x emissions by 2015. In May 2012, AER filed a request for a variance with the Illinois Pollution Control Board to extend compliance dates for SO_2 emission levels contained within the MPS for five years until December 31, 2020. In exchange for delaying compliance with these emission levels through 2020, AER has proposed a plan that restricts its SO_2 emissions through 2014 to levels lower than those required by the existing MPS, offsetting any environmental impact from the variance. AER has indicated to the Illinois Pollution Control Board that if a variance is not granted, or power prices do not materially increase, it is probable that the Merchant Generation segment will have to mothball two of its unscrubbed coal-fired energy centers beginning in 2015. AER expects a decision from the Illinois Pollution Control Board by the end of September 2012. To comply with the existing MPS and other air emissions laws and regulations, Genco and AERG are installing equipment designed to reduce their emissions of mercury, NO_x, and SO_2. Genco and AERG have installed a total of three scrubbers at two energy centers. Two additional scrubbers are being constructed at Genco s Newton energy center. As discussed above, the timing of the installation of these scrubbers, as well as precipitator upgrades at AERG s E.D. Edwards energy center, has been delayed. Merchant Generation and Genco will continue to review and adjust their compliance plans in light of evolving outlooks for power and capacity prices, delivered fuel costs, environmental standards and compliance technologies, among other factors.

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The completion of Ameren s, Ameren Missouri s and Genco s review of recently finalized environmental regulations and compliance measures could result in significant increases in capital expenditures and operating costs. The compliance costs could be prohibitive at some of our energy centers as the expected return from these investments, at current market prices for energy and capacity, might not justify the required capital expenditures or their continued operation, which could result in the impairment of long-lived assets.

Emission Allowances

The Clean Air Act created marketable commodities called emission allowances under the acid rain program, the NO_x budget trading program, the CAIR, and the CSAPR. With the CSAPR, the EPA adopted a cap-and-trade approach that allows intrastate and limited interstate trading of emission allowances with other sources within the same program, that is, either the SO_2, annual NO_x, or ozone season NO_x programs. As noted above, on December 30, 2011, the United States Court of Appeals for the District of Columbia issued a stay of the CSAPR. Until the CSAPR appeal process is concluded, the EPA will continue to administer the CAIR, including its allowance program.

Environmental regulations including the CAIR and the CSAPR, the timing of the installation of pollution control equipment, fuel mix, and the level of operations, will have a significant impact on the number of allowances required for ongoing operations. The CAIR uses the acid rain program s allowances for SO_2 emissions and created annual and ozone season NO_x allowances. The CSAPR, however, did not rely upon the acid rain program, the NO_x budget trading program, or CAIR allowances for its allowance allocation program. Instead, the EPA issued a new type of emissions allowance for each program under the CSAPR. Any unused SO_2 allowances, annual NO_x allowances, and ozone season NO_x allowances issued under CAIR cannot be used for compliance with CSAPR. Ameren, Ameren Missouri and Genco expect to have adequate CAIR allowances for 2012 to avoid needing to make external purchases.

Ameren, Ameren Missouri and Genco are studying their compliance options to identify additional opportunities that may exist for compliance in an economical fashion should the CSAPR become effective as issued. Ameren, Ameren Missouri and Genco may be required to purchase emission allowances, if available, to install new or optimize existing pollution control equipment, to limit generation, or take other actions to achieve compliance with the CSAPR in future phase-in years.

Global Climate Change

State and federal authorities, including the United States Congress, have considered initiatives to limit greenhouse gas emissions and to address global climate change. Potential impacts from any climate change legislation or regulation could vary, depending upon proposed CO_2 emission limits, the timing of implementation of those limits, the method of distributing any allowances, the degree to which offsets are allowed and available, and provisions for cost-containment measures, such as a safety valve provision that provides a maximum price for emission allowances. As a result of our fuel portfolio, our emissions of greenhouse gases vary among our energy centers, but coal-fired power plants are significant sources of CO_2. The enactment of a climate change law could result in a significant rise in household costs, and rates for electricity could rise significantly. The burden could fall particularly hard on electricity consumers and upon the economy in the Midwest because of the region s reliance on electricity generated by coal-fired power plants. Natural gas emits about half as much CO_2 as coal when burned to produce electricity. Therefore, climate change regulation could cause the conversion of coal-fired power plants to natural gas, or the construction of new natural gas plants to replace coal-fired power plants. As a result, economywide shifts to natural gas as a fuel source for electricity generation also could affect the cost of heating for our utility customers and many industrial processes that use natural gas.

In December 2009, the EPA issued its endangerment finding under the Clean Air Act, which stated that greenhouse gas emissions, including CO_2, endanger human health and welfare and that emissions of greenhouse gases from motor vehicles contribute to that endangerment. In March 2010, the EPA issued a determination that greenhouse gas emissions from stationary sources, such as power plants, would be subject to regulation under the Clean Air Act effective the beginning of 2011. As a result of these actions, we are required to consider the emissions of greenhouse gases in any air permit application.

Recognizing the difficulties presented by regulating at once virtually all emitters of greenhouse gases, the EPA finalized the Tailoring Rule, which established new higher thresholds beginning in January 2011, for regulating greenhouse gas emissions from stationary sources, such as power plants. The rule requires any source that already has an operating permit to have greenhouse-gas-specific provisions added to its permits upon renewal. Currently, all Ameren energy centers have operating permits that, when renewed, may be modified to address greenhouse gas emissions. The Tailoring Rule also provides that if projects performed at major sources result in an increase in emissions of greenhouse gases over an applicable annual threshold, such projects could trigger permitting requirements under the NSR programs and the application of best available control technology, if any, to control greenhouse gas emissions. New major sources are also required to obtain such a permit and to install the best available control technology if their greenhouse gas emissions exceed the applicable emissions threshold.

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The extent to which the Tailoring Rule could have a material impact on our energy centers depends upon how state agencies apply the EPA s guidelines as to what constitutes the best available control technology for greenhouse gas emissions from power plants and whether physical changes or changes in operations subject to the rule occur at our energy centers. In June 2012, the United States Court of Appeals for the District of Columbia upheld the Tailoring Rule.

Separately, on March 27, 2012, the EPA issued the proposed Carbon Pollution Standard for New Power Plants. This proposed NSPS for greenhouse gas emissions would apply only to new fossil-fuel fired electric energy centers and therefore does not impact any of Ameren s, Ameren Missouri s, or Genco s existing energy centers. Ameren anticipates this proposed rule, if enacted, could make the construction of new coal-fired energy centers in the United States prohibitively expensive. A final rule is expected in 2012. Any federal climate change legislation that is enacted may preempt the EPA s regulation of greenhouse gas emissions, including the Tailoring Rule and the Carbon Pollution Standard for New Power Plants, particularly as it relates to power plant greenhouse gas emissions.

Future federal and state legislation or regulations that mandate limits on the emission of greenhouse gases would likely result in significant increases in capital expenditures and operating costs, which, in turn, could lead to increased liquidity needs and higher financing costs. Moreover, to the extent Ameren Missouri requests recovery of these costs through rates, its regulators might delay or deny timely recovery of these costs. Excessive costs to comply with future legislation or regulations might force Ameren, Ameren Missouri and Genco as well as other similarly situated electric power generators to close some coal-fired facilities earlier than planned, which could lead to possible impairment of assets and reduced revenues. As a result, mandatory limits could have a material adverse impact on Ameren s, Ameren Missouri s, and Genco s results of operations, financial position, and liquidity.

Recent federal court decisions have considered the application of common law causes of action, such as nuisance, to address damages resulting from global climate change. In March 2012, the United States District Court for the Southern District of Mississippi dismissed the Comer v. Murphy Oil lawsuit, which alleged CO_2 emissions from several industrial companies, including Ameren Missouri and Genco, created the atmospheric conditions that intensified Hurricane Katrina, thereby causing property damage. The case has been appealed to the appellate court.

The impact on us of future initiatives related to greenhouse gas emissions and global climate change is unknown. Compliance costs could increase as future federal legislative, federal regulatory, and state-sponsored initiatives to control greenhouse gases continue to progress, making it more likely that some form of greenhouse gas emissions control will eventually be required. Since these initiatives continue to evolve, the impact on our coal-fired energy centers and our customers costs is unknown, but could result in significant increases in our capital expenditures and operating costs. The compliance costs could be prohibitive at some of our energy centers as the expected return from these investments, at current market prices for energy and capacity, might not justify the required capital expenditures or their continued operation, which could result in the impairment of long-lived assets.

NSR and Clean Air Litigation

The EPA is engaged in an enforcement initiative to determine whether coal-fired power plants failed to comply with the requirements of the NSR and NSPS provisions under the Clean Air Act when the plants implemented modifications. The EPA s inquiries focus on whether projects performed at power plants should have triggered various permitting requirements and the installation of pollution control equipment.

Commencing in 2005, Genco received a series of information requests from the EPA pursuant to Section 114(a) of the Clean Air Act. The requests sought detailed operating and maintenance history data with respect to Genco s Coffeen, Hutsonville, Meredosia, Newton, and Joppa energy centers and AERG s E.D. Edwards and Duck Creek energy centers. In April and June 2012, the EPA issued additional Section 114(a) requests to Genco regarding projects at its Newton and Joppa energy centers. Genco is in the process of responding to the 2012 information requests. In August 2012, Genco received a Notice of Violation from the EPA alleging violations of permitting requirements and of Title V of the Clean Air Act. The EPA contends that projects performed in 1997, 2006, and 2007 at Genco s Newton energy center violated federal law. Genco believes its defenses to the allegations described the Notice of Violation are meritorious. Ameren and Genco are unable to predict the outcome of this matter and whether EPA will address this Notice of Violation administratively or through litigation.

Following the issuance of a Notice of Violation, 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 alleges that in performing projects at its Rush Island coal-fired energy center, Ameren Missouri violated provisions of the Clean Air Act and Missouri law. In January 2012, the United States District Court granted, in part, Ameren

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Missouri s motion to dismiss various aspects of the EPA s penalty claims. The EPA s claims for injunctive relief, including to require the installation of pollution control equipment, remain. At present, the complaint does not include Ameren Missouri s other coal-fired energy centers, but the EPA has issued Notices of Violation under its NSR enforcement initiative against Ameren Missouri s Labadie, Meramec, and Sioux coal-fired energy centers. Litigation of this matter could take many years to resolve. Ameren Missouri believes its defenses to the allegations described in the complaint as well as the Notices of Violation are meritorious. Ameren Missouri will defend itself vigorously. However, there can be no assurances that it will be successful in its efforts.

Ultimate resolution of these matters could have a material adverse impact on the future results of operations, financial position, and liquidity of Ameren, Ameren Missouri and Genco. A resolution 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 March 2011, the EPA announced a proposed rule applicable to cooling water intake structures at existing power plants that have the ability to withdraw more than 2 million gallons of water per day from a body of water and use at least 25 percent of that water exclusively for cooling. Under the proposed rule, affected facilities would be required either to meet mortality limits for aquatic life impinged on the plant s intake screens or to reduce intake velocity to 0.5 feet per second. The proposed rule also requires plants to meet site-specific entrainment standards or to reduce the cooling water intake flow commensurate with the intake flow of a closed-cycle cooling system. The final rule is scheduled to be issued in July 2013, with compliance expected within eight years thereafter. All coal-fired, nuclear, and combined cycle energy centers at Ameren, Ameren Missouri and Genco with cooling water systems are subject to this proposed rule. The proposed rule did not mandate cooling towers at existing facilities, as other technology options potentially could meet the site-specific standards. Ameren, Ameren Missouri and Genco are currently evaluating the proposed rule, and their assessment of the proposed rule s impacts is ongoing. Therefore, we cannot predict at this time the capital or operating costs associated with compliance. The proposed rule could have an adverse effect on our results of operations, financial position, and liquidity if its implementation requires the installation of cooling towers at our energy centers.

In September 2009, the EPA announced its plan to revise the effluent guidelines applicable to steam electric generating units under the Clean Water Act. Effluent guidelines are national standards for wastewater discharges to surface water that are based on the effectiveness of available control technology. The EPA is engaged in information collection and analysis activities in support of this rulemaking. It has indicated that it expects to issue a proposed rule in November 2012 and to finalize the rule in April 2014. We are unable at this time to predict the impact of this development.

Remediation

We are involved in a number of remediation actions to clean up hazardous waste sites as required by federal and state law. Such statutes 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 the federal or state governments as a potentially responsible party (PRP) at several contaminated sites. Several of these sites involve facilities that were transferred by our rate-regulated utility operations in Illinois to Genco in May 2000 and to AERG in October 2003. As part of each transfer, Ameren Illinois contractually agreed to indemnify Genco and AERG for remediation costs associated with pre-existing environmental contamination at the transferred sites.

As of June 30, 2012, Ameren and Ameren Illinois owned or were otherwise responsible for 44 former MGP sites in Illinois. These are in various stages of investigation, evaluation, and remediation. Based on current estimated plans, Ameren and Ameren Illinois could substantially conclude remediation efforts at most of these sites by 2015. The ICC permits 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 and properly incurred. Costs are subject to annual review by the ICC.

As of June 30, 2012, Ameren and Ameren Missouri own or are otherwise responsible for 10 MGP sites in Missouri and one site in Iowa. Ameren Missouri does not currently have a rate rider mechanism that permits recovery of remediation costs associated with MGP sites from utility customers. Ameren Missouri does not have any retail utility operations in Iowa that would provide a source of recovery of these remediation costs.

The following table presents, as of June 30, 2012, the estimated probable obligation to remediate these MGP sites.

	Estimate		Recorded
	Low	High	Liability[(a)]
Ameren	$ 102	$ 181	$ 102
Ameren Missouri	3	4	3
Ameren Illinois	99	177	99

(a) Recorded liability represents the estimated minimum probable obligations, as no other amount within the range was a better estimate.

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Ameren Illinois is responsible for the cleanup of a former coal ash landfill in Coffeen, Illinois. As of June 30, 2012, Ameren Illinois estimated that obligation 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 a landfill, underground storage tanks, and a water treatment plant in Illinois. As of June 30, 2012, Ameren Illinois recorded a liability of $0.8 million to represent its estimate of the obligation for these sites.

Ameren Missouri has responsibility for the investigation and potential cleanup of two waste sites in Missouri as a result of federal agency mandates. One of the cleanup sites is a former coal tar distillery located in St. Louis, Missouri. In 2008, the EPA issued an administrative order to Ameren Missouri pertaining to this distillery operated by Koppers Company or its predecessor and successor companies. Ameren Missouri is the current owner of the site, but Ameren Missouri did not conduct any of the manufacturing operations involving coal tar or its byproducts. Ameren Missouri, along with two other PRPs, is currently performing a site investigation. As of June 30, 2012, 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 s other active federal agency-mandated cleanup site in Missouri is a site in Cape Girardeau. Ameren Missouri was a customer of an electrical equipment repair and disposal company that previously operated a facility at this site. A trust was established in the early 1990s by several businesses and governmental agencies to fund the cleanup of this site, which was completed in 2005. Ameren Missouri anticipates this trust fund will be sufficient to complete the remaining adjacent off-site cleanup and therefore has no recorded liability at June 30, 2012, related to this site.

Ameren Missouri also has a federal agency mandate to complete a site investigation for a site in Illinois. In 2000, the EPA notified Ameren Missouri and numerous other companies, including Solutia, that former landfills and lagoons in Sauget, Illinois, 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 that was once used as a landfill. Under the terms of an Administrative Order on Consent, Ameren Missouri has joined with other PRPs to evaluate the extent of potential contamination with respect to Sauget Area 2.

The Sauget Area 2 investigations overseen by the EPA have been completed. The results have been submitted to the EPA, and a record of decision is expected in 2012. Once the EPA has selected a remedy, if any, it would begin negotiations with various PRPs regarding implementation. Over the last several years, numerous other parties have joined the PRP group. In addition, Pharmacia Corporation and Monsanto Company have agreed to assume the liabilities related to Solutia s former chemical waste landfill in the Sauget Area 2. As of June 30, 2012, Ameren Missouri estimated its obligation at $0.3 million to $10 million. Ameren Missouri recorded a liability of $0.3 million to represent its estimated minimum obligation, as no other amount within the range was a better estimate.

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 protection laws. We are unable to determine whether such practices will result in future environmental commitments or affect our results of operations, financial position, or liquidity.

Ash Management

There has been activity at both state and federal levels regarding additional regulation of ash pond facilities and CCR. In May 2010, the EPA announced proposed new regulations regarding the regulatory framework for the management and disposal of CCR, which could affect future disposal and handling costs at our energy centers. Those proposed regulations include two options for managing CCRs under either solid or hazardous waste regulations, but either alternative would allow for some continued beneficial uses, such as recycling of CCR without classifying it as waste. As part of its proposal, the EPA is considering alternative regulatory approaches that require coal-fired power plants either to close surface impoundments, such as ash ponds, or to retrofit such facilities with liners. Existing impoundments and landfills used for the disposal of CCR would be subject to groundwater monitoring requirements and requirements related to closure and postclosure care under the proposed regulations. Additionally, in January 2010, EPA announced its intent to develop regulations establishing financial responsibility requirements for the electric generation industry, among other industries, and it specifically discussed CCR as a reason for developing the new requirements. Ameren, Ameren Missouri and Genco are currently evaluating all of the proposed regulations to determine whether current management of CCR, including beneficial reuse, and the use of the ash ponds should be altered. Ameren, Ameren Missouri and Genco also are evaluating the potential costs associated with compliance with the proposed regulation of CCR impoundments and landfills, which could be material, if such regulations are adopted.

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. This resulted in significant flooding in the local area, which damaged a state park. The rebuilt Taum Sauk energy center became fully operational in April 2010.

Ameren Missouri included certain capitalized costs associated with enhancements, or costs that would have been incurred absent the breach, at the rebuilt Taum Sauk energy center not recovered from property insurers in an electric rate case filing. However, in its July 2011 rate order, the MoPSC disallowed all of these capitalized costs associated with the rebuilding of the Taum Sauk energy center. See Note 2 - Rate and Regulatory Matters for additional information about the appeal of the MoPSC s July 2011 electric rate order.

Ameren Missouri had liability insurance coverage for the Taum Sauk incident, subject to certain limits and deductibles. As of June 30, 2012, Ameren Missouri had an insurance receivable balance subject to liability coverage of $68 million.

In June 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, filed in the United States District Court for the Eastern District of Missouri, Ameren Missouri claimed the insurance company breached its duty to indemnify Ameren Missouri for the losses experienced from the incident. In January 2011, the court ruled that the parties must first pursue alternative dispute resolution under the terms of their coverage agreement. In February 2011, Ameren Missouri filed an appeal of the January ruling with the United States Court of Appeals for the Eighth Circuit, seeking the ability to pursue resolution of this dispute outside of a dispute resolution process under the terms of its coverage agreement. The United States Court of Appeals is expected to issue a decision during 2012. Separately, in April 2012, Ameren Missouri sued a different insurance company that was providing Ameren Missouri with liability coverage on the date of the Taum Sauk incident. In the April 2012 litigation, which is pending in the U.S. District Court for the Eastern District of Missouri, Ameren Missouri claimed the insurance company breached its duty to indemnify Ameren Missouri for the losses experienced from the incident.

Until Ameren s remaining liability insurance claims and the related litigation are resolved, we are unable to determine the total impact the breach could have on Ameren s and Ameren Missouri s results of operations, financial position, and liquidity beyond those amounts already recognized.

Asbestos-related Litigation

Ameren, Ameren Missouri, Ameren Illinois and EEI have been named, along with numerous other parties, in a number of lawsuits filed by plaintiffs claiming varying degrees of injury from asbestos exposure. Most have been filed in the Circuit Court of Madison County, Illinois. The total number of defendants named in each case varies, with as many as 272 parties named in some pending cases and as few as two in others. In the cases pending as of June 30, 2012, the average number of parties was 79.

The claims filed against Ameren, Ameren Missouri and Ameren Illinois allege injury from asbestos exposure during the plaintiffs activities at our present or former electric generating plants. Certain former Ameren Illinois energy centers are now owned by either Genco or AERG. As a part of the transfer of energy center ownership in 2000 and 2003, Ameren Illinois contractually agreed to indemnify Genco and AERG, respectively, for liabilities associated with asbestos-related claims arising from activities prior to each transfer. 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 June 30, 2012:

Ameren	Ameren Missouri	Ameren llinois	Genco	Total(a)
4	69	91	(b)	115

(a) Total does not equal the sum of the subsidiary unit lawsuits because some of the lawsuits name multiple Ameren entities as defendants.
(b) As of June 30, 2012, eight asbestos-related lawsuits were pending against EEI. The general liability insurance maintained by EEI provides coverage with respect to liabilities arising from asbestos-related claims.

At June 30, 2012, Ameren, Ameren Missouri, Ameren Illinois and Genco had liabilities of $21 million, $8 million, $13 million, and $- million, respectively, recorded to represent their estimate of their obligations related to asbestos claims.

Ameren Illinois has a tariff rider which permits recovery from customers within IP s historical service territory of asbestos-related litigation claims that occurred within IP s historical service territory. The rider can recover the costs of 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 June 30, 2012, the trust fund balance was $23 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% of allowed cash expenditures in excess of base rates will be recovered through charges assessed to customers under the tariff rider.

Illinois Sales and Use Tax Exemptions and Credits

In *Exelon Corporation v. Department of Revenue*, the Illinois Supreme Court decided in 2009 that electricity is tangible personal property for purposes of the Illinois income tax investment credit. In March 2010, the United States Supreme Court refused to hear an appeal of the case, and the decision became final. During the second quarter of 2010, Genco, including EEI, and AERG began claiming Illinois sales and use tax exemptions and credits for purchase transactions related to their generation operations. The primary basis for those claims is that the determination in the Exelon case that electricity is tangible personal property applies to sales and use tax manufacturing exemptions and credits. On November 2, 2011, EEI received a notice of proposed tax liability, documenting the state of Illinois position that EEI did not qualify for the manufacturing exemption it used during 2010. EEI is challenging the state of Illinois position. In December 2011, EEI filed a request for review by the Informal Conference Board of the Illinois Department of Revenue. Ameren and Genco do not believe that it is probable that the state of Illinois will prevail and therefore have not recorded a charge to earnings for the loss contingency. From the second quarter of 2010 through December 31, 2011, Ameren and Genco claimed manufacturing exemptions and credits of $27 million and $19 million, respectively, which represents the maximum potential tax liability to Ameren and Genco.

Genco, including EEI, and AERG do not anticipate utilizing any additional manufacturing exemptions or credits in 2012, pending discussions with the Illinois Department of Revenue, and therefore will pay use tax on the applicable purchases. Each company, however, is reserving the right to apply for applicable refunds at a later date.

NOTE 10 - CALLAWAY ENERGY CENTER

Under the NWPA, the DOE is responsible for disposing of spent nuclear fuel from the Callaway energy center and other commercial nuclear power plants. Under the NWPA, Ameren and other utilities who own and operate those plants are responsible for paying the disposal costs. The NWPA established the fee that these utilities pay the federal government for disposing of the spent nuclear fuel at one mill, or one-tenth of one cent, for each kilowatt hour generated by those plants and sold. The NWPA also requires the DOE to review the nuclear waste fee against the cost of the nuclear waste disposal program and to propose to the United States Congress any fee adjustment necessary to offset the costs of the program. As required by the NWPA, Ameren and other utilities have entered into standard contracts with the federal government. The government, represented by the DOE, implements these provisions of the NWPA. Consistent with the NWPA and its contract, Ameren Missouri collects one mill from its electric customers for each kilowatt hour of electricity that it generates and sells from its Callaway energy center.

Although both the NWPA and the standard contract stated that the federal government would begin to dispose of spent nuclear fuel by 1998, the federal government has acknowledged since at least 1994 that it would not meet that deadline. The federal government is not currently predicting when it will begin to meet its disposal obligation. Ameren Missouri has sufficient installed capacity at its Callaway energy center to store the spent nuclear fuel generated at Callaway through 2020 and has the capability for additional storage capacity for spent nuclear fuel generated through the end of the energy center s current licensed life.

Until January 2009, the DOE program provided for spent nuclear fuel disposal to take place at a geologic repository to be constructed at Yucca Mountain, Nevada. In January 2009, the Obama administration announced that a repository at Yucca Mountain was unworkable and took steps to terminate the Yucca Mountain program, while acknowledging the federal government s continuing obligation to dispose of utilities spent nuclear fuel. In January 2012, an advisory commission established by the DOE issued its report of recommendations for the storage and disposal of spent nuclear fuel. The recommendations covered topics such as the approach to siting future nuclear waste management facilities, the transport and storage of spent fuel and high-level waste, options for waste disposal, institutional arrangements for managing spent nuclear fuel and high-level wastes, and changes needed in the handling of nuclear waste fees and of the Nuclear Waste Fund. Most of these recommendations require action by the DOE and the United States Congress.

In view of the federal government s efforts to terminate the Yucca Mountain program, the Nuclear Energy Institute, a number of individual utilities, and the National Association of Regulatory Utility Commissioners sued the DOE in the United States Court of Appeals for the District of Columbia Circuit seeking the suspension of the one mill nuclear waste fee, alleging that the DOE failed to undertake an appropriate fee adequacy review reflecting the current unsettled state of the nuclear waste program. In a June 1, 2012 decision, the court ruled that DOE s fee adequacy review was legally inadequate and remanded the matter to the DOE. While the court ruled it has the power to direct the DOE to suspend the fee, the court decided that it was premature to do so. Instead, the court ordered the DOE to respond to its remand within six months. The DOE s delay in carrying out its obligation to dispose of spent nuclear fuel from the Callaway energy center is not expected to adversely affect the continued operation of the energy center.

As a result of DOE s failure to build a repository for nuclear waste or otherwise fulfill its contractual obligations, Ameren Missouri and other nuclear power plant owners have also sued DOE to recover costs incurred for ongoing storage of their spent fuel. Ameren Missouri filed a breach of contract lawsuit to recover its costs, which would not have been incurred had DOE performed its contractual obligations. These costs included the reracking of the Callaway energy center s spent fuel pool, as well as certain NRC fees, and Missouri ad valorem taxes. In June 2011, the parties reached

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a settlement that included a payment to Ameren Missouri for spent fuel storage and related costs through 2010 and, thereafter, annual payment of such costs after they are incurred through 2013 or any other mutually agreed extension. In March 2012, Ameren Missouri submitted its 2011 costs to the DOE for reimbursement under the settlement agreement. Ameren Missouri expects to receive the 2011 cost reimbursement of $1 million during the third quarter of 2012.

In December 2011, Ameren Missouri filed a license extension application with the NRC to extend its Callaway energy center s operating license from 2024 to 2044. There is no date by which the NRC must act in this application. Among the rules that the NRC has historically relied upon in approving license extensions are rules dealing with the storage of spent nuclear fuel at the reactor site and with the NRC s confidence that permanent disposal of spent nuclear fuel will be available when needed. In a June 8, 2012 decision, the United States Court of Appeals for the District of Columbia Circuit vacated these rules, holding that the NRC s obligations under the National Environmental Policy Act required a more thorough environmental analysis in support of the NRC s waste confidence decision. On June 18, 2012, a number of groups petitioned the NRC to suspend final licensing decisions in certain NRC licensing proceedings, including the Callaway license extension, until the NRC completed its proceedings on the vacated rules. The petition is pending. If the Callaway energy center s license is extended, additional spent fuel storage will be required. Ameren Missouri plans to install a dry spent fuel storage facility at its Callaway energy center and intends to begin transferring spent fuel assemblies to this facility by 2020.

Electric utility rates charged to customers provide for the recovery of the Callaway energy center s decommissioning costs, which include decontamination, dismantling, and site restoration costs, over an assumed 40-year life of the nuclear center, ending with the expiration of the energy center s current operating license in 2024. It is assumed that the Callaway energy center site will be decommissioned through the immediate dismantlement method and removed from service. Ameren and Ameren Missouri have recorded an ARO for the Callaway energy center decommissioning costs at fair value, which represents the present value of estimated future cash outflows. Decommissioning costs are included in the costs of service used to establish electric rates for Ameren Missouri s customers. These costs amounted to $7 million in each of the years 2011, 2010, and 2009. Every three years, the MoPSC requires Ameren Missouri to file an updated cost study for decommissioning its Callaway energy center. Electric rates may be adjusted at such times to reflect changed estimates. The last cost study was filed with the MoPSC in September 2011. After considering the results of that cost study and associated financial analysis, Ameren Missouri recommended to the MoPSC that the current rate of deposits to the trust fund continues to be appropriate and does not need to be changed. A decision from the MoPSC is still pending. If Ameren Missouri s operating license extension application is approved by the NRC, a revised financial analysis will be prepared and the rates charged to customers will be adjusted accordingly to reflect the operating license extension. Amounts collected from customers are deposited in an external trust fund to provide for the Callaway energy center s decommissioning. If the assumed return on trust assets is not earned, we believe that it is probable that any such earnings deficiency will be recovered in rates. The fair value of the nuclear decommissioning trust fund for Ameren Missouri s Callaway energy center is reported as Nuclear decommissioning trust fund in Ameren s consolidated balance sheet and Ameren Missouri s balance sheet. This amount is legally restricted and may be used only to fund the costs of nuclear decommissioning. Changes in the fair value of the trust fund are recorded as an increase or decrease to the nuclear decommissioning trust fund, with an offsetting adjustment to the related regulatory liability.

See Note 2 - Rate and Regulatory Matters for additional information related to the Callaway energy center.

NOTE 11 - ASSET IMPAIRMENTS

We evaluate long-lived assets classified as held and used for impairment when events or changes in circumstances indicate that the carrying value, or book value, of such assets may not be recoverable. Under applicable accounting guidance, whether an impairment has occurred is determined by comparing the estimated undiscounted cash flows attributable to the assets with the carrying value of the assets. If the carrying value exceeds the estimated undiscounted cash flows, we recognize an impairment charge equal to the carrying value of the assets in excess of estimated fair value.

Power prices in the Midwest affect the amount of revenues and cash flows Merchant Generation and Genco can realize by marketing power into the wholesale and retail markets. During the first quarter of 2012, the observable market price for power for delivery in the current year and in future years in the Midwest sharply declined below 2011 levels primarily because of declining natural gas prices and the impact of the stay of the CSAPR. For example, from December 31, 2011, through February 29, 2012, the market price for power at the Indiana Hub for delivery in the current year decreased by 14%. As a result of this sharp decline in the market price of power and the related impact on electric margins, Genco decelerated the construction of two scrubbers at its Newton energy center in February 2012. The sharp decline in the market price of power in the first quarter of 2012 and the related impact on electric margins, as well as the deceleration of construction of Genco s Newton energy center scrubber project, caused Merchant Generation and Genco to evaluate, during the first quarter of 2012, whether the carrying values of their coal-fired energy centers were recoverable. The carrying values of Merchant Generation s and Genco s energy centers exceeded their estimated fair values. However, under the applicable accounting guidance, if undiscounted future cash flows from these long-lived assets exceed their carrying values, the assets are deemed unimpaired, and no impairment loss is recognized, even if the carrying values of the assets exceed estimated fair values. Only AERG s Duck Creek energy center s carrying value exceeded its estimated undiscounted future cash flows. As a result, Ameren recorded a noncash pretax asset impairment charge of $628 million to reduce the carrying value of AERG s Duck Creek energy center to its estimated fair value during the first quarter of 2012. This impairment charge was included in Ameren s results and in the Merchant Generation s segment results for the first quarter of 2012 and the six months ended June 30,2012.

Key assumptions used in the determination of estimated undiscounted cash flows of the Merchant Generation and Genco long-lived assets tested for impairment included the forward price projections for energy and fuel costs, the expected life of the energy center, environmental compliance costs and strategies, and operating costs. Those same cash flow assumptions, along with a discount rate, were used to estimate the fair value of the long-lived assets of the Duck Creek energy center. The fair value estimate of the long-lived assets of the Duck Creek energy center was based on the income approach, which considers discounted future cash flows. The fair value estimate was determined using observable inputs and significant unobservable inputs, which are Level 3 inputs as defined by accounting guidance for fair value measurements.

After the impairment of the Duck Creek energy center, Merchant Generation and Genco believed the carrying value of their energy centers exceeded their estimated fair values by an amount significantly in excess of $1 billion. Merchant Generation and Genco will continue to monitor the market price for power and the related impact on electric margin and other events or changes in circumstances that indicate that the carrying value of their energy centers may not be recoverable as compared to their undiscounted cash flows. Merchant Generation and Genco could recognize additional, material long-lived asset impairment charges in the future as a result of factors outside their control, such as changes in power or fuel costs, administrative action or inaction by regulatory agencies and new environmental laws and regulations that could reduce the expected useful lives of Merchant Generation s and Genco s energy centers, and also as a result of factors that may be within their control, such as a failure to achieve forecasted operating results and cash flows, unfavorable changes in forecasted operating results and cash flows, or decisions to shut down, mothball or sell their energy centers.

The Duck Creek energy center asset impairment charge did not result in a violation of any Ameren debt covenants or counterparty agreements.

See Note 1 - Summary of Significant Accounting Policies for information regarding the intangible asset impairment recorded during the second quarter of 2011.

NOTE 12 - RETIREMENT BENEFITS

Ameren s pension and postretirement plans are funded in compliance with income tax regulations and to meet federal funding or regulatory requirements. As a result, Ameren expects to fund its pension plans at a level equal to the greater of the pension expense or the legally required minimum contribution. Considering Ameren s assumptions at December 31, 2011, its estimated investment performance through June 30, 2012, and its pension funding policy, Ameren expects to make annual contributions of $80 million to $140 million in each of the next five years, with aggregate estimated contributions of $570 million. These amounts are estimates which may change with actual investment performance, changes in interest rates, any pertinent changes in government regulations, and any voluntary contributions. Our policy for postretirement benefits is primarily to fund the Voluntary Employee Beneficiary Association (VEBA) trusts to match the annual postretirement expense.

The following table presents the components of the net periodic benefit cost for Ameren s pension and postretirement benefit plans for the three and six months ended June 30, 2012, and 2011:

	Pension Benefits[(a)]				**Postretirement Benefits[(a)]**			
	Three Months		**Six Months**		**Three Months**		**Six Months**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Service cost	**$ 20**	$ 18	**$ 41**	$ 38	**$ 6**	$ 5	**$ 12**	$ 11
Interest cost	**42**	45	**85**	90	**12**	14	**26**	29
Expected return on plan assets	**(53)**	(54)	**(107)**	(108)	**(15)**	(13)	**(29)**	(27)
Amortization of:								
Transition obligation	**-**	-	**-**	-	**1**	1	**1**	1
Prior service cost (benefit)	**(1)**	(1)	**(1)**	(1)	**(2)**	(2)	**(3)**	(4)
Actuarial loss	**19**	10	**39**	21	**-**	1	**4**	2
Net periodic benefit cost	**$ 27**	$ 18	**$ 57**	$ 40	**$ 2**	$ 6	**$ 11**	$ 12

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

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See Note 1 - Summary of Significant Accounting Policies for information regarding a pending curtailment gain or loss of EEI s pension and postretirement benefit plans.

Ameren Missouri, Ameren Illinois and Genco are responsible for their share of the pension and postretirement costs. The following table presents the pension costs and the postretirement benefit costs incurred for the three and six months ended June 30, 2012, and 2011:

	Pension Costs				Postretirement Costs			
	Three Months		Six Months		Three Months		Six Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Ameren Missouri	**$ 16**	$ 12	**$ 32**	$ 26	**$ -**	$ 2	**$ 5**	$ 5
Ameren Illinois	**8**	3	**18**	8	**-**	4	**2**	6
Genco	**2**	3	**5**	5	**2**	-	**4**	1
Other	**1**	-	**2**	1	**-**	-	**-**	-
Ameren(a)	**$ 27**	$ 18	**$ 57**	$ 40	**$ 2**	$ 6	**$ 11**	$ 12

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

NOTE 13 -SEGMENT INFORMATION

Ameren has three reportable segments: Ameren Missouri, Ameren Illinois, and Merchant Generation. The Ameren Missouri segment for Ameren and Ameren Missouri includes all the operations of Ameren Missouri s business as described in Note 1 - Summary of Significant Accounting Policies. The Ameren Illinois segment for Ameren and Ameren Illinois includes all of the operations of Ameren Illinois business as described in Note 1 - Summary of Significant Accounting Policies. The Merchant Generation segment for Ameren consists primarily of the operations or activities of Genco, including EEI, AERG, Medina Valley through February 2012, and Marketing Company. The category called Other primarily includes Ameren parent company activities, Ameren Services, and ATXI.

The following table presents information about the revenues and specified items included in Ameren s net income for the three and six months ended June 30, 2012, and 2011, and total assets as of June 30, 2012, and December 31, 2011.

Three Months	Ameren Missouri	Ameren Illinois	Merchant Generation	Other	Intersegment Eliminations	Consolidated
2012:						
External revenues	**$ 838**	**$ 561**	**$ 261**	**$ -**	**$ -**	**$ 1,660**
Intersegment revenues	**6**	**3**	**72**	**2**	**(83)**	**-**
Net income (loss) attributable to Ameren Corporation(a)	**143**	**32**	**(5)**	**41**	**-**	**211**
2011:						
External revenues	$ 814	$ 619	$ 347	$ 1	$ -	$ 1,781
Intersegment revenues	8	4	49	-	(61)	-
Net income (loss) attributable to Ameren Corporation(a)	90	37	15	(4)	-	138
Six Months						
2012:						
External revenues	**$ 1,524**	**$ 1,282**	**$ 510**	**$ 2**	**$ -**	**$ 3,318**
Intersegment revenues	**11**	**6**	**159**	**2**	**(178)**	**-**
Net income (loss) attributable to Ameren Corporation(a)	**164**	**59**	**(368)**	**(47)**	**-**	**(192)**
2011:						
External revenues	$ 1,581	$ 1,424	$ 679	$ 1	$ -	$ 3,685
Intersegment revenues	13	7	96	1	(117)	-
Net income (loss) attributable to Ameren Corporation(a)	111	70	35	(7)	-	209
As of June 30, 2012:						
Total assets	**$ 12,680**	**$ 7,127**	**$ 3,254**	**$ 1,196**	**$ (1,277)**	**$ 22,980**
As of December 31, 2011:						
Total assets	$ 12,757	$ 7,213	$ 3,833	$ 1,211	$ (1,369)	$ 23,645

(a) Represents net income (loss) available to common stockholders.

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the financial statements contained in this Form 10-Q as well as Management s Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors contained in the Form 10-K. We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our financial statements. The discussion also provides information about the financial results of the various segments of our business to provide a better understanding of how those segments and their results affect the financial condition and results of operations of Ameren as a whole.

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005, administered by FERC. Ameren s primary assets are the common stock of its subsidiaries. Ameren s subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. These subsidiaries operate, as the case may be, rate-regulated electric generation, transmission, and distribution businesses, rate-regulated natural gas transmission and distribution businesses, and merchant electric generation businesses in Missouri and Illinois. Dividends on Ameren s common stock and the payment of expenses by Ameren depend on distributions made to it by its subsidiaries. Ameren s principal subsidiaries are listed below.

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 operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.

AER consists of non-rate-regulated operations, including Genco, AERG and Marketing Company. Genco operates a merchant electric generation business in Illinois and holds an 80% ownership interest in EEI.

The financial statements of Ameren are prepared on a consolidated basis and therefore include the accounts of its majority-owned subsidiaries. All significant intercompany transactions have been eliminated. All tabular dollar amounts are in millions, unless otherwise indicated.

In addition to presenting results of operations and earnings amounts in total, we present certain information in cents per share. These amounts reflect factors that directly affect Ameren s earnings. We believe this per share information helps readers to understand the impact of these factors on Ameren s earnings per share.

OVERVIEW

Ameren recorded net income of $211 million for the second quarter of 2012 compared with net income of $138 million for the second quarter of 2011, while it recorded a net loss of $192 million for the first six months of 2012, compared with net income of $209 million for the first six months of 2011. The net loss for the first six months of 2012 was primarily caused by a noncash asset impairment charge in the Merchant Generation segment, which reduced pretax earnings by $628 million, and a noncash reduction in the income tax benefit related to the asset impairment.

Ameren s earnings for the second quarter and the first six months of 2012 were positively impacted, compared to the year-ago periods, by increased earnings from Ameren s rate-regulated utility operations partially offset by decreased earnings from Ameren s Merchant Generation operations. Ameren s rate-regulated utility earnings during the second quarter benefited from a favorable FERC order related to a disputed Ameren Missouri power purchase agreement that expired in 2009, the absence in 2012 of a 2011 Ameren Missouri charge to earnings related to the FAC, 2011 Ameren Missouri electric and 2012 Ameren Illinois natural gas rate increases, and reduced storm-related costs. Sales to electric native load customers increased during the second quarter of 2012, compared with the year-ago period, because of warmer temperatures; however, mild first quarter weather decreased sales to native load customers unfavorably impacting earnings for the first six months of 2012, compared with the year-ago period. Merchant Generation segment earnings were negatively impacted by lower prices for electricity sales.

Ameren continues to believe that modern, constructive regulatory frameworks, which provide timely cash flows and a reasonable opportunity to earn fair returns on investments, are in the best long-term interests of its customers and the states in which it operates. These frameworks support Ameren s ability to attract capital on terms which facilitate the timely investment needed to modernize Ameren s rate-regulated companies aging infrastructure. Ameren Missouri is seeking to enhance its existing regulatory framework in its electric rate case filed in February 2012. Ameren Missouri is seeking approval of a storm cost tracking mechanism that would provide the opportunity to recover costs to restore service after major storms in a manner that is fair to both customers and investors. Ameren Missouri is also seeking approval of a new plant-in-service accounting proposal, which is designed to reduce the impact of regulatory lag on earnings and future cash flows related to assets placed in service between rate cases.

In August 2012, the MoPSC issued an order in Ameren Missouri s first MEEIA filing. The order includes megawatthour savings targets for Ameren Missouri s energy efficiency programs as well as associated cost recovery mechanisms and incentive awards. As part of the order, beginning in 2013, Ameren Missouri will invest approximately $147 million over three years for energy efficiency programs. The order allows for Ameren Missouri to collect, over the next three years, its program costs and 90% of its projected lost revenue from customers starting on the effective date for the pending electric service rate case, which is expected to be January 2, 2013. The remaining 10% of projected lost revenue is expected to be recovered as part of future rate proceedings. If energy efficiency goals are achieved, Ameren Missouri also has the ability to earn an incentive award to reflect the lost investment opportunities as a result of the energy efficiency programs.

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With the IEIMA regulatory framework in place, Ameren Illinois plans to invest incremental capital in its electric business. Over the next ten years, Ameren Illinois is required to invest an incremental $625 million above spending levels in recent years and create 450 jobs during the peak program year to take advantage of the IEIMA framework. Approximately half of the increase in capital spending is for smart grid equipment and advanced electric meters, which will be installed under Ameren Illinois advanced metering infrastructure deployment plan. In March 2012, Ameren Illinois submitted its original advanced metering infrastructure deployment plan to the ICC, and the ICC subsequently denied that plan in May 2012. The ICC ruled that Ameren Illinois original plan did not provide enough support to prove that it was cost beneficial for electric customers. Ameren Illinois asked for a rehearing and filed a modified deployment plan designed to address the ICC s concerns about cost justification. Ameren Illinois rehearing filing demonstrated a positive net present value for a plan, which provides for the installation of advanced electric meters for 62% of its electric customers within 10 years. The ICC granted the rehearing request and a decision is expected during the fourth quarter of 2012. Assuming ICC approval, Ameren Illinois would begin the construction of infrastructure in the third quarter of 2013, with the first meters to be installed in the second quarter of 2014.

Ameren continues to execute its plan to increase investment in electric transmission assets. Ameren Illinois plans to invest approximately $900 million in transmission projects focused on reliability and local load growth needs over the 2012 through 2016 period. Approximately 75% of these reliability projects do not require regulatory approval because they are improving or rebuilding existing lines. The remaining Ameren Illinois transmission projects do require regulatory approval. ATXI plans to invest approximately $750 million in greenfield regional projects within Illinois and Missouri over the 2012 through 2016 period. ATXI is currently holding public meetings on route design for the Illinois Rivers project. Later this year, ATXI plans to file a certificate of public convenience and necessity with the ICC. Once the ICC approves that certificate, ATXI will begin to acquire right of ways. Preliminary construction may start as early as 2013 with a full range of construction activities in 2014.

In June 2012, FERC issued an order related to the development of the MISO capacity market. FERC approved MISO s request to change the capacity procurement model to an annual, from a monthly, model beginning with the 2013 to 2014 planning year, but rejected MISO s proposal for a mandatory requirement to fill capacity deficiencies. FERC s order also directed its staff to solicit comments on the issue of capacity portability between MISO and PJM. Ameren continues to support the removal of unnecessary barriers to capacity portability across this seam as a means to improve market efficiency.

The Merchant Generation segment seeks to fund its operations internally and therefore seeks not to rely on financing from Ameren or external, third-party sources, if available. The Merchant Generation segment continues to seek to defer or reduce capital and operating expenses, sell certain assets, and take other actions as necessary to fund their operations. During 2012, the Merchant Generation segment sold its Medina Valley energy center and also announced a workforce reduction at its Joppa energy center. These actions were taken to improve Merchant Generation results of operations, financial condition, and liquidity. Under the provisions of Genco s indenture, Genco may not borrow additional funds from external, third-party sources if certain financial ratios are not achieved. Based on projections as of June 30, 2012, of Genco s operating results and cash flows, we expect that, by the end of the first quarter of 2013, Genco will not achieve the financial ratios and therefore will be restricted from additional borrowings from external, third-party sources. Genco s indenture does not restrict intercompany borrowings from Ameren s non-state-regulated subsidiary money pool. However, borrowings from the money pool are subject to Ameren s control, and if a Genco intercompany financing need were to arise, borrowings from the non-state-regulated subsidiary money pool by Genco would be dependent on consideration by Ameren of the facts and circumstances existing at that time. In March 2012, Genco entered into a put option agreement with AERG, for the potential sale of the Grand Tower, the Gibson City, and the Elgin energy centers, in order to provide an additional source of liquidity, if needed in the future.

RESULTS OF OPERATIONS

Our results of operations and financial position are affected by many factors. Weather, economic conditions, and the actions of key customers or competitors can significantly affect the demand for our services. Our results are also affected by seasonal fluctuations: winter heating and summer cooling demands. The vast majority of Ameren s revenues are subject to state or federal regulation. This regulation has a material impact on the price we charge for our services. Merchant Generation sales are also subject to market conditions for power. We principally use coal, nuclear fuel, natural gas, and oil for fuel in our operations. The prices for these commodities can fluctuate significantly due to the global economic and political environment, weather, supply and demand, and many other factors. We have natural gas cost recovery mechanisms for our Illinois and Missouri natural gas delivery service businesses, a purchased power cost recovery mechanism for our Illinois electric delivery service business, and a FAC for our Missouri electric utility business. Ameren Illinois electric delivery service utility business, pursuant to the IEIMA, completes an annual reconciliation of the revenue requirement necessary to reflect the actual costs incurred in a given year with the revenue requirement that was in effect for that year, with recoveries from or refunds to customers in a subsequent year. Fluctuations in interest rates and conditions in the capital and credit markets affect our cost of borrowing and our pension and postretirement benefits costs. We employ various risk management strategies to reduce our exposure to commodity risk and other risks inherent in our business. The reliability of our energy centers and transmission and distribution systems and the level of purchased power costs, operations and maintenance costs, and capital investment are key factors that we seek to control to optimize our results of operations, financial position, and liquidity.

Earnings Summary

Net income attributable to Ameren Corporation increased to $211 million, or 87 cents per share, in the second quarter of 2012, from $138 million, or 57 cents per share, in the second quarter of 2011. Net income attributable to Ameren Corporation in the second quarter of 2012 increased in the Ameren Missouri segment by $53 million from the prior-year period. Net income attributable to Ameren Corporation in the second quarter of 2012 decreased in the Merchant Generation and Ameren Illinois segments by $20 million and $5 million, respectively, from the prior-year period.

Ameren Corporation incurred a net loss of $192 million, or 79 cents per share, in the first six months of 2012 compared to net income of $209 million, or 87 cents per share, in the first six months of 2011. The net loss attributable to Ameren Corporation in the first six months of 2012 was caused by a net loss in the Merchant Generation segment of $368 million compared with net income in the Merchant Generation segment of $35 million in the prior-year period. Net income attributable to Ameren Corporation in the first six months of 2012 decreased in the Ameren Illinois segment by $11 million from the prior-year period and increased in the Ameren Missouri segment by $53 million from the prior-year period.

Earnings were favorably impacted in the second quarter and first six months of 2012, compared with the same periods in 2011, by:

- higher utility rates at Ameren Missouri and Ameren Illinois. Ameren Missouri s electric rates increased pursuant to an order issued by the MoPSC, which became effective in July 2011. The favorable impact of the Ameren Missouri rate increase on earnings was reduced by the increased regulatory asset amortization directed by the rate order. Ameren Illinois natural gas rates increased pursuant to an order issued by the ICC, which became effective in mid-January 2012 (9 cents per share and 15 cents per share, respectively);

- reduction in operations and maintenance expenses as a result of fewer major storms (4 cents per share and 9 cents per share, respectively);

- reduction in Ameren Missouri s purchased power expense and an increase in interest income as a result of a refund received in June 2012 from Entergy for a power purchase agreement that expired in 2009 (7 cents per share in both periods);

- reduction in operations and maintenance expenses at both Ameren Missouri and Merchant Generation energy centers due to fewer outages and a reduction in employees (5 cents per share and 6 cents per share, respectively); and

- the absence in 2012 of a reduction to revenues as a result of the MoPSC s April 2011 FAC review order covering the period from March 1, 2009, to September 30, 2009, that resulted in Ameren Missouri recording, in the three and six months ended June 30, 2011, an obligation to refund to its electric customers the earnings associated with certain previously recognized sales (5 cents per share in both periods).

In addition to the above items favorably impacting both periods, earnings were favorably impacted in the second quarter of 2012, compared with the same period in 2011, by:

- an increase in income tax benefit as a result of the first quarter 2012 long-lived asset impairment discussed above, which partially offset the reduction in the income tax benefit recognized during the first quarter, which is discussed below (18 cents per share); and increased electric demand due to warmer weather conditions (3 cents per share).

Earnings were negatively impacted in the second quarter and first six months of 2012, compared with the same periods in 2011, by lower electric margins in the Merchant Generation segment, largely due to reduced generation volumes caused by lower market prices for power as well as higher fuel and related transportation costs (10 cents per share and 15 cents per share, respectively).

In addition to the above items negatively impacting both periods, earnings were negatively impacted in the first six months of 2012, compared with the same period in 2011, by:

the 2012 long-lived asset impairment of Merchant Generation s Duck Creek energy center due to the sharp decline in the market price of power in the first quarter of 2012 ($1.55 per share);

a reduction in the income tax benefit recognized because of both the lower projected full year pretax income caused by the long-lived asset impairment discussed above and the relatively consistent permanent tax differences as compared to the prior period, which are expected to constitute a larger percentage of pretax income in 2012 than in the prior year (18 cents per share). Authoritative accounting guidance specifies that income tax expense (benefit) should be computed at an

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annual effective tax rate. This reduction in the recognized tax benefit is projected to fully reverse over the balance of 2012; and

the impact of mild weather conditions, primarily during the first quarter of 2012 on electric and natural gas demand (10 cents per share). The cents per share information presented above is based on average shares outstanding in the second quarter of 2011. For further details regarding the Ameren Companies results of operations for the second quarter and first six months of 2012 and 2011, including explanations of Margins, Other Operations and Maintenance, Asset Impairments, Depreciation and Amortization, Taxes Other Than Income Taxes, Other Income and Expenses, Interest Charges, and Income Taxes, see the major headings below.

Below is a table of income statement components by segment for the three and six months ended June 30, 2012, and 2011:

	Ameren Missouri	Ameren Illinois	Merchant Generation	Other / Intersegment Eliminations	Total
Three Months 2012:					
Electric margin	**$ 645**	**$ 275**	**$ 115**	**$ (1)**	**$ 1,034**
Natural gas margin	**16**	**83**	**-**	**(1)**	**98**
Other revenues	**1**	**-**	**-**	**(1)**	**-**
Other operations and maintenance	**(206)**	**(186)**	**(70)**	**4**	**(458)**
Depreciation and amortization	**(109)**	**(55)**	**(28)**	**(3)**	**(195)**
Taxes other than income taxes	**(78)**	**(31)**	**(6)**	**(1)**	**(116)**
Other income and (expenses)	**14**	**-**	**-**	**(1)**	**13**
Interest charges	**(56)**	**(31)**	**(23)**	**(2)**	**(112)**
Income (taxes) benefit	**(83)**	**(22)**	**4**	**47**	**(54)**
Net income (loss)	**144**	**33**	**(8)**	**41**	**210**
Noncontrolling interest and preferred dividends	**(1)**	**(1)**	**3**	**-**	**1**
Net income (loss) attributable to Ameren Corporation	**$ 143**	**$ 32**	**$ (5)**	**$ 41**	**$ 211**
Three Months 2011:					
Electric margin	$ 561	$ 287	$ 161	$ (3)	$ 1,006
Natural gas margin	17	72	-	(1)	88
Other revenues	3	1	1	(5)	-
Other operations and maintenance	(231)	(181)	(74)	13	(473)
Asset impairment	-	-	(2)	-	(2)
Depreciation and amortization	(98)	(54)	(37)	(5)	(194)
Taxes other than income taxes	(76)	(26)	(5)	(2)	(109)
Other income and (expenses)	13	-	-	(1)	12
Interest charges	(45)	(35)	(25)	1	(104)
Income taxes	(53)	(26)	(4)	(2)	(85)
Net income (loss)	91	38	15	(5)	139
Noncontrolling interest and preferred dividends	(1)	(1)	-	1	(1)
Net income (loss) attributable to Ameren Corporation	$ 90	$ 37	$ 15	$ (4)	$ 138
Six Months 2012:					
Electric margin	**$ 1,081**	**$ 516**	**$ 261**	**$ (4)**	**$ 1,854**
Natural gas margin	**39**	**193**	**-**	**(1)**	**231**
Other revenues	**1**	**-**	**-**	**(1)**	**-**
Other operations and maintenance	**(408)**	**(354)**	**(136)**	**13**	**(885)**
Asset impairment	**-**	**-**	**(628)**	**-**	**(628)**
Depreciation and amortization	**(217)**	**(110)**	**(60)**	**(7)**	**(394)**
Taxes other than income taxes	**(149)**	**(70)**	**(14)**	**(4)**	**(237)**
Other income and (expenses)	**26**	**(10)**	**-**	**(1)**	**15**
Interest charges	**(112)**	**(64)**	**(48)**	**(1)**	**(225)**
Income (taxes) benefit	**(95)**	**(40)**	**252**	**(41)**	**76**
Net income (loss)	**166**	**61**	**(373)**	**(47)**	**(193)**
Noncontrolling interest and preferred dividends	**(2)**	**(2)**	**5**	**-**	**1**
Net income (loss) attributable to Ameren Corporation	**$ 164**	**$ 59**	**$ (368)**	**$ (47)**	**$ (192)**
Six Months 2011:					
Electric margin	$ 1,014	$ 518	$ 343	$ (5)	$ 1,870
Natural gas margin	46	190	-	(2)	234
Other revenues	4	1	2	(7)	-

Other operations and maintenance	(464)	(349)	(145)	22	(936)
Asset impairment	-	-	(2)	-	(2)
Depreciation and amortization	(198)	(106)	(73)	(12)	(389)
Taxes other than income taxes	(149)	(67)	(13)	(5)	(234)
Other income and (expenses)	23	1	-	(1)	23
Interest charges	(99)	(70)	(53)	(1)	(223)
Income (taxes) benefit	(64)	(46)	(23)	3	(130)
Net income (loss)	113	72	36	(8)	213
Noncontrolling interest and preferred dividends	(2)	(2)	(1)	1	(4)
Net income (loss) attributable to Ameren Corporation	$ 111	$ 70	$ 35	$ (7)	$ 209

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Margins

The following table presents the favorable (unfavorable) variations in the registrants electric and natural gas margins in the three months and six months ended June 30, 2012, compared with the same periods in 2011. Electric margins are defined as electric revenues less fuel and purchased power costs. Natural gas margins are defined as gas revenues less gas purchased for resale. We consider electric and natural gas margins useful measures to analyze the change in profitability of our electric and natural gas operations between periods. We have included the analysis below as a complement to the financial information we provide in accordance with GAAP. However, these margins may not be a presentation defined under GAAP and may not be comparable to other companies presentations or more useful than the GAAP information we provide elsewhere in this report.

Three Months	Ameren Missouri	Ameren Illinois	Genco	Other[(a)]	Ameren
Electric revenue change:					
Effect of weather (estimate)[(b)]	$ 15	$ 1	$ -	$ -	$ 16
Regulated rates:					
Base rates (estimate)	42	-	-	-	42
Recovery of FAC under-recovery[(c)]	(11)	-	-	-	(11)
Off-system revenues included in base rates	(35)	-	-	-	(35)
FAC prudence review disallowance	17	-	-	-	17
Transmission services	-	(11)	-	-	(11)
Illinois pass-through power supply costs	-	(34)	-	(24)	(58)
Rate-regulated sales (excluding the impact of abnormal weather)	3	(3)	-	-	-
Wholesale revenues	(5)	-	-	-	(5)
Merchant Generation sales price changes, including hedge effect	-	-	(18)	(14)	(32)
Net unrealized MTM gains	-	-	1	7	8
Sales mix and other	5	1	(49)	11	(32)
Total electric revenue change	$ 31	$ (46)	$ (66)	$ (20)	$ (101)
Fuel and purchased power change:					
Fuel:					
Merchant Generation production volume and other	$ -	$ -	$ 19	$ (2)	$ 17
Fuel, purchased power and transportation costs included in base rates	18	-	-	-	18
Recovery of FAC under-recovery[(c)]	11	-	-	-	11
Net unrealized MTM losses	-	-	(7)	(4)	(11)
Price - Merchant Generation	-	-	(7)	(1)	(8)
Power purchase agreement settlement	24	-	-	-	24
Merchant Generation purchased power and other	-	-	18	2	20
Illinois pass-through power supply costs	-	34	-	24	58
Total fuel and purchased power change	$ 53	$ 34	$ 23	$ 19	$ 129
Net change in electric margins	**$ 84**	**$ (12)**	**$ (43)**	**$ (1)**	**$ 28**
Natural gas margins change:					
Effect of weather (estimate)[(b)]	$ (1)	$ (2)	$ -	$ -	$ (3)
Base rates (estimate)	-	5	-	-	