

AMEREN CORP  
 Form 10-Q  
 August 08, 2018  
 UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549  
 FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period  
 Ended June 30, 2018  
 OR

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

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

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

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

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

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Ameren Corporation Yes  No

Union Electric Company Yes  No

Ameren Illinois Company Yes  No

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

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

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

Ameren Corporation

Union Electric Company

Ameren Illinois Company

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

Ameren Corporation Yes  No

Union Electric Company Yes  No

Ameren Illinois Company Yes  No

The number of shares outstanding of each registrant’s classes of common stock as of July 31, 2018, was as follows:

Ameren Corporation Common stock, \$0.01 par value per share – 244,039,980

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

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

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

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## GLOSSARY OF TERMS AND ABBREVIATIONS

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

2017 IRP – Integrated Resource Plan, a 20-year nonbinding plan Ameren Missouri filed with the MoPSC in September 2017, that includes Ameren Missouri’s preferred approach for meeting customers’ projected long-term energy needs in a cost-effective manner while maintaining system reliability.

CCR Rule – Coal Combustion Residuals Rule, a rule promulgated by the EPA that established regulations for the disposal of CCR in landfills and surface impoundments.

Form 10-K – The combined Annual Report on Form 10-K for the year ended December 31, 2017, filed by the Ameren Companies with the SEC.

Missouri Senate Bill 564 – A Missouri law that resulted in certain changes to Missouri utility laws that affect the regulation of Ameren Missouri’s electric service business. These changes include a reduction of customer rates to pass through the effect of the reduction in the federal statutory corporate income tax rate enacted under the TCJA and, at each electric utility’s election, the use of PISA, among other things.

PISA – Plant-in-service accounting, an election under Missouri Senate Bill 564 that permits electric utilities to defer and recover 85% of the depreciation expense and return on rate base on certain property, plant, and equipment placed in-service after August 28, 2018.

RESRAM – Renewable energy standard rate adjustment mechanism, a cost recovery mechanism, which is allowed under state law, that would allow Ameren Missouri to recover the cost of compliance with Missouri’s renewable energy standard from customers and earn a return on those investments by adjusting customer rates on an annual basis without a traditional regulatory rate review.

## 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 the effects of the TCJA and any changes in regulatory policies and ratemaking determinations, such as those that may result from the complaint case filed in February 2015 with the FERC seeking a reduction in the allowed base return on common equity under the MISO tariff, Ameren Missouri’s requested certificate of convenience and necessity for a wind generation facility and proposed RESRAM filed with the MoPSC in June 2018, Ameren Missouri’s proposed customer energy-efficiency plan under the MEEIA filed with the MoPSC in June 2018, Ameren Illinois’ natural gas regulatory rate review filed with the ICC in January 2018, Ameren Illinois’ April 2018 annual electric distribution formula rate update filing, and future regulatory, judicial, or legislative actions that change regulatory recovery mechanisms;

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

the effect of the implementation of Missouri Senate Bill 564 on Ameren Missouri, including Ameren Missouri's expected election to use PISA and the resulting customer rates caps;

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

the effects of changes in federal, state, or local tax laws, regulations, interpretations, or rates, amendments or technical corrections to the TCJA, and any challenges to the tax positions taken by the Ameren Companies;

the effects on demand for our services resulting from technological advances, including advances in customer energy efficiency and private generation sources, which generate electricity at the site of consumption and are becoming more cost-competitive;

the effectiveness of Ameren Missouri's customer energy-efficiency programs and the related revenues and performance incentives earned under its MEEIA programs, including Ameren Missouri's proposed customer energy-efficiency plan filed with the MoPSC in June 2018;

- Ameren Illinois' ability to achieve the FEJA electric customer energy-efficiency goals and the resulting impact on its allowed return on program investments;
- our ability to align overall spending, both operating and capital, with frameworks established by our regulators and to recover these costs in a timely manner in our attempt to earn our allowed returns on equity;
- the cost and availability of fuel, such as ultra-low-sulfur coal, natural gas, and enriched uranium used to produce electricity; the cost and availability of purchased power, zero emission credits, renewable energy credits, and natural gas for distribution; and the level and volatility of future market prices for such commodities and credits, including our ability to recover the costs for such commodities and credits and our customers' tolerance for any related price increases;
- disruptions in the delivery of fuel, failure of our fuel suppliers to provide adequate quantities or quality of fuel, or lack of adequate inventories of fuel, including nuclear fuel assemblies from Westinghouse, Callaway energy center's only NRC-licensed supplier of such assemblies;
- the effectiveness of our risk management strategies and our use of financial and derivative instruments;
- the ability to obtain sufficient insurance, including insurance for Ameren Missouri's Callaway energy center, or, in the absence of insurance, the ability to recover uninsured losses from our customers;
- business and economic conditions, including their impact on interest rates, collection of our receivable balances, and demand for our products;
- disruptions of the capital markets, deterioration in credit metrics of the Ameren Companies, including as a result of the implementation of the TCJA, or other events that may have an adverse effect on the cost or availability of capital, including short-term credit and liquidity;
- the actions of credit rating agencies and the effects of such actions;
- the impact of adopting new accounting guidance;
- the impact of weather conditions and other natural phenomena on us and our customers, including the impact of system outages;
- the construction, installation, performance, and cost recovery of generation, transmission, and distribution assets;
- the effects of breakdowns or failures of equipment in the operation of natural gas transmission and distribution systems and storage facilities, such as leaks, explosions, and mechanical problems, and compliance with natural gas safety regulations;
- the effects of our increasing investment in electric transmission projects, our ability to obtain all necessary project approvals, and the uncertainty as to whether we will achieve our expected returns in a timely manner;
- operation of Ameren Missouri's Callaway energy center, including planned and unplanned outages, and decommissioning costs;
- the effects of strategic initiatives, including mergers, acquisitions, and divestitures;
- the impact of current environmental regulations and new, more stringent, or changing requirements, including those related to CO<sub>2</sub> and the related proposed repeal and replacement of the Clean Power Plan, other emissions and discharges, cooling water intake structures, CCR, and energy efficiency, that are enacted over time and that could limit or terminate the operation of certain of Ameren Missouri's energy centers, increase our costs or investment requirements, result in an impairment of our assets, cause us to sell our assets, reduce our customers' demand for electricity or natural gas, or otherwise have a negative financial effect;
- the impact of negative opinions of us or our utility services that our customers, legislators, or regulators may have or develop, which could result from a variety of factors, including failures in system reliability, failure to implement our investment plans or to protect sensitive customer information, increases in rates, or negative media coverage;
- the impact of complying with renewable energy portfolio requirements in Missouri and Illinois and with the zero emission standard in Illinois;
- the effects of planned investment in renewable generation projects at Ameren Missouri, the ability to obtain all necessary project approvals, and the implementation of a proposed RESRAM;
- labor disputes, work force reductions, future wage and employee benefits costs, including changes in discount rates, mortality tables, returns on benefit plan assets, and other assumptions;
-

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

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

legal and administrative proceedings;

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

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

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

PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS.

## AMEREN CORPORATION

## CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

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

	Three Months		Six Months	
	Ended June 30,		Ended June 30,	
	2018	2017	2018	2017
Operating Revenues:				
Electric	\$1,396	\$1,382	\$2,619	\$2,589
Natural gas	167	155	529	463
Total operating revenues	1,563	1,537	3,148	3,052
Operating Expenses:				
Fuel	186	189	374	395
Purchased power	142	150	305	330
Natural gas purchased for resale	51	41	222	171
Other operations and maintenance	439	431	870	849
Depreciation and amortization	238	222	472	443
Taxes other than income taxes	122	117	247	235
Total operating expenses	1,178	1,150	2,490	2,423
Operating Income	385	387	658	629
Other Income, Net	29	20	52	38
Interest Charges	100	99	201	198
Income Before Income Taxes	314	308	509	469
Income Taxes	74	114	116	171
Net Income	240	194	393	298
Less: Net Income Attributable to Noncontrolling Interests	1	1	3	3
Net Income Attributable to Ameren Common Shareholders	\$239	\$193	\$390	\$295
Net Income	\$240	\$194	\$393	\$298
Other Comprehensive Income (Loss), Net of Taxes				
Pension and other postretirement benefit plan activity, net of income taxes of \$-, \$1, \$-, and \$1, respectively	(2	) 2	(1	) 2
Comprehensive Income	238	196	392	300
Less: Comprehensive Income Attributable to Noncontrolling Interests	1	1	3	3
Comprehensive Income Attributable to Ameren Common Shareholders	\$237	\$195	\$389	\$297
Earnings per Common Share – Basic	\$0.98	\$0.79	\$1.60	\$1.21
Earnings per Common Share – Diluted	\$0.97	\$0.79	\$1.59	\$1.21
Dividends per Common Share	\$0.4575	\$0.440	\$0.915	\$0.880
Weighted-average Common Shares Outstanding – Basic	243.7	242.6	243.3	242.6
Weighted-average Common Shares Outstanding – Diluted	245.8	243.5	245.1	243.7

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



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

	June 30, 2018	December 31, 2017
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$29	\$ 10
Accounts receivable – trade (less allowance for doubtful accounts of \$25 and \$19, respectively)	560	445
Unbilled revenue	371	323
Miscellaneous accounts receivable	74	70
Inventories	475	522
Current regulatory assets	104	144
Other current assets	72	98
Total current assets	1,685	1,612
Property, Plant, and Equipment, Net	21,998	21,466
Investments and Other Assets:		
Nuclear decommissioning trust fund	714	704
Goodwill	411	411
Regulatory assets	1,205	1,230
Other assets	626	522
Total investments and other assets	2,956	2,867
<b>TOTAL ASSETS</b>	<b>\$26,639</b>	<b>\$25,945</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$847	\$841
Short-term debt	506	484
Accounts and wages payable	565	902
Taxes accrued	139	52
Interest accrued	109	99
Customer deposits	114	108
Current regulatory liabilities	133	128
Other current liabilities	298	326
Total current liabilities	2,711	2,940
Long-term Debt, Net	7,613	7,094
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	2,584	2,506
Accumulated deferred investment tax credits	46	49
Regulatory liabilities	4,540	4,387
Asset retirement obligations	641	638
Pension and other postretirement benefits	545	545
Other deferred credits and liabilities	431	460
Total deferred credits and other liabilities	8,787	8,585
Commitments and Contingencies (Notes 2, 9, and 10)		
Ameren Corporation Shareholders' Equity:		
Common stock, \$.01 par value, 400.0 shares authorized – shares outstanding of 244.0 and 242.6, respectively	2	2
Other paid-in capital, principally premium on common stock	5,576	5,540
Retained earnings	1,827	1,660

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Accumulated other comprehensive loss	(19	) (18	)
Total Ameren Corporation shareholders' equity	7,386	7,184	
Noncontrolling Interests	142	142	
Total equity	7,528	7,326	
TOTAL LIABILITIES AND EQUITY	\$26,639	\$25,945	

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, 2018		2017
Cash Flows From Operating Activities:			
Net income	\$ 393		\$ 298
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	463		433
Amortization of nuclear fuel	48		48
Amortization of debt issuance costs and premium/discounts	11		11
Deferred income taxes and investment tax credits, net	81		175
Allowance for equity funds used during construction	(14 )		(10 )
Stock-based compensation costs	10		8
Other	11		(5 )
Changes in assets and liabilities:			
Receivables	(170 )		(54 )
Inventories	46		14
Accounts and wages payable	(209 )		(183 )
Taxes accrued	105		83
Regulatory assets and liabilities	83		(4 )
Assets, other	8		22
Liabilities, other	(50 )		21
Pension and other postretirement benefits	4		6
Net cash provided by operating activities	820		863
Cash Flows From Investing Activities:			
Capital expenditures	(1,112 )		(998 )
Nuclear fuel expenditures	(16 )		(50 )
Purchases of securities – nuclear decommissioning trust fund	(129 )		(161 )
	122		152

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Sales and maturities of securities – nuclear decommissioning trust fund				
Other	6		(2	)
Net cash used in investing activities	(1,129	)	(1,059	)
Cash Flows From Financing Activities:				
Dividends on common stock	(223	)	(214	)
Dividends paid to noncontrolling interest holders	(3	)	(3	)
Short-term debt, net	21		334	
Maturities of long-term debt	(323	)	(425	)
Issuances of long-term debt	853		549	
Issuances of common stock	40		—	
Repurchases of common stock for stock-based compensation	—		(24	)
Employee payroll taxes related to stock-based compensation	(19	)	(15	)
Debt issuance costs	(9	)	(4	)
Other	—		(1	)
Net cash provided by financing activities	337		197	
Net change in cash, cash equivalents, and restricted cash	28		1	
Cash, cash equivalents, and restricted cash at beginning of year	68		52	
Cash, cash equivalents, and restricted cash at end of period	\$ 96		\$ 53	
Noncash financing activity –				
Issuance of common stock for stock-based compensation	\$ 35		\$ —	

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Operating Revenues:				
Electric	\$930	\$912	\$1,671	\$1,659
Natural gas	25	22	76	66
Total operating revenues	955	934	1,747	1,725
Operating Expenses:				
Fuel	186	189	374	395
Purchased power	40	69	82	160
Natural gas purchased for resale	8	5	32	25
Other operations and maintenance	241	224	473	443
Depreciation and amortization	138	132	274	265
Taxes other than income taxes	84	85	164	160
Total operating expenses	697	704	1,399	1,448
Operating Income	258	230	348	277
Other Income, Net	16	16	29	32
Interest Charges	51	53	102	107
Income Before Income Taxes	223	193	275	202
Income Taxes	54	72	67	75
Net Income	169	121	208	127
Preferred Stock Dividends	1	1	2	2
Net Income Available to Common Shareholder	\$168	\$120	\$206	\$125

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

## UNION ELECTRIC COMPANY (d/b/a AMEREN MISSOURI)

## BALANCE SHEET

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

	June 30, 2018	December 31, 2017
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 17	\$ —
Advances to money pool	66	—
Accounts receivable – trade (less allowance for doubtful accounts of \$9 and \$7, respectively)	285	200
Accounts receivable – affiliates	23	11
Unbilled revenue	256	165
Miscellaneous accounts receivable	55	35
Inventories	380	388
Current regulatory assets	48	56
Other current assets	42	50
Total current assets	1,172	905
Property, Plant, and Equipment, Net	11,835	11,751
Investments and Other Assets:		
Nuclear decommissioning trust fund	714	704
Regulatory assets	367	395
Other assets	304	288
Total investments and other assets	1,385	1,387
<b>TOTAL ASSETS</b>	<b>\$14,392</b>	<b>\$ 14,043</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$534	\$ 384
Short-term debt	—	39
Accounts and wages payable	226	475
Accounts payable – affiliates	125	60
Taxes accrued	110	30
Interest accrued	69	54
Current regulatory liabilities	50	19
Other current liabilities	107	103
Total current liabilities	1,221	1,164
Long-term Debt, Net	3,668	3,577
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	1,614	1,650
Accumulated deferred investment tax credits	45	48
Regulatory liabilities	2,754	2,664
Asset retirement obligations	637	634
Pension and other postretirement benefits	209	213
Other deferred credits and liabilities	7	12
Total deferred credits and other liabilities	5,266	5,221
Commitments and Contingencies (Notes 2, 8, 9, and 10)		
Shareholders' Equity:		
Common stock, \$5 par value, 150.0 shares authorized – 102.1 shares outstanding	511	511
Other paid-in capital, principally premium on common stock	1,858	1,858
Preferred stock	80	80

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Retained earnings	1,788	1,632
Total shareholders' equity	4,237	4,081
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$14,392</b>	<b>\$ 14,043</b>

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

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

	Six Months Ended June 30,	
	2018	2017
Cash Flows From		
Operating Activities:		
Net income	\$ 208	\$ 127
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	265	255
Amortization of nuclear fuel	48	48
Amortization of debt issuance costs and premium/discounts	3	3
Deferred income taxes and investment tax credits, net	(24 )	13
Allowance for equity funds used during construction	(11 )	(9 )
Other	10	3
Changes in assets and liabilities:		
Receivables	(205 )	(124 )
Inventories	8	(7 )
Accounts and wages payable	(160 )	(169 )
Taxes accrued	152	153
Regulatory assets and liabilities	106	57
Assets, other	(2 )	19
Liabilities, other	11	24
Pension and other postretirement benefits	3	3
Net cash provided by operating activities	412	396
Cash Flows From Investing Activities:		
Capital expenditures	(454 )	(355 )
Nuclear fuel expenditures	(16 )	(50 )
Purchases of securities – nuclear decommissioning trust fund	(129 )	(161 )
Sales and maturities of securities – nuclear decommissioning trust fund	122	152

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Money pool advances, net	(66	)	161	
Net cash used in investing activities	(543	)	(253	)
Cash Flows From Financing Activities:				
Dividends on common stock	(50	)	(172	)
Dividends on preferred stock	(2	)	(2	)
Short-term debt, net	(39	)	60	
Maturities of long-term debt	(179	)	(425	)
Issuances of long-term debt	423		399	
Debt issuance costs	(4	)	(3	)
Net cash provided by (used in) financing activities	149		(143	)
Net change in cash, cash equivalents, and restricted cash	18		—	
Cash, cash equivalents, and restricted cash at beginning of year	7		5	
Cash, cash equivalents, and restricted cash at end of period	\$ 25		\$ 5	

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Operating Revenues:				
Electric	\$436	\$442	\$885	\$881
Natural gas	142	134	453	398
Total operating revenues	578	576	1,338	1,279
Operating Expenses:				
Purchased power	105	87	229	188
Natural gas purchased for resale	43	36	190	146
Other operations and maintenance	196	212	395	412
Depreciation and amortization	94	85	184	168
Taxes other than income taxes	35	28	76	68
Total operating expenses	473	448	1,074	982
Operating Income	105	128	264	297
Other Income, Net	13	3	19	3
Interest Charges	37	36	74	73
Income Before Income Taxes	81	95	209	227
Income Taxes	18	37	50	89
Net Income	63	58	159	138
Preferred Stock Dividends	1	1	2	2
Net Income Available to Common Shareholder	\$62	\$57	\$157	\$136

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

## AMEREN ILLINOIS COMPANY (d/b/a AMEREN ILLINOIS)

## BALANCE SHEET

(Unaudited) (In millions)

	June 30, 2018	December 31, 2017
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$—	\$—
Accounts receivable – trade (less allowance for doubtful accounts of \$16 and \$12, respectively)	251	234
Accounts receivable – affiliates	21	9
Unbilled revenue	115	158
Miscellaneous accounts receivable	29	35
Inventories	95	134
Current regulatory assets	55	87
Other current assets	10	15
Total current assets	576	672
Property, Plant, and Equipment, Net	8,716	8,293
Investments and Other Assets:		
Goodwill	411	411
Regulatory assets	822	822
Other assets	246	147
Total investments and other assets	1,479	1,380
<b>TOTAL ASSETS</b>	<b>\$10,771</b>	<b>\$ 10,345</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$313	\$ 457
Short-term debt	—	62
Borrowings from money pool	31	—
Accounts and wages payable	291	337
Accounts payable – affiliates	44	70
Taxes accrued	15	19
Interest accrued	30	33
Customer deposits	75	69
Current environmental remediation	43	42
Current regulatory liabilities	65	92
Other current liabilities	150	177
Total current liabilities	1,057	1,358
Long-term Debt, Net	2,800	2,373
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	1,045	1,021
Regulatory liabilities	1,689	1,629
Pension and other postretirement benefits	292	285
Environmental remediation	123	134
Other deferred credits and liabilities	218	235
Total deferred credits and other liabilities	3,367	3,304
Commitments and Contingencies (Notes 2, 8, and 9)		
Shareholders' Equity:		
Common stock, no par value, 45.0 shares authorized – 25.5 shares outstanding	—	—
Other paid-in capital	2,093	2,013

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Preferred stock	62	62
Retained earnings	1,392	1,235
Total shareholders' equity	3,547	3,310
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$10,771	\$ 10,345

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

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

	Six Months Ended June 30,	
	2018	2017
Cash Flows From		
Operating Activities:		
Net income	\$ 159	\$ 138
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	184	168
Amortization of debt issuance costs and premium/discounts	7	7
Deferred income taxes and investment tax credits, net	13	116
Other	(3 )	—
Changes in assets and liabilities:		
Receivables	23	70
Inventories	38	20
Accounts and wages payable	(35 )	(17 )
Taxes accrued	(23 )	(68 )
Regulatory assets and liabilities	(20 )	(54 )
Assets, other	4	3
Liabilities, other	(58 )	(10 )
Pension and other postretirement benefits	(2 )	2
Net cash provided by operating activities	287	375
Cash Flows From Investing Activities:		
Capital expenditures	(602 )	(484 )
Other	3	4
Net cash used in investing activities	(599 )	(480 )
Cash Flows From Financing Activities:		
Dividends on preferred stock	(2 )	(2 )
Short-term debt, net	(62 )	108
Money pool borrowings, net	31	—
	(144 )	—

Maturities of long-term debt			
Issuances of long-term debt	430		—
Debt issuance costs	(5	)	—
Capital contribution from parent	80		—
Other	—		(1
Net cash provided by financing activities	328		105
Net change in cash, cash equivalents, and restricted cash	16		—
Cash, cash equivalents, and restricted cash at beginning of year	41		28
Cash, cash equivalents, and restricted cash at end of period	\$	57	\$
			28

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

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

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company whose primary assets are its equity interests in its subsidiaries. Ameren's subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. Dividends on Ameren's common stock and the payment of expenses by Ameren depend on distributions made to it by its subsidiaries. Ameren's principal subsidiaries are listed below. Ameren also has other subsidiaries that conduct other activities, such as providing shared services. Ameren evaluates competitive electric transmission investment opportunities as they arise.

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

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

ATXI operates a FERC rate-regulated electric transmission business. ATXI is developing MISO-approved electric transmission projects, including the Illinois Rivers and Mark Twain projects, and placed the Spoon River project in service in February 2018.

Ameren's financial statements are prepared on a consolidated basis and therefore include the accounts of its majority-owned subsidiaries. All intercompany transactions have been eliminated. Ameren Missouri and Ameren Illinois have no subsidiaries. All tabular dollar amounts are in millions, unless otherwise indicated.

As of both June 30, 2018, and December 31, 2017, Ameren had unconsolidated variable interests as a limited partner in various equity method investments, totaling \$17 million, included in "Other assets" on Ameren's consolidated balance sheet. Ameren is not the primary beneficiary of these investments because it does not have the power to direct matters that most significantly affect the activities of these variable interest entities. As of June 30, 2018, the maximum exposure to loss related to these variable interests is limited to the investment in these partnerships of \$17 million plus associated outstanding funding commitments of \$19 million.

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 accompanying notes included in the Form 10-K.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include short-term, highly liquid investments purchased with an original maturity of three months or less. Cash and cash equivalents subject to legal or contractual restrictions and not readily available for use for general corporate purposes are classified as restricted cash.

In November 2016, the FASB issued authoritative guidance that requires, including on a retrospective basis, restricted cash to be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Our adoption of this guidance, effective January 2018, did not result in material changes to previously reported cash flows from operating, investing, or financing activities.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets and the statements of cash flows as of June 30, 2018 and 2017, and December 31, 2017 and 2016:

	June 30, 2018			December 31, 2017			June 30, 2017			December 31, 2016		
	Ameren Missouri	Ameren Illinois	Ameren	Ameren Missouri	Ameren Illinois	Ameren	Ameren Missouri	Ameren Illinois	Ameren	Ameren Missouri	Ameren Illinois	Ameren
Cash and cash equivalents <sup>(a)</sup>	\$29	\$ 17	\$ —	\$10	\$ —	\$ —	\$10	\$ —	\$ —	\$9	\$ —	\$ —
Restricted cash included in “Other current assets”	12	4	6	21	5	6	19	4	5	20	4	6
Restricted cash included in “Other assets”	51	—	51	35	—	35	23	—	23	22	—	22
Restricted cash included in “Nuclear decommissioning trust fund”	4	4	(b)	2	2	(b)	1	1	(b)	1	1	(b)
Total cash, cash equivalents, and restricted cash <sup>(c)</sup>	\$96	\$ 25	\$ 57	\$68	\$ 7	\$ 41	\$53	\$ 5	\$ 28	\$52	\$ 5	\$ 28

(a) As presented on the balance sheet.

(b) Not applicable.

(c) As presented on the statement of cash flows.

Restricted cash included in Ameren’s other current assets primarily represents participant funds from Ameren (parent)’s DRPlus and funds held by an irrevocable Voluntary Employee Beneficiary Association trust, which provides health care benefits for active employees. Restricted cash included in Ameren Missouri’s and Ameren Illinois’ other current assets primarily represents funds held by the trust.

Restricted cash included in Ameren’s and Ameren Illinois’ other assets primarily represents amounts in a trust fund restricted for the use of funding certain asbestos-related claims and amounts collected under a cost recovery rider that are restricted for use in the procurement of renewable energy credits.

#### Supplemental Cash Flow Information

The following table provides noncash investing activity excluded from the statements of cash flows for the six months ended June 30, 2018 and 2017:

	June 30, 2018			June 30, 2017		
	Ameren Missouri <sup>(a)</sup>	Ameren Illinois	Ameren	Ameren Missouri <sup>(a)</sup>	Ameren Illinois	Ameren
Accrued capital expenditures	\$233	\$ 80	\$ 147	\$175	\$ 61	\$ 79
Net realized and unrealized gain – nuclear decommissioning trust fund	1	1	(b)	36	36	(b)

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

(b) Not applicable.

#### Accounts Receivable

"Accounts receivable – trade" on Ameren's and Ameren Illinois' balance sheets include certain receivables purchased at a discount from alternative retail electric suppliers that elect to participate in the utility consolidated billing program. At June 30, 2018, and December 31, 2017, "Other current liabilities" on Ameren's and Ameren Illinois' balance sheets included payables for purchased receivables of \$40 million and \$31 million, respectively.

For the three and six months ended June 30, 2018 and 2017, the Ameren Companies recorded immaterial bad debt expense.

## Asset Retirement Obligations

The following table provides a reconciliation of the beginning and ending carrying amount of AROs for the six months ended June 30, 2018:

	Ameren Missouri	Ameren Illinois <sup>(a)</sup>	Ameren
Balance at December 31, 2017	\$ 640 <sup>(b)</sup>	\$ 4	\$ 644 <sup>(b)</sup>
Liabilities settled	(2 )	(c)	(2 )
Accretion <sup>(d)</sup>	14	(c)	14
Change in estimates <sup>(e)</sup>	(9 )	—	(9 )
Balance at June 30, 2018	\$ 643 <sup>(b)</sup>	\$ 4	\$ 647 <sup>(b)</sup>

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

(b) Balance included \$6 million in “Other current liabilities” on the balance sheet as of both December 31, 2017, and June 30, 2018, respectively.

(c) Less than \$1 million.

(d) Accretion expense attributable to Ameren Missouri was recorded as a decrease to regulatory liabilities.

(e) Ameren Missouri changed its fair value estimate primarily due to a reduction in the cost estimate for closure of certain CCR storage facilities.

## Company-owned Life Insurance

Ameren and Ameren Illinois have company-owned life insurance, which is recorded at the net cash surrender value. The net cash surrender value is the amount that can be realized under the insurance policies at the balance sheet date. As of June 30, 2018, the cash surrender value of company-owned life insurance at Ameren and Ameren Illinois was \$249 million (December 31, 2017 – \$265 million) and \$117 million (December 31, 2017 – \$129 million), respectively, while total borrowings against the policies were \$107 million (December 31, 2017 – \$120 million) at both Ameren and Ameren Illinois. Ameren and Ameren Illinois have the right to offset the borrowings against the cash surrender value of the policies and, consequently, present the net asset in “Other assets” on their respective balance sheets.

## Stock-based Compensation

The following table summarizes Ameren's nonvested performance share unit and restricted stock unit activity for the six months ended June 30, 2018:

	Performance Share Units		Restricted Stock Units	
	Share Units	Weighted-average Fair Value per Share Unit	Stock Units	Weighted-average Fair Value per Stock Unit
Nonvested at January 1, 2018 <sup>(a)</sup>	895,489	\$ 52.28	—	\$ —
Granted	306,252	62.88	184,351	57.60
Forfeitures	(54,213 )	49.72	(3,560 )	58.99
Undistributed vested units <sup>(b)</sup>	(145,169)	53.50	(12,983 )	58.98
Vested and distributed	(176,043)	52.88	—	—
Nonvested at June 30, 2018 <sup>(c)</sup>	826,316	\$ 56.03	167,808	\$ 57.46

(a) Does not include 712,572 undistributed vested performance share units.

Undistributed vested units are awards that vested due to attainment of retirement eligibility by certain employees, (b) but have not yet been distributed. For undistributed vested performance share units, the number of shares issued for retirement-eligible employees will vary depending on actual performance over the three-year performance period.

(c) Does not include 476,361 undistributed vested performance share units and 12,983 undistributed vested restricted stock units.

## Performance Share Units

A performance share unit vests and entitles an employee to receive shares of Ameren common stock (plus accumulated dividends) if, at the end of the three-year performance period, certain specified market conditions have been met and if the individual remains employed by Ameren through the required vesting period. The vesting period for share units awarded extends beyond the three-year performance period to the payout date, which is approximately

38 months after the grant date. In the event of a participant's death or retirement at age 55 or older with five or more years of service, awards vest on a pro rata basis over the three-year performance period. The exact number of shares issued pursuant to a share unit varies from 0% to 200% of the target award, depending on actual company performance relative to the performance goals.

The fair value of each performance share unit granted in 2018 was determined to be \$62.88, which was based on Ameren's closing common share price of \$58.99 at December 31, 2017, 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 beginning January 1, 2018, relative to the designated peer group. The simulations can produce a greater fair value for the performance share unit than the December 31 applicable closing

common share price because they include the weighted payout scenarios in which an increase in the share price has occurred. The significant assumptions used to calculate fair value also included a three-year risk-free rate of 1.98% and volatility of 15% to 23% for the peer group.

#### Restricted Stock Units

Restricted stock units vest and entitle an employee to receive shares of Ameren common stock (plus accumulated dividends) if the individual remains employed with Ameren through the payment date of the awards. Generally, in the event of a participant's death or retirement at age 55 or older with five or more years of service, awards vest on a pro rata basis. The payout date of the awards is approximately 38 months after the grant date. The fair value of each restricted stock unit is determined by Ameren's closing common share price on the grant date.

#### Deferred Compensation

As of June 30, 2018, and December 31, 2017, "Other deferred credits and liabilities" on Ameren's balance sheet included deferred compensation obligations of \$85 million and \$86 million, respectively, recorded at the present value of future benefits to be paid.

#### Operating Revenues

In the first quarter of 2018, we adopted authoritative accounting guidance related to revenue from contracts with customers using the full retrospective method, with no material changes to the amount or timing of revenue recognition. We record revenues from contracts with customers for various electric and natural gas services, which primarily consist of retail distribution, electric transmission, and off-system arrangements. When more than one performance obligation exists in a contract, the consideration under the contract is allocated to the performance obligations based on the relative standalone selling price.

Electric and natural gas retail distribution revenues are earned when the commodity is delivered to our customers. We accrue an estimate of electric and natural gas retail distribution revenues for service provided but unbilled at the end of each accounting period.

Electric transmission revenues are earned as electric transmission services are provided.

Off-system revenues are primarily comprised of MISO revenues and wholesale bilateral revenues. MISO revenues include the sale of electricity, capacity, and ancillary services. Wholesale bilateral revenues include the sale of electricity and capacity. MISO-related electricity and wholesale bilateral electricity revenues are earned as electricity is delivered. MISO-related capacity and ancillary service revenues and wholesale bilateral capacity revenues are earned as services are provided.

Retail distribution, electric transmission, and off-system revenues, including the underlying components described above, represent a series of goods or services that are substantially the same and have the same pattern of transfer over time to our customers. Revenues from contracts with customers is equal to the amounts billed and our estimate of electric and natural gas retail distribution services provided but unbilled at the end of each accounting period.

Revenues are billed at least monthly, and payments are due less than one month after goods and/or services are provided. See Note 12 – Segment Information for disaggregated revenue information.

For certain regulatory recovery mechanisms that are alternative revenue programs, rather than revenues from contracts with customers, we recognize revenues that have been authorized for rate recovery, are objectively determinable and probable of recovery, and are expected to be collected from customers within two years from the end of the year. Our alternative revenue programs include revenue requirement reconciliations, MEEIA, and VBA. These revenues are subsequently recognized as revenues from contracts with customers when billed, with an offset to alternative revenue program revenues.

The Ameren Companies elected to exclude disclosure related to the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period for contracts with an initial expected term of one year or less. As of June 30, 2018 and 2017, our remaining performance obligations were immaterial.

#### Excise Taxes

Ameren Missouri and Ameren Illinois collect from their customers excise taxes, including municipal and state excise taxes and gross receipts taxes, that are levied on the sale or distribution of natural gas and electricity. Excise taxes are recorded gross in "Operating Revenues – Electric," "Operating Revenues – Natural gas" and "Operating Expenses – Taxes

other than income taxes” on the statements of income. The following table presents the excise taxes recorded in “Operating Revenues – Electric,” “Operating Revenues – Natural gas” and “Operating Expenses – Taxes other than income taxes” for the three and six months ended June 30, 2018 and 2017:

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	Three Months		Six Months	
	2018	2017	2018	2017
Ameren Missouri	\$ 46	\$ 40	\$80	\$71
Ameren Illinois	28	23	(a) 63	57 (a)
Ameren	\$ 74	\$ 63	(a) \$143	\$128(a)

(a) Amounts have been adjusted from those previously reported to reflect additional excise taxes for the three and six months ended June 30, 2017, respectively.

#### Income Taxes

The following table presents a reconciliation of the federal statutory corporate income tax rate to the effective income tax rate for the three and six months ended June 30, 2018 and 2017:

	Ameren		Ameren Missouri		Ameren Illinois	
	2018	2017	2018	2017	2018	2017
Three Months						
Federal statutory corporate income tax rate:	21%	35%	21%	35%	21%	35%
Increases (decreases) from:						
Amortization of excess deferred taxes	(1)	—	—	(a) —	(5)	—
Other depreciation differences	—	—	—	—	(1)	(1)
Amortization of deferred investment tax credit	—	—	(1)	(1)	—	—
State tax	5	4	4	3	8	5
Tax credits	(1)	—	—	—	—	—
Other permanent items	—	(1)	—	—	—	—
Effective income tax rate	24%	38%	24%	37%	23%	39%
Six Months						
Federal statutory corporate income tax rate:	21%	35%	21%	35%	21%	35%
Increases (decreases) from:						
Amortization of excess deferred taxes	(2)	—	—	(a) —	(4)	—
Amortization of deferred investment tax credit	(1)	(1)	(1)	(1)	—	—
State tax	6	5	4	3	7	5
Other permanent items	(1)	(2)	—	—	—	(1)
Effective income tax rate	23%	37%	24%	37%	24%	39%

(a) Based on an order issued by the MoPSC in July 2018, Ameren Missouri began amortizing excess deferred taxes in August 2018. See Note 2 – Rate and Regulatory Matters for additional information.

In June 2018, legislation modifying Missouri tax law was enacted to decrease the state's corporate income tax rate from 6.25% to 4%, effective January 1, 2020. As a result, in the second quarter of 2018, Ameren's and Ameren Missouri's accumulated deferred tax balances were revalued, resulting in a net decrease to their accumulated deferred tax liability of \$33 million, which was offset by a regulatory liability. Additionally, Ameren recorded an immaterial amount to income tax expense. As a result of its expected PISA election under Missouri Senate Bill 564, which would prohibit a change in electric base rates prior to April 2020, Ameren Missouri anticipates that the effect of this tax decrease will be reflected in customer rates upon completion of its next regulatory rate review. Ameren (parent) and nonregistrant subsidiaries do not expect this income tax decrease to have a material impact on net income prospectively.

#### Earnings Per Share

Basic earnings per share is computed by dividing "Net Income Attributable to Ameren Common Shareholders" by the weighted-average number of common shares outstanding during the period. Earnings per diluted share is computed by dividing "Net Income Attributable to Ameren Common Shareholders" by the weighted-average number of diluted common shares outstanding during the period. Earnings per diluted share reflects the dilution that would occur if certain stock-based performance share units were assumed to be settled. The number of performance share units assumed to be settled was 2.1 million and 1.8 million in the three and six months ended June 30, 2018, respectively, and 0.8 million and 1.1 million, respectively, in the year-ago periods. There were no potentially dilutive securities

excluded from the earnings per diluted share calculations for the three and six months ended June 30, 2018 and 2017.

**Accounting and Reporting Developments**

In the first quarter of 2018, the Ameren Companies adopted authoritative accounting guidance on various topics. See the Operating Revenues section above for more information on our adoption of the guidance on revenue from contracts with customers. See Note 11 – Retirement Benefits for more information on our adoption of the guidance on the presentation of net periodic pension and postretirement benefit cost. See the Cash, Cash Equivalents, and Restricted Cash section above for more information on our adoption of the guidance on

restricted cash. Our adoption of the guidance on the recognition and measurement of financial assets and financial liabilities did not have a material impact on our results of operations or financial position.

See Note 1 – Summary of Significant Accounting Policies under Part II, Item 8, of the Form 10-K for additional information about recently issued authoritative accounting standards relating to leases, the measurement of credit losses on financial instruments, and the reclassification of certain tax effects from accumulated OCI.

#### NOTE 2 – RATE AND REGULATORY MATTERS

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

##### Missouri

##### Missouri Senate Bill 564

On June 1, 2018, Missouri Senate Bill 564 was enacted. The section of the law applicable to the TCJA became effective immediately; the remaining sections, including the ability to elect PISA, become effective August 28, 2018. The law resulted in certain changes to Missouri utility laws that affect the regulation of Ameren Missouri's electric service business. These changes include the reduction of customer rates to pass through the effect of the reduction in the federal statutory corporate income tax rate enacted under the TCJA and, at each electric utility's election, the use of PISA. Electric utilities that do not elect to use PISA will be eligible to request permission to implement revenue decoupling of residential and other non-demand metered customer classes. The law required the MoPSC to authorize a reduction in Ameren Missouri's rates to pass through the effect of the TCJA within 90 days of the law's effective date. In July 2018, the MoPSC authorized Ameren Missouri to reduce its annual revenue requirement by \$167 million and reflect that reduction in rates beginning August 1, 2018. The reduction included \$74 million for the amortization of excess accumulated deferred income taxes. In addition, Ameren Missouri recorded a reduction to revenue and a corresponding regulatory liability of \$47 million for the excess amounts collected in rates related to the TCJA from January 1, 2018, through June 30, 2018. An additional amount will be recorded for July 2018 revenues. The regulatory liability will be reflected in customer rates over a period of time to be determined by the MoPSC in the next regulatory rate review.

Upon Ameren Missouri's expected PISA election, it would be permitted to defer and recover 85% of the depreciation expense and return on rate base on certain property, plant, and equipment placed in-service after August 28, 2018, and not included in base rates. Eligible PISA deferrals would exclude amounts related to new coal-fired, nuclear, and natural gas generating units and service to new customer premises. Upon approval in a regulatory rate review, PISA deferrals would be added to rate base prospectively and earn a return based on Ameren Missouri's weighted-average cost of capital over a recovery period of 20 years. For electric utilities electing to use PISA, additional provisions apply, including limitations on customer rate increases. Ameren Missouri's customer rate increases would be limited to a 2.85% compound annual growth rate in the average overall customer rate per kilowatthour, applied to electric rates effective April 1, 2017, less half of the 2018 savings from the TCJA that was passed on to customers. Upon election to use PISA, Ameren Missouri's electric base rates would be frozen until April 1, 2020. Recoveries under the MEEIA, the FAC, and the RESRAM riders would not be frozen; however, except for costs recoverable under the MEEIA rider, Ameren Missouri would be unable to recover any amounts above the 2.85% cap from customers. If rate changes from the FAC or the RESRAM riders would cause rates to temporarily exceed the 2.85% cap, the overage would be deferred for future recovery in the next regulatory rate review; however, rates established in such regulatory rate review would be subject to the rate cap. Any deferred overages approved for recovery would be subject to deferral and recovered in a manner consistent with costs recovered under PISA. Both the rate cap and PISA election would be effective through December 2023, unless Ameren Missouri requests and receives MoPSC approval of an extension through December 2028. Ameren Missouri's expected PISA election will support Ameren Missouri's ability to invest approximately \$1 billion of incremental capital over the 2019 to 2023 period to strengthen and modernize Missouri's electric grid.

##### MoPSC Federal Income Tax Proceedings

In February 2018, the MoPSC initiated proceedings to investigate how the effect of the reduction in the federal statutory corporate income tax rate enacted under the TCJA should be reflected in rates paid by customers of Missouri's regulated utilities, including rates paid by electric and natural gas customers of Ameren Missouri. The proceeding for Ameren Missouri's electric service business was dismissed after Missouri Senate Bill 564 was enacted on June 1, 2018, but the proceeding is still pending for Ameren Missouri's natural gas distribution business. As of June 30, 2018, the potential reduction in natural gas customer rates is immaterial. The MoPSC is under no deadline to issue an order in the natural gas proceeding.

#### Wind Generation Facility and RESRAM

In the second quarter of 2018, Ameren Missouri entered into an agreement with a subsidiary of Terra-Gen, LLC to acquire a 400-megawatt wind generation facility after construction. The facility is expected to be located in northeastern Missouri and to be completed in

2020. The acquisition is subject to certain conditions, including the issuance of a certificate of convenience and necessity by the MoPSC, obtaining a MISO transmission interconnection agreement, and approval by the FERC. Ameren Missouri has filed for the certificate of convenience and necessity with the MoPSC. This facility would help Ameren Missouri to comply with the state renewable energy standard. In addition, Ameren Missouri requested the MoPSC to authorize a proposed RESRAM that would allow Ameren Missouri to adjust customer rates, including recovery of interest at a short-term borrowing rate, on an annual basis without a traditional regulatory rate review. The RESRAM is designed to mitigate the impacts of regulatory lag for investments in wind generation and other renewables by providing more timely recovery of costs and would provide Ameren Missouri a greater opportunity to earn its allowed return on investment. Ameren Missouri anticipates a decision by January 2019 related to the certificate of convenience and necessity and proposed RESRAM.

#### Renewable Choice Program

In June 2018, the MoPSC approved Ameren Missouri's Renewable Choice Program, which allows large commercial and industrial customers and municipalities to receive up to 100 percent of their energy from renewable resources. The tariff-based program is designed to recover the costs of the election, net of changes in the market price of such energy. Based on customer contracts, the program enables Ameren Missouri to supply up to 400 megawatts of renewable wind energy generation, up to 200 megawatts of which it could own. As applicable, the addition of generation by Ameren Missouri would be subject to the issuance of a certificate of convenience and necessity by the MoPSC, obtaining transmission interconnection agreements with the MISO or other RTOs, and approval by the FERC. This generation would be incremental to the expected renewable generation included in the 2017 IRP. Without extension, the option to elect into the program will terminate in the third quarter of 2023.

#### MEEIA

In June 2018, Ameren Missouri filed a proposed customer energy-efficiency plan with the MoPSC under the MEEIA. This filing proposed a six-year plan, which includes a portfolio of customer energy-efficiency programs, along with a cost recovery mechanism. If the plan is approved, beginning in March 2019, Ameren Missouri intends to invest an average of \$92 million per program year in the proposed customer energy-efficiency programs. Ameren Missouri requested continued use of a MEEIA rider, which allows Ameren Missouri to collect from or refund to customers any difference in the actual amounts incurred and the amounts collected from customers for the MEEIA program costs and its lost revenues. In addition, Ameren Missouri requested incentives to earn additional revenues by achieving certain customer energy-efficiency goals, increasing from \$10 million to \$24 million annually, for a total of \$115 million over the six-year period if 100% of its annual customer energy-efficiency goals are achieved. A decision by the MoPSC in this proceeding is anticipated by the first quarter of 2019.

The MEEIA 2016 program provided Ameren Missouri with a performance incentive to earn additional revenues by achieving certain customer energy-efficiency goals, including \$27 million if 100% of the goals were achieved during the three-year period beginning March 2016, with the potential to earn more if Ameren Missouri's energy savings exceeded those goals. In September 2017, Ameren Missouri received an order from the MoPSC approving Ameren Missouri's energy savings results for the first year of the MEEIA 2016 programs. As a result of this order and in accordance with revenue recognition guidance, Ameren Missouri recognized \$5 million of revenues in the first quarter of 2018 relating to the MEEIA 2016 performance incentive.

In July 2018, the Missouri Supreme Court overturned a 2016 decision by the Missouri Court of Appeals, Western District, which had upheld a 2015 MoPSC order regarding the determination of a certain input used to calculate the MEEIA 2013 performance incentive, and remanded the matter to the MoPSC. The MoPSC is required to issue a revised order consistent with the Missouri Supreme Court's ruling; however, there is no deadline to issue such order. Upon issuance of the order, Ameren Missouri expects to recognize an additional \$9 million MEEIA 2013 performance incentive.

#### Illinois

##### Electric Distribution Service Rates

In April 2018, Ameren Illinois filed its annual electric distribution service formula rate update to establish the revenue requirement to be used for 2019 rates with the ICC. In July 2018, the ICC staff submitted its calculation of the revenue requirement included in Ameren Illinois' update filing, recommending an amount comparable to Ameren Illinois'

filing. Pending ICC approval, this update filing will result in a \$72 million increase in Ameren Illinois' electric distribution service rates beginning in January 2019. This update reflects an increase to the annual formula rate based on 2017 actual costs and expected net plant additions for 2018 and an increase to include the 2017 revenue requirement reconciliation adjustment. It also includes a decrease for the conclusion of the 2016 revenue requirement reconciliation adjustment, which will be fully collected from customers in 2018, consistent with the ICC's December 2017 annual update filing order. An ICC decision in this proceeding is expected by December 2018. As of June 30, 2018, Ameren Illinois had recorded a regulatory asset of \$62 million to reflect the difference between Ameren Illinois' estimate of its 2018 revenue requirement and the revenue requirement reflected in customer rates, including interest.

#### Electric Customer Energy-Efficiency Investments

In June 2018, Ameren Illinois filed its annual electric customer energy-efficiency formula rate update to establish the revenue requirement to be used for 2019 rates with the ICC. Pending ICC approval, this update filing will result in 2019 rates for electric customer energy-efficiency investments of \$34 million, which represents an increase of \$20 million from the 2018 rates. An ICC decision regarding the revenue requirement to be used for customer rates in 2019 is expected by December 2018.

#### Income Tax Regulatory Mechanisms

In February 2018, the ICC granted Ameren Illinois' request, filed in January 2018, to establish a rider to reduce Ameren Illinois' electric distribution customer rates for the effect of the reduction in the federal statutory corporate income tax rate enacted under the TCJA and the return of excess deferred taxes, net of the increase in state income taxes enacted in July 2017. Ameren Illinois' electric distribution customer rates were reduced as a result of the rider beginning in the first quarter of 2018. The estimated reduction of \$50 million per year will continue through 2019, as base rates will reflect the current income tax rates starting in 2020.

In April 2018, the ICC approved a rider for the difference between revenues billed under natural gas rates established pursuant to Ameren Illinois' most recent natural gas rate order, and the revenues that would have been billed had the state and federal tax rate changes discussed above been in effect. The rider required Ameren Illinois to record this regulatory liability beginning January 25, 2018. Ameren Illinois' natural gas customer rates were reduced as a result of the rider beginning in May 2018, with an estimated reduction of up to \$17 million, substantially over a one-year period.

#### 2018 Natural Gas Delivery Service Regulatory Rate Review

In January 2018, Ameren Illinois filed a request with the ICC seeking approval to increase its annual rates for natural gas delivery service. In July 2018, Ameren Illinois and the ICC staff filed a stipulation and agreement with the ICC that, pending ICC approval, would result in an annual natural gas rate increase of \$37 million, based on the terms of the agreement and subject to adjustments for updated rate case and other postretirement benefit expenses. This increase in annual rates includes a 9.87% return on common equity, a capital structure composed of 50% common equity, and a rate base of \$1.6 billion. It also reflects the reduction in the federal corporate income tax rate as a result of the TCJA, as well as the increase in the Illinois corporate income tax rate that became effective in July 2017, which decreased the annual rates by approximately \$17 million. In an attempt to reduce regulatory lag, Ameren Illinois used a 2019 future test year in this proceeding.

A decision by the ICC in this proceeding is required by December 2018, with new rates expected to be effective in January 2019. Ameren Illinois cannot predict the level of any delivery service rate changes the ICC may approve, nor whether any rate changes that may eventually be approved will be sufficient to enable Ameren Illinois to recover its costs and to earn a reasonable return on investments when the rate changes go into effect.

#### Federal

##### FERC Complaint Cases

In November 2013, a customer group filed a complaint case with the FERC seeking a reduction in the allowed base return on common equity for FERC-regulated transmission rate base under the MISO tariff from 12.38% to 9.15%. In 2016, the FERC issued a final order in the November 2013 complaint case, which lowered the allowed base return on common equity to 10.32%, or a 10.82% total allowed return on common equity with the inclusion of a 50 basis point incentive adder for participation in an RTO, effective since September 2016. The 10.82% allowed return on common equity may be replaced prospectively after the FERC issues a final order in the February 2015 complaint case, discussed below.

Since the maximum FERC-allowed refund period for the November 2013 complaint case ended in February 2015, another customer complaint case was filed in February 2015. MISO transmission owners subsequently filed a motion to dismiss the February 2015 complaint, as discussed below. The February 2015 complaint case seeks a further reduction in the allowed base return on common equity for FERC-regulated transmission rate base under the MISO tariff. In June 2016, an administrative law judge issued an initial decision in the February 2015 complaint case. If approved by the FERC, it would lower the allowed base return on common equity for the 15-month period of February 2015 to May 2016 to 9.70%, or a 10.20% total allowed return on equity with the inclusion of a 50 basis point

incentive adder for participation in an RTO. It would also require customer refunds, with interest, for that 15-month period. A final FERC order would also establish the allowed return on common equity that will apply prospectively from the effective date of such order, replacing the current 10.82% total return on common equity. In the second quarter of 2017, the United States Court of Appeals for the District of Columbia Circuit vacated and remanded to the FERC an order in a separate case in which the FERC established the allowed base return on common equity methodology used in the two MISO complaint cases described above. Ameren is unable to predict the impact of the outcome of the United States Court of Appeals for

the District of Columbia Circuit’s remand on the MISO FERC complaint cases at this time. As the FERC is under no deadline to issue a final order, the timing of the issuance of the final order in the February 2015 complaint case is uncertain.

In September 2017, MISO transmission owners, including Ameren Missouri, Ameren Illinois, and ATXI, filed a motion to dismiss the February 2015 complaint case with the FERC. The MISO transmission owners maintain that the February 2015 complaint was predicated on the now superseded 12.38% allowed base return on common equity and is therefore inapplicable given the current 10.32% allowed base return on common equity. The MISO transmission owners further maintain that the current 10.32% allowed base return on common equity has not been proven to be unjust and unreasonable based on information provided, including the base return on common equity methodology ranges set forth in the February 2015 complaint case and in the initial decision issued by an administrative law judge in June 2016. Additionally, the MISO transmission owners maintain that the February 2015 complaint should be dismissed because the approach utilized in the case to assert that a return on common equity was unjust and unreasonable was insufficient. That same approach was rejected by the United States Court of Appeals for the District of Columbia Circuit, as discussed above. The FERC is under no deadline to issue an order on this motion.

As of June 30, 2018, Ameren and Ameren Illinois had recorded current regulatory liabilities of \$43 million and \$25 million, respectively, to reflect the expected refunds, including interest, associated with the reduced allowed returns on common equity in the initial decision in the February 2015 complaint case. Ameren Missouri does not expect that a reduction in the FERC-allowed base return on common equity would be material to its results of operations, financial position, or liquidity.

#### FERC Federal Income Tax Proceeding and Formula Rate Change

In March 2018, the FERC granted a request filed in February 2018 by MISO transmission owners with forward-looking rate formulas, including Ameren Illinois and ATXI, to allow revisions to their 2018 electric transmission rates to reflect the effect of the reduction in federal income taxes enacted under the TCJA. Ameren Illinois and ATXI’s 2018 electric transmission rates have been reduced by \$27 million and \$23 million, respectively. In May 2018, the FERC accepted Ameren Illinois and ATXI tariff filings to change the formula rate calculation. The change allows for the recovery or refund of both excess deferred income taxes resulting from tax law or rate changes and effect of permanent income tax differences and will be reflected in Ameren Illinois and ATXI’s electric transmission rates starting in January 2019.

#### NOTE 3 – SHORT-TERM DEBT AND LIQUIDITY

The liquidity needs of the Ameren Companies are typically supported through the use of available cash, drawings under committed credit agreements, commercial paper issuances, or, in the case of Ameren Missouri and Ameren Illinois, short-term affiliate borrowings. See Note 4 – Short-term Debt and Liquidity under Part II, Item 8, in the Form 10-K for a description of our indebtedness provisions and other covenants as well as a description of money pool arrangements.

The Missouri Credit Agreement and the Illinois Credit Agreement, both of which expire in December 2021, were not utilized for direct borrowings during the six months ended June 30, 2018, but were used to support commercial paper issuances and to issue letters of credit. Based on commercial paper outstanding, letters of credit issued under the Credit Agreements, and cash on hand, the aggregate credit capacity available under the Credit Agreements to Ameren (parent), Ameren Missouri, and Ameren Illinois, collectively, at June 30, 2018, was \$1.6 billion. The Ameren Companies were in compliance with the covenants in their Credit Agreements as of June 30, 2018. As of June 30, 2018, the ratios of consolidated indebtedness to consolidated total capitalization, calculated in accordance with the provisions of the Credit Agreements, were 54%, 48%, and 47% for Ameren, Ameren Missouri, and Ameren Illinois, respectively.

#### Commercial Paper

The following table presents commercial paper outstanding, net of issuance discounts, as of June 30, 2018, and December 31, 2017:

	2018	2017
Ameren (parent)	\$506	\$383
Ameren Missouri	—	39

Ameren Illinois — 62  
Ameren Consolidated \$506 \$484

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The following table summarizes the borrowing activity and relevant interest rates under Ameren (parent)'s, Ameren Missouri's, and Ameren Illinois' commercial paper programs for the six months ended June 30, 2018 and 2017:

	Ameren (parent)	Ameren Missouri	Ameren Illinois	Ameren Consolidated
2018				
Average daily commercial paper outstanding at par value	\$ 397	\$ 123	\$ 174	\$ 693
Weighted-average interest rate	2.14 %	1.94 %	2.20 %	2.12 %
Peak commercial paper during period at par value <sup>(a)</sup>	\$ 506	\$ 481	\$ 442	\$ 1,295
Peak interest rate	2.45 %	2.42 %	2.55 %	2.55 %
2017				
Average daily commercial paper outstanding at par value	\$ 736	\$ 6	\$ 66	\$ 808
Weighted-average interest rate	1.19 %	1.10 %	1.14 %	1.19 %
Peak commercial paper during period at par value <sup>(a)</sup>	\$ 841	\$ 60	\$ 163	\$ 948
Peak interest rate	1.50 %	1.41 %	1.50 %	1.50 %

<sup>(a)</sup> The timing of peak outstanding commercial paper issuances varies by company. Therefore, the sum of individual company peak amounts may not equal the Ameren Consolidated peak commercial paper issuances for the period.

#### 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. The average interest rate for borrowings under the money pool for the three and six months ended June 30, 2018, was 2.17% and 2.04%, respectively (2017 – 1.27% and 1.14%, 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, 2018 and 2017.

#### NOTE 4 – LONG-TERM DEBT AND EQUITY FINANCINGS

##### Ameren

For the three and six months ended June 30, 2018, Ameren issued a total of 0.4 million and 0.7 million shares, respectively, of common stock under its DRPlus and 401(k) plan and received proceeds of \$23 million and \$40 million, respectively. In addition, in the first quarter of 2018, Ameren issued 0.7 million shares of common stock valued at \$35 million upon the vesting of stock-based compensation. Ameren did not issue any common stock during the first six months of 2017.

##### Ameren Missouri

In April 2018, Ameren Missouri issued \$425 million of 4.00% first mortgage bonds due April 2048, with interest payable semiannually on April 1 and October 1 of each year, beginning October 1, 2018. Ameren Missouri received proceeds of \$419 million, which were used to repay outstanding short-term debt, including short-term debt that Ameren Missouri incurred in connection with the repayment of \$179 million of its 6.00% senior secured notes that matured April 1, 2018.

##### Ameren Illinois

In May 2018, Ameren Illinois issued \$430 million of 3.80% first mortgage bonds due May 2028, with interest payable semiannually on May 15 and November 15 of each year, beginning November 15, 2018. Ameren Illinois received proceeds of \$427 million, which were used to repay outstanding short-term debt, including short-term debt that Ameren Illinois incurred in connection with the repayment of \$144 million of its 6.25% senior secured notes that matured April 1, 2018.

#### Indenture Provisions and Other Covenants

See Note 5 – Long-Term Debt and Equity Financings under Part II, Item 8, in the Form 10-K for a description of our indenture provisions and other covenants, as well as restrictions on the payment of dividends. At June 30, 2018, the Ameren Companies were in compliance with the provisions and covenants contained in their indentures and articles of incorporation, as applicable, and ATXI was in compliance with the provisions and covenants contained in its note purchase agreement.

#### Off-balance-sheet Arrangements

At June 30, 2018, none of the Ameren Companies had any significant off-balance-sheet financing arrangements, other than operating leases entered into in the ordinary course of business, letters of credit, and Ameren (parent) guarantee arrangements on behalf of its subsidiaries.

## NOTE 5 – OTHER INCOME, NET

The following table presents the components of “Other Income, Net” in the Ameren Companies’ statements of income for the three and six months ended June 30, 2018 and 2017:

	Three Months		Six Months	
	2018	2017	2018	2017
Ameren: <sup>(a)</sup>				
Other Income, Net				
Allowance for equity funds used during construction	\$9	\$4	\$14	\$10
Interest income on industrial development revenue bonds	7	6	13	13
Other interest income	2	3	4	5
Non-service cost components of net periodic benefit income	19	<sup>(b)</sup> 10	35	<sup>(b)</sup> 22
Other income	2	2	3	2
Donations	(6 )	(2 )	(11 )	(7 )
Other expense	(4 )	(3 )	(6 )	(7 )
Total Other Income, Net	\$29	\$20	\$52	\$38
Ameren Missouri:				
Other Income, Net				
Allowance for equity funds used during construction	\$7	\$4	\$11	\$9
Interest income on industrial development revenue bonds	7	6	13	13
Other interest income	1	1	1	1
Non-service cost components of net periodic benefit income	4	<sup>(b)</sup> 6	9	<sup>(b)</sup> 12
Other income	—	1	1	1
Donations	(2 )	(2 )	(3 )	(2 )
Other expense	(1 )	—	(3 )	(2 )
Total Other Income, Net	\$16	\$16	\$29	\$32
Ameren Illinois:				
Other Income, Net				
Allowance for equity funds used during construction	\$2	\$—	\$3	\$1
Interest income	1	2	3	4
Non-service cost components of net periodic benefit income	10	1	17	4
Other income	2	2	2	2
Donations	(1 )	(1 )	(5 )	(5 )
Other expense	(1 )	(1 )	(1 )	(3 )
Total Other Income, Net	\$13	\$3	\$19	\$3

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

For the three and six months ended June 30, 2018, the non-service cost components of net periodic benefit income were partially offset by a \$4 million and \$8 million deferral due to a regulatory tracking mechanism for the difference between the level of such costs incurred by Ameren Missouri under GAAP and the level of such costs included in rates.

## NOTE 6 – DERIVATIVE FINANCIAL INSTRUMENTS

We use derivatives to manage the risk of changes in market prices for natural gas and power, as well as the risk of changes in rail transportation surcharges through fuel oil hedges. Such price fluctuations may cause the following: an unrealized appreciation or depreciation of our contracted commitments to purchase or sell when purchase or sale prices under the commitments are compared with current commodity prices;

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

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

The derivatives that we use to hedge these risks are governed by our risk management policies for forward contracts, futures, options, and swaps. Our net positions are continually assessed within our structured hedging programs to

determine whether new or offsetting transactions are required. The goal of the hedging program is generally to mitigate financial risks while ensuring that sufficient volumes are available to meet our requirements. Contracts we enter into as part of our risk management program may be settled financially, settled by physical delivery, or net settled with the counterparty.

The following table presents open gross commodity contract volumes by commodity type for derivative assets and liabilities as of June 30, 2018, and December 31, 2017. As of June 30, 2018, these contracts extended through October 2021, March 2023, and May 2032 for fuel oils, natural gas, and power, respectively.

Commodity	Quantity (in millions, except as indicated)				
	2018		2017		
	Ameren Missouri	Ameren Illinois	Ameren Missouri	Ameren Illinois	Ameren Missouri
Fuel oils (in gallons) <sup>(a)</sup>	40(b)	40	28(b)	28	
Natural gas (in mmbtu)	23 149	172	24 139	163	
Power (in megawatthours)	2 8	10	3 9	12	

(a) Consists of ultra-low-sulfur diesel products.

(b) Not applicable.

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

If we determine that a contract meets the definition of a derivative and is not eligible for the NPNS exception, we review the contract to determine whether the resulting gains or losses qualify for regulatory deferral. Derivative contracts that qualify for regulatory deferral are recorded at fair value, with changes in fair value recorded as regulatory assets or liabilities in the period in which the change occurs. We believe derivative losses and gains deferred as regulatory assets and liabilities are probable of recovery, or refund, through future rates charged to customers. Regulatory assets and liabilities are amortized to operating income as related losses and gains are reflected in rates charged to customers. Therefore, gains and losses on these derivatives have no effect on operating income. As of June 30, 2018, and December 31, 2017, all contracts that met the definition of a derivative and were not eligible for the NPNS exception received regulatory deferral.

The following table presents the carrying value and balance sheet location of all derivative commodity contracts, none of which were designated as hedging instruments, as of June 30, 2018, and December 31, 2017:

Balance Sheet Location		Ameren Missouri	Ameren Illinois	Ameren Missouri
2018				
Fuel oils	Other current assets	\$ 8	\$ —	\$ 8
	Other assets	5	—	5
Natural gas	Other current assets	—	1	1
	Other assets	—	1	1
Power	Other current assets	7	—	7
	Total assets <sup>(a)</sup>	\$ 20	\$ 2	\$ 22
Fuel oils	Other deferred credits and liabilities	\$ 1	\$ —	\$ 1
Natural gas	Other current liabilities	4	12	16
	Other deferred credits and liabilities	3	13	16
Power	Other current liabilities	2	13	15
	Other deferred credits and liabilities	—	177	177
	Total liabilities <sup>(b)</sup>	\$ 10	\$ 215	\$ 225
2017				
Fuel oils	Other current assets	\$ 5	\$ —	\$ 5
	Other assets	2	—	2
Natural gas	Other assets	1	—	1

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Power	Other current assets	9	—	9
	Total assets <sup>(a)</sup>	\$ 17	\$ —	\$ 17
Natural gas	Other current liabilities	\$ 5	\$ 12	\$ 17
	Other deferred credits and liabilities	3	10	13
Power	Other current liabilities	1	13	14
	Other deferred credits and liabilities	—	182	182
	Total liabilities <sup>(b)</sup>	\$ 9	\$ 217	\$ 226

(a) The cumulative amount of pretax net gains on all derivative instruments is deferred as a regulatory liability.

(b) The cumulative amount of pretax net losses on all derivative instruments is deferred as a regulatory asset.

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; these contracts have nominal credit risk. In all other transactions, we are exposed to credit risk. Our credit risk management program involves establishing credit limits and collateral requirements for counterparties, using master netting arrangements or similar agreements, and reporting daily exposure to senior management.

We believe that entering into master netting arrangements or similar agreements mitigates the level of financial loss that could result from default by allowing net settlement of derivative assets and liabilities. These master netting arrangements allow the counterparties to net settle sale and purchase transactions. Further, collateral requirements are calculated at the master netting arrangement or similar agreement level by counterparty.

The Ameren Companies elect to present the fair value amounts of derivative assets and derivative liabilities subject to an enforceable master netting arrangement or similar agreement gross on the balance sheet. However, if the gross amounts recognized on the balance sheet were netted with derivative instruments and cash collateral received or posted, the net amounts would not be materially different from the gross amounts at June 30, 2018, and December 31, 2017.

#### Concentrations of Credit Risk

In determining our concentrations of credit risk related to derivative instruments, we review our individual counterparties and categorize each counterparty into groupings according to the primary business in which each engages. We calculate maximum exposures based on the gross fair value of financial instruments, including NPNS and other accrual contracts. These exposures are calculated on a gross basis, which include affiliate exposure not eliminated at the consolidated Ameren level. As of June 30, 2018, if all counterparties were to fail to perform on contracts, the Ameren Companies' maximum exposure would have been immaterial with or without consideration of the application of master netting arrangements or similar agreements and collateral held.

#### Derivative Instruments with Credit Risk-related Contingent Features

Our commodity contracts contain collateral provisions tied to the Ameren Companies' credit ratings. If our credit ratings were downgraded, or if a counterparty with reasonable grounds for uncertainty regarding our ability to satisfy an obligation requested adequate assurance of performance, additional collateral postings might be required. The following table presents, as of June 30, 2018, 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 counterparties could require. The additional collateral required is the net liability position allowed under the master netting arrangements or similar agreements, assuming (1) the credit risk-related contingent features underlying these arrangements were triggered on June 30, 2018, and (2) those counterparties with rights to do so requested collateral.

	Aggregate Fair Value of Derivative Liabilities <sup>(a)</sup>	Cash Collateral Posted	Potential Aggregate Amount of Additional Collateral Required <sup>(b)</sup>
Ameren Missouri	\$ 63	\$ 4	\$ 52
Ameren Illinois	52	—	47
Ameren	\$ 115	\$ 4	\$ 99

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

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

#### NOTE 7 – FAIR VALUE MEASUREMENTS

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

asset or liability, including assumptions about market risk or the risks inherent in the inputs to the valuation. Inputs to valuation can be readily observable, market-corroborated, or unobservable. We use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Authoritative accounting guidance established a fair value hierarchy that prioritizes the inputs used to measure fair value.

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

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). We have also factored the impact of our credit standing, as well as any potential credit enhancements, into the fair value measurement of both derivative assets and derivative liabilities. Included in our valuation, and based on current market conditions, is a valuation adjustment for counterparty default derived from market data such as the price of credit default swaps, bond yields, and credit ratings. No gains or losses related to valuation adjustments for counterparty default risk were recorded at Ameren, Ameren Missouri, or Ameren Illinois in the three and six months ended June 30, 2018 or 2017. At June 30, 2018, and December 31, 2017, the counterparty default risk valuation adjustment related to derivative contracts was immaterial for Ameren, Ameren Missouri, and Ameren Illinois.

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The following table sets forth, by level within the fair value hierarchy, our assets and liabilities measured at fair value on a recurring basis as of June 30, 2018:

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)	Total
<b>Assets:</b>				
<b>Ameren</b>				
	Derivative assets – commodity contracts <sup>(a)</sup> :			
Fuel oils	\$ 8	\$ —	\$ 5	\$ 13
Natural gas	—	1	1	2
Power	—	—	7	7
Total derivative assets – commodity contracts	\$ 8	\$ 1	\$ 13	\$ 22
	Nuclear decommissioning trust fund:			
	Equity securities:			
U.S. large capitalization	\$ 481	\$ —	\$ —	\$ 481
	Debt securities:			
U.S. Treasury and agency securities	—	118	—	118
Corporate bonds	—	78	—	78
Other	—	31	—	31
Total nuclear decommissioning trust fund	\$ 481	\$ 227	\$ —	\$ 708 <sup>(b)</sup>
Total Ameren	\$ 489	\$ 228	\$ 13	\$ 730
<b>Ameren Missouri</b>				
	Derivative assets – commodity contracts <sup>(a)</sup> :			
Fuel oils	\$ 8	\$ —	\$ 5	\$ 13
Power	—	—	7	7
Total derivative assets – commodity contracts	\$ 8	\$ —	\$ 12	\$ 20
	Nuclear decommissioning trust fund:			
	Equity securities:			
U.S. large capitalization	\$ 481	\$ —	\$ —	\$ 481
	Debt securities:			
U.S. Treasury and agency securities	—	118	—	118
Corporate bonds	—	78	—	78
Other	—	31	—	31
Total nuclear decommissioning trust fund	\$ 481	\$ 227	\$ —	\$ 708 <sup>(b)</sup>
Total Ameren Missouri	\$ 489	\$ 227	\$ 12	\$ 728
<b>Ameren Illinois</b>				
	Derivative assets – commodity contracts <sup>(a)</sup> :			
Natural gas	\$ —	\$ 1	\$ 1	\$ 2
<b>Liabilities:</b>				
<b>Ameren</b>				
	Derivative liabilities – commodity contracts <sup>(a)</sup> :			
Fuel oils	\$ —	\$ —	\$ 1	\$ 1
Natural gas	1	26	5	32
Power	—	—	192	192
Total Ameren	\$ 1	\$ 26	\$ 198	\$ 225
<b>Ameren Missouri</b>				
	Derivative liabilities – commodity contracts <sup>(a)</sup> :			

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	Fuel oils	\$ —	\$ —	\$ 1	\$1
	Natural gas		7	—	7
	Power	—	—	2	2
	Total Ameren Missouri	\$ —	\$ 7	\$ 3	\$10
Ameren Illinois	Derivative liabilities – commodity contracts <sup>(a)</sup> :				
	Natural gas	\$ 1	\$ 19	\$ 5	\$25
	Power	—	—	190	190
	Total Ameren Illinois	\$ 1	\$ 19	\$ 195	\$215

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

(b) Balance excludes \$6 million of cash and cash equivalents, receivables, payables, and accrued income, net.

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The following table sets forth, by level within the fair value hierarchy, our assets and liabilities measured at fair value on a recurring basis as of December 31, 2017:

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)	Total
<b>Assets:</b>				
<b>Ameren</b>				
	Derivative assets – commodity contracts <sup>(a)</sup> :			
Fuel oils	\$ 4	\$ —	\$ 3	\$7
Natural gas	—	—	1	1
Power	—	1	8	9
Total derivative assets – commodity contracts	\$ 4	\$ 1	\$ 12	\$17
	Nuclear decommissioning trust fund:			
	Equity securities:			
U.S. large capitalization	\$ 468	\$ —	\$ —	\$468
	Debt securities:			
U.S. Treasury and agency securities	—	125	—	125
Corporate bonds	—	82	—	82
Other	—	25	—	25
Total nuclear decommissioning trust fund	\$ 468	\$ 232	\$ —	\$700 <sup>(b)</sup>
Total Ameren	\$ 472	\$ 233	\$ 12	\$717
<b>Ameren Missouri</b>				
	Derivative assets – commodity contracts <sup>(a)</sup> :			
Fuel oils	\$ 4	\$ —	\$ 3	\$7
Natural gas	—	—	1	1
Power	—	1	8	9
Total derivative assets – commodity contracts	\$ 4	\$ 1	\$ 12	\$17
	Nuclear decommissioning trust fund:			
	Equity securities:			
U.S. large capitalization	\$ 468	\$ —	\$ —	\$468
	Debt securities:			
U.S. Treasury and agency securities	—	125	—	125
Corporate bonds	—	82	—	82
Other	—	25	—	25
Total nuclear decommissioning trust fund	\$ 468	\$ 232	\$ —	\$700 <sup>(b)</sup>
Total Ameren Missouri	\$ 472	\$ 233	\$ 12	\$717
<b>Liabilities:</b>				
<b>Ameren</b>				
	Derivative liabilities – commodity contracts <sup>(a)</sup> :			
Natural gas	\$ 1	\$ 25	\$ 4	\$30
Power	—	—	196	196
Total Ameren	\$ 1	\$ 25	\$ 200	\$226
<b>Ameren Missouri</b>				
	Derivative liabilities – commodity contracts <sup>(a)</sup> :			
Natural gas	\$ —	\$ 7	\$ 1	\$8
Power	—	—	1	1

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	Total Ameren Missouri	\$ —	\$ 7	\$ 2	\$9
Ameren Illinois	Derivative liabilities – commodity contracts <sup>(a)</sup> :				
	Natural gas	\$ 1	\$ 18	\$ 3	\$22
	Power	—	—	195	195
	Total Ameren Illinois	\$ 1	\$ 18	\$ 198	\$217

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

(b) Balance excludes \$4 million of cash and cash equivalents, receivables, payables, and accrued income, net.

All costs related to financial assets and liabilities classified as Level 3 in the fair value hierarchy are expected to be recoverable through customer rates; therefore, there is no impact to net income resulting from changes in the fair value of these instruments. For the three and six months ended June 30, 2018 and 2017, the balances and changes in the fair value of Level 3 financial assets and liabilities associated with fuel oils and natural gas were immaterial.

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The following table summarizes the changes in the fair value of power financial assets and liabilities classified as Level 3 in the fair value hierarchy:

	Net derivative commodity contracts		
	Ameren Missouri	Ameren Illinois	Ameren
For the three months ended June 30, 2018			
Beginning balance at April 1, 2018	\$ 4	\$ (191 )	\$ (187 )
Realized and unrealized losses included in regulatory assets/liabilities	(1 )	(2 )	(3 )
Purchases	4	—	4
Settlements	(2 )	3	1
Ending balance at June 30, 2018	\$ 5	\$ (190 )	\$ (185 )
Change in unrealized losses related to assets/liabilities held at June 30, 2018	\$ —	\$ (3 )	\$ (3 )
For the three months ended June 30, 2017			
Beginning balance at April 1, 2017	\$ 4	\$ (194 )	\$ (190 )
Realized and unrealized losses included in regulatory assets/liabilities	(1 )	(1 )	(2 )
Purchases	15	—	15
Settlements	(4 )	3	(1 )
Ending balance at June 30, 2017	\$ 14	\$ (192 )	\$ (178 )
Change in unrealized losses related to assets/liabilities held at June 30, 2017	\$ —	\$ (2 )	\$ (2 )
For the six months ended June 30, 2018			
Beginning balance at January 1, 2018	\$ 7	\$ (195 )	\$ (188 )
Realized and unrealized losses included in regulatory assets/liabilities	(3 )	(1 )	(4 )
Purchases	4	—	4
Settlements	(3 )	6	3
Ending balance at June 30, 2018	\$ 5	\$ (190 )	\$ (185 )

Change in unrealized losses related to assets/liabilities held at June 30, 2018	\$	(1 )	\$	(2 )	\$	(3 )
For the six months ended June 30, 2017						
Beginning balance at January 1, 2017	\$	7	\$	(185 )	\$	(178 )
Realized and unrealized losses included in regulatory assets/liabilities		(1 )		(11 )		(12 )
Purchases		15		—		15
Settlements		(7 )		4		(3 )
Ending balance at June 30, 2017	\$	14	\$	(192 )	\$	(178 )
Change in unrealized losses related to assets/liabilities held at June 30, 2017	\$	—	\$	(13 )	\$	(13 )

Transfers into 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. For the three and six months ended June 30, 2018 and 2017, there were no material transfers between Level 1 and Level 2, Level 1 and Level 3, or Level 2 and Level 3 related to derivative commodity contracts.

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The following table describes the valuation techniques and unobservable inputs utilized by the Ameren Companies for the fair value of financial assets and liabilities measured at fair value on a recurring basis and classified as Level 3 in the fair value hierarchy for the periods ended June 30, 2018, and December 31, 2017:

	Fair Value	Assets/Liabilities	Valuation Technique(s)	Unobservable Input	Range	Weighted Average
Level 3 Derivative asset and liability – commodity contracts <sup>(a)</sup> :						
2018						
Fuel oils	\$5	(1)	Option model	Volatilities (%) <sup>(b)</sup>	20 – 34	25
			Discounted cash flow	Counterparty credit risk (%) <sup>(c)(d)</sup>	0.12 – 0.85	0.38
				Ameren Missouri credit risk (%) <sup>(c)(d)</sup>	0.35	(e)
Natural gas	1	(5)	Discounted cash flow	Nodal basis (\$/mmbtu) <sup>(b)</sup>	(1.30) – 0.30	(0.90)
				Counterparty credit risk (%) <sup>(c)(d)</sup>	0.23 – 1	0.81
				Ameren Illinois credit risk (%) <sup>(c)(d)</sup>	0.35	(e)
Power <sup>(f)</sup>	7	(192)	Discounted cash flow	Average forward peak and off-peak pricing – forwards/swaps (\$/MWh) <sup>(g)</sup>	24 – 39	27
				Estimated auction price for FTRs (\$/MW) <sup>(b)</sup>	(898) – 1,180	57
				Nodal basis (\$/MWh) <sup>(g)</sup>	(10) – 0	(2)
				Counterparty credit risk (%) <sup>(c)(d)</sup>	0.91	(e)
				Ameren Illinois credit risk (%) <sup>(c)(d)</sup>	0.35	(e)
			Fundamental energy production model	Estimated future natural gas prices (\$/mmbtu) <sup>(b)</sup>	3	(e)
				Escalation rate (%) <sup>(b)(h)</sup>	4	(e)
			Contract price allocation	Estimated renewable energy credit costs (\$/credit) <sup>(b)</sup>	5 – 7	6
2017						
Fuel oils	\$3	—	Option model	Volatilities (%) <sup>(b)</sup>	20 – 26	22
			Discounted cash flow	Counterparty credit risk (%) <sup>(c)(d)</sup>	0.12 – 0.72	0.41
				Ameren Missouri credit risk (%) <sup>(c)(d)</sup>	0.37	(e)
Natural gas	1	(4)	Option model	Volatilities (%) <sup>(b)</sup>	26 – 46	37
				Nodal basis (\$/mmbtu) <sup>(c)</sup>	(0.50) – (0.30)	(0.40)
			Discounted cash flow	Nodal basis (\$/mmbtu) <sup>(b)</sup>	(1.20) – 0.10	(1)
				Counterparty credit risk (%) <sup>(c)(d)</sup>	0.37 – 0.92	0.53
				Ameren credit risk (%) <sup>(c)(d)</sup>	0.37	(e)
Power <sup>(f)</sup>	8	(196)	Discounted cash flow	Average forward peak and off-peak pricing – forwards/swaps (\$/MWh) <sup>(g)</sup>	24 – 46	28
				Estimated auction price for FTRs (\$/MW) <sup>(b)</sup>	(65) – 1,823	251
				Nodal basis (\$/MWh) <sup>(g)</sup>	(10) – 0	(2)
				Counterparty credit risk (%) <sup>(c)(d)</sup>	0.28	(e)
				Ameren Illinois credit risk (%) <sup>(c)(d)</sup>	0.37	(e)

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Fundamental energy production model	Estimated future natural gas prices (\$/mmbtu) <sup>(b)</sup>	3 – 4	3
	Escalation rate (%) <sup>(b)(h)</sup>	5	(e)
Contract price allocation	Estimated renewable energy credit costs (\$/credit) <sup>(b)</sup>	5 – 7	6

- (a) The derivative asset and liability balances are presented net of counterparty credit considerations.
- (b) Generally, significant increases (decreases) in this input in isolation would result in a significantly higher (lower) fair value measurement.
- (c) Generally, significant increases (decreases) in this input in isolation would result in a significantly lower (higher) fair value measurement.
- (d) Counterparty credit risk is applied only to counterparties with derivative asset balances. Ameren Missouri and Ameren Illinois credit risk is applied only to counterparties with derivative liability balances.
- (e) Not applicable.
- (f) Power valuations use visible third-party pricing evaluated by month for peak and off-peak demand through 2022 for June 30, 2018, and through 2021 for December 31, 2017. Valuations beyond 2022 for June 30, 2018, and 2021 for December 31, 2017, use fundamentally modeled pricing by month for peak and off-peak demand.
- (g) The balance at Ameren is comprised of Ameren Missouri and Ameren Illinois power contracts, which respond differently to unobservable input changes due to their opposing positions.
- (h) Escalation rate applies to power prices in 2031 and beyond.

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The following table sets forth, by level within the fair value hierarchy, the carrying amount and fair value of financial assets and liabilities disclosed, but not carried, at fair value as of June 30, 2018, and December 31, 2017:

	June 30, 2018				Total
	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	
Ameren:					
Cash, cash equivalents, and restricted cash	\$96	\$96	\$ —	—	\$ 96
Investments in held-to-maturity debt securities <sup>(a)</sup>	276	—	276	—	276
Short-term debt	506	—	506	—	506
Long-term debt (including current portion) <sup>(a)</sup>	8,460 <sup>(b)</sup>	—	8,411	438 <sup>(c)</sup>	8,849
Preferred stock <sup>(d)</sup>	142	—	140	—	140
Ameren Missouri:					
Cash, cash equivalents, and restricted cash	\$25	\$25	\$ —	—	\$ 25
Advances to money pool	66	—	66	—	66
Investments in held-to-maturity debt securities <sup>(a)</sup>	276	—	276	—	276
Long-term debt (including current portion) <sup>(a)</sup>	4,202 <sup>(b)</sup>	—	4,544	—	4,544
Preferred stock	80	—	79	—	79
Ameren Illinois:					
Cash, cash equivalents, and restricted cash	\$57	\$57	\$ —	—	\$ 57
Borrowings from money pool	31	—	31	—	31
Long-term debt (including current portion)	3,113 <sup>(b)</sup>	—	3,187	—	3,187
Preferred stock	62	—	61	—	61
December 31, 2017					
Ameren:					
Cash, cash equivalents, and restricted cash	\$68	\$68	\$ —	—	\$ 68
Investments in held-to-maturity debt securities <sup>(a)</sup>	276	—	276	—	276
Short-term debt	484	—	484	—	484
Long-term debt (including current portion) <sup>(a)</sup>	7,933 <sup>(b)</sup>	—	8,531	—	8,531
Preferred stock <sup>(c)</sup>	142	—	131	—	131
Ameren Missouri:					
Cash, cash equivalents, and restricted cash	\$7	\$7	\$ —	—	\$ 7
Investments in held-to-maturity debt securities <sup>(a)</sup>	276	—	276	—	276
Short-term debt	39	—	39	—	39
Long-term debt (including current portion) <sup>(a)</sup>	3,961 <sup>(b)</sup>	—	4,348	—	4,348
Preferred stock	80	—	80	—	80
Ameren Illinois:					
Cash, cash equivalents, and restricted cash	\$41	\$41	\$ —	—	\$ 41
Short-term debt	62	—	62	—	62
Long-term debt (including current portion)	2,830 <sup>(b)</sup>	—	3,028	—	3,028
Preferred stock	62	—	51	—	51

Ameren and Ameren Missouri have investments in industrial revenue bonds, classified as held-to-maturity and recorded in "Other Assets," that are equal to the capital lease obligation for CTs leased from the city of Bowling Green and Audrain County. As of June 30, 2018, and December 31, 2017, the carrying amount of both the investments in industrial revenue bonds and the capital lease obligations approximated fair value.

(a) Included unamortized debt issuance costs, which were excluded from the fair value measurement, of \$56 million, \$23 million, and \$27 million for Ameren, Ameren Missouri, and Ameren Illinois, respectively, as of June 30, 2018. Included unamortized debt issuance costs, which were excluded from the fair value measurement, of \$50 million, \$20 million, and \$24 million for Ameren, Ameren Missouri, and Ameren Illinois, respectively, as of December 31,

2017.

(c) The Level 3 fair value amount consists of ATXI's senior unsecured notes. In the first quarter of 2018, the amount was transferred to Level 3 because inputs to the valuation model became unobservable during the period.

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

**NOTE 8 – RELATED-PARTY TRANSACTIONS**

In the normal course of business, the Ameren Companies engage in affiliate transactions. These transactions primarily consist of natural gas and power purchases and sales, services received or rendered, and borrowings and lendings. Transactions between Ameren's subsidiaries are reported as affiliate transactions on their individual financial statements, but those transactions are eliminated in consolidation for Ameren's consolidated financial statements. For a discussion of our material related-party agreements and money pool arrangements, see Note 13 – Related-party Transactions and Note 4 – Short-term Debt and Liquidity under Part II, Item 8, of the Form 10-K.

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## Electric Power Supply Agreement

In April 2018, Ameren Illinois conducted a procurement event, administered by the IPA, to purchase energy products. Ameren Missouri was among the winning suppliers in this event. As a result, in April 2018, Ameren Missouri and Ameren Illinois entered into an energy product agreement by which Ameren Missouri agreed to sell, and Ameren Illinois agreed to purchase, 110,000 megawatthours at an average price of \$32 per megawatthour during the period of June 2019 through September 2020.

The following table presents the impact on Ameren Missouri and Ameren Illinois of related-party transactions for the three and six months ended June 30, 2018 and 2017:

Agreement	Income Statement Line Item	Three Months		Six Months	
		Ameren Missouri	Ameren Illinois	Ameren Missouri	Ameren Illinois
Ameren Missouri power supply agreements with Ameren Illinois	Operating Revenues	2018	\$3 (a)	\$6	\$(a)
		2017	6 (a)	17	(a)
Ameren Missouri and Ameren Illinois rent and facility services	Operating Revenues	2018	6 1	11	2
		2017	6 1	13	2
Ameren Missouri and Ameren Illinois miscellaneous support services	Operating Revenues	2018	(b) (b)	(b)	(b)
		2017	(b) 1	(b)	1
Total Operating Revenues		2018	\$9 \$ 1	\$17	\$ 2
		2017	12 2	30	3
Ameren Illinois power supply agreements with Ameren Missouri	Purchased Power	2018	\$(a) \$ 3	\$(a)	\$ 6
		2017	(a) 6	(a)	17
Ameren Illinois transmission services with ATXI	Purchased Power	2018	(a) 1	(a)	1
		2017	(a) 1	(a)	1
Total Purchased Power		2018	\$(a) \$ 4	\$(a)	\$ 7
		2017	(a) 7	(a)	18
Ameren Services support services agreement	Other Operations and Maintenance	2018	\$32 \$ 30	\$65	\$ 60
		2017	34 34	69	66
Money pool borrowings (advances)	Interest Charges/ Other Income, Net	2018	\$(b) \$(b)	\$(b)	\$(b)
		2017	(b) (b)	(b)	(b)

(a) Not applicable.

(b) Amount less than \$1 million.

## NOTE 9 – COMMITMENTS AND CONTINGENCIES

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

Reference is made to Note 1 – Summary of Significant Accounting Policies, Note 2 – Rate and Regulatory Matters, Note 13 – Related-party Transactions, and Note 14 – 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 Energy Center of this report.

## Other Obligations

To supply a portion of the fuel requirements of Ameren Missouri's energy centers, Ameren Missouri has entered into various long-term commitments for the procurement of coal, natural gas, nuclear fuel, and methane gas. Ameren Missouri and Ameren Illinois also have entered into various long-term commitments for purchased power and natural gas for distribution. The table below presents our estimated minimum fuel, purchased power, and other commitments for fuel at June 30, 2018. Ameren's and Ameren Illinois' purchased power commitments include the Ameren Illinois agreements entered into as part of the IPA-administered power procurement process. Included in the Other column are

minimum purchase commitments under contracts for equipment, design and construction, and meter reading services, among other agreements, at June 30, 2018.

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	Coal	Natural Gas <sup>(a)</sup>	Nuclear Fuel	Purchased Power <sup>(b)(c)</sup>	Methane Gas	Other	Total
Ameren: <sup>(d)</sup>							
2018	\$181	\$148	\$51	\$130	\$2	\$56	\$568
2019	246	210	27				