AMEREN CORP
Form 10-K
February 26, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(X) Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2015.

OR

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

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

Securities Registered Pursuant to Section 12(b) of the Act:

The following security is registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 and is listed on the New York Stock Exchange:

Registrant	Title of each class
Ameren Corporation	Common Stock, $0.01 par value per share

Securities Registered Pursuant to Section 12(g) of the Act:

Registrant	Title of each class
Union Electric Company	Preferred Stock, cumulative, no par value, stated value $100 per share
	Preferred Stock, cumulative, $100 par value per share
Ameren Illinois Company	Depositary Shares, each representing one-fourth of a share of 6.625% Preferred Stock, cumulative, $100 par value per share

Indicate by checkmark if each registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Ameren Corporation	Yes	(X)	No	( )

Union Electric Company	Yes	( )	No	(X)
Ameren Illinois Company	Yes	(X)	No	( )

Indicate by checkmark if each registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Ameren Corporation	Yes	( )	No	(X)
Union Electric Company	Yes	( )	No	(X)
Ameren Illinois Company	Yes	( )	No	(X)

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

Ameren Corporation	Yes	(X)	No	( )
Union Electric Company	Yes	(X)	No	( )
Ameren Illinois Company	Yes	(X)	No	( )

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

Ameren Corporation	Yes	(X)	No	( )
Union Electric Company	Yes	(X)	No	( )
Ameren Illinois Company	Yes	(X)	No	( )

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of each registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Ameren Corporation	(X)
Union Electric Company	(X)
Ameren Illinois Company	(X)

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

	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company
Ameren Corporation	(X)	( )	( )	( )
Union Electric Company	( )	( )	(X)	( )
Ameren Illinois Company	( )	( )	(X)	( )

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

Ameren Corporation	Yes	( )	No	(X)
Union Electric Company	Yes	( )	No	(X)
Ameren Illinois Company	Yes	( )	No	(X)

As of June 30, 2015, Ameren Corporation had 242,634,798 shares of its $0.01 par value common stock outstanding. The aggregate market value of these shares of common stock (based upon the closing price of the common stock on the New York Stock Exchange on June 30, 2015) held by nonaffiliates was $9,142,479,189. The shares of common stock of the other registrants were held by Ameren Corporation as of June 30, 2015.

The number of shares outstanding of each registrant's classes of common stock as of January 29, 2016, was as follows:

Ameren Corporation	Common stock, $0.01 par value per share: 242,634,798
Union Electric Company	Common stock, $5 par value per share, held by Ameren Corporation (parent company of the registrant): 102,123,834

Ameren Illinois Company	Common stock, no par value, held by Ameren Corporation (parent company of the registrant): 25,452,373

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement of Ameren Corporation and portions of the definitive information statements of Union Electric Company and Ameren Illinois Company for the 2016 annual meetings of shareholders are incorporated by reference into Part III of this Form 10-K.

This combined Form 10-K 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 annual report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

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

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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.

2006 Incentive Plan - The 2006 Omnibus Incentive Compensation Plan provides for compensatory stock-based awards to eligible employees and directors. The 2006 Omnibus Incentive Compensation Plan was replaced prospectively for new grants by the 2014 Incentive Plan.

2014 Incentive Plan - The 2014 Omnibus Incentive Compensation Plan, which became effective in April 2014 and provides for compensatory stock-based awards to eligible employees and directors.

AER - Ameren Energy Resources Company, LLC, a former Ameren Corporation subsidiary that consisted of non-rate-regulated operations. In December 2013, AER contributed substantially all of its assets and liabilities, including its ownership interests in Genco, AERG, and Marketing Company, to New AER. Medina Valley was distributed from AER to Ameren in March 2013.

AERG - Ameren Energy Resources Generating Company, a former AER subsidiary that operated a merchant electric generation business in Illinois. In December 2013, AERG was included in the divestiture of New AER to IPH. Following the New AER divestiture, AERG became Illinois Power Resources Generating, LLC.

Ameren - Ameren Corporation and its subsidiaries on a consolidated basis. In references to financing activities, acquisition activities, or liquidity arrangements, Ameren is defined as Ameren Corporation, the parent.

Ameren Companies - Ameren Corporation, Ameren Missouri, and Ameren Illinois, collectively, which are individual registrants within the Ameren consolidated group.

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

Ameren Illinois Merger - In 2010, CILCO and IP merged with and into CIPS, with the surviving corporation renamed Ameren Illinois Company.

Ameren Missouri or AMO - Union Electric Company, an Ameren Corporation subsidiary that operates a rate-regulated electric generation, transmission and distribution business and a rate-regulated natural gas transmission and distribution business in Missouri, doing business as Ameren Missouri. Ameren Missouri is also defined as a financial reporting segment.

Ameren Services - Ameren Services Company, an Ameren Corporation subsidiary that provides support services to Ameren and its subsidiaries.

AMIL - The MISO balancing authority area operated by Ameren, which includes the load of Ameren Illinois and ATXI.

AMMO - The MISO balancing authority area operated by Ameren, which includes the load and energy centers of Ameren Missouri.

ARO - Asset retirement obligations.

ATXI - Ameren Transmission Company of Illinois, an Ameren Corporation subsidiary that is engaged in the construction and

operation of electric transmission assets.

Baseload - The minimum amount of electric power delivered or required over a given period of time at a steady rate.

Btu - British thermal unit, a standard unit for measuring the quantity of heat energy required to raise the temperature of one pound of water by one degree Fahrenheit.

CCR - Coal combustion residuals, which include fly ash, bottom ash, boiler slag and flue gas desulfurization materials generated from burning coal to generate electricity.

CILCO - Central Illinois Light Company, a former Ameren Corporation subsidiary that operated rate-regulated electric and natural gas transmission and distribution businesses in Illinois, before the Ameren Illinois Merger.

CIPS - Central Illinois Public Service Company, an Ameren Corporation subsidiary, renamed Ameren Illinois Company upon the effectiveness of the Ameren Illinois Merger, which operates rate-regulated electric and natural gas

transmission and distribution businesses in Illinois.

Clean Power Plan - “Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units,” an EPA rule that establishes emission guidelines for states to follow in developing plans to reduce CO_2 emissions from existing fossil fuel-fired electric generating units.

CO_2 - Carbon dioxide.

COL - Nuclear energy center combined construction and operating license.

Cooling degree-days - The summation of positive differences between the average daily temperature and a 65-degree Fahrenheit base. This statistic is useful as an indicator of electricity demand by residential and commercial customers for summer cooling.

Credit Agreements - The Illinois Credit Agreement and the Missouri Credit Agreement, collectively.

CSAPR - Cross-State Air Pollution Rule, an EPA rule that requires states that contribute to air pollution in down-wind states to limit air emissions from fossil fuel-fired electric generating units.

CT - Combustion turbine used primarily for peaking electric generation capacity.

Dekatherm - A standard unit of energy equivalent to one million Btus.

DOE - Department of Energy, a United States government agency.

DRPlus - Ameren Corporation’s dividend reinvestment and direct stock purchase plan.

Dynegy - Dynegy Inc.

EEI - Electric Energy, Inc., a former 80%-owned Genco subsidiary that operated merchant electric generation energy centers and FERC-regulated transmission facilities in Illinois. In December 2013, Genco's ownership interest in EEI was included in the divestiture of New AER to IPH.

EPA - Environmental Protection Agency, a United States government agency.

ERISA - Employee Retirement Income Security Act of 1974, as

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amended.
Exchange Act - Securities Exchange Act of 1934, as amended.
FAC - Fuel adjustment clause, a fuel and purchased power cost recovery mechanism that allows Ameren Missouri to recover or refund through customer rates 95% of changes in net energy costs greater or less than the amount set in base rates without a traditional rate proceeding, subject to MoPSC prudence reviews.
FASB - Financial Accounting Standards Board, a rulemaking organization that establishes financial accounting and reporting standards in the United States.
FERC - Federal Energy Regulatory Commission, a United States government agency.
FTRs - Financial transmission rights, financial instruments that specify whether the holder shall pay or receive compensation for certain congestion-related transmission charges between two designated points.
GAAP - Generally accepted accounting principles in the United States.
Genco - Ameren Energy Generating Company, a former AER subsidiary that operated a merchant electric generation business in Illinois and held an 80% ownership interest in EEI. In December 2013, Genco was included in the divestiture of New AER to IPH. Following the New AER divestiture, Genco became Illinois Power Generating Company.
Heating degree-days - The summation of negative differences between the average daily temperature and a 65-degree Fahrenheit base. This statistic is useful as an indicator of demand for electricity and natural gas for winter heating by residential and commercial customers.
IBEW - International Brotherhood of Electrical Workers, a labor union.
ICC - Illinois Commerce Commission, a state agency that regulates Illinois utility businesses, including Ameren Illinois and ATXI.
IEIMA - Illinois Energy Infrastructure Modernization Act, an Illinois law that established a performance-based formula process for determining electric delivery service rates. By its election to participate in this regulatory framework, Ameren Illinois is required to make incremental capital expenditures to modernize its electric distribution system, meet performance standards, and create jobs in Illinois, among other requirements.
Illinois Credit Agreement - Ameren's and Ameren Illinois' $1.1 billion multiyear senior unsecured credit agreement. The agreement was amended and restated in December 2014 and is currently scheduled to expire on December 11, 2019.
IP - Illinois Power Company, a former Ameren Corporation subsidiary that operated rate-regulated electric and natural gas transmission and distribution businesses in Illinois, before the Ameren Illinois Merger.
IPA - Illinois Power Agency, a state government agency that has broad authority to assist in the procurement of electric power for residential and small commercial customers.
IPH - Illinois Power Holdings, LLC, an indirect wholly owned subsidiary of Dynegy.
IRS - Internal Revenue Service, a United States government agency.
ISRS - Infrastructure system replacement surcharge, which is a cost recovery mechanism that allows Ameren Missouri to recover natural gas infrastructure replacement costs from utility

customers without a traditional rate proceeding.
IUOE - International Union of Operating Engineers, a labor union.
Kilowatthour - A measure of electricity consumption equivalent to the use of 1,000 watts of power over one hour.
LIUNA - Laborers’ International Union of North America, a labor union.
Marketing Company - Ameren Energy Marketing Company, a former AER subsidiary that marketed power for Genco, AERG, and EEI. Marketing Company was included in the divestiture of New AER to IPH in December 2013. Following the New AER divestiture, Marketing Company became Illinois Power Marketing Company.
MATS - Mercury and Air Toxics Standards, an EPA rule that limits emission of mercury and other air toxics from coal and oil-fired electric generating units.
Medina Valley - AmerenEnergy Medina Valley Cogen, LLC, an Ameren Corporation subsidiary. This company was distributed from AER to Ameren in March 2013.

MEEIA - Missouri Energy Efficiency Investment Act, a Missouri law that allows electric utilities to recover costs related to MoPSC-approved customer energy efficiency programs.
Megawatthour or MWh - One thousand kilowatthours.
Merchant Generation - A former financial reporting segment that, prior to the divestiture of New AER to IPH in December 2013, consisted primarily of the operations of AER, including Genco, AERG, Marketing Company and, through March 2013, Medina Valley.
MGP - Manufactured gas plant.
MISO - Midcontinent Independent System Operator, Inc., an RTO.
Missouri Credit Agreement - Ameren's and Ameren Missouri's $1 billion multiyear senior unsecured credit agreement. The agreement was amended and restated in December 2014 and is currently scheduled to expire on December 11, 2019.
Missouri Environmental Authority - Environmental Improvement and Energy Resources Authority of the state of Missouri, a governmental body authorized to finance environmental projects by issuing tax-exempt bonds and notes.
Mmbtu - One million Btus.
Money pool - Borrowing agreements among Ameren and its subsidiaries to coordinate and provide for certain short-term cash and working capital requirements.
Moody’s - Moody’s Investors Service Inc., a credit rating agency.
MoPSC - Missouri Public Service Commission, a state agency that regulates Missouri utility businesses, including Ameren Missouri.
MTM - Mark-to-market.
MW - Megawatt.
Native load - End-use retail customers whom we are obligated to serve by statute, franchise, contract, or other regulatory requirement.
NEIL - Nuclear Electric Insurance Limited, which includes all of its affiliated companies.
NERC - North American Electric Reliability Corporation.
Net energy costs - Net energy costs, as defined in the FAC, include fuel and purchased power costs, including transportation, net of off-system sales. As of May 30, 2015, transmission revenues and substantially all transmission charges are excluded from net energy costs as a result of the April 2015 MoPSC

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electric rate order.
Net shared benefits - Ameren Missouri's share of the present value of lifetime energy savings, net of program costs, designed to offset sales volume reductions resulting from Ameren Missouri's customer energy efficiency programs. This recovery mechanism was applicable to the MEEIA plan for 2013 through 2015.
New AER - New Ameren Energy Resources Company, LLC, a limited liability company formed as a direct wholly owned subsidiary of AER. New AER, acquired by IPH in December 2013, included substantially all of the assets and liabilities of AER, except for certain assets and liabilities retained by Ameren. Following the New AER divestiture, New AER became Illinois Power Resources, LLC.
NO_x - Nitrogen oxides.
Noranda - Noranda Aluminum, Inc.
NPNS - Normal purchases and normal sales.
NRC - Nuclear Regulatory Commission, a United States government agency.
NSPS - New Source Performance Standards, provisions under the Clean Air Act.
NSR - New Source Review provisions of the Clean Air Act, which include Nonattainment New Source Review and Prevention of Significant Deterioration regulations.
NWPA - Nuclear Waste Policy Act of 1982, as amended.
NYMEX - New York Mercantile Exchange.
NYSE - New York Stock Exchange, Inc.
OATT - Open Access Transmission Tariff.
OCI - Other comprehensive income (loss) as defined by GAAP.
Off-system sales revenues - Revenues from other than native load sales, including wholesale sales.
OTC - Over-the-counter.
PGA - Purchased Gas Adjustment tariffs, which permit prudently incurred natural gas costs to be recovered directly from utility customers without a traditional rate proceeding.
PUHCA 2005 - The Public Utility Holding Company Act of 2005.
QIP - Qualifying infrastructure plant. Costs of qualifying infrastructure natural gas plant that is included in an Ameren Illinois recovery mechanism.
Rate base - The net value of property on which a public utility is permitted to earn an allowed rate of return.
Regulatory lag - The exposure to differences in costs incurred and actual sales volume levels as compared with the associated amounts included in customer rates. Rate increase requests in traditional rate case proceedings can take up to 11 months to be acted upon by the MoPSC and the ICC. As a result, revenue

increases authorized by regulators will lag behind changing costs and sales volume levels when based on historical periods.
Revenue requirement - The cost of providing utility service to customers, which is calculated as the sum of a utility's recoverable operating and maintenance expenses, depreciation and amortization expense, taxes, and an allowed return on investment.
RFP - Request for proposal.
Rockland Capital - Rockland Capital, LLC, together with the special purpose entity affiliated with, and formed by, Rockland Capital, LLC, that acquired the Elgin, Gibson City, and Grand Tower gas-fired energy centers in January 2014.
RTO - Regional transmission organization.
S&P - Standard & Poor’s Ratings Services, a credit rating agency.
SEC - Securities and Exchange Commission, a United States government agency.
SERC - SERC Reliability Corporation, one of the regional electric reliability councils organized for coordinating the planning and operation of the nation’s bulk power supply.
SO_2 - Sulfur dioxide.
Test year - The selected period of time, typically a 12-month period, for which a utility's historical or forecasted operating results are used to determine the appropriate revenue requirement.

Throughput disincentive - Ameren Missouri's reduced margin caused by the current period's lower sales volume resulting from MEEIA customer energy efficiency programs. Recovery of this disincentive is designed to make Ameren Missouri earnings neutral each period from the lost margins caused by its current MEEIA customer energy efficiency programs. This recovery mechanism is applicable to the MEEIA plan from March 2016 through February 2019.

UA - United Association of Plumbers and Pipefitters, a labor union.

VBA - A volume balancing adjustment for Ameren Illinois' natural gas operations. As a result of this adjustment, revenues from residential and small nonresidential customers will increase or decrease as billing determinants differ from filed amounts. This adjustment ensures that changes in sales volumes, including deviations from normal weather conditions, do not result in an over- or under-collection of natural gas revenues for these rate classes.

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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, and elsewhere in this report and in our other filings with the SEC, could cause actual results to differ materially from management expectations suggested in such forward-looking statements:

- regulatory, judicial, or legislative actions, including changes in regulatory policies and ratemaking determinations, that may result from the complaint cases filed with the FERC seeking a reduction in the allowed base return on common equity under the MISO tariff, Ameren Missouri's appeal of the method and inputs used to calculate its performance incentive under MEEIA for 2014 and 2015, and future regulatory, judicial, or legislative actions designed to change regulatory recovery mechanisms;
- the effect of Ameren Illinois participating in a performance-based formula ratemaking process under the IEIMA, including the direct relationship between Ameren Illinois' return on common equity and 30-year United States Treasury bond yields, the related financial commitments required by the IEIMA, and the resulting uncertain impact on Ameren Illinois' results of operations, financial position, and liquidity;
- our ability to align our overall spending, both operating and capital, with regulatory frameworks established by our regulators in an attempt to earn our allowed return on equity;
- the effects of changes in laws and other governmental actions, including monetary, fiscal, tax, and energy policies;
- the effects of changes in federal, state, or local tax laws, regulations, interpretations, or rates 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 distributed generation sources, which generate electricity at the site of consumption and are becoming more cost-competitive;
- the effectiveness of Ameren Missouri's customer energy efficiency programs and the related amount of any revenues and performance incentive earned under the MEEIA plans approved in August 2012 and February 2016 and under any future approved MEEIA plan;
- the timing of increasing capital expenditure and operating expense requirements and our ability to recover these costs in a timely manner;
- the cost and availability of fuel such as coal, natural gas, and enriched uranium used to produce electricity; the cost and availability of purchased power and natural gas for distribution; and the level and volatility of future market prices for such commodities, including our ability to recover the costs for such commodities and our customers' tolerance for the related rate increases;
- 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 ultra-low-sulfur coal used for Ameren Missouri’s compliance with environmental regulations;
- the effectiveness of our risk management strategies and our use of financial and derivative instruments;
- the ability to obtain sufficient insurance, including insurance relating to Ameren Missouri’s Callaway energy center and insurance for cyber attacks or, in the absence of insurance, the ability to recover uninsured losses from customers;
- business and economic conditions, including their impact on key customers, interest rates, collection of our receivable balances, and demand for our products;
- Noranda's bankruptcy filing, the expected curtailment of operations at its aluminum smelter located in southeast Missouri, and the resulting impacts to Ameren Missouri's ability to recover its revenue requirement;

revisions to Ameren Missouri’s long-term power supply agreement with Noranda, including Ameren Missouri’s notification to terminate the agreement effective June 1, 2020, and Ameren Missouri’s decision as to whether to seek MoPSC approval to cease providing electricity to Noranda thereafter;

- disruptions of the capital markets, deterioration in credit metrics of the Ameren Companies, or other events that may have an adverse effect on the cost or availability of capital, including short-term credit and liquidity;
- the impact of the adoption of new accounting guidance and the application of appropriate technical accounting rules and guidance;
- actions of credit rating agencies and the effects of such actions;
- the impact of weather conditions and other natural phenomena on us and our customers, including the impact of system outages;
- the construction, installation, performance, and cost recovery of generation, transmission, and distribution assets;
- the effects of breakdowns or failures of equipment in the operation of natural gas distribution and transmission 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 and the uncertainty as to whether we will achieve our expected returns in a timely fashion;
- operation of Ameren Missouri's Callaway energy center, including planned and unplanned outages, and decommissioning costs;
- the effects of strategic initiatives, including mergers, acquisitions, and divestitures, and any related tax

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implications;
- the impact of current environmental regulations and new, more stringent, or changing requirements, including those related to CO_2, other emissions and discharges, cooling water intake structures, CCR, and energy efficiency, that are enacted over time and that could limit or terminate the operation of certain of our energy centers, increase our costs or investment requirements, result in an impairment of our assets, cause us to sell our assets, reduce our customers' demand for electricity or natural gas, or otherwise have a negative financial effect;
- the impact of complying with renewable energy portfolio requirements in Missouri;
- labor disputes, work force reductions, future wage and employee benefits costs, including changes in discount rates, mortality tables, and returns on benefit plan assets;
- the inability of our counterparties to meet their obligations with respect to contracts, credit agreements, and financial instruments;
- the cost and availability of transmission capacity for the energy generated by Ameren Missouri's energy centers or required to satisfy Ameren Missouri's energy sales;
- legal and administrative proceedings;
- the impact of cyber attacks, which could 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 utility customer data and account information; and
- acts of sabotage, war, terrorism, or other intentionally disruptive acts.

New factors emerge from time to time; it is not possible for management to predict all 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

ITEM 1. BUSINESS

GENERAL

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005. Ameren was formed in 1997 by the merger of Ameren Missouri and CIPSCO Inc., which was the parent company of CIPS. Ameren acquired CILCORP Inc., which was the parent company of CILCO, in 2003 and IP in 2004. CIPS, CILCO, and IP were merged to form Ameren Illinois in 2010. Ameren’s primary assets are its equity interests in its subsidiaries, including Ameren Missouri and Ameren Illinois. Ameren’s subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. Dividends on Ameren’s common stock and the payment of expenses by Ameren depend on distributions made to it by its subsidiaries.

Below is a summary description of Ameren Missouri and Ameren Illinois. A more detailed description can be found in Note 1 – Summary of Significant Accounting Policies under Part II, Item 8, of this report.

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

Ameren has various other subsidiaries that conduct activities such as the provision of shared services. Ameren also has a subsidiary, ATXI, that operates a FERC rate-regulated electric transmission business. ATXI is developing MISO-approved electric transmission projects, including the Illinois

Rivers, Spoon River, and Mark Twain projects. Ameren is also pursuing projects to improve electric transmission system reliability within Ameren Missouri's and Ameren Illinois' service territories as well as competitive electric transmission investment opportunities outside of these territories, including investments outside of MISO.

In December 2013, Ameren completed the divestiture of New AER to IPH. In January 2014, Medina Valley completed its sale of the Elgin, Gibson City, and Grand Tower gas-fired energy centers to Rockland Capital. In addition, in 2013, Ameren abandoned the Meredosia and Hutsonville energy centers upon the completion of the divestiture of New AER to IPH. Ameren is demolishing the Hutsonville energy center and expects to demolish the Meredosia energy center beginning in 2016. As a result of these events, Ameren has segregated the operating results, assets, and liabilities for New AER and for the Elgin, Gibson City, Grand Tower, Meredosia, and Hutsonville energy centers and presented them separately as discontinued operations for all periods presented in this report. Unless otherwise stated, the following information presented in Part I, Item 1, of this report excludes discontinued operations for all periods presented. See Note 16 – Divestiture Transactions and Discontinued Operations under Part II, Item 8, of this report for additional information.

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The following table presents our total employees at December 31, 2015:

Ameren Missouri	3,773
Ameren Illinois	3,305
Ameren Services	1,449
Ameren	8,527

At December 31, 2015, the IBEW, the IUOE, the LIUNA, and the UA labor unions collectively represented about 54% of Ameren's total employees. They represented 63% and 59% of the employees at Ameren Missouri and Ameren Illinois, respectively. The collective bargaining agreements have terms ranging from two to six years and expire between 2016 and 2018.

For additional information about the development of our businesses, our business operations, and factors affecting our operations and financial position, see Management's Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report and Note 1 – Summary of Significant Accounting Policies under Part II, Item 8, of this report.

BUSINESS SEGMENTS

Ameren has two reportable segments: Ameren Missouri and Ameren Illinois. Ameren Missouri and Ameren Illinois each have one reportable segment. The Ameren Missouri segment for both Ameren and Ameren Missouri includes all the operations of Ameren Missouri. The Ameren Illinois segment for both Ameren and Ameren Illinois consists of all of the operations of Ameren Illinois. See Note 1 – Summary of Significant Accounting Policies and Note 17 – Segment Information under Part II, Item 8, of this report for additional information on reporting segments.

RATES AND REGULATION

Rates

The rates that Ameren Missouri, Ameren Illinois, and ATXI are allowed to charge for their utility services significantly influence the results of operations, financial position, and liquidity of these companies and Ameren. The electric and natural gas utility industry is highly regulated. The utility rates charged to customers are determined by governmental entities, including the MoPSC, the ICC, and the FERC. Decisions by these entities are influenced by many factors, including the cost of providing service, the prudency of expenditures, the quality of service, regulatory staff knowledge and experience, customer intervention, and economic conditions, as well as social and political views. Decisions made by these governmental entities regarding rates are largely outside of our control. These decisions, as well as the regulatory lag involved in filing and getting new rates approved, could have a material adverse effect on the results of operations, financial position, and liquidity of the Ameren Companies. The extent of the regulatory lag varies for each of Ameren's electric and natural gas jurisdictions, with the FERC-regulated electric transmission and Illinois electric distribution jurisdictions experiencing the least amount of regulatory lag. Depending on the jurisdiction, the effects of regulatory lag are mitigated through a variety of means, including the use of a future test year, the implementation of trackers and riders, the level and timing of expenditures, and by regulatory frameworks that include annual revenue requirement reconciliations.

The MoPSC regulates rates and other matters for Ameren Missouri. The ICC regulates rates and other matters for Ameren Illinois, as well as non-rate utility matters for ATXI. ATXI does not have retail distribution customers; therefore, the ICC does not have authority to regulate its rates. The FERC regulates Ameren Missouri's, Ameren Illinois', and ATXI's cost-based rates for the wholesale distribution and transmission of energy in interstate commerce and various other matters discussed below under General Regulatory Matters.

The following table summarizes, by rate jurisdiction, the key terms of the rate orders in effect for customer billings for each of Ameren's rate-regulated utilities as of January 1, 2016:

	Regulator	Allowed Return on Equity	Percent of Common Equity	Rate Base (in billions)	Portion of Ameren's 2015 Operating

					Revenues[a]
Ameren Missouri					
Electric service[b][c]	MoPSC	9.53%	51.8%	$7.0	56%
Natural gas delivery service[d]	MoPSC	(d)	52.9%	$0.2	2%
Ameren Illinois					
Electric distribution delivery service[e]	ICC	9.14%	50.0%	$2.5	25%
Natural gas delivery service[f]	ICC	9.60%	50.0%	$1.2	13%
Electric transmission delivery service[g]	FERC	12.38%	51.9%	$1.2	3%
ATXI					
Electric transmission delivery service[g]	FERC	12.38%	56.1%	$0.9	1%

(a) Includes pass-through costs recovered from customers, such as purchased power for electric distribution delivery service and gas purchased for resale for natural gas delivery service, and intercompany eliminations.

(b) Ameren Missouri's electric generation, transmission, and delivery service rates are bundled together and charged to retail customers under a combined electric service rate.

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(c) Based on the MoPSC's April 2015 rate order.

(d) Based on the MoPSC's January 2011 rate order. This rate order did not specify the allowed return on equity. It includes the impacts on rate base and operating revenues relating to the ISRS for investments after the January 2011 rate order.

(e) Based on the ICC's December 2015 rate order. Ameren Illinois electric distribution delivery service rates are updated annually and become effective each January. The December 2015 rate order was based on 2014 recoverable costs, expected net plant additions for 2015, and the monthly yields during 2014 of the 30-year United States Treasury bonds plus 580 basis points. Ameren Illinois' 2016 electric distribution delivery service revenues will be based on its 2016 actual recoverable costs, rate base, and return on common equity, as calculated under the IEIMA's performance-based formula ratemaking framework.

(f) Based on the ICC's December 2015 rate order. The rate order was based on a 2016 future test year and established the VBA.

(g) Transmission rates are updated annually and become effective each January. They are determined by a company-specific, forward-looking rate formula based on each year's forecasted information. The 12.38% return is the subject of two FERC complaint proceedings that are challenging the allowed return on common equity for MISO transmission owners and would require customer refunds to be issued.

Ameren Missouri

Electric

Ameren Missouri’s electric operating revenues are subject to regulation by the MoPSC. If certain criteria are met, Ameren Missouri’s electric rates may be adjusted without a traditional rate proceeding. For example, all of Ameren Missouri's MEEIA customer energy efficiency program costs, net shared benefits or throughput disincentive, and any performance incentive, are recoverable through a rider that may be adjusted without a traditional rate proceeding. Likewise, the FAC permits Ameren Missouri to recover or refund, through customer rates, 95% of changes in net energy costs greater than or less than the amount set in base rates without a traditional rate proceeding, subject to MoPSC prudence reviews. Net energy costs, as defined in the FAC, include fuel and purchased power costs, including transportation, net of off-system sales. As of May 30, 2015, transmission revenues and substantially all transmission charges are excluded from net energy costs as a result of the April 2015 MoPSC electric rate order. Under certain conditions, a provision of the FAC allows Ameren Missouri to retain a portion of the revenues from any off-system sales it makes as a result of reduced sales to Noranda.

In addition to the FAC and the MEEIA recovery mechanisms, Ameren Missouri employs other cost recovery mechanisms, including a pension and postretirement benefit cost tracker, an uncertain tax position tracker, a renewable energy standards cost tracker, and a solar rebate program tracker. Each of these trackers allows Ameren Missouri to record the difference between the level of incurred costs under GAAP and the level of such costs included in rates as a regulatory asset or regulatory liability, which will be included in base rates in a future MoPSC rate order.

Ameren Missouri is a member of MISO, and its transmission rate is calculated in accordance with the MISO OATT. The FERC regulates the rates charged and the terms and conditions for electric transmission delivery service. The transmission rate is updated each June based on Ameren Missouri’s filings with the FERC. This rate is not directly charged to Missouri retail customers because, in Missouri, the MoPSC includes transmission-related costs and revenues in bundled retail rates.

Natural Gas

Ameren Missouri’s natural gas operating revenues are subject to regulation by the MoPSC. If certain criteria are met, Ameren Missouri’s natural gas rates may be adjusted without a traditional rate proceeding. PGA clauses permit prudently incurred natural gas supply costs to be passed directly to customers. The ISRS also permits certain prudently incurred natural gas infrastructure replacement costs to be recovered from customers on a more timely basis between rate cases. The return on equity currently used by Ameren Missouri for purposes of the ISRS tariff is 10%.

Ameren Illinois

Electric

Ameren Illinois' electric distribution delivery service operating revenues are regulated by the ICC, while its electric transmission delivery service operating revenues are regulated by the FERC. In 2015, Ameren Illinois' electric distribution delivery service accounted for 91% of its total electric operating revenues. The remainder related to electric transmission delivery service.

Ameren Illinois participates in the performance-based formula ratemaking process established pursuant to the IEIMA. The IEIMA was designed to provide for the recovery of actual costs of electric delivery service that are prudently incurred and to reflect the utility's actual regulated capital structure through a formula for calculating the return on equity component of the cost of capital. The return on equity component of the formula rate is equal to the average for the calendar year of the monthly yields of the 30-year United States Treasury bonds plus 580 basis points. Ameren Illinois' actual return on equity relating to electric delivery service is subject to a collar adjustment on earnings in excess of 50 basis points greater or less than its allowed return. The IEIMA provides for an annual reconciliation of the revenue requirement necessary to reflect the actual costs incurred in a given year with the revenue requirement included in customer rates for that year, including an allowed return on equity. This annual revenue requirement reconciliation adjustment, along with the collar adjustment, if necessary, will be collected from or refunded to customers within the next two years.

Ameren Illinois is also subject to performance standards under the IEIMA. Failure to achieve the standards would result in a reduction in the company's allowed return on equity calculated under the formula. The performance standards include improvements in service reliability to reduce both the frequency

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and duration of outages, reduction in the number of estimated bills, reduction of consumption on inactive meters, and a reduction in uncollectible accounts expense. The IEIMA provides for return on equity penalties totaling up to 34 basis points in 2016 through 2018 and 38 basis points in 2019 through 2022 if the performance standards are not met. The current formula ratemaking process is effective until the end of 2019, with a further extension possible through 2022.

Under the IEIMA, Ameren Illinois is also subject to capital spending levels. Between 2012 and 2021, Ameren Illinois is required to invest $625 million incremental to its average electric delivery service capital project investments of $228 million for calendar years 2008 through 2010, on capital projects to modernize its distribution system. Through 2015, Ameren Illinois has invested $277 million in IEIMA capital projects toward its $625 million requirement. As required by the IEIMA, Ameren Illinois met the job creation requirements during the peak program year.

Ameren Illinois employs cost recovery mechanisms for power procurement, customer energy efficiency programs, certain environmental costs, and bad debt expense not recovered in base rates. Ameren Illinois also has a tariff rider to recover the costs of certain asbestos-related claims.

Ameren Illinois is a member of MISO and its transmission rate is calculated in accordance with the MISO OATT. Currently, the FERC-allowed return on common equity in the ratemaking formula for MISO transmission owners is 12.38%. However, the 12.38% return is subject to a November 2013 complaint case and a February 2015 complaint case that challenge the allowed return on common equity for MISO transmission owners. In December 2015, an administrative law judge issued an initial decision in the November 2013 complaint case that would lower the allowed base return on common equity to 10.32% and would require customer refunds to be issued for the 15-month period ending in February 2015. Ameren Illinois has received FERC approval to use a company-specific, forward-looking rate formula framework in setting its transmission rates. These forward-looking rates are updated each January with forecasted information. A reconciliation during the year, which adjusts for the actual revenue requirement and actual sales volumes, is used to adjust billing rates in a subsequent year. In Illinois, the AMIL pricing zone transmission rate is charged directly to wholesale customers and to alternative retail electric suppliers, which serve unbundled retail load. The AMIL pricing zone transmission rate and other MISO-related costs are collected through a rider mechanism in Ameren Illinois' retail distribution tariffs from retail customers who have not chosen an alternative retail electric supplier.

Natural Gas

Ameren Illinois’ natural gas operating revenues are subject to regulation by the ICC. In December 2015, the ICC issued a rate order that approved an increase in revenues for Ameren Illinois' natural gas delivery service that was based on a 2016 future test year. In addition, the rate order approved the VBA for

residential and small nonresidential customers. If certain criteria are met, then Ameren Illinois’ natural gas rates may be adjusted without a traditional rate proceeding. PGA clauses permit prudently incurred natural gas costs to be passed directly to customers. Also, Ameren Illinois employs cost recovery mechanisms for customer energy efficiency programs, certain environmental costs, and bad debt expenses not recovered in base rates.

In July 2013, a state law was enacted, which encourages Illinois natural gas utilities to accelerate modernization of the state's natural gas infrastructure. The law allows natural gas utilities to file for a QIP rider. A QIP rider allows a surcharge to be added to customers' bills to recover depreciation expenses and to earn a return on qualifying natural gas investments that were not previously included in base rates. Recovery begins two months after the natural gas investments are placed in service and continues until the investments are included in base rates in a future natural gas rate order. Ameren Illinois received ICC approval for its QIP rider in January 2015 and subsequently began including qualified investments and recording revenue under this regulatory framework.

ATXI

ATXI is a member of MISO, and its transmission rate is calculated in accordance with the MISO OATT. Accordingly, like Ameren Illinois, ATXI's transmission rate is subject to the November 2013 and February 2015 complaint cases that challenge the allowed return on common equity for MISO transmission owners. ATXI has received FERC approval to use a company-specific, forward-looking rate formula framework in setting its transmission rates. These forward-looking rates are updated each January with forecasted information. A reconciliation during the year, which

adjusts for the actual revenue requirement and actual sales volumes, is used to adjust billing rates in a subsequent year. Additionally, the FERC has approved transmission rate incentives relating to the three MISO-approved multi-value projects discussed below, which allow construction work in progress to be included in rate base, thereby improving the timeliness of cash recovery.

The three MISO-approved multi-value projects being developed by ATXI are the Illinois Rivers, Spoon River, and Mark Twain projects. The first project, Illinois Rivers, involves the construction of a 345-kilovolt line from western Indiana across the state of Illinois to eastern Missouri. ATXI has obtained a certificate of public convenience and necessity and project approval from the ICC and the MoPSC for each state's portion of the Illinois Rivers project. The last section of this project is expected to be completed in 2019. The Spoon River project is located in northwest Illinois, and the Mark Twain project is located in northeast Missouri; each of these projects involves the construction of 345-kilovolt lines and one new substation. In September 2015, the ICC granted ATXI a certificate of public convenience and necessity and project approval for the Spoon River project. In June 2015, ATXI made a filing with the MoPSC requesting a certificate of public convenience and necessity for the Mark Twain project. A decision is expected from the MoPSC

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in 2016. These two projects are expected to be completed in 2018. The total investment by ATXI in all three projects is expected to be more than $1.6 billion.

For additional information on Ameren Missouri, Ameren Illinois, and ATXI rate matters, including the MoPSC's February 2016 MEEIA order, Noranda's usage reduction and bankruptcy filing, and the FERC complaint cases challenging the allowed return on common equity for MISO transmission owners, see Results of Operations and Outlook in Management’s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, Quantitative and Qualitative Disclosures About Market Risk under Part II, Item 7A, and Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report.

General Regulatory Matters

Ameren Missouri, Ameren Illinois, and ATXI must receive FERC approval to enter into various transactions, such as issuing short-term debt securities and conducting certain acquisitions, mergers, and consolidations involving electric utility holding companies. In addition, Ameren Missouri, Ameren Illinois, and ATXI must receive authorization from the applicable state public utility regulatory agency to issue stock and long-term debt securities (with maturities of more than 12 months) and to conduct mergers, affiliate transactions, and various other activities.

Ameren Missouri, Ameren Illinois, and ATXI are also subject to mandatory reliability standards, including cybersecurity standards adopted by the FERC, to ensure the reliability of the bulk power electric system. These standards are developed and enforced by NERC pursuant to authority delegated to it by the FERC. If Ameren Missouri, Ameren Illinois, or ATXI are determined not to be in compliance with any of these mandatory reliability standards, they could incur substantial monetary penalties and other sanctions.

Under PUHCA 2005, the FERC and any state public utility regulatory agency may access books and records of Ameren and its subsidiaries that are determined to be relevant to costs incurred by Ameren’s rate-regulated subsidiaries that may affect jurisdictional rates. PUHCA 2005 also permits the MoPSC and the ICC to request that the FERC review cost allocations by Ameren Services to other Ameren companies.

Operation of Ameren Missouri’s Callaway energy center is subject to regulation by the NRC. In March 2015, the NRC extended the Callaway energy center's operating license from 2024 to 2044. Ameren Missouri’s Osage hydroelectric energy center and Taum Sauk pumped-storage hydroelectric energy center, as licensed projects under the Federal Power Act, are subject to FERC regulations affecting, among other aspects, the general operation and maintenance of the projects. The license for the Osage hydroelectric energy center expires in 2047. The license for the Taum Sauk pumped-storage hydroelectric energy center expires in 2044. Ameren Missouri’s Keokuk energy center and its dam in the Mississippi River between Hamilton, Illinois, and Keokuk, Iowa, are operated under authority granted by an Act of Congress in 1905.

For additional information on regulatory matters, see Note 2 – Rate and Regulatory Matters, Note 10 – Callaway Energy Center, and Note 15 – Commitments and Contingencies under Part II, Item 8, of this report.

Environmental Matters

Certain of our operations are subject to federal, state, and local environmental statutes and regulations relating to the safety and health of personnel, the public, and the environment. These environmental statutes and regulations include requirements relating to identification, generation, storage, handling, transportation, disposal, recordkeeping, labeling, reporting, and emergency response in connection with hazardous and toxic materials; safety and health standards; and environmental protection requirements, including standards and limitations relating to the discharge of air and water pollutants and the management of waste and byproduct materials. Failure to comply with these statutes or regulations could have material adverse effects on us. We could be subject to criminal or civil penalties by regulatory agencies or we could be ordered by the courts to pay private parties. Except as indicated in this report, we believe that we are in material compliance with existing statutes and regulations that currently apply to our operations.

The EPA has promulgated several environmental regulations that will have a significant impact on the electric utility industry. Over time, compliance with these regulations could be costly for certain companies, including Ameren Missouri, that operate coal-fired power plants. Significant new rules include the regulation of CO_2 emissions from existing power plants through the Clean Power Plan and from new power plants through the revised NSPS; the CSAPR, which requires further reductions of SO_2 emissions and NO_x emissions from power plants; a regulation

governing management and storage of CCR; the MATS, which require reduction of emissions of mercury, toxic metals, and acid gases from power plants; revised NSPS for particulate matter, SO_2, and NO_x emissions from new sources; new effluent standards applicable to wastewater discharges from power plants and new regulations under the Clean Water Act that could require significant capital expenditures, such as modifications to water intake structures or new cooling towers at Ameren Missouri's energy centers. The EPA also periodically reviews and revises national ambient air quality standards, including those standards associated with emissions from power plants, such as particulate matter, ozone, SO_2 and NO_x. Certain of these new regulations are being or are likely to be challenged through litigation, so their ultimate implementation, as well as the timing of any such implementation, is uncertain. Although many details of future regulations are unknown, individually or the combined effects of new environmental regulations could result in significant capital expenditures and increased operating costs for Ameren and Ameren Missouri. Compliance with all of these environmental laws and regulations could be prohibitively expensive, result in the closure or alteration of the operation of some of Ameren Missouri's energy centers, or require capital investment. Ameren and Ameren Missouri expect that these costs would be recoverable through rates, subject to MoPSC prudence review, but the nature and timing of costs could result in

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regulatory lag. These new and proposed environmental regulations could also impact the availability, cost of, and demand for power and natural gas, which is acquired for Ameren Missouri's natural gas customers and Ameren Illinois' electric and natural gas customers.

For additional discussion of environmental matters, including NOx, SO_2, and mercury emission reduction requirements, reductions to CO_2 emissions, wastewater discharge standards, remediation efforts, CCR management regulations, and a discussion of the EPA's allegations of violations of the Clean Air Act and Missouri law in connection with projects at Ameren Missouri's Rush Island energy center, see Note 15 – Commitments and Contingencies under Part II, Item 8, of this report.

TRANSMISSION AND SUPPLY OF ELECTRIC POWER

Ameren owns an integrated transmission system that is comprised of the transmission assets of Ameren Missouri, Ameren Illinois, and ATXI. Ameren also operates two balancing authority areas: AMMO and AMIL. During 2015, the peak demand was 8,071 megawatts in AMMO and 8,642 megawatts in AMIL. The Ameren transmission system directly connects with 15 other balancing authority areas for the exchange of electric energy.

Ameren Missouri, Ameren Illinois, and ATXI are transmission-owning members of MISO. Ameren Missouri is authorized by the MoPSC to participate in MISO through May 2018. Ameren Missouri is required to file a study with the MoPSC in November 2017, as it has done periodically since it began participating in MISO, that evaluates the costs and benefits of Ameren Missouri's continued participation in MISO beyond May 2018.

The Ameren Companies are members of the SERC. The SERC is responsible for the bulk electric power system in all or portions of 16 central and southeastern states. Owners and operators, including the Ameren Companies, of the bulk electric power system are subject to mandatory reliability standards promulgated by the NERC and its regional entities, such as the SERC, which are all enforced by the FERC.

Ameren Missouri

Ameren Missouri's electric supply is primarily generated from its energy centers. Factors that could cause Ameren Missouri to purchase power include, among other things, absence of sufficient owned generation, energy center outages, the fulfillment of renewable energy portfolio requirements, the failure of suppliers to meet their power supply obligations, extreme weather conditions, and the availability of power at a cost lower than its generation cost.

Ameren Missouri continues to evaluate its longer-term needs for new generating capacity. The potential need for new energy center construction is dependent on several key factors,

including continuation of, and customer participation in, energy efficiency programs, load growth, and more stringent environmental regulation of coal-fired power plants, which could lead to the retirement of current baseload assets or alterations in the manner in which those assets operate. Because of the significant time required to plan, acquire permits for, and build a baseload energy center, Ameren Missouri continues to study alternatives and it is taking steps to preserve options to meet future demand. Steps include evaluating the potential for additional customer energy efficiency programs and options for renewable energy generation, and potential sites for natural-gas-fired generation to further diversify its generation portfolio. During 2015, Ameren Missouri discontinued its efforts to license and build a second nuclear unit at its existing Callaway site and has withdrawn its COL application with the NRC.

Ameren Missouri filed its nonbinding integrated resource plan with the MoPSC in October 2014, prior to the issuance of the Clean Power Plan. The integrated resource plan is a 20-year plan that supports a more fuel-diverse energy portfolio in Missouri, including coal, solar, wind, hydro, natural gas and nuclear power. The plan includes expanding renewable generation, retiring coal-fired generation as energy centers reach the end of their useful lives, continuation and expansion of the then-existing energy efficiency programs, and adding natural-gas-fired combined cycle generation.

See also Outlook in Management's Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, Note 2 – Rate and Regulatory Matters, Note 10 – Callaway Energy Center, and Note 15 – Commitments and Contingencies under Part II, Item 8, of this report.

Ameren Illinois

In Illinois, electric transmission and distribution service rates are regulated but power supply prices are not regulated. Although electric customers are allowed to purchase power from an alternative retail electric supplier, Ameren Illinois

is required to serve as the provider of last resort for its electric customers. In 2015, Ameren Illinois supplied power for approximately 26% of its kilowatthour sales. Power purchased by Ameren Illinois for its retail customers comes either through procurement processes conducted by the IPA or through markets operated by MISO. The IPA administers an RFP process through which Ameren Illinois procures its expected supply obligation. The power and related procurement costs incurred by Ameren Illinois are passed directly to its customers through a cost recovery mechanism. Ameren Illinois charges transmission and distribution service rates to customers who purchase electricity from alternative retail electric suppliers.

See Note 14 – Related Party Transactions and Note 15 – Commitments and Contingencies under Part II, Item 8, of this report for additional information on power procurement in Illinois.

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POWER GENERATION

The following table presents the source of Ameren's and Ameren Missouri's electric generation, excluding purchased power, for the years ended December 31, 2015, 2014, and 2013:

	Coal	Nuclear	Natural Gas/Oil	Renewables[a]
2015	71%	25%	(b)	4%
2014	76	21	(b)	3
2013	77	20	(b)	3

(a) Renewable power generation includes production from Ameren Missouri's hydroelectric, methane gas, and solar energy centers, but it excludes purchased renewable energy credits.

(b) Less than 1% of total fuel supply.

The following table presents the cost of fuels for electric generation for the years ended December 31, 2015, 2014, and 2013:

Cost of Fuels (dollars per mmbtu)	2015	2014	2013
Coal[a]	$2.193	$2.151	$2.050
Nuclear[b]	0.928	0.918	0.942
Natural gas[c]	7.422	11.226	7.907
Weighted average – all fuels[d]	$1.910	$1.936	$1.874

(a) The cost of coal and the costs for transportation, which include hedges for railroad diesel fuel surcharges.

(b) The cost of uranium and its processing to become nuclear fuel.

(c) The cost of natural gas and fixed and variable costs for transportation, storage, balancing, and fuel losses for delivery to the energy center.

(d) All costs, including transportation, for fuels used in our energy centers, including coal, nuclear, natural gas, methane gas, and oil. Methane gas and oil are not individually listed in this table because their use is minimal.

Coal

Ameren Missouri has an ongoing need for coal for generation, so it pursues a price-hedging strategy consistent with this requirement. Ameren Missouri has agreements in place to purchase coal and to transport it to energy centers. Most of Ameren Missouri's coal supply agreements expire at the end of 2017, and its existing coal transport agreements expire at the end of 2019. Ameren Missouri has additional coal supply contracts in place to provide a portion of its coal supply in 2018. Ameren Missouri has coal transport agreements with Union Pacific Railroad and Burlington Northern Santa Fe Railway. As of December 31, 2015, Ameren Missouri had price-hedged 100% of its expected coal supply and coal transportation requirements for generation in 2016. Ameren Missouri burned 18 million tons of coal in 2015.

About 98% of Ameren Missouri’s coal is purchased from the Powder River Basin in Wyoming. The remaining coal is typically purchased from the Illinois Basin. Inventory may be adjusted because of generation levels or uncertainties of supply due to potential work stoppages, delays in coal deliveries, equipment breakdowns, and other factors. Deliveries from the Powder River Basin have occasionally been restricted because of rail congestion and maintenance, derailments, and weather. As of December 31, 2015, coal inventories for Ameren Missouri were near targeted levels. Disruptions in coal deliveries could cause Ameren Missouri to pursue a strategy that could include reducing sales of power during low-margin periods, buying higher-cost fuels to generate required electricity, and purchasing power from other sources.

Nuclear

The production of nuclear fuel involves the mining and milling of uranium ore to produce uranium concentrates, the conversion of uranium concentrates to uranium hexafluoride gas, the enrichment of that gas, the conversion of the enriched uranium hexafluoride gas into uranium dioxide fuel pellets, and the fabrication into usable fuel assemblies. Ameren Missouri has entered into uranium, uranium conversion, uranium enrichment, and fabrication contracts to procure the fuel supply for its Callaway nuclear energy center.

The Callaway energy center requires refueling at 18-month intervals. The last refueling was completed in November 2014. The next refuelings are scheduled for the spring of 2016 and the fall of 2017. As of December 31, 2015,

Ameren Missouri has agreements or inventories to price-hedge 100% of Callaway's 2016 spring refueling requirements. Ameren Missouri has uranium (concentrate and hexafluoride) inventories and supply contracts sufficient to meet all of its uranium and conversion requirements at least through 2018. Ameren Missouri has enriched uranium inventories and enrichment supply contracts sufficient to satisfy enrichment requirements through at least 2020 and fuel fabrication service contracts through at least 2022.

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Natural Gas Supply for Generation

To maintain deliveries to natural-gas-fired energy centers throughout the year, especially during the summer peak demand, Ameren Missouri's portfolio of natural gas supply resources includes firm transportation capacity and firm no-notice storage capacity leased from interstate pipelines. Ameren Missouri primarily uses the interstate pipeline systems of Panhandle Eastern Pipe Line Company, Trunkline Gas Company, Natural Gas Pipeline Company of America, and Mississippi River Transmission Corporation to transport natural gas to energy centers. In addition to physical transactions, Ameren Missouri uses financial instruments, including some in the NYMEX futures market and some in the OTC financial markets, to hedge the price paid for natural gas.

Ameren Missouri's natural gas procurement strategy is designed to ensure reliable and immediate delivery of natural gas to its energy centers. This strategy is accomplished by optimizing transportation and storage options and by minimizing cost and price risk through various supply and price-hedging agreements that allow access to multiple gas pools, supply basins, and storage services. As of December 31, 2015, Ameren Missouri had price-hedged about 22% of its expected natural gas supply requirements for generation in 2016.

Renewable Energy

The states of Illinois and Missouri have enacted laws requiring electric utilities to include renewable energy resources in their portfolios. Illinois required renewable energy resources to equal or exceed 2% of the total electricity that Ameren Illinois supplied to its eligible retail customers as of June 1, 2008, with that percentage increasing to 11.5% by June 1, 2016, and to 25% by June 1, 2025. For the 2015 plan year, Ameren Illinois met its requirement that 10% of its total electricity for eligible retail customers be procured from renewable energy resources. Approximately 77% of the 2016 plan year renewable energy requirement is expected to be met through long-term agreements that Ameren Illinois has entered into to obtain renewable energy credits through 2032. The remaining requirement will be met through previous IPA procurements of additional renewable energy credits and an IPA procurement scheduled for spring 2016.

In Missouri, utilities are required to purchase or generate electricity equal to at least 2% of native load sales from renewable sources, with that percentage increasing to at least 15% by 2021, subject to a 1% annual limit on customer rate impacts. At least 2% of each renewable energy portfolio requirement must be derived from solar energy. In 2015, Ameren Missouri met its requirement to purchase or generate at least 5% of its native load sales from renewable energy resources. Ameren Missouri expects to satisfy the nonsolar requirement into 2018 with its Keokuk energy center, its Maryland Heights energy center, and through a 102-megawatt power purchase agreement with a wind farm operator. The Maryland Heights energy center generates electricity by burning methane gas collected from a landfill. Ameren Missouri is meeting the solar energy requirement

through the purchase of solar-generated renewable energy credits from customer-installed systems and from its own solar generation from the O'Fallon energy center and its headquarters building.

Under the same Missouri statute that requires utilities to purchase or generate electricity from renewable sources, Ameren Missouri was required to offer a rebate program to provide an incentive for customers to install solar generation on their premises. In accordance with the statute and a 2013 MoPSC order, Ameren Missouri was required to provide $92 million of solar rebates by 2020, which has been substantially fulfilled. In its 2013 order, the MoPSC also authorized Ameren Missouri to employ a tracker to record the costs it incurred under its solar rebate program as a regulatory asset. Ameren Missouri is recovering the costs of these rebates, along with the estimated $9 million in carrying cost of the regulatory asset, over a three-year period beginning in June 2015.

Energy Efficiency

Ameren Missouri and Ameren Illinois have implemented energy efficiency programs to educate and help their customers become more efficient users of energy. In Missouri, the MEEIA established a regulatory framework that, among other things, allows electric utilities to recover costs related to MoPSC-approved customer energy efficiency programs. The law requires the MoPSC to ensure that a utility's financial incentives are aligned to help customers use energy more efficiently, to provide timely cost recovery, and to provide earnings opportunities associated with cost-effective energy efficiency programs. Missouri does not have a law mandating energy efficiency standards.

In August 2012, the MoPSC approved Ameren Missouri’s customer energy efficiency programs, net shared benefits, and performance incentive for 2013 through 2015. From 2013 through 2015, Ameren Missouri invested $134 million in customer energy efficiency programs and realized $174 million of net shared benefits. The MoPSC also established a performance incentive that would give Ameren Missouri the potential to earn additional revenues by achieving certain customer energy efficiency goals, including $19 million if 100% of the goals were achieved during the three-year period, with the potential to earn a larger performance incentive if Ameren Missouri's energy savings exceeded those goals.

In June 2015, the MoPSC staff filed a complaint case with the MoPSC regarding the method and inputs used in calculating the performance incentive for 2014 and 2015. In November 2015, the MoPSC issued an order that adopted the MoPSC staff’s method and inputs used in calculating the performance incentive for 2014 and 2015. Ameren Missouri filed an appeal of the order with the Missouri Court of Appeals, Western District. If the Missouri Court of Appeals upholds the MoPSC order, the performance incentive from the 2014 and 2015 MEEIA programs will be significantly less than the performance incentive calculated using Ameren Missouri’s interpretation.

In February 2016, the MoPSC issued an order approving

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Ameren Missouri's March 2016 to February 2019 MEEIA plan. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for additional information.

State law requires Ameren Illinois to offer customer energy efficiency programs. The law also allows for recovery of the programs' costs. The ICC has issued orders approving Ameren Illinois' electric and natural gas energy efficiency plans as well as mechanisms by which program costs can be recovered from customers. Additionally, as part of its IEIMA capital project investments, Ameren Illinois expects to invest $360 million in smart grid infrastructure from 2012 to 2021, including smart meters that enable customers to improve their energy efficiency.

NATURAL GAS SUPPLY FOR DISTRIBUTION

Ameren Missouri and Ameren Illinois are responsible for the purchase and delivery of natural gas to their utility customers. Ameren Missouri and Ameren Illinois each develop and manage a portfolio of natural gas supply resources. These resources include firm gas supply under term agreements with producers, interstate and intrastate firm transportation capacity, firm no-notice storage capacity leased from interstate pipelines, and on-system storage facilities to maintain natural gas deliveries to customers throughout the year, and especially during peak demand periods. Ameren Missouri and Ameren Illinois primarily use Panhandle Eastern Pipe Line Company, Trunkline Gas Company, Natural Gas Pipeline Company of America, Mississippi River Transmission Corporation, Northern Border Pipeline Company, and Texas Eastern Transmission Corporation interstate pipeline systems to transport natural gas to their systems. In addition to transactions requiring physical delivery, certain financial instruments, including those entered into in the NYMEX futures market and in the OTC financial markets, are used to hedge the price paid for natural gas. Natural gas purchase costs are passed on to customers of Ameren Missouri and Ameren Illinois under PGA clauses, subject to prudence reviews by the MoPSC and the ICC. As of December 31, 2015, Ameren Missouri had price-hedged 75% and Ameren Illinois had price-hedged 97% of their expected 2016 natural gas supply requirements.

For additional information on our fuel and purchased power supply, see Results of Operations and Liquidity and Capital Resources in Management's Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report. Also see Note 1 – Summary of Significant Accounting Policies, Note 7 – Derivative Financial Instruments, Note 14 – Related Party Transactions, and Note 15 – Commitments and Contingencies under Part II, Item 8 of this report.

INDUSTRY ISSUES

We are facing issues common to the electric and natural gas utility industry. These issues include:

- political, regulatory, and customer resistance to higher rates;
- the potential for changes in laws, regulations, and policies at the state and federal levels;
- corporate tax law changes that accelerate depreciation deductions, which reduce current tax payments and improve cash flow, but also result in rate base reductions and limit the ability to claim other deductions and use carryforward tax benefits;
- cybersecurity risks, including loss of operational control of energy centers and electric and natural gas transmission and distribution systems and/or loss of data, such as utility customer data and account information;
- the potential for more intense competition in generation, supply, and distribution, including new technologies and their declining costs;
- net metering rules and other changes in existing regulatory frameworks and recovery mechanisms to address the allocation of costs to customers who own generation resources that enable those customers to both sell power to and to purchase power from us through the use of our distribution and transmission assets;
- pressure on customer growth and usage in light of economic conditions and energy efficiency initiatives;
- changes in the structure of the industry as a result of changes in federal and state laws, including the formation and growth of independent transmission entities;
- the likely reduction in the allowed return on common equity on FERC-regulated electric transmission assets;
- the availability of fuel and fluctuations in fuel prices;
- the availability of qualified labor and material, and rising costs;
- the availability of a skilled workforce, including retaining the specialized skills of those who are nearing retirement;

- regulatory lag;
- the influence of macroeconomic factors, such as yields on United States Treasury securities and allowed rates of return on equity provided by regulators;
- higher levels of infrastructure investments that are expected to result in negative or decreased free cash flows, defined as cash flows from operating activities less cash flows from investing activities and dividends paid;
- public concern about the siting of new facilities;
- complex new and proposed environmental laws, regulations, and requirements, including air and water quality standards, mercury emissions standards, CCR management requirements, and CO_2 limitations, which may reduce the frequency that electric generating units are dispatched based upon their CO_2 emissions;
- public concern about the potential impacts to the environment from the combustion of fossil fuels;
- aging infrastructure and the need to construct new power generation, transmission, and distribution facilities, which have long time frames for completion, with little long-term ability to predict power and commodity prices and regulatory requirements;
- legislation or proposals for programs to encourage or mandate energy efficiency and renewable sources of power, such as solar, and the debate over who should pay for those programs;
- public concern about nuclear generation, decommissioning and the disposal of nuclear waste; and
- consolidation of electric and natural gas utility companies.

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We are monitoring these issues. Except as otherwise noted in this report, we are unable to predict what impact, if any, these issues will have on our results of operations, financial position, or liquidity. For additional information, see Risk Factors under Part I, Item 1A, Outlook in Management's Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, Note 2 – Rate and Regulatory Matters, Note 10 – Callaway Energy Center, and Note 15 – Commitments and Contingencies under Part II, Item 8, of this report.

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OPERATING STATISTICS

The following tables present key electric and natural gas operating statistics for Ameren for the past three years:

Electric Operating Statistics – Year Ended December 31,	2015	2014	2013
Electric Sales – kilowatthours (in millions):			
Ameren Missouri:			
Residential	12,903	13,649	13,562
Commercial	14,574	14,649	14,634
Industrial	8,273	8,600	8,709
Off-system	7,380	6,170	6,128
Other	126	124	125
Ameren Missouri total	43,256	43,192	43,158
Ameren Illinois:			
Residential			
Power supply and delivery service	4,797	4,662	5,474
Delivery service only	6,757	7,222	6,310
Commercial			
Power supply and delivery service	2,837	2,535	2,606
Delivery service only	9,443	9,643	9,541
Industrial			
Power supply and delivery service	1,589	1,674	1,613
Delivery service only	10,274	10,576	10,861
Other	524	518	522
Ameren Illinois total	36,221	36,830	36,927
Eliminate affiliate sales	(385)	(67)	(82)
Ameren total	79,092	79,955	80,003
Electric Operating Revenues (in millions):			
Ameren Missouri:			
Residential	$1,464	$1,417	$1,428
Commercial	1,258	1,203	1,216
Industrial	469	475	491
Off-system	195	173	183
Other	84	120	61
Ameren Missouri total	$3,470	$3,388	$3,379
Ameren Illinois:			
Residential			
Power supply and delivery service	$495	$468	$501
Delivery service only	363	308	282
Commercial			
Power supply and delivery service	247	233	215
Delivery service only	227	185	184
Industrial			
Power supply and delivery service	71	87	68
Delivery service only	53	42	44
Other	227	199	167
Ameren Illinois total	$1,683	$1,522	$1,461
ATXI:			
Transmission services	$70	$33	$19
Other and intercompany eliminations	(43)	(30)	(27)
Ameren total	$5,180	$4,913	$4,832

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Electric Operating Statistics – Year Ended December 31,	2015		2014		2013	
Electric Generation – Ameren Missouri – kilowatthours (in millions)	42,424		43,474		43,213	
Price per ton of delivered coal (average) – Ameren Missouri	$37.88		$37.36		$36.19	
Source of Ameren Missouri energy supply:						
Coal	67.1	%	73.5	%	74.1	%
Nuclear	23.3		20.6		18.6	
Hydroelectric	3.6		2.2		2.9	
Natural gas	0.3		0.2		0.4	
Methane gas and solar	0.2		0.1		0.1	
Purchased – Wind	0.7		0.8		0.7	
Purchased – Other	4.8		2.6		3.2	
	100.0	%	100.0	%	100.0	%
Gas Operating Statistics – Year Ended December 31,	2015		2014		2013	
Natural Gas Sales – dekatherms (in millions):						
Ameren Missouri:						
Residential	7		8		8	
Commercial	3		4		4	
Industrial	1		1		1	
Transport	7		7		6	
Ameren Missouri total	18		20		19	
Ameren Illinois:						
Residential	55		66		62	
Commercial	18		23		21	
Industrial	3		3		6	
Transport	89		91		87	
Ameren Illinois total	165		183		176	
Ameren total	183		203		195	
Natural Gas Operating Revenues (in millions):						
Ameren Missouri:						
Residential	$84		$102		$102	
Commercial	34		40		42	
Industrial	5		7		8	
Transport and other	14		15		9	
Ameren Missouri total	$137		$164		$161	
Ameren Illinois:						
Residential	$550		$675		$611	
Commercial	163		208		185	
Industrial	13		23		26	
Transport and other	57		70		25	
Ameren Illinois total	$783		$976		$847	
Other and intercompany eliminations	(2	)	—		(2	)
Ameren total	$918		$1,140		$1,006	

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AVAILABLE INFORMATION

The Ameren Companies make available free of charge through Ameren's website (www.ameren.com) their annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, eXtensible Business Reporting Language (XBRL) documents, and any amendments to those reports filed with or furnished to pursuant to Sections 13(a) or 15(d) of the Exchange Act as soon as reasonably possible after such reports are electronically filed with, or furnished to, the SEC. These documents are also available through an Internet website maintained by the SEC (www.sec.gov). Ameren also uses its website as a channel of distribution for material information about the Ameren Companies. Financial and other material information regarding the Ameren Companies is routinely posted to and accessible at Ameren's website.

The Ameren Companies also make available free of charge through Ameren's website the charters of Ameren's board of directors' audit and risk committee, human resources committee, nominating and corporate governance committee, finance committee, and nuclear oversight and environmental committee; the corporate governance guidelines; a policy regarding communications to the board of directors; a policy and procedures with respect to related-person transactions; a code of ethics for principal executive and senior financial officers; a code of business conduct applicable to all directors, officers and employees; and a director nomination policy that applies to the Ameren Companies. The information on Ameren's website, or any other website referenced in this report, is not incorporated by reference into this report.

ITEM 1A. RISK FACTORS

Investors should review carefully the following material risk factors and the other information contained in this report. The risks that the Ameren Companies face are not limited to those in this section. There may be further risks and uncertainties that are not presently known or that are not currently believed to be material that may adversely affect the results of operations, financial position, and liquidity of the Ameren Companies.

REGULATORY AND LEGISLATIVE RISKS

We are subject to extensive regulation of our businesses, which could adversely affect our results of operations, financial position, and liquidity.

We are subject to extensive federal, state, and local regulation. This extensive regulatory framework, some of which is more specifically identified in the following risk factors, regulates, among other matters, the electric and natural gas utility industries; rate and cost structure of utilities; operation of nuclear energy centers; construction and operation of generation, transmission, and distribution facilities; acquisition, disposal, depreciation and amortization of assets and facilities; transmission reliability; and wholesale and retail competition. In the planning and management of our operations, we must address the effects of existing and proposed laws and regulations and potential changes in the regulatory framework, including

initiatives by federal and state legislatures, RTOs, utility regulators, and taxing authorities. Significant changes in the nature of the regulation of our businesses could require changes to our business planning and management of our businesses and could adversely affect our results of operations, financial position, and liquidity. Failure to obtain adequate rates or regulatory approvals in a timely manner; failure to obtain necessary licenses or permits from regulatory authorities; the impact of new or modified laws, regulations, standards, interpretations, or other legal requirements; or increased compliance costs could adversely affect our results of operations, financial position, and liquidity.

The electric and natural gas rates that we are allowed to charge are determined through regulatory proceedings, which are subject to intervention and appeal, and are also subject to legislative actions, which are largely outside of our control. Any events that prevent us from recovering our costs or from earning adequate returns on our investments could adversely affect our results of operations, financial position, and liquidity.

The rates that we are allowed to charge for our utility services significantly influence our results of operations, financial position, and liquidity. The electric and natural gas utility industries are extensively regulated. The utility rates charged to our customers are determined by governmental entities, including the MoPSC, the ICC, and the FERC. Many factors influence decisions by these entities, including the cost of providing service, the prudency of expenditures, the quality of service, regulatory staff knowledge and experience, customer intervention, and economic

conditions as well as social and political views. Decisions made by these governmental entities regarding rates are largely outside of our control. We are exposed to regulatory lag to varying degrees by jurisdiction, which, if unmitigated, could adversely affect our results of operations, financial position, and liquidity. Rate orders are also subject to appeal, which creates additional uncertainty as to the rates that we will ultimately be allowed to charge for our services. From time to time, our regulators will approve trackers, riders, or other mechanisms that allow electric or natural gas rates to be adjusted without a traditional rate proceeding. These mechanisms are not permanent and could be changed or terminated.

Ameren Missouri's electric and natural gas utility rates and Ameren Illinois' natural gas utility rates are typically established in regulatory proceedings that take up to 11 months to complete. Ameren Missouri's rates established in those proceedings are primarily based on historical costs and revenues. Ameren Illinois' natural gas rates established in those proceedings may be based on historical or estimated future costs and revenues. Thus the rates that a utility is allowed to charge may not match its costs at any given time.

Rates include an allowed rate of return on investments established by the regulator. Although rate regulation is premised on providing an opportunity to earn a reasonable rate of return on invested capital, there can be no assurance that the regulator will

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determine that our costs were prudently incurred or that the regulatory process will result in rates that will produce full recovery of such costs or provide for an opportunity to earn a reasonable return on those investments.

In years when capital investments and operations costs rise or customer usage declines below those levels reflected in rates, we may not be able to earn the allowed return established by the regulator. This could result in the deferral or cancellation of planned capital investments, which could reduce the rate base investments on which we earn a rate of return. Additionally, increasing rates could result in regulatory or legislative actions, as well as competitive or political pressures, all of which could adversely affect our results of operations, financial position, and liquidity.

As a result of its participation in the performance-based formula ratemaking process established pursuant to the IEIMA, Ameren Illinois' return on equity for its electric distribution business is directly correlated to yields on United States Treasury bonds. Additionally, Ameren Illinois is required to achieve certain performance standards and capital spending levels. Failure to meet these requirements could adversely affect Ameren's and Ameren Illinois' results of operations, financial position, and liquidity.

Ameren Illinois is participating in the performance-based formula ratemaking process established pursuant to the IEIMA for its electric distribution business. The ICC annually reviews Ameren Illinois' rate filings under the IEIMA for reasonableness and prudency. If the ICC were to conclude that Ameren Illinois' incurred costs were not prudently incurred, the ICC would disallow recovery of such costs.

The return on equity component of the formula rate is equal to the average for the calendar year of the monthly yields of 30-year United States Treasury bonds plus 580 basis points. Therefore, Ameren Illinois' annual return on equity under the formula ratemaking process for its electric distribution business is directly correlated to the yields on such bonds, which are outside of Ameren Illinois' control. A 50 basis point change in the average monthly yields of the 30-year United States Treasury bonds would result in an estimated $6 million change in Ameren's and Ameren Illinois' net income based on its 2016 projected rate base.

Ameren Illinois is also subject to performance standards. Failure to achieve the standards would result in a reduction in the company's allowed return on equity calculated under the formula. The IEIMA provides for return on equity penalties totaling 34 basis points in each year from 2016 through 2018 and 38 basis points in each year from 2019 through 2022 if the performance standards are not met.

Between 2012 and 2021, Ameren Illinois is required to invest $625 million in capital projects incremental to its average electric delivery capital projects investments of $228 million for calendar years 2008 through 2010, in order to modernize its distribution system.

Unless extended through 2022, the IEIMA performance-based formula ratemaking process will expire in 2019. When it expires, Ameren Illinois will be required to establish future rates through a traditional rate proceeding with the ICC, which might not result in rates that produce a full or timely recovery of costs or provide for an adequate return on investments.

We are subject to various environmental laws and regulations. Significant capital expenditures are required to achieve and to maintain compliance with these laws and regulations. Failure to comply with these laws and regulations could result in facility closures, alterations to the manner in which these facilities operate, increased operating costs, or exposure to fines and liabilities, all of which could adversely affect our results of operations, financial position, and liquidity.

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

We are also subject to liability under environmental laws that address the remediation of environmental contamination of property currently or formerly owned by us or by our predecessors, as well as property contaminated by hazardous

substances that we generated. Such properties include MGP sites and third-party sites, such as landfills. Additionally, private individuals may seek to enforce environmental laws and regulations against us. They could allege injury from exposure to hazardous materials, seek to compel remediation of environmental contamination, or seek to recover damages resulting from that contamination.

The EPA has promulgated several environmental regulations that will have a significant impact on the electric utility industry. Over time, compliance with these regulations could be costly for certain companies, including Ameren Missouri, that operate coal-fired power plants. Significant new rules include the regulation of CO_2 emissions from existing power plants through the Clean Power Plan and from new power plants through the revised NSPS; the CSAPR, which requires further reductions of SO_2 emissions and NO_x emissions from power plants; a regulation governing management and storage of CCR; the MATS, which require reduction of emissions of mercury, toxic metals, and acid gases from power plants; revised NSPS for particulate matter, SO_2, and NO_x emissions from new sources; new effluent standards applicable to wastewater discharges from power plants; and new regulations under the Clean Water Act

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that could require significant capital expenditures, such as modifications to water intake structures or new cooling towers at Ameren Missouri's energy centers. The EPA also periodically reviews and revises national ambient air quality standards, including those standards associated with emissions from power plants such as particulate matter, ozone, SO_2 and NO_x. Certain of these new regulations are being or are likely to be challenged through litigation, so their ultimate implementation, as well as the timing of any such implementation, is uncertain. Although many details of future regulations are unknown, individually or the combined effects of new environmental regulations could result in significant capital expenditures and increased operating costs for Ameren and Ameren Missouri.

Ameren is also subject to risks from changing or conflicting interpretations of existing laws and regulations. The EPA is engaged in an enforcement initiative to determine whether coal-fired power plants failed to comply with the requirements of the NSR and NSPS provisions under the Clean Air Act when the power plants implemented modifications. In January 2011, the Department of Justice, on behalf of the EPA, filed a complaint in the United States District Court for the Eastern District of Missouri alleging that Ameren Missouri violated provisions of the Clean Air Act and Missouri law. An outcome in this matter adverse to Ameren Missouri could require substantial capital expenditures, which cannot be determined at this time. Such expenditures could also affect unit retirement and replacement decisions.

The Clean Power Plan, which sets forth CO_2 emissions standards applicable to existing power plants, was issued by the EPA but stayed by the United States Supreme Court pending the outcome of various appeals, as discussed below. If the Clean Power Plan is ultimately upheld as issued, Ameren Missouri expects to incur increased fuel and operating costs, and make new or accelerated capital expenditures, in addition to the costs of making modifications to existing operations in order to achieve compliance. The Clean Power Plan required Missouri and Illinois to reduce CO_2 emissions from power plants within their states significantly below 2005 levels by 2030. The rule contains interim compliance periods commencing in 2022 that require each state to demonstrate progress in achieving its CO_2 reduction target. Ameren is evaluating the Clean Power Plan's potential impacts to its operations, including those related to electric system reliability, and its level of investment in customer energy efficiency programs, renewable energy, and other forms of generation investment. Significant uncertainty exists regarding the impact of the Clean Power Plan, as its implementation will depend upon plans to be developed by the states. Numerous legal challenges are pending which could result in the rule being declared invalid or the nature and timing of CO_2 emissions reductions being revised. In February 2016, the United States Supreme Court stayed the Clean Power Plan and all implementation requirements until such time as legal appeals are concluded. Appeals are not expected to conclude prior to 2018. We cannot predict the outcome of the legal challenges or their impact on our results of operations, financial position, or liquidity. If the rule is ultimately upheld and implemented in substantially similar form to the rule when issued, compliance measures could result in the closure or alteration of the operation of some of Ameren

Missouri's coal and natural-gas-fired energy centers, which could result in increased operating costs.

Ameren and Ameren Missouri have incurred and expect to incur significant costs related to environmental compliance and site remediation. New or revised environmental regulations, enforcement initiatives, or legislation could result in a significant increase in capital expenditures and operating costs, decreased revenues, increased financing requirements, penalties or fines, or reduced operations of some of Ameren Missouri's coal-fired energy centers, which, in turn, could lead to increased liquidity needs and higher financing costs. Actions required to ensure that our facilities and operations are in compliance with environmental laws and regulations could be prohibitively expensive if the costs are not fully recovered through rates. Environmental laws could require Ameren Missouri to close or to alter significantly the operation of its energy centers. Moreover, if Ameren Missouri requests recovery of these capital expenditures and costs through rates, the MoPSC could deny recovery of all or a portion of these costs, prevent timely recovery, or make changes to the regulatory framework in an effort to minimize rate volatility and customer rate increases. Capital expenditures and costs to comply with future legislation or regulations that are not recoverable through rates might result in Ameren Missouri closing coal-fired energy centers earlier than planned, which would lead to an impairment of assets and reduced revenues. We are unable to predict the ultimate impact of these matters on our results of operations, financial position, and liquidity.

We may not be able to fully utilize net operating loss, tax credit, or charitable contribution carryforwards, which could adversely affect our results of operations, financial position, and liquidity.

We have significantly reduced our consolidated federal and state income tax obligations in the past through tax planning strategies. Additionally, our consolidated income tax obligations have been reduced due to the continued use of bonus depreciation provisions that allow for an acceleration of deductions for tax purposes and recent IRS guidance on tax deductions for repairs. We estimate our ability to use tax benefits, including those in the form of net operating loss, tax credit and charitable contribution carryforwards, that are recorded as deferred tax assets on our balance sheets. A disallowance of these tax benefits resulting from a legislative change or adverse determination by one of the applicable taxing jurisdictions could have an adverse impact on our results of operations, financial position, and liquidity. Additionally, changes in corporate income tax rate or policy changes as well as any inability to generate enough taxable income in the future to use all of our tax benefits before they expire could have an adverse impact on our results of operations, financial position, and liquidity.

Customers', legislators', and regulators' opinions of us are affected by many factors, including system reliability, implementation of our investment plans, protection of customer information, rates, and media coverage. To the extent that customers, legislators, or regulators have or

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develop a negative opinion of us, our results of operations, financial position, and liquidity could be adversely affected.

Service interruptions due to failures of equipment or facilities as a result of severe or destructive weather or other causes, and the ability of Ameren Missouri and Ameren Illinois to promptly respond to such failures, can affect customer satisfaction. In addition to system reliability issues, the success of modernization efforts, such as those being undertaken for Ameren Illinois' electric and natural gas delivery systems, our ability to safeguard sensitive customer information, and other actions can affect customer satisfaction. The timing and magnitude of rate increases and volatility of rates can also affect customer satisfaction. Customers', legislators', and regulators' opinions of us can also be affected by media coverage, including the proliferation of social media, which may include information, whether factual or not, that damages our brand and reputation.

If customers, legislators, or regulators have or develop a negative opinion of us and our utility services, this could result in increased regulatory oversight and could affect the returns on common equity we are allowed to earn. Additionally, negative opinions about us could make it more difficult for our utilities to achieve favorable legislative or regulatory outcomes. Negative opinions could also result in sales volume reductions or increased use of distributed generation. Any of these consequences could adversely affect our results of operations, financial position, and liquidity.

We are subject to federal regulatory compliance and proceedings, which exposes us to the potential for regulatory penalties and other sanctions.

The FERC can impose civil penalties of $1 million per violation per day for violation of FERC statutes, rules, and orders, including mandatory NERC reliability standards. As owners and operators of bulk power transmission systems and electric energy centers, we are subject to mandatory NERC reliability standards, including cybersecurity standards. Compliance with these mandatory reliability standards may subject us to higher operating costs and may result in increased capital expenditures. If we were found not to be in compliance with these mandatory reliability standards or the FERC statutes, rules, and orders, we could incur substantial monetary penalties and other sanctions, which could adversely affect our results of operations, financial position, and liquidity. The FERC also conducts audits and reviews of Ameren Missouri's, Ameren Illinois', and ATXI's accounting records to assess the accuracy of its formula ratemaking process and has the ability to require retroactive refunds to customers for previously billed amounts, with interest.

OPERATIONAL RISKS

The construction of and capital improvements to our electric and natural gas utility infrastructure involve substantial risks. These risks include escalating costs, unsatisfactory performance by the projects when completed, the inability to complete projects as scheduled, cost disallowances by regulators, and the inability to earn an adequate return on invested capital, any of which could

result in higher costs and facility closures.

We expect to incur significant capital expenditures in order to make investments to maintain and improve our electric and natural gas utility infrastructure and to comply with existing environmental regulations. We estimate that we will incur up to $11.5 billion (Ameren Missouri – up to $4.3 billion; Ameren Illinois – up to $6.2 billion; ATXI – up to $1.0 billion) of capital expenditures during 2016 through 2020, excluding the impacts of the Clean Power Plan. These estimates include allowance for equity funds used during construction. Investments in Ameren's rate-regulated operations are expected to be recoverable from ratepayers, but are subject to prudence reviews and are exposed to regulatory lag to varying degrees by jurisdiction.

Our ability to complete construction projects successfully within projected estimates is contingent upon many variables and subject to substantial risks. These variables include, but are not limited to, project management expertise and escalating costs for materials, labor, and environmental compliance. Delays in obtaining permits, shortages in materials and qualified labor, suppliers and contractors who do not perform as required under their contracts, changes in the scope and timing of projects, the inability to raise capital on reasonable terms, or other events beyond our control could affect the schedule, cost, and performance of these projects. With respect to capital expenditures for pollution control equipment, there is a risk that a power plant may not be permitted to continue to operate if pollution

control equipment is not installed by prescribed deadlines or does not perform as expected. Should any such pollution control equipment not be installed on time or perform as expected, Ameren Missouri could be subject to additional costs and to the loss of its investment in the project or facility. All of these project and construction risks could adversely affect our results of operations, financial position, and liquidity.

Ameren and Ameren Illinois may not be able to execute their electric transmission investment plans or to realize the expected return on those investments.

Ameren, through ATXI and Ameren Illinois, is investing significant capital resources in electric transmission. These investments are based on the FERC's regulatory framework and a rate of return on common equity, that is currently higher than that allowed by our state commissions. However, the FERC regulatory framework and rate of return is subject to change, including changes as a result of third-party complaints and challenges at the FERC. The regulatory framework may not be as favorable, or the rate of return may be lower, in the future. Currently, the FERC-allowed return on common equity for MISO transmission owners is 12.38%. In November 2013, a complaint case was filed with the FERC seeking a reduction in the allowed return on common equity under the MISO tariff. In December 2015, a FERC administrative law judge issued an initial decision in the November 2013 complaint case that would lower the allowed base return on common equity to 10.32%. The FERC is expected to issue a final order on the November 2013 complaint case by October 2016. A second complaint case was filed in February 2015. The outcome of these complaint cases could

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negatively affect Ameren Illinois' and ATXI's allowed return. Any such reduction would also result in a refund of transmission service revenues earned since the filing of the initial complaint case in November 2013. As of December 31, 2015, Ameren and Ameren Illinois had current regulatory liabilities of $45 million and $32 million, respectively, representing their estimates of the potential refunds from the refund effective date. A 50 basis point reduction in the FERC-allowed return on common equity would reduce Ameren's and Ameren Illinois' earnings by an estimated $6 million and $3 million, respectively, based on each company's 2016 projected rate base.

A significant portion of Ameren's electric transmission investments consists of three separate projects to be constructed by ATXI, which have been approved by MISO as multi-value projects. The total investment by ATXI in all three projects is expected to be more than $1.6 billion. The last of these projects is expected to be completed in 2019. A failure by ATXI to complete these three projects on time and within projected cost estimates could adversely affect Ameren's results of operations, financial position, and liquidity.

The FERC has issued orders, which are subject to ongoing litigation, eliminating the right of first refusal for an electric utility to construct within its service territory certain new transmission projects for which there will be regional cost sharing. If these orders are upheld by the courts, Ameren would need to compete to build certain future electric transmission projects in its subsidiaries' service territories. Such competition could limit Ameren's future transmission investment. Conversely, if such FERC orders are not upheld by the courts, the right of first refusal would be expected to be reinstated. In such event, Ameren may lose opportunities outside of its subsidiaries' service territories and outside of MISO to construct electric transmission assets.

Our electric generation, transmission, and distribution facilities are subject to operational risks that could adversely affect our results of operations, financial position, and liquidity.

Our financial performance depends on the successful operation of electric generation, transmission, and distribution facilities. Operation of electric generation, transmission, and distribution facilities involves many risks, including:

- facility shutdowns due to operator error or a failure of equipment or processes;
- longer-than-anticipated maintenance outages;
- aging infrastructure that may require significant expenditures to operate and maintain;
- 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 ultra-low-sulfur coal used for Ameren Missouri’s compliance with environmental regulations;
- lack of adequate water required for cooling plant operations;
- labor disputes;
- inability to comply with regulatory or permit requirements, including those relating to environmental laws;
- disruptions in the delivery of electricity that affect our customers;
- handling, storage, and disposition of CCR;
- unusual or adverse weather conditions or other natural disasters, including severe storms, droughts, floods, tornadoes, earthquakes, solar flares, and electromagnetic pulses;
- accidents that might result in injury or loss of life, extensive property damage, or environmental damage;
- cybersecurity risks, including loss of operational control of Ameren Missouri's energy centers and our transmission and distribution systems and loss of data, such as customer data and account information through insider or outsider actions;
- failure of other operators' facilities and the effect of that failure on our electric system and customers;
- the occurrence of catastrophic events such as fires, explosions, acts of sabotage or terrorism, pandemic health events, or other similar occurrences;
- limitations on amounts of insurance available to cover losses that might arise in connection with operating our electric generation, transmission, and distribution facilities; and
- other unanticipated operations and maintenance expenses and liabilities.

Ameren Missouri’s ownership and operation of a nuclear energy center creates business, financial, and waste disposal risks.

Ameren Missouri’s ownership of the Callaway energy center subjects it to the risks associated with nuclear generation, which include the following:

- potential harmful effects on the environment and human health resulting from the operation of nuclear facilities and the storage, handling, and disposal of radioactive materials;
- continued uncertainty regarding the federal government's plan to permanently store spent nuclear fuel and the risk of being required to provide for long-term storage of spent nuclear fuel at the Callaway energy center;
- limitations on the amounts and types of insurance available to cover losses that might arise in connection with the Callaway energy center or other United States nuclear facilities;
- uncertainties with respect to contingencies and retrospective premium assessments relating to claims at the Callaway energy center or any other United States nuclear facilities;
- public and governmental concerns about the adequacy of security at nuclear facilities;
- uncertainties with respect to the technological and financial aspects of decommissioning nuclear facilities at the end of their licensed lives;
- limited availability of fuel supply;
- costly and extended outages for scheduled or unscheduled maintenance and refueling; and
- potential adverse effects of a natural disaster, acts of sabotage or terrorism, or any accident leading to release of nuclear contamination.

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The NRC has broad authority under federal law to impose licensing and safety requirements for nuclear facilities. In the event of noncompliance, the NRC has the authority to impose fines or to shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Revised safety requirements promulgated from time to time by the NRC could necessitate substantial capital expenditures at nuclear facilities such as the Callaway energy center. In addition, if a serious nuclear incident were to occur, it could adversely affect Ameren's and Ameren Missouri's results of operations, financial condition, and liquidity. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation of any domestic nuclear unit and could also cause the NRC to impose additional conditions or requirements on the industry, which could increase costs and result in additional capital expenditures. NRC standards relating to seismic risk require Ameren Missouri to further evaluate the impact of an earthquake on its Callaway energy center due its proximity to a fault line, which could require the installation of additional capital equipment.

Our natural gas distribution and storage activities involve numerous risks that may result in accidents and other operating risks and costs that could adversely affect our results of operations, financial position, and liquidity.

Inherent in our natural gas distribution and storage activities are a variety of hazards and operating risks, such as leaks, accidental explosions, mechanical problems and cybersecurity risks, which could cause substantial financial losses. In addition, these hazards could result in serious injury, loss of human life, significant damage to property, environmental impacts, and impairment of our operations, which in turn could lead us to incur substantial losses. In accordance with customary industry practice, we maintain insurance against some, but not all, of these risks and losses. The location of distribution mains and storage facilities near populated areas, including residential areas, business centers, industrial sites, and other public gathering places, could increase the level of damages resulting from these risks. A major domestic incident involving natural gas systems could lead to additional capital expenditures and increased regulation of natural gas utilities. The occurrence of any of these events could adversely affect our results of operations, financial position, and liquidity.

Significant portions of our electric generation, transmission, and distribution facilities and natural gas transmission and distribution facilities are aging. This aging infrastructure may require additional maintenance expenditures or may require replacement, which could adversely affect our results of operations, financial position, and liquidity.

Our aging infrastructure may pose risks to system reliability and expose us to expedited or unplanned capital expenditures and operating costs. All of Ameren Missouri's coal-fired energy centers were constructed prior to 1978, and the Callaway nuclear energy center began operating in 1984. The age of these energy centers increases the risks of unplanned outages, reduced

generation output, and higher maintenance expense. If, at the end of its life, an energy center's cost has not been fully recovered, Ameren Missouri may be adversely affected if such cost is not allowed in rates by the MoPSC. Aging transmission and distribution facilities are more prone to failure than new facilities, which results in higher maintenance expense and the need to replace these facilities with new infrastructure. Even if the system is properly maintained, its reliability may ultimately deteriorate and negatively affect our ability to serve our customers, which could result in additional oversight by our regulators. The frequency and duration of customer outages are IEIMA performance standards and therefore, if these standards are not achieved, it will result in a reduction in Ameren Illinois' allowed return on equity. The higher maintenance costs associated with aging infrastructure and capital expenditures for new replacement infrastructure could cause additional rate volatility for our customers, resistance by our regulators to allow customer rate increases, and/or regulatory lag in some of our jurisdictions, any of which could adversely affect our results of operations, financial position, and liquidity.

Energy conservation, energy efficiency, distributed generation, energy storage, and other factors that reduce energy demand could adversely affect our results of operations, financial position, and liquidity.

Requirements and incentives to reduce energy consumption have been proposed by regulatory agencies and introduced by legislatures. Conservation and energy efficiency programs are designed to reduce energy demand. Without a regulatory mechanism to ensure recovery, a decline in usage will result in an under-recovery of our revenue requirement. Ameren Missouri, even if it sponsors customer energy efficiency programs under the MEEIA, is exposed to declining usage losses from energy efficiency efforts not related to its specific programs, as well as from distributed

generation sources such as solar panels. Additionally, macroeconomic factors resulting in low economic growth or contraction within our service territories could reduce energy demand.

Technological advances could reduce or change customer electricity consumption. Ameren Missouri generates power at utility-scale energy centers to achieve economies of scale and to produce power at a competitive cost. Some distributed generation technologies have become more cost-competitive, with decreasing costs expected in the future. We expect that the costs of these distributed generation technologies will decline over time to a level that is competitive with that of Ameren Missouri's energy centers. Additionally, technological advances related to energy storage may be coupled with distributed generation to reduce the demand for our electric utility services. Increased adoption of these technologies could decrease our revenues if customers cease to use our generation, transmission, and distribution services at current levels. Ameren Missouri and Ameren Illinois might incur stranded costs, which ultimately might not be recovered through rates.

We are subject to employee work force factors that could adversely affect our operations.

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Our businesses depend upon our ability to employ and retain key officers and other skilled professional and technical employees. A significant portion of our work force is nearing retirement, including many employees with specialized skills, such as maintaining and servicing our electric and natural gas infrastructure and operating our energy centers. We are also subject to collective bargaining agreements that collectively represent about 54% of Ameren's total employees. Any work stoppage experienced in connection with negotiations of collective bargaining agreements could adversely affect our operations.

Our operations are subject to acts of sabotage, war, terrorism, cyber attacks, and other intentionally disruptive acts. Like other electric and natural gas utilities, our energy centers, fuel storage facilities, transmission and distribution facilities, and information systems may be targets of terrorist activities, including cyber attacks, which could disrupt our ability to produce or distribute our energy products. Any such disruption could result in a significant decrease in revenues or significant costs for repair, which could adversely affect our results of operations, financial position, and liquidity.

Our industry has seen an increase in volume and sophistication of cybersecurity incidents from international activist organizations, countries, and individuals. A security breach at our physical assets or in information systems could affect the reliability of the transmission and distribution system, disrupt electric generation, and/or subject us to financial harm associated with theft or inappropriate release of certain types of information, including sensitive customer and employee data. If a significant breach occurred, our reputation could be adversely affected, customer confidence could be diminished, or we could be subject to legal claims, any of which could result in a significant decrease in revenues or significant costs for remedying the impacts of such a breach. Our generation, transmission, and distribution systems are part of an interconnected system. Therefore, a disruption caused by a cybersecurity incident at another utility, electric generator, RTO, or commodity supplier could also adversely affect our businesses. We maintain insurance against some, but not all, of these risks and losses. In addition, new regulations could require changes in our security measures and could adversely affect our results of operations, financial position, and liquidity.

FINANCIAL, ECONOMIC, AND MARKET RISKS

Our businesses are dependent on our ability to access the capital markets successfully. We might not have access to sufficient capital in the amounts and at the times needed.

We rely on short-term and long-term debt as significant sources of liquidity and funding for capital requirements not satisfied by our operating cash flow, as well as to refinance long-term debt. The inability to raise debt or equity capital on reasonable terms, or at all, could negatively affect our ability to maintain and to expand our businesses. Events beyond our control, such as a recession or extreme volatility in the debt,

equity, or credit markets, might create uncertainty that could increase our cost of capital or impair or eliminate our ability to access the debt, equity, or credit markets, including our ability to draw on bank credit facilities. Any adverse change in our credit ratings could reduce access to capital and trigger additional collateral postings and prepayments. Such changes could also increase the cost of borrowing and fuel, power, and natural gas supply, among other things, which could adversely affect our results of operations, financial position, and liquidity. Certain Ameren subsidiaries, such as ATXI, rely on Ameren for access to capital. Circumstances that limit Ameren's access to capital could impair its ability to provide those subsidiaries with needed capital.

Ameren's holding company structure could limit its ability to pay common stock dividends and to service its debt obligations.

Ameren is a holding company; therefore, its primary assets are its investments in the common stock of its subsidiaries, including Ameren Missouri, Ameren Illinois, and ATXI. As a result, Ameren's ability to pay dividends on its common stock depends on the earnings of its subsidiaries and the ability of its subsidiaries to pay dividends or otherwise transfer funds to Ameren. Similarly, Ameren's ability to service its debt obligations is dependent upon the earnings of operating subsidiaries and the distribution of those earnings and other payments, including payments of principal and interest under intercompany indebtedness. The payment of dividends to Ameren by its subsidiaries in turn depends on their results of operations and available cash and other items affecting retained earnings. Ameren's subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any dividends or make any other distributions (except for payments required pursuant to the terms of intercompany borrowing arrangements and

cash payments under the tax allocation agreement) to Ameren. Certain financing agreements, corporate organizational documents, and certain statutory and regulatory requirements may impose restrictions on the ability of Ameren Missouri, Ameren Illinois, and ATXI to transfer funds to Ameren in the form of cash dividends, loans, or advances.

Noranda's bankruptcy filing, the expected curtailment of operations at its aluminum smelter, and the resulting significant reduction in sales volumes to Noranda will adversely affect Ameren's and Ameren Missouri's results of operations, financial condition, and liquidity.

Ameren Missouri supplies electricity to Noranda's aluminum smelter in southeast Missouri under a long-term power supply contract. In its April 2015 electric rate order, the MoPSC approved a rate design that established $78 million in annual revenues, net of fuel and purchased power costs, as Noranda's portion of Ameren Missouri's revenue requirement. The portion of Ameren Missouri's annual revenue requirement reflected in Noranda's electric rate is based on the assumption that the smelter will use approximately 4.2 million megawatthours annually, which is almost 100% of its operating capacity.

On January 8, 2016, Noranda announced that production had been idled at two of its three pot lines at the smelter following

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an electric supply circuit failure on assets not owned by Ameren Missouri. On January 13, 2016, Noranda announced that the smelter's "remaining operations will be curtailed on or before March 12, 2016, unless [Noranda] is able to secure a substantially more sustainable power rate for the smelter and materially improve [Noranda's] overall liquidity." On February 8, 2016, Noranda filed voluntary petitions for a court-supervised restructuring process under Chapter 11 of the United States Bankruptcy Code. In the filing, Noranda reaffirmed that the remaining pot line will continue to operate at the smelter until March 2016, at which time operation of the line will be curtailed. Noranda stated it would maintain the flexibility to restart operations at the smelter should conditions allow.

As a result of these events in 2016, actual sales volumes to Noranda will be significantly below the sales volumes reflected in rates and therefore, Ameren Missouri will not fully recover its revenue requirement until rates are adjusted by the MoPSC in a future electric rate case to accurately reflect Noranda's actual sales volumes. In light of the Noranda announcements described above, Ameren Missouri expects to employ a provision in its FAC tariff that, under certain circumstances, allows Ameren Missouri to retain a portion of any revenues from any off-system sales it makes as a result of the reduced tariff sales to Noranda. The current market price of electricity is less than Noranda's electric rate, and Ameren Missouri expects market prices to remain below Noranda's electric rate during 2016. Accordingly, this FAC provision would not enable Ameren Missouri to fully recover its revenue requirement under current market conditions.

Ameren Missouri will continue to monitor Noranda's sales volumes and evaluate its regulatory and legislative options to mitigate adverse financial impacts. The reduction in Noranda's sales volumes will adversely affect Ameren's and Ameren Missouri's results of operations, financial condition, and liquidity until customer rates are adjusted in a future rate case.

Increasing costs associated with our defined benefit retirement and postretirement plans, health care plans, and other employee benefits could adversely affect our financial position and liquidity.

Ameren offers defined benefit pension and postretirement benefit plans covering substantially all of its union employees. Ameren offers defined benefit pension plans covering substantially all of its non-union employees and postretirement benefit plans covering non-union employees hired before October 2015. Assumptions related to future costs, returns on investments, interest rates, timing of employee retirements, and mortality, as well as other actuarial matters, have a significant impact on our customers' rates and our plan funding requirements. Ameren's total unfunded obligation under its pension and postretirement benefit plans was $567 million as of December 31, 2015. Ameren expects to fund its pension plans at a level equal to the greater of the pension expense or the legally required minimum contribution. Considering Ameren's assumptions at December 31, 2015, its investment performance in 2015, and its pension funding policy, Ameren expects to make annual contributions of $40 million to $70 million in each of the

next five years, with aggregate estimated contributions of $280 million. We expect Ameren Missouri's and Ameren Illinois' portions of the future funding requirements to be 40% and 50%, respectively. These amounts are estimates. They may change with actual investment performance, changes in interest rates, changes in our assumptions, changes in government regulations, and any voluntary contributions.

In addition to the costs of our retirement plans, the costs of providing health care benefits to our employees and retirees have increased in recent years. We believe that our employee benefit costs, including costs of health care plans for our employees and former employees, will continue to rise. The increasing costs and funding requirements associated with our defined benefit retirement plans, health care plans, and other employee benefits could increase our financing needs and otherwise adversely affect our financial position and liquidity.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

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ITEM 2. PROPERTIES

For information on our principal properties, see the energy center table below. See also Liquidity and Capital Resources and Regulatory Matters in Management's Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report for a discussion of planned additions, replacements or transfers. See also Note 5 – Long-term Debt and Equity Financings, and Note 15 – Commitments and Contingencies under Part II, Item 8, of this report.

The following table shows the anticipated capability of Ameren Missouri's energy centers at the time of Ameren Missouri's expected 2016 peak summer electrical demand:

Primary Fuel Source	Energy Center	Location	Net Kilowatt Capability[a]
Coal	Labadie	Franklin County, Missouri	2,372,000
	Rush Island	Jefferson County, Missouri	1,178,000
	Sioux	St. Charles County, Missouri	970,000
	Meramec	St. Louis County, Missouri	591,000
Total coal			5,111,000
Nuclear	Callaway	Callaway County, Missouri	1,193,000
Hydroelectric	Osage	Lakeside, Missouri	240,000
	Keokuk	Keokuk, Iowa	140,000
Total hydroelectric			380,000
Pumped-storage	Taum Sauk	Reynolds County, Missouri	440,000
Oil (CTs)	Meramec	St. Louis County, Missouri	54,000
	Fairgrounds	Jefferson City, Missouri	54,000
	Mexico	Mexico, Missouri	53,000
	Moberly	Moberly, Missouri	53,000
	Moreau	Jefferson City, Missouri	53,000
Total oil			267,000
Natural gas (CTs)	Audrain[b]	Audrain County, Missouri	600,000
	Venice[c]	Venice, Illinois	487,000
	Goose Creek	Piatt County, Illinois	432,000
	Pinckneyville	Pinckneyville, Illinois	316,000
	Raccoon Creek	Clay County, Illinois	300,000
	Meramec[c][d]	St. Louis County, Missouri	282,000
	Kinmundy[c]	Kinmundy, Illinois	206,000
	Peno Creek[b][c]	Bowling Green, Missouri	188,000
	Kirksville	Kirksville, Missouri	13,000
Total natural gas			2,824,000
Methane gas (CT)	Maryland Heights	Maryland Heights, Missouri	8,000
Solar	O'Fallon	O'Fallon, Missouri	3,000
Total Ameren and Ameren Missouri			10,226,000

(a) Net kilowatt capability is the generating capacity available for dispatch from the energy center into the electric transmission grid.

(b) There are economic development lease arrangements applicable to these CTs.

(c) These CTs have the capability to operate on either oil or natural gas (dual fuel).

(d) Includes capability of two coal units that will burn natural gas beginning in April 2016.

The following table presents in-service electric and natural gas utility-related properties for Ameren Missouri and Ameren Illinois as of December 31, 2015:

	Ameren Missouri	Ameren Illinois

Circuit miles of electric transmission lines[(a)]	2,957		4,569	
Circuit miles of electric distribution lines	33,252		45,881	
Percentage of circuit miles of electric distribution lines underground	23	%	15	%
Miles of natural gas transmission and distribution mains	3,330		18,294	
Underground gas storage fields	—		12	
Total working capacity of underground gas storage fields in billion cubic feet	—		24	

(a) ATXI owns 29 miles of transmission lines not reflected in this table.

Our other properties include office buildings, warehouses, garages, and repair shops.

With only a few exceptions, we have fee title to all principal energy centers and other units of property material to the operation of our businesses, and to the real property on which such facilities are located (subject to mortgage liens securing our outstanding first mortgage bonds and to certain permitted liens and judgment liens). The exceptions are as follows:

- A portion of Ameren Missouri's Osage energy center reservoir, certain facilities at Ameren Missouri's Sioux energy center, most of Ameren Missouri's Peno Creek and Audrain CT energy centers, certain substations, and most transmission and distribution lines and natural gas mains are situated on lands occupied under leases, easements, franchises, licenses, or permits. The United States or the state of Missouri may own or may have paramount rights to certain lands lying in the bed of the Osage River or located between the inner and outer harbor lines of the Mississippi River on which certain of Ameren Missouri's energy centers

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and other properties are located.

- The United States, the state of Illinois, the state of Iowa, or the city of Keokuk, Iowa, may own or may have paramount rights with respect to certain lands lying in the bed of the Mississippi River on which a portion of Ameren Missouri's Keokuk energy center is located.

Substantially all of the properties and plant of Ameren Missouri and Ameren Illinois are subject to the first liens of the indentures securing their mortgage bonds.

Ameren Missouri has conveyed most of its Peno Creek CT energy center to the city of Bowling Green, Missouri, and leased the energy center back from the city through 2022. Under the terms of this capital lease, Ameren Missouri is responsible for all operation and maintenance for the energy center. Ownership of the energy center will transfer to Ameren Missouri at the expiration of the lease, at which time the property and plant will become subject to the lien of any Ameren Missouri first mortgage bond indenture then in effect.

Ameren Missouri operates a CT energy center located in Audrain County, Missouri. Ameren Missouri has rights and obligations as lessee of the CT energy center under a long-term lease with Audrain County. The lease will expire on December 1, 2023. Under the terms of this capital lease, Ameren Missouri is responsible for all operation and maintenance for the energy center. Ownership of the energy center will transfer to Ameren Missouri at the expiration of the lease, at which time the property and plant will become subject to the lien of any Ameren Missouri first mortgage bond indenture then in effect.

ITEM 3. LEGAL PROCEEDINGS

We are involved in legal and administrative proceedings before various courts and 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 this report, will not have a material adverse effect on our results of operations, financial position, or liquidity. Risk of loss is mitigated, in some cases, by insurance or contractual or statutory indemnification. We believe that we have established appropriate reserves for potential losses. Material legal and administrative proceedings, which are discussed in Note 2 – Rate and Regulatory Matters, Note 10 – Callaway Energy Center and Note 15 – Commitment and Contingencies under Part II, Item 8, of this report and are incorporated herein by reference, include the following:

- Ameren Missouri's appeal to the Missouri Court of Appeals, Western District, regarding the method and inputs used to calculate its performance incentive under MEEIA for 2014 and 2015;
- ATXI&#8217