

AMEREN CORP  
 Form 10-K  
 February 26, 2019  
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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, 2018.

OR

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

Commission File Number	Exact name of registrant as specified in its charter; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-14756	Ameren Corporation (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-1723446
1-2967	Union Electric Company (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-0559760
1-3672	Ameren Illinois Company (Illinois Corporation) 10 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:

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

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

Registrant

Title of each class  
 Preferred Stock,  
 Union Electric Company  
 cumulative, \$100 par value,  
 common stock  
 \$100 per share  
 Preferred Stock,  
 cumulative, \$100 par value per share  
 Depository Shares, each representing one-fourth of a share of 6.625%  
 Ameren Illinois Company  
 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  No

Union Electric Company Yes  No

Ameren Illinois Company Yes  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

Union Electric Company Yes  No

Ameren Illinois Company Yes  No

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  No

Union Electric Company Yes  No

Ameren Illinois Company Yes  No

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Indicate by checkmark whether each registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

Ameren Corporation Yes  No

Union Electric Company Yes  No

Ameren Illinois Company Yes  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

Union Electric Company

Ameren Illinois Company

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

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

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

Ameren Corporation

Union Electric Company

Ameren Illinois Company

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

Ameren Corporation Yes  No

Union Electric Company Yes  No

Ameren Illinois Company Yes  No

As of June 29, 2018, the aggregate market value of Ameren Corporation's common stock, \$0.01 par value, (based upon the closing price of the common stock on the New York Stock Exchange on June 29, 2018) held by nonaffiliates was \$14,783,320,074. All of the shares of common stock of the other registrants were held by Ameren Corporation as of June 29, 2018.

The number of shares outstanding of each registrant's classes of common stock as of January 31, 2019, were as follows:

Ameren Corporation Common stock, \$0.01 par value per share: 244,638,879

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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 2019 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.

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

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

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 Electric Distribution – An Ameren Corporation and Ameren Illinois financial reporting segment consisting of the rate-regulated electric distribution business of Ameren Illinois.

Ameren Illinois Transmission – An Ameren Illinois financial reporting segment consisting of the rate-regulated electric transmission business of Ameren Illinois.

Ameren Illinois Natural Gas – An Ameren Corporation and Ameren Illinois financial reporting segment consisting of the rate-regulated natural gas distribution business of Ameren Illinois.

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

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

Ameren Services – Ameren Services Company, an Ameren Corporation subsidiary that provides support services, such as accounting, legal, treasury, and asset management services, to Ameren (parent) and its subsidiaries.

Ameren Transmission – An Ameren Corporation financial reporting segment primarily consisting of the aggregated electric transmission businesses of Ameren Illinois and ATXI.

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

AMMO – A 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.

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

CILCO – Central Illinois Light Company, a former Ameren Corporation subsidiary that was merged with CIPS and IP to form Ameren Illinois.

CIPS – Central Illinois Public Service Company, a predecessor to Ameren Illinois.

Clean Power Plan – “Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units,” an EPA rule, which would have established emission guidelines for states to follow in developing plans to reduce CO<sub>2</sub> emissions from existing fossil-fuel-fired electric generating units. In August 2018, the EPA proposed to repeal and replace the Clean Power Plan with a proposed new rule known as the Affordable Clean Energy Rule.

CO<sub>2</sub> – Carbon dioxide.

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 downwind 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 approximately one million Btus.

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

DRPlus – Ameren Corporation's dividend reinvestment and direct stock purchase plan.

Electric margins – Electric revenues less fuel and purchased power costs.

EMANI – European Mutual Association for Nuclear Insurance.



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

ERISA – Employee Retirement Income Security Act of 1974, as amended.

Excess deferred taxes – The amount of income taxes previously collected from customers that will be returned to customers over periods of time determined by our regulators.

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 the variance in net energy costs from 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.

FEJA – Future Energy Jobs Act, a 2016 Illinois law affecting electric distribution utilities. This law allows Ameren Illinois to earn a return on its electric energy-efficiency investments, decouples electric distribution revenues from sales volumes, offers customer rebates for installing distributed generation, and includes extensions and modifications of certain IEIMA performance-based framework provisions, among other things.

FERC – Federal Energy Regulatory Commission, a United States government agency.

FTR – Financial transmission right, a financial instrument that specifies 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.

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.

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 distribution service rates. The formula ratemaking process expires in 2022, unless extended.

Illinois Credit Agreement – Ameren’s and Ameren Illinois’ \$1.1 billion senior unsecured credit agreement, which expires in December 2022, unless extended.

IP – Illinois Power Company, a former Ameren Corporation subsidiary that merged with CIPS and CILCO to form Ameren Illinois.

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.

IRS – Internal Revenue Service, a United States government agency.

ISRS – Infrastructure system replacement surcharge, a cost recovery mechanism that allows Ameren Missouri to recover natural gas infrastructure replacement costs from customers without a traditional rate proceeding.

Kilowatthour – A measure of electricity consumption equivalent to the use of 1,000 watts of power over one hour.

MATS – Mercury and Air Toxics Standards, an EPA rule that limits emissions of mercury and other air toxics from coal- and oil-fired electric generating units.

MEEIA – Missouri Energy Efficiency Investment Act, a Missouri law that allows electric utilities to recover costs related to MoPSC-approved customer energy-efficiency programs.

MEEIA 2013 – Ameren Missouri’s portfolio of customer energy-efficiency programs, recovery of lost electric margins, and performance incentive for 2013 through 2015, pursuant to the MEEIA, as approved by the MoPSC in August 2012.

MEEIA 2016 – Ameren Missouri’s portfolio of customer energy-efficiency programs, recovery of lost electric margins, and performance incentive for March 2016 through February 2019, pursuant to the MEEIA, as approved by the MoPSC in February 2016.

MEEIA 2019 – Ameren Missouri’s portfolio of customer energy-efficiency programs, recovery of lost electric margins, and performance incentive for March 2019 through December 2024, pursuant to the MEEIA, as approved by the MoPSC in December 2018.

Megawatthour or MWh – One thousand kilowatthours.

MGP – Manufactured gas plant.

MISO – Midcontinent Independent System Operator, Inc., an RTO.

Missouri Credit Agreement – Ameren’s and Ameren Missouri’s \$1 billion senior unsecured credit agreement, which expires in December 2022, unless extended.

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.

Missouri Senate Bill 564 – A 2018 Missouri law that resulted in certain changes to the regulation of Ameren Missouri’s electric service business. These changes include a reduction of customer rates to pass through the effect of the reduction in the federal statutory corporate income tax rate enacted under the TCJA and, at each electric utility’s election, the use of PISA, among other things.

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.

MoOPC – Missouri Office of Public Counsel, a state agency.

MoPSC – Missouri Public Service Commission, a state agency that regulates Missouri utility businesses, including Ameren Missouri.

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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.

Natural gas margins – Natural gas revenues less natural gas purchased for resale.

NAV – Net asset value per share.

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, which include fuel and purchased power costs, including transportation, net of off-system sales and capacity revenues. Substantially all transmission revenues and charges are excluded from net energy costs.

Net metering – Net metering allows customers who generate their own electricity or subscribe to receive output from eligible facilities to feed electricity they do not use back into the grid. The customers receive a credit for the energy they add to the grid.

New Madrid Smelter – A former aluminum smelter located in southeast Missouri.

NO<sub>x</sub> – Nitrogen oxides.

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.

OCI – Other comprehensive income (loss) as defined by GAAP.

Off-system sales revenues – Revenues from other than native load sales, including wholesale sales.

PGA – Purchased Gas Adjustment tariffs, which permit prudently incurred natural gas costs to be recovered directly from utility customers without a traditional rate proceeding.

PISA – Plant-in-service accounting, an election under Missouri Senate Bill 564 that permits electric utilities to defer and recover 85% of the depreciation expense and a weighted-average cost of capital return on rate base on certain property, plant, and equipment placed in service after the PISA election date. The rate base on which the return is calculated incorporates qualifying capital expenditures since the PISA election date as well as changes in total accumulated depreciation excluding retirements and plant-related deferred income taxes. Accumulated PISA deferrals earn carrying costs at the weighted-average cost of capital. PISA was elected by Ameren Missouri, effective September 1, 2018.

QIP – Qualifying infrastructure plant, which provides Ameren Illinois' natural gas business with recovery of, and a weighted-average cost of capital return on, qualifying infrastructure plant investments that are placed in service between regulatory rate reviews.

Rate base – The basis on which a public utility is permitted to earn an allowed rate of return. This basis is the net investment in assets used to provide utility service, which generally consists of in-service property, plant, and equipment, net of accumulated depreciation and accumulated deferred income taxes, inventories, and, depending on jurisdiction, construction work in progress.

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 regulatory rate reviews 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.

RESRAM – Renewable energy standard rate adjustment mechanism, a cost recovery mechanism allowed under state law that enables Ameren Missouri to recover costs relating to compliance with Missouri's renewable energy standard, including recovery of investments in wind generation and other renewables, and earn a return on those investments

not already provided for in customer rates or any other recovery mechanism by adjusting customer rates on an annual basis without a traditional regulatory rate review, subject to MoPSC prudence reviews. RESRAM regulatory assets will earn carrying costs at short-term interest rates.

Revenue requirement – The cost of providing utility service to customers, which is calculated as the sum of a utility’s recoverable operating expenses and an allowed return on rate base, which includes a return on invested capital, both debt and equity, and an amount for income taxes.

RFP – Request for proposal.

RTO – Regional transmission organization.

S&P – S&P Global Ratings, 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.

Smart Energy Plan – Ameren Missouri’s plan to upgrade Missouri’s electric grid through 2023. Upgrades include investments to improve reliability and accommodate more renewable energy.

SO<sub>2</sub> – Sulfur dioxide.

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TCJA – The Tax Cuts and Jobs Act of 2017, federal income tax legislation enacted in December 2017, which significantly changed the tax laws applicable to business entities. The TCJA includes specific provisions related to regulated public utilities. Substantially all of the provisions of the TCJA affecting the Ameren Companies, other than certain transition depreciation rules, were effective for taxable years beginning after December 31, 2017.

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.

VBA – A volume balancing adjustment for Ameren Illinois’ natural gas business. 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.

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

**FORWARD-LOOKING STATEMENTS**

Statements in this report not based on historical facts are considered “forward-looking” and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions, and financial performance. In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. The following factors, in addition to those discussed within Risk Factors under Part I, Item 1A, of this report, 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, and any changes in regulatory policies and ratemaking determinations, such as those that may result from a potential change in the allowed base return on common equity under the MISO tariff from either the complaint case filed in February 2015 with the FERC or a new methodology proposed by the FERC in November 2018, Ameren Missouri’s requested certificate of convenience and necessity for a wind generation facility filed with the MoPSC in October 2018, Ameren Missouri’s natural gas regulatory rate review filed with the MoPSC in December 2018, an appeal filed by the MoOPC in January 2019 in Ameren Missouri’s RESRAM case, and future regulatory, judicial, or legislative actions that change regulatory recovery mechanisms;
- the effect of Ameren Illinois’ participation in performance-based formula ratemaking frameworks under the IEIMA and the FEJA, including the direct relationship between Ameren Illinois’ return on common equity and the 30-year United States Treasury bond yields, and the related financial commitments;
- the effect of Missouri Senate Bill 564 on Ameren Missouri, including as a result of Ameren Missouri’s election to use PISA and the resulting customer rate caps;
- the effects of changes in federal, state, or local laws and other governmental actions, including monetary, fiscal, and energy policies;
- the effects of changes in federal, state, or local tax laws, regulations, interpretations, or rates, amendments or technical corrections to the TCJA, and challenges to the tax positions taken by the Ameren Companies, if any;
- the effects on demand for our services resulting from technological advances, including advances in customer energy efficiency, energy storage, and private generation sources, which generate electricity at the site of consumption and are becoming more cost-competitive;
- the effectiveness of Ameren Missouri’s customer energy-efficiency programs and the related revenues and performance incentives earned under its MEEIA programs;
- Ameren Illinois’ ability to achieve the FEJA electric customer energy-efficiency goals and the resulting impact on its allowed return on program investments;

our ability to align overall spending, both operating and capital, with frameworks established by our regulators and to recover these costs in a timely manner in our attempt to earn our allowed returns on equity;  
the cost and availability of fuel, such as ultra-low-sulfur coal, natural gas, and enriched uranium, used to produce electricity; the cost and availability of purchased power, zero emission credits, renewable energy credits, and natural gas for distribution; and the level and volatility of future market prices for such commodities and credits, including our ability to recover the costs for such commodities and credits and our customers' tolerance for any related price increases;

- disruptions in the delivery of fuel, failure of our fuel suppliers to provide adequate quantities or quality of fuel, or lack of adequate inventories of fuel, including nuclear fuel assemblies from the one NRC-licensed supplier of Ameren Missouri's Callaway energy center's assemblies;

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;

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

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

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

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

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

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

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

the impact of weather conditions and other natural phenomena on us and our customers, including the impact of system outages;

the construction, installation, performance, and cost recovery of generation, transmission, and distribution assets;

the effects of breakdowns or failures of equipment in the operation of natural gas transmission and distribution systems and storage facilities, such as leaks, explosions, and mechanical problems, and compliance with natural gas safety regulations;

the effects of breakdowns or failures of electric generation, transmission, or distribution equipment or facilities, which could result in unanticipated liabilities or unplanned outages;

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

the impact of current environmental laws and new, more stringent, or changing requirements, including those related to CO<sub>2</sub> and the proposed repeal and replacement of the Clean Power Plan and potential adoption and implementation of the Affordable Clean Energy Rule, other emissions and discharges, cooling water intake structures, CCR, and energy efficiency, that could limit or terminate the operation of certain of Ameren Missouri's energy centers, increase our operating 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 requirements in Missouri and Illinois and with the zero emission standard in Illinois;

Ameren Missouri's ability to acquire wind and other renewable generation facilities and recover its cost of investment and related return in a timely manner, which is affected by the ability to obtain all necessary project approvals; the availability of federal production and investment tax credits related to renewable energy and Ameren Missouri's ability to use such credits; the cost of wind and solar generation technologies; and Ameren Missouri's ability to obtain timely interconnection agreements with MISO or other RTOs, including the costs of such interconnections;

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

the impact of negative opinions of us or our utility services that our customers, legislators, or regulators may have or develop, which could result from a variety of factors, including failures in system reliability, failure to implement our investment plans or to protect sensitive customer information, increases in rates, or negative media coverage;

the impact of adopting new accounting guidance;

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

legal and administrative proceedings; and

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

New factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statement. Given these uncertainties, undue reliance should not be placed on these forward-looking statements. Except to the extent required

by the federal securities laws, we undertake no obligation to update or revise publicly any forward-looking statements to reflect new information or future events.

PART I

ITEM 1. BUSINESS

GENERAL

Ameren, formed in 1997 and headquartered in St. Louis, Missouri, is a public utility holding company whose primary assets are its equity interests in its subsidiaries. Ameren's subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. Dividends on Ameren's common stock and the payment of expenses by Ameren depend on distributions made to it by its subsidiaries.

Below is a summary description of Ameren's principal subsidiaries, which includes Ameren Missouri, Ameren Illinois, and ATXI. Ameren also has other subsidiaries that conduct other activities, such as providing shared services. A more detailed description can be found in Note 1 – Summary of Significant Accounting Policies under Part II, Item 8, of this report.



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

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

ATXI operates a FERC rate-regulated electric transmission business. ATXI is constructing MISO-approved electric transmission projects, including the Illinois Rivers and Mark Twain projects, and operates the Spoon River project, which was placed in service in February 2018. Ameren also evaluates competitive electric transmission investment opportunities as they arise.

The following table presents our total employees at December 31, 2018:

Ameren Missouri	3,798
Ameren Illinois	3,458
Ameren Services	1,582
Ameren	8,838

Labor unions at Ameren's subsidiaries consist of the International Brotherhood of Electrical Workers, the International Union of Operating Engineers, the Laborer's International Union of North America, the United Association of Plumbers and Pipefitters, and the United Government Security Officers of America. At December 31, 2018, these labor unions collectively represented about 51% of Ameren's total employees. They represented 61% and 57% of the employees at Ameren Missouri and Ameren Illinois, respectively. The collective bargaining agreements expire between 2019 and 2021.

For additional information about the development of our businesses, our business operations, and factors affecting our results of operations, financial position, and liquidity, 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 four segments: Ameren Missouri, Ameren Illinois Electric Distribution, Ameren Illinois Natural Gas, and Ameren Transmission. The Ameren Missouri segment includes all of the operations of Ameren Missouri. Ameren Illinois Electric Distribution consists of the electric distribution business of Ameren Illinois. Ameren Illinois Natural Gas consists of the natural gas business of Ameren Illinois. Ameren Transmission primarily consists of the aggregated electric transmission businesses of Ameren Illinois and ATXI.

Ameren Missouri has one segment. Ameren Illinois has three segments: Ameren Illinois Electric Distribution, Ameren Illinois Natural Gas, and Ameren Illinois Transmission.

An illustration of the Ameren Companies' reporting structures is provided below.

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(a) The Ameren Transmission segment also includes allocated Ameren (parent) interest charges, Ameren Transmission Company, LLC, ATX East, LLC, and ATX Southwest, LLC.

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 prudence 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 the process of 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 Ameren Transmission and Ameren Illinois Electric Distribution businesses experiencing the least amount of regulatory lag. Depending on the jurisdiction, the effects of regulatory lag are mitigated by various means, including the use of a future test year, the use of trackers and riders, the level and timing of expenditures, annual revenue requirement reconciliations, the decoupling of revenues from sales volumes, and the recovery of certain capital investments under PISA, the RESRAM, and the QIP rider.

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

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The following table summarizes the key terms of the rate orders in effect for customer billings for each of Ameren's rate-regulated utilities as of January 1, 2019:

	Rate Regulator	Allowed Return on Equity	Percent of Common Equity	Rate Base (in billions)	Portion of Ameren's 2018 Operating Revenues <sup>(a)</sup>
Ameren Missouri					
Electric service <sup>(b)</sup>	MoPSC	9.2% – 9.7% <sup>(c)</sup>	(c)	(c)	54%
Natural gas delivery service	MoPSC	(d)	(d)	(d)	2%
Ameren Illinois					
Electric distribution delivery service <sup>(e)</sup>	ICC	8.69%	50.0%	\$3.0	25%
Natural gas delivery service <sup>(f)</sup>	ICC	9.87%	50.0%	\$1.6	13%
Electric transmission service <sup>(g)</sup>	FERC	10.82%	52.0%	\$1.9	3%
ATXI					
Electric transmission service <sup>(g)</sup>	FERC	10.82%	56.1%	\$1.3	3%

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

Based on the MoPSC's March 2017 rate order. This rate order specified that an implicit return on equity was within (c) a range of 9.2% to 9.7%. The rate order did not specify a percent of common equity or rate base. The return on equity used for allowance for equity funds used during construction is 9.53%.

(d) Based on the MoPSC's January 2011 rate order. This rate order did not specify the allowed return on equity, the percent of common equity, or rate base.

Based on the ICC's November 2018 rate order. Ameren Illinois electric distribution delivery service rates are updated annually and become effective each January. The November 2018 rate order was based on 2017 recoverable costs, expected net plant additions for 2018, and the annual average of the monthly yields during 2017 of the 30-year United States Treasury bonds plus 580 basis points. Ameren Illinois' (e) 2019 electric distribution delivery service revenues will be based on its 2019 actual recoverable costs, rate base, common equity percentage, and return on common equity, as calculated under the IEIMA's performance-based formula ratemaking framework.

(f) Based on the ICC's November 2018 rate order. The rate order was based on a 2019 future test year.

Transmission rates are updated annually and become effective each January. They are determined by a company-specific, forward-looking formula ratemaking based on each year's forecasted information. The 10.82% return, which includes a 50 basis points incentive adder for participation in an RTO, could be lowered as a result of (g) a FERC complaint proceeding filed in February 2015 that challenged the allowed return on common equity for MISO transmission owners and will require customer refunds if the FERC approves a return on equity lower than that previously collected through rates. The return on equity applicable to investments in ATXI's Mark Twain project includes an additional 50 basis points incentive adder related to the unique nature of risks involved in completing the project.

#### Ameren Missouri

Ameren Missouri's electric operating revenues are regulated by the MoPSC. Ameren Missouri's electric service and natural gas distribution service rates are established in a traditional regulatory rate review based on a historical test year and an allowed return on equity. If specific criteria are met, certain of Ameren Missouri's electric rates may be adjusted without a traditional rate proceeding. For example, Ameren Missouri's MEEIA customer energy-efficiency program costs, lost electric margins, and any performance incentive are recoverable through a rider that may be

adjusted without a traditional rate proceeding, subject to MoPSC prudence reviews. Likewise, the FAC permits Ameren Missouri to recover or refund, through customer rates, 95% of the variance in net energy costs from the amount set in base rates without a traditional rate proceeding, subject to MoPSC prudence reviews.

In addition to the MEEIA and the FAC recovery mechanisms, Ameren Missouri employs other cost recovery mechanisms, including a pension and postretirement benefit cost tracker, an uncertain tax position tracker, a tracker on certain excess deferred taxes, a renewable energy standards cost tracker, and a solar rebate program tracker. Each of these trackers allows Ameren Missouri to defer the difference between actual costs incurred and the costs included in customer rates as a regulatory asset or regulatory liability. The difference will be included in base rates in a subsequent MoPSC rate order. Ameren Missouri also employs PISA and the RESRAM, as discussed below.

Under PISA, Ameren Missouri is permitted to defer and recover 85% of the depreciation expense and a weighted-average cost of capital return on rate base on certain property, plant, and equipment placed in service after September 1, 2018, and not included in base rates. Eligible PISA deferrals exclude amounts related to new coal-fired, nuclear, and natural gas generating units and service to new customer premises. Accumulated PISA deferrals earn carrying costs at the weighted-average cost of capital, and all approved PISA deferrals will be added to rate base prospectively and recovered over a period of 20 years following a regulatory rate review. PISA mitigates the impacts of regulatory lag between regulatory rate reviews. Costs not included in the PISA deferral, including the remaining 15% of certain property, plant, and equipment not eligible for recovery under the RESRAM, remain subject to regulatory lag. As a result of the PISA election, additional provisions under Missouri Senate Bill 564 apply to Ameren Missouri, including limitations on electric customer rate increases and an electric base rate freeze until April 2020. Customer rates under the MEEIA, the FAC, and the RESRAM riders have not been frozen. If rate changes from the FAC or the RESRAM riders would cause rates to temporarily exceed the 2.85% rate cap, the overage would be deferred for future recovery in the next regulatory rate review; however, rates established in such regulatory rate review will be subject to the rate cap. Any deferred overages approved for recovery will be recovered in a manner consistent with costs recovered under PISA. Excluding customer rates under the MEEIA rider, which are not subject to the rate cap, Ameren Missouri would incur a penalty equal to the amount of deferred

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verage that would cause customer rates to exceed the 2.85% rate cap. Both the rate increase limitation and PISA are effective through December 2023, unless Ameren Missouri requests and receives MoPSC approval of an extension through December 2028.

The RESRAM allows Ameren Missouri to mitigate the impacts of regulatory lag for the cost of compliance with renewable energy requirements, including recovery of investments in wind and other renewable generation, and to earn a return on those investments not already provided for in customer rates or any other recovery mechanism by adjusting customer rates on an annual basis without a traditional regulatory rate review. Under the RESRAM, Ameren Missouri is permitted to recover the 15% of renewable generation plant placed in service not recovered under PISA. RESRAM regulatory assets earn carrying costs at short-term interest rates.

Ameren Missouri is a member of MISO, and its transmission rate is calculated in accordance with the MISO Open Access Transmission Tariff. The FERC regulates the rates charged and the terms and conditions for wholesale electric transmission service. The transmission rate update each June is based on Ameren Missouri's filings with the FERC. This rate is not directly charged to Missouri retail customers because, in Missouri, bundled retail rates include an amount for transmission-related costs and revenues.

Ameren Missouri's natural gas operating revenues are regulated by the MoPSC. If specific 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 timely basis between regulatory rate reviews. Ameren Missouri is not currently recovering any infrastructure replacement costs under the ISRS. The return on equity for purposes of the ISRS tariff will be determined in the pending natural gas rate review. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for more information on the pending natural gas rate review.

Ameren Illinois

Ameren Illinois Electric Distribution

Ameren Illinois' electric distribution delivery service operating revenues are regulated by the ICC. In 2018, Ameren Illinois' electric distribution delivery service revenues accounted for 88% of Ameren Illinois' total electric operating revenues.

Ameren Illinois participates in the performance-based formula ratemaking framework established pursuant to the IEIMA, which is available through 2022 unless extended. This framework provides for the recovery of actual costs of electric delivery service that are prudently incurred and the use of the utility's actual regulated capital structure through a formula for calculating the return on equity component of the cost of capital. A common equity ratio up to and including 50% is considered prudent under the framework. The return on equity component of the formula rate is equal to the annual average of the monthly yields of the 30-year United States Treasury bonds plus 580 basis points. The revenue requirement included in customer rates is reconciled annually with the revenue requirement necessary to reflect the actual costs incurred in a given year, including an allowed return on equity. This annual revenue requirement reconciliation adjustment will be collected from, or refunded to, customers within two years.

Beginning in 2017, the FEJA allowed Ameren Illinois to recover within the following two years its electric distribution revenue requirement for a given year, independent of actual sales volumes. Prior to 2017, Ameren Illinois' revenues were affected by the timing of sales volumes due to seasonal rates and changes in volumes resulting from, among other things, weather and energy efficiency. This portion of the law extends beyond the end of formula ratemaking in 2022. Through 2022, revenue differences will be included in the annual formula rate revenue requirement reconciliation. Additionally, this law implemented a customer surcharge, based on zero emission credit purchases, relating to certain nuclear energy centers located in Illinois. The surcharge, like the cost of power purchased by Ameren Illinois on behalf of its customers, is passed through to electric distribution customers with no effect on Ameren Illinois' earnings.

Ameren Illinois plans to invest approximately \$100 million per year in electric energy-efficiency programs through 2023, consistent with targets established by the FEJA. The electric energy-efficiency program investments and the formulaic return on those investments will be collected from customers through a rider; they will not be included in the IEIMA formula ratemaking framework.

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 formulas. The performance standards applicable to electric distribution service include improvements in service reliability to reduce both the frequency and duration of outages, a reduction in the number of estimated bills, a reduction of consumption from inactive meters, and a reduction in bad debt expense. The electric distribution service regulatory framework provides for return on equity penalties up to 38 basis points in each year from 2019 through 2022, if these performance standards are not met. Beginning in 2018, the rider for electric energy-efficiency investments provides for increases or decreases of up to 200 basis points to the return on equity. Any adjustments to the return on equity for energy-efficiency investments will depend on annual performance of a historical period relative to energy savings goals. In 2018, there were no performance-related basis point adjustments.

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Under the IEIMA, Ameren Illinois is also subject to minimum capital spending levels. Between 2012 and 2021, Ameren Illinois is required to invest a minimum of \$625 million in capital projects to modernize its distribution system incremental to its average annual electric distribution service capital projects of \$228 million for calendar years 2008 through 2010. Through 2018, Ameren Illinois has invested \$592 million in IEIMA capital projects toward its \$625 million requirement.

Ameren Illinois employs cost recovery mechanisms for power procurement, renewable energy credits, zero emission credits, and certain environmental costs, as well as bad debt expense and the costs of certain asbestos-related claims not recovered in base rates.

### Ameren Illinois Natural Gas

Ameren Illinois' natural gas operating revenues are regulated by the ICC. In November 2018, the ICC issued a rate order that approved an annual revenue increase of \$32 million for Ameren Illinois' natural gas delivery service, based on a 2019 future test year. If specific criteria are met, Ameren Illinois' natural gas rates may be adjusted without a traditional rate proceeding, as PGA clauses permit prudently incurred natural gas costs to be passed directly to customers. Ameren Illinois employs a VBA to ensure recoverability of the natural gas distribution service revenue requirement for residential and small nonresidential customers that is dependent on sales volumes. For these rate classes, the VBA allows Ameren Illinois to adjust natural gas distribution service rates without a traditional regulatory rate review when changes occur in sales volumes from normalized sales volumes approved by the ICC in a previous regulatory rate review. Also, Ameren Illinois employs cost recovery mechanisms for customer energy-efficiency program costs, certain environmental costs, and bad debt expenses not recovered in base rates.

Illinois has a law that encourages natural gas utilities to accelerate modernization of the state's natural gas infrastructure through a QIP rider. Without legislative action, the QIP rider will expire in December 2023. Ameren Illinois' 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. Eligible natural gas investments include projects to improve safety and reliability and modernization investments, such as smart meters. Recovery begins two months after the qualifying natural gas plant is placed in service and continues until such plant is included in base rates in a natural gas delivery service rate order. Ameren Illinois' QIP rider is subject to a rate impact limitation of a cumulative 4% per year since the most recent delivery service rate order, with no single year exceeding 5.5%. Upon issuance of a natural gas delivery service rate order, QIP rate base is transferred to base rates and the QIP rider is reset to zero, which mitigates the risk that the QIP rider will exceed its statutory limitations in future years and ensures timely recovery of capital investment.

### Ameren Illinois Transmission

Ameren Illinois' transmission operating revenues are regulated by the FERC. In 2018, Ameren Illinois' transmission operating revenues accounted for 12% of Ameren Illinois' electric operating revenues. See Ameren Transmission below for additional information regarding Ameren Illinois' transmission business.

### Ameren Transmission

Ameren Transmission primarily consists of the aggregated electric transmission businesses of Ameren Illinois and ATXI. Both Ameren Illinois and ATXI are members of MISO, and their transmission rates are calculated in accordance with the MISO Open Access Transmission Tariff. Ameren Illinois and ATXI have received FERC approval to use a company-specific, forward-looking formula ratemaking framework in setting their transmission rates. These forward-looking rates are updated annually and become effective each January with forecasted information. A reconciliation at the end of the year, which adjusts for the actual revenue requirement and for actual sales volumes, is used to adjust billing rates in a subsequent year. Ameren Illinois Transmission earns revenue from transmission service provided to Ameren Illinois Electric Distribution, other retail electric suppliers, and wholesale customers. The transmission expense for Illinois customers who have elected to purchase their power from Ameren Illinois is recovered through a cost recovery mechanism with no net effect on Ameren Illinois Electric Distribution earnings, as costs are offset by corresponding revenues. Transmission revenues from these transactions are reflected in Ameren Transmission's and Ameren Illinois Transmission's operating revenues.

The FERC-allowed return on common equity for MISO transmission owners was challenged by customer groups in two complaint cases filed in November 2013 and February 2015. In September 2016, the FERC issued a final order in

the November 2013 complaint case, which became immediately effective, and lowered the allowed base return on common equity to 10.32%, or a 10.82% total allowed return on equity with the inclusion of a 50 basis point adder for participation in an RTO. In June 2016, an administrative law judge issued an initial decision in the February 2015 complaint case. If approved by the FERC, it would lower the allowed base return on common equity for the 15-month period of February 2015 to May 2016 to 9.70%, or a 10.20% total allowed return on equity with the inclusion of a 50 basis point incentive adder for participation in an RTO. It would also require customer refunds, with interest, for that 15-month period. A final FERC order would also establish the allowed return on common equity that will apply prospectively from the effective date of such order, replacing the current 10.82% total return on common equity. In November 2018, the FERC issued an order related to the February 2015 complaint case and the September 2016 final order, which required briefs from the participants to be filed in February 2019 regarding a new methodology for determining the base return on common equity and whether and how to apply the new methodology to the two MISO complaint cases.



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Ameren is unable to predict the ultimate impact of the proposed methodology on these complaint cases at this time. As the FERC is under no deadline to issue a final order, the timing of the issuance of the final order in the February 2015 complaint case, or any potential impact to the amounts refunded as a result of the September 2016 final order, is uncertain.

ATXI has three MISO-approved multi-value projects: the Spoon River, Illinois Rivers, and Mark Twain projects. The Spoon River project, which is located in northwest Illinois, was placed in service in February 2018. The Illinois Rivers project involves the construction of a 345-kilovolt line from eastern Missouri across Illinois to western Indiana. Construction of the Illinois Rivers project is substantially complete, with the last section awaiting the outcome of certain legal proceedings, which will delay the expected completion date to 2020. This delay is not expected to materially affect 2019 rate base or earnings. The Mark Twain project is located in northeast Missouri and connects Iowa to the Illinois Rivers project. ATXI plans to complete the Mark Twain project by the end of 2019. As of December 31, 2018, ATXI's expected remaining investment in both the Illinois Rivers and Mark Twain projects was approximately \$150 million, with the total investment in all three projects expected to be more than \$1.6 billion. The FERC has approved transmission rate incentives relating to the three MISO-approved multi-value projects, which allow construction work in progress to be included in rate base, thereby improving the timeliness of cash recovery. Additionally, the Mark Twain project earns an additional 50 basis point return on equity incentive adder, effective as of February 14, 2018, based on the unique nature of risks involved in the project.

For additional information on Ameren Missouri, Ameren Illinois, and ATXI rate matters, including the FERC complaint case 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 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 electric power system. These standards are developed and enforced by the NERC, pursuant to authority delegated to it by the FERC. Ameren Missouri, Ameren Illinois, and ATXI are members of the SERC. The SERC is one of eight regional entities representing all or portions of 16 central and southeastern states under authority from the NERC for the purpose of implementing and enforcing reliability standards approved by the FERC. The regional entities of the NERC work to safeguard the reliability of the bulk power systems throughout North America. If any of Ameren Missouri, Ameren Illinois, or ATXI is found not to be in compliance with these mandatory reliability standards, it could incur substantial monetary penalties and other sanctions.

Under the Public Utility Holding Company Act of 2005, the FERC and any state public utility regulatory agency may access books and records of Ameren and its subsidiaries that are found to be relevant to costs incurred by Ameren's rate-regulated subsidiaries that may affect jurisdictional rates. The act 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. The license for the Callaway energy center expires in 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 licenses for the Osage hydroelectric energy center and the Taum Sauk pumped-storage hydroelectric energy center expire in 2047 and 2044, respectively. 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 9 – Callaway Energy Center, and Note 14 – 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 laws, including statutes and regulations, relating to the protection of the safety and health of our personnel, the public, and the environment. These laws 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, water intake, and the management of waste and byproduct materials.

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Failure to comply with these laws 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 laws that currently apply to our operations. The EPA has promulgated environmental regulations that have a significant impact on the electric utility industry. Over time, compliance with these regulations could be costly for Ameren Missouri, which operates coal-fired power plants. As of December 31, 2018, Ameren Missouri's fossil fuel-fired energy centers represented 16% and 32% of Ameren's and Ameren Missouri's rate base, respectively. Regulations that apply to air emissions from the electric utility industry include the NSPS, the CSAPR, the MATS, and the National Ambient Air Quality Standards, which are subject to periodic review for certain pollutants. Collectively, these regulations cover a variety of pollutants, such as SO<sub>2</sub>, particulate matter, NO<sub>x</sub>, mercury, toxic metals, and acid gases, and CO<sub>2</sub> emissions from new power plants. Water intake and discharges from power plants are regulated under the Clean Water Act. Such regulation could require modifications to water intake structures or more stringent limitations on wastewater discharges at Ameren Missouri's energy centers, either of which could result in significant capital expenditures. The management and disposal of coal ash is regulated under the CCR rule, which will require the closure of surface impoundments and the installations of dry ash handling systems at several of Ameren Missouri's energy centers. The individual or combined effects of existing environmental regulations could result in significant capital expenditures, increased operating costs, or the closure or alteration of operations at some of Ameren Missouri's energy centers. Ameren and Ameren Missouri expect that such compliance costs would be recoverable through rates, subject to MoPSC prudence review, but the timing of costs and their recovery could be subject to regulatory lag. These environmental regulations could also affect the availability of, the cost of, and the demand for power and natural gas that is acquired for Ameren Missouri's natural gas customers and Ameren Illinois' electric and natural gas customers. Federal, state, and local authorities continually revise these regulations, which adds uncertainty to our planning process and to the ultimate implementation of these or other new or revised regulations.

For additional discussion of environmental matters, including NO<sub>x</sub> and SO<sub>2</sub> emission reduction requirements, regulation of CO<sub>2</sub> 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 14 – Commitments and Contingencies under Part II, Item 8, of this report.

**TRANSMISSION**

Ameren owns an integrated transmission system that is composed of the transmission assets of Ameren Missouri, Ameren Illinois, and ATXI. Ameren also operates two balancing authority areas: AMMO and AMIL. During 2018, the peak demand was 7,482 megawatts in AMMO and 8,792 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 2020. Ameren Missouri is required to file a periodic cost-benefit study with the MoPSC in 2020 evaluating Ameren Missouri's continued participation in MISO.

**SUPPLY OF ELECTRIC POWER****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, energy center outages, the fulfillment of renewable energy requirements, the failure of suppliers to meet their power supply obligations, extreme weather conditions, the availability of power at a cost lower than its generation cost, and the absence of sufficient owned generation.

Ameren Missouri files a nonbinding 20-year integrated resource plan with the MoPSC every three years. The most recent integrated resource plan, filed in September 2017, includes Ameren Missouri's preferred approach for meeting customers' projected long-term energy needs in a cost-effective manner while maintaining system reliability. The plan targets cleaner and more diverse sources of energy generation, including solar, wind, natural gas, hydro, and nuclear power. It also includes expanding renewable generation by adding at least 700 megawatts of wind generation by 2020 in Missouri and neighboring states, adding 100 megawatts of solar generation by 2027, retiring coal-fired energy centers as they reach the end of their useful lives, expanding customer energy-efficiency programs, and adding

cost-effective demand response programs.

Ameren Missouri continues to evaluate its longer-term needs for new generating capacity. The need for new energy centers is dependent on several key factors, including continuation of and customer participation in energy-efficiency programs, the amount of distributed generation from customers, load growth, technological advancements, costs of generation alternatives, environmental regulation of coal-fired power plants, and state renewable energy requirements, which could lead to the retirement of current baseload assets before the end of their useful lives or alterations in the way those assets operate. Because of the significant time required to plan, acquire permits for,

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and build a baseload energy center, Ameren Missouri continues to study alternatives and to take steps to preserve options to meet future demand. Steps include evaluating the potential for further diversification of Ameren Missouri's generation portfolio through renewable energy generation, including wind and solar generation, additional customer energy-efficiency and demand response programs, distributed energy resources, and energy storage.

Ameren Illinois

In Illinois, while electric transmission and distribution service rates are regulated, power supply prices are not. Although electric customers are allowed to purchase power from an alternative retail electric supplier, Ameren Illinois is required to be the provider of last resort for its electric distribution customers. In 2018, 2017, and 2016, Ameren Illinois procured power on behalf of its customers for 23% in each year of its total kilowatthour sales. Power purchased by Ameren Illinois for its electric distribution customers who do not elect to purchase their power from an alternative retail electric supplier 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. The power and related procurement costs incurred by Ameren Illinois are passed directly to its electric distribution customers through a cost recovery mechanism. The costs are reflected in Ameren Illinois Electric Distribution's results of operations, but do not affect Ameren Illinois Electric Distribution's earnings, because these costs are offset by corresponding revenues. Ameren Illinois charges transmission and distribution service rates to electric distribution customers who purchase electricity from alternative retail electric suppliers, which does affect Ameren Illinois Electric Distribution's earnings.

Illinois law requires Ameren Illinois to offer rebates for certain net metering customers. It is anticipated that the first rebates will be issued in 2019. The cost of the rebates will be deferred as a regulatory asset, which will earn a return based on the utility's weighted-average cost of capital. Customers that receive these rebates will be allowed to net their supply service charges, but not their distribution service charges. Beginning in 2017, the FEJA decoupled the electric distribution revenues established in a rate proceeding from the actual sales volumes, which ensures that Ameren Illinois' electric distribution earnings will not be affected by any changes in sales volumes.

POWER GENERATION

Ameren Missouri owns energy centers that rely on a diverse fuel portfolio, including coal, nuclear, and natural gas, as well as renewable sources of generation, which include hydroelectric, methane gas, and solar. All of Ameren Missouri's coal-fired energy centers were constructed prior to 1978. The Callaway nuclear energy center began operation in 1984 and is licensed to operate until 2044. As of December 31, 2018, Ameren Missouri's fossil fuel-fired energy centers represented 16% and 32% of Ameren's and Ameren Missouri's rate base, respectively. See Item 2 – Properties under Part I of this report for information regarding Ameren Missouri's electric generation energy centers.

Coal

Ameren Missouri has an ongoing need for coal as fuel for generation, and pursues a price-hedging strategy consistent with this requirement. Ameren Missouri has agreements in place to purchase and transport coal to its energy centers. As of December 31, 2018, Ameren Missouri had price-hedged 98% of its expected coal supply and 100% of its coal transportation requirements for generation in 2019. Ameren Missouri has additional coal supply under contract through 2022. The Powder River Basin coal transport agreements that Ameren Missouri has with Union Pacific Railroad and Burlington Northern Santa Fe Railway are currently set to expire at the end of 2024. Ameren Missouri burned approximately 18.0 million tons of coal in 2018.

About 97% of Ameren Missouri's coal is purchased from the Powder River Basin in Wyoming. The remaining coal is typically purchased from the Illinois Basin. Inventories 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, 2018, 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 wholesale 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 fuel assemblies. Ameren Missouri has entered into uranium, uranium conversion, uranium enrichment, and fabrication contracts to procure the fuel supply for its Callaway energy center.

The Callaway energy center requires refueling at 18-month intervals. The last refueling was completed in December 2017. The next refueling is scheduled for the spring of 2019. As of December 31, 2018, Ameren Missouri had inventories for all of Callaway's spring 2019

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refueling requirements. Ameren Missouri has inventories and supply contracts sufficient to meet all of its uranium (concentrate and hexafluoride), conversion, and enrichment requirements at least through the 2023 refueling. Ameren Missouri has fuel fabrication service contracts through the 2023 refueling.

**RENEWABLE ENERGY CREDITS AND ZERO EMISSION CREDITS**

Missouri and Illinois laws require electric utilities to include renewable energy resources in their portfolios. Ameren Missouri and Ameren Illinois satisfied their renewable energy portfolio requirements in 2018.

In Missouri, utilities were required to purchase or generate electricity equal to at least 10% of native load sales from renewable energy sources in 2018. That percentage will increase to at least 15% by 2021, subject to an average 1% annual increase on customer rates over any 10-year period. At least 2% of the annual renewable energy requirement must be derived from solar energy. Ameren Missouri expects to satisfy the nonsolar requirement in 2019 with its Keokuk and Maryland Heights energy centers, a 102-megawatt power purchase agreement with a wind farm operator, and an estimated purchase of approximately \$2 million of renewable energy credits in the market. The Keokuk energy center generates electricity using a hydroelectric dam located on the Mississippi River. The Maryland Heights energy center generates electricity by burning methane gas collected from a landfill. Ameren Missouri is meeting the solar energy requirement by purchasing solar-generated renewable energy credits from customer-installed systems and by generating solar energy at its O'Fallon energy center and its headquarters building. In 2018, Ameren Missouri entered into build-transfer agreements to purchase up to 557 megawatts of wind generation. For additional information on these agreements, see Note 2 – Rate and Regulatory Matters under Part II, Item 8 of this report.

Effective June 2017, the FEJA requires the IPA to procure renewable energy credits for all electric distribution customers in Illinois, including those customers supplied by alternative retail electric suppliers. The IPA's initial long-term renewable resources procurement plan was approved by the ICC in 2018. The IPA's plan set forth guidelines by which the IPA should procure 15-year contracts for four million wind renewable energy credits per year and four million solar renewable energy credits per year, allocated among Ameren Illinois, Commonwealth Edison Company, and MidAmerican Energy Company based on load. As a result of the allocation, Ameren Illinois is required to purchase 1.2 million wind renewable energy credits per year and 1.2 million solar renewable energy credits per year. The IPA has completed several procurement events, resulting in contractual commitments of 0.9 million wind renewable energy credits per year and 0.9 million solar renewable energy credits per year for Ameren Illinois. The remaining 0.3 million wind renewable and 0.3 million solar energy credits per year for Ameren Illinois will be obtained through IPA procurement events in 2019. Ameren Illinois will execute additional renewable energy credit contracts after these procurements in 2019. The IPA is expected to file its second long-term renewable resources procurement plan in 2019, which, once approved, will establish the 2020 and 2021 renewable energy credit procurement targets.

The FEJA also required Ameren Illinois to enter into contracts for zero emission credits in an amount equal to approximately 16% of the actual amount of electricity delivered to retail customers during calendar year 2014. This one-time zero emission credit procurement by the IPA, approval by the ICC, and execution of zero emission credit contracts were all completed in 2018. Contracts are for 10 years with quantities allocated among Ameren Illinois, Commonwealth Edison Company, and MidAmerican Energy Company. Both renewable energy credits and zero emission credits have cost recovery tariff mechanisms which fully recover or refund the variance between actual costs incurred from the resulting contracts and the amounts collected from customers.

**ENERGY EFFICIENCY**

Ameren Missouri and Ameren Illinois have implemented energy-efficiency programs to educate and to help their customers become more efficient energy consumers. In Missouri, the MEEIA established a regulatory recovery mechanism that, among other things, allows electric utilities to recover costs with respect 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 programs.

In February 2016, the MoPSC issued an order approving Ameren Missouri's MEEIA 2016 plan. That plan included a portfolio of customer energy-efficiency programs, along with a regulatory recovery mechanism. The MoPSC's order

included a performance incentive that provides for additional revenues if certain MEEIA 2016 customer energy-efficiency goals are achieved, including \$27 million if 100% of the goals are achieved during the three-year period. Ameren Missouri must achieve at least 25% of its energy efficiency-goals to be eligible for a MEEIA 2016 performance incentive and can earn more if its energy savings exceed those goals. Through 2018, Ameren Missouri invested \$136 million in MEEIA 2016 customer energy-efficiency programs and recognized \$11 million in additional revenue related to performance incentives.

In December 2018, the MoPSC issued an order approving Ameren Missouri's MEEIA 2019 plan. The plan includes a portfolio of customer energy-efficiency programs through December 2021 and low-income customer energy-efficiency programs through December 2024, along with a regulatory recovery mechanism. Ameren Missouri intends to invest \$226 million over the life of the plan, including \$65



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million per year through 2021. In addition, the plan includes a performance incentive that provides Ameren Missouri an opportunity to earn additional revenues by achieving certain customer energy-efficiency goals, including \$30 million if 100% of the goals are achieved during the period ended December 2021. Additional revenues may be earned if Ameren Missouri exceeds 100% of its energy savings goals.

Both the MEEIA 2016 and MEEIA 2019 plans include the continued use of the MEEIA rider. The MEEIA rider allows Ameren Missouri to collect from, or refund to, customers any difference between actual program costs, lost electric margins, and any performance incentive and the amounts collected from customers, without a traditional rate proceeding until lower volumes resulting from the MEEIA programs are reflected in base rates. Customer rates, based upon both forecasted program costs and lost electric margins and collected via the MEEIA rider, are reconciled annually to actual results.

State law requires Ameren Illinois to offer customer energy-efficiency programs. In September 2017, the ICC issued an order approving Ameren Illinois' electric and natural gas energy-efficiency plans, as well as regulatory recovery mechanisms. The order authorized electric and natural gas energy-efficiency program expenditures of \$394 million and \$62 million, respectively, for the 2018 through 2021 period. Additionally, as part of its IEIMA capital project investments, Ameren Illinois has invested approximately \$380 million in smart-grid infrastructure since 2012, including smart meters that enable customers to improve their energy efficiency, and expects to spend another \$60 million by 2021.

Historically, Ameren Illinois recovered the cost of its energy-efficiency programs as they were incurred. The FEJA allows Ameren Illinois to earn a return on its electric energy-efficiency program investments made since June 2017. Ameren Illinois' electric energy-efficiency investments are deferred as a regulatory asset and earn a return at the company's weighted-average cost of capital, with the equity return based on the annual average of the monthly yields of the 30-year United States Treasury bonds plus 580 basis points. The equity portion of Ameren Illinois' return on electric energy-efficiency investments can be increased or decreased by up to 200 basis points, depending on the achievement of annual energy savings goals. Ameren Illinois plans to invest approximately \$100 million per year in electric energy-efficiency programs through 2023, consistent with targets established by the FEJA. The ICC can lower the electric energy-efficiency saving goals if sufficient cost-effective measures are not available. The electric energy-efficiency program investments and the return on those investments will be recovered through a rider; they will not be included in the IEIMA formula rate process.

**NATURAL GAS SUPPLY FOR DISTRIBUTION**

Ameren Missouri and Ameren Illinois are responsible for the purchase and delivery of natural gas to their customers. Ameren Missouri and Ameren Illinois each develop and manage a portfolio of natural gas supply resources. These resources include firm natural gas supply agreements with producers, firm interstate and intrastate 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 over-the-counter financial markets, are used to hedge the price paid for natural gas. Natural gas supply 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, 2018, Ameren Missouri and Ameren Illinois had price-hedged 62% and 76%, respectively, of their expected 2019 natural gas supply requirements. For additional information on our fuel, purchased power, and natural gas for distribution 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 and Commodity Price Risk under Part II, Item 7A, of this report. Also see Note 1 – Summary of Significant Accounting Policies, Note 7 – Derivative Financial Instruments, Note 13 – Related-party Transactions, and Note 14 – 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, enforcement efforts, and policies at the state and federal levels;
- corporate tax law changes, as well as additional interpretations, regulations, amendments, or technical corrections that affect the amount and timing of income tax payments, reduce or limit the ability to claim certain deductions and use carryforward tax benefits, or result in rate base reductions;
- cybersecurity risks, including the loss of operational control of energy centers and electric and natural gas transmission and distribution systems and/or the theft or inappropriate release of certain types of information, including sensitive customer, employee, financial, and operating system information;
- the potential for more intense competition in generation, supply, and distribution, including new technologies and their declining costs;

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the impact and effectiveness of vegetation management programs;  
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 them both to sell power to us and to purchase power from us through the use of our transmission and distribution assets;

legislation or programs to encourage or mandate energy efficiency and renewable sources of power and the lack of consensus as to who should pay for those programs;  
pressure on customer growth and usage in light of economic conditions, distributed generation, technological advances, 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;  
changes 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 a skilled work force, including retaining the specialized skills of those who are nearing retirement;  
regulatory lag;  
the influence of macroeconomic factors on yields of United States Treasury securities and on allowed rates of return on equity provided by regulators;  
higher levels of infrastructure and technology investments and adjustments to customer rates associated with the TCJA that are expected to result in negative or decreased free cash flow, which is defined as cash flows from operating activities less cash flows from investing activities and dividends paid;  
public concerns about the siting of new facilities;  
complex new and proposed environmental laws including statutes, regulations, and requirements, such as air and water quality standards, mercury emissions standards, CCR management requirements, and potential CO<sub>2</sub> limitations, which may reduce the frequency at which electric generating units are dispatched based upon their CO<sub>2</sub> emissions;  
public concerns about the potential environmental impacts from the combustion of fossil fuels and some investors' concerns about investing in energy companies that have fossil fuel-fired generation assets;  
aging infrastructure and the need to construct new power generation, transmission, and distribution facilities, which have long time frames for completion, with limited long-term ability to predict power and commodity prices and regulatory requirements;  
public concerns about nuclear generation, decommissioning, and the disposal of nuclear waste; and  
consolidation of electric and natural gas utility companies.

We are monitoring all 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 9 – Callaway Energy Center, and Note 14 – 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, 2018	2017	2016	
Electric Sales – kilowatthours (in millions):			
Ameren Missouri:			
Residential	14,320	12,653	13,245
Commercial	14,791	14,384	14,712
Industrial	4,499	4,469	4,790
Street lighting and public authority	108	117	125
Ameren Missouri retail load subtotal	33,718	31,623	32,872
Off-system	10,036	10,640	7,125
Ameren Missouri total	43,754	42,263	39,997
Ameren Illinois Electric Distribution <sup>(a)</sup> :			
Residential	12,099	10,985	11,512
Commercial	12,717	12,382	12,583
Industrial	11,673	11,436	11,738
Street lighting and public authority	513	515	521
Ameren Illinois Electric Distribution total	37,002	35,318	36,354
Eliminate affiliate sales	(288 )	(440 )	(520 )
Ameren total	80,468	77,141	75,831
Electric Operating Revenues (in millions):			
Ameren Missouri:			
Residential	\$1,560	\$1,417	\$1,422
Commercial	1,271	1,208	1,224
Industrial	312	305	315
Other, including street lighting and public authority	30	<sup>(b)</sup> 111	102
Ameren Missouri retail load subtotal	\$3,173	\$3,041	\$3,063
Off-system	278	370	333
Ameren Missouri total	\$3,451	\$3,411	\$3,396
Ameren Illinois Electric Distribution:			
Residential	\$867	\$870	\$895
Commercial	511	527	517
Industrial	130	113	96
Other, including street lighting and public authority	39	58	40
Ameren Illinois Electric Distribution total	\$1,547	\$1,568	\$1,548
Ameren Transmission:			
Ameren Illinois Transmission <sup>(c)</sup>	\$267	\$258	\$232
ATXI	166	168	123
Ameren Transmission total	\$433	\$426	\$355
Other and intersegment eliminations	(92 )	(98 )	(103 )
Ameren total	\$5,339	\$5,307	\$5,196

(a) Sales for which power was supplied by Ameren Illinois as well as alternative retail electric suppliers. In 2018, 2017, and 2016, Ameren Illinois procured power on behalf of its customers for 23% of its total kilowatthour sales.

Includes \$60 million for the year ended December 31, 2018, for the reduction to revenue for the excess amounts collected in rates related to the TCJA from January 1, 2018, through July 31, 2018. See Note 2 – Rate and Regulatory Matters for additional information.

(c) Includes \$53 million, \$42 million, and \$45 million in 2018, 2017, and 2016, respectively, of electric operating revenues from transmission services provided to Ameren Illinois Electric Distribution.

Electric Operating Statistics – Year Ended December 31, 2018 2017 2016

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Ameren Missouri fuel costs (cents per kilowatthour generated) <sup>(a)</sup>	1.59¢	1.75¢	1.79¢
Source of Ameren Missouri energy supply:			
Coal	67.8%	70.9%	66.2%
Nuclear	23.7	19.0	22.8
Hydroelectric	2.5	3.4	3.3
Natural gas	1.0	0.7	0.7
Methane gas and solar	0.1	0.1	0.1
Purchased – Wind	0.6	0.7	0.8
Purchased – Other	4.3	5.2	6.1
Ameren Missouri total	100.0%	100.0%	100.0%

(a) Ameren Missouri fuel costs exclude \$44 million, \$(35) million, and \$5 million, respectively for changes in FAC recoveries.

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Natural Gas Operating Statistics – Year Ended December 31, 2018	2017	2016
Natural Gas Sales – dekatherms (in millions):		
Ameren Missouri:		
Residential	7	6
Commercial	4	3
Industrial	1	1
Transport	9	8
Ameren Missouri total	21	18
Ameren Illinois Natural Gas:		
Residential	60	50
Commercial	18	15
Industrial	4	3
Transport	100	98
Ameren Illinois Natural Gas total	182	166
Ameren total	203	184
Natural Gas Operating Revenues (in millions):		
Ameren Missouri:		
Residential	\$90	\$77
Commercial	37	31
Industrial	4	4
Transport and other	7	14
Ameren Missouri total	\$138	\$126
Ameren Illinois Natural Gas:		
Residential	\$581	\$531
Commercial	159	146
Industrial	17	12
Transport and other	58	54
Ameren Illinois Natural Gas total	\$815	\$743
Other and intercompany eliminations	(1 )	(2 )
Ameren total	\$952	\$880
Rate Base Statistics – At December 31,		
Rate Base (in billions):	2018	2017
Electric and natural gas transmission and distribution	\$11.3	\$10.1
Coal generation	2.0	2.0
Nuclear and renewables generation	1.8	1.9
Natural gas generation	0.4	0.4
Rate base total	\$15.5	\$14.4
	2016	
	\$9.4	
	2.0	
	1.8	
	0.4	
	\$13.6	

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AVAILABLE INFORMATION

The Ameren Companies make available free of charge through Ameren's website ([www.ameren.com](http://www.ameren.com)) their annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed with or furnished to the SEC 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, along with eXtensible Business Reporting Language (XBRL) documents, are also available through the SEC's website ([www.sec.gov](http://www.sec.gov)). Ameren's website is a channel of distribution for material information about the Ameren Companies. Financial and other material information 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 and operations committee; the corporate governance guidelines; a policy regarding communications to the board of directors; a policy and procedures document 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 federal, state, and local regulation. Our extensive regulatory frameworks, some of which are more specifically identified in the following risk factors, regulate, among other matters, the electric and natural gas utility industries; the rate and cost structure of utilities; the operation of nuclear power plants; the construction and operation of generation, transmission, and distribution facilities; the acquisition, disposal, depreciation and amortization of assets and facilities; the electric transmission system 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 our regulatory frameworks, 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. Rates are also subject to legislative actions, which are largely outside of our control. Any events that prevent us from recovering our costs in a timely manner 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 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 prudence 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 and cost disallowances 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 may approve trackers, riders, or other mechanisms that allow electric or natural gas rates to be adjusted without a traditional rate proceeding. These mechanisms 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



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historical costs and revenues. Ameren Illinois' natural gas rates established in those proceedings are based on estimated future costs and revenues. Thus, the rates that we are allowed to charge for utility services may not match our actual costs at any given time.

Rates include an allowed rate of return on investments established by the regulator, including a return on invested capital, both debt and equity, and an amount for income taxes. 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 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. Ameren Missouri and Ameren Illinois, and the utility industry generally, have an increased need for cost recovery, primarily driven by capital investments, which is likely to continue in the future. The resulting increase to the revenue requirement needed to recover such costs and earn a return on investments could result in more frequent regulatory rate reviews and requests for cost recovery mechanisms. 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 performance-based formula ratemaking, Ameren Illinois' return on equity for its electric distribution service and its electric energy-efficiency investments is directly correlated to yields on United States Treasury bonds. Additionally, Ameren Illinois is required to achieve certain performance standards. Failure to meet these requirements could adversely affect Ameren's and Ameren Illinois' results of operations, financial position, and liquidity.

Ameren Illinois participates in a performance-based formula ratemaking framework established pursuant to the IEIMA for its electric distribution service. Ameren Illinois is allowed to recover its electric distribution revenue requirement for a given year, independent of actual sales volumes. Ameren Illinois also has an electric energy-efficiency program rider, which includes a return on its program investments that is subject to performance-based formula ratemaking. The ICC annually reviews Ameren Illinois' rate filings for reasonableness and prudence. If the ICC were to conclude that Ameren Illinois' costs were not prudently incurred, the ICC would disallow recovery of such costs. The electric distribution service performance-based formula ratemaking framework expires at the end of 2022, while the decoupling provisions extend beyond the end of formula ratemaking by law. Ameren Illinois would then be required to establish future rates through a traditional rate proceeding with the ICC, which might result in rates that do not produce a full or timely recovery of costs or provide for an adequate return on investments and would expose Ameren Illinois' electric distribution business to the risks described in the immediately preceding risk factor.

The return on equity component under both formula ratemaking recovery mechanisms is equal to the annual average of the monthly yields of the 30-year United States Treasury bonds plus 580 basis points. Therefore, Ameren Illinois' annual return on equity for its electric distribution business is directly correlated to the yields on such bonds, which are outside of Ameren Illinois' control. With respect to electric distribution service, a 50 basis point change in the annual average of the monthly yields of the 30-year United States Treasury bonds would result in an estimated \$8 million change in Ameren's and Ameren Illinois' net income, based on its 2019 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 ratemaking formulas. The performance standards applicable to electric distribution service include improvements in service reliability to reduce both the frequency and duration of outages, a reduction in the number of estimated bills, a reduction of consumption from inactive meters, and a reduction in bad debt expense. The electric distribution service regulatory framework provides for return on equity penalties up to 38 basis points in each year from 2019 through 2022, if these performance standards are not met. Beginning in 2018, the rider for electric energy-efficiency investments provides for increases or decreases of up to 200 basis points to the return on equity. Any adjustments to the return on equity for energy-efficiency investments will depend on annual performance of a historical period relative to energy savings goals. In 2018, there were no performance-related basis point adjustments.

Ameren Illinois plans to invest approximately \$100 million per year in electric energy-efficiency programs through 2023, consistent with targets established by the FEJA. The ICC has the ability to reduce electric energy-efficiency

savings goals if there are insufficient cost-effective programs available or if the savings goals would require investment levels that exceed amounts allowed by legislation.

As a result of PISA, Ameren Missouri's electric rates are subject to a rate cap. Failure to align capital investments and expenses under the rate cap will adversely affect Ameren's and Ameren Missouri's results of operations, financial position, and liquidity.

As a result of Ameren Missouri's decision to participate in PISA, its rate increases are limited to a 2.85% compound annual growth rate in the average overall customer rate per kilowatthour, based on the electric rates that became effective in April 2017, less half of the annual savings from the TCJA that was passed on to customers as approved in the July 2018 MoPSC order. Additionally, Ameren Missouri's electric base rates, as determined in the July 2018 MoPSC order, are frozen until April 1, 2020. Customer rates under the MEEIA, the FAC, and the RESRAM riders have not been frozen. If rate changes from the FAC or the RESRAM riders would cause rates to temporarily exceed the 2.85% rate cap, the overage would be deferred for future recovery in the next regulatory rate review; however, rates established in such regulatory rate review will be subject to the rate cap. Any deferred overages approved for recovery will be recovered in a manner consistent with costs recovered under PISA. Increased capital investments and operating costs could cause customer rates to exceed the rate cap. Excluding customer rates under the MEEIA rider, which are not subject to the rate cap, Ameren Missouri would incur a penalty equal to the

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amount of deferred overage that would cause customer rates to exceed the 2.85% rate cap. A penalty incurred as the result of exceeding the rate cap could adversely affect Ameren's and Ameren Missouri's results of operations, financial position, and liquidity.

Both the rate cap and PISA election are effective through December 2023, unless Ameren Missouri requests and receives MoPSC approval of an extension through December 2028.

Ameren and Ameren Illinois may not realize the expected return on their electric transmission investments, which could adversely affect their results of operations, financial position, and liquidity.

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 are subject to change, including change as a result of existing and future third-party complaints and challenges at the FERC and the new methodology for determining the base return on common equity proposed by the FERC in November 2018. Accordingly, the regulatory framework may be less favorable or the rate of return may be lower in the future, compared with the current regulatory environment and rate of return, all of which may adversely affect Ameren's and Ameren Illinois' results of operations, financial position, and liquidity. A pending complaint case filed with the FERC in February 2015 could reduce the allowed return on common equity and could require customer refunds. A 50 basis point reduction in the FERC-allowed return on common equity would reduce Ameren's and Ameren Illinois' earnings by an estimated \$9 million and \$5 million, respectively, based on each company's 2019 projected rate base.

We are subject to various environmental laws. Significant capital expenditures are required to achieve and to maintain compliance with these environmental laws. Failure to comply with these laws could result in the closing of facilities, alterations to the manner in which these facilities operate, increased operating costs, or exposure to fines and liabilities.

We are subject to various environmental laws, including statutes and regulations, enforced by federal, state, and local authorities. The development and operation of electric generation, transmission, and distribution facilities and natural gas storage, transmission, and distribution facilities can trigger compliance obligations with respect to environmental laws. These laws address emissions, discharges to water, water intake, impacts to air, land, and water, and chemical and waste handling. Complex and lengthy processes are required to obtain and renew approvals, permits, and 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. Ameren is also subject to risks from changing or conflicting interpretations of existing laws.

We are also subject to liability under environmental laws that address the remediation of environmental contamination on 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 against us. They could allege injury from exposure to hazardous materials, allege a failure to comply with environmental laws, seek to compel remediation of environmental contamination, or seek to recover damages resulting from that contamination.

The EPA has promulgated environmental regulations that have a significant impact on the electric utility industry. Over time, compliance with these regulations could be costly for Ameren Missouri, which operates coal-fired power plants. As of December 31, 2018, Ameren Missouri's fossil fuel-fired energy centers represented 16% and 32% of Ameren's and Ameren Missouri's rate base, respectively. Regulations that apply to air emissions from the electric utility industry include the NSPS, the CSAPR, the MATS, and the National Ambient Air Quality Standards, which are subject to periodic review for certain pollutants. Collectively, these regulations cover a variety of pollutants, such as SO<sub>2</sub>, particulate matter, NO<sub>x</sub>, mercury, toxic metals, and acid gases, and CO<sub>2</sub> emissions from new power plants. Water intake and discharges from power plants are regulated under the Clean Water Act. Such regulation could require modifications to water intake structures or more stringent limitations on wastewater discharges at Ameren Missouri's energy centers, either of which could result in significant capital expenditures. The management and disposal of coal ash is regulated under the CCR rule, which will require the closure of surface impoundments and the installations of dry ash handling systems at several of Ameren Missouri's energy centers. The individual or combined effects of

existing environmental regulations could result in significant capital expenditures, increased operating costs, or the closure or alteration of operations at some of Ameren Missouri's energy centers.

In January 2011, the Department of Justice, on behalf of the EPA, filed a complaint against Ameren Missouri in the United States District Court for the Eastern District of Missouri. The complaint, as amended in October 2013, alleged that in performing projects at its Rush Island coal-fired energy center in 2007 and 2010, Ameren Missouri violated provisions of the Clean Air Act and Missouri law. The litigation has been divided into two phases: liability and remedy. In the first phase, in January 2017, the district court issued a liability ruling that the projects violated provisions of the Clean Air Act and Missouri law. In the second phase, the district court will determine the actions required to remedy the violations found in the liability phase. The EPA previously withdrew all claims for penalties and fines. Hearings on remedy-related issues are scheduled for April 2019. The ultimate resolution of this matter could have a material adverse effect on the results of operations, financial position, and liquidity of Ameren and Ameren Missouri. Among other things and subject to economic and regulatory considerations, resolution

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of this matter could result in increased capital expenditures for the installation of pollution control equipment, as well as increased operations and maintenance expenses.

In 2015, the EPA issued the Clean Power Plan, which would have established CO<sub>2</sub> emissions standards applicable to existing power plants. The United States Supreme Court stayed the rule in February 2016, pending various legal challenges. In August 2018, the EPA proposed to repeal and replace the Clean Power Plan with a proposed new rule known as the Affordable Clean Energy Rule, which establishes emission guidelines for states to follow in developing plans to limit CO<sub>2</sub> emissions from power plants. The EPA proposes to use certain efficiency measures as the best system of emission reduction for coal-fired power plants. We cannot predict the outcome of the EPA's future rulemaking or the outcome of any legal challenges relating to such future rulemakings, any of which could have an adverse effect on our results of operations, financial position, and liquidity.

Ameren and Ameren Missouri have incurred and expect to incur significant costs with respect 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 Ameren Missouri's facilities and operations are in compliance with environmental laws could be prohibitively expensive for Ameren Missouri if the costs are not fully recovered through rates. Environmental laws could require Ameren Missouri to close or to alter significantly the operations of its energy centers. If Ameren Missouri requests recovery of capital expenditures and costs for environmental compliance 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 might result in Ameren Missouri closing coal-fired energy centers earlier than planned. If these costs are not recoverable through rates, it could lead to an impairment of assets and reduced revenues. Any of the foregoing could have an adverse effect on our results of operations, financial positions, 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 develop a negative opinion of us, our results of operations, financial position, and liquidity could be adversely affected.

Service interruptions can occur due to failures of equipment as a result of severe or destructive weather or other causes. The ability of Ameren Missouri and Ameren Illinois to respond promptly to such failures can affect customer satisfaction. In addition to system reliability issues, the success of modernization efforts, our ability to safeguard sensitive customer information and protect our systems from cyber attacks, and other actions can affect customer satisfaction. The level of rates, the timing and magnitude of rate increases, and the volatility of rates can also affect customer satisfaction. Customers', legislators', and regulators' opinions of us can also be affected by media coverage, including 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 costs associated with 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 by our customers. 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 approximately \$1.3 million per violation per day for violation of its regulations, 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, FERC regulations, 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 it can require refunds to customers for previously billed amounts, with interest.

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OPERATIONAL RISKS

The construction and acquisition of, and capital improvements to, 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 make significant capital expenditures to maintain and improve our electric and natural gas utility infrastructure and to comply with existing environmental regulations. We estimate that we will invest up to \$13.9 billion (Ameren Missouri – up to \$7.1 billion; Ameren Illinois – up to \$6.6 billion; ATXI – up to \$0.2 billion) of capital expenditures from 2019 through 2023. These estimates include allowance for equity funds used during construction, but do not include any additional wind generation investments by Ameren Missouri beyond the two facilities that Ameren Missouri has agreed to acquire after construction. Investments in Ameren’s rate-regulated operations are expected to be recoverable from customers, but they are subject to prudence reviews and are exposed to regulatory lag of varying degrees by jurisdiction.

Our ability to complete construction projects successfully within projected estimates and to acquire wind generation facilities after they are constructed is contingent upon many variables and subject to substantial risks. These variables include, but are not limited to, project management expertise, escalating costs for labor and materials, including changes to tariffs on materials, reliance on third parties, the ability to obtain required project approvals, and the ability to obtain necessary rights-of-way, easements, and transmission connections. Delays in obtaining permits or regulatory approvals, 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. There is a risk that an energy center might 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 not 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.

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;
- failures of equipment that can result in unanticipated liabilities or unplanned 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 by Ameren Missouri to comply with environmental regulations;
- lack of adequate water required for cooling plant operations;
- labor disputes;
- disruptions in the delivery of electricity to our customers;
- suppliers and contractors who do not perform as required under their contracts;
- failure of other operators’ facilities and the effect of that failure on our electric system and customers;
- inability to comply with regulatory or permit requirements, including those relating to environmental laws;
- 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;
- the occurrence of catastrophic events such as fires, explosions, acts of sabotage or terrorism, pandemic health events, or other similar events;
- accidents that might result in injury or loss of life, extensive property damage, or environmental damage;

ineffective vegetation management programs;  
cybersecurity risks, including loss of operational control of Ameren Missouri's energy centers and our transmission and distribution systems and loss of data, including sensitive customer, employee, financial, and operating system information, through insider or outsider actions;  
limitations on amounts of insurance available to cover losses that might arise in connection with operating our electric generation, transmission, and distribution facilities;  
inability to implement or maintain information systems;  
failure to keep pace with and the ability to adapt to rapid technological change; and



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• other unanticipated operations and maintenance expenses and liabilities.

The foregoing risks could affect the controls and operations of our facilities or impede our ability to meet regulatory requirements, which could increase operating costs, increase our capital requirements and costs, reduce our revenues or have an adverse effect on our liquidity.

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 risks associated with nuclear generation, including:

- potential harmful effects on the environment and human health resulting from radiological releases associated with 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, as a result, the need 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 about 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 safety and adequacy of security at nuclear facilities;
- limited availability of fuel supply and our reliance on licensed fuel assemblies from the one NRC-licensed supplier of Callaway energy center's assemblies;
- costly and extended outages for scheduled or unscheduled maintenance and refueling;
- uncertainties about the technological and financial aspects of decommissioning nuclear facilities at the end of their licensed lives;
- the adverse effect of poor market performance and other economic factors on the asset values of nuclear decommissioning trust funds and the corresponding increase, upon MoPSC approval, in customer rates to fund the estimated decommissioning costs; and
- potential adverse effects of a natural disaster, acts of sabotage or terrorism, including cyber attack, or any accident leading to a radiological release.

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 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 to 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 increased operating costs.

Inherent in our natural gas distribution and storage activities are a variety of hazards and operating risks, such as leaks, 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. 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, increased regulation, and fines and penalties on 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 significant additional maintenance or replacement that could adversely affect our results of operations, financial position, and liquidity. Additionally, Ameren Missouri's results of operations, financial position, and liquidity could be adversely affected if an energy center's costs or decommissioning costs associated with an energy center's retirement are not fully recovered. Our aging infrastructure may pose risks to system reliability and expose us to expedited or unplanned significant capital expenditures and operating costs. All of Ameren Missouri's coal-fired energy centers were constructed prior to 1978, and the Callaway 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 the MoPSC does not allow such cost to be recovered in rates. Ameren Missouri may also be adversely affected if the MoPSC does

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not allow full or timely recovery of decommissioning costs associated with the retirement of an energy center. 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 increased costs associated with regulatory oversight. The frequency and duration of customer outages are among the IEIMA performance standards. Any failure to achieve these standards will result in a reduction in Ameren Illinois' allowed return on equity on electric distribution assets. The higher maintenance costs associated with aging infrastructure and capital expenditures for new or 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, technological advances, and other factors could reduce energy demand from Ameren Missouri's customers.

Without a regulatory mechanism to ensure recovery, declines in energy usage could result in an under-recovery of Ameren Missouri's revenue requirement, which could adversely affect Ameren and Ameren Missouri's results of operations, financial position, and liquidity. Such declines could occur due to a number of factors:

• Conservation and energy-efficiency programs. Missouri allows for conservation and energy-efficiency programs that are designed to reduce energy demand.

• Distributed generation and other energy-efficiency efforts. Ameren Missouri is exposed to declining usage from energy-efficiency efforts not related to its energy-efficiency programs, as well as from distributed generation sources, such as solar panels and other technologies. 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. The costs of these distributed generation technologies may decline over time to a level that is competitive with that of Ameren Missouri's energy centers. Additionally, technological advances in energy storage may be coupled with distributed generation to reduce the demand for our electric utility services. Increased adoption of these technologies by customers could decrease our revenues if customers cease to use our generation, transmission, and distribution services at current levels. Ameren Missouri might incur stranded costs, which ultimately might not be recovered through rates.

• Macroeconomic factors. Macroeconomic factors resulting in low economic growth or contraction within Ameren Missouri's service territories could reduce energy demand.

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

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 party to collective bargaining agreements that collectively represent about 51% 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 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 affected by terrorist activities and other intentionally disruptive acts, including cyber attacks, which could disrupt our ability to produce or distribute our energy products. Within our industry, there have been attacks on energy infrastructure, such as substations and related assets, in the past, and there may be more attacks in the future. Any such incident could limit our ability to generate, purchase, or transmit power or natural gas and could have significant regional economic consequences. Any such disruption could result in a significant decrease in revenues, a significant increase in costs including those for repair, or adversely affect economic activity in our service territory which, in turn, could adversely affect our results of operations, financial position, and liquidity.

There has been an increase in the number and sophistication of cyber attacks across all industries worldwide. A security breach at our physical assets or in our information systems could affect the reliability of the transmission and

distribution system, disrupt electric generation, including nuclear generation, and/or subject us to financial harm resulting from theft or the inappropriate release of certain types of information, including sensitive customer, employee, financial, and operating system information. Many of our suppliers, vendors, contractors, and information technology providers have access to systems that support our operations and maintain customer and employee data. A breach of these third-party systems could adversely affect our business as if it was a breach of our own system. If a significant breach occurred, our reputation could be adversely affected, customer confidence could be diminished, and/or we could be subject to increased costs associated with regulatory oversight, fines or 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 cyber incident at another utility, electric generator, RTO, or commodity supplier could also adversely affect our businesses. Insurance might not be adequate to cover losses that arise in connection with these events. In addition, new

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regulations could require changes in our security measures and result in increased costs. The occurrence of any of these events 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 the issuance of 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 existing long-term debt. The inability to raise debt or equity capital at reasonable terms, or at all, could negatively affect our ability to maintain and to expand our businesses. Events beyond our control, such as depressed economic conditions 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. The unfavorable near-term impacts of the TCJA on our operating cash flows may adversely affect our credit ratings. Any adverse change in our credit ratings could reduce access to capital and trigger collateral postings and prepayments. Such changes could also increase the cost of borrowing and the costs of fuel, power, and natural gas supply, among other things, which could adversely affect our results of operations, financial position, and liquidity.

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 its operating subsidiaries and the distribution of those earnings and other payments, including payments of principal and interest under affiliate indebtedness. The payment of dividends to Ameren by its subsidiaries in turn depends on their results of operations, and other items affecting retained earnings, and available cash. 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 affiliate 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. 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 \$481 million as of December 31, 2018. Ameren expects to fund its pension plans at a level equal to the greater of the pension cost or the legally required minimum contribution. Based on Ameren's assumptions at December 31, 2018, its investment performance in 2018, and its pension funding policy, Ameren expects to make annual contributions of approximately \$20 million to \$70 million in each of the next five years, with aggregate estimated contributions of \$200 million. Ameren Missouri's and Ameren Illinois' portions of the future funding requirements are estimated to be 30% and 60%, respectively. These estimates 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 pension 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. Future legislative changes related to health care could also significantly change our benefit programs and costs. 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 14 – 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 2019 peak summer electrical demand:

Primary Fuel Source	Energy Center	Location	Net Kilowatt Capability <sup>(a)</sup>
Coal	Labadie	Franklin County, Missouri	2,372,000
	Rush Island	Jefferson County, Missouri	1,178,000
	Sioux	St. Charles County, Missouri	972,000
	Meramec <sup>(b)</sup>	St. Louis County, Missouri	591,000
Total coal			5,113,000
Nuclear	Callaway	Callaway County, Missouri	1,194,000
	Osage	Lakeside, Missouri	235,000
	Keokuk	Keokuk, Iowa	144,000
Total hydroelectric			379,000
Pumped-storage	Taum Sauk	Reynolds County, Missouri	440,000
Natural gas (CTs)	Audrain <sup>(c)</sup>	Audrain County, Missouri	608,000
	Venice <sup>(d)</sup>	Venice, Illinois	492,000
	Goose Creek	Piatt County, Illinois	438,000
	Pinckneyville	Pinckneyville, Illinois	316,000
	Raccoon Creek	Clay County, Illinois	304,000
	Meramec <sup>(b)(d)(e)</sup>	St. Louis County, Missouri	282,000
	Kinmundy <sup>(d)</sup>	Kinmundy, Illinois	210,000
Peno Creek <sup>(c)(d)</sup>	Bowling Green, Missouri	192,000	
Total natural gas			2,842,000
Oil (CTs)	Fairgrounds	Jefferson City, Missouri	55,000
	Meramec	St. Louis County, Missouri	55,000
	Mexico	Mexico, Missouri	54,000
	Moberly	Moberly, Missouri	54,000
	Moreau	Jefferson City, Missouri	54,000
Total oil			272,000
Methane gas (CT)	Maryland Heights	Maryland Heights, Missouri	8,000
Solar	O'Fallon	O'Fallon, Missouri	3,000
Total Ameren and Ameren Missouri			10,251,000

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

(b) All coal-fueled kilowatts and 236,000 natural-gas-fueled kilowatts at the Meramec energy center are scheduled for retirement in 2022.

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

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

(e) Two of its three units are steam-powered.

The following table presents in-service electric and natural gas utility-related properties for Ameren Missouri and Ameren Illinois as of December 31, 2018:

	Ameren Missouri	Ameren Illinois
Circuit miles of electric transmission lines <sup>(a)</sup>	2,971	4,639

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Circuit miles of electric distribution lines	33,517	45,878
Percentage of circuit miles of electric distribution lines underground	24 %	16 %
Miles of natural gas transmission and distribution mains	3,422	18,417
Underground natural gas storage fields	—	12
Total working capacity of underground natural gas storage fields in billion cubic feet	—	24

(a) ATXI owns 408 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:



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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, Ameren Missouri's Maryland Heights energy center, 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 with respect 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 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 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 through 2022. Ameren Missouri has rights and obligations as the operator of the energy center under a long-term agreement with the city of Bowling Green. Under the terms of this agreement, 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 agreement, at which time the property, plant, and equipment will become subject to the lien of the Ameren Missouri first mortgage bond indenture.

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

In 2018, Ameren Missouri entered into build-transfer agreements to purchase up to 557 megawatts of wind generation. For additional information on these agreements, see Note 2 – Rate and Regulatory Matters under Part II, Item 8 of this report.

**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 9 – Callaway Energy Center, and Note 14 – Commitments and Contingencies under Part II, Item 8, of this report and are incorporated herein by reference, include the following:

- the February 2015 complaint case filed with the FERC seeking a reduction in the allowed base return on common equity under the MISO tariff;

- the November 2018 FERC order requesting briefs regarding a new methodology for determining the base return on common equity under the MISO tariff and how to apply the new methodology to the February 2015 complaint case and the September 2016 order related to the November 2015 complaint case;

- the January 2019 appeal filed by the MoOPC challenging the MoPSC's December 2018 order in the RESRAM case;

- litigation against Ameren Missouri with respect to the EPA Clean Air Act; and

- remediation matters associated with former MGP and waste disposal sites of the Ameren Companies.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

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EXECUTIVE OFFICERS OF THE REGISTRANTS (ITEM 401(b) OF REGULATION S-K):

The executive officers of the Ameren Companies, including major subsidiaries, are listed below, along with their ages as of December 31, 2018, all their positions and offices held with the Ameren Companies as of February 14, 2019, their tenures as officers, and their business backgrounds for at least the last five years. Some executive officers hold multiple positions within the Ameren Companies; their titles are given in the description of their business experience.

AMEREN CORPORATION:

Name	Age	Positions and Offices Held
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Warner L. Baxter	57	Chairman, President and Chief Executive Officer, and Director Baxter joined Ameren Missouri in 1995. He was elected to the positions of executive vice president and chief financial officer of Ameren, Ameren Missouri, Ameren Illinois, and Ameren Services in 2003. He was elected chairman, president, chief executive officer, and chief financial officer of Ameren Services in 2007. In 2009, he was elected chairman, president, and chief executive officer of Ameren Missouri. In 2014, he was elected chairman, president, and chief executive officer of Ameren, and relinquished his positions at Ameren Missouri.
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Martin J. Lyons, Jr.	52	Executive Vice President and Chief Financial Officer Lyons joined Ameren Services in 2001. In 2008, he was elected senior vice president and chief accounting officer of the Ameren Companies. In 2009, he was also elected chief financial officer of the Ameren Companies. In 2013, he was elected executive vice president and chief financial officer of the Ameren Companies, and relinquished his duties as chief accounting officer. In 2016, he was elected chairman and president of Ameren Services.
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Gregory L. Nelson	61	Senior Vice President, General Counsel, and Secretary Nelson joined Ameren Missouri in 1995. He was elected vice president and tax counsel of Ameren Services in 1999 and vice president of Ameren Missouri and Ameren Illinois in 2003. In 2010, he was elected vice president, tax and deputy general counsel of Ameren Services. He remained vice president of Ameren Missouri and Ameren Illinois. In 2011, he was elected senior vice president, general counsel and secretary of the Ameren Companies. Nelson has notified Ameren of his intention to retire, effective August 1, 2019. Chonda J. Nwamu, senior vice president and deputy general counsel, will succeed Nelson as senior vice president, general counsel, and secretary, effective upon his retirement.
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Bruce A. Steinke	57	Senior Vice President, Finance, and Chief Accounting Officer Steinke joined Ameren Services in 2002. In 2008, he was elected vice president and controller of Ameren, Ameren Illinois, and Ameren Services. In 2009, he relinquished his positions at Ameren Illinois. In 2013, he was elected senior vice president, finance, and chief accounting officer of the Ameren Companies.
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SUBSIDIARIES:

Name Age Positions and Offices Held

Bhavani 43 Senior Vice President and Chief Digital Information Officer (Ameren Services)  
Amirthalingam

Amirthalingam joined Ameren Services in March 2018 as senior vice president and chief digital information officer. She served as the chief information officer and vice president North America for Schneider Electric SE, an energy management and automation solutions company, from January 2015 to March 2018 and in various roles at World Wide Technology Inc., a technology solution provider, from November 1999 to January 2015, most recently serving as vice president of customer solutions and innovation from September 2013 to January 2015.

Mark C. Birk 54 Senior Vice President, Customer and Power Operations (Ameren Missouri)

Birk joined Ameren Missouri in 1986. In 2005, he was elected vice president, power operations, of Ameren Missouri. In 2012, he was elected senior vice president, corporate planning, of Ameren Services. In 2014, he was also elected senior vice president, oversight, of Ameren Services, and in 2015, he was elected senior vice president, corporate safety, planning and operations oversight. In January 2017, he was elected senior vice president, customer operations, at Ameren Missouri and relinquished his positions at Ameren Services. In October 2017, he was elected senior vice president, customer and power operations, at Ameren Missouri.

Fadi M. Diya 56 Senior Vice President and Chief Nuclear Officer (Ameren Missouri)

Diya joined Ameren Missouri in 2005. In 2008, he was elected vice president, nuclear operations, of Ameren Missouri. In 2014, he was elected senior vice president and chief nuclear officer of Ameren Missouri.

Mary P. Heger 62 Senior Vice President, Customer Experience (Ameren Illinois)

Heger joined Ameren Missouri in 1976. In 2009, she was elected vice president, information technology, of Ameren Services, and in 2012, she was also elected chief information officer of Ameren Services. In 2015, she was elected senior vice president and chief information officer of Ameren Services. In February 2019, she was elected senior vice president, customer experience, at Ameren Illinois.

Mark C. Lindgren 51 Senior Vice President, Corporate Communications and Chief Human Resources Officer  
(Ameren Services)

Lindgren joined Ameren Services in 1998. In 2009, he was elected vice president, human resources, of Ameren Services, and in 2012, he was also elected chief human resources officer of Ameren Services. In 2015, he was elected senior vice president, corporate communications, and chief human resources officer of Ameren Services.

Richard J. Mark 63 Chairman and President (Ameren Illinois)

Mark joined Ameren Services in 2002 as vice president, customer service. In 2003, he was elected vice president, governmental policy and consumer affairs, of Ameren Services. In 2005, he was elected senior vice president, customer operations, of Ameren Missouri. In 2007, he relinquished his position at Ameren Services. In 2012, he relinquished his position at Ameren Missouri and was elected chairman and president of Ameren Illinois.

Michael L. Moehn 49 Chairman and President (Ameren Missouri)

Moehn joined Ameren Services in 2000. In 2004, he was elected vice president, corporate planning, of Ameren Services. In 2008, he was elected senior vice president, corporate planning and business risk management, of Ameren Services. In 2012, he was elected senior vice president, customer operations, of Ameren Missouri, and relinquished his position at Ameren Services. In 2014, he was elected chairman and president of Ameren Missouri.

Chonda J. Nwamu 47 Senior Vice President and Deputy General Counsel (Ameren Services)

Nwamu joined Ameren Services in September 2016 as vice president and deputy general counsel. In January 2019, she was elected senior vice president and deputy general counsel of Ameren Services. Prior to joining Ameren Services, she served as regulatory counsel at Pacific Gas and Electric Company, a public utility, from 2000 to May 2014 and as managing counsel and senior director from June 2014 to June 2016. She will succeed Gregory L. Nelson as senior vice president, general counsel, and secretary effective upon his retirement.

Shawn E. Schukar 57 Chairman and President (ATXI)

Schukar joined a predecessor company of Ameren Illinois in 1984. In 2005, he was elected vice president, commercial RTO operations, of Ameren Services. In 2013, he was elected senior vice president, transmission operations, construction and project management, of ATXI. In 2017, he was elected chairman and president of ATXI.

Officers are generally elected or appointed annually by the respective board of directors of each company, following the election of board members at the annual meetings of shareholders. No special arrangement or understanding exists between any of the above-named executive officers and the Ameren Companies nor, to our knowledge, with any other person or persons pursuant to which any executive officer was selected as an officer. There are no family relationships among the executive officers or between any executive officers and any directors of the Ameren Companies. Except as noted, the above-named executive officers have been employed by an Ameren company for more than five years in executive or management positions.

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## PART II

ITEM MARKET FOR REGISTRANTS' COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND  
5. ISSUER PURCHASE OF EQUITY SECURITIES

Ameren's common stock is listed on the NYSE (ticker symbol: AEE). Ameren common shareholders of record totaled 45,575 on January 31, 2019. There is no trading market for the common stock of Ameren Missouri and Ameren Illinois. Ameren holds all outstanding common stock of Ameren Missouri and Ameren Illinois.

## Purchases of Equity Securities

Ameren Corporation, Ameren Missouri, and Ameren Illinois did not purchase any equity securities reportable under Item 703 of Regulation S-K during the period from October 1, 2018, to December 31, 2018.

## Performance Graph

The following graph shows Ameren's cumulative total shareholder return during the five years ended December 31, 2018. The graph also shows the cumulative total returns of the S&P 500 Index and the Edison Electric Institute Index (EEI Index), which comprises most investor-owned electric utilities in the United States. The comparison assumes that \$100 was invested on December 31, 2013, in Ameren common stock and in each of the indices shown and that all of the dividends were reinvested.

## Comparison of Five-Year Cumulative Return

December 31,	2013	2014	2015	2016	2017	2018
Ameren (AEE)	\$100.00	\$132.73	\$129.58	\$162.84	\$188.82	\$215.22
S&P 500 Index	100.00	113.69	115.26	129.04	157.21	150.33
EEI Index	100.00	128.91	123.88	145.49	162.54	168.50

Ameren management cautions that the stock price performance shown above should not be considered indicative of future stock price performance.

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## ITEM 6. SELECTED FINANCIAL DATA

	2018	2017	2016	2015	2014
Ameren:					
Operating revenues <sup>(a)</sup>	\$6,291	\$6,174	\$6,076	\$6,098	\$6,053
Operating income <sup>(a)(b)</sup>	1,357	1,410	1,322	1,235	<sup>(c)</sup> 1,226
Income from continuing operations	821	529	<sup>(d)</sup> 659	585	593
Income (loss) from discontinued operations, net of taxes	—	—	—	51	(1)
Net income attributable to Ameren common shareholders	815	523	653	630	586
Common stock dividends	451	431	416	402	390
Continuing operations earnings per share – basic	3.34	2.16	2.69	2.39	2.42
Continuing operations earnings per share – diluted	3.32	2.14	2.68	2.38	2.40
Common stock dividends per share	1.8475	1.7775	1.715	1.655	1.61
As of December 31:					
Total assets	\$27,215	\$25,945	\$24,699	\$23,640	\$22,289
Long-term debt, excluding current maturities	7,859	7,094	6,595	6,880	6,085
Total Ameren Corporation shareholders' equity	7,631	7,184	7,103	6,946	6,713
Ameren Missouri:					
Operating revenues <sup>(a)</sup>	\$3,589	\$3,537	\$3,524	\$3,609	\$3,553
Operating income <sup>(a)(b)</sup>	749	722	725	742	<sup>(c)</sup> 784
Net income available to common shareholder	478	323	<sup>(d)</sup> 357	352	390
Dividends to parent	375	362	355	575	340
As of December 31:					
Total assets	\$14,291	\$14,043	\$14,035	\$13,851	\$13,474
Long-term debt, excluding current maturities	3,418	3,577	3,563	3,844	3,861
Total shareholders' equity	4,229	4,081	4,090	4,082	4,052
Ameren Illinois:					
Operating revenues <sup>(a)</sup>	\$2,576	\$2,527	\$2,489	\$2,466	\$2,498
Operating income <sup>(a)(b)</sup>	512	569	519	446	425
Net income available to common shareholder	304	268	252	214	201
Dividends to parent	—	—	110	—	—
As of December 31:					
Total assets	\$11,319	\$10,345	\$9,474	\$8,903	\$8,204
Long-term debt, excluding current maturities	3,296	2,373	2,338	2,342	2,224
Total shareholders' equity	3,774	3,310	3,034	2,897	2,661

Amounts for 2017 and 2016 have been revised to reflect the adoption of accounting guidance on revenue from contracts with customers, effective for the Ameren Companies as of January 1, 2018. See Note 1 – Summary of Significant Accounting Policies under Part II, Item 8, of this report for additional information. The 2015 and 2014 balances are not revised for this guidance and are not comparative.

Amounts have been revised to reflect the adoption of accounting guidance on the presentation of net periodic pension and postretirement benefit cost, effective for the Ameren Companies as of January 1, 2018. See Note 10 – Retirement Benefits under Part II, Item 8, of this report for additional information.

<sup>(c)</sup> Includes a \$69 million provision recorded for all of the previously capitalized construction and operating license costs relating to the cancelled second nuclear unit at Ameren Missouri's Callaway energy center.

<sup>(d)</sup> Includes an increase to income tax expense of \$154 million and \$32 million as a result of the TCJA at Ameren and Ameren Missouri, respectively. See Note 12 – Income Taxes under Part II, Item 8, of this report for additional information.



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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

Below is a summary description of Ameren's principal subsidiaries, which includes Ameren Missouri, Ameren Illinois, and ATXI. Ameren also has other subsidiaries that conduct other activities, such as providing shared services. 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 distribution business in Missouri.

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

ATXI operates a FERC rate-regulated electric transmission business. ATXI is constructing MISO-approved electric transmission projects, including the Illinois Rivers and Mark Twain projects, and operates the Spoon River project, which was placed in service in February 2018. Ameren also evaluates competitive electric transmission investment opportunities as they arise.

Ameren has four segments: Ameren Missouri, Ameren Illinois Electric Distribution, Ameren Illinois Natural Gas, and Ameren Transmission. The Ameren Missouri segment includes all of the operations of Ameren Missouri. Ameren Illinois Electric Distribution consists of the electric distribution business of Ameren Illinois. Ameren Illinois Natural Gas consists of the natural gas business of Ameren Illinois. Ameren Transmission primarily consists of the aggregated electric transmission businesses of Ameren Illinois and ATXI. See Note 15 – Segment Information under Part II, Item 8, of this report for further discussion of Ameren's, Ameren Missouri's, and Ameren Illinois' Segments. Ameren's financial statements are prepared on a consolidated basis and therefore include the accounts of its majority-owned subsidiaries. All intercompany transactions have been eliminated. Ameren Missouri and Ameren Illinois have no subsidiaries. All tabular dollar amounts are in millions, unless otherwise indicated.

In addition to presenting results of operations and earnings amounts in total, we present certain information in cents per share. These amounts reflect factors that directly affect Ameren's earnings. We believe this per share information helps readers to understand the impact of these factors on Ameren's earnings per share. All references in this report to earnings per share are based on average diluted common shares outstanding for the relevant period.

OVERVIEW

Ameren's strategic plan includes investing in, and operating its utilities in, a manner consistent with existing regulatory frameworks, enhancing those frameworks, and advocating for responsible energy and economic policies, as well as creating and capitalizing on opportunities for investment for the benefit of its customers and shareholders. Ameren remains focused on disciplined cost management and strategic capital allocation. As discussed below, Ameren successfully executed on its strategic plan in 2018, with constructive outcomes received in various regulatory proceedings. With the enactment of legislation in Missouri, we believe constructive regulatory frameworks for investment exist at all of Ameren's utility businesses. In February 2019, Ameren Missouri announced its Smart Energy Plan to upgrade the electric grid and accommodate more renewable energy. In addition, Ameren Missouri advanced its transition of generation to a cleaner, more diverse portfolio by entering into two build-transfer agreements for the acquisition of up to 557 megawatts of wind generation in Missouri.

In 2018, Ameren's utility businesses each received orders to reduce customer rates to reflect the benefits of a lower federal tax rate and, over time, to reflect the return of excess deferred taxes of over \$2 billion. The return of excess deferred taxes to customers reduces operating cash flows but is expected to increase the rate base on which customer rates are established.

In June 2018, legislation was enacted in Missouri that enhanced Ameren Missouri's electric regulatory framework. Pursuant to its PISA election, Ameren Missouri is permitted to defer and recover 85% of the depreciation expense and a weighted-average cost of capital return on rate base on certain property, plant, and equipment placed in service after



September 1, 2018, and not included in base rates. Accumulated PISA deferrals earn carrying costs at the weighted-average cost of capital, and all approved PISA deferrals will be added to rate base prospectively and recovered over a period of 20 years following a regulatory rate review. PISA mitigates the impacts of regulatory lag between regulatory rate reviews. The remaining 15% of certain property, plant, and equipment placed in service and not eligible for recovery under PISA, unless eligible for recovery under the RESRAM, remain subject to regulatory lag. As a result of the PISA election, additional provisions of the new law apply to Ameren Missouri, including limitations on electric customer rate increases and an electric base rate freeze until April 2020. Both the rate increase limitation and PISA are effective through December 2023, unless Ameren Missouri requests and receives MoPSC approval of an extension through December 2028. This Missouri law maintains strong MoPSC oversight and consumer protections while supporting Ameren Missouri's ability to strengthen and modernize Missouri's electric grid.

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In the second quarter of 2018, Ameren Missouri entered into a build-transfer agreement with a subsidiary of Terra-Gen, LLC to acquire, after construction, a 400-megawatt wind generation facility, which is expected to be located in northeastern Missouri. In October 2018, the MoPSC issued an order approving a unanimous stipulation and agreement regarding a requested certificate of convenience and necessity for the facility. In December 2018, Ameren Missouri received FERC approval to acquire the facility after construction. A transmission interconnection agreement with the MISO for this facility is expected in the fall of 2019. Also, in October 2018, Ameren Missouri entered into a build-transfer agreement with a subsidiary of EDF Renewables, Inc. to acquire, after construction, a wind generation facility of up to 157 megawatts. In February 2019, Ameren Missouri filed with the MoPSC a nonunanimous stipulation and agreement regarding a requested certificate of convenience and necessity for the facility. The up to 157-megawatt facility is expected to be located in northwestern Missouri. A transmission interconnection agreement with the MISO for this facility is expected in early 2020. Both facilities are expected to be completed by the end of 2020 and would help Ameren Missouri comply with the Missouri renewable energy standard. Each acquisition is subject to certain conditions, including entering into a MISO transmission interconnection agreement at an acceptable cost for each facility and obtaining FERC approval and the issuance of a certificate of convenience and necessity by the MoPSC for the up to 157-megawatt facility, as well as other customary contract terms and conditions. These agreements collectively represent approximately \$1 billion in capital expenditures expected in 2020, which is included in Ameren Missouri's Smart Energy Plan. As outlined in its 2017 IRP, Ameren Missouri is pursuing at least 700 megawatts of wind generation by the end of 2020. In October and December 2018, the MoPSC issued orders approving a RESRAM that allows Ameren Missouri to adjust customer rates on an annual basis without a traditional regulatory rate review. The RESRAM is designed to mitigate the impacts of regulatory lag for the cost of compliance with renewable energy standards, including recovery of investments in wind and other renewable generation, by providing more timely recovery of costs and a return on investments not already provided for in customer rates or recovered under PISA.

In February 2019, Ameren Missouri announced its Smart Energy Plan, which includes a five-year capital investment overview with a detailed one-year plan for 2019, designed to upgrade Ameren Missouri's electric infrastructure. The plan includes investments that will upgrade the grid and accommodate more renewable energy. Investments under the plan are expected to total approximately \$6.3 billion over the five-year period from 2019 through 2023, with costs largely recoverable under PISA and, for the portion of wind and other renewable generation investments that are not recoverable under PISA, recoverable under the RESRAM.

In December 2018, the MoPSC issued an order approving Ameren Missouri's MEEIA 2019 plan. The plan includes a portfolio of customer energy-efficiency programs through December 2021 and low-income customer energy-efficiency programs through December 2024, along with a regulatory recovery mechanism. Ameren Missouri intends to invest \$226 million over the life of the plan, including \$65 million per year through 2021. The plan includes the continued use of the MEEIA rider, which allows Ameren Missouri to collect from, or refund to, customers any difference in actual MEEIA program costs and related lost electric margins and the amounts collected from customers. In addition, the plan includes a performance incentive that provides Ameren Missouri an opportunity to earn additional revenues by achieving certain customer energy-efficiency goals, including \$30 million if 100% of the goals are achieved during the period ended December 2021. Additional revenues may be earned if Ameren Missouri exceeds 100% of its energy savings goals.

In April 2018, Ameren Illinois filed its annual electric distribution service formula rate update to establish the revenue requirement to be used for 2019 rates with the ICC. In November 2018, the ICC issued an order in Ameren Illinois' annual update filing that approved a \$72 million increase in Ameren Illinois' electric distribution service rates beginning in January 2019.

In November 2018, the ICC issued an order approving a stipulation and agreement that resulted in an annual natural gas rate increase of \$32 million, based on a 9.87% return on common equity, a capital structure composed of 50% common equity, and a rate base of \$1.6 billion. This increase reflects the reduction in the federal statutory corporate income tax rate enacted under the TCJA, as well as the increase in the Illinois corporate income tax rate that became effective in July 2017, which collectively decreased annual rates by approximately \$17 million. The new customer rates were effective in November 2018. As a result of this order, the rate base under the QIP rider was reset to zero.

Ameren Illinois used a 2019 future test year in this proceeding.

ATXI's Spoon River project, located in northwest Illinois, was placed in service in February 2018. Construction of the Illinois Rivers project is substantially complete, with the last section awaiting the outcome of certain legal proceedings, which will delay the expected completion date to 2020. This delay is not expected to materially affect 2019 rate base or earnings. Construction activities for ATXI's Mark Twain project began in the second quarter of 2018, and the project is expected to be completed by the end of 2019.

In October 2018, Ameren's board of directors increased the quarterly common stock dividend to 47.5 cents per share, resulting in an annualized equivalent dividend rate of \$1.90 per share.

#### Earnings

Net income attributable to Ameren common shareholders was \$815 million, or \$3.32 per diluted share, for 2018, and \$523 million, or \$2.14 per diluted share, for 2017. Net income was favorably affected in 2018 compared with 2017 by the absence of a noncash charge to earnings for the revaluation of deferred taxes, primarily at Ameren (parent) as a result of federal and Illinois tax law changes, and by increased demand at Ameren Missouri, primarily due to warmer summer and colder winter temperatures in 2018. Earnings were also

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favorably affected in 2018 compared with 2017 by an increase in base rates and a reduction in operating expenses for net energy costs and other expenses subject to regulatory tracking mechanisms at Ameren Missouri pursuant to the MoPSC's March 2017 electric rate order, by the absence of a Callaway energy center scheduled refueling and maintenance outage at Ameren Missouri, and by increased investments in infrastructure at the Ameren Illinois Electric Distribution and Ameren Transmission segments. Net income was unfavorably affected in 2018, compared with 2017 by increased other operation and maintenance expenses not subject to riders or regulatory tracking mechanisms, primarily due to higher-than-normal energy center scheduled outage and electric distribution maintenance costs at Ameren Missouri, and by increased depreciation and amortization expenses at Ameren Missouri.

Liquidity

At December 31, 2018, Ameren, on a consolidated basis, had available liquidity in the form of cash on hand and amounts available under the Credit Agreements of \$1.5 billion. In December 2018, the Credit Agreements were extended and now mature in December 2022.

Capital Expenditures

In 2018, Ameren continued to make significant investment in its utility businesses by making capital expenditures of \$0.9 billion, \$0.6 billion, \$0.5 billion, and \$0.3 billion in Ameren Missouri, Ameren Transmission, Ameren Illinois Electric Distribution, and Ameren Illinois Natural Gas, respectively. For 2019 through 2023, Ameren's cumulative capital expenditures are projected to range from \$12.8 billion to \$13.9 billion. The projected spending by segment includes up to \$7.1 billion, \$2.7 billion, \$2.5 billion, and \$1.6 billion for Ameren Missouri, Ameren Illinois Electric Distribution, Ameren Transmission, and Ameren Illinois Natural Gas, respectively, including approximately \$1 billion to acquire two wind generation facilities in 2020 at Ameren Missouri.

RESULTS OF OPERATIONS

Our results of operations and financial position are affected by many factors. Economic conditions, energy-efficiency investments by our customers and by us, and the actions of key customers can significantly affect the demand for our services. Ameren and Ameren Missouri results are also affected by seasonal fluctuations in winter heating and summer cooling demands, as well as by nuclear refueling and other energy center maintenance outages. Additionally, fluctuations in interest rates and conditions in the capital and credit markets affect our cost of borrowing and our pension and postretirement benefits costs. Almost all of Ameren's revenues are subject to state or federal regulation. This regulation has a material impact on the prices we charge for our services. Our results of operations, financial position, and liquidity are affected by our ability to align our overall spending, both operating and capital, within the frameworks established by our regulators. Our 2018 revenues include a reduction from 2017 revenues for the pass-through to customers of reduced income taxes resulting from TCJA, which is substantially offset by a reduction in income tax expense.

Ameren Missouri principally uses coal and nuclear fuel for fuel in its electric operations and purchases natural gas for its customers. Ameren Illinois purchases power and natural gas for its customers. The prices for these commodities can fluctuate significantly because of the global economic and political environment, weather, supply, demand, and many other factors. As described below, we have natural gas cost recovery mechanisms for our Illinois and Missouri natural gas distribution businesses, a purchased power cost recovery mechanism for Ameren Illinois' electric distribution business, and a FAC for Ameren Missouri's electric business.

Ameren Missouri's electric service and natural gas distribution service rates are established in a traditional regulatory rate review based on a historical test year and an allowed return on equity. To mitigate the effects of regulatory lag, Ameren Missouri has recovery mechanisms in place for certain costs that allow customer rates to be adjusted without a traditional regulatory rate review. Ameren Missouri's FAC cost recovery mechanism allows it to recover or refund, through customer rates, 95% of the variance in net energy costs from the amount set in base rates without a traditional regulatory rate review, subject to MoPSC prudence reviews, with the remaining 5% of changes retained by Ameren Missouri. Net recovery of these costs through customer rates does not affect Ameren Missouri's electric margins, as any change in revenue is offset by a corresponding change in fuel expense. In addition, Ameren Missouri's MEEIA customer energy-efficiency program costs, the related lost electric margins, and any performance incentive are recoverable through the MEEIA cost recovery mechanism without a traditional regulatory rate review. Ameren Missouri also has a cost recovery mechanism for natural gas purchased on behalf of its customers. These pass-through

purchased gas costs do not affect Ameren Missouri's natural gas margins, as any change in costs is offset by a corresponding change in revenues. Ameren Missouri employs other cost recovery mechanisms, including a pension and postretirement benefit cost tracker, an uncertain tax position tracker, a tracker on certain excess deferred taxes, a renewable energy standards cost tracker, and a solar rebate program tracker. Each of these trackers allows Ameren Missouri to defer the difference between actual costs incurred and costs included in customer rates as a regulatory asset or regulatory liability. The difference will be reflected in base rates in a subsequent MoPSC rate order. Pursuant to its PISA election, Ameren Missouri is permitted to defer and recover 85% of the depreciation expense and a weighted-average cost of capital return on rate base on certain property, plant, and equipment placed in service after September 1, 2018, and not included in base rates. Additionally, under the RESRAM, Ameren Missouri is permitted to recover the 15% of renewable generation plant placed in service not recovered under PISA. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for information regarding Ameren Missouri's PISA election and the RESRAM.

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Ameren Illinois' electric distribution service rates are reconciled annually to its actual revenue requirement and allowed return on equity, under a formula ratemaking process effective through 2022. If a given year's revenue requirement varies from the amount collected from customers, an adjustment is made to electric operating revenues with an offset to a regulatory asset or liability to reflect that year's actual revenue requirement, independent of actual sales volumes. The regulatory balance is then collected from, or refunded to, customers within two years. In addition, Ameren Illinois' electric customer energy-efficiency rider provides Ameren Illinois' electric distribution service business with recovery of, and return on, energy-efficiency investments. Under formula ratemaking for both its electric distribution service and its electric energy-efficiency investments, the revenue requirements are based on recoverable costs, year-end rate base, a capital structure of 50% common equity, and a return on equity. The return on equity component is equal to the annual average of the monthly yields of the 30-year United States Treasury bonds plus 580 basis points. Therefore, Ameren Illinois' annual return on equity for its electric distribution business is directly correlated to the yields on such bonds.

Ameren Illinois' natural gas distribution service rates are established in a traditional regulatory rate review based on a future test year and allowed return on equity. Ameren Illinois employs a VBA to ensure recoverability of the natural gas distribution service revenue requirement for residential and small nonresidential customers that is dependent on sales volumes. For these rate classes, the VBA allows Ameren Illinois to adjust natural gas distribution service rates without a traditional regulatory rate review when changes occur in sales volumes from normalized sales volumes approved by the ICC in a previous regulatory rate review. In addition, the QIP rider provides Ameren Illinois' natural gas business with recovery of, and a return on, qualifying infrastructure plant investments that are placed in service between regulatory rate reviews.

Ameren Illinois also has recovery mechanisms in place for certain costs that allow customer rates to be adjusted without a traditional regulatory rate review. Ameren Illinois' electric distribution service business has cost recovery mechanisms for power purchased and transmission services incurred on behalf of its customers, renewable energy credit compliance, and zero emission credits. Ameren Illinois' natural gas business has a cost recovery mechanism for natural gas purchased on behalf of its customers. These pass-through costs do not affect Ameren Illinois' electric or natural gas margins, as any change in costs is offset by a corresponding change in revenues. Ameren Illinois employs other cost recovery mechanisms for natural gas customer energy-efficiency program costs and certain environmental costs, as well as bad debt expenses and costs of certain asbestos-related claims not recovered in base rates.

FERC's electric transmission formula rate framework provides for an annual reconciliation of the electric transmission service revenue requirement, which reflects the actual recoverable costs incurred and the 13-month average rate base for a given year, with the revenue requirement in customer rates, including an allowed return on equity. Ameren Illinois and ATXI use a company-specific, forward-looking formula ratemaking framework in setting their transmission rates. These rates are updated each January with forecasted information. If a given year's revenue requirement varies from the amount collected from customers, an adjustment is made to electric operating revenues with an offset to a regulatory asset or liability to reflect that year's actual revenue requirement. The regulatory balance is collected from, or refunded to, customers within two years. The total return on equity currently allowed for Ameren Illinois' and ATXI's electric transmission service businesses is 10.82% and is subject to a FERC complaint case. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for additional information.

We employ various risk management strategies to reduce our exposure to commodity risk and other risks inherent in our business. The reliability of Ameren Missouri's energy centers and our transmission and distribution systems and the level and timing of operations and maintenance costs and capital investment are key factors that we seek to manage in order to optimize our results of operations, financial position, and liquidity.

## Earnings Summary

The following table presents a summary of Ameren's earnings for the years ended December 31, 2018, 2017, and 2016:

	2018	2017	2016
Net income attributable to Ameren common shareholders	\$815	\$523	\$653
Earnings per common share – diluted	3.32	2.14	2.68
2018 versus 2017			

Net income attributable to Ameren common shareholders in 2018 increased \$292 million, or \$1.18 per diluted share, from 2017. The increase was due to net income increases of \$155 million, \$24 million, \$10 million, and \$5 million at Ameren Missouri, Ameren Transmission, Ameren Illinois Natural Gas, and Ameren Illinois Electric Distribution, respectively. Additionally, the net loss for activity not reported as part of a segment, primarily at Ameren (parent), decreased \$98 million.

Compared with 2017, 2018 earnings per share were favorably affected by:

- the absence of a noncash charge to earnings, primarily at Ameren (parent), for the revaluation of deferred taxes recorded in 2017, as a

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result of a decrease in the federal statutory corporate income tax rate under the TCJA and an increase in the Illinois corporate income tax rate, partially offset by a noncash charge for updates to the revaluation of deferred taxes recorded in 2018 (64 cents per share);

- increased demand in 2018 at Ameren Missouri, primarily due to warmer summer and colder winter temperatures in 2018 (estimated at 42 cents per share);
- increased base rates and reduced operating expenses for net energy costs and other expenses subject to regulatory tracking mechanisms at Ameren Missouri, pursuant to the MoPSC's March 2017 electric rate order (9 cents per share); the absence of a Callaway energy center scheduled refueling and maintenance outage in 2018, which last occurred in the fourth quarter of 2017, partially offset by preparation costs incurred in 2018 for the 2019 scheduled refueling outage (9 cents per share);
- increased Ameren Transmission earnings under formula ratemaking, primarily due to additional investment (8 cents per share);
- increased Ameren Illinois Electric Distribution earnings under formula ratemaking, primarily due to additional investment and a higher return on equity (5 cents per share);
- increased Ameren Illinois Natural Gas earnings from investments in qualifying infrastructure recovered under the QIP rider and increased base rates pursuant to the ICC's November 2018 gas rate order (5 cents per share);
- decreased property taxes at Ameren Missouri due to lower assessed property values (5 cents per share);
- decreased financing costs, primarily at Ameren Missouri, due to lower interest rates and higher levels of the allowance for funds used during construction (3 cents per share); and
- the recognition of a MEEIA 2016 performance incentive in 2018 at Ameren Missouri (3 cents per share).

Compared with 2017, 2018 earnings per share were unfavorably affected by:

- increased other operation and maintenance expenses not subject to riders or regulatory tracking mechanisms, primarily due to higher-than-normal energy center scheduled outage and electric distribution maintenance costs at Ameren Missouri (19 cents per share) and due to changes in the market value of company-owned life insurance (7 cents per share);
- increased donations at Ameren (parent) and Ameren Missouri (8 cents per share);
- increased depreciation and amortization expenses not subject to riders or regulatory tracking mechanisms, primarily at Ameren Missouri, resulting from additional electric property, plant, and equipment (7 cents per share); and
- the dilutive effect of issuing common stock (2 cents per share).

The cents per share information presented is based on the weighted-average basic shares outstanding in 2017 and does not reflect any change in earnings per share resulting from dilution, unless otherwise noted. Amounts other than variances related to income taxes have been presented net of income taxes using Ameren's 2018 statutory tax rate of 27%.

2017 versus 2016

Net income attributable to Ameren common shareholders in 2017 decreased \$130 million, or \$0.54 per diluted share, from 2016. The decrease was due to an increase in net loss of \$125 million for activity not reported as part of a segment, primarily at Ameren (parent), and a net income decrease of \$34 million at Ameren Missouri, both of which were primarily due to the enactment of the TCJA. The decrease was partially offset by a \$23 million and a \$5 million increase in net income from Ameren Transmission and Ameren Illinois Electric Distribution, respectively.

Compared with 2016, 2017 earnings per share were unfavorably affected by:

- an increase in income tax expense, primarily at Ameren (parent), due to the revaluation of deferred taxes, as a result of a decrease in the federal statutory corporate income tax rate due to enactment of the TCJA (63 cents per share) and an increase in the Illinois corporate income tax rate (6 cents per share);
- decreased demand primarily at Ameren Missouri due to milder winter and summer temperatures in 2017 (estimated at 15 cents per share);
- the absence in 2017 of a MEEIA 2013 performance incentive at Ameren Missouri recognized in 2016 (7 cents per share);
- increased depreciation and amortization expenses not subject to riders or regulatory tracking mechanisms at Ameren Missouri resulting from additional electric property, plant, and equipment (6 cents per share); and



increased transmission services charges at Ameren Missouri resulting from cost-sharing by all MISO participants of additional MISO-approved electric transmission investments made by other entities (2 cents per share).

Compared with 2016, 2017 earnings per share were favorably affected by:

an increase in base rates, net of increased revenues in 2016 from the suspension of operations at the New Madrid Smelter, and reduced operating expenses for net energy costs and other expenses subject to regulatory tracking mechanisms at Ameren Missouri pursuant to the MoPSC's March 2017 electric rate order (32 cents per share); increased Ameren Transmission earnings under formula ratemaking, primarily due to additional investment, partially offset by a lower recognized return on equity (9 cents per share);

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increased Ameren Illinois Electric Distribution earnings under formula ratemaking, primarily due to additional investment and a higher recognized return on equity (4 cents per share); and decreased income tax expense, excluding the effect of corporate income tax rate changes discussed above, primarily at Ameren (parent) resulting from changes in the valuation allowance for charitable contributions, tax benefits related to company-owned life insurance, and tax credits in 2017, partially offset by a lower income tax benefit in 2017 related to stock-based compensation compared with 2016 (1 cent per share).

The cents per share information presented is based on the weighted-average basic shares outstanding in 2016 and does not reflect any change in earnings per share resulting from dilution, unless otherwise noted. Amounts other than variances related to income taxes have been presented net of income taxes using Ameren's 2017 statutory tax rate of 39%.

For additional details regarding the Ameren Companies' results of operations, including explanations of Electric and Natural Gas Margins, Other Operations and Maintenance Expenses, Depreciation and Amortization, Taxes Other Than Income Taxes, Other Income, Net, Interest Charges, and Income Taxes, see the major headings below.

Below is Ameren's table of income statement components by segment for the years ended December 31, 2018, 2017, and 2016:

	Ameren Missouri	Ameren Illinois Electric Distribution	Ameren Illinois Natural Gas	Ameren Transmission	Other / Intersegment Eliminations	Ameren
2018						
Electric margins	\$ 2,518	\$ 1,065	\$ —	\$ 433	\$ (27 )	\$ 3,989
Natural gas margins	82	—	497	—	(1 )	578
Other operations and maintenance	(972 )	(506 )	(241 )	(63 )	10	(1,772 )
Depreciation and amortization	(550 )	(259 )	(65 )	(77 )	(4 )	(955 )
Taxes other than income taxes	(329 )	(75 )	(66 )	(4 )	(9 )	(483 )
Other income, net	56	26	9	7	4	102
Interest charges	(200 )	(73 )	(38 )	(75 )	(15 )	(401 )
Income taxes	(124 )	(41 )	(25 )	(56 )	9	(237 )
Net income (loss)	481	137	71	165	(33 )	821
Noncontrolling interests – preferred stock dividends	(3 )	(1 )	(1 )	(1 )	—	(6 )
Net income (loss) attributable to Ameren common shareholders	\$ 478	\$ 136	\$ 70	\$ 164	\$ (33 )	\$ 815
2017						
Electric margins	\$ 2,429	\$ 1,109	\$ —	\$ 426	\$ (32 )	\$ 3,932
Natural gas margins	79	—	479	—	(2 )	556
Other operations and maintenance	(925 )	(519 )	(227 )	(64 )	30	(1,705 )
Depreciation and amortization	(533 )	(239 )	(59 )	(60 )	(5 )	(896 )
Taxes other than income taxes	(328 )	(74 )	(60 )	(6 )	(9 )	(477 )
Other income, net	65	11	—	2	8	86
Interest charges	(207 )	(73 )	(36 )	(67 )	(8 )	(391 )
Income taxes	(254 )	(83 )	(36 )	(90 )	(113 )	(576 )
Net income (loss)	326	132	61	141	(131 )	529
Noncontrolling interests – preferred stock dividends	(3 )	(1 )	(1 )	(1 )	—	(6 )
Net income (loss) attributable to Ameren common shareholders	\$ 323	\$ 131	\$ 60	\$ 140	\$ (131 )	\$ 523
2016						
Electric margins	\$ 2,397	\$ 1,104	\$ —	\$ 355	\$ (28 )	\$ 3,828
Natural gas margins	79	—	462	—	(2 )	539
Other operations and maintenance	(912 )	(551 )	(223 )	(63 )	16	(1,733 )
Depreciation and amortization	(514 )	(226 )	(55 )	(43 )	(7 )	(845 )

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Taxes other than income taxes	(325	) (72	) (58	) (4	) (8	) (467	)
Other income, net	62	22	7	5	5	101	
Interest charges	(211	) (72	) (34	) (58	) (7	) (382	)
Income taxes	(216	) (78	) (39	) (74	) 25	(382	)
Net income (loss)	360	127	60	118	(6	) 659	
Noncontrolling interests – preferred stock dividends	(3	) (1	) (1	) (1	) —	(6	)
Net income (loss) attributable to Ameren common shareholders	\$ 357	\$ 126	\$ 59	\$ 117	\$ (6	) \$ 653	

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Below is Ameren Illinois' table of income statement components by segment for the years ended December 31, 2018, 2017, and 2016:

	Ameren Illinois Electric Distribution	Ameren Illinois Natural Gas	Ameren Illinois Transmission	Ameren Illinois
2018				
Electric margins	\$ 1,065	\$ —	\$ 267	\$1,332
Natural gas margins	—	497	—	497
Other operations and maintenance	(506 )	(241 )	(52 )	(799 )
Depreciation and amortization	(259 )	(65 )	(50 )	(374 )
Taxes other than income taxes	(75 )	(66 )	(3 )	(144 )
Other income, net	26	9	7	42
Interest charges	(73 )	(38 )	(38 )	(149 )
Income taxes	(41 )	(25 )	(32 )	(98 )
Net income	137	71	99	307
Preferred stock dividends	(1 )	(1 )	(1 )	(3 )
Net income attributable to common shareholder	\$ 136	\$ 70	\$ 98	\$304
2017				
Electric margins	\$ 1,109	\$ —	\$ 258	\$1,367
Natural gas margins	—	479	—	479
Other operations and maintenance	(519 )	(227 )	(53 )	(799 )
Depreciation and amortization	(239 )	(59 )	(43 )	(341 )
Taxes other than income taxes	(74 )	(60 )	(3 )	(137 )
Other income, net	11	—	1	12
Interest charges	(73 )	(36 )	(35 )	(144 )
Income taxes	(83 )	(36 )	(47 )	(166 )
Net income	132	61	78	271
Preferred stock dividends	(1 )	(1 )	(1 )	(3 )
Net income attributable to common shareholder	\$ 131	\$ 60	\$ 77	\$268
2016				
Electric margins	\$ 1,104	\$ —	\$ 232	\$1,336
Natural gas margins	—	462	—	462
Other operations and maintenance	(551 )	(223 )	(54 )	(828 )
Depreciation and amortization	(226 )	(55 )	(38 )	(319 )
Taxes other than income taxes	(72 )	(58 )	(2 )	(132 )
Other income, net	22	7	5	34
Interest charges	(72 )	(34 )	(34 )	(140 )
Income taxes	(78 )	(39 )	(41 )	(158 )
Net income	127	60	68	255
Preferred stock dividends	(1 )	(1 )	(1 )	(3 )
Net income attributable to common shareholder	\$ 126	\$ 59	\$ 67	\$252

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## Margins

The following table presents the favorable (unfavorable) variations by segment for electric and natural gas margins in 2018 compared with 2017, as well as 2017 compared with 2016. We consider electric and natural gas margins useful measures to analyze the change in profitability of our electric and natural gas operations between periods. We have included the analysis below as a complement to the financial information we provide in accordance with GAAP.

However, these margins may not be a presentation defined under GAAP, and they may not be comparable to other companies' presentations or more useful than the GAAP information we provide elsewhere in this report.

## Electric and Natural Gas Margins

2018 versus 2017	Ameren Missouri	Ameren Illinois Electric Distribution	Ameren Illinois Natural Gas	Ameren Transmission	Other / Intersegment Eliminations <sup>(a)</sup>	Ameren
Electric revenue change:						
Effect of weather (estimate) <sup>(b)</sup>	\$ 157	\$ —	\$ —	\$ —	\$ —	\$ 157
Base rates, including effects of TCJA (estimate) <sup>(c)</sup>	(113 )	(23 )	—	7	—	(129 )
Recovery of power restoration efforts provided to other utilities	5	8	—	—	—	13
Sales volume (excluding the estimated effects of weather and MEEIA)	21	—	—	—	—	21
Off-system sales and capacity revenues	(110 )	—	—	—	—	(110 )
MEEIA 2016 performance incentive	11	—	—	—	—	11
Energy-efficiency program investments	—	13	—	—	—	13
Other	6	2	—	—	6	14
Cost recovery mechanisms – offset in fuel and purchased power <sup>(d)</sup>	33	19	—	—	—	52
Other cost recovery mechanisms <sup>(e)</sup>	30	(40 )	—	—	—	(10 )
Total electric revenue change	\$ 40	\$ (21 )	\$ —	\$ 7	\$ 6	\$ 32
Fuel and purchased power change:						
Energy costs (excluding the estimated effect of weather)	\$ 109	\$ —	\$ —	\$ —	\$ —	\$ 109
Effect of weather (estimate) <sup>(b)</sup>	(34 )	—	—	—	—	(34 )
Effect of lower net energy costs included in base rates	9	—	—	—	—	9
Other	(2 )	(4 )	—	—	(1 )	(7 )
Cost recovery mechanisms – offset in electric revenue <sup>(d)</sup>	(33 )	(19 )	—	—	—	(52 )
Total fuel and purchased power change	\$ 49	\$ (23 )	\$ —	\$ —	\$ (1 )	\$ 25
Net change in electric margins	\$ 89	\$ (44 )	\$ —	\$ 7	\$ 5	\$ 57
Natural gas revenue change:						
Effect of weather (estimate) <sup>(b)</sup>	\$ 19	\$ —	\$ —	\$ —	\$ —	\$ 19
Base rates, including effects of TCJA (estimate)	—	—	(6 )	—	—	(6 )
QIP rider	—	—	13	—	—	13
Other	—	—	2	—	1	3
Cost recovery mechanisms – offset in natural gas purchased for resale <sup>(d)</sup>	(7 )	—	54	—	—	47
Other cost recovery mechanisms <sup>(e)</sup>	—	—	9	—	—	9
Total natural gas revenue change	\$ 12	\$ —	\$ 72	\$ —	\$ 1	\$ 85
Natural gas purchased for resale change:						
Effect of weather (estimate) <sup>(b)</sup>	\$ (16 )	\$ —	\$ —	\$ —	\$ —	\$ (16 )
Cost recovery mechanisms – offset in natural gas revenue <sup>(d)</sup>	7	—	(54 )	—	—	(47 )
Total natural gas purchased for resale change	\$ (9 )	\$ —	\$ (54 )	\$ —	\$ —	\$ (63 )

Net change in natural gas margins	\$ 3	\$ —	\$ 18	\$ —	\$ 1	\$ 22
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2017 versus 2016	Ameren Missouri	Ameren Illinois Electric Distribution	Ameren Illinois Natural Gas	Ameren Transmission	Other / Intersegment Eliminations	Ameren
Electric revenue change:						
Effect of weather (estimate) <sup>(b)</sup>	\$ (65 )	\$ (5 )	\$ —	\$ —	\$ —	\$ (70 )
Base rates (estimate) <sup>(c)</sup>	61	42	—	71	—	174
Recovery of power restoration efforts provided to other utilities	7	1	—	—	—	8
Sales volume (excluding the estimated effects of weather and MEEIA)	(6 )	—	—	—	—	(6 )
Off-system sales and capacity revenues	22	—	—	—	—	22
MEEIA 2013 performance incentive	(28 )	—	—	—	—	(28 )
Transmission services revenues	11	—	—	—	—	11
Other	—	—	—	—	5	5
Cost recovery mechanisms – offset in fuel and purchased power <sup>(d)</sup>	(11 )	18	—	—	—	7
Other cost recovery mechanisms <sup>(e)</sup>	24	(36 )	—	—	—	(12 )
Total electric revenue change	\$ 15	\$ 20	\$ —	\$ 71	\$ 5	\$ 111
Fuel and purchased power change:						
Energy costs (excluding the estimated effect of weather)	\$ (22 )	\$ —	\$ —	\$ —	\$ —	\$ (22 )
Effect of weather (estimate) <sup>(b)</sup>	13	(1 )	—	—	—	12
Effect of lower net energy costs included in base rates	39	—	—	—	—	39
Transmission services charges	(16 )	—	—	—	—	(16 )
Other	(8 )	4	—	—	(9 )	(13 )
Cost recovery mechanisms – offset in electric revenue <sup>(d)</sup>	11	(18 )	—	—	—	(7 )
Total fuel and purchased power change	\$ 17	\$ (15 )	\$ —	\$ —	\$ (9 )	\$ (7 )
Net change in electric margins	\$ 32	\$ 5	\$ —	\$ 71	\$ (4 )	\$ 104
Natural gas revenue change:						
Effect of weather (estimate) <sup>(b)</sup>	\$ (4 )	\$ —	\$ —	\$ —	\$ —	\$ (4 )
QIP rider	—	—	12	—	—	12
Other	—	—	(3 )	—	—	(3 )
Cost recovery mechanisms – offset in natural gas purchased for resale <sup>(d)</sup>	2	—	(28 )	—	—	(26 )
Other cost recovery mechanisms <sup>(e)</sup>	—	—	8	—	—	8
Total natural gas revenue change	\$ (2 )	\$ —	\$ (11 )	\$ —	\$ —	\$ (13 )
Natural gas purchased for resale change:						
Effect of weather (estimate) <sup>(b)</sup>	\$ 4	\$ —	\$ —	\$ —	\$ —	\$ 4
Cost recovery mechanisms – offset in natural gas revenue <sup>(d)</sup>	(2 )	—	28	—	—	26
Total natural gas purchased for resale change	\$ 2	\$ —	\$ 28	\$ —	\$ —	\$ 30
Net change in natural gas margins	\$ —	\$ —	\$ 17	\$ —	\$ —	\$ 17

(a) Includes an increase in transmission margins of \$9 million and \$26 million in 2018 and 2017, respectively, at Ameren Illinois.

Represents the estimated variation resulting primarily from changes in cooling and heating degree-days on electric (b) and natural gas demand compared with the prior year; this variation is based on temperature readings from the National Oceanic and Atmospheric Administration weather stations at local airports in our service territories.

(c)

For Ameren Illinois Electric Distribution and Ameren Transmission, base rates include increases or decreases to operating revenues related to the revenue requirement reconciliation adjustment under formula rates.

Electric and natural gas revenue changes are offset by corresponding changes in “Fuel,” “Purchased power,” and (d) “Natural gas purchased for resale” on the statement of income, resulting in no change to electric and natural gas margins.

Offsetting increases or decreases to expenses are reflected in “Operating Expenses – Other operations and (e) maintenance” or in “Operating Expenses – Taxes other than income taxes” on the statement of income. These items have no overall impact on earnings.

2018 versus 2017

Ameren

Ameren’s electric margins increased \$57 million, or 1%, in 2018 compared with 2017, primarily because of increased margins at Ameren Missouri partially offset by decreased margins at Ameren Illinois Electric Distribution. Ameren’s natural gas margins increased \$22 million, or 4%, in 2018 compared with 2017, primarily because of increased margins at Ameren Illinois Natural Gas.

Ameren Transmission

Ameren Transmission’s margins increased \$7 million, or 2%, in 2018 compared with 2017. Margins were favorably affected by increased capital investment, as evidenced by a 13% increase in rate base used to calculate the revenue requirement in 2018 compared with 2017. Margins were unfavorably affected by the reduction in the federal statutory corporate income tax rate, which decreased revenues \$54 million in 2018 compared with 2017.



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Ameren Missouri

Ameren Missouri's electric margins increased \$89 million, or 4%, in 2018 compared with 2017. Ameren Missouri's natural gas margins increased \$3 million, or 4%, in 2018 compared with 2017 primarily due to colder winter temperatures, as discussed below.

The following items had a favorable effect on Ameren Missouri's electric margins in 2018 compared with 2017: Summer temperatures were warmer as cooling degree days increased 11% in 2018 compared with 2017 and winter temperatures were colder as heating degree days increased 34% in 2018 compared with 2017. The effect of weather increased margins by an estimated \$123 million. The change in margins due to weather is the sum of the effect of weather (estimate) on electric revenues (+\$157 million) and the effect of weather (estimate) on fuel and purchased power (-\$34 million) in the table above.

Revenues from other cost recovery mechanisms due to MEEIA customer energy-efficiency program costs and gross receipts taxes, which increased margins \$30 million. See Other Operations and Maintenance Expenses in this section for the related offsetting increase in MEEIA customer energy-efficiency program costs and Taxes Other Than Income Taxes in this section for the related offsetting increase in gross receipts taxes.

Excluding the estimated effects of weather and the MEEIA 2016 customer energy-efficiency programs, total retail sales volumes increased 1%, which increased revenues by an estimated \$21 million, primarily due to growth. While MEEIA 2016 customer energy-efficiency programs reduced retail sales volumes, the recovery of lost electric margins ensured that electric margins were not affected.

The MEEIA 2016 performance incentive, which increased revenues \$11 million. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for information regarding the MEEIA 2016 performance incentive.

An increase in power restoration assistance provided to other utilities and the associated recovery of labor and benefit costs for crews supporting those efforts, which increased revenues \$5 million.

The following items had an unfavorable effect on Ameren Missouri's electric margins in 2018 compared with 2017: Lower electric base rates in accordance with the TCJA provisions in Missouri Senate Bill 564, partially offset by higher electric base rates, as a result of the March 2017 electric rate order. These items collectively decreased margins by an estimated \$104 million in 2018 compared with 2017. The net change in electric base rates is the sum of the change in base rates (estimate) (-\$113 million) and the effect of lower net energy costs included in base rates (+\$9 million) in the table above.

An increase in net energy costs as a result of increased sales volumes discussed above, partially offset by the 5% Ameren Missouri retains for the variance in net energy costs from the amount set in base rates, primarily as a result of lower fuel costs in 2018 compared with 2017, which collectively decreased margins \$1 million. The change in net energy costs is the sum of the effect of revenue change in off-system sales and capacity revenues (-\$110 million) and the effect of the change in energy costs (excluding the estimated effect of weather) (+\$109 million) in the table above.

Ameren Illinois

Ameren Illinois' electric margins decreased \$35 million, or 3%, in 2018 compared with 2017 driven by decreased margins at Ameren Illinois Electric Distribution (-\$44 million), partially offset by increased margins at Ameren Illinois Transmission (+\$9 million). Ameren Illinois Natural Gas' margins increased \$18 million, or 4%, in 2018 compared with 2017.

Ameren Illinois Electric Distribution

Ameren Illinois Electric Distribution's margins decreased \$44 million, or 4%, in 2018 compared with 2017. The following items had an unfavorable effect on Ameren Illinois Electric Distribution's margins in 2018 compared with 2017:

Revenues from other cost recovery mechanisms, primarily due to a decrease in recoverable customer energy-efficiency program costs prior to the FEJA, which decreased margins \$40 million. See Other Operations and Maintenance Expenses in this section for the related offsetting decrease in customer energy-efficiency program costs prior to the FEJA.

Revenues decreased due to lower recoverable expenses in 2018 compared with 2017 under formula ratemaking, partially offset by an increase in rate base of 8% and a higher recognized return on common equity due to an increase in the 30-year United States Treasury bond yields of 22 basis points, which collectively decreased margins \$23

million. The reduction in the federal statutory corporate income tax rate decreased recoverable expenses \$52 million. The following items had a favorable effect on Ameren Illinois Electric Distribution's margins in 2018 compared with 2017:

- Revenues increased \$13 million due to energy-efficiency program investments pursuant to the FEJA.

• An increase in power restoration assistance provided to other utilities and the associated recovery of labor and benefit costs for crews supporting those efforts, which increased revenues \$8 million.

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Ameren Illinois Natural Gas

Ameren Illinois Natural Gas' margins increased \$18 million, or 4%, in 2018 compared with 2017. The following items had a favorable effect on Ameren Illinois Natural Gas' margins:

- Revenues from QIP recoveries, which increased margins \$13 million due to additional investment in qualified natural gas infrastructure.

- Revenues from other cost recovery mechanisms, which increased margins \$9 million.

Ameren Illinois Natural Gas' margins were unfavorably affected by the reduction in the federal statutory corporate income tax rate, partially offset by higher natural gas base rates, as a result of the November 2018 natural gas rate order. These items collectively decreased margins by an estimated \$6 million, in 2018 compared with 2017.

Ameren Illinois Transmission

Ameren Illinois Transmission's margins increased \$9 million, or 3%, in 2018 compared with 2017. Margins were favorably affected by increased capital investment, as evidenced by an 18% increase in rate base used to calculate the revenue requirement in 2018 compared with 2017. Margins were unfavorably affected by the reduction in the federal statutory corporate income tax rate, which decreased revenues \$32 million, in 2018 compared with 2017.

2017 versus 2016

Ameren

Ameren's electric margins increased \$104 million, or 3%, in 2017 compared with 2016 primarily because of increased margins at Ameren Transmission and Ameren Missouri. Ameren's natural gas margins increased \$17 million, or 3%, in 2017 compared with 2016 because of increased margins at Ameren Illinois Natural Gas.

Ameren Transmission

Ameren Transmission's margins increased \$71 million, or 20%, in 2017 compared with 2016. Margins were favorably affected by increased capital investment, as evidenced by a 23% increase in rate base used to calculate the revenue requirement in 2017 compared with 2016, as well as higher recoverable costs in 2017 compared with 2016 under forward-looking formula ratemaking. Margins were unfavorably affected by the absence in 2017 of a temporarily higher allowed return on common equity of 12.38% for nearly four months in 2016 as a result of the expiration of the refund period in the February 2015 FERC complaint case. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for information regarding the allowed return on common equity for FERC-regulated transmission rate base.

Ameren Missouri

Ameren Missouri's electric margins increased \$32 million, or 1%, in 2017 compared with 2016. Ameren Missouri's natural gas margins were comparable between years.

The following items had a favorable effect on Ameren Missouri's electric margins in 2017 compared with 2016:

- Higher electric base rates, effective April 1, 2017, as a result of the March 2017 MoPSC electric rate order, which increased margins by an estimated \$100 million. The change in electric base rates is the sum of the change in base rates (estimate) (+\$61 million) and the effect of lower net energy costs included in base rates (+\$39 million) in the table above. Higher electric base rates incorporated the effect of the suspension of operations at the New Madrid Smelter.

- Revenues from other cost recovery mechanisms, primarily due to MEEIA customer energy-efficiency program costs, which increased margins \$24 million. See Other Operations and Maintenance Expenses in this section for the related offsetting increase in MEEIA customer energy-efficiency program costs.

- Increased transmission services revenues due to additional rate base investment, which increased margins \$11 million.
- An increase in power restoration assistance provided to other utilities and the associated recovery of labor and benefit costs for crews supporting those efforts, which increased revenues \$7 million.

The following items had an unfavorable effect on Ameren Missouri's electric margins in 2017 compared with 2016: Summer temperatures were milder in 2017 compared with 2016, as cooling degree days decreased 10%. The effect of weather decreased margins by an estimated \$52 million. The change in margins due to weather is the sum of the effect of weather (estimate) on electric revenues (-\$65 million) and the effect of weather (estimate) on fuel and purchased power (+\$13 million) in the table above.

The absence of the MEEIA 2013 performance incentive, which decreased margins \$28 million. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for information regarding the MEEIA 2013 performance incentive.

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Increased transmission services charges resulting from cost-sharing by all MISO participants of additional MISO-approved electric transmission investments made by other entities, which decreased margins \$16 million. Excluding the estimated effects of weather and the MEEIA 2016 customer energy-efficiency programs, total retail sales volumes decreased less than 1%, which decreased revenues by an estimated \$6 million. Lower sales volumes were due, in part, to the absence of the leap year benefit experienced in 2016, partially offset by growth. While MEEIA 2016 customer energy-efficiency programs reduced retail sales volumes, the recovery of lost electric margins ensured that electric margins were not affected.

Ameren Illinois

Ameren Illinois' electric margins increased \$31 million, or 2%, in 2017 compared with 2016 driven by increases in Ameren Illinois Electric Distribution (+\$5 million) and Ameren Illinois Transmission (+\$26 million) margins.

Ameren Illinois Natural Gas' margins increased \$17 million, or 4%, in 2017 compared with 2016 primarily due to increased QIP rider recoveries, which increased margins \$12 million.

Ameren Illinois Electric Distribution

Ameren Illinois Electric Distribution's margins increased \$5 million, or less than 1%, in 2017 compared with 2016.

Ameren Illinois Electric Distribution's margins were favorably affected by an increase in rate base of 6% in 2017 compared with 2016 and a higher return on common equity due to an increase in the 30-year United States Treasury bond yields of 29 basis points in 2017 compared with 2016, as well as higher recoverable expenses under formula ratemaking pursuant to the IEIMA, which collectively increased margins \$42 million.

The following items had an unfavorable effect on Ameren Illinois Electric Distribution's margins in 2017 compared with 2016:

Revenues from other cost recovery mechanisms, primarily due to a decrease in recoverable customer energy-efficiency program costs prior to the FEJA, which decreased margins \$36 million. See Other Operations and Maintenance Expenses in this section for the related offsetting decrease in customer energy-efficiency program costs prior to the FEJA.

The absence of the impact of warmer-than-normal summer temperatures experienced in 2016, which decreased margins by an estimated \$6 million. Ameren Illinois Electric Distribution revenues were decoupled from sales volumes beginning in 2017. The change in margins due to weather is the sum of the effect of weather (estimate) on electric revenues (-\$5 million) and the effect of weather (estimate) on fuel and purchased power (-\$1 million) in the table above.

Ameren Illinois Transmission

Ameren Illinois Transmission's margins increased \$26 million, or 11%, in 2017 compared with 2016. Margins were favorably affected by increased capital investment, as evidenced by a 16% increase in rate base used to calculate the revenue requirement and higher recoverable costs in 2017 compared with 2016 under forward-looking formula ratemaking. Margins were unfavorably affected by the absence in 2017 of a temporarily higher allowed return on common equity of 12.38% for nearly four months in 2016 as a result of the expiration of the refund period in the February 2015 FERC complaint case.

Other Operations and Maintenance Expenses

2018 versus 2017

Ameren

Other operations and maintenance expenses were \$67 million higher in 2018 compared with 2017. In addition to changes by segment discussed below, other operations and maintenance expenses increased \$20 million in 2018 for activity not reported as part of a segment, primarily because of a decrease in intersegment eliminations.

Ameren Transmission

Other operations and maintenance expenses were comparable between 2018 and 2017.

Ameren Missouri

Other operations and maintenance expenses were \$47 million higher in 2018 compared with 2017. The following items increased other operations and maintenance expenses between years:

Nonnuclear energy center operations and maintenance costs increased \$31 million, primarily because of higher-than-normal scheduled outage costs and an increase in routine maintenance work.

MEEIA customer energy-efficiency program costs increased \$20 million.

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Distribution maintenance expenditures increased \$20 million, primarily due to increased reliability work, including vegetation management work and inspections, and increased system repairs and maintenance costs.

Labor and employee benefit costs increased \$14 million, primarily because of an unrealized MTM loss in 2018 compared with a MTM gain in 2017 resulting from changes in the market value of company-owned life insurance and an increase in power restoration assistance provided to other utilities.

The above increases were partially offset by a \$29 million reduction in Callaway energy center refueling and maintenance outage costs. There was no Callaway refueling and maintenance outage in 2018; however, \$6 million in preparation costs were incurred in 2018 for the 2019 scheduled outage.

Ameren Illinois

Other operations and maintenance expenses were comparable at Ameren Illinois and Ameren Illinois Transmission between 2018 and 2017.

Ameren Illinois Electric Distribution

Other operations and maintenance expenses were \$13 million lower in 2018 compared with 2017, primarily because of a \$36 million decrease in customer energy-efficiency costs prior to the FEJA and a \$3 million decrease in environmental remediation costs. These decreases were partially offset by a \$21 million increase in labor and employee benefit costs, primarily because of an unrealized MTM loss in 2018 compared with a MTM gain in 2017 resulting from changes in the market value of company-owned life insurance and an increase in power restoration assistance provided to other utilities. Additionally, amortization of regulatory assets associated with the FEJA energy-efficiency program increased \$9 million.

Ameren Illinois Natural Gas

Other operations and maintenance expenses were \$14 million higher in 2018 compared with 2017, primarily because of increased operations and compliance expenditures related to pipeline integrity, higher bad debt expense, and increased customer energy-efficiency program costs.

2017 versus 2016

Ameren

Other operations and maintenance expenses decreased \$28 million in 2017 compared with 2016. In addition to changes by segment discussed below, other operations and maintenance expenses decreased \$14 million in 2017 for activity not reported as part of a segment, primarily because of an increase in intersegment eliminations.

Ameren Transmission

Other operations and maintenance expenses were comparable between 2017 and 2016.

Ameren Missouri

Other operations and maintenance expenses were \$13 million higher in 2017 compared with 2016. The following items increased other operations and maintenance expenses between years:

• MEEIA customer energy-efficiency program costs increased \$22 million.

• Nonnuclear energy center operations and maintenance costs increased \$3 million, primarily due to higher coal handling charges.

The following items decreased other operations and maintenance expenses between years:

• Labor and employee benefit costs decreased \$6 million, primarily due to a reduction in the base level of pension and postretirement expenses allowed in rates as a result of the March 2017 MoPSC electric rate order along with changes in the market value of company-owned life insurance, partially offset by higher labor costs resulting from increased power restoration assistance provided to other utilities and higher wages.

• Solar rebate costs decreased \$8 million, primarily as a result of the March 2017 MoPSC electric rate order.

Ameren Illinois

Other operations and maintenance expenses decreased \$29 million in 2017 compared with 2016, as discussed below.

Other operations and maintenance expenses were comparable at Ameren Illinois Transmission between 2017 and 2016.

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Ameren Illinois Electric Distribution

Other operations and maintenance expenses were \$32 million lower in 2017 compared with 2016, primarily because of a \$47 million decrease in customer energy-efficiency program costs and a \$3 million decrease in labor and employee benefit costs, partially offset by an \$11 million increase in environmental remediation costs.

Ameren Illinois Natural Gas

Other operations and maintenance expenses were \$4 million higher in 2017 compared with 2016, primarily because of increases in bad debt expense, customer energy-efficiency program costs, and environmental remediation costs, partially offset by lower labor and employee benefit costs.

Depreciation and Amortization

2018 versus 2017

Depreciation and amortization expenses increased \$59 million, \$17 million, and \$33 million in 2018 compared with 2017 at Ameren, Ameren Missouri, and Ameren Illinois, respectively, primarily because of additional property, plant, and equipment across their respective segments. Additionally, depreciation and amortization expenses were higher at Ameren Missouri and Ameren Illinois Electric Distribution due to increased software amortization expenses.

2017 versus 2016

Depreciation and amortization expenses increased \$51 million, \$19 million, and \$22 million in 2017 compared with 2016 at Ameren, Ameren Missouri, and Ameren Illinois, respectively, primarily because of additional property, plant, and equipment across their respective segments.

Taxes Other Than Income Taxes

2018 versus 2017

Taxes other than income taxes increased \$6 million in 2018 compared with 2017, primarily because of higher gross receipts taxes at Ameren Missouri and Ameren Illinois Natural Gas, partially offset by a decrease in property taxes at Ameren Missouri due to lower assessed property values. See Excise Taxes in Note 1 – Summary of Significant Accounting Policies under Part II, Item 8, of this report for additional information.

2017 versus 2016

Taxes other than income taxes increased \$10 million in 2017 compared with 2016, primarily because of higher gross receipts taxes at Ameren Missouri and higher property taxes at Ameren Illinois Electric Distribution and Ameren Illinois Natural Gas, resulting from a refund for 2015 electric distribution taxes that was received in 2016.

Other Income, Net

2018 versus 2017

Other income, net, increased \$16 million in 2018 compared with 2017, primarily because of an increase in the non-service cost components of net periodic benefit income at Ameren Transmission and each of the Ameren Illinois segments, along with an increase in allowance for equity funds used during construction at Ameren Missouri, Ameren Transmission, and each of the Ameren Illinois segments, resulting from increased capital projects. These increases were partially offset by a decrease in Ameren Missouri's non-service cost components of net periodic benefit income and increased donations at Ameren Missouri.

In addition to the changes discussed above, Other income, net, decreased in 2018 compared with 2017, due to activity not reported as part of a segment, primarily as a result of increased donations at Ameren (parent), partially offset by an increase in the non-service cost components of net periodic benefit income.

See Note 6 – Other Income, Net under Part II, Item 8, of this report for additional information. See Note 10 – Retirement Benefits under Part II, Item 8, of this report for more information on the non-service cost components of net periodic benefit income.

2017 versus 2016

Other income, net, decreased \$15 million in 2017 compared with 2016, primarily because of a decrease in the non-service cost



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components of net periodic benefit income at Ameren Transmission and each of the Ameren Illinois segments, lower interest income associated with a lower IEIMA revenue requirement reconciliation regulatory asset balance at Ameren Illinois Electric Distribution, and a decrease in allowance for equity funds used during construction, primarily at Ameren Missouri. These decreases were partially offset by an increase in Ameren Missouri's non-service cost components of net periodic benefit income.

In addition to the changes discussed above, Other income, net, increased in 2017 compared with 2016, due to activity not reported as part of a segment, primarily as a result of decreased donations at Ameren (parent).

Interest Charges

2018 versus 2017

Ameren

Interest charges increased \$10 million in 2018 compared with 2017. Along with the changes discussed below, interest charges increased \$7 million for activity not reported as part of a segment, primarily because of a decrease in intersegment borrowings at Ameren Transmission.

Ameren Transmission

Interest charges increased \$8 million, primarily because of higher average outstanding debt at Ameren Illinois Transmission and ATXI, partially offset by decreased affiliate borrowings at ATXI.

Ameren Missouri

Interest charges decreased \$7 million, primarily because of a decrease in the average interest rate of long-term debt, partially offset by an increase in average outstanding debt.

Ameren Illinois

Interest charges increased \$5 million across the Ameren Illinois segments, primarily because of an increase in average outstanding debt, partially offset by a decrease in the average interest rate of long-term debt.

2017 versus 2016

Ameren

Interest charges increased \$9 million in 2017 compared with 2016, as discussed below.

Ameren Transmission

Interest charges increased \$9 million, primarily because of an increase in average outstanding debt at Ameren Illinois Transmission and ATXI.

Ameren Missouri

Interest charges decreased \$4 million, primarily because of a decrease in the average interest rate of long-term debt.

Ameren Illinois

Interest charges increased \$4 million across the Ameren Illinois segments, primarily because of an increase in average outstanding debt, partially offset by a decrease in the average interest rate of long-term debt.

Income Taxes

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The following table presents effective income tax rates for the years ended December 31, 2018, 2017, and 2016:

2018	2017	2016
Ameren	21% (a)	37%
Ameren Missouri	20% (b)	38%
Ameren Illinois	24% (c)	38%
Ameren Illinois Electric Distribution	23% (c)	38%
Ameren Illinois Natural Gas	26% (c)	39%
Ameren Illinois Transmission	24% (c)	38%
Ameren Transmission	25% (c)	39%

(a) The net impact of the revaluation of deferred income taxes as a result of the TCJA and the increase in the Illinois corporate income tax rate increased the effective income tax rate for 2017 by 15 percentage points.

(b) The impact of the revaluation of deferred income taxes as a result of the TCJA increased the effective income tax rate for 2017 by 6 percentage points.

(c) The net impact of the revaluation of deferred income taxes as a result of the TCJA and the increase in the Illinois corporate income tax rate had no material effect on the effective income tax rate.

See Note 12 – Income Taxes under Part II, Item 8, of this report for information regarding reconciliations of effective income tax rates for Ameren, Ameren Missouri, and Ameren Illinois, as well as a discussion of the effect of the TCJA and the revaluation of deferred taxes in 2017. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for information regarding reductions in revenues related to the lower federal statutory corporate income tax rate enacted under the TCJA and the return of excess deferred taxes to customers.

## 2018 versus 2017

## Ameren

The effective income tax rate was lower in 2018 compared with 2017, primarily because of the decrease in the federal statutory corporate income tax rate from 35% to 21%, beginning in 2018, and revaluation of deferred taxes in 2017, resulting from both the enactment of the TCJA in 2017 and an increase in the Illinois corporate income tax rate in mid-2017. Additionally, the effective tax rate was lower due to amortization of excess deferred taxes in 2018. These items were offset by higher state income tax expense, as the increase in the Illinois corporate income tax rate in 2017 applied to the full year in 2018, and lower tax benefits related to company-owned life insurance in 2018.

## Ameren Transmission

The effective income tax rate was lower in 2018 compared with 2017, primarily because of the decrease in the federal statutory corporate income tax rate, along with amortization of excess deferred taxes in 2018, partially offset by the increase in the Illinois corporate income tax rate applied to the full year in 2018.

## Ameren Missouri

The effective income tax rate was lower in 2018 compared with 2017, primarily because of the decrease in the federal statutory corporate income tax rate in 2018, amortization of excess deferred taxes in 2018, and revaluation of deferred taxes in 2017.

## Ameren Illinois

The effective tax rate was lower in 2018 compared with 2017 at Ameren Illinois and its respective segments, primarily because of the decrease in the federal statutory corporate income tax rate and amortization of excess deferred taxes in 2018, partially offset by the increase in the Illinois corporate income tax rate applied to the full year in 2018.

2017 versus 2016

Ameren

The effective income tax rate was higher in 2017 compared with 2016, primarily because of revaluation of deferred taxes due to enactment of the TCJA in 2017. In addition, income tax expense increased due to the revaluation of deferred taxes as a result of an increase in the Illinois income tax rate in 2017 and due to a decrease in the recognition of tax benefits associated with share-based compensation, resulting from the difference between the deduction for tax purposes and the compensation cost recognized for financial reporting purposes. These items were partially offset by a reduction in the valuation allowance related to charitable contributions, due to higher-than-expected current-year taxable income.

Ameren Transmission

The effective income tax rate was comparable between years.

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## Ameren Missouri

The effective income tax rate was higher, primarily because of revaluation of deferred taxes due to the reduction in the federal statutory corporate income tax rate described above.

## Ameren Illinois

The effective tax rate was comparable between years at Ameren Illinois and its respective segments.

## LIQUIDITY AND CAPITAL RESOURCES

Collections from our tariff-based revenues are our principal source of cash provided by operating activities. A diversified retail customer mix, primarily consisting of rate-regulated residential, commercial, and industrial customers, provides us with a reasonably predictable source of cash. In addition to using cash provided by operating activities, we use available cash, borrowings under the Credit Agreements, commercial paper issuances, and/or, in the case of Ameren Missouri and Ameren Illinois, other short-term affiliate borrowings to support normal operations and temporary capital requirements. We may reduce our short-term borrowings with cash provided by operations or, at our discretion, with long-term borrowings, or, in the case of Ameren Missouri and Ameren Illinois, with capital contributions from Ameren (parent). In the near term, our operating cash flows will decrease due to the reduction in the federal statutory income tax rate enacted under the TCJA. The decrease in operating cash flows results from reduced customer rates, reflecting the tax rate decrease, without a corresponding reduction in income tax payments until about 2020 because of our use of net operating losses and tax credit carryforwards. Additionally, operating cash flows will be further reduced by lower customer rates, resulting from the return of excess deferred taxes. Over time, the decrease in operating cash flows will be offset as temporary differences between book and taxable income reverse, and by increased customer rates due to higher rate base amounts resulting from lower accumulated deferred income tax liabilities. We expect to make significant capital expenditures over the next five years as we invest in our electric and natural gas utility infrastructure to support overall system reliability, grid modernization, renewable energy requirements, environmental compliance, and other improvements. As part of its plan to fund these cash flow requirements, beginning in the first quarter of 2018, Ameren began using newly issued shares, rather than market-purchased shares, to satisfy requirements under the DRPlus and employee benefit plans and expects to continue to do so through at least 2023. Ameren also plans to issue incremental common equity to fund a portion of Ameren Missouri's wind generation investments. Ameren, Ameren Missouri, and Ameren Illinois expect their respective equity to total capitalization levels over the period ending December 2023 to remain in-line with their respective equity to total capitalization levels as of December 31, 2018.

The use of cash provided by operating activities and short-term borrowings to fund capital expenditures and other long-term investments may periodically result in a working capital deficit, defined as current liabilities exceeding current assets, as was the case at December 31, 2018, for the Ameren Companies. The working capital deficit as of December 31, 2018, was primarily the result of current maturities of long-term debt and our decision to finance our businesses with lower-cost commercial paper issuances. With the credit capacity available under the Credit Agreements, along with cash and cash equivalents, Ameren had net available liquidity of \$1.5 billion at December 31, 2018. See Credit Facility Borrowings and Liquidity below for additional information.

The following table presents net cash provided by (used in) operating, investing and financing activities for the years ended December 31, 2018, 2017, and 2016:

	Net Cash Provided by Operating Activities			Net Cash Used in Investing Activities			Net Cash Provided by (Used in) Financing Activities		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Ameren	\$2,170	\$2,118	\$2,117	\$(2,336)	\$(2,204)	\$(2,158)	\$205	\$102	\$(258)
Ameren Missouri	1,260	1,017	1,169	(976 )	(684 )	(937 )	(283 )	(331 )	(434 )
Ameren Illinois	659	828	796	(1,248 )	(1,070 )	(918 )	628	255	51

## Cash Flows from Operating Activities

Our cash provided by operating activities is affected by fluctuations of trade accounts receivable, inventories, and accounts and wages payable, among other things, as well as the unique regulatory environment for each of our businesses. Substantially all expenditures related to fuel, purchased power, and natural gas purchased for resale are

recovered from customers through rate adjustment mechanisms, which may be adjusted without a traditional rate proceeding. Similar regulatory mechanisms exist for certain operating expenses that can also affect the timing of cash provided by operating activities. The timing of cash payments for costs recoverable under our regulatory mechanisms differs from the recovery period of those costs. Additionally, the seasonality of our electric and natural gas businesses, primarily caused by changes in customer demand due to weather, significantly affect the amount and timing of our cash provided by operating activities. See Part 1, Item 1, and Note 1 – Summary of Significant Accounting Policies and Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for more information about our rate-adjustment mechanisms.

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2018 versus 2017

Ameren

Ameren's cash from operating activities increased \$52 million in 2018 compared with 2017. The following items contributed to the increase:

- A \$220 million increase resulting from electric and natural gas margins, as discussed in Results of Operations, excluding certain noncash items, as well as the change in customer receivable balances.

- A \$27 million decrease in payments for nuclear refueling and maintenance outages at Ameren Missouri's Callaway energy center. There was no refueling and maintenance outage in 2018; however, there were cash expenditures related to the 2019 scheduled outage paid in 2018.

- The absence of \$21 million in refunds paid in 2017 associated with the November 2013 FERC complaint case, as discussed in Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report.

The following items partially offset the increase in Ameren's cash from operating activities between years:

- A net \$88 million decrease resulting from costs and associated collections under various cost recovery mechanisms from Ameren Missouri and Ameren Illinois customers.

- A \$40 million decrease resulting from income tax payments of \$21 million in 2018, compared with income tax refunds of \$19 million in 2017, primarily due to state income tax refunds and the sale of state tax credits.

- A \$25 million increase in energy center maintenance costs at Ameren Missouri, primarily due to higher-than-normal, non-nuclear scheduled outage costs, and an increase in routine maintenance work.

- A \$19 million increase in payments related to donations.

- A \$17 million increase in interest payments, primarily due to an increase in the average outstanding debt balance at ATXI.

Ameren Missouri

Ameren Missouri's cash from operating activities increased \$243 million in 2018 compared with 2017. The following items contributed to the increase:

- A \$136 million increase resulting from electric and natural gas margins, as discussed in Results of Operations, excluding certain noncash items, as well as the change in customer receivable balances.

- A net \$95 million increase resulting from net energy costs and associated collections from customers under the FAC.

- A decrease in income tax payments of \$49 million to Ameren (parent) pursuant to the tax allocation agreement, primarily due to the lower federal income tax rate and lower property-related deductions.

- A \$27 million decrease in payments for scheduled nuclear refueling and maintenance outages at the Callaway energy center. There was no refueling and maintenance outage in 2018; however, there were cash expenditures related to the 2019 scheduled outage paid in 2018.

The increase was partially offset by a \$25 million increase in energy center maintenance costs, primarily due to higher-than-normal nonnuclear scheduled outage costs, and an increase in routine maintenance work between periods.

Ameren Illinois

Ameren Illinois' cash from operating activities decreased \$169 million in 2018 compared with 2017. The following items contributed to the decrease:

- A net \$183 million decrease resulting from costs and associated collections under various cost recovery mechanisms from customers.

- A \$50 million decrease resulting from income tax payments of \$28 million, compared with income tax refunds of \$22 million in 2017, to Ameren (parent) pursuant to the tax allocation agreement resulting primarily from the lower federal income tax rate and lower property-related deductions.

The following items partially offset the decrease in Ameren Illinois' cash from operating activities between periods:

- A \$75 million increase resulting from electric and natural gas margins, as discussed in Results of Operations, excluding certain noncash items, as well as the change in customer receivable balances.

- The absence of \$17 million in refunds paid in 2017 associated with the November 2013 FERC complaint case, as discussed in Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report.



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2017 versus 2016

Ameren

Ameren's cash from operating activities were comparable between 2017 and 2016. The following items increased cash from operating activities:

• A \$167 million increase resulting from electric and natural gas margins, as discussed in Results of Operations, excluding certain noncash items, as well as the change in customer receivable balances.

• A \$14 million decrease in coal inventory because of decreased market prices and decreased purchases at Ameren Missouri as a result of inventory reductions at its energy centers.

The following items largely offset the increase in Ameren's cash from operating activities during 2017, compared with 2016:

• A net \$83 million decrease resulting from costs and associated collections under various cost recovery mechanisms from Ameren Missouri and Ameren Illinois customers.

• The absence of a \$42 million insurance receipt received in 2016 at Ameren Missouri related to the Taum Sauk breach that occurred in December 2005.

• Refunds paid in 2017 of \$21 million associated with the November 2013 FERC complaint case, as discussed in Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report.

• A \$14 million increase in the cost of natural gas held in storage at Ameren Illinois, caused primarily by reduced withdrawals as a result of milder winter temperatures compared with the prior year.

• A \$13 million increase in interest payments, primarily due to an increase in the average outstanding debt at Ameren Illinois.

Ameren Missouri

Ameren Missouri's cash from operating activities decreased \$152 million in 2017 compared with 2016. The following items contributed to the decrease:

• An increase in income tax payments of \$151 million to Ameren (parent) pursuant to the tax allocation agreement, primarily related to higher taxable income in 2017, because of significantly lower property-related deductions.

• The absence of a \$42 million insurance receipt received in 2016 related to the Taum Sauk breach that occurred in December 2005.

• A net \$47 million decrease resulting from costs and associated collections under various cost recovery mechanisms from customers.

The following items partially offset the decrease in Ameren Missouri's cash from operating activities between years:

• A \$70 million increase resulting from electric and natural gas margins, as discussed in Results of Operations, excluding certain noncash items, as well as the change in customer receivable balances.

• A \$14 million decrease in coal inventory as a result of decreased market prices and decreased purchases as a result of inventory reductions at the energy centers.

Ameren Illinois

Ameren Illinois' cash from operating activities increased \$32 million in 2017 compared with 2016. The following items contributed to the increase:

• A \$75 million increase resulting from electric and natural gas margins, as discussed in Results of Operations, excluding certain noncash items, as well as the change in customer receivable balances.

• A \$30 million increase resulting from income tax refunds of \$22 million in 2017, compared with income tax payments of \$8 million in 2016, pursuant to the tax allocation agreement with Ameren (parent), primarily related to tax losses in 2017 as a result of higher property-related deductions and use of net operating losses.

The following items partially offset the increase in Ameren Illinois' cash from operating activities between periods:

• A net \$36 million decrease resulting from costs and associated collections under various cost recovery mechanisms from customers.

• Refunds paid in 2017 of \$17 million associated with the November 2013 FERC complaint case, as discussed in Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report.

• A \$14 million increase in the cost of natural gas held in storage, caused primarily by reduced withdrawals as a result of milder winter temperatures compared with the prior year.



▲ \$13 million increase in interest payments, primarily due to an increase in the average outstanding debt.

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## Pension Plans

Ameren's pension plans are funded in compliance with income tax regulations, federal funding, and other regulatory requirements. As a result, Ameren expects to fund its pension plans at a level equal to the greater of the pension cost or the legally required minimum contribution. Based on Ameren's assumptions at December 31, 2018, its investment performance in 2018, and its pension funding policy, Ameren expects to make annual contributions of \$20 million to \$70 million in each of the next five years, with aggregate estimated contributions of \$200 million. We estimate that Ameren Missouri's and Ameren Illinois' portions of the future funding requirements will be approximately 30% and 60%, respectively. These estimates may change based on actual investment performance, changes in interest rates, changes in our assumptions, changes in government regulations, and any voluntary contributions. In 2018, Ameren contributed \$60 million to its pension plans. See Note 10 – Retirement Benefits under Part II, Item 8, of this report for additional information.

## Cash Flows from Investing Activities

## 2018 versus 2017

Ameren's cash used in investing activities increased \$132 million during 2018 compared with 2017, primarily as a result of increased capital expenditures of \$154 million, partially offset by an \$11 million decrease due to the timing of nuclear fuel expenditures. Increased capital expenditures at Ameren Missouri and Ameren Illinois, discussed below, were partially offset by a \$171 million decrease in capital expenditures at ATXI. ATXI's capital expenditures decreased as a result of decreased expenditures on the Illinois Rivers and Spoon River projects. The Spoon River project was placed in service in February 2018.

Ameren Missouri's cash used in investing activities increased \$292 million during 2018 compared with 2017, primarily due to money pool activity and increased capital expenditures. During 2018, Ameren Missouri had no money pool activity, compared with \$161 million in returns of net money pool advances received during 2017. Additionally, capital expenditures increased \$141 million between periods, primarily related to energy center projects and electric distribution system reliability projects. The increase in capital expenditures was partially offset by an \$11 million decrease due to the timing of nuclear fuel expenditures.

Ameren Illinois' cash used in investing activities increased \$178 million during 2018 compared with 2017 due to an increase in capital expenditures of \$182 million, primarily related to substation upgrades, upgrades to natural gas main infrastructure, and electric transmission system reliability projects.

## 2017 versus 2016

Ameren's cash used in investing activities increased \$46 million during 2017 compared with 2016, primarily as a result of increased capital expenditures of \$56 million. Increased capital expenditures at Ameren Missouri and Ameren Illinois, discussed below, were partially offset by a \$127 million decrease in capital expenditures at ATXI. Reduced spending on ATXI's Illinois Rivers project was partially offset by an increase in spending on its Spoon River project. Ameren Missouri's cash used in investing activities decreased \$253 million during 2017 compared with 2016, primarily because of net money pool advances. During 2017, Ameren Missouri received \$161 million in returns of net money pool advances compared with investing \$125 million in net money pool advances in 2016. This decrease was partially offset by a \$35 million increase in capital expenditures, primarily related to electric distribution and transmission system reliability projects and energy center projects.

Ameren Illinois' cash used in investing activities increased \$152 million during 2017 compared with 2016 because of increased capital expenditures, primarily related to electric transmission system reliability projects and natural gas infrastructure projects.

## Capital Expenditures

The following table presents our capital expenditures for the years ended December 31, 2018, 2017, and 2016:

	2018	2017	2016
Ameren Missouri	\$914	\$773	\$738
Ameren Illinois Electric Distribution	503	476	470
Ameren Illinois Natural Gas	311	245	181
Ameren Illinois Transmission	444	355	273
ATXI	118	289	416

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Other <sup>(a)</sup>	(4	)	(6	)	(2	)
Ameren	\$2,286	\$2,132	\$2,076			

(a) Includes amounts for the elimination of intercompany transfers.

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Ameren's 2018 capital expenditures consisted of expenditures made by its subsidiaries, including ATXI, which spent \$118 million primarily on the Illinois Rivers and Mark Twain projects. Ameren Illinois spent \$444 million on transmission projects, \$188 million on natural gas projects eligible for QIP recovery, and \$89 million on IEIMA projects. Other capital expenditures were made principally to maintain, upgrade, and improve the reliability of the transmission and distribution systems of Ameren Missouri and Ameren Illinois by investing in substation upgrades, energy center projects, and smart-grid technology. Additionally, the Ameren Companies invested in various software projects.

Ameren's 2017 capital expenditures consisted of expenditures made by its subsidiaries, including ATXI, which spent \$289 million primarily on the Illinois Rivers and Spoon River projects. Ameren Illinois spent \$355 million on transmission projects, \$153 million on natural gas projects eligible for QIP recovery, and \$123 million on IEIMA projects. Other capital expenditures were made principally to maintain, upgrade, and improve the reliability of the transmission and distribution systems of Ameren Missouri and Ameren Illinois by investing in substation upgrades, energy center projects, and smart-grid technology. Additionally, the Ameren Companies invested in various software projects.

Ameren's 2016 capital expenditures consisted of expenditures made by its subsidiaries, including ATXI, which spent \$416 million primarily on the Illinois Rivers project. Ameren Illinois spent \$273 million on transmission projects and \$109 million on IEIMA projects. Other capital expenditures were made principally to maintain, upgrade, and improve the reliability of the transmission and distribution systems of Ameren Missouri and Ameren Illinois as well as to fund various Ameren Missouri energy center upgrades.

The following table presents Ameren's estimate of capital expenditures that will be incurred from 2019 through 2023, including construction expenditures, allowance for funds used during construction, and expenditures for compliance with existing environmental regulations:

	2019	2020-2023		Total	
Ameren Missouri	\$1,070	\$5,410	\$5,980	\$6,480	\$7,050
Ameren Illinois Electric Distribution	495	1,925	2,125	2,420	2,620
Ameren Illinois Natural Gas	350	1,165	1,290	1,515	1,640
Ameren Illinois Transmission	360	1,765	1,950	2,125	2,310
ATXI	155	65	70	220	225
Other	5	5	5	10	40
Ameren	\$2,435	\$10,335	\$11,420	\$12,770	\$13,855

Ameren Missouri's estimated capital expenditures include transmission, distribution, grid modernization, and generation-related investments, as well as expenditures for compliance with environmental regulations. In addition, Ameren Missouri's estimated capital expenditures include approximately \$1 billion in wind generation investments expected in 2020. Ameren Illinois' estimated capital expenditures are primarily for electric and natural gas transmission and distribution-related investments, capital expenditures to modernize its distribution system pursuant to the IEIMA, and capital expenditures for qualified investments in natural gas infrastructure under the QIP rider. ATXI's estimated capital expenditures include expenditures for the two MISO-approved multi-value transmission projects. For additional information regarding Ameren Missouri's build-transfer wind agreements, IEIMA capital expenditure requirements, the QIP rider, and ATXI's transmission projects, see Part I, Item 1, of this report.

Ameren Missouri continually reviews its generation portfolio and expected power needs. As a result, Ameren Missouri could modify its plan for generation capacity, the type of generation asset technology that will be employed, and whether capacity or power may be purchased, among other changes. Additionally, we continually review the reliability of our transmission and distribution systems, expected capacity needs, and opportunities for transmission investments within and outside our service territories. The timing and amount of investments could vary because of changes in expected capacity, the condition of transmission and distribution systems, and our ability and willingness to pursue transmission investments, among other factors. Any changes in future generation, transmission, or distribution needs could result in significant changes in capital expenditures or losses, which could be material. Compliance with environmental regulations could also have significant impacts on the level of capital expenditures.

Environmental Capital Expenditures

Ameren Missouri will continue to incur costs to comply with federal and state regulations, including those requiring the reduction of SO<sub>2</sub>, NO<sub>x</sub>, and mercury emissions from its coal-fired energy centers. See Note 14 – Commitments and Contingencies under Part II, Item 8, of this report for a discussion of existing and proposed environmental laws that affect, or may affect, our facilities and capital expenditures to comply with such laws.

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## Cash Flows from Financing Activities

Cash provided by, or used in, financing activities is a result of our financing needs, which depend on the level of cash provided by operating activities, the level of cash used in investing activities, the level of dividends, and our long-term debt maturities, among other things.

## 2018 versus 2017

Ameren's cash provided by financing activities increased \$103 million during 2018 compared with 2017. During 2018, Ameren utilized net proceeds from the issuance of \$1,464 million of long-term indebtedness and net commercial paper issuances and cash on hand to repay \$841 million of higher-cost long-term indebtedness and to fund, in part, investing activities. In comparison, during 2017, Ameren utilized net proceeds from the issuance of \$1,345 million of long-term indebtedness to repay \$681 million of higher-cost long-term indebtedness, to repay \$74 million of net commercial paper issuances, and to fund, in part, investing activities. During 2018, Ameren made \$451 million in dividend payments to shareholders, compared with \$431 million in dividend payments in 2017. Additionally, Ameren issued \$74 million in common stock under its DRPlus and 401(k) plan during 2018. Ameren also issued \$35 million of common stock related to stock-based compensation resulting in noncash financing activity during 2018, compared with \$24 million paid for the repurchase of common stock for stock-based compensation in 2017. Ameren did not issue common stock in 2017.

Ameren Missouri's cash used in financing activities decreased \$48 million in 2018 compared with 2017. During 2018, Ameren Missouri utilized net proceeds from the issuance of \$439 million of long-term indebtedness and net commercial paper issuances, along with cash on hand, to repay \$384 million of higher-cost long-term indebtedness and to fund, in part, investing activities. In comparison, during 2017, Ameren Missouri utilized net proceeds from the issuance of \$438 million of long-term indebtedness and net commercial paper issuances, along with cash on hand, to repay \$431 million of higher-cost long-term indebtedness. In 2018, Ameren Missouri paid \$375 million in common stock dividends, compared with \$362 million in dividend payments in 2017. Additionally, during 2018, Ameren Missouri received \$45 million in capital contributions from Ameren (parent), associated with the tax allocation agreement, compared with \$30 million received in 2017.

Ameren Illinois' cash provided by financing activities increased \$373 million in 2018, compared with 2017. During 2018, Ameren Illinois utilized net proceeds from the issuance of \$939 million of long-term indebtedness and net commercial paper issuances to repay at maturity \$457 million of higher-cost long-term indebtedness and to fund, in part, investing activities. In comparison, during 2017, Ameren Illinois issued \$507 million of long-term indebtedness and net commercial paper issuances and utilized the proceeds to repay \$250 million of higher-cost long-term indebtedness, and to fund, in part, investing activities. Additionally, during 2018, Ameren Illinois received \$160 million in capital contributions from Ameren (parent), compared with \$8 million received in 2017.

## 2017 versus 2016

Ameren's financing activities provided net cash of \$102 million in 2017 compared with using net cash of \$258 million in 2016. During 2017, Ameren utilized net proceeds from the issuance of \$1,345 million of long-term indebtedness to repay \$681 million of higher-cost long-term indebtedness, to repay \$74 million of net commercial paper issuances, and to fund, in part, investing activities. In comparison, during 2016, Ameren utilized net proceeds from the issuance of \$653 million of long-term indebtedness and net commercial paper issuances to repay \$395 million of higher-cost long-term indebtedness and to fund, in part, investing activities. Additionally, during 2017, Ameren made \$431 million in dividend payments to shareholders, compared with \$416 million in dividend payments in 2016.

Ameren Missouri's cash used in financing activities decreased \$103 million in 2017 compared with 2016. During 2017, Ameren Missouri utilized net proceeds from the issuance of \$438 million of long-term indebtedness and net commercial paper issuances to repay \$431 million of higher-cost long-term indebtedness. In comparison, during 2016, Ameren Missouri issued \$149 million of long-term indebtedness and used the proceeds, along with cash on hand, to repay \$266 million of higher-cost long-term indebtedness. In 2017, Ameren Missouri paid \$362 million in dividends to Ameren (parent), compared with \$355 million dividends paid in 2016. Additionally, during 2017, Ameren Missouri received \$30 million in capital contributions from Ameren (parent) associated with the tax allocation agreement, compared with \$44 million received in 2016.

Ameren Illinois' cash provided by financing activities increased by \$204 million in 2017, compared with 2016. During 2017, Ameren Illinois utilized net proceeds from the issuance of \$507 million of long-term indebtedness and net commercial paper issuances to repay at maturity \$250 million of higher-cost long-term indebtedness. In comparison, during 2016, Ameren Illinois issued \$298 million of long-term indebtedness and net commercial paper issuances and utilized the proceeds to repay at maturity \$129 million of higher-cost long-term indebtedness. Additionally, in 2017, no dividends were paid to Ameren (parent), compared with \$110 million paid in 2016.

#### Credit Facility Borrowings and Liquidity

The liquidity needs of Ameren, Ameren Missouri, and Ameren Illinois are typically supported through the use of available cash, or proceeds from borrowings under the Credit Agreements, commercial paper issuances and/or, in the case of Ameren Missouri and Ameren Illinois, short-term affiliate borrowings. See Note 4 – Short-term Debt and Liquidity under Part II, Item 8, of this report for additional

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information on credit agreements, commercial paper issuances, borrowings under Ameren's money pool arrangements, and relevant interest rates.

The following table presents Ameren's consolidated net available liquidity as of December 31, 2018:

	Available at December 31, 2018
Ameren (parent) and Ameren Missouri <sup>(a)</sup> :	
Missouri Credit Agreement – borrowing capacity	\$ 1,000
Less: Ameren (parent) commercial paper outstanding	274
Less: Ameren Missouri commercial paper outstanding	55
Less: Letters of credit	7
Missouri Credit Agreement – subtotal	664
Ameren (parent) and Ameren Illinois <sup>(b)</sup> :	
Illinois Credit Agreement – borrowing capacity	1,100
Less: Ameren (parent) commercial paper outstanding	196
Less: Ameren Illinois commercial paper outstanding	72
Less: Letters of credit	2
Illinois Credit Agreement – subtotal	830
Subtotal	\$ 1,494
Cash and cash equivalents	16
Net Available Liquidity	\$ 1,510

The maximum aggregate amount available to Ameren (parent) and Ameren Missouri under the Missouri Credit (a) Agreement is \$700 million and \$800 million, respectively. See Note 4 – Short-term Debt and Liquidity under Part II, Item 8, of this report for further discussion of the Credit Agreements.

The maximum aggregate amount available to Ameren (parent) and Ameren Illinois under the Illinois Credit (b) Agreement is \$500 million and \$800 million, respectively. See Note 4 – Short-term Debt and Liquidity under Part II, Item 8, of this report for further discussion of the Credit Agreements.

In December 2018, the Credit Agreements, which were scheduled to mature in December 2021, were extended and now mature in December 2022. The Credit Agreements provide \$2.1 billion of credit cumulatively through maturity. The maturity date may be extended for an additional one-year period upon mutual consent of the borrowers and lenders. Borrowings by Ameren (parent) under either of the Credit Agreements are due and payable no later than the maturity date, while borrowings by Ameren Missouri and Ameren Illinois are due and payable no later than the earlier of the maturity date or 364 days after the date of such borrowing (subject to the right of each borrower to re-borrow in accordance with the terms of the applicable Credit Agreement). The Credit Agreements are used to borrow cash, to issue letters of credit, and to support issuances under Ameren (parent)'s, Ameren Missouri's, and Ameren Illinois' commercial paper programs. Both of the credit agreements are available to Ameren (parent) to support issuances under Ameren (parent)'s commercial paper program, subject to available credit capacity under the agreements. The Missouri Credit Agreement is available to support issuances under Ameren Missouri's commercial paper program. The Illinois Credit Agreement is available to support issuances under Ameren Illinois' commercial paper program. Issuances under the Ameren (parent), Ameren Missouri, and Ameren Illinois commercial paper programs were available at lower interest rates than the interest rates of borrowings under the Credit Agreements. Commercial paper issuances were thus preferred to credit facility borrowings as a source of third-party short-term debt. Ameren has a money pool agreement with and among its utility subsidiaries to coordinate and to provide for certain short-term cash and working capital requirements. As short-term capital needs arise, and based on availability of funding sources, Ameren Missouri and Ameren Illinois will access funds from the utility money pool, the Credit Agreements, or the commercial paper programs depending on which option has the lowest interest rates. See Note 4 – Short-term Debt and Liquidity under Part II, Item 8, of this report for a detailed explanation of the utility money pool arrangement.



The issuance of short-term debt securities by Ameren's utility subsidiaries is subject to FERC approval under the Federal Power Act. In 2018, the FERC issued orders authorizing Ameren Missouri and Ameren Illinois to each issue up to \$1 billion of short-term debt securities through March 2020 and September 2020, respectively. In June 2017, the FERC issued an order authorizing ATXI to issue up to \$300 million of short-term debt securities through July 2019. The Ameren Companies continually evaluate the adequacy and appropriateness of their liquidity arrangements for changing business conditions. When business conditions warrant, changes may be made to existing credit agreements or to other short-term borrowing arrangements.

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## Long-term Debt and Equity

The following table presents Ameren's equity issuances, as well as issuances (net of issuance premiums or discounts), redemptions, repurchases, and maturities of long-term debt for the years ended December 31, 2018, 2017, and 2016. For additional information related to the terms and uses of these issuances and effective registration statements, see Note 5 – Long-term Debt and Equity Financings under Part II, Item 8, of this report. For information on capital contributions received by Ameren Missouri and Ameren Illinois from Ameren (parent), see Note 13 – Related-party Transactions under Part II, Item 8 of this report.

	Month Issued, Redeemed, Repurchased, or Matured	2018	2017	2016
<b>Issuances of Long-term Debt</b>				
<b>Ameren Missouri:</b>				
4.00% First mortgage bonds due 2048	April	\$423	\$—	\$—
2.95% Senior secured notes due 2027	June	—	399	—
3.65% Senior secured notes due 2045	June	—	—	149
<b>Ameren Illinois:</b>				
3.80% First mortgage bonds due 2028	May	430	—	—
4.50% First mortgage bonds due 2049	November	499	—	—
3.70% First mortgage bonds due 2047	November	—	496	—
4.15% Senior secured notes due 2046	December	—	—	247
<b>ATXI:</b>				
3.43% Senior notes due 2050	June	—	150	—
3.43% Senior notes due 2050	August	—	300	—
Total long-term debt issuances		\$1,352	\$1,345	\$396
<b>Issuances of Common Stock</b>				
<b>Ameren:</b>				
DRPlus and 401(k)	Various	\$74	<sup>(a)(b)</sup> \$—	\$—
Total common stock issuances		\$74	\$—	\$—
Total Ameren long-term debt and common stock issuances		\$1,426	\$1,345	\$396
<b>Redemptions, Repurchases, and Maturities of Long-term Debt</b>				
<b>Ameren Missouri:</b>				
6.00% Senior secured notes due 2018	April	179	—	—
5.10% Senior secured notes due 2018	August	199	—	—
6.40% Senior secured notes due 2017	June	—	425	—
5.40% Senior secured notes due 2016	February	—	—	260
City of Bowling Green financing obligation (Peno Creek CT)	December	6	6	6
<b>Ameren Illinois:</b>				
6.25% Senior secured notes due 2018	April	144	—	—
9.75% Senior secured notes due 2018	November	313	—	—
6.125% Senior secured notes due 2017	November	—	250	—
6.20% Senior secured notes due 2016	June	—	—	54
6.25% Senior secured notes due 2016	June	—	—	75
Total long-term debt redemptions, repurchases, and maturities		\$841	\$681	\$395

(a) Ameren issued a total of 1.2 million shares of common stock under its DRPlus and 401(k) plan.

(b) Excludes 0.7 million shares of common stock valued at \$35 million issued in connection with stock-based compensation.

The Ameren Companies may sell securities registered under their effective registration statements if market conditions and capital requirements warrant such sales. Any offer and sale will be made only by means of a prospectus that meets the requirements of the Securities Act of 1933 and the rules and regulations thereunder.

**Indebtedness Provisions and Other Covenants**

At December 31, 2018, the Ameren Companies were in compliance with the provisions and covenants contained within their credit agreements, indentures, and articles of incorporation, as applicable, and ATXI was in compliance with the provisions and covenants contained in its note purchase agreement. See Note 4 – Short-term Debt and Liquidity and Note 5 – Long-term Debt and Equity Financings under Part II, Item 8, of this report for a discussion of covenants and provisions (and applicable cross-default provisions) contained in our credit agreements, certain of the Ameren Companies' indentures and articles of incorporation, and ATXI's note purchase agreement.

We consider access to short-term and long-term capital markets to be a significant source of funding for capital requirements not satisfied by cash provided by our operating activities. Inability to raise capital on reasonable terms, particularly during times of uncertainty in

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the capital markets, could negatively affect our ability to maintain and expand our businesses. After assessing its current operating performance, liquidity, and credit ratings (see Credit Ratings below), Ameren, Ameren Missouri, and Ameren Illinois each believes that it will continue to have access to the capital markets. However, events beyond Ameren's, Ameren Missouri's, and Ameren Illinois' control may create uncertainty in the capital markets or make access to the capital markets uncertain or limited. Such events could increase our cost of capital and adversely affect our ability to access the capital markets.

**Dividends**

Ameren paid to its shareholders common stock dividends totaling \$451 million, or \$1.8475 per share, in 2018, \$431 million, or \$1.7775 per share, in 2017, and \$416 million, or \$1.715 per share, in 2016.

The amount and timing of dividends payable on Ameren's common stock are within the sole discretion of Ameren's board of directors. Ameren's board of directors has not set specific targets or payout parameters when declaring common stock dividends, but it considers various factors, including Ameren's overall payout ratio, payout ratios of our peers, projected cash flow and potential future cash flow requirements, historical earnings and cash flow, projected earnings, impacts of regulatory orders or legislation, and other key business considerations. Ameren expects its dividend payout ratio to be between 55% and 70% of earnings over the next few years. On February 8, 2019, the board of directors of Ameren declared a quarterly dividend on Ameren's common stock of 47.5 cents per share, payable on March 29, 2019, to shareholders of record on March 13, 2019.

Certain of our financial agreements and corporate organizational documents contain covenants and conditions that, among other things, restrict the Ameren Companies' payment of dividends in certain circumstances.

Ameren Illinois' articles of incorporation require its dividend payments on common stock to be based on ratios of common stock to total capitalization and other provisions with respect to certain operating expenses and accumulations of earned surplus. Additionally, Ameren has committed to the FERC to maintain a minimum of 30% equity in the capital structure at Ameren Illinois.

Ameren Missouri and Ameren Illinois, as well as certain other nonregistrant Ameren subsidiaries, are subject to Section 305(a) of the Federal Power Act, which makes it unlawful for any officer or director of a public utility, as defined in the Federal Power Act, to participate in the making or paying of any dividend from any funds "properly included in capital account." The FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividends are not excessive, and (3) there is no self-dealing on the part of corporate officials. At a minimum, Ameren believes that dividends can be paid by its subsidiaries that are public utilities from net income and from retained earnings. In addition, under Illinois law, Ameren Illinois and ATXI may not pay any dividend on their respective stock unless, among other things, their respective earnings and earned surplus are sufficient to declare and pay a dividend after provisions are made for reasonable and proper reserves, or unless Ameren Illinois or ATXI has specific authorization from the ICC.

At December 31, 2018, the amount of restricted net assets of Ameren's subsidiaries that may not be distributed to Ameren in the form of a loan or dividend was \$2.8 billion.

The following table presents common stock dividends declared and paid by Ameren Corporation to its common shareholders and by Ameren subsidiaries to their parent, Ameren:

	2018	2017	2016
Ameren	\$451	\$431	\$416
Ameren Missouri	375	362	355
Ameren Illinois	—	—	110
ATXI	75	—	—

Ameren Missouri and Ameren Illinois each have issued preferred stock, which provides for cumulative preferred stock dividends. Each company's board of directors considers the declaration of preferred stock dividends to shareholders of record on a certain date, stating the date on which the dividend is payable and the amount to be paid. See Note 5 – Long-term Debt and Equity Financings under Part II, Item 8, of this report for further detail concerning the preferred stock issuances.



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## Contractual Obligations

The following table presents our contractual obligations as of December 31, 2018. See Note 10 – Retirement Benefits under Part II, Item 8, of this report for information regarding expected minimum funding levels for our pension plans, which are not included in the table below. In addition, routine short-term purchase order commitments are not included.

	2019	2020 – 2021	2022 – 2023	2024 and Thereafter	Total
Ameren: <sup>(a)</sup>					
Long-term debt and financing obligations <sup>(b)</sup>	\$580	\$450	\$745	\$ 6,734	\$8,509
Interest payments <sup>(c)</sup>	348	653	625	4,281	5,907
Operating leases	10	15	11	9	45
Other obligations <sup>(d)</sup>	799	746	221	166	1,932
Total cash contractual obligations	\$1,737	\$1,864	\$1,602	\$ 11,190	\$16,393
Ameren Missouri:					
Long-term debt and financing obligations <sup>(b)</sup>	\$580	\$100	\$295	\$ 3,054	\$4,029
Interest payments <sup>(c)</sup>	176	322	319	1,934	2,751
Operating leases	8	13	10	9	40
Other obligations <sup>(d)</sup>	467	489	195	130	1,281
Total cash contractual obligations	\$1,231	\$924	\$819	\$ 5,127	\$8,101
Ameren Illinois:					
Long-term debt <sup>(b)</sup>	\$—	\$—	\$400	\$ 2,930	\$3,330
Interest payments <sup>(c)</sup>	133	266	253	2,140	2,792
Operating leases	1	—	—	—	1
Other obligations <sup>(d)</sup>	322	243	26	20	611
Total cash contractual obligations	\$456	\$509	\$679	\$ 5,090	\$6,734

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

Excludes unamortized discount and premium and debt issuance costs of \$70 million, \$31 million, and \$34 million

(b) at Ameren, Ameren Missouri, and Ameren Illinois, respectively. See Note 5 – Long-term Debt and Equity Financings under Part II, Item 8 of this report, for discussion of items included herein.

(c) The weighted-average variable-rate debt has been calculated using the interest rate as of December 31, 2018.

(d) See Other Obligations in Note 14 – Commitments and Contingencies under Part II, Item 8 of this report, for discussion of items included herein.

## Off-balance-sheet Arrangements

At December 31, 2018, none of the Ameren Companies had any significant off-balance-sheet financing arrangements, other than operating leases entered into in the ordinary course of business, variable interest entities, letters of credit, and Ameren (parent) guarantee arrangements on behalf of its subsidiaries. See Note 1 – Summary of Significant Accounting Policies under Part II, Item 8, of this report for further detail concerning variable interest entities.

## Credit Ratings

Our credit ratings affect our liquidity, our access to the capital markets and credit markets, our cost of borrowing under our credit facilities and our commercial paper programs, and our collateral posting requirements under commodity contracts.

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The following table presents the principal credit ratings of the Ameren Companies by Moody's and S&P effective on the date of this report:

	Moody'	S&P
Ameren:		
Issuer/corporate credit rating	Baa1	BBB+
Senior unsecured debt	Baa1	BBB
Commercial paper	P-2	A-2
Ameren Missouri:		
Issuer/corporate credit rating	Baa1	BBB+
Secured debt	A2	A
Senior unsecured debt	Baa1	Not Rated
Commercial paper	P-2	A-2
Ameren Illinois:		
Issuer/corporate credit rating	A3	BBB+
Secured debt	A1	A
Senior unsecured debt	A3	BBB+
Commercial paper	P-2	A-2
ATXI:		
Issuer credit rating	A2	Not Rated
Senior unsecured debt	A2	Not Rated

A credit rating is not a recommendation to buy, sell, or hold securities. It should be evaluated independently of any other rating. Ratings are subject to revision or withdrawal at any time by the rating organization.

**Collateral Postings**

Any weakening of our credit ratings may reduce access to capital and trigger additional collateral postings and prepayments. Such changes may also increase the cost of borrowing, resulting in an adverse effect on earnings. Cash collateral postings and prepayments made with external parties, including postings related to exchange-traded contracts, and cash collateral posted by external parties were immaterial at December 31, 2018. A sub-investment-grade issuer or senior unsecured debt rating (below "Baa3" from Moody's or below "BBB-" from S&P) at December 31, 2018, could have resulted in Ameren, Ameren Missouri, or Ameren Illinois being required to post additional collateral or other assurances for certain trade obligations amounting to \$94 million, \$64 million, and \$30 million, respectively.

Changes in commodity prices could trigger additional collateral postings and prepayments. Based on credit ratings at December 31, 2018, if market prices were 15% higher or lower than December 31, 2018, levels in the next 12 months and 20% higher or lower thereafter through the end of the term of the commodity contracts, then Ameren, Ameren Missouri, or Ameren Illinois could be required to post an immaterial amount, compared to each company's liquidity, of collateral or provide other assurances for certain trade obligations.

**OUTLOOK**

We seek to earn competitive returns on investments in our businesses. We seek to improve our regulatory frameworks and cost recovery mechanisms and are simultaneously pursuing constructive regulatory outcomes within existing frameworks, while also advocating for responsible energy policies. We align our overall spending, both operating and capital, with economic conditions and with the frameworks established by our regulators, to create and capitalize on investment opportunities for the benefit of our customers and shareholders. We focus on minimizing the gap between allowed and earned returns on equity and allocating capital resources to business opportunities that we expect will offer the most attractive risk-adjusted return potential.

As part of Ameren's strategic plan, we pursue projects to meet our customers' energy needs and to improve electric and natural gas system reliability, safety, and security within our service territories. Ameren also evaluates competitive electric transmission investment opportunities as they arise. Additionally, Ameren Missouri expects to make investments over time that will enable it to transition to a more diverse energy generation portfolio, including investments in renewable energy resources and the retirement of its coal-fired generation at the end of each energy

center's useful life.

Below are some key trends, events, and uncertainties that may reasonably affect our results of operations, financial condition, or liquidity, as well as our ability to achieve strategic and financial objectives, for 2019 and beyond.

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## Operations

On June 1, 2018, Missouri Senate Bill 564 was enacted. The provision of the law applicable to the TCJA was effective immediately; the remaining provisions, including the ability to elect PISA, became effective August 28, 2018. The law required the MoPSC to authorize a reduction in Ameren Missouri's rates to pass through the effect of the TCJA within 90 days of the law's effective date. In July 2018, the MoPSC authorized Ameren Missouri to reduce its annual revenue requirement by \$167 million and reflect that reduction in rates beginning August 1, 2018. The reduction included \$74 million for the amortization of excess accumulated deferred income taxes. In addition, Ameren Missouri recorded a reduction to revenue and a corresponding regulatory liability of \$60 million for the excess amounts collected in rates related to the TCJA from January 1, 2018, through July 31, 2018. The regulatory liability will be reflected in customer rates over a period of time to be determined by the MoPSC in the next regulatory rate review. Pursuant to its PISA election, Ameren Missouri is permitted to defer and recover 85% of the depreciation expense and a weighted-average cost of capital return on rate base on certain property, plant, and equipment placed in service after September 1, 2018, and not included in base rates. Accumulated PISA deferrals earn carrying costs at the weighted-average cost of capital, and all approved PISA deferrals will be added to rate base prospectively and recovered over a period of 20 years following a regulatory rate review. PISA mitigates the impacts of regulatory lag between regulatory rate reviews. The remaining 15% of certain property, plant, and equipment placed in service and not eligible for recovery under PISA, unless eligible for recovery under the RESRAM, remain subject to regulatory lag. As a result of the PISA election, additional provisions of the new law apply to Ameren Missouri, including limitations on electric customer rate increases and an electric base rate freeze until April 2020. Both the rate increase limitation and PISA are effective through December 2023, unless Ameren Missouri requests and receives MoPSC approval of an extension through December 2028. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for information regarding Missouri Senate Bill 564.

In February 2019, Ameren Missouri announced its Smart Energy Plan, which includes a five-year capital investment overview with a detailed one-year plan for 2019, designed to upgrade Ameren Missouri's electric infrastructure. The plan includes investments that will upgrade the grid and accommodate more renewable energy. Investments under the plan are expected to total approximately \$6.3 billion over the five-year period from 2019 through 2023, with costs largely recoverable under PISA and, for the portion of wind and other renewable generation investments that are not recoverable under PISA, recoverable under the RESRAM.

In June 2018, the MoPSC approved Ameren Missouri's Renewable Choice Program, which allows large commercial and industrial customers and municipalities to elect to receive up to 100% of their energy from renewable resources. The tariff-based program is designed to recover the costs of the election, net of changes in the market price of such energy. Based on customer contracts, the program enables Ameren Missouri to supply up to 400 megawatts of renewable wind energy generation, up to 200 megawatts of which it could own. As applicable, the addition of generation by Ameren Missouri would be subject to the issuance of a certificate of convenience and necessity by the MoPSC, obtaining transmission interconnection agreements with MISO or other RTOs, and FERC approval. This generation would be incremental to estimated capital expenditures through 2023 discussed below. Ameren Missouri anticipates finalizing customer interest and pursuing renewable energy projects to fulfill requirements in 2019. Without extension, the option to elect into the program will terminate in the third quarter of 2023.

In December 2018, the MoPSC issued an order approving Ameren Missouri's MEEIA 2019 plan. The plan includes a portfolio of customer energy-efficiency programs through December 2021 and low-income customer energy-efficiency programs through December 2024, along with a regulatory recovery mechanism. Ameren Missouri intends to invest \$226 million over the life of the plan, including \$65 million per year through 2021. The plan includes the continued use of the MEEIA rider, which allows Ameren Missouri to collect from, or refund to, customers any difference in actual MEEIA program costs and related lost electric margins and the amounts collected from customers. In addition, the plan includes a performance incentive that provides Ameren Missouri an opportunity to earn additional revenues by achieving certain customer energy-efficiency goals, including \$30 million if 100% of the goals are achieved during the period ended December 2021. Additional revenues may be earned if Ameren Missouri exceeds 100% of its energy savings goals.

Ameren continues to make significant investments in FERC regulated electric transmission businesses. Ameren Illinois expects to invest \$2.2 billion in electric transmission assets from 2019 through 2023, to replace aging infrastructure and improve reliability. ATXI has three MISO-approved multi-value projects: the Spoon River, Illinois Rivers, and Mark Twain projects. The Spoon River project, located in northwest Illinois, was placed in service in February 2018. The Illinois Rivers project involves the construction of a transmission line from eastern Missouri across Illinois to western Indiana. Construction of the Illinois Rivers project is substantially complete, with the last section awaiting the outcome of certain legal proceedings, which will delay the expected completion date to 2020. This delay is not expected to materially affect 2019 rate base or earnings. The Mark Twain project involves the construction of a transmission line from northeast Missouri, connecting the Illinois Rivers project to Iowa. Construction of the Mark Twain project began in the second quarter of 2018, and is expected to be completed by the end of 2019. ATXI's expected remaining investment in its multi-value projects is approximately \$150 million in 2019, with the total investment expected to be more than \$1.6 billion. Ameren Illinois and ATXI use a forward-looking rate calculation with an annual revenue requirement reconciliation for each company's electric transmission business. Based on expected rate base growth and the currently allowed 10.82% return on common equity, the

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2019 revenue requirements included in rates for Ameren Illinois' and ATXI's electric transmission businesses are \$297 million and \$177 million, respectively. These revenue requirements represent an increase in Ameren Illinois' and ATXI's revenue requirements of \$24 million and \$3 million, respectively, primarily because of the rate base growth. These rates will affect Ameren Illinois' and ATXI's cash receipts during 2019, but will not determine their respective electric transmission service operating revenues, which will instead be based on 2019 actual recoverable costs, rate base, and return on common equity as calculated under the FERC formula ratemaking framework.

The return on common equity for MISO transmission owners, including Ameren Illinois and ATXI, is the subject of a FERC complaint case filed in February 2015 challenging the allowed base return on common equity. Ameren Illinois and ATXI currently use the FERC authorized total allowed return on common equity of 10.82% in customer rates. A final FERC order would establish the allowed return on common equity to be applied to the 15-month period from February 2015 to May 2016 and also establish the return on common equity to be included in customer rates prospectively from the effective date of such order, replacing the current 10.82% total return on common equity. In October 2018, the FERC issued an order addressing the remanded issues in an unrelated case. That order proposed a new methodology for determining the base return on equity and required further briefs from the participants. In November 2018, the FERC issued an order related to the February 2015 complaint case and the September 2016 final order, which required briefs from the participants to be filed in February 2019 regarding a new methodology for determining the base return on common equity and whether and how to apply the new methodology to the two MISO complaint cases. Ameren is unable to predict the ultimate impact of the proposed methodology on these complaint cases at this time. As the FERC is under no deadline to issue a final order, the timing of the issuance of the final order in the February 2015 complaint case, or any potential impact to the amounts refunded as a result of the September 2016 final order, is uncertain. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for information regarding FERC complaint cases. A 50 basis point reduction in the FERC-allowed base return on common equity would reduce Ameren's and Ameren Illinois' net income by an estimated \$9 million and \$5 million, respectively, based on each company's 2019 projected rate base.

In November 2018, the ICC issued an order in Ameren Illinois' annual update filing that approved a \$72 million increase in Ameren Illinois' electric distribution service rates beginning in January 2019. However, Illinois law provides for an annual reconciliation of the electric distribution revenue requirement as is necessary to reflect the actual costs incurred and investment return in a given year with the revenue requirement that was reflected in customer rates for that year. Consequently, Ameren Illinois' 2019 electric distribution service revenues will be based on its 2019 actual recoverable costs, rate base, and return on common equity as calculated under the Illinois performance-based formula ratemaking framework. The 2019 revenue requirement is expected to be higher than the 2018 revenue requirement because of an expected increase in recoverable costs, expected rate base growth of approximately 8%, and an expected increase in the annual average of the monthly yields of the 30-year United States Treasury bonds. The 2019 revenue requirement reconciliation is expected to result in a regulatory asset that will be collected from customers in 2021. A 50 basis point change in the annual average of the monthly yields of the 30-year United States Treasury bonds would result in an estimated \$8 million change in Ameren's and Ameren Illinois' net income, based on Ameren Illinois' 2019 projected year-end rate base.

Ameren Illinois is allowed to earn a return on its electric energy-efficiency program investments. Ameren Illinois' electric energy-efficiency investments are deferred as a regulatory asset and earn a return at its weighted-average cost of capital, with the equity return based on the annual average of the monthly yields of the 30-year United States Treasury bonds plus 580 basis points. The equity portion of Ameren Illinois' return on electric energy-efficiency investments can be increased or decreased by up to 200 basis points, depending on the achievement of annual energy savings goals. Pursuant to the FEJA, Ameren Illinois plans to invest up to \$100 million per year in electric energy-efficiency programs through 2023 and will earn a return on those investments. The ICC has the ability to reduce electric energy-efficiency savings goals if there are insufficient cost-effective programs available or if the savings goals would require investment levels that exceed amounts allowed by legislation. The electric energy-efficiency program investments and the return on those investments are collected from customers through a rider and are not included in the electric distribution formula ratemaking framework. See Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report for information regarding Ameren Illinois' energy-efficiency program.

In November 2018, the ICC issued an order approving a stipulation and agreement that resulted in an annual natural gas rate increase of \$32 million, based on a 9.87% return on common equity, a capital structure composed of 50% common equity, and a rate base of \$1.6 billion. This increase reflects the reduction in the federal statutory corporate income tax rate enacted under the TCJA, as well as the increase in the Illinois corporate income tax rate that became effective in July 2017, which collectively decreased annual rates by approximately \$17 million. The new customer rates were effective in November 2018. As a result of this order, the rate base under the QIP rider was reset to zero. Ameren Illinois used a 2019 future test year in this proceeding.

Ameren Missouri's next scheduled refueling and maintenance outage at its Callaway energy center is scheduled for the spring of 2019. During the 2017 refueling, Ameren Missouri incurred maintenance expenses of \$35 million. During a scheduled refueling, which occurs every 18 months, maintenance expenses increase relative to non-outage years. Additionally, depending on the availability of its other generation sources and the market prices for power, Ameren Missouri's purchased power costs may increase and the amount of excess

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power available for sale may decrease versus non-outage years. Changes in purchased power costs and excess power available for sale are included in the FAC, which results in limited impacts to earnings. In addition, Ameren Missouri may incur increased nonnuclear energy center maintenance costs in non-outage years.

Ameren Missouri expects to realize lower costs of fuel for generation through 2023, compared to 2018 levels, based on coal and related transportation contracts and management's outlook for future prices. Substantially all the benefit of these lower costs would be passed through to customers through the FAC.

Ameren Missouri and Ameren Illinois continue to make infrastructure investments and expect to seek regular electric and natural gas rate increases to recover the cost of investments and earn an adequate return. Ameren Missouri and Ameren Illinois will also seek legislative solutions, as necessary, to address regulatory lag and to support investment in their utility infrastructure for the benefit of their customers. Ameren Missouri and Ameren Illinois continue to face cost recovery pressures, including limited economic growth in their service territories, customer conservation efforts, the impacts of additional customer energy-efficiency programs, and increased customer use of increasingly cost-effective technological advances, including private generation and energy storage. However, over the long-term, we expect the decreased demand to be partially offset by increased demand resulting from increased electrification of the economy for efficiencies and as a means to address CO<sub>2</sub> emission concerns. Increased investments, including expected future investments for environmental compliance, system reliability improvements, and potential new generation sources, result in rate base and revenue growth but also higher depreciation and financing costs.

For additional information regarding recent rate orders, lawsuits, and pending requests filed with state and federal regulatory commissions, see Note 2 – Rate and Regulatory Matters under Part II, Item 8, of this report.

Liquidity and Capital Resources

Ameren Missouri's 2017 IRP targets cleaner and more diverse sources of energy generation, including solar, wind, natural gas, hydro, and nuclear power. It also includes expanding renewable sources by adding at least 700 megawatts of wind generation by the end of 2020 in Missouri and neighboring states and adding 100 megawatts of solar generation by 2027. These new renewable energy sources would support Ameren Missouri's compliance with the state of Missouri's requirement of achieving 15% of native load sales from renewable energy sources by 2021, subject to customer rate increase limitations. Based on current and projected market prices for energy and for wind and solar generation technologies, among other factors, Ameren Missouri expects its ownership of these renewable resources would represent the lowest-cost option for customers. The plan also provides for the expected implementation of continued customer energy-efficiency programs. Ameren Missouri's plan for the addition of renewable resources could be affected by, among other factors: the availability of federal production and investment tax credits related to renewable energy and Ameren Missouri's ability to use such credits; the cost of wind and solar generation technologies; energy prices; Ameren Missouri's ability to obtain timely interconnection agreements with MISO or other RTOs, as well as the cost of such interconnections; and Ameren Missouri's ability to obtain a certificate of convenience and necessity from the MoPSC, and any other required project approvals.

In connection with the 2017 IRP filing, Ameren Missouri established a goal of reducing CO<sub>2</sub> emissions 80% by 2050 from a 2005 base level. Ameren Missouri is also targeting a 35% CO<sub>2</sub> emission reduction by 2030 and a 50% reduction by 2040 from the 2005 level. In order to meet these goals, among other things, Ameren Missouri expects to retire its coal-fired generation at the end of each energy center's useful life.

In the second quarter of 2018, Ameren Missouri entered into a build-transfer agreement with a subsidiary of Terra-Gen, LLC to acquire, after construction, a 400-megawatt wind generation facility, which is expected to be located in northeastern Missouri. In October 2018, the MoPSC issued an order approving a unanimous stipulation and agreement regarding a requested certificate of convenience and necessity for the facility. In December 2018, Ameren Missouri received FERC approval to acquire the facility after construction. A transmission interconnection agreement with the MISO for this facility is expected in the fall of 2019. Also, in October 2018, Ameren Missouri entered into a build-transfer agreement with a subsidiary of EDF Renewables, Inc. to acquire, after construction, a wind generation facility of up to 157 megawatts. In February 2019, Ameren Missouri filed with the MoPSC a nonunanimous stipulation and agreement regarding a requested certificate of convenience and necessity for the facility. The up to 157-megawatt facility is expected to be located in northwestern Missouri. A transmission interconnection agreement with the MISO for this facility is expected in early 2020. Both facilities are expected to be completed by the end of

2020 and would help Ameren Missouri comply with the Missouri renewable energy standard. Each acquisition is subject to certain conditions, including entering into a MISO transmission interconnection agreement at an acceptable cost for each facility and obtaining FERC approval and the issuance of a certificate of convenience and necessity by the MoPSC for the up to 157-megawatt facility, as well as other customary contract terms and conditions. These agreements collectively represent approximately \$1 billion in capital expenditures expected in 2020, which is included in Ameren Missouri's Smart Energy Plan. In October and December 2018, the MoPSC issued orders approving a RESRAM that allows Ameren Missouri to adjust customer rates on an annual basis without a traditional regulatory rate review. The RESRAM is designed to mitigate the impacts of regulatory lag for the cost of compliance with renewable energy standards, including recovery of investments in wind and

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other renewable generation, by providing more timely recovery of costs and a return on investments not already provided for in customer rates or recovered under PISA.

Through 2023, we expect to make significant capital expenditures to improve our electric and natural gas utility infrastructure, with a major portion directed to our transmission and distribution systems. We estimate that we will invest up to \$13.9 billion (Ameren Missouri – up to \$7.1 billion; Ameren Illinois – up to \$6.6 billion; ATXI – up to \$0.2 billion) of capital expenditures during the period from 2019 through 2023. Any additional wind generation investments by Ameren Missouri beyond the two facilities that Ameren Missouri has agreed to acquire after construction would be incremental to these estimates.

Environmental regulations, including those related to CO<sub>2</sub> emissions, or other actions taken by the EPA, could result in significant increases in capital expenditures and operating costs. Certain of these regulations are being challenged through litigation, are being reviewed or recommended for repeal by the EPA or new replacement or alternative regulations are being contemplated or proposed by the EPA and state regulators; therefore, the ultimate implementation of any of these regulations, as well as the timing of any such implementation, is uncertain. However, the individual or combined effects of existing and new environmental regulations could result in significant capital expenditures, increased operating costs, or the closure or alteration of some of Ameren Missouri's coal-fired energy centers. Ameren Missouri's capital expenditures are subject to MoPSC prudence reviews, which could result in cost disallowances as well as regulatory lag. The cost of Ameren Illinois' purchased power and natural gas purchased for resale could increase. However, Ameren Illinois expects that these costs would be recovered from customers with no material adverse effect on its results of operations, financial position, or liquidity. Ameren's and Ameren Missouri's earnings could benefit from increased investment to comply with environmental regulations if those investments are reflected and recovered on a timely basis in customer rates.

The Ameren Companies have multiyear credit agreements that cumulatively provide \$2.1 billion of credit through December 2022, subject to a 364-day repayment term for Ameren Missouri and Ameren Illinois, with the option to seek incremental commitments to increase the cumulative credit provided to \$2.5 billion. See Note 4 – Short-term Debt and Liquidity under Part II, Item 8, of this report for additional information regarding the Credit Agreements.

Ameren, Ameren Missouri, and Ameren Illinois believe that their liquidity is adequate given their expected operating cash flows, capital expenditures, and related financing plans. However, there can be no assurance that significant changes in economic conditions, disruptions in the capital and credit markets, or other unforeseen events will not materially affect their ability to execute their expected operating, capital, or financing plans.

Federal income tax legislation enacted under the TCJA will continue to have significant impacts on our results of operations, financial position, liquidity, and financial metrics. The TCJA, among other things, reduced the federal statutory corporate income tax rate from 35% to 21%, effective January 1, 2018. Customer rates were reduced to reflect the lower income tax rate, without a corresponding reduction in income tax payments because of our use of net operating losses and tax credit carryforwards until about 2020. Customer rates were also reduced to reflect the return of excess deferred taxes. The result of these customer rate reductions is a decrease in operating cash flows in the near term. Over time, the decrease in operating cash flows will be offset as temporary differences between book and taxable income reverse, and by increased customer rates due to higher rate base amounts resulting from lower accumulated deferred income tax liabilities.

Ameren Missouri expects a decrease in operating cash flows of approximately \$100 million in 2019 compared with 2018, as a result of the TCJA. Over time, the decrease in operating cash flows will be offset as temporary differences between book and taxable income reverse, and by increased customer rates due to higher rate base amounts, once approved by the MoPSC, resulting from lower accumulated deferred income tax liabilities.

The following table presents the net regulatory liabilities associated with excess deferred taxes as of December 31, 2018, and the related amortization periods:

Amortization Period	Ameren Missouri	Ameren Illinois	ATXI	Total
30 – 60 years	\$ 947	\$ 796	\$ 84	\$1,827
7 – 10 years	524	(4 )	2	522
Total	\$ 1,471	\$ 792		