Ameren Illinois Co
Form 10-K
February 28, 2012
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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, 2011

OR

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

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

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

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

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

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

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

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Ameren Energy Generating Company does not have securities registered under either Section 12(b) or 12(g) of the Securities Exchange Act of 1934.

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

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

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

Ameren Corporation	Yes	( )	No	(X)
Union Electric Company	Yes	( )	No	(X)
Ameren Illinois Company	Yes	( )	No	(X)
Ameren Energy Generating Company	Yes	(X)	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	(X)	No	( )
Union Electric Company	Yes	(X)	No	( )
Ameren Illinois Company	Yes	(X)	No	( )
Ameren Energy Generating Company (1)	Yes	( )	No	(X)

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

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

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

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

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

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

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

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

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

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As of June 30, 2011, Ameren Corporation had 241,586,534 shares of its $0.01 par value common stock outstanding. The aggregate market value of these shares of common stock (based upon the closing price of the common stock on the New York Stock Exchange on that date) held by nonaffiliates was $6,967,355,641. The shares of common stock of the other registrants were held by affiliates as of June 30, 2011.

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

Ameren Corporation	Common stock, $0.01 par value per share: 242,634,742
Union Electric Company	Common stock, $5 par value per share, held by Ameren Corporation (parent company of the registrant): 102,123,834
Ameren Illinois Company	Common stock, no par value, held by Ameren Corporation (parent company of the registrant): 25,452,373
Ameren Energy Generating Company	Common stock, no par value, held by Ameren Energy Resources Company, LLC (parent company of the registrant and subsidiary of Ameren Corporation): 2,000

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 2012 annual meetings of shareholders are incorporated by reference into Part III of this Form 10-K.

OMISSION OF CERTAIN INFORMATION

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

This combined Form 10-K is separately filed by Ameren Corporation, Union Electric Company, Ameren Illinois Company and Ameren Energy Generating Company. Each registrant hereto is filing on its own behalf all of the information contained in this 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 included on pages 4 and 5 of this report under the heading Forward-looking Statements. Forward-looking statements are all statements other than statements of historical fact, including those statements that are identified by the use of the words anticipates, estimates, expects, intends, plans, predicts, projects, and similar expr

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GLOSSARY OF TERMS AND ABBREVIATIONS

We use the words our, we or us with respect to certain information that relates to all Ameren Companies, as defined below. When appropriate, subsidiaries of Ameren are named specifically as we discuss their various business activities.

2007 Illinois Electric Settlement Agreement A comprehensive settlement of issues in Illinois arising out of the end of ten years of frozen electric rates, effective January 2, 2007. The settlement, which became effective in 2007, was designed to avoid new rate rollback and freeze legislation and legislation that would impose a tax on electric generation in Illinois. The settlement addressed the issue of power procurement, and it included a comprehensive rate relief and customer assistance program.

2010 Credit Agreements The 2010 Genco Credit Agreement, the 2010 Illinois Credit Agreement, and the 2010 Missouri Credit Agreement, collectively.

2010 Genco Credit Agreement Ameren s and Genco s $500 million multiyear senior unsecured revolving credit facility, which expires on September 10, 2013.

2010 Illinois Credit Agreement Ameren s and Ameren Illinois $800 million multiyear senior unsecured credit agreement, which expires on September 10, 2013.

2010 Missouri Credit Agreement Ameren s and Ameren Missouri s $800 million multiyear senior unsecured revolving credit facility, which expires on September 10, 2013.

AER Ameren Energy Resources Company, LLC, an Ameren Corporation subsidiary that consists of non-rate-regulated operations, including Genco, AERG, Marketing Company and Medina Valley. The Medina Valley energy center was sold in February 2012. On October 1, 2010, AERG stock was distributed to Ameren, which then contributed it to AER, thereby making AERG a subsidiary of AER.

AERG AmerenEnergy Resources Generating Company, a CILCO subsidiary until October 1, 2010, that operates a merchant electric generation business in Illinois. On October 1, 2010, AERG stock was distributed to Ameren and subsequently contributed by Ameren to AER, which resulted in AERG becoming a subsidiary of AER.

AFS Ameren Energy Fuels and Services Company, an AER subsidiary that procured fuel and natural gas and managed the related risks for the Ameren Companies prior to January 1, 2011. Effective January 1, 2011, the functions previously performed by AFS were assumed by the Ameren Missouri, Ameren Illinois and Merchant Generation business segments.

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 The individual registrants within the Ameren consolidated group.

Ameren Illinois or AIC Ameren Illinois Company, an Ameren Corporation subsidiary that operates a rate-regulated electric and natural gas transmission and distribution business in Illinois, doing business as Ameren

Illinois. This business consists of the combined rate-regulated electric and natural gas transmission and distribution businesses operated by CIPS, CILCO and IP before the Ameren Illinois Merger. References to Ameren Illinois prior to the Ameren Illinois Merger refer collectively to the rate-regulated electric and natural gas transmission and distribution businesses of CIPS, CILCO and IP. Immediately after the Ameren Illinois Merger, Ameren Illinois distributed the common stock of AERG to Ameren Corporation. AERG s operating results and cash flows were presented as discontinued operations in Ameren Illinois financial statements.

Ameren Illinois Merger On October 1, 2010, CILCO and IP merged with and into CIPS, with the surviving corporation renamed Ameren Illinois Company.

Ameren Illinois Regulated Segment A financial reporting segment consisting of Ameren Illinois rate-regulated businesses.

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

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

AMIL The MISO balancing authority area operated by Ameren, which includes the load of Ameren Illinois and the generating assets of Genco (excluding EEI and Genco s Elgin CT facility) and AERG.

AMMO The MISO balancing authority area operated by Ameren, which includes the load and generating assets of Ameren Missouri.

ARO Asset retirement obligations.

ATX Ameren Transmission Company, an Ameren Corporation subsidiary dedicated to electric transmission infrastructure investment.

ATXI Ameren Transmission Company of Illinois, an Ameren Corporation subsidiary that is engaged in the construction and operation of electric transmission assets in Illinois.

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.

CAIR Clean Air Interstate Rule.

Capacity factor A percentage measure that indicates how much of an electric power generating unit s capacity was used during a specific period.

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CCR Coal combustion residuals.

CILCO Central Illinois Light Company, a former Ameren Corporation subsidiary that operated a rate-regulated electric transmission and distribution business, a merchant electric generation business through AERG, and a rate-regulated natural gas transmission and distribution business, all in Illinois, before the Ameren Illinois Merger. CILCO owned all of the common stock of AERG and included AERG within its consolidated financial statements. Immediately after the Ameren Illinois Merger in 2010, Ameren Illinois distributed the common stock of AERG to Ameren Corporation. AERG was treated as a discontinued operation within Ameren Illinois financial statements.

CILCORP CILCORP Inc., a former Ameren Corporation subsidiary that operated as a holding company for CILCO and its merchant generation subsidiary. On March 4, 2010, CILCORP merged with and into Ameren.

CIPS Central Illinois Public Service Company, an Ameren Corporation subsidiary, renamed Ameren Illinois Company at the effective date of the Ameren Illinois Merger, that operates a rate-regulated electric and natural gas transmission and distribution business, all in Illinois.

CO_2 Carbon dioxide.

COLA Combined nuclear plant construction and operating license application.

Cole County Circuit Court Circuit Court of Cole County, Missouri.

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

CSAPR Cross-State Air Pollution Rule.

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

DOE Department of Energy, a United States government agency.

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

Dth (dekatherm) One million Btus of natural gas.

EEI Electric Energy, Inc., an 80%-owned Genco subsidiary that operates merchant electric generation facilities and FERC-regulated transmission facilities in Illinois. Effective January 1, 2010, in an internal reorganization, AER contributed its 80% ownership interest in EEI to its subsidiary, Genco. The remaining 20% ownership interest is owned by Kentucky Utilities Company, a nonaffiliated entity.

EPA Environmental Protection Agency, a U.S. government agency.

Equivalent availability factor A measure that indicates the percentage of time an electric power generating unit was available for service during a period.

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

Exchange Act Securities Exchange Act of 1934, as amended.

FAC A fuel and purchased power cost recovery mechanism that allows Ameren Missouri to recover,

through customer rates, 95% of changes in fuel (coal, coal transportation, natural gas for generation, and nuclear), emission allowances and purchased power costs, net of off-system revenues, including MISO costs and revenues, greater or less than the amount set in base rates, without a traditional rate proceeding.

FASB Financial Accounting Standards Board, a rulemaking organization that establishes financial accounting and reporting standards in the United States.

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

Fitch Fitch Ratings, a credit rating agency.

FTRs Financial transmission rights, financial instruments that entitle the holder to pay or receive compensation for certain congestion-related transmission charges between two designated points.

Fuelco Fuelco LLC, a limited liability company that provides nuclear fuel management and services to its members. The members are Ameren Missouri, Luminant, and Pacific Gas and Electric Company.

GAAP Generally accepted accounting principles in the United States of America.

Genco Ameren Energy Generating Company, an AER subsidiary that operates a merchant electric generation business in Illinois and holds an 80% ownership interest in EEI.

Gigawatthour One thousand megawatthours.

Heating degree-days The summation of negative differences between the mean daily temperature and a 65- degree Fahrenheit base. This statistic is useful as an indicator of demand for electricity and natural gas for winter space heating by residential and commercial customers.

IBEW International Brotherhood of Electrical Workers, a labor union.

ICC Illinois Commerce Commission, a state agency that regulates Illinois utility businesses, including ATXI and Ameren Illinois.

IEIMA Illinois Energy Infrastructure Modernization Act, an Illinois law that established a performance-based formula process for determining electric delivery service rates. Ameren Illinois elected to participate in this regulatory framework in 2012, which will require it to make incremental capital expenditures to modernize its electric distribution system over a ten-year period beginning in 2012, to meet performance standards, and to create jobs in Illinois, among other things.

Illinois Customer Choice Law Illinois Electric Service Customer Choice and Rate Relief Law of 1997, which was designed to introduce competition into the retail supply of electric energy in Illinois.

Illinois EPA Illinois Environmental Protection Agency, a state government agency.

IP Illinois Power Company, a former Ameren Corporation subsidiary that operated a rate-regulated electric and natural gas transmission and distribution business, all in Illinois, before the Ameren Illinois Merger.

IPA Illinois Power Agency, a state government agency that has broad authority to assist in the procurement of electric power for residential and nonresidential customers.

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

IUOE International Union of Operating Engineers, a labor union.

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

LIUNA Laborers International Union of North America, a labor union.

Marketing Company Ameren Energy Marketing Company, an AER subsidiary that markets power for Genco, AERG, EEI and Medina Valley.

MATS Mercury and Air Toxics Standards, issued by the EPA on December 21, 2011, which limit mercury, acid gases and other toxic pollution from power plants.

Medina Valley AmerenEnergy Medina Valley Cogen LLC, an AER subsidiary, which owns a 40-megawatt natural gas-fired electric energy center. This energy center was sold in February 2012.

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

Megawatthour One thousand kilowatthours.

Merchant Generation A financial reporting segment consisting primarily of the operations or activities of AER, including Genco, AERG, Medina Valley and Marketing Company.

MGP Manufactured gas plant.

MIEC Missouri Industrial Energy Consumers.

MISO Midwest Independent Transmission System Operator, Inc., an RTO.

MISO Energy and Operating Reserves Market A market that uses market-based pricing, which takes into account transmission congestion and line losses, to compensate market participants for power and ancillary services.

Missouri Environmental Authority Environmental Improvement and Energy Resources Authority of the state of Missouri, a governmental body authorized to finance environmental projects by issuing tax-exempt bonds and notes.

Mmbtu One million Btus.

Money pool Borrowing agreements among Ameren and its subsidiaries to coordinate and provide for certain short-term cash and working capital requirements. Separate money pools maintained for rate-regulated and non-rate-regulated businesses are referred to as the utility money pool and the non-state-regulated subsidiary money pool, respectively.

Moody s Moody s Investors Service Inc., a credit rating agency.

MoOPC Missouri Office of Public Counsel.

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

MPS Multi-Pollutant Standard, an agreement, as amended, reached in 2006 among Genco, AERG, EEI and the Illinois EPA, which was codified in Illinois environmental regulations.

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.

NERC North American Electric Reliability Corporation.

NO_2 Nitrogen dioxide.

NO_x Nitrogen oxide.

Noranda Noranda Aluminum, Inc.

NPNS Normal purchases and normal sales.

NRC Nuclear Regulatory Commission, a United States government agency.

NSPS New Source Performance Standards, a provision under the Clean Air Act.

NSR New Source Review provisions of the Clean Air Act, which include Nonattainment New Source Review and Prevention of Significant Deterioration regulations.

NWPA Nuclear Waste Policy Act of 1982, as amended.

NYMEX New York Mercantile Exchange.

NYSE New York Stock Exchange, Inc.

OATT Open Access Transmission Tariff.

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

Off-system revenues Revenues from other than native load sales, including wholesale sales beginning with the effective date of the MoPSC s 2011 electric rate order.

OTC Over-the-counter.

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

PJM PJM Interconnection LLC.

PUHCA 2005 The Public Utility Holding Company Act of 2005, enacted as part of the Energy Policy Act of 2005, effective February 8, 2006.

Regulatory lag The effect of adjustments to retail electric and natural gas rates being based on historic cost and revenue levels. Rate increase requests 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 revenues when based on historical periods.

RFP Request for proposal.

RTO Regional Transmission Organization.

S&P Standard & Poor s Ratings Services, a credit rating agency.

SEC Securities and Exchange Commission, a United States government agency.

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SERC SERC Reliability Corporation, one of the regional electric reliability councils organized for coordinating the planning and operation of the nation s bulk power supply.

SO_2 Sulfur dioxide.

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

UGSOA United Government Security Officers of America, a labor union.

FORWARD-LOOKING STATEMENTS

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

- regulatory, judicial, or legislative actions, including changes in regulatory policies and ratemaking determinations, such as the outcome of Ameren Missouri s and Ameren Illinois electric rate cases filed in 2012; the Ameren Illinois natural gas rate order issued in 2012; the court appeals related to Ameren Missouri s 2010 and 2011 electric rate orders; Ameren Illinois 2010 electric and natural gas rate order; Ameren Missouri s FAC prudence review; and future regulatory, judicial, or legislative actions that seek to change regulatory recovery mechanisms, such as the recent passage of legislation providing for formula ratemaking in Illinois;
- the effect of Ameren Illinois participating in a new performance-based formula ratemaking process under the IEIMA, the related financial commitments required by the IEIMA and the resulting uncertain impact on the financial condition, results of operations and liquidity of Ameren Illinois;
- the effects of, or changes to, the Illinois power procurement process;
- changes in laws and other governmental actions, including monetary, fiscal, and tax policies;
- changes in laws or regulations that adversely affect the ability of electric distribution companies and other purchasers of wholesale electricity to pay their suppliers, including Ameren Missouri and Marketing Company;
- the effects of increased competition in the future due to, among other things, deregulation of certain aspects of our business at both the state and federal levels, and the implementation of deregulation, such as occurred when the electric rate freeze and power supply contracts expired in Illinois at the end of 2006;
- the effects on demand for our services resulting from technological advances, including advances in energy efficiency and distributed generation sources, which generate electricity at the site of consumption;
- increasing capital expenditure and operating expense requirements and our ability to recover these costs through our regulatory frameworks;
- the cost and availability of fuel such as coal, natural gas, and enriched uranium used to produce electricity; the cost and availability of purchased power and natural gas for distribution; and the level and volatility of future market prices for such commodities, including the ability to recover the costs for such commodities;
- the effectiveness of our risk management strategies and the use of financial and derivative instruments;
- the level and volatility of future prices for power in the Midwest;
- the development of a capacity market within MISO;
- business and economic conditions, including their impact on interest rates, bad debt expense, and demand for our products;
- disruptions of the capital markets or other events that make the Ameren Companies access to necessary capital, including short-term credit and liquidity, impossible, more difficult, or more costly;
- our assessment of our liquidity;
- the impact of the adoption of new accounting guidance and the application of appropriate technical accounting rules and guidance;

- actions of credit rating agencies and the effects of such actions;
- the impact of weather conditions and other natural phenomena on us and our customers;
- the impact of system outages;
- generation, transmission, and distribution asset construction, installation, performance, and cost recovery;
- the effects of our increasing investment in electric transmission projects and uncertainty as to whether we will achieve our expected returns in a timely fashion, if at all;
- the extent to which Ameren Missouri prevails in its claims against insurers in connection with its Taum Sauk pumped-storage hydroelectric energy center incident;

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the extent to which Ameren Missouri is permitted by its regulators to recover in rates the investments it made in connection with a proposed second unit at its Callaway energy center;
impairments of long-lived assets, intangible assets, or goodwill;
operation of Ameren Missouri s Callaway energy center, including planned and unplanned outages, decommissioning, costs and potential increased costs as a result of nuclear-related developments in Japan in 2011;
the effects of strategic initiatives, including mergers, acquisitions and divestitures;
the impact of current environmental regulations on utilities and power generating companies and new, more stringent or changing requirements, including those related to greenhouse gases, other emissions, cooling water intake structures, CCR, and energy efficiency, that are enacted over time and that could limit or terminate
the operation of certain of our generating units, increase our costs, result in an impairment of our assets, reduce our customers demand for electricity or natural gas, or otherwise have a negative financial effect;
the impact of complying with renewable energy portfolio requirements in Missouri;
labor disputes, workforce reductions, future wage and employee benefits costs, including changes in discount rates and returns on benefit plan assets;
the inability of our counterparties and affiliates to meet their obligations with respect to contracts, credit facilities, and financial instruments;
the cost and availability of transmission capacity for the energy generated by the Ameren Companies energy centers or required to satisfy energy sales made by the Ameren Companies;
legal and administrative proceedings; and
acts of sabotage, war, terrorism, cybersecurity attacks or intentionally disruptive acts.

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

PART I

ITEM 1. BUSINESS.
GENERAL

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005 administered by FERC. Ameren was formed in 1997 by the merger of Ameren Missouri and CIPSCO Inc. Ameren acquired CILCORP in 2003 and IP in 2004. Ameren s primary assets are the common stock of its subsidiaries, including Ameren Missouri, Ameren Illinois and AER. Ameren s subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. These subsidiaries operate, as the case may be, rate-regulated electric generation, transmission, and distribution businesses, rate-regulated natural gas transmission and distribution businesses, and merchant generation businesses in Missouri and Illinois. Dividends on Ameren s common stock and the payment of other expenses by Ameren depend on distributions made to it by its subsidiaries. Below is a summary description of Ameren Missouri, Ameren Illinois and AER. A more detailed description can be found in Note 1 Summary of Significant Accounting Policies under Part II, Item 8, of this report.

Ameren Missouri operates a rate-regulated electric generation, transmission and distribution business, and a rate-regulated natural gas transmission and distribution business in Missouri.
Ameren Illinois operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.
AER consists of non-rate-regulated operations, including Genco, AERG, Marketing Company and Medina Valley (through February 2012).
Genco operates a merchant electric generation business in Illinois and holds an 80% ownership interest in EEI.
The following table presents our total employees at December 31, 2011:

Ameren[(a)]	9,323
Ameren Missouri	4,333
Ameren Illinois	2,793
Genco	618

(a) Total for Ameren includes Ameren registrant and nonregistrant subsidiaries.

As of January 1, 2012, the IBEW, the IUOE, the LIUNA, and the UA labor unions collectively represented about 58% of Ameren s total employees. They represented 63% of the employees at Ameren Missouri, 65% at Ameren Illinois, and 67% at Genco. The collective bargaining agreements have three- to five-year terms, and expire between 2012 and 2016. Several collective bargaining agreements between Ameren subsidiaries and the IBEW, covering approximately 3,500 employees, expire during 2012. Additionally, employees providing security at the Callaway energy center elected to organize under the UGSOA in August 2011.

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Negotiations for a collective bargaining agreement with these employees began in December 2011 and are ongoing.

For additional information about the development of our businesses, our business operations, and factors affecting our operations and financial position, see Management s Discussion and Analysis of Financial

Condition and Results of Operations under Part II, Item 7, of this report and Note 1 Summary of Significant Accounting Policies under Part II, Item 8, of this report.

BUSINESS SEGMENTS

Ameren has three reportable segments: Ameren Missouri, Ameren Illinois, and Merchant Generation. See Note 18 Segment Information under Part II, Item 8, of this report for additional information on reporting segments.

RATES AND REGULATION

Rates

The rates that Ameren Missouri and Ameren Illinois 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 Ameren Missouri and Ameren Illinois customers are determined, in large part, by governmental entities, including the MoPSC, the ICC, and FERC. Decisions by these entities are influenced by many factors, including the cost of providing service, the prudency of expenditures, the quality of service, regulatory staff knowledge and experience, economic conditions, public policy, and social and political views. Decisions made by these governmental entities regarding rates are largely outside of Ameren Missouri s and Ameren Illinois control. These decisions, as well as the regulatory lag involved in filing and getting new rates approved, could have a material impact on the results of operations, financial position, and liquidity of Ameren, Ameren Missouri and Ameren Illinois. Rate orders are also subject to appeal, which creates additional uncertainty as to the rates Ameren Missouri and Ameren Illinois are ultimately allowed to charge for their services. Beginning in 2012, the effect of regulatory lag on Ameren Illinois electric distribution business is expected to be mitigated through the use of the formula ratemaking regulatory framework established under the IEIMA.

The ICC regulates rates and other matters for Ameren Illinois and ATXI. The MoPSC regulates rates and other matters for Ameren Missouri. The FERC regulates Ameren Missouri, Ameren Illinois, Genco and ATXI as to their ability to charge market-based rates for the sale and transmission of energy in interstate commerce and various other matters discussed below under General Regulatory Matters.

About 49% of Ameren s electric and 16% of its natural gas operating revenues were subject to regulation by the MoPSC in the year ended December 31, 2011. About 30% of Ameren s electric and 84% of its natural gas operating

revenues were subject to regulation by the ICC in the year ended December 31, 2011. Wholesale revenues for Ameren Missouri, Ameren Illinois, Genco and AERG are subject to FERC regulation, but not subject to direct MoPSC or ICC regulation.

Ameren Missouri

Electric

About 99% of Ameren Missouri s electric operating revenues were subject to regulation by the MoPSC in the year ended December 31, 2011 with the remainder subject to FERC regulation.

In July 2011, the MoPSC issued an order approving an increase for Ameren Missouri in annual revenues for electric service of $173 million, including $52 million related to an increase in normalized net fuel costs above the net fuel costs included in base rates previously authorized by the MoPSC in its May 2010 electric rate order. The revenue increase was based on a 10.2% return on equity, a capital structure composed of 52.2% common equity, and a rate base of $6.6 billion. The rate changes became effective on July 31, 2011. The MoPSC order approved the continued use of Ameren Missouri s vegetation management and infrastructure cost tracker, pension and postretirement benefit cost tracker, and FAC at the current 95% sharing level. The MoPSC order shortened the FAC recovery and refund period from 12 months to eight months. Additionally, the MoPSC order provided for a tracking mechanism for uncertain income tax positions.

In February 2012, Ameren Missouri filed a request with the MoPSC to increase its annual revenues for electric service by $376 million. Included in this requested increase was a $103 million increase in normalized net fuel costs above the net fuel costs included in base rates previously authorized by the MoPSC in its July 2011 electric rate order. Absent initiation of this general rate proceeding, 95% of this amount would have been reflected in rate adjustments implemented under Ameren Missouri s FAC. The request also included recovery of the costs associated with energy efficiency programs under the MEEIA, including energy efficiency investments, a storm cost tracking mechanism, plant-in-service accounting treatment, and recovery of other costs incurred to provide systemwide reliability improvements for customers, among other items. The electric rate increase request was based on a 10.75% return on equity, a capital structure composed of 52% common equity, an aggregate electric rate base of $6.8 billion, and a test year ended September 30, 2011, with certain pro forma adjustments expected through the anticipated true-up date of July 31, 2012. A decision by the MoPSC in this proceeding is expected in December 2012.

FERC regulates the rates charged and the terms and conditions for electric transmission services. Each RTO separately files a regional transmission tariff for approval by FERC. All transmission service within that RTO is then subjected to that tariff. As a member of MISO, Ameren Missouri s transmission rate is calculated in accordance with the MISO OATT. The transmission rate is updated in

June of each year; it is based on Ameren Missouri s filings with FERC. This rate is not directly charged to Missouri retail customers, because in Missouri the MoPSC includes transmission-related costs in setting bundled retail rates.

Natural Gas

All of Ameren Missouri s natural gas operating revenues were subject to regulation by the MoPSC in the year ended December 31, 2011. In January 2011, the MoPSC approved a stipulation and agreement that allowed Ameren Missouri to increase annual natural gas revenues by $9 million. The new rates became effective on February 20, 2011. As part of the stipulation and agreement, Ameren Missouri agreed not to file a separate natural gas rate increase request before December 31, 2012; however, Ameren Missouri can file a combined natural gas and electric rate case before that date. Further, this agreement does not prevent Ameren Missouri from filing to recover infrastructure replacement costs through an ISRS during this moratorium. The return on equity to be used by Ameren Missouri for purposes of the ISRS tariff filing is 10%.

If certain criteria are met, Ameren Missouri s natural gas rates may be adjusted without a traditional rate proceeding. PGA clauses permit prudently incurred natural gas costs to be passed directly to the consumer. The ISRS also permits prudently incurred natural gas infrastructure replacement costs to be passed directly to the consumer.

For additional information on Missouri rate matters, including Ameren Missouri s pending electric rate case, and Ameren Missouri s 2009, 2010 and 2011 electric rate orders and related court appeals and regulatory proceedings, 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, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

Ameren Illinois

Electric

About 99% of Ameren Illinois electric operating revenues were subject to regulation by the ICC in the year ended December 31, 2011 with the remainder subject to FERC regulation.

Under the Illinois Customer Choice Law, all electric customers in Illinois may choose their own electric energy provider. However, Ameren Illinois is required to serve as the provider of last resort (POLR) for electric customers within its territory who have not chosen an alternative retail

electric supplier. Ameren Illinois obligation to provide POLR electric service varies by customer size. Ameren Illinois is not required to offer fixed-priced electric service to customers with electric demands of 400 kilowatts or greater, as the market for service to this group of customers has been declared competitive. Power and related procurement costs incurred by Ameren Illinois are passed directly to its customers through a cost recovery mechanism.

In October 2011, the IEIMA was enacted into law and became effective immediately. Certain amendments to the IEIMA became effective on December 30, 2011. On January 3, 2012, Ameren Illinois elected to participate in the performance-based formula ratemaking process established pursuant to the IEIMA by filing initial performance-based formula rates with the ICC. The initial filing, based on 2010 recoverable costs and expected net plant additions for 2011 and 2012, will result in new electric delivery service rates in October 2012. Pending ICC approval, the initial filing will result in a decrease in Ameren Illinois revenues for electric delivery service of $19 million, on an annualized basis. Ameren Illinois anticipates making an update filing by May 1, 2012, based on 2011 costs and expected net plant additions for 2012, that would result in new electric delivery service rates on January 1, 2013.

By choosing to opt-in, Ameren Illinois will participate in a performance-based formula process for determining rates that will provide for the recovery of actual costs of electric delivery service that are prudently incurred, reflect the utility s actual regulated capital structure and include a formula for calculating the return on equity component of the cost of capital. The equity component of the formula rate will be equal to the average for the applicable calendar year of the monthly average yields of 30-year United States treasury bonds plus 590 basis points for 2012 and 580 basis points thereafter. Ameren Illinois actual return on equity relating to electric delivery service will be subject to a collar adjustment on earnings in excess of 50 basis points above or below its allowed return. Beginning in 2012, the law provides for an annual reconciliation of revenues to costs prudently and reasonably incurred. This annual revenue reconciliation along with the collar adjustment, if necessary, will be collected from or refunded to customers in a subsequent year.

Ameren Illinois will also be subject to five performance standards under the IEIMA whereby the failure to achieve the standards will result in a reduction in its allowed return on equity calculated under the formula. The performance standards include improvements in service reliability to reduce both the frequency and duration of outages, improvements in customer satisfaction scores, reduction in the number of estimated bills, and a reduction in uncollectible accounts expense. The IEIMA provides for return on equity penalties totaling up to 30 basis points in 2013 through 2015, 34 basis points in 2016 through 2018 and 38 basis points in 2019 through 2022 if the performance standards are not met. The formula ratemaking process is effective until the end of 2017, but could be extended by the Illinois General Assembly for an additional five years. The formula ratemaking process

would also terminate if the average residential rate increases by more than 2.5% annually from June 2011 through May 2014.

Between 2012 and 2021, Ameren Illinois will be required to invest $625 million in capital expenditures

incremental to Ameren Illinois average electric delivery capital expenditures for calendar years 2008 through 2010 to modernize its distribution system. Such investments are

expected to encourage economic development and create an estimated 450 additional jobs within Illinois. Ameren Illinois is subject to monetary penalties if 450 additional jobs are not created during the peak program year. Also, Ameren Illinois will be required to contribute $1 million annually for certain nonrecoverable customer assistance programs, up to a total of $10 million through 2021, for as long as Ameren Illinois participates in the formula ratemaking process. Ameren Illinois will also be required to make a one-time $7.5 million nonrecoverable donation to the Illinois Science and Energy Innovation Trust in 2012, as well as an approximate $1 million annual donation to the same trust for as long as it participates in the formula ratemaking process.

Ameren Illinois has a tariff rider to recover the costs of asbestos-related litigation claims, subject to the following terms: 90% of cash expenditures in excess of the amount included in base electric rates are to be recovered from a trust fund that was established when Ameren acquired IP. At December 31, 2011, the trust fund balance was $23 million, including accumulated interest. If cash expenditures are less than the amount in base rates, Ameren Illinois will contribute 90% of the difference to the fund. Once the trust fund is depleted, 90% of allowed cash expenditures in excess of base rates will be recovered through charges assessed to customers under the tariff rider. Following the Ameren Illinois Merger, this rider is applicable only for claims that occurred within IP s historical service territory. Similarly, the rider will permit recovery only from customers within IP s historical service territory.

As a member of MISO, Ameren Illinois transmission rate is calculated in accordance with the MISO OATT. The transmission rate is updated in June of each year based on Ameren Illinois filings with FERC. This rate is charged directly to wholesale customers and alternative retail electric suppliers. Retail customers who have not chosen an alternative retail electric supplier pay the transmission rate through a rider mechanism.

Natural Gas

All of Ameren Illinois natural gas operating revenues were subject to regulation by the ICC in the year ended December 31, 2011.

In January 2012, the ICC issued a rate order that approved an increase in Ameren Illinois annual revenues for natural gas delivery service of $32 million. The revenue increase was based on a 9.06% return on equity, a capital structure composed of 53.3% common equity, and a rate

base of approximately $1 billion. The rate order was based on a 2012 future test year. The rate changes became effective on January 20, 2012. In February 2012, the ICC denied rehearing requests by Ameren Illinois and an intervenor related to the granted return on equity.

If certain criteria are met, Ameren Illinois natural gas rates may be adjusted without a traditional rate proceeding. PGA clauses permit prudently incurred natural gas costs to be passed directly to the consumer. Also, Ameren Illinois has approval from the ICC to use cost recovery mechanisms for energy efficiency programs and bad debt expense not recovered in base rates.

For additional information on Illinois rate matters, including the IEIMA and the ICC s January 2012 natural gas rate order, 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, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

Merchant Generation

Merchant Generation revenues are determined by market conditions and contractual arrangements. We expect the Merchant Generation fleet of assets to have 5,503 megawatts of capacity available for the 2012 peak summer electrical demand. This capacity reflects the closure of the four units at Genco s Meredosia and Hutsonville energy centers and the sale of the Columbia CT during 2011, as well as the sale of the Medina Valley energy center in early 2012. As discussed below, Genco and AERG sell all of their power and capacity to Marketing Company through power supply agreements. Marketing Company attempts to optimize the value of those assets and to mitigate risks through a variety of hedging techniques, including wholesale sales of capacity and energy, retail sales in the non-rate-regulated Illinois market, spot market sales primarily in

MISO and PJM, and financial transactions, including options and other derivatives. Marketing Company enters into long-term and short-term contracts. Marketing Company s counterparties include cooperatives, municipalities, residential, commercial and industrial customers, power marketers, MISO, PJM and investor-owned utilities, including Ameren Illinois. For additional information on Marketing Company s hedging activities and Marketing Company s sales to Ameren Illinois, see Outlook in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7 and Note 7 Derivative Financial Instruments and Note 14 Related Party Transactions under Part II, Item 8, of this report.

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General Regulatory Matters

Ameren Missouri and Ameren Illinois must receive FERC approval to enter into various transactions, including to issue short-term debt securities and to conduct certain

acquisitions, mergers, and consolidations involving electric utility holding companies having a value in excess of $10 million. In addition, these Ameren utilities must receive authorization from the applicable state public utility regulatory agency to issue stock and long-term debt securities (with maturities of more than 12 months) and to conduct mergers, affiliate transactions, and various other

activities. Genco and AERG are subject to FERC s jurisdiction when they issue any securities and when they enter into certain other transactions, including those listed above.

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

Under PUHCA 2005, FERC and any state public utility regulatory agencies may access books and records of Ameren and its subsidiaries that are determined to be relevant to costs incurred by Ameren s rate-regulated subsidiaries with respect to jurisdictional rates. PUHCA 2005 also permits the MoPSC and the ICC to request that 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. Its facility operating license expires on June 11, 2024. In December 2011, Ameren Missouri submitted a license extension application with the NRC to extend the plant s operating license to 2044. There is no date by which the NRC must act on this relicensing request. Ameren Missouri s Osage hydroelectric energy center and Ameren Missouri s Taum Sauk pumped-storage hydroelectric energy center, as licensed projects under the Federal Power Act, are subject to FERC regulations affecting, among other things, the general operation and maintenance of the projects. The license for Ameren Missouri s Osage hydroelectric energy center expires on March 30, 2047. In June 2008, Ameren Missouri filed a relicensing application with FERC to operate its Taum Sauk pumped-storage hydroelectric energy center for another 40 years. The existing FERC license expired on June 30, 2010. On July 2, 2010, Ameren Missouri received a license extension that allows Taum Sauk to continue operations until FERC issues a new license. FERC is reviewing the relicensing application. A FERC order is expected in 2012 or 2013. Ameren Missouri cannot predict the ultimate outcome of the order. 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 and Note 15 Commitments and Contingencies under Part II, Item 8, of this report, which include a discussion about the December 2005 breach of the upper reservoir at Ameren Missouri s Taum Sauk pumped-storage hydroelectric energy center.

Environmental Matters

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

In addition to existing laws and regulations, including the Illinois MPS, which govern our facilities, the EPA is developing numerous new environmental regulations that will have a significant impact on the electric utility industry. These regulations could be particularly burdensome for certain companies, including Ameren, Ameren Missouri and Genco, that operate coal-fired energy centers. Significant new rules proposed or promulgated since the beginning of 2010 include the regulation of greenhouse gas emissions; revised national ambient air quality standards for SO_2 and NO_2 emissions; the CSAPR, which requires further reduction of SO_2 and NO_x emissions from power plants; a regulation governing management of CCR and coal ash impoundments; the MATS, which reduces emissions of mercury, metals, and acid gases from power plants; revised NSPS for particulate matter, SO_2, and NO_x emissions from new sources; and new regulations under the Clean Water Act that could require significant capital expenditures such as new water intake structures or cooling towers at our energy centers. The EPA also plans to propose an additional rule, applicable to new and existing electric generating units, governing NSPS and emission guidelines for greenhouse gas emissions. These new regulations may be litigated, so the timing of their implementation is uncertain, as evidenced by the stay of the CSAPR by the United States Court of Appeals for the District of Columbia on December 30, 2011. Although many details of these future regulations are unknown, the combined effects of the new and proposed environmental regulations may result in significant capital expenditures and/or increased operating costs over the next five to ten years for Ameren, Ameren Missouri and Genco. Actions required to ensure that our

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facilities and operations are in compliance with environmental laws and regulations could be prohibitively expensive. If they are, these regulations could require us to

close or to significantly alter the operation of our energy

centers, which could have an adverse effect on our results of operations, financial position, and liquidity, including the impairment of plant assets. Failure to comply with environmental laws and regulations might also result in the imposition of fines, penalties, and injunctive measures.

For additional discussion of environmental matters, including NO_x, SO_2, and mercury emission reduction requirements, global climate change, remediation efforts, and a discussion of the EPA s allegations of violations of the Clean Air Act and Missouri law in connection with projects at certain coal-fired energy centers, see Liquidity and Capital Resources in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

TRANSMISSION AND SUPPLY OF ELECTRIC POWER

Ameren owns an integrated transmission system that comprises the transmission assets of Ameren Missouri, Ameren Illinois and ATXI. Ameren also operates two balancing authority areas, AMMO (which includes Ameren Missouri), and AMIL (which includes Ameren Illinois, ATXI, Genco excluding EEI and Genco s Elgin CT facility, and AERG). During 2011, the peak demand was 8,831 megawatts in AMMO and 9,605 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. Transmission service on the Ameren transmission systems is provided pursuant to the terms of the MISO OATT on file with FERC. EEI operates its own balancing authority area and its own transmission facilities in southern Illinois. The EEI transmission system is directly connected to MISO, the Tennessee Valley Authority, and Louisville Gas and Electric Company. EEI s generating units are dispatched separately from those of Ameren Missouri, Genco and AERG.

FERC, in its order issued in May 2011, approved transmission rate incentives for the Illinois Rivers project and the Big Muddy project, which will be developed by ATXI or ATX. In December 2011, MISO approved the Illinois Rivers project as well as the Spoon River and Mark Twain projects. The total investment in these three MISO-approved projects is expected to be more than $1.2 billion through 2019, with potential investment of approximately $750 million from 2012 to 2016. All four projects are in Missouri and Illinois. Construction will begin first on the Illinois Rivers project. The Big Muddy project is currently being evaluated for inclusion in MISO s 2012 expansion plan.

The Ameren Companies and EEI are members of SERC. SERC is responsible for the bulk electric power supply

system in all or portions of Missouri, Illinois, Arkansas, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Mississippi, Alabama, Louisiana, Virginia, Florida, Oklahoma, Iowa, and Texas. As a result of the Energy Policy Act of 2005, owners and operators of the bulk electric power system are subject to mandatory reliability standards promulgated by NERC and its regional entities, such as SERC, which are enforced by FERC. The Ameren Companies must follow these standards, which are in place to ensure the reliability of the bulk electric power system.

See Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report for additional information.

Ameren Missouri

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

Ameren Missouri continues to evaluate its longer-term needs for new baseload and peaking electric generation capacity. Ameren Missouri s integrated resource plan filed with the MoPSC in February 2011 included the expectation that new baseload generation capacity would be required between 2020 and 2030. Because of the significant time required to plan, acquire permits for, and build a baseload power plant, Ameren Missouri continues to study future plant alternatives, as well as energy efficiency programs that could help defer new plant construction. To prepare for the long-term need for baseload capacity, and to prepare for potentially more stringent environmental regulation of coal-fired energy centers, which could lead to the retirement of current baseload assets, Ameren Missouri is taking steps to preserve options to meet future demand. These steps include seeking improvements in regulatory treatment of energy efficiency investments, evaluating potential sites for natural gas-fired generation, and pursuing an early site permit for an additional unit at its existing nuclear plant site. Ameren Missouri s pursuit of an early site permit is dependent upon enactment of a legislative framework ensuring cost recovery.

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

Ameren Illinois

Any electric supply purchased by Ameren Illinois for its retail customers comes either through an annual procurement process conducted by the IPA or through

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markets operated by MISO. The power and related

procurement costs incurred by Ameren Illinois are passed directly to its customers through a cost recovery mechanism.

The IPA administers a RFP process that procures Ameren Illinois expected supply obligation. Since the start of this process, the ICC has approved the outcomes of multiple electric power procurement RFPs for energy, capacity, and renewable energy credits covering different time periods.

A portion of the electric power supply required for Ameren Illinois to satisfy its distribution customers requirements is purchased in the RFP process administered by the IPA from Marketing Company on behalf of Genco and AERG. In addition, as part of the 2007 Illinois Electric Settlement Agreement, Ameren Illinois entered into financial contracts with Marketing Company (for the benefit of Genco and AERG) to lock in energy prices for 400 to 1,000 megawatts annually of its round-the-clock power requirements during the period June 1, 2008, through December 31, 2012, at the market prices relevant at that time. These financial contracts do not include capacity, are not load-following products, and do not involve the physical delivery of energy.

See Note 2 Rate and Regulatory Matters, Note 14 Related Party Transactions and Note 15 Commitments and Contingencies under Part II, Item 8, of this report for additional information on power procurement in Illinois.

Merchant Generation

Genco and AERG have entered into power supply agreements with Marketing Company whereby Genco and AERG sell, and Marketing Company purchases, all of the capacity and energy available from Genco s and AERG s generation energy centers and the associated energy. These power supply agreements continue through December 31, 2022, and from year to year thereafter unless either party elects to terminate the agreement by providing the other party with no less than six months advance written notice. EEI and Marketing Company have entered into a power supply agreement for EEI to sell all of its capacity and energy to Marketing Company. This agreement expires on May 31, 2016. All of Genco s, AERG s and EEI s energy centers compete for the sale of energy and capacity in the competitive energy markets through Marketing Company. See Note 14 Related Party Transactions under Part II, Item 8, of this report for additional information.

POWER GENERATION

The following table presents the source of electric generation, excluding purchased power, for the years ended December 31, 2011, 2010 and 2009:

	Coal	Nuclear	Natural Gas	Renewables	Oil
Ameren:[(a)]					
2011	**85%**	**12%**	**1%**	**2%**	**(b)%**
2010	85	12	1	2	(b)
2009	83	13	1	3	(b)
Ameren Missouri:					
2011	**77%**	**19%**	**1%**	**3%**	**(b)%**
2010	77	19	1	3	-
2009	75	21	(b)	4	-
Merchant Generation:					
2011	**98%**	**-%**	**2%**	**-%**	**(b)%**
2010	98	-	2	-	(b)
2009	99	-	1	-	(b)
Genco:					
2011	**99%**	**-%**	**1%**	**-%**	**(b)%**
2010	99	-	1	-	(b)
2009	100	-	(b)	-	(b)

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(b) Less than 1% of total fuel supply.

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The following table presents the cost of fuels for electric generation for the years ended December 31, 2011, 2010 and 2009:

Cost of Fuels (Dollars per million Btus)	**2011**	2010	2009
Ameren:			
Coal[(a)]	**$ 1.931**	$ 1.848	$ 1.654
Nuclear	**0.750**	0.701	0.620
Natural gas[(b)]	**6.097**	6.539	8.685
Weighted average all fuels[(c)]	**$ 1.873**	$ 1.803	$ 1.591
Ameren Missouri:			
Coal[(a)]	**$ 1.733**	$ 1.675	$ 1.534
Nuclear	**0.750**	0.701	0.620
Natural gas[(b)]	**5.873**	6.199	8.544
Weighted average all fuels[(c)]	**$ 1.610**	$ 1.563	$ 1.386
Merchant Generation:			
Coal[(a)]	**$ 2.184**	$ 2.063	$ 1.813
Natural gas[(b)]	**6.374**	6.972	8.796
Weighted average all fuels[(c)]	**$ 2.292**	$ 2.169	$ 1.934
Genco:			
Coal[(a)]	**$ 2.230**	$ 2.112	$ 1.869
Natural gas[(b)]	**7.272**	7.881	13.159
Weighted average all fuels[(c)]	**$ 2.322**	$ 2.206	$ 1.957

(a) The fuel cost for coal represents the cost of coal, costs for transportation, which includes railroad diesel fuel additives, and cost of emission allowances.
(b) The fuel cost for natural gas represents the cost of natural gas and firm and variable costs for transportation, storage, balancing, and fuel losses for delivery to the plant. In addition, the fixed costs for firm transportation and firm storage capacity are included in the calculation of fuel cost for the generating facilities.
(c) Represents all costs for fuels used in our electric generating facilities, to the extent applicable, including coal, nuclear, natural gas, oil, propane, tire chips, paint products, and handling. Oil, paint products, propane, and tire chips are not individually listed in this table because their use is minimal.

Coal

Ameren, Ameren Missouri and Genco have agreements in place to purchase a portion of their coal needs and to transport it to electric generating energy centers through 2019. Ameren, Ameren Missouri and Genco expect to enter into additional contracts to purchase coal from time to time. Coal supply agreements typically have an initial term of up to five years, with about 20% of the contracts expiring annually. Ameren Missouri has an ongoing need for coal to serve its native load customers and pursues a price hedging strategy consistent with this requirement. Merchant Generation s forward coal requirements are dependent on the volume of power sales that have been contracted. Merchant Generation strives to achieve increased margin certainty by aligning its fuel purchases with its power sales. Ameren burned 39 million tons (Ameren Missouri 22 million, Genco 13 million) of coal in 2011. See Part II, Item 7A Quantitative and Qualitative Disclosures About Market Risk of this report for additional information about coal supply contracts.

About 98% of Ameren s coal (Ameren Missouri 97%, Genco 99%) is purchased from the Powder River Basin in Wyoming. The remaining coal is typically purchased from the Illinois Basin. Ameren, Ameren Missouri and Genco have a goal to maintain coal inventory consistent with their risk management policies. Inventory may be adjusted because of changes in burn or uncertainties of supply due to potential work stoppages, delays in coal deliveries, equipment breakdowns, and other factors. In the past, deliveries from the Powder River Basin have occasionally been restricted because of rail maintenance, weather, and

derailments. As of December 31, 2011, coal inventories for Ameren Missouri were at targeted levels and were at or above targeted levels for Genco. Disruptions in coal deliveries could cause Ameren, Ameren Missouri and Genco to pursue a strategy that could include reducing sales of power during low-margin periods, buying higher-cost fuels to generate required electricity, and purchasing power from other sources.

Nuclear

The steps in the process to provide nuclear fuel generally involve 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, and the fabrication of the enriched uranium hexafluoride gas into usable fuel assemblies. Ameren Missouri has entered into uranium, uranium conversion, enrichment, and fabrication contracts to procure the fuel supply for its Callaway nuclear plant.

Fuel assemblies for the 2013 spring refueling at Ameren Missouri s Callaway energy center are scheduled for manufacture and delivery to the plant during 2012. Ameren Missouri also has agreements or inventories to

price-hedge approximately 92%, 82%, and 47% of

Callaway s 2013, 2014 and 2016 refueling requirements, respectively. Ameren Missouri has uranium (concentrate

and hexafluoride) inventories and supply contracts

sufficient to meet all of its uranium and conversion

requirements through at least 2014. Ameren Missouri has enriched uranium inventories and enrichment supply

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contracts sufficient to satisfy enrichment requirements through 2013. Fuel fabrication services are under contract through 2014. Ameren Missouri expects to enter into additional contracts to purchase nuclear fuel. As a member of Fuelco, Ameren Missouri can join with other member companies to increase its purchasing power, enhance diversification and pursue opportunities for volume discounts. The Callaway nuclear plant normally requires refueling at 18-month intervals. The last refueling was completed in November 2011. There is no refueling scheduled for 2012 and 2015. The nuclear fuel markets are competitive, and prices can be volatile; however, we do not anticipate any significant problems in meeting our future supply requirements.

Natural Gas Supply for Generation

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

Ameren Missouri s and Genco s natural gas procurement strategy is designed to ensure reliable and immediate delivery of natural gas to their generating units. This is accomplished by optimizing transportation and storage options and minimizing cost and price risk through various supply and price-hedging agreements that allow access to multiple gas pools, supply basins, and storage services. As of December 31, 2011, Ameren Missouri had price-hedged about 12% and Genco had price-hedged 32% of its expected natural gas supply requirements for generation in 2012.

Renewable Energy

Illinois and Missouri have enacted laws requiring electric utilities to include renewable energy resources in their portfolios. Illinois requires renewable energy resources to equal or exceed 2% of the total electricity that each electric utility supplies to its eligible retail customers as of June 1, 2008, increasing to 15% by June 1, 2015, and to 25% by June 1, 2025. Ameren Illinois has procured renewable energy credits under the IPA-administered procurement process to meet the renewable energy portfolio requirement through May 2012. In December 2010, Ameren Illinois entered into a 20-year agreement with renewable energy suppliers and will begin receiving renewable energy credits under the agreement starting in June 2012, to help supplement these requirements. Approximately 50% of the 2012 renewable energy requirement will be met through this agreement. In 2011,

Ameren Illinois procured approximately 6% of its total electricity from renewable energy resources.

In Missouri, utilities are required to purchase or generate from renewable energy sources electricity equaling at least 2% of native load sales, with that percentage increasing to at least 15% by 2021, subject to a 1% limit on customer rate impacts. At least 2% of each renewable energy portfolio requirement must be derived from solar energy. Ameren Missouri expects to satisfy the nonsolar requirement through 2017 with existing renewable generation in its current fleet along with a 15-year 102 MW power purchase agreement with a wind farm operator in Iowa that became effective in 2009 and the landfill gas project discussed below. Currently, Ameren Missouri expects to meet the solar energy requirement through the purchase of solar-generated renewable energy credits; however, Ameren Missouri is studying other options for compliance. In 2011, Ameren Missouri purchased or generated approximately 3% of its native load sales from renewable energy resources.

In September 2009, Ameren Missouri announced an agreement with a landfill owner to install CTs at a landfill site in Maryland Heights, Missouri, which is expected to generate approximately 15 megawatts of electricity by burning methane gas collected from the landfill. The CTs (known as the Maryland Heights energy center) are expected to begin generating power in 2012. Ameren Missouri signed a 20-year supply agreement with the landfill owner to purchase methane gas.

Energy Efficiency

Ameren s rate-regulated utilities have implemented energy efficiency programs to educate and help their customers become more efficient users of energy. The MEEIA, enacted in 2009, established a regulatory framework that, among other things, allows electric utilities to recover costs related to MoPSC-approved energy efficiency programs. The law requires the MoPSC to ensure that a utility s financial incentives are aligned with helping customers use energy more efficiently, to provide timely cost recovery, and to provide earnings opportunities associated with cost-effective energy efficiency programs. Missouri does not have a law mandating energy efficiency standards.

In January 2012, Ameren Missouri made its initial filing with the MoPSC under the MEEIA. This filing proposes a three-year plan that includes a portfolio of energy efficiency programs along with a cost recovery mechanism. If the proposal is approved, beginning in January 2013, Ameren Missouri plans to invest $145 million over three years for the proposed energy efficiency programs. A decision by the MoPSC in this proceeding is anticipated in the second quarter of 2012. Ameren Missouri anticipates that the impacts of the MoPSC s decision in this MEEIA filing will be included in rates set under its pending electric service rate case that was filed on February 3, 2012, which has an anticipated true-up date of July 31, 2012. Ameren Missouri s pending electric rate case includes an annual revenue increase of

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$81 million relating to its planned portfolio of energy efficiency programs included in its MEEIA filing. See Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report for additional information.

Illinois has enacted a law requiring Ameren Illinois to offer energy efficiency programs. The law also allows recovery mechanisms of the programs costs. The ICC has issued orders approving Ameren Illinois electric and natural gas energy efficiency plans as well as cost recovery mechanisms by which program costs can be recovered from customers. In addition, over a ten-year period, Ameren Illinois will invest an estimated $625 million to upgrade and modernize its transmission and distribution infrastructure in accordance with the IEIMA. As part of these upgrades, Ameren Illinois expects to invest $360 million to install smart meters, which could enable customers to improve efficiency.

NATURAL GAS SUPPLY FOR DISTRIBUTION

Ameren Missouri and Ameren Illinois are responsible for the purchase and delivery of natural gas to their gas utility customers. Ameren Missouri and Ameren Illinois develop and manage a portfolio of gas supply resources. These include firm gas supply under term agreements with producers, interstate and intrastate firm transportation capacity, firm storage capacity leased from interstate pipelines, and on-system storage facilities to maintain gas deliveries to customers throughout the year and especially during peak demand. Ameren Missouri and Ameren Illinois primarily use the Panhandle Eastern Pipe Line Company, the Trunkline Gas Company, the Natural Gas Pipeline Company of America, the Mississippi River Transmission Corporation, the Northern Border Pipeline Company, and the Texas Eastern Transmission Corporation interstate pipeline systems to transport natural gas to their systems. In addition to physical transactions, financial instruments, including those entered into in the NYMEX futures market and in the OTC financial markets, are used to hedge the price paid for natural gas. See Part II, Item 7A Quantitative and Qualitative Disclosures About Market Risk of this report for additional information about natural gas supply contracts. Natural gas purchase costs are passed on to customers of Ameren Missouri and Ameren Illinois under PGA clauses, subject to prudency reviews by the MoPSC and the ICC. As of December 31, 2011, Ameren Missouri had price-hedged 90%, and Ameren Illinois had price-hedged 87%, of its expected natural gas supply requirements for distribution in 2012.

For additional information on our fuel and purchased power supply, see Results of Operations, Liquidity and Capital Resources and Effects of Inflation and Changing Prices in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report. Also see Quantitative and Qualitative Disclosures About Market Risk under Part II, Item 7A, of this report, Note 1 Summary of Significant Accounting

Policies, Note 7 Derivative Financial Instruments, Note 10 Callaway Energy Center, Note 14 Related Party Transactions, and Note 15 Commitments and Contingencies under Part II, Item 8 of this report.

INDUSTRY ISSUES

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

- continually developing and complex environmental laws, regulations and issues, including air and water quality standards, mercury emissions standards, and likely greenhouse gas limitations and ash management requirements;
- political and regulatory resistance to higher rates, especially in a difficult economic environment;
- the potential for changes in laws, regulation, and policies at the state and federal level, including those resulting from election cycles;
- access to, and uncertainty in, the capital and credit markets;
- the potential for more intense competition in generation, supply and distribution, including new technologies;
- pressure on customer growth and usage in light of current economic conditions and energy efficiency initiatives;
- the potential for reregulation in some states, which could cause electric distribution companies to build or acquire generation facilities and to purchase less power from electric generating companies such as Genco and AERG;
- changes in the structure of the industry as a result of changes in federal and state laws, including the formation of merchant generators, independent transmission entities and RTOs;
- increases, decreases and volatility in power prices due to the balance of supply and demand and marginal fuel costs;
- the availability of fuel and increases or decreases in fuel prices;
- the availability of qualified labor and material, and rising costs;
- regulatory lag;
- decreased or negative free cash flows due to rising infrastructure investments and regulatory frameworks;
- public concern about the siting of new facilities;
- aging infrastructure and the need to construct new power generation, transmission and distribution facilities;

legislation or proposals for programs to encourage or mandate energy efficiency and renewable sources of power;
public concerns about nuclear plant operation and decommissioning and the disposal of nuclear waste; and
consolidation of electric and natural gas companies.

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We are monitoring these issues. Except as otherwise noted in this report, we are unable to predict what impact, if any, these issues will have on our results of operations, financial position, or liquidity. For additional information, see Risk Factors under Part I, Item 1A, and Outlook in

Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, and Note 2 Rate and Regulatory Matters and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

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,	**2011**	**2010**	**2009**
Electric Sales kilowatthours (in millions):			
Ameren Missouri:			
Residential	**13,867**	14,640	13,413
Commercial	**14,743**	15,002	14,510
Industrial	**8,691**	8,656	7,037
Other	**127**	129	137
Native load subtotal	**37,428**	38,427	35,097
Off-system and wholesale	**10,715**	9,796	13,965
Subtotal	**48,143**	48,223	49,062
Ameren Illinois:			
Residential			
Power supply and delivery service	**11,771**	12,340	11,089
Delivery service only	**77**	1	-
Commercial			
Power supply and delivery service	**3,662**	4,419	5,235
Delivery service only	**8,561**	8,051	6,797
Industrial			
Power supply and delivery service	**1,502**	1,389	514
Delivery service only	**11,360**	11,147	10,712
Other	**529**	545	546
Native load subtotal	**37,462**	37,892	34,893
Merchant Generation:			
Nonaffiliate energy sales	**31,148**	30,788	25,673
Affiliate native energy sales	**1,004**	949	3,529
Subtotal	**32,152**	31,737	29,202
Eliminate affiliate sales	**(1,004)**	(949)	(3,529)
Eliminate Ameren Illinois/Merchant Generation common customers	**(5,454)**	(5,016)	(5,566)
Ameren total	**111,299**	111,887	104,062
Electric Operating Revenues (in millions):			
Ameren Missouri:			
Residential	**$ 1,272**	$ 1,193	$ 982
Commercial	**1,084**	1,004	881
Industrial	**438**	399	314
Other	**76**	91	62
Native load subtotal	**$ 2,870**	$ 2,687	$ 2,239
Off-system and wholesale	**352**	343	461
Subtotal	**$ 3,222**	$ 3,030	$ 2,700
Ameren Illinois:			
Residential			
Power supply and delivery service	**$ 1,194**	$ 1,270	$ 1,094
Delivery service only	**3**	-	-
Commercial			
Power supply and delivery service	**350**	425	521
Delivery service only	**157**	143	103
Industrial			

Power supply and delivery service	**65**	66	22
Delivery service only	**43**	38	36
Other	**128**	119	189
Native load subtotal	**$ 1,940**	$ 2,061	$ 1,965
Merchant Generation:			
Nonaffiliate energy sales	**$ 1,382**	$ 1,442	$ 1,340
Affiliate native energy sales	**235**	231	385
Other	**12**	20	(15)
Subtotal	**$ 1,629**	$ 1,693	$ 1,710
Eliminate affiliate revenues	**(261)**	(263)	(435)
Ameren total	**$ 6,530**	$ 6,521	$ 5,940

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Electric Operating Statistics Year Ended December 31,	**2011**	**2010**	**2009**
Electric Generation megawatthours (in millions):			
Ameren Missouri	**48.8**	48.1	48.7
Merchant Generation:			
Genco	**22.0**	22.0	20.5
AERG	**7.0**	7.5	6.8
Medina Valley	**0.1**	0.1	0.2
Subtotal	**29.1**	29.6	27.5
Ameren total	**77.9**	77.7	76.2
Price per ton of delivered coal (average)	**$ 33.79**	$ 32.91	$ 29.85
Source of energy supply:			
Coal	**66.5%**	65.7%	67.0%
Nuclear	**9.4**	8.9	10.8
Hydroelectric	**1.3**	1.6	2.0
Gas	**1.1**	1.0	0.6
Purchased Wind	**0.3**	0.3	0.1
Purchased Other	**21.4**	22.5	19.5
	100.0%	100.0%	100.0%

Gas Operating Statistics Year Ended December 31,	**2011**	**2010**	**2009**
Gas Sales (millions of Dth)			
Ameren Missouri:			
Residential	**7**	7	7
Commercial	**3**	4	4
Industrial	**1**	1	1
Subtotal	**11**	12	12
Ameren Illinois:			
Residential	**56**	60	60
Commercial	**21**	23	26
Industrial	**5**	7	7
Subtotal	**82**	90	93
Other:			
Industrial	**-**	1	3
Subtotal	**-**	1	3
Ameren total	**93**	103	108
Natural Gas Operating Revenues (in millions)			
Ameren Missouri:			
Residential	**$ 96**	$ 100	$ 106
Commercial	**41**	43	47
Industrial	**9**	10	10
Other	**10**	13	7
Subtotal	**$ 156**	$ 166	$ 170
Ameren Illinois:			
Residential	**$ 588**	$ 649	$ 646
Commercial	**195**	223	259
Industrial	**30**	44	38
Other	**33**	37	72
Subtotal	**$ 846**	$ 953	$ 1,015
Other:			
Industrial	**$ -**	$ 4	$ 15
Subtotal	**$ -**	$ 4	$ 15
Eliminate affiliate revenues	**(1)**	(6)	(5)
Ameren total	**$ 1,001**	$ 1,117	$ 1,195
Peak day throughput (thousands of Dth):			
Ameren Missouri	**149**	167	163
Ameren Illinois	**1,157**	1,227	1,353
Total peak day throughput	**1,306**	1,394	1,516

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AVAILABLE INFORMATION

The Ameren Companies make available free of charge through Ameren s website (www.ameren.com) their annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Ameren s eXtensible Business Reporting Language (XBRL) documents, and any amendments to those reports filed with or furnished to pursuant to Sections 13(a) or 15(d) of the Exchange Act as soon as reasonably possible after such reports are electronically filed with, or furnished to, the SEC. These documents are also available through an Internet website maintained by the SEC (www.sec.gov). Ameren also uses its website as a channel of distribution of material information relating to the Ameren Companies. Financial and other material information regarding the Ameren Companies is routinely posted 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, nuclear oversight and environmental committee, and public policy committee; the corporate governance guidelines; a policy regarding communications to the board of directors; a policy and procedures with respect to related-person transactions; a code of ethics for principal executive and senior financial officers; a code of business conduct applicable to all directors, officers and employees; and a director nomination policy that applies to the Ameren Companies. The information on Ameren s website, or any other website referenced in this report, is not incorporated by reference into this report.

ITEM 1A. RISK FACTORS.

Investors should review carefully the following 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 additional risks and uncertainties (either currently unknown or not currently believed to be material) that could adversely affect the results of operations, financial position, and liquidity of the Ameren Companies. See Forward-Looking Statements above and Outlook in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report.

The Ameren Companies are subject to extensive regulation of their businesses, which could adversely affect their results of operations, financial position, and liquidity.

The Ameren Companies are subject to, or affected by, extensive federal, state, and local regulation. This extensive regulatory framework, some but not all of which is more specifically identified in the following risk factors, regulates, among other matters, the electric and natural gas industries; rate and cost structure of utilities; operation of

nuclear power facilities; construction and operation of generation, transmission and distribution facilities; acquisition, disposal, depreciation and amortization of assets and facilities; transmission reliability; and present or prospective wholesale and retail competition. The Ameren Companies must address in their business planning and management of operations the effects of existing and proposed laws and regulations and potential changes in the regulatory framework, including initiatives by federal and state legislatures, RTOs, utility regulators, and taxing authorities. Significant changes in the nature of the regulation of the Ameren Companies businesses could require changes to their business planning and management of their businesses and could adversely affect their results of operations, financial position, and liquidity. Failure of the Ameren Companies to obtain adequate rates or regulatory approvals in a timely manner, failure to obtain necessary licenses or permits from regulatory authorities, new or changed laws, regulations, standards, interpretations, or other legal requirements, or increased compliance costs could adversely impact the Ameren Companies results of operations, financial position, and liquidity.

The electric and natural gas rates that Ameren Missouri and Ameren Illinois are allowed to charge are determined through regulatory proceedings, which are subject to appeal, and are subject to legislative actions, which are largely outside of their control. Any events that prevent Ameren Missouri or Ameren Illinois from recovering their respective costs or from earning appropriate returns on their investments could have a material adverse effect on results of operations, financial position, and liquidity.

The rates that Ameren Missouri and Ameren Illinois 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 industries are highly regulated. The utility rates charged to Ameren Missouri and Ameren Illinois customers are determined, in large part, by governmental entities, including the MoPSC, the ICC, and FERC. Decisions by these entities are influenced by many factors, including the cost of providing service, the prudency of expenditures, the quality of service, regulatory staff knowledge and experience, economic conditions, public policy, and social and political views. Decisions made by these governmental entities regarding rates are largely outside of Ameren Missouri s and Ameren Illinois control. Regulatory lag involved in filing and getting new rates approved could have a material adverse effect on our results of operations, financial position, and liquidity. Rate orders are also subject to appeal, which creates additional uncertainty as to the rates Ameren Missouri and

Ameren Illinois will ultimately be allowed to charge for their services.

Ameren Missouri 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. Rates established in those

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proceedings for Ameren Missouri are primarily based on historical costs and revenues. Rates established in those proceedings for Ameren Illinois may be based on historical or estimated future costs and revenues. Thus, the rates a utility is allowed to charge may not match its costs at any given time. Rates include an allowed return on investments by the regulators. Although rate regulation is premised on providing a reasonable opportunity to earn a reasonable rate of return on invested capital, there can be no assurance that the applicable regulatory commission will judge all the costs of Ameren Missouri and Ameren Illinois to have been prudently incurred or that the regulatory process in which rates are determined will always result in rates that will produce full recovery of such costs or an adequate return on those investments. In 2011, for example, the MoPSC issued an electric rate order that disallowed $89 million of costs incurred related to the rebuilding of the Taum Sauk energy center. As a result, Ameren and Ameren Missouri each recorded a 2011 pretax charge to earnings of $89 million.

During periods of rising costs and investments or declining retail usage, Ameren Missouri and Ameren Illinois may not be able to earn the allowed return established by their regulators. This could result in deferral or elimination of planned capital investments. A period of increasing rates for our customers could result in additional regulatory and legislative actions, as well as competitive and political pressures, which could have a material adverse effect on our results of operations, financial position, and liquidity.

By choosing to participate in the performance-based formula ratemaking process established pursuant to the IEIMA, Ameren Illinois return on equity will be directly correlated to yields on United States treasury bonds. Additionally, Ameren Illinois will be subject to an annual ICC prudence review and will be required to achieve performance objectives, increase capital spending levels, and meet job creation targets, which if not successfully completed or achieved could have a material adverse effect on its results of operations, financial position, and liquidity.

On January 3, 2012, Ameren Illinois elected to participate in the performance-based formula ratemaking process established pursuant to the IEIMA by submitting its initial filing with the ICC for its electric distribution business. The ICC will annually review Ameren Illinois performance-based rate filings under the IEIMA for reasonableness and prudency. The ICC could conclude that Ameren Illinois incurred costs were not prudently incurred and thus disallow recovery of such costs annually. Additionally, the equity component of the formula rate will be equal to the average for the applicable calendar year of the monthly average yields of 30-year United States treasury bonds plus 590 basis points for 2012 and 580 basis points thereafter. Therefore, Ameren Illinois annual return on equity will be directly correlated to yields on United States treasury bonds, which are outside of Ameren Illinois control.

Ameren Illinois will also be subject to performance standards. Failure to achieve the standards will result in a

reduction in the company s allowed return on equity calculated under the formula. The IEIMA provides for return on equity penalties totaling 30 basis points in 2013 through 2015, 34 basis points in 2016 through 2018, and 38 basis points in 2019 through 2022 if the performance standards are not met.

Between 2012 and 2021, Ameren Illinois will be required to invest $625 million in capital expenditures incremental to Ameren Illinois average electric delivery capital expenditures for calendar years 2008 through 2010 to modernize its distribution system. Ameren Illinois is subject to monetary penalties if 450 additional jobs in Illinois are not created during the peak program year.

The formula ratemaking process would terminate if the average residential rate increases by more than 2.5% annually from June 2011 through May 2014. The average residential rate includes generation service, which is outside of Ameren Illinois control, as Ameren Illinois is required to purchase all of its power through procurement processes administered by the IPA. If the performance-based formula rate process is terminated, Ameren Illinois would be required to establish future rates using a traditional rate proceeding with the ICC, which may not result in rates that produce a full or timely recovery of costs or an adequate return on investments. Unless extended, the IEIMA formula ratemaking process expires in 2017.

Energy conservation and energy efficiency efforts could have a material adverse effect on the Ameren Companies results of operations, financial position, and liquidity.

Regulatory and legislative bodies have proposed or introduced requirements and incentives to reduce energy consumption. Conservation and energy efficiency programs are designed to reduce energy demand. Unless there is a regulatory solution, declining usage will result in an underrecovery of fixed costs at our rate-regulated business. A reduction in energy demand could have a material adverse effect on the Ameren Companies results of operations, financial position, and liquidity.

We are subject to various environmental laws and regulations that require significant capital expenditures or could result in closure of facilities, could increase our operating costs, and could materially adversely influence or limit our results of operations, financial position, and liquidity, or expose us to fines and liabilities.

We are subject to various environmental laws and regulations enforced by federal, state and local authorities. From the beginning phases of siting and development to the ongoing operation of existing or new electric generating, transmission and distribution facilities and natural gas storage, transmission and distribution facilities, our activities involve compliance with diverse environmental laws and regulations. These laws and regulations address emissions, impacts to air, land and water, noise, protected natural and cultural resources (such as wetlands,

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endangered species and other protected wildlife, and archeological and historical resources), and chemical and waste handling. Complex and lengthy processes are required to obtain approvals, permits, or licenses for new, existing, or modified facilities. Additionally, the use and handling of various chemicals or hazardous materials (including wastes) requires release prevention plans and emergency response procedures.

We are also subject to liability under environmental laws for remediating environmental contamination of property now or formerly owned by us or by our predecessors, as well as property contaminated by hazardous substances that we generated. Such sites include MGP sites and third-party sites, such as landfills. Additionally, private individuals may seek to enforce environmental laws and regulations against us and could allege injury from exposure to hazardous materials.

In addition to existing laws and regulations, including the Illinois MPS that applies to our energy centers in Illinois, the EPA is developing numerous new environmental regulations that will have a significant impact on the electric utility industry. These regulations could be particularly burdensome for certain companies, including Ameren, Ameren Missouri and Genco, that operate coal-fired plants. These new regulations may be litigated, so the timing of their ultimate implementation is uncertain, as evidenced by the stay of the CSAPR by the United States Court of Appeals for the District of Columbia on December 30, 2011.

Ameren also may be subject to risks in connection with changing or conflicting interpretations of existing laws and regulations. The EPA is engaged in an enforcement initiative to determine whether coal-fired power plants failed to comply with the requirements of the NSR and NSPS provisions under the Clean Air Act when the plants implemented modifications. Following the issuance of a Notice of Violation, in January 2011, the Department of Justice on behalf of the EPA filed a complaint against Ameren Missouri in the United States District Court for the Eastern District of Missouri. The EPA s complaint alleges that in performing projects at its Rush Island coal-fired energy center, Ameren Missouri violated provisions of the Clean Air Act and Missouri law. In January 2012, the United States District Court granted, in part, Ameren Missouri s motion to dismiss various aspects of the EPA s penalty claims. The EPA s claims for injunctive relief, including to require the installation of pollution control equipment, remain. At present, the complaint does not include Ameren Missouri s other coal-fired energy centers, but the EPA has issued Notices of Violation under its NSR enforcement initiative against the company s Labadie, Meramec, and Sioux coal-fired energy centers. Litigation of this matter could take many years to resolve. An outcome in this matter adverse to Ameren Missouri could require substantial capital expenditures and the payment of substantial penalties, neither of which can be determined at this time. Such expenditures could affect unit retirement and replacement decisions.

Ameren, Ameren Missouri and Genco have incurred and expect to incur significant costs related to environmental compliance and site remediation. New environmental regulations, future environmental regulations, voluntary compliance guidelines, enforcement initiatives, or legislation could result in a significant increase in capital expenditures and operating costs, decreased revenues, increased financing requirements, penalties, fines, or closure of facilities for Ameren, Ameren Missouri and Genco. Actions required to ensure that our facilities and operations are in compliance with environmental laws and regulations could be prohibitively expensive. As a result, environmental regulations could require us to close or to significantly alter the operation of our energy centers, which could have an adverse effect on our results of operations, financial position, and liquidity, including the impairment of plant assets. Although costs incurred by Ameren Missouri to ensure its facilities are in compliance with environmental laws and regulations would be eligible for recovery in rates over time, subject to MoPSC approval in a rate proceeding, there is no similar cost recovery mechanism for Genco or for Ameren s Merchant Generation business segment. We are unable to predict the ultimate impact of these matters on our results of operations, financial position, and liquidity.

Future limits on greenhouse gas emissions would likely require Ameren, Ameren Missouri and Genco to incur significant increases in capital expenditures and operating costs, which, if excessive, could result in the closures of coal-fired energy centers, impairment of assets, or otherwise materially adversely affect our results of operations, financial position, and liquidity.

State and federal authorities, including the United States Congress, have considered initiatives to limit greenhouse gas emissions and to address global climate change. Potential impacts from any climate change legislation or regulation could vary, depending upon proposed CO_2 emission limits, the timing of implementation of those limits, the method of distributing any allowances, the degree to which offsets are allowed and available, and provisions for cost-containment measures, such as a safety valve provision that provides a maximum price for emission allowances. As a result of our diverse fuel portfolio, our emissions of greenhouse gases vary among our energy centers, but coal-fired power plants are significant sources of CO_2. The enactment of a climate change law could result in a significant rise in household costs and rates for electricity could rise significantly. The burden could fall particularly hard on electricity consumers and upon the economy in the Midwest because of the region s reliance on electricity generated by coal-fired power plants.

Future federal and state legislation or regulations that mandate limits on the emission of greenhouse gases would likely result in significant increases in capital expenditures and operating costs, which, in turn, could lead to increased liquidity needs and higher financing costs. Moreover, to the extent Ameren Missouri requests recovery of these costs

through rates, its regulators might deny some or all of, or defer timely recovery of, these costs. Excessive costs to comply with future legislation or regulations might force

Ameren, Ameren Missouri and Genco to close some coal-fired energy centers earlier than planned, which could lead to possible impairment of assets and reduced revenues. As a result, mandatory limits could have a material adverse impact on Ameren s, Ameren Missouri s, and Genco s results of operations, financial position, and liquidity.

The construction of, and capital improvements to, Ameren s, Ameren Missouri s and Ameren Illinois electric and natural gas utility infrastructure as well as to Ameren s and Genco s merchant generation facilities 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 a reasonable return on invested capital, any of which could result in higher costs and the closure of facilities.

Over the next five years, the Ameren Companies will incur significant capital expenditures to comply with existing and known environmental regulations and to make investments in their electric and natural gas utility infrastructure and their merchant generation facilities. The Ameren Companies estimate that they will incur up to $8.3 billion (Ameren Missouri up to $3.6 billion; Ameren Illinois up to $3.3 billion; Genco up to $0.4 billion; other up to $1.0 billion) of capital expenditures during the period 2012 through 2016. These expenses include construction expenditures, capitalized interest or allowance for funds used during construction, compliance with environmental standards, and compliance with the requirements of the IEIMA.

Investments in Ameren s regulated operations are expected to be recoverable from ratepayers, but are subject to prudency reviews and regulatory lag. The recoverability of amounts expended in merchant generation operations will depend upon market prices for capacity and energy.

The ability of the Ameren Companies to complete facilities under construction successfully, and to complete future projects within established estimates, is contingent upon many variables and subject to substantial risks. These variables include, but are not limited to, project management expertise and escalating costs for materials, labor, and environmental compliance. Delays in obtaining permits, shortages in materials and qualified labor, suppliers and contractors who do not perform as required under their contracts, changes in the scope and timing of projects, the inability to raise capital on favorable terms, or other events beyond our control that could occur may materially affect the schedule, cost, and performance of these projects. With respect to capital spent for pollution control equipment, there is a risk that electric generating plants will 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 construction efforts be unsuccessful, the Ameren Companies could be subject to additional costs and to the loss of their investment in the project or facility. The Ameren Companies may also be required to purchase electricity for their customers until the projects are completed. All of these risks may have a material adverse effect on the Ameren Companies results of operations, financial position, and liquidity.

Our counterparties may not meet their obligations to us.

We are exposed to the risk that counterparties to various arrangements who owe us money, credit, energy, coal, or other commodities or services will not be able to perform their obligations or, with respect to our credit facilities, will fail to honor their commitments. Should the counterparties to commodity arrangements fail to perform, we might be forced to replace or to sell the underlying commitment at then-current market prices. Should the lenders under our credit facilities fail to perform, the level of borrowing capacity under those arrangements would decrease, unless we were able to find replacement lenders to assume the nonperforming lender s commitment. In such an event, we might incur losses, or our results of operations, financial position, and liquidity could otherwise be adversely affected.

Certain of the Ameren Companies have obligations to other Ameren Companies or other Ameren subsidiaries as a result of transactions involving energy, coal, other commodities and services, borrowing from the money pools, and as a result of hedging transactions. If one Ameren entity failed to perform under any of these arrangements, other Ameren entities might incur losses. Their results of operations, financial position, and liquidity could be adversely affected, resulting in the nondefaulting Ameren entity being unable to meet its obligations, including to unrelated third parties.

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

We offer defined benefit retirement and postretirement plans that cover substantially all of our employees. Assumptions related to future costs, returns on investments, interest rates, and other actuarial matters have a significant impact on our earnings and funding requirements. Ameren expects to fund its pension plans at a level equal to the greater of the pension expense or the legally required minimum contribution. Considering Ameren s assumptions at December 31, 2011, its investment performance in 2011, and its pension funding policy, Ameren expects to make annual contributions of $90 million to $150 million in each of the next five years, with aggregate estimated contributions of $580 million. We expect Ameren Missouri s, Ameren Illinois , and Genco s portion of the future funding requirements to be 51%, 33%, and 12%, respectively. These amounts are estimates. They may change with actual investment performance, changes

in interest rates, changes in our assumptions, changes in government regulations, and any voluntary contributions.

In addition to the costs of our retirement plans, the costs of providing health care benefits to our employees

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

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

The Ameren Companies financial performance depends on the successful operation of electric generating, transmission, and distribution facilities. Operation of electric generating, 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;
- older generating equipment may require significant expenditures to keep it operating at peak efficiency;
- disruptions in the delivery of fuel or lack of adequate inventories, including ultra-low-sulfur coal used for Ameren Missouri s compliance with environmental regulations;
- lack of water for cooling plant operations;
- labor disputes;
- inability to comply with regulatory or permit requirements, including those relating to environmental contamination;
- disruptions in the delivery of electricity, including impacts on us or our customers;
- handling and storage of fossil-fuel combustion byproducts, such as CCR;
- unusual or adverse weather conditions, including severe storms, droughts, floods and tornados;
- a workplace accident that might result in injury or loss of life, extensive property damage, or environmental damage;
- cybersecurity risk, including loss of operational control of our energy centers and our electric and natural gas transmission and distribution systems and/or loss of data, such as utility customer data, account information, and intellectual property through insider or outsider actions;
- catastrophic events such as fires, explosions, pandemic health events, or other similar occurrences;
- limitations on amounts of insurance available to cover losses that might arise in connection with operating our electric generating, transmission, and distribution facilities; and
- other unanticipated operations and maintenance expenses and liabilities.

We are subject to federal regulatory compliance and proceedings, which increase our risk of regulatory penalties and other sanctions.

The Energy Policy Act of 2005 increased FERC s civil penalty authority for violation of FERC statutes, rules, and orders, including FERC Reliability Standards. FERC can impose penalties of $1 million per violation per day. Under the Energy Policy Act of 2005, the Ameren Companies, as owners and operators of bulk power transmission systems and/or electric generation facilities, are subject to mandatory NERC reliability standards, including cybersecurity standards. Compliance with these mandatory reliability standards may subject the Ameren Companies to higher operating costs and may result in increased capital expenditures. If the Ameren Companies were found not to be in compliance with these mandatory reliability standards or other FERC statutes, rules and orders, the Ameren Companies could incur substantial monetary penalties and other sanctions, which could adversely affect our results of operations, financial position, and liquidity.

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

Inherent in our natural gas distribution and storage activities are a variety of hazards and operating risks, such as leaks, accidental explosions, mechanical problems and cybersecurity risks, which could cause substantial financial losses. In addition, these risks could result in serious injury to employees and nonemployees, loss of human life, significant damage to property, environmental pollution, and impairment of our operations, which in turn could lead to substantial losses for us. In accordance with customary industry practice, we maintain insurance against some, but not all, of these risks and losses. The location of distribution lines and storage facilities near populated areas, including residential areas, commercial business centers, industrial sites, and other public gathering places, could increase the level of damages resulting from these risks.

The occurrence of any of these events not fully covered by insurance could materially adversely affect our results of operations, financial position, and liquidity.

Even though agreements have been reached with the state of Missouri and the FERC, the breach of the upper reservoir of Ameren Missouri s Taum Sauk pumped-storage hydroelectric energy center could continue to have a material adverse effect on Ameren s and Ameren Missouri s results of operations, liquidity, and financial condition.

In December 2005, there was a breach of the upper reservoir at Ameren Missouri s Taum Sauk pumped-storage hydroelectric energy center. This resulted in significant flooding in the local area, which damaged a state park.

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Ameren Missouri settled with FERC and the state of Missouri all issues associated with the December 2005 Taum Sauk incident.

Ameren Missouri had liability insurance coverage for the Taum Sauk incident, subject to certain limits and deductibles. In June 2010, Ameren Missouri sued one of its liability insurance providers claiming the insurance company breached its duty to indemnify Ameren Missouri for the losses experienced from the incident. Ameren s and Ameren Missouri s results of operations, financial position and liquidity could be adversely affected if Ameren Missouri s remaining liability insurance claims of $68 million as of December 31, 2011, are not paid by insurers.

Ameren Missouri requested the recovery of all costs of enhancements, or costs that would have been incurred absent the breach, related to the rebuilding of the Taum Sauk energy center in excess of amounts recovered from property insurance. In its July 2011 electric rate order, the MoPSC disallowed Ameren Missouri s request. Consequently, in 2011, Ameren Missouri recorded a pretax charge to earnings of $89 million. Ameren Missouri has appealed this disallowance to the Missouri Court of Appeals, Western District. Ameren Missouri cannot predict the ultimate outcome of its appeal.

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

Genco s and AERG s electric energy centers must compete for the sale of energy and capacity, which exposes them to price risks.

All of Genco s and AERG s energy centers compete for the sale of energy and capacity in the competitive energy markets.

To the extent that electricity generated by these energy centers is not under a fixed-price contract to be sold, the revenues and results of operations of these Merchant Generation subsidiaries generally depend on the prices that can be obtained for energy and capacity in Illinois and adjacent markets by Marketing Company.

Market prices for energy and capacity may fluctuate substantially, sometimes over relatively short periods of time, and at other times experience sustained increases or decreases. Demand for electricity and fuel can fluctuate dramatically, creating periods of substantial undersupply or oversupply. During periods of oversupply, prices might be depressed. Also, at times legislators or regulators with jurisdiction over wholesale and retail energy commodity and transportation rates may impose price limitations, bidding rules, and other mechanisms to address volatility and other issues in these markets.

For power products sold in advance, contract prices are influenced both by market conditions and by contract

terms such as damage provisions, credit support requirements, and the number of available counterparties interested in contracting for the desired forward period. Depending on differences between market factors at the time of contracting versus current conditions, Marketing Company s contract portfolio may have average contract prices greater than or less than current market prices, including at the expiration of the contracts, which could significantly affect Ameren s and Genco s results of operations, financial condition and liquidity.

Market prices for power have decreased over the past three years. During 2012, the market price for power for delivery in the current year has declined below 2011 levels because of factors such as declining natural gas prices and the stay of the CSAPR. Any unhedged forecasted generation will be exposed to market prices at the time of sale. As a result, any new physical or financial power sales may be at price levels lower than previously experienced and lower than the value of existing hedged sales.

Among the factors that could influence such prices (all of which are beyond our control to a significant degree) are:

- current and future delivered market prices for natural gas, coal, and related transportation costs;
- current and forward prices for the sale of electricity;
- current and future prices for emission allowances that may be required to operate the fossil fuel-fired electric energy centers in compliance with environmental laws and permits;
- the extent of additional supplies of electric energy from current competitors or new market entrants;
- the regulatory and market structures developed for evolving Midwest energy markets, including a capacity market in MISO;
- changes enacted by the Illinois legislature, the ICC, the IPA, or other government agencies with respect to power procurement procedures;
- the potential for reregulation of generation in some states;

future pricing for, and availability of, services on transmission systems, and the effect of RTOs and export energy transmission constraints, which could limit our ability to sell energy in our markets;
the growth rate or decline in electricity usage as a result of population changes, regional economic conditions, and the implementation of energy-efficiency and conservation programs;
climate conditions in the Midwest market and major natural disasters; and
environmental laws and regulations or delays in their effective dates.

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

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

- potential harmful effects on the environment and human health resulting from the operation of nuclear facilities and the storage, handling and disposal of radioactive materials;
- the lack of a permanent waste storage site;
- limitations on the amounts and types of insurance commercially available to cover losses that might arise in connection with the Callaway energy center or other United States nuclear operations;
- uncertainties with respect to contingencies and assessment amounts if insurance coverage is inadequate;
- public and governmental concerns over the adequacy of security at nuclear energy centers;
- uncertainties with respect to the technological and financial aspects of decommissioning nuclear energy centers at the end of their licensed lives (Ameren Missouri has submitted an application with the NRC to extend the Callaway energy center s operating license from 2024 to 2044);
- limited availability of fuel supply; and
- costly and extended outages for scheduled or unscheduled maintenance and refueling.

The NRC has broad authority under federal law to impose licensing and safety requirements for nuclear energy centers. In the event of noncompliance, the NRC has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Revised safety requirements promulgated from time to time by the NRC could necessitate substantial capital expenditures at nuclear energy centers such as Ameren Missouri s. In addition, if a serious nuclear incident were to occur, it could have a material but indeterminable adverse effect on Ameren Missouri s results of operations, financial condition, and liquidity. A major incident at a nuclear energy center anywhere in the world could cause the NRC to limit or prohibit the operation or relicensing of any domestic nuclear unit. An incident at a nuclear energy center anywhere in the world also could cause the NRC to impose additional conditions or requirements on the industry, which could increase costs and result in additional capital expenditures. For example, the earthquake in 2011 that affected nuclear plants in Japan is expected to result in regulatory changes in the United States that may impose additional costs on all United States nuclear plants.

Our energy risk management strategies may not be effective in managing fuel and electricity procurement and pricing risks, which could result in unanticipated liabilities or increased volatility in our earnings and cash flows.

We are exposed to changes in market prices for natural gas, fuel, power, emission allowances, renewable energy credits, and transmission congestion. Prices for natural gas, fuel, power, emission allowances and renewable energy credits may fluctuate substantially over relatively short periods of time, and at other times exhibit sustained increases or decreases, and expose us to commodity price risk. We use short-term and long-term purchase and sales contracts in addition to derivatives such as forward contracts, futures contracts, options, and swaps to manage these risks. We attempt to manage our risk associated with

these activities through enforcement of established risk limits and risk management procedures. We cannot ensure that these strategies will be successful in managing our pricing risk or that they will not result in net liabilities because of future volatility in these markets.

Although we routinely enter into contracts to hedge our exposure to the risks of demand and changes in commodity prices, we do not hedge the entire exposure of our operations from commodity price volatility. Furthermore, our ability to hedge our exposure to commodity price volatility depends on liquid commodity markets. To the extent that commodity markets are illiquid, we may not be able to execute our risk management strategies, which could result in greater unhedged positions than we would prefer at a given time. To the extent that unhedged positions exist, fluctuating commodity prices can adversely affect our results of operations, financial position, and liquidity.

Our facilities are considered critical energy infrastructure and may therefore be targets of acts of terrorism.

Like other electric and natural gas utilities and other merchant electric generators, our energy centers, fuel storage facilities, and transmission and distribution facilities may be targets of terrorist activities, including cybersecurity attacks, that could result in disruption of our ability to produce or distribute some portion of our energy products. Any such disruption could result in a significant decrease in revenues or significant additional costs for repair, which could have a material adverse effect on our results of operations, financial position, and liquidity.

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

We use short-term and long-term debt as a significant source of liquidity and funding for capital requirements not satisfied by our operating cash flow, including requirements related to future environmental compliance and capital expenditures required by the IEIMA. As a result of rising costs and increased capital and operations and maintenance

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expenditures, coupled with regulatory lag, we expect to continue to rely on short-term and long-term debt financing. The inability to raise debt or equity capital on favorable terms, or at all, could negatively affect our ability to maintain and to expand our businesses. After assessing our current operating performance, liquidity, and credit ratings, we believe that Ameren and its rate-regulated businesses will continue to have access to the capital markets. However, events beyond our control, such as a recession or extreme volatility in global debt or equity capital and credit markets, may 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. Based on projections as of December 31, 2011, of Genco s operating results and cash flows, we expect that, by the end of the first quarter of 2013, Genco s interest coverage ratio will be less than the minimum ratio required under its indenture for the company to borrow additional funds from external, third-party sources. An inability to raise debt could adversely impact Genco s liquidity. Any adverse change in the Ameren Companies credit ratings may reduce access to capital and trigger additional collateral postings and prepayments. Such changes may also increase the cost of borrowing and fuel, power and natural gas supply, among other things, which could have a material adverse effect on our results of operations, financial position, and liquidity. Certain of the Ameren Companies rely, in part, on Ameren for access to capital. Circumstances that limit Ameren s access to capital, including those relating to its other subsidiaries, could impair its ability to provide those Ameren Companies with needed capital. In addition, borrowings directly from Ameren and from the utility and non-state-regulated subsidiary money pools are subject to Ameren s control, and any borrowings are dependent on consideration by Ameren of the facts and circumstances existing at the time of any borrowing request.

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 the common stock of its subsidiaries. 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 also dependent upon the earnings of operating subsidiaries and the distribution of those earnings and other payments, including payments of principal and interest under intercompany indebtedness. The payment of dividends to Ameren by its subsidiaries in turn depends on their results of operations and cash flows and other items affecting retained earnings. Ameren s subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any dividends or make any other distributions (except for payments required pursuant to the terms of intercompany borrowing arrangements) to Ameren. Certain of the Ameren Companies financing agreements and articles of incorporation, in addition to certain statutory and regulatory requirements, may impose restrictions on the ability of such Ameren Companies to transfer funds to Ameren in the form of cash dividends, loans or advances.

Failure to retain and attract key officers and other skilled professional and technical employees could have an adverse effect on 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 workforce 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. Any inability to retain and recruit qualified employees could adversely affect our results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

For information on our principal properties, see the generating facilities 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 any discussion of planned additions, replacements or transfers. See also Note 5 Long-term Debt and Equity Financings, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

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The following table shows what the capability of our energy centers is anticipated to be at the time of our expected 2012 peak summer electrical demand:

Primary Fuel Source	Energy Center	Location	Net Kilowatt Capability[(a)]
Ameren Missouri:			
Coal	Labadie	Franklin County, Mo.	2,412,000
	Rush Island	Jefferson County, Mo.	1,212,000
	Sioux	St. Charles County, Mo.	966,000
	Meramec	St. Louis County, Mo.	836,000
Total coal			5,426,000
Nuclear	Callaway	Callaway County, Mo.	1,190,000
Hydroelectric	Osage	Lakeside, Mo.	240,000
	Keokuk	Keokuk, Ia.	141,000
Total hydroelectric			381,000
Pumped-storage	Taum Sauk	Reynolds County, Mo.	440,000
Oil (CTs)	Meramec	St. Louis County, Mo.	59,000
	Fairgrounds	Jefferson City, Mo.	55,000
	Mexico	Mexico, Mo.	54,000
	Moberly	Moberly, Mo.	54,000
	Moreau	Jefferson City, Mo.	54,000
	Howard Bend	St. Louis County, Mo.	39,000
Total oil			315,000
Natural gas (CTs)	Audrain[(b)]	Audrain County, Mo.	600,000
	Venice[(c)]	Venice, Ill.	491,000
	Goose Creek	Piatt County, Ill.	432,000
	Pinckneyville	Pinckneyville, Ill.	316,000
	Raccoon Creek	Clay County, Ill.	300,000
	Kinmundy[(c)]	Kinmundy, Ill.	208,000
	Peno Creek[(b)(c)]	Bowling Green, Mo.	188,000
	Meramec[(c)]	St. Louis County, Mo.	49,000
	Kirksville	Kirksville, Mo.	13,000
Total natural gas			2,597,000
Methane gas (CTs)	Maryland Heights	Maryland Heights, Mo.	6,000
Total Ameren Missouri			10,355,000
Merchant Generation:			
Genco:			
Coal	Newton	Newton, Ill.	1,198,000
	Joppa (EEI)[(d)]	Joppa, Ill.	1,002,000
	Coffeen	Coffeen, Ill.	895,000
Total coal			3,095,000
Natural gas (CTs)	Grand Tower	Grand Tower, Ill.	478,000
	Elgin	Elgin, Ill.	460,000
	Gibson City[(c)]	Gibson City, Ill.	228,000
	Joppa 7B	Joppa, Ill.	108,000
	Joppa (EEI)[(d)]	Joppa, Ill.	74,000
Total natural gas			1,348,000
Total Genco			4,443,000
AERG:			
Coal	E.D. Edwards	Bartonville, Ill.	650,000
	Duck Creek	Canton, Ill.	410,000
Total AERG			1,060,000
Total Merchant Generation			5,503,000
Total Ameren			15,858,000

(a) Net Kilowatt Capability is the generating capacity available for dispatch from the energy center into the electric transmission grid.
(b) There are economic development lease arrangements applicable to these CTs.
(c) These CTs have the capability to operate on either oil or natural gas (dual fuel).
(d) Genco owns an 80% interest in EEI. This table reflects the full capability of EEI s facilities.

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The following table presents electric and natural gas utility-related properties for Ameren Missouri and Ameren Illinois as of December 31, 2011:

	Ameren Missouri	Ameren Illinois
Circuit miles of electric transmission lines[(a)]	2,956	4,506
Circuit miles of electric distribution lines	33,256	45,884
Circuit miles of electric distribution lines underground	23%	15%
Miles of natural gas transmission and distribution mains	3,275	18,126
Propane-air plants	1	-
Underground gas storage fields	-	12
Billion cubic feet of total working capacity of underground gas storage fields	-	24

(a) ATXI and EEI own 29 miles and 42 miles of transmission lines, respectively, 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 plants and other units of property material to the operation of our businesses, and to the real property on which such facilities are located (subject to mortgage liens securing our outstanding first mortgage bonds and to certain permitted liens and judgment liens). The exceptions are as follows:

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

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

Ameren Missouri has conveyed most of its Peno Creek CT energy center to the city of Bowling Green, Missouri, and leased the energy center back from the city through 2022. Under the terms of this capital lease, Ameren Missouri is responsible for all operation and maintenance for the energy center. Ownership of the energy center will transfer to Ameren Missouri at the expiration of the lease, at which time the property and plant will become subject to the lien of any outstanding 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 lessee of the CT energy center under a long-term lease with Audrain County. The lease term will expire on December 1, 2023. Under the terms of this capital lease, Ameren Missouri is responsible for all operation and maintenance for the energy center. Ownership of the energy center will transfer to Ameren Missouri at the expiration of the lease, at which time the property and plant will become subject to the lien of any outstanding Ameren Missouri first mortgage bond indenture.

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, and Note 15 Commitment and Contingencies under Part II, Item 8, of this report and incorporated herein by reference, include the following:

appeals of the MoPSC s 2010 and 2011 electric rate orders;
appeal of the MoPSC s April 2011 FAC prudence review order and completion of the current FAC prudence review;
electric rate proceedings for Ameren Missouri pending before the MoPSC and for Ameren Illinois pending before the ICC;
FERC litigation to determine wholesale distribution revenues for seven of Ameren Illinois wholesale customers;
Ameren Missouri s appeal to FERC to contest additional charges under a power purchase agreement with Entergy Arkansas, Inc.;
the EPA s Clean Air Act-related litigation filed against Ameren Missouri and NSR investigations at Genco and AERG;
remediation matters associated with MGP and waste disposal sites of the Ameren Companies;
litigation associated with the breach of the upper reservoir at Ameren Missouri s Taum Sauk pumped-storage hydroelectric energy center;
litigation alleging that CO_2 emissions from several industrial companies, including Ameren Missouri and Genco, created the atmospheric conditions that intensified Hurricane Katrina;
asbestos-related litigation associated with Ameren, Ameren Missouri, Ameren Illinois and Genco; and
Genco s challenge before the Informal Conference Board of the Illinois Department of Revenue regarding the State s position that EEI did not qualify for manufacturing tax exemptions for 2010 transactions.

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ITEM 4. MINE SAFETY DISCLOSURES.
Not applicable.

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, 2011, all positions and offices held with the Ameren Companies as of December 31, 2011, (except as otherwise noted below), tenure as officer, and business background 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
Thomas R. Voss	64	Chairman, President and Chief Executive Officer, and Director

Voss joined Ameren Missouri in 1969. He was elected senior vice president of Ameren Missouri, CIPS, and Ameren Services in 1999, of Genco in 2001, of CILCO in 2003, and of IP in 2004. In 2003, Voss was elected president of Genco; he relinquished his presidency of this company in 2004. In 2006, he was elected executive vice president of Ameren Missouri, CIPS, CILCO and IP. In 2007, Voss was elected chairman, president, and chief executive officer of Ameren Missouri. He relinquished his positions at CIPS, CILCO and IP in 2007. In 2009, Voss was elected president and chief executive officer of Ameren; at that time, he relinquished his other positions. In 2010, the Ameren board of directors elected Voss to the position of chairman of the board. He has been a member of the Ameren board since 2009.

Martin J. Lyons, Jr.	45	Senior Vice President and Chief Financial Officer

Lyons joined Ameren, Ameren Missouri, CIPS, Genco, and Ameren Services in 2001 as controller. He was elected controller of CILCO in 2003. He was also elected vice president of Ameren, Ameren Missouri, CIPS, Genco, CILCO, and Ameren Services in 2003 and vice president and controller of IP in 2004. In 2007, his positions at Ameren Missouri were changed to vice president and principal accounting officer. In 2008, Lyons was elected senior vice president and principal accounting officer of the Ameren Companies. In 2009, Lyons was also elected chief financial officer of the Ameren Companies. With the Ameren Illinois Merger in 2010, Lyons remained senior vice president, chief financial officer and principal accounting officer at Ameren Illinois.

Gregory L. Nelson	54	Senior Vice President, General Counsel and Secretary

Nelson joined Ameren Missouri in 1995 as a manager in the tax department and assumed a similar position with Ameren Services in 1998. Nelson was elected vice president and tax counsel of Ameren Services in 1999 and vice president of Ameren Missouri, CIPS, CILCO and Genco in 2003 and of IP in 2004. In 2010, Nelson was elected vice president, tax and deputy general counsel of Ameren Services. He remained vice president of Ameren Missouri, CIPS, CILCO, IP and Genco. With the Ameren Illinois Merger in 2010, Nelson remained vice president at Ameren Illinois. Effective March 2, 2011, Nelson was elected to the positions of senior vice president and general counsel of Ameren, Ameren Missouri, Ameren Illinois, Genco and Ameren Services. Effective May 1, 2011, Nelson was elected to the position of secretary.

Jerre E. Birdsong	57	Vice President and Treasurer

Birdsong joined Ameren Missouri in 1977 and was elected treasurer of Ameren Missouri in 1993. He was elected treasurer of Ameren, CIPS, and Ameren Services in 1997 and of Genco in 2000. In addition to being treasurer, in 2001 he was elected vice president at Ameren, Ameren Missouri, CIPS, Ameren Services and Genco. Additionally, he was elected vice president and treasurer of CILCO in 2003 and of IP in 2004. With the Ameren Illinois Merger in 2010, Birdsong, remained vice president and treasurer at Ameren Illinois.

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SUBSIDIARIES:

Name	**Age**	**Positions and Offices Held**
Warner L. Baxter	50	Chairman, President and Chief Executive Officer (Ameren Missouri)

Baxter joined Ameren Missouri in 1995. He was elected senior vice president, finance, of Ameren, Ameren Missouri, CIPS, Ameren Services, and Genco in 2001 and of CILCO in 2003. Baxter was elected to the positions of executive vice president and chief financial officer of Ameren, Ameren Missouri, CIPS, Genco, CILCO and Ameren Services in 2003 and of IP in 2004. He was elected chairman, president, chief executive officer and chief financial officer of Ameren Services in 2007. In 2009, Baxter was elected chairman, president and chief executive officer of Ameren Missouri; at that time, he relinquished his other positions.

Maureen A. Borkowski	54	Chairman, President and Chief Executive Officer (ATX)

Borkowski joined Ameren Missouri in 1981. She left the company in 2000 before rejoining Ameren in 2005. Borkowski has led Ameren s transmission operations since 2005 as vice president, transmission, of Ameren Services. In 2010, Borkowski was elected president and chief executive officer of ATX. Effective March 2, 2011, Borkowski was elected chairman of ATX. Effective April 26, 2011, she was also elected senior vice president, transmission, of Ameren Services.

Scott A. Cisel	58	Chairman, President and Chief Executive Officer (Ameren Illinois)

Cisel joined CILCO in 1975. He was named senior vice president and leader of CILCO s Sales and Marketing Business Unit in 2001. Cisel assumed the positions of vice president and chief operating officer of CILCO in 2003, upon Ameren s acquisition of that company. In 2004, Cisel was elected vice president of Ameren Missouri and president and chief operating officer of CIPS, CILCO and IP. In 2007, Cisel was elected chairman and chief executive officer of CIPS, CILCO and IP, in addition to his position as president. He relinquished his position at Ameren Missouri in 2007. With the Ameren Illinois Merger in 2010, Cisel remained chairman, president and chief executive officer at Ameren Illinois.

Daniel F. Cole	58	Chairman, President and Chief Executive Officer (Ameren Services)

Cole joined Ameren Missouri in 1976. He was elected senior vice president of Ameren Missouri and Ameren Services in 1999 and of CIPS in 2001. He was elected president of Genco in 2001; he relinquished that position in 2003. He was elected senior vice president of CILCO in 2003 and of IP in 2004. In 2009, Cole was elected chairman, president and chief executive officer of Ameren Services and remained senior vice president of Ameren Missouri, CIPS, CILCO and IP. With the Ameren Illinois Merger in 2010, Cole remained senior vice president at Ameren Illinois.

Adam C. Heflin	47	Senior Vice President and Chief Nuclear Officer (Ameren Missouri)

Heflin joined Ameren Missouri in 2005 as vice president of nuclear operations and was elected senior vice president and chief nuclear officer of Ameren Missouri in 2008.

Richard J. Mark	56	Senior Vice President (Ameren Missouri)

Mark joined Ameren Services in 2002 as vice president of customer service. In 2003, he was elected vice president of governmental policy and consumer affairs at Ameren Services, with responsibility for government affairs, economic development and community relations for Ameren s operating utility companies. He was elected senior vice president, customer operations of Ameren Missouri in 2005, with responsibility for Missouri energy delivery. In 2007, Mark relinquished his position at Ameren Services.

Michael L. Moehn	42	Senior Vice President (Ameren Illinois) (Effective January 1, 2012)

Moehn joined Ameren Services in 2000. He was named director of Ameren Services corporate modeling and transaction support in 2001 and elected vice president of business services for AER in 2002. In 2004, Moehn was elected vice president of corporate planning of Ameren Services and relinquished his position at AER. In 2008, he was elected senior vice president, corporate planning and business risk management of Ameren Services. Effective January 1, 2012, Moehn relinquished his position at Ameren Services and was elected senior vice president of customer operations of Ameren Illinois.

Charles D. Naslund	59	Senior Vice President (Ameren Missouri)

Naslund joined Ameren Missouri in 1974. He was elected vice president of power operations at Ameren Missouri in 1999, vice president of Ameren Services in 2000 and vice president of nuclear operations at Ameren Missouri in 2004. He relinquished his position at Ameren Services in 2001. Naslund was elected senior vice president and chief nuclear officer at Ameren Missouri in 2005. In 2008, he was elected chairman, president and chief executive officer of AER and chairman and president of Genco. Naslund relinquished his positions at Ameren Missouri in 2008. Effective March 2, 2011, Naslund assumed the position of senior vice president, generation and environmental projects of Ameren Missouri and relinquished his positions of chairman, president and chief executive officer of AER and chairman and president of Genco.

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Name	Age	Positions and Offices Held
Steven R. Sullivan	51	Chairman, President and Chief Executive Officer (AER); Chairman and President (Genco); and President and Chief Executive Officer (Marketing Company)

Sullivan joined Ameren, Ameren Missouri, CIPS and Ameren Services in 1998 as vice president, general counsel and secretary. He added those positions at Genco in 2000. In 2003, Sullivan was elected vice president, general counsel and secretary of CILCO. He was elected senior vice president, general counsel and secretary of Ameren, Ameren Missouri, CIPS, Genco, CILCO and Ameren Services in 2003 and of IP in 2004. With the Ameren Illinois Merger in 2010, Sullivan remained senior vice president, general counsel and secretary at Ameren Illinois. Effective March 2, 2011, Sullivan was elected to the positions of chairman, president and chief executive officer of AER and chairman and president of Genco and relinquished his positions of senior vice president and general counsel of Ameren, Ameren Missouri, Ameren Illinois, Genco and Ameren Services. Effective May 1, 2011, Sullivan relinquished his position as secretary for the Ameren Companies. Effective October 31, 2011, Sullivan was elected to the positions of president and chief executive officer of Marketing Company.

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 officers. All of the above-named executive officers have been employed by an Ameren company for more than five years in executive or management positions.

PART II

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

Ameren s common stock is listed on the NYSE (ticker symbol: AEE). Ameren common shareholders of record totaled 63,531 on January 31, 2012. The following table presents the price ranges, closing prices, and dividends declared per Ameren common share for each quarter during 2011 and 2010.

	High	Low	Close	Dividends Declared
AEE 2011 Quarter Ended:				
March 31	**$ 29.14**	**$ 26.46**	**$ 28.07**	**38 1/2¢**
June 30	**30.14**	**27.78**	**28.84**	**38 1/2**
September 30	**31.44**	**25.55**	**29.77**	**38 1/2**
December 31	**34.11**	**27.98**	**33.13**	**40**
AEE 2010 Quarter Ended:				
March 31	$ 28.27	$ 24.14	$ 26.08	38 1/2¢
June 30	26.92	23.09	23.77	38 1/2
September 30	28.99	23.45	28.40	38 1/2
December 31	29.89	27.65	28.19	38 1/2

There is no trading market for the common stock of Ameren Missouri, Ameren Illinois and Genco. Ameren holds all outstanding common stock of Ameren Missouri and Ameren Illinois; AER holds all outstanding common stock of Genco.

The following table sets forth the quarterly common stock dividend payments made by Ameren and its subsidiaries during 2011 and 2010:

	2011				**2010**			
(In millions)	**Quarter Ended**				**Quarter Ended**			
Registrant	**December 31**	**September 30**	**June 30**	**March 31**	**December 31**	**September 30**	**June 30**	**March 31**
Ameren Missouri	**$ 184**	**$ 84**	**$ 67**	**$ 68**	$ 59	$ 60	$ 58	$ 58
Ameren Illinois	**89**	**88**	**88**	**62**	33	33	34	33
Ameren	**96**	**93**	**93**	**93**	92	93	92	91

On February 10, 2012, the board of directors of Ameren declared a quarterly dividend on Ameren s common stock of 40 cents per share. The common share dividend is payable March 30, 2012, to stockholders of record on March 14, 2012.

For a discussion of restrictions on the Ameren Companies payment of dividends, see 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.

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Purchases of Equity Securities

The following table presents Ameren Corporation s purchases of equity securities reportable under Item 703 of Regulation S-K:

Period	(a) Total Number of Shares (or Units) Purchased[(a)]	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased As Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs
October 1 October 31, 2011	-	$ -	-	-
November 1 November 30, 2011	3,201	32.30	-	-
December 1 December 31, 2011	2,477	32.03	-	-
Total	5,678	$ 32.18	-	-

(a) Included in November were 3,201 shares of Ameren common stock purchased in open-market transactions pursuant to Ameren s 2006 Omnibus Incentive Compensation Plan in satisfaction of Ameren s obligation to distribute shares of common stock for vested performance units. Included in December were 2,477 shares of Ameren common stock purchased in open market transactions pursuant to Ameren s 2006 Omnibus Incentive Compensation Plan in satisfaction of Ameren s obligations for Ameren board of directors compensation awards. Ameren does not have any publicly announced equity securities repurchase plans or programs.

Ameren Missouri, Ameren Illinois and Genco did not purchase equity securities reportable under Item 703 of Regulation S-K during the period from October 1, 2011 to December 31, 2011.

Performance Graph

The following graph shows Ameren s cumulative total shareholder return during the five years ended December 31, 2011. 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, 2006, in Ameren common stock and in each of the indices shown, and it assumes that all of the dividends were reinvested.

December 31,	2006	2007	2008	2009	2010	2011
Ameren	$ 100	$ 105.94	$ 69.30	$ 61.87	$ 66.11	**$ 81.82**
S&P 500 Index	100	105.49	66.46	84.04	96.70	**98.74**
EEI Index	100	116.56	86.37	95.62	102.35	**122.81**

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

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ITEM 6. SELECTED FINANCIAL DATA.

For the years ended December 31,

(In millions, except per share amounts)	2011	2010	2009	2008	2007
Ameren[(a)]:					
Operating revenues	**$ 7,531**	$ 7,638	$ 7,135	$ 7,869	$ 7,562
Operating income[(b)]	**1,241**	916	1,416	1,362	1,359
Net income attributable to Ameren Corporation	**519**	139	612	605	618
Common stock dividends	**375**	368	338	534	527
Earnings per share basic and diluted	**2.15**	0.58	2.78	2.88	2.98
Common stock dividends per share	**1.555**	1.54	1.54	2.54	2.54
As of December 31:					
Total assets	**$ 23,645**	$ 23,511	$ 23,702	$ 22,671	$ 20,752
Long-term debt, excluding current maturities	**6,677**	6,853	7,111	6,554	5,689
Preferred stock subject to mandatory redemption	**-**	-	-	-	16
Total Ameren Corporation stockholders equity	**7,919**	7,730	7,856	6,963	6,752
Ameren Missouri:					
Operating revenues	**$ 3,383**	$ 3,197	$ 2,874	$ 2,960	$ 2,961
Operating income[(b)]	**609**	711	566	514	590
Net income available to common stockholder	**287**	364	259	245	336
Dividends to parent	**403**	235	175	264	267
As of December 31:					
Total assets	**$ 12,757**	$ 12,504	$ 12,219	$ 11,529	$ 10,903
Long-term debt, excluding current maturities	**3,772**	3,949	4,018	3,673	3,208
Total stockholders equity	**4,037**	4,153	4,057	3,562	3,601
Ameren Illinois:					
Operating revenues	**$ 2,787**	$ 3,014	$ 2,984	$ 3,508	$ 3,380
Operating income	**458**	498	363	191	195
Income from continuing operations	**196**	212	133	41	56
Net income available to common stockholder	**193**	248	241	87	114
Dividends to parent	**327**	133	98	60	101
As of December 31:					
Total assets[(c)]	**$ 7,213**	$ 7,406	$ 8,298	$ 8,023	$ 7,101
Long-term debt, excluding current maturities	**1,657**	1,657	1,847	1,850	1,618
Preferred stock subject to mandatory redemption	**-**	-	-	-	16
Total stockholders equity	**2,452**	2,576	3,072	2,655	2,635
Genco:					
Operating revenues	**$ 1,066**	$ 1,126	$ 1,148	$ 1,422	$ 1,298
Operating income[(b)]	**139**	62	324	551	468
Net income (loss) attributable to Ameren Energy Generating Company	**44**	(39)	160	286	230
Dividends to parent	**-**	-	43	221	199
As of December 31:					
Total assets	**$ 2,572**	$ 2,607	$ 2,920	$ 2,592	$ 2,288
Long-term debt, excluding current maturities	**824**	824	823	774	474
Subordinated intercompany notes (current)	**-**	-	176	145	172
Total Ameren Energy Generating Company stockholder s equity	**1,018**	998	1,004	868	857

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(b) Includes Goodwill, impairment and other charges of $125 million and $589 million recorded at Ameren and $35 million and $170 million recorded at Genco, during the years ended December 31, 2011, and December 31, 2010, respectively. Includes Loss from regulatory disallowance of $89 million recorded at Ameren Missouri during the year ended December 31, 2011.
(c) Includes total assets from discontinued operations of $1,117 million, $1,081 million, and $865 million at December 31, 2009, 2008, and 2007, respectively.

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

OVERVIEW

Ameren Executive Summary

Operations

During 2011, Ameren remained committed to providing its customers with safe, reliable, environmentally responsible and reasonably-priced energy while at the same time enhancing value for our shareholders. Ameren Missouri and Ameren Illinois seek to earn competitive returns on their investments by improving their regulatory frameworks and seeking rate increases as needed. Ameren s Merchant Generation business seeks to protect and enhance shareholder value by minimizing operating and capital spending during the current period of low power prices while advocating for regulatory policies and power market improvements that will lead to improved economics. Ameren is committed to allocating capital to projects that have an opportunity to earn a competitive return and to aligning its spending with regulatory outcomes and economic conditions.

There were several developments during 2011 and early 2012 that have the potential to improve the level or predictability of earned returns at Ameren Missouri and Ameren Illinois. In January 2012, Ameren Illinois elected to participate in the IEIMA s performance-based formula ratemaking process for electric delivery service. As a result, Ameren Illinois electric delivery service earnings in 2012 and beyond are expected to reflect performance-based formula ratemaking, which will enable additional infrastructure investment and the creation of jobs. The improved infrastructure will enhance reliability and provide customers with the energy usage options made possible by smart meters. Also in January 2012, the ICC approved an increase in annual Ameren Illinois revenues for natural gas delivery service. In 2011, Ameren Missouri received rate increases for its electric and natural gas businesses. In February 2012, Ameren Missouri filed an electric rate case with the MoPSC seeking to recover its operating and capital costs and to earn a fair return on investments made to serve its customers. In addition to that pending electric rate case, in January 2012, Ameren Missouri filed its first request with the MoPSC for approval of new and expanded energy efficiency programs along with a cost-recovery mechanism under the MEEIA. The MEEIA was designed to enable utilities to pursue cost effective energy efficiency programs by aligning the utility s financial incentives with those of its customers. Also, FERC is expected to issue an order on MISO s proposal to establish a capacity market within the RTO. The MISO proposal calls for the first annual capacity auction to be held in April 2013 for the June 2013 to May 2014 planning year. Ameren supports the MISO proposal as well as MISO s efforts to increase the amount of capacity that can be shared between MISO and PJM. Ameren will continue to advocate for a multi-year capacity construct to improve the functioning of power markets. The creation of a MISO capacity market would more accurately reflect the value of capacity, improve efficiency and reliability, and benefit customers over the long-term.

The Merchant Generation segment expects its cash flows from operating activities to exceed capital expenditures in 2012 reflecting the benefit of its forward power sales and hedging programs as well as actions taken to reduce spending. In early 2012, there has been a sharp decline in forward power prices. The decline in power prices is believed to be caused by factors such as declining natural gas prices and the stay of the CSAPR. It is unclear when legal and regulatory uncertainties related to CSAPR will be resolved and when natural gas prices will recover. As a result of the declining price of power, Merchant Generation and Genco have revised their capital spending plans. Genco is decelerating construction of its Newton energy center scrubber project, postponing installation until such time as the incremental investment necessary for completion is justified by visible market conditions. In addition, AERG has removed from its five-year capital expenditure plans the previously planned precipitator upgrades at its E.D. Edwards energy center. Merchant Generation believes these actions are the best path to achieving appropriate returns on incremental environmental investments during this period of low power prices. These Merchant Generation actions will reduce capital needs by approximately $270 million from 2012 through 2014 compared to prior plans. Genco will decelerate the Newton scrubber project in a manner that preserves the value of the work commissioned to date. Genco has reduced its expected 2012 capital expenditures for the Newton scrubber project to approximately $150 million. After 2012, Genco will perform minimal amounts of ongoing construction activities such that when the economics merit completing the Newton scrubber project, the project can be completed in an orderly and cost-effective manner.

Ameren plans to significantly grow its investment in electric transmission assets, which are regulated by FERC. Ameren expects to invest a total of approximately $1.7 billion in transmission projects over the five-year period ending in 2016. Of that total, Ameren Illinois expects to invest $900 million in transmission projects that are focused on local load growth and reliability needs. In December 2011, MISO approved the Illinois Rivers, Spoon River, and Mark Twain projects. ATX and ATXI s total investment in these three MISO-approved projects is expected to be more than $1.2 billion through 2019, with potential investment of approximately $750 million from 2012 to 2016. In 2012, ATXI is moving forward with the line routing and siting process for the Illinois Rivers project.

Earnings

Ameren reported net income of $519 million, or $2.15 per share, for 2011 compared with net income of $139 million, or 58 cents per share, in 2010. The main factor contributing to the increase in earnings in 2011 compared with 2010 was a reduction in goodwill, impairment and other charges of $464 million, or $1.87 per share. The 2011 charges were the result of the MoPSC s July 2011 disallowance of costs of enhancements related to the rebuilding of Ameren Missouri s Taum Sauk energy

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center in excess of amounts recovered from property insurance, as well as new environmental rules, the primary impact of which was Genco s closure of the Meredosia and Hutsonville energy centers. Ameren s earnings also increased in 2011, compared with 2010, because of higher electric utility rates for Ameren Missouri and Ameren Illinois and lower interest expense. Offsetting factors included reduced electric margins in the Merchant Generation segment due to lower realized power prices and higher fuel and transportation-related expenses; lower electric sales to native load utility customers due, in part, to summer temperatures that while warmer than normal, were below those of a very hot 2010; unrealized net losses on MTM activity related to nonqualifying power hedges and fuel-related contracts; and higher major storm repair expenses. Additionally, Ameren recorded a charge to earnings associated with the voluntary separation offers to eligible Ameren Missouri and Ameren Services employees during the fourth quarter of 2011.

Liquidity

Cash flows from operations of $1.9 billion were used to pay dividends to common stockholders of $375 million and to fund capital expenditures of $1.0 billion. At December 31, 2011, Ameren, on a consolidated basis, had available liquidity, in the form of cash on hand and amounts available under its existing credit facilities, of approximately $2.2 billion, which was a $300 million increase in the amount of available liquidity at December 31, 2010.

Capital Spending

From 2012 through 2016, Ameren s cumulative capital spending is projected to range between $6.5 billion and $8.3 billion. Much of this spending is at Ameren s rate-regulated utilities, including a total of approximately $750 million at ATX and ATXI, in the aggregate, to invest in their electric transmission assets. The Merchant Generation segment s capital spending is expected to be up to $450 million, primarily for environmental compliance, from 2012 through 2016. The decision to make pollution control equipment investments in Ameren s Merchant Generation segment depends on whether the expected future market price for power reflects the increased cost of environmental compliance.

General

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

depend on distributions made to it by its subsidiaries. Ameren s principal subsidiaries are listed below. See Note 1 Summary of Significant Accounting Policies under Part II, Item 8, of this report for a detailed description of our principal subsidiaries.

- Ameren Missouri operates a rate-regulated electric generation, transmission and distribution business, and a rate-regulated natural gas transmission and distribution business in Missouri.
- Ameren Illinois operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.
- AER consists of non-rate-regulated operations, including Genco, AERG, Marketing Company and Medina Valley. The Medina Valley energy center was sold in February 2012. Genco operates a merchant electric generation business in Illinois and holds an 80% ownership interest in EEI.

On October 1, 2010, Ameren, CIPS, CILCO, IP, AERG and AER completed a two-step corporate internal reorganization. The first step of the reorganization was the Ameren Illinois Merger. Upon consummation of the Ameren Illinois Merger, the separate legal existence of CILCO and IP ended. The second step of the reorganization involved the distribution of AERG stock from Ameren Illinois to Ameren and the subsequent contribution by Ameren of the AERG stock to AER. The Ameren Illinois Merger and the distribution of AERG stock were accounted for as transactions between entities under common control. In accordance with authoritative accounting guidance, assets and liabilities transferred between entities under common control were accounted for at the historical cost basis of the common parent, Ameren, as if the transfer had occurred at the beginning of the earliest reporting period presented. Ameren s historical cost basis in Ameren Illinois included purchase accounting adjustments related to Ameren s acquisition of CILCORP in 2003. Ameren Illinois accounted for the AERG distribution as a spinoff. Ameren Illinois transferred AERG to Ameren based on AERG s carrying value. Ameren Illinois has segregated AERG s operating results and cash flows and presented them separately as discontinued operations in its consolidated statement of income and consolidated statement of cash flows, respectively, for all periods presented prior to October 1, 2010, in this report. For Ameren s financial statements, AERG s results of operations remain classified as continuing operations. See Note 16 Corporate Reorganization and Discontinued Operations under Part II, Item 8, for additional information.

Effective January 1, 2010, as part of an internal reorganization, AER transferred its 80% stock ownership interest in EEI to Genco through a capital contribution. The transfer of EEI to Genco was accounted for as a transaction between entities under common control, whereby Genco accounted for the transfer at the historical carrying value of the parent (Ameren) as if the transfer had occurred at the beginning of the earliest reporting period presented. Ameren s historical cost basis in EEI included purchase accounting adjustments relating to Ameren s acquisition of an additional 20% ownership interest in EEI in 2004. This transfer required Genco s prior-period financial statements to be retrospectively combined for all periods presented. Consequently, Genco s prior-period consolidated financial statements reflect EEI as if it had been a subsidiary of Genco. Ameren and Genco consolidate EEI for financial reporting purposes.

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

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

RESULTS OF OPERATIONS

Earnings Summary

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

Net income attributable to Ameren Corporation was $519 million, or $2.15 per share, for 2011, $139 million, or $0.58 per share, for 2010, and $612 million, or $2.78 per share, for 2009.

2011 versus 2010

Net income attributable to Ameren Corporation increased $380 million, and earnings per share increased $1.57 in 2011 compared with 2010. The Merchant Generation segment reported net income attributable to Ameren Corporation of $45 million in 2011, compared with a $409 million net loss in 2010. Net income attributable to Ameren Corporation decreased in the Ameren Missouri and Ameren Illinois Regulated segments by $77 million and $15 million, respectively, in 2011 compared with 2010.

Compared with 2010 earnings per share, 2011 earnings were favorably affected by:

- reduced goodwill, impairment and other charges in the Merchant Generation segment offset, in part, by a charge to earnings related to the MoPSC s July 2011 disallowance of costs of enhancements relating to the rebuilding of the Taum Sauk energy center in excess of amounts recovered from property insurance ($1.87 per share);
- higher Ameren Missouri electric rates pursuant to orders issued by the MoPSC, which became effective in June 2010 and in July 2011, as well as higher Ameren Missouri natural gas rates pursuant to a MoPSC order, which became effective in late February 2011. The impact of the Ameren Missouri electric rate increases on earnings was reduced by the adoption of life span depreciation methodology, recognition in 2010 of regulatory assets for previously-expensed costs in the prior-year period, and increased regulatory asset amortization as directed by the rate orders (17 cents per share). These amounts exclude the unfavorable impact of the charge to earnings related to the MoPSC s disallowance of Taum Sauk rebuilding costs discussed above;
- lower interest expense, primarily due to the maturity and repayment of $200 million of Genco s senior secured notes in November 2010, the redemption of $66 million of Ameren Missouri s subordinated deferrable interest debentures in September 2010, Ameren Illinois redemptions of $150 million of senior secured notes and $40 million of first mortgage bonds in June 2011 and September 2010, respectively, and a reduction in borrowings under credit facility agreements (12 cents per share);

higher Ameren Illinois electric rates pursuant to orders issued by the ICC in 2010 (6 cents per share);
the absence in 2011 of a charge for the impact on deferred taxes from changes in federal health care laws (6 cents per share);
the absence in 2011 of charges recorded in 2010 for cancelled or unrecoverable projects at Ameren Missouri (6 cents per share);
a reduction in operations and maintenance expense related to plant maintenance, primarily at Ameren Missouri, as fewer costs were incurred for major outages at coal-fired energy centers as the scope of the outages in 2011 was not as extensive as the scope of the outages conducted in 2010 (5 cents per share); and

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reduction in expense as a result of disciplined cost management efforts to align spending with regulatory outcomes and economic conditions.

Compared with 2010 earnings per share, 2011 earnings were unfavorably affected by:

lower electric margins in the Merchant Generation segment, largely due to lower realized revenue per megawatthour sold and higher fuel and related transportation costs (21 cents per share). This amount excludes the unfavorable impacts of net unrealized MTM activity discussed below. See Outlook for expected trends in future coal, transportation and power prices;

reduced rate-regulated retail sales volumes, excluding the effects of abnormal weather, as sales volumes declined due to continued economic pressure, energy efficiency measures, and customer conservation efforts as well as lower wholesale sales at Ameren Missouri due to a reduction in customers and the expiration of favorably priced contracts, among other items (15 cents per share);

unrealized net losses on MTM activity primarily related to nonqualifying power hedges and fuel-related contracts as well as unfavorable changes in the market value of investments used to support Ameren s deferred compensation plans (10 cents per share);

the impact of weather conditions on electric and natural gas demand (estimated at 10 cents per share);

increased operations and maintenance expenses as a result of major storms in 2011 (9 cents per share);

a reduction in allowance for equity funds used during construction reflecting the 2010 completion of two scrubbers at Ameren Missouri s Sioux energy center (8 cents per share);

increased operations and maintenance expenses associated with voluntary separation offers to eligible Ameren Missouri and Ameren Services employees during the fourth quarter of 2011 (7 cents per share);

a reduction in revenues resulting from the MoPSC s April 2011 order with respect to its FAC review for the period from March 1, 2009, to September 30, 2009, that resulted in Ameren Missouri recording an obligation to refund to its electric customers the earnings associated with certain previously recognized sales. See Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report for additional information (5 cents per share); and

an increase in depreciation and amortization expense caused primarily by the installation of scrubbers at Ameren Missouri s Sioux energy center as well as other capital additions (4 cents per share).

The cents per share information presented above is based on average shares outstanding in 2010.

2010 versus 2009

Net income attributable to Ameren Corporation decreased $473 million, and its earnings per share decreased $2.20 in 2010 compared with 2009. Net income

attributable to Ameren Corporation increased in the Ameren Missouri and Ameren Illinois Regulated segments by $105 million and $81 million, respectively, in 2010 compared with 2009, while net income attributable to Ameren Corporation in the Merchant Generation segment decreased by $656 million in 2010 compared with 2009.

Compared with 2009 earnings per share, 2010 earnings were negatively affected by:

the 2010 impairment of goodwill, intangible assets, and long-lived assets within the Merchant Generation segment due to the sustained decline in market prices for electricity, industry market multiples becoming observable at lower levels than previously estimated, and potentially more stringent environmental regulations ($2.19 per share);

lower realized electric margins in the Merchant Generation segment largely due to lower realized revenue per megawatthour sold and higher fuel and related transportation costs (79 cents per share). This amount excludes the unfavorable impacts of net unrealized MTM activity on nonqualifying power hedges discussed below;

higher dilution (23 cents per share) caused by an increase in the average number of common shares outstanding, largely because of a September 2009 common stock issuance, the proceeds of which were used to make investments in Ameren s rate-regulated utilities. The impact of dilution was offset by higher earned returns on investments at Ameren s rate-regulated utilities and lower financing costs;

costs associated with the Callaway energy center s scheduled refueling and maintenance outage in 2010. There was no Callaway refueling and maintenance outage in 2009 (12 cents per share);

increased depreciation and amortization expenses, primarily due to capital additions placed in service at the Merchant Generation segment in late 2009 and early 2010, excluding the impacts at Ameren Missouri of the May 2010 MoPSC electric rate order discussed below (9 cents per share);

a reduced gain from net unrealized MTM activity on nonqualifying power hedges and from changes in the market value of investments used to support Ameren s deferred compensation plans (6 cents per share); and

the impact on deferred taxes from changes in federal health care laws (6 cents per share).

Compared with 2009 earnings per share, 2010 earnings were favorably affected by:

the impact of weather conditions on energy demand (estimated at 40 cents per share);

higher Ameren Missouri electric rates pursuant to the MoPSC 2009 and 2010 electric rate orders effective in May 2009 and in June 2010, respectively, offset by the adoption of the life span depreciation methodology and increased regulatory asset amortization as directed by the MoPSC 2010 electric rate order (27 cents per share);

the favorable impact on electric and natural gas margins in our rate-regulated businesses from higher weather-normalized sales volumes (exclusive of higher sales to Noranda discussed below), largely due to

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improved economic conditions and higher wholesale sales margins at Ameren Missouri because of additional customers and higher-priced wholesale sales contracts, among other things (20 cents per share);
increased Ameren Missouri sales to Noranda as its smelter plant gradually returned to full capacity by the end of the first quarter of 2010 after a January 2009 severe ice storm significantly reduced the plant s capacity (11 cents per share);
a reduction in financing expenses caused primarily by an increase in the allowance for funds used during construction at Ameren Missouri for the installation of two scrubbers at its Sioux energy center (10 cents per share);
higher Ameren Illinois electric and natural gas net delivery rates pursuant to the ICC 2010 rate orders, which became effective in May and November 2010 (9 cents per share); and
reduced charges in 2010 relating to workforce reductions through voluntary and involuntary separation programs (4 cents per share).
The cents per share information presented above is based on average shares outstanding in 2009.

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

Below is a table of income statement components by segment for the years ended December 31, 2011, 2010, and 2009:

2011	Ameren Missouri	Ameren Illinois Regulated Segment	Merchant Generation	Other / Intersegment Eliminations	Total
Electric margins	**$ 2,252**	**$ 1,087**	**$ 668**	**$ (10)**	**$ 3,997**
Natural gas margins	**79**	**354**	**-**	**(2)**	**431**
Other revenues	**5**	**1**	**3**	**(9)**	**-**
Other operations and maintenance	**(934)**	**(640)**	**(285)**	**39**	**(1,820)**
Goodwill, impairment and other charges	**(89)**	**-**	**(37)**	**1**	**(125)**
Depreciation and amortization	**(408)**	**(215)**	**(143)**	**(19)**	**(785)**
Taxes other than income taxes	**(296)**	**(129)**	**(24)**	**(8)**	**(457)**
Other income and (expenses)	**51**	**1**	**1**	**(7)**	**46**
Interest charges	**(209)**	**(136)**	**(105)**	**(1)**	**(451)**
Income (taxes) benefit	**(161)**	**(127)**	**(32)**	**10**	**(310)**
Net income (loss)	**290**	**196**	**46**	**(6)**	**526**
Noncontrolling interest and preferred dividends	**(3)**	**(3)**	**(1)**	**-**	**(7)**
Net income (loss) attributable to Ameren Corporation	**$ 287**	**$ 193**	**$ 45**	**$ (6)**	**$ 519**
2010					
Electric margins	$ 2,233	$ 1,096	$ 780	$ (17)	$ 4,092
Natural gas margins	75	375	-	(2)	448
Other revenues	1	-	-	(1)	-
Other operations and maintenance	(931)	(635)	(287)	32	(1,821)
Goodwill, impairment and other charges	-	-	(589)	-	(589)
Depreciation and amortization	(382)	(210)	(146)	(27)	(765)
Taxes other than income taxes	(285)	(128)	(26)	(10)	(449)
Other income and (expenses)	70	(6)	1	(8)	57
Interest charges	(213)	(143)	(133)	(8)	(497)
Income (taxes) benefit	(199)	(137)	(6)	17	(325)
Net income (loss)	369	212	(406)	(24)	151
Noncontrolling interest and preferred dividends	(5)	(4)	(3)	-	(12)
Net income (loss) attributable to Ameren Corporation	$ 364	$ 208	$ (409)	$ (24)	$ 139
2009					
Electric margins	$ 1,983	$ 917	$ 1,012	$ (22)	$ 3,890
Natural gas margins	73	373	-	-	446
Other revenues	4	4	-	(8)	-
Other operations and maintenance	(880)	(590)	(333)	35	(1,768)
Goodwill, impairment and other charges	-	-	(7)	-	(7)

Depreciation and amortization	(357)	(216)	(126)	(26)	(725)
Taxes other than income taxes	(257)	(125)	(28)	(10)	(420)
Other income and (expenses)	56	2	1	(11)	48
Interest charges	(229)	(153)	(119)	(7)	(508)
Income (taxes) benefit	(128)	(79)	(151)	26	(332)
Net income (loss)	265	133	249	(23)	624
Noncontrolling interest and preferred dividends	(6)	(6)	(2)	2	(12)
Net income (loss) attributable to Ameren Corporation	$ 259	$ 127	$ 247	$ (21)	$ 612

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Margins

The following table presents the favorable (unfavorable) variations in the registrants electric and natural gas margins from the previous year. Electric margins are defined as electric revenues less fuel and purchased power costs. Natural gas margins are defined as gas revenues less gas purchased for resale. The table covers the years ended December 31, 2011, 2010, and 2009. We consider electric and natural gas margins useful measures to analyze the change in profitability of our electric and natural gas operations between periods. We have included the analysis below as a complement to the financial information we provide in accordance with GAAP. However, these margins may not be a presentation defined under GAAP, and may not be comparable to other companies presentations or more useful than the GAAP information we provide elsewhere in this report.

2011 versus 2010	**Ameren Missouri**	**Ameren Illinois Regulated Segment**	**Genco**	**Other[a]**	**Ameren**
Electric revenue change:					
Effect of weather (estimate)[b]	$ (29)	$ (7)	$ -	$ -	$ (36)
Regulated rates:					
Higher base rates	172	29	-	-	201
Recovery of FAC under-recovery[c]	89	-	-	-	89
Off-system revenues	53	-	-	-	53
FAC disallowance	(17)	-	-	-	(17)
Transmission services	1	(4)	-	3	-
Illinois pass-through power supply costs	-	(112)	-	(1)	(113)
Energy efficiency programs and environmental remediation cost riders	-	6	-	-	6
Bad debt rider	-	(17)	-	-	(17)
Rate-regulated sales (excluding the impact of abnormal weather)	(37)	(15)	-	-	(52)
Wholesale revenues	(43)	-	-	-	(43)
Merchant Generation sales price changes, including hedge effect	-	-	(58)	(3)	(61)
Net unrealized MTM losses	(2)	-	(4)	(12)	(18)
Non-rate-regulated sales and other	5	(1)	2	11	17
Total electric revenue change	$ 192	$ (121)	$ (60)	$ (2)	$ 9
Fuel and purchased power change:					
Fuel:					
Merchant Generation production volume and other	$ -	$ -	$ (2)	$ 14	$ 12
Fuel and transportation costs included in base rates	(84)	-	-	-	(84)
Recovery of FAC under-recovery[c]	(89)	-	-	-	(89)
Net unrealized MTM losses	-	-	(6)	(2)	(8)
Price Merchant Generation	-	-	(11)	(6)	(17)
Merchant Generation purchased power and other	-	-	6	(37)	(31)
Illinois pass-through power supply costs	-	112	-	1	113
Total fuel and purchased power change	$ (173)	$ 112	$ (13)	$ (30)	$ (104)
Net change in electric margins	**$ 19**	**$ (9)**	**$ (73)**	**$ (32)**	**$ (95)**
Natural gas margins change:					
Effect of weather (estimate)[b]	$ (1)	$ (5)	$ -	$ -	$ (6)
Bad debt rider	-	(14)	-	-	(14)
Change in base rates	5	3	-	-	8
Energy efficiency programs and environmental remediation cost riders	-	(1)	-	-	(1)
Sales (excluding impact of abnormal weather) and other	-	(4)	-	-	(4)
Net change in natural gas margins	**$ 4**	**$ (21)**	**$ -**	**$ -**	**$ (17)**

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2010 versus 2009	Ameren Missouri	Ameren Illinois Regulated Segment	Genco	Other[(a)]	Ameren
Electric revenue change:					
Effect of weather (estimate)[(b)]	$ 134	$ 40	$ -	$ -	$ 174
Regulated rates:					
Higher base rates	162	41	-	-	203
Recovery of FAC under-recovery[(c)]	60	-	-	-	60
Off-system revenues	(102)	-	-	-	(102)
Noranda sales	54	-	-	-	54
Transmission services	7	42	-	-	49
Illinois pass-through power supply costs	-	(83)	-	303	220
Energy efficiency programs and environmental remediation cost riders	-	29	-	-	29
Bad debt rider	-	14	-	-	14
Rate-regulated sales (excluding the impact of abnormal weather)	9	16	-	-	25
Wholesale revenues	(4)	-	-	-	(4)
Merchant Generation sales price changes, including hedge effect	-	-	(81)	(162)	(243)
2007 Illinois Electric Settlement Agreement, net of reimbursement	-	10	10	3	23
Net unrealized MTM gains (losses)	-	-	(1)	50	49
Non-rate-regulated sales and other	10	(13)	50	(17)	30
Total electric revenue change	$ 330	$ 96	$ (22)	$ 177	$ 581
Fuel and purchased power change:					
Fuel:					
Merchant Generation production volume and other	$ -	$ -	$ (38)	$ (9)	$ (47)
Fuel and transportation costs included in base rates	9	-	-	-	9
Recovery of FAC under-recovery[(c)]	(60)	-	-	-	(60)
Net unrealized MTM losses	(29)	-	(18)	(4)	(51)
Price Merchant Generation	-	-	(51)	(20)	(71)
Merchant Generation purchased power and other	-	-	11	50	61
Illinois pass-through power supply costs	-	83	-	(303)	(220)
Total fuel and purchased power change	$ (80)	$ 83	$ (96)	$ (286)	$ (379)
Net change in electric margins	**$ 250**	**$ 179**	**$ (118)**	**$ (109)**	**$ 202**
Natural gas margins change:					
Effect of weather (estimate)[(b)]	$ -	$ 1	$ -	$ -	$ 1
Bad debt rider	-	15	-	-	15
Change in base rates	-	(11)	-	-	(11)
Energy efficiency programs and environmental remediation cost riders	-	1	-	-	1
Net unrealized MTM losses	-	(6)	-	-	(6)
Sales (excluding impact of abnormal weather) and other	2	2	-	(2)	2
Net change in natural gas margins	**$ 2**	**$ 2**	**$ -**	**$ (2)**	**$ 2**

(a) Includes amounts for nonregistrant subsidiaries (largely made up of other Merchant Generation) and intercompany eliminations.
(b) Represents the estimated margin impact resulting from the effects of changes in cooling and heating degree-days on electric and natural gas demand compared to the prior-year based on temperature readings from the National Oceanic and Atmospheric Administration.
(c) Represents the change in the net recovery of fuel costs under the FAC recovered from customer rates, with corresponding offsets to fuel expense.

2011 versus 2010

Ameren

Ameren s electric margins decreased by $95 million, or 2%, in 2011 compared with 2010. The following items had an unfavorable impact on Ameren s electric margins:

Lower sales prices, including hedge effects, at the Merchant Generation segment due to reductions in higher-margin sales resulting from the expiration of the 2006 auction power supply agreements on May 31, 2010, and lower market prices resulting in fewer opportunities for economic power sales, which decreased margins by $61 million.
Excluding the estimated impact of abnormal weather, rate-regulated retail sales volumes declined 1%, attributable to continued economic pressure, energy efficiency measures and customer conservation efforts, which decreased revenues by $52 million.
Lower wholesale sales at Ameren Missouri due to a reduction in customers, the expiration of favorably priced contracts and the inclusion of revenues from the remaining contracts as an offset to fuel costs in the FAC beginning July 31, 2011, which decreased revenues by $43 million.
Summer weather conditions in 2011 were not as hot as a very hot 2010, as evidenced by a 4% decrease in

cooling degree-days, which decreased revenues by $36 million. However, weather conditions in Ameren s service territory in 2011 were still warmer than normal as evidenced by 19% more cooling degree-days.

Net unrealized MTM losses principally at the Merchant Generation segment (primarily at Marketing Company), related to nonqualifying power hedges and fuel-related contracts, which decreased margins by $26 million.

Decreased utilization of Merchant Generation s energy centers, primarily due to planned and unplanned outages and lower market prices resulting in fewer opportunities for economic power sales. Decreased utilization resulted in a $23 million decline in non-rate-regulated sales. This decline was mitigated by a $12 million decrease in Merchant Generation production volume and other costs.

A $17 million reduction in revenues, recorded in the second quarter of 2011, at Ameren Missouri resulting from the MoPSC s order with respect to its FAC disallowance for the period from March 1, 2009, to September 30, 2009. See Note 2 Rate and Regulatory Matters under Part II, Item 8, for further information regarding the FAC prudence review.

Decreased recovery of prior years bad debt expense at Ameren Illinois, through the Illinois bad debt rider, which became effective in March 2010, which decreased margins by $17 million. See Operations and Maintenance in this section for additional information on a related offsetting decrease in bad debt expense.

6% higher fuel prices in the Merchant Generation segment, primarily due to higher commodity and transportation costs associated with new supply contracts, which decreased margins by $17 million.

The following items had a favorable impact on Ameren s electric margins in 2011 compared with 2010:

Higher electric base rates at Ameren Missouri, effective June 2010 and July 2011, which increased revenues by $172 million, offset by an increase in net base fuel expense ($31 million), which was a result of higher net base fuel cost rates approved in the 2010 and 2011 MoPSC rate orders and due to higher fuel and transportation costs. Net base fuel expense is the sum of fuel and transportation costs included in base rates (-$84 million) and off-system revenues (+$53 million) in the above table. See below for additional details regarding the FAC.

Higher electric delivery service rates at Ameren Illinois, effective in early May and November 2010, which increased margins by $20 million, and higher wholesale revenues due to an increase in electric delivery service rates effective April 2011, which increased margins by $9 million. See Note 2 Rate and Regulatory Matters under Part II, Item 8, for further information regarding the 2011 wholesale distribution rate case.

Increased recovery of energy efficiency program costs and environmental remediation costs through Illinois rate-adjustment mechanisms at Ameren Illinois, which increased margins by $6 million. See Other Operations and Maintenance Expenses in this section for information on a related offsetting increase in energy efficiency and environmental remediation costs.

Ameren s revenues associated with Illinois pass-through power supply costs decreased $113 million because of lower power prices on sales primarily to nonaffiliated parties. These revenues were offset by a corresponding net decrease in purchased power.

Ameren Missouri has a FAC cost recovery mechanism that allows Ameren Missouri to recover, through customer rates, 95% of changes in fuel and purchased power costs, net of off-system revenues, including MISO costs and revenues, greater or less than the amount set in base rates, without a traditional rate proceeding. Ameren Missouri accrued, as a regulatory asset, fuel and purchased power costs that were greater than the amount set in base rates (FAC under-recovery). Net recovery of fuel costs under the FAC through customer rates increased by $89 million in 2011, as compared with 2010, with corresponding offsets to fuel expense to reduce the previously recognized FAC regulatory asset. See below for explanations of electric and natural gas margin variances for the Ameren Missouri segment.

Ameren s natural gas margins decreased by $17 million, or 4%, in 2011 compared with 2010. The following items had an unfavorable impact on Ameren s natural gas margins:

Decreased recovery of prior years bad debt expense through the Illinois bad debt rider at Ameren Illinois, which became effective March 2010, decreased margins by $14 million. See Other Operations and Maintenance Expenses in this section for additional information on a related offsetting decrease in bad debt expense.

Unfavorable winter weather conditions, as evidenced by a 6% decrease in heating degree-days, which decreased revenues by $6 million. Compared to normal, Ameren experienced 3% fewer heating degree-days in 2011.

4% lower native load sales volumes, excluding the estimated impact of abnormal weather, largely in the commercial and industrial sectors, attributable to continued economic pressure decreased margins by $4 million.

Ameren s natural gas margins were favorably affected by $8 million in 2011 compared with 2010 due to higher natural gas rates effective February 2011 at Ameren Missouri and effective in May and November 2010 at Ameren Illinois.

Ameren Missouri

Ameren Missouri has a FAC cost recovery mechanism, which is outlined in the Ameren margin section above.

Ameren Missouri s electric margins increased by $19 million, or 1%, in 2011 compared with 2010. Ameren Missouri s electric margins were favorably affected by

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higher electric base rates, effective in June 2010 and July 2011 ($172 million), offset by increased net base fuel expense ($31 million), which was a result of higher net base fuel cost rates approved in the 2010 and 2011 MoPSC rate orders and due to higher fuel and transportation costs. Net base fuel expense is the sum of fuel and transportation costs included in base rates (-$84 million) and off-system revenues (+$53 million) in the above table.

The following items had an unfavorable impact on Ameren Missouri s electric margins in 2011 compared with 2010:

- Lower wholesale sales due to a reduction in customers, the expiration of favorably priced contracts, and the inclusion of revenues from the remaining contracts as an offset to fuel costs in the FAC beginning July 31, 2011, which decreased revenues by $43 million.
- Excluding the estimated impact of abnormal weather, rate-regulated retail sales volumes declined by 1%, attributable to continued economic pressure, energy efficiency measures, and customer conservation efforts, which decreased revenues by $37 million.
- Summer weather conditions in 2011 were not as hot as a very hot 2010, as evidenced by a 3% decrease in cooling degree-days, which decreased revenues by $29 million. However, weather conditions in Ameren Missouri s service territory in 2011 were still warmer than normal as evidenced by 20% more cooling degree-days.
- A $17 million reduction in revenues, recorded in the second quarter of 2011, resulting from the MoPSC s order with respect to its FAC disallowance for the period from March 1, 2009 to September 30, 2009. See Note 2 - Rate and Regulatory Matters under Part II, Item 8, for further information regarding the FAC prudence review.

Ameren Missouri s natural gas margins increased by $4 million, or 5%, in 2011 compared with 2010. Ameren Missouri s natural gas margins were favorably affected by higher natural gas rates, effective February 2011, which increased margins by $5 million.

Ameren Illinois Regulated Segment

Ameren Illinois has a cost recovery mechanism for power purchased on behalf of its customers. These pass-through power costs do not affect margins; however, the electric revenues and offsetting purchased power costs may fluctuate, primarily because of customer switching to alternative power providers and usage. Ameren Illinois does not generate earnings based on the resale of power, but rather on the delivery of energy.

Ameren Illinois electric margins decreased by $9 million, or 1%, in 2011 compared with 2010. The following items had an unfavorable impact on electric margins:

- Decreased recovery of prior years bad debt expense under the Illinois bad debt rider, which became effective in March 2010, which decreased margins by
$17 million. See Operations and Maintenance in this section for additional information on a related offsetting decrease in bad debt expense.
- Continued economic pressure, energy efficiency measures, and customer conservation efforts, which decreased revenues by $15 million.
- Summer weather conditions in 2011 were not as hot as a very hot 2010, as evidenced by a 5% decrease in cooling degree-days, which decreased revenues by $7 million. However, weather conditions in Ameren Illinois service territory in 2011 were still warmer than normal as evidenced by 18% more cooling degree-days.

The following items had a favorable impact on Ameren Illinois electric margins in 2011 compared with 2010:

- Higher electric delivery service rates, effective in early May and November 2010, increased margins by $20 million and higher wholesale revenues due to an increase in electric delivery service rates effective April 2011, which increased margins by $9 million. See Note 2 Rate and Regulatory Matters under Part II, Item 8, for further information regarding the 2011 wholesale distribution rate case.
- Increased recovery of energy efficiency program costs and environmental remediation costs through Illinois rate-adjustment mechanisms, which increased margins by $6 million. See Operations and Maintenance in this section for information on a related offsetting increase in energy efficiency and environmental remediation costs.

Ameren Illinois natural gas margins decreased by $21 million, or 6%, in 2011 compared with 2010. The following items had an unfavorable impact on Ameren Illinois natural gas margins:

- Decreased recovery of prior years bad debt expense under the Illinois bad debt rider, which became effective March 2010, which decreased margins by $14 million. See Other Operations and Maintenance Expenses in this section for additional information on a related offsetting decrease in bad debt expense.
- Unfavorable winter weather conditions, as evidenced by a 5% decrease in heating degree-days, decreased revenues by $5 million. However, compared to normal, Ameren Illinois experienced in 2011 a 2% decrease in heating degree-days.
- Native load sales volumes declined by 4%, excluding the estimated impact of abnormal weather, largely in the commercial and industrial sectors, attributable to continued economic pressure, which decreased revenues by $4 million.

Ameren Illinois gas margins were favorably affected by $3 million due to higher natural gas rates effective in May and November 2010.

Merchant Generation

Merchant Generation s electric margins decreased by $112 million, or 14%, in 2011 compared with 2010. See below for explanations of electric margin variances for the Merchant Generation segment.

Genco

Genco s electric margins decreased by $73 million, or 13%, in 2011 compared with 2010. The following items had an unfavorable impact on electric margins:

- Lower revenues allocated to Genco under its power supply agreement (Genco PSA) with Marketing Company. There was a smaller pool of money to allocate because of reductions in higher-margin sales, after the expiration of long-term contracts and because of lower market prices. However, in accordance with the Genco PSA, Genco was allocated a higher percentage of revenues from the pool because of higher reimbursable expenses and greater levels of generation relative to AERG. Genco also experienced lower market prices associated with EEI s power supply agreement with Marketing Company (EEI PSA). The combined impact of lower market prices under both power supply agreements resulted in an unfavorable price variance, which reduced revenues by $58 million. The decrease in revenues was mitigated by a favorable settlement of a contract dispute with a large customer in the second quarter of 2011.
- 5% higher fuel prices, primarily due to higher commodity and transportation costs associated with escalations in existing transportation agreements and new commodity supply agreements, which decreased margins by $11 million.
- Net unrealized MTM activity on fuel-related transactions, primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts, and on nonqualifying power hedges, which decreased margins by $10 million.

Genco s energy center utilization in 2011 was comparable with 2010. Genco s production volume increased electric revenues by $2 million, which was offset by a $2 million increase in Merchant Generation production volume and other costs. Genco s average capacity factor remained unchanged at 71% in 2011 and 2010, but Genco s equivalent availability factor decreased to 86% in 2011, compared with 88% in 2010.

Other Merchant Generation

Electric margins from Ameren s other Merchant Generation operations, primarily AERG and Marketing Company, decreased by $39 million, or 16%, in 2011 compared with 2010. The following items had an unfavorable impact on electric margins:

- Decreased energy center utilization at AERG, primarily due to planned and unplanned outages and lower market prices resulting in fewer opportunities for economic power sales. AERG s lower production volume decreased electric revenues by $25 million, mitigated by a $14 million decline in Merchant Generation production volume and other costs. AERG s average capacity factor decreased to 73% in 2011, compared with 75% in 2010, and AERG s equivalent availability factor decreased to 81% in 2011, compared with 85% in 2010.
- Unfavorable net unrealized MTM activity, principally at Marketing Company, largely related to nonqualifying power hedges, which decreased margins by $15 million.
- 6% higher fuel prices at AERG, primarily due to higher commodity and transportation costs associated with escalations in existing transportation agreements and new commodity supply agreements, decreased margins by $6 million.
- Lower revenues allocated to AERG under its power supply agreement (AERG PSA) with Marketing Company. There was a smaller pool of money to allocate because of reductions in higher-margin sales, after the expiration of long-term contracts and because of lower market prices. In accordance with the AERG PSA, AERG was also allocated a lower percentage of revenues from the pool because of lower reimbursable expenses and lower levels of generation relative to Genco. The lower market prices resulted in an unfavorable price variance, which decreased revenues by $3 million. The decrease in revenues was mitigated by a favorable settlement of a contract dispute with a large customer in the second quarter of 2011.

2010 versus 2009

Ameren

Ameren s electric margins increased by $202 million, or 5%, in 2010 compared with 2009. The following items had a favorable impact on Ameren s electric margins:

- Favorable weather conditions, as evidenced by a 52% increase in cooling degree-days, which increased revenues by $174 million. Weather conditions in Ameren s service territory were warmer than normal, as evidenced by 35% more cooling degree-days.

Higher electric base rates at Ameren Missouri, effective March 2009 and June 2010, which increased revenues by $162 million, offset by net base fuel expense ($93 million), which was a result of higher net base fuel cost rates approved in the 2010 MoPSC rate order and due to higher fuel and transportation costs and reduced off-system revenues. Net base fuel expense is the sum of fuel and transportation costs included in base rates (+$9 million) and off-system revenues (-$102 million) in the above table. See below for additional details regarding the FAC.

Increased Ameren Missouri sales to Noranda in 2010, as its smelter plant gradually returned to full capacity in March 2010, after a severe January 2009 storm significantly reduced the plant s capacity, which increased revenues by $54 million.

Higher transmission revenues primarily associated with higher FERC-regulated transmission rates at Ameren Illinois, which increased margins by $49 million. Higher rates were due, in part, to a significant increase in transmission assets placed into service at Ameren Illinois during 2009, higher equity levels as a result of Ameren s capital contributions to Ameren Illinois in 2009 to improve its credit profile, and mild 2009 weather.

Higher electric delivery service rates at Ameren Illinois, effective in early May and November 2010, as well as the adjustment of residential electric delivery rates effective in October 2009, to recover the full increase of IP s 2008 ICC rate order, which increased margins by $41 million.

Net unrealized MTM activity principally at the Merchant Generation segment (primarily at Marketing Company), related to nonqualifying power hedges, which increased margins by $49 million.

Increased recovery of energy efficiency program costs and environmental remediation costs through Illinois rate-adjustment mechanisms at Ameren Illinois, which increased margins by $29 million. See Operations and Maintenance in this section for information on a related offsetting increase in energy efficiency program costs and environmental remediation costs.

Excluding the impact of Ameren Missouri s increased sales to Noranda and the estimated impact of abnormal weather, rate-regulated retail sales volumes increased by 3%, largely because of improved economic conditions, which increased revenues by $25 million.

A reduction in the impact of the 2007 Illinois Electric Settlement Agreement, which increased margins by $23 million.

Increased recovery of prior years bad debt expense through the Illinois bad debt rider at Ameren Illinois, which became effective March 2010, which increased margins by $14 million. See Operations and Maintenance in this section for additional information on a related offsetting increase in bad debt expense.

The following items had an unfavorable impact on Ameren s electric margins for 2010 compared with 2009:

Reductions in higher-margin sales at the Merchant Generation segment after the expiration of the 2006 auction power supply agreements on May 31, 2010, and lower market prices that resulted in fewer opportunities for economic power sales, which decreased margins by $243 million.

14% higher fuel prices in the Merchant Generation segment, primarily due to higher commodity and transportation costs associated with new supply contracts, which decreased margins by $71 million.

In the first quarter of 2009, the reversal of previously unrealized losses related to regulatory assets resulted in the recognition of a $29 million net MTM gain on energy and fuel-related contracts at Ameren Missouri. After the implementation of Ameren Missouri s FAC in March 2009, Ameren Missouri s net MTM gains or losses no longer affect electric margins. Net unrealized MTM activity at the Merchant Generation segment on fuel-related transactions, primarily associated with financial instruments acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts, reduced margins by $20 million.

Ameren s Illinois pass-through power supply costs reflect lower power prices and the expiration of intercompany power supply agreements between Ameren

Illinois and Marketing Company. Ameren Illinois purchased power from Marketing Company from January 1, 2007, through May 31, 2010, under power supply agreements entered into following a 2006 Illinois power procurement auction. The purchases and sales under these agreements were eliminated in consolidation for Ameren s financial statements. Subsequent to the expiration of these agreements in May 2010, Marketing Company s power sales and Ameren Illinois power purchases have been made primarily with nonaffiliated parties. As a result, Ameren s consolidated revenues increased by a net $220 million in 2010 compared with 2009. These revenues were offset by a corresponding $220 million net increase in purchased power costs.

Ameren Missouri has a FAC cost recovery mechanism that allows Ameren Missouri to recover, through customer rates, 95% of changes in fuel and purchased power costs, net of off-system revenues, including MISO costs and revenues, greater or less than the amount set in base rates, without a traditional rate proceeding. Ameren Missouri accrued, as a regulatory asset, fuel and purchased power costs that were greater than the amount set in base rates (FAC under-recovery). Net recovery of fuel costs under the FAC through customer rates increased by $60 million in 2010, as compared with 2009, with corresponding offsets to fuel expense to reduce the previously recognized FAC regulatory asset. See below for explanations of electric and natural gas margin variances for the Ameren Missouri segment.

Ameren s natural gas margins increased by $2 million, or less than 1%, in 2010 compared with 2009. The following items had a favorable impact on Ameren s natural gas margins:

Increased recovery of prior years bad debt expense through the Illinois bad debt rider at Ameren Illinois, effective March 2010, which increased margins by $15 million. See Operations and Maintenance in this section for additional information on a related offsetting increase in bad debt expense.

Favorable higher-margin customer mix that was mitigated by a 2% decrease in sales volumes, which increased margins by $2 million.

The following items had an unfavorable impact on Ameren s natural gas margins in 2010 compared with 2009:

- Lower natural gas rates effective early May 2010 at Ameren Illinois, which reduced margins by $11 million.
- The absence of net unrealized MTM gains in 2010 of $6 million on natural gas swaps.

Ameren Missouri

Ameren Missouri has a FAC cost recovery mechanism as discussed in the Ameren margin discussion above.

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Ameren Missouri s electric margins increased by $250 million, or 13%, in 2010 compared with 2009. The following items had a favorable impact on Ameren Missouri s electric margins:

- Higher electric base rates, effective March 2009 and June 2010, which increased revenues by $162 million, offset by net base fuel expense ($93 million), which was a result of higher net base fuel cost rates approved in the 2010 MoPSC rate order and due to higher fuel and transportation costs and reduced off-system revenues. Net base fuel expense is the sum of fuel and transportation costs included in base rates (+$9 million) and off-system revenues (-$102 million) in the above table.
- Favorable weather conditions, as evidenced by a 44% increase in cooling degree-days, which increased revenues by $134 million. Weather conditions in Ameren Missouri s service territory were warmer than normal as evidenced by 45% more cooling degree-days.
- Increased sales to Noranda in 2010 as its smelter plant gradually returned to full capacity in March 2010, after a severe January 2009 storm significantly reduced the plant s capacity, which increased electric revenues by $54 million.
- Taum Sauk energy center s return to service. Although Taum Sauk was not available to generate electricity for off-system revenues during 2009, Ameren Missouri had included $19 million in the calculation of the FAC as if Taum Sauk had generated off-system revenues. Upon Taum Sauk s return to service in April 2010, Ameren Missouri s margins increased. The adjustment factor was eliminated from the FAC calculation, which increased margins by $12 million.
- Excluding the impact of increased sales to Noranda and the estimated impact of abnormal weather, rate-regulated retail sales volumes increased by less than 1%, largely because of improved economic conditions, which increased revenues by $9 million.

Ameren Missouri s electric margin was unfavorably affected by the reversal of previously unrealized losses to regulatory assets, which resulted in the recognition of a $29 million net MTM gain on energy and fuel-related contracts in the first quarter of 2009. This benefit did not recur in 2010. After the implementation of the FAC in March 2009, net MTM gains or losses no longer affect electric margins.

Ameren Missouri s natural gas margins increased by $2 million, or 3%, in 2010 compared with 2009 because of a 2% increase in sales volumes, largely due to improved economic conditions.

Ameren Illinois Regulated Segment

Ameren Illinois has a cost recovery mechanism for power purchased on behalf of its customers. These pass-through power costs do not affect margins; however, the electric revenues and offsetting purchased power costs may fluctuate, primarily because of customer switching to alternative providers and usage.

Ameren Illinois electric margins increased by $179 million, or 20%, in 2010 compared with 2009. The following items had a favorable impact on electric margins:

- Higher transmission revenues primarily associated with higher FERC-regulated transmission rates, which increased revenues by $42 million. Higher rates were due, in part, to an increase in transmission assets placed into service during 2009, higher equity levels resulting from Ameren s capital contributions to IP in 2009, and mild 2009 weather.
- Higher electric delivery service rates, effective in early May and November 2010, as well as the adjustment of residential electric delivery rates effective October 1, 2009, at IP to recover the full increase of the 2008 ICC rate order, which increased margins by $41 million.
- Favorable weather conditions, as evidenced by a 65% increase in cooling degree-days, which increased revenues by $40 million. Weather conditions in Ameren Illinois service territory were warmer than normal, as evidenced by 23% more cooling degree-days.
- Increased recovery of energy efficiency program costs and environmental remediation costs through Illinois rate-adjustment mechanisms, which increased margins by $29 million. See Operations and Maintenance in this section for information on a related offsetting increase in energy efficiency program costs and environmental remediation costs.
- Increased recovery of prior years bad debt expense under the Illinois bad debt rider, effective March 2010, which increased margins by $14 million. See Operations and Maintenance in this section for additional information on a related offsetting increase in bad debt expense.
- A reduction in the impact of the 2007 Illinois Electric Settlement Agreement, which increased margins by $10 million.

Ameren Illinois natural gas margins increased by $2 million, or 1%, in 2010 compared with 2009. The following items had a favorable impact on natural gas margins:

- Increased recovery of prior years bad debt expense under the Illinois bad debt rider, effective March 2010, which increased margins by $15 million. See Operations and Maintenance in this section for additional information on a related offsetting increase in bad debt expense.
- A higher-margin customer mix that was mitigated by a 3% decrease in sales volumes, which increased margins by $2 million.

The following items had an unfavorable impact on Ameren Illinois natural gas margins in 2010 compared with 2009:

- Lower natural gas rates effective early May 2010, which reduced margins by $11 million.
- The absence of net unrealized MTM gains in 2010 of $6 million on natural gas swaps, as occurred in 2009.

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Merchant Generation

Merchant Generation s electric margins decreased by $232 million, or 23%, in 2010 compared with 2009. See below for explanations of electric margin variances for the Merchant Generation segment.

Genco

Genco s electric margins decreased by $118 million, or 18%, in 2010 compared with 2009. The following items had an unfavorable impact on electric margins:

- Lower revenues allocated to Genco under its power supply agreement (Genco PSA) with Marketing Company. There was a smaller pool of money to allocate because of reductions in higher-margin sales, after the expiration of older long-term contracts and because of lower market prices. The lower market prices associated with the Genco PSA were mitigated by higher market prices associated with EEI s power supply agreement with Marketing Company (EEI PSA). The net impact of lower market prices under both power supply agreements reduced electric revenues by $81 million. In accordance with the Genco PSA, Genco was also allocated a lower percentage of revenues from the pool because of lower reimbursable expenses and lower generation relative to AERG.
- 14% higher fuel prices, primarily due to higher commodity and transportation costs associated with new supply contracts, which decreased margins by $51 million.
- Net unrealized MTM activity on fuel-related transactions primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts, which reduced margins by $19 million.

The following items had a favorable impact on Genco s electric margins in 2010 compared with 2009:

- A reduction in the impact of the 2007 Illinois Electric Settlement Agreement, which increased margins by $10 million.
- Increased energy center utilization, primarily due to more economic sales opportunities and a reduction in transmission constraints, which previously limited the period in which power could be sold. In addition, one of Genco s coal-fired energy centers experienced a transformer fire in September 2009, which put two units out of service for a time in 2009. The higher production volume contributed to the $50 million increase in electric revenues, which was mitigated by higher Merchant Generation production volume and other costs of $38 million. Genco s baseload coal-fired energy centers average capacity factor increased to 71% in 2010, compared with 67% in 2009, and Genco s equivalent availability factor increased to 88% in 2010, compared with 82% in 2009.

Other Merchant Generation

Electric margins from Ameren s other Merchant Generation operations, primarily AERG and Marketing

Company, decreased by $114 million, or 32%, in 2010 compared with 2009. The following items had an unfavorable impact on electric margins:

- Lower revenues allocated to AERG under its power supply agreement (AERG PSA) with Marketing Company. There was a smaller pool of money to allocate because of reductions in higher-margin sales after the expiration of older long-term contracts and because of lower market prices. These items reduced electric margins by $162 million. However, in accordance with the AERG PSA, AERG was allocated a greater percentage of revenues from the pool because of higher reimbursable expenses and higher generation relative to Genco.
- 19% higher fuel prices at AERG primarily due to higher commodity and transportation costs associated with new supply contracts, which decreased margins $20 million.

The following items had a favorable impact on the electric margins of other Merchant Generation operations in 2010 compared with 2009:

- Net unrealized MTM activity at Marketing Company improved margins by $46 million, largely related to nonqualifying power hedges.
- A reduction in the impact of the 2007 Illinois Electric Settlement Agreement at AERG, which increased margins by $4 million.
- Increased energy center utilization at AERG, primarily due to more opportunities for economic sales and a reduction in energy center outages. The higher production volume increased electric revenues by $37 million, which was partially offset by higher Merchant

Generation production volume and other costs of $9 million. AERG s baseload coal-fired energy centers average capacity factor increased to 75% in 2010, compared with 69% in 2009, while AERG s equivalent availability factor increased to 85% in 2010, compared with 78% in 2009.

Other Operations and Maintenance Expenses

2011 versus 2010

Ameren Corporation

Other operations and maintenance expenses were comparable between 2011 and 2010.

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

Charges in 2010 of $22 million due to cancelled or unrecoverable projects at Ameren Missouri that did not recur in 2011.

A decrease of $20 million in plant maintenance costs, primarily because the scope of the outages in 2011 were not as extensive as the scope of the outages performed in 2010. Costs associated with the 2011 refueling and maintenance outage at Ameren Missouri s Callaway energy center were consistent with costs incurred for the 2010 refueling and maintenance outage.

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A $17 million decrease in bad debt expense. Bad debt expense decreased primarily because of adjustments under the Ameren Illinois bad debt rider mechanism. Expense recorded under the Ameren Illinois bad debt rider mechanism is recovered through customer billings, with no overall effect on net income.

A $5 million decrease in employee benefit costs, primarily because of adjustments under Ameren Missouri s pension and postretirement benefit cost tracker.

Disciplined cost management efforts to align spending with regulatory outcomes and economic conditions.

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

A $34 million increase in storm-related repair costs, due to major storms in 2011.

Recognition of $28 million of employee severance costs related to the voluntary separation offers to eligible Ameren Missouri and Ameren Services employees in 2011, $27 million of which Ameren Missouri will seek to recover in its pending electric rate case.

A reduction in other operations and maintenance expenses in 2010 by $11 million for a May 2010 MoPSC rate order, which resulted in the recording of regulatory assets related to 2009 employee severance costs and storm costs.

An unfavorable change of $9 million in unrealized net MTM adjustments between years, resulting from changes in the market value of investments used to support Ameren s deferred compensation plans.

A $5 million increase in Ameren Illinois energy efficiency and environmental remediation costs, which are recovered through customer billings and offset by increased revenues, with no overall impact on net income.

Variations in other operations and maintenance expenses in Ameren s business segments and for the Ameren Companies between 2011 and 2010 were as follows:

Ameren Missouri

Other operations and maintenance expenses were comparable between years.

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

Recognition of $27 million of employee severance costs because of a voluntary separation plan in 2011.

A $21 million increase in storm-related repair costs, due to major storms in 2011.

A reduction in other operations and maintenance expenses in 2010 by $11 million for the May 2010 MoPSC rate order discussed above.

An unfavorable change of $5 million in unrealized net MTM adjustments between years, resulting from changes in the market value of investments used to support Ameren s deferred compensation plans.

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

Plant maintenance costs decreased by $23 million, primarily because the scope of the outages in 2011 were not as extensive as the scope of the outages performed in 2010.

Charges in 2010 of $22 million because of cancelled or unrecoverable projects.

A $9 million decrease in employee benefit costs, primarily because of adjustments under the pension and postretirement benefit cost tracker.

Disciplined cost management efforts to align spending with regulatory outcomes and economic conditions.

Ameren Illinois Regulated Segment

Other operations and maintenance expenses were comparable in 2011 with 2010.

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

A $13 million increase in storm-related repair costs, due to major storms in 2011.

- Energy efficiency and environmental remediation costs increased by $5 million, as discussed above.
- Injuries and damages expenses were higher by $4 million because of increased claims.
- Expenses of $3 million associated with the electric rate case in 2011 were written-off because the rate case was withdrawn after passage of the IEIMA.
- A reduction in other operations and maintenance expenses in 2010 by $3 million for a May 2010 ICC rate order, which resulted in the recording of a regulatory asset related to 2009 employee severance costs.

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

- A $19 million reduction in bad debt expense. Adjustments of $31 million under the bad debt rider mechanism were partially offset by higher uncollectible expense.
- A reduction of $5 million in non-storm-related distribution maintenance expenditures due, in part, to cost management efforts.

Merchant Generation and Genco

Other operations and maintenance expenses were comparable between years in the Merchant Generation segment as increased employee benefit costs, primarily pension costs, as well as higher plant maintenance costs resulting from increased planned outages at AERG, mitigated the favorable impact of property sale gains at Genco.

Other operations and maintenance expenses decreased by $12 million in 2011 at Genco, primarily because of a $7 million increase in gains on property sales.

2010 versus 2009

Ameren Corporation

Other operations and maintenance expenses increased by $53 million in 2010 compared with 2009.

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

- Increased plant maintenance and labor costs of $39 million associated with a refueling and maintenance outage at the Callaway energy center and an increase of $16 million for other scheduled coal-fired plant outages, the installation of scrubbers at Ameren Missouri s Sioux energy center, and other maintenance work. There was no Callaway energy center refueling and maintenance outage in 2009.
- A $46 million increase in bad debt expense. The July 2009 capitalization and recovery of prior years bad debt expense under the Ameren Illinois bad debt rate adjustment mechanism (net of a related donation for customer assistance programs) reduced bad debt expense in 2009. Additionally, bad debt expense increased in 2010, because of amortization of regulatory assets set up in conjunction with the Ameren Illinois bad debt rate adjustment mechanism in 2009. Amortization expense associated with these regulatory assets was offset by increased revenues through collection from customers, with no overall impact on net income.
- Increased Ameren Illinois energy efficiency program costs and environmental remediation costs of $30 million. Energy efficiency program costs are allowed to be recovered from customers under the 2007 Illinois Electric Settlement Agreement; environmental remediation costs associated with MGPs are recoverable from customers through Ameren Illinois environmental adjustment rate riders. Accordingly, these costs are offset by increased revenues, with no overall impact on net income. See Note 2 Rate and Regulatory Matters and Note 15 Commitments and Contingencies under Part II, Item 8, of this report for additional information.
- An unfavorable change of $7 million in unrealized net MTM adjustments between years, resulting from changes in the market value of investments used to support Ameren s deferred compensation plans.

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

- The absence in 2010 of major storms, such as those in 2009, which resulted in a $27 million reduction in other operations and maintenance expenses.
- Severance costs of $17 million for employee separation programs recognized in 2009, as compared with $4 million in 2010.
- A May 2010 MoPSC electric rate order, which resulted in Ameren Missouri recording regulatory assets in 2010 related to employee severance costs, and storm costs incurred in 2009, which decreased expenses by $11 million.
- A reduction in labor costs of $10 million, primarily because of staff reductions.
- Items that unfavorably affected Ameren in 2009 that did not recur in 2010: a $5 million penalty incurred for the termination of a heavy forgings contract associated
with efforts to build a new nuclear unit at Ameren Missouri s Callaway energy center and a $5 million write-off of Ameren s investment in a supply acquisition partnership.
- A gain on the sale of property interests at Genco recognized in 2010.

Variations in other operations and maintenance expenses in Ameren s business segments and for the Ameren Companies between 2010 and 2009 were as follows:

Ameren Missouri

Other operations and maintenance expenses increased by $51 million in 2010.

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

- Plant maintenance and labor costs increased by $39 million as a result of the Callaway energy center refueling and maintenance outage and by $34 million for other scheduled coal-fired plant outages, the installation of scrubbers at the Sioux energy center, and other maintenance work and plant-related costs.
- An unfavorable change of $4 million in unrealized net MTM adjustments between years resulting from changes in the market value of investments used to support Ameren s deferred compensation.
- Higher bad debt expense of $5 million, primarily due to higher customer billings resulting from rate increases and weather conditions.

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

The absence of major storms, such as those in 2009, which resulted in a decrease in other operations and maintenance expenses of $13 million.

The recording of regulatory assets in 2010 related to employee severance costs and storm costs incurred in 2009, as discussed above.

The absence of severance costs for employee separation programs and the absence of the forgings contract penalty recognized in 2009, as discussed above.

Ameren Illinois Regulated Segment

Other operations and maintenance expenses increased by $45 million in 2010.

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

A $40 million increase in bad debt expense resulting from the July 2009 capitalization and recovery of prior years bad debt expense under the Ameren Illinois bad debt rate adjustment mechanism (net of a related donation for customer assistance programs), which decreased bad debt expense in 2009, and the amortization in 2010 of regulatory assets set up in

conjunction with the Ameren Illinois bad debt rate adjustment mechanism in 2009.
Energy efficiency and environmental remediation costs increased by $30 million, as discussed above.

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

The absence of major storms in 2010, as compared with storm costs of $16 million in 2009.
A reduction of $9 million in employee benefit costs due, in part, to the absence of severance costs in 2010 such as those incurred in 2009.

Merchant Generation

Other operations and maintenance expenses decreased by $46 million in 2010 in the Merchant Generation segment, primarily because of variations at Genco, as discussed below. Additionally, other operations and maintenance expenses decreased at AERG, primarily because of lower labor costs due to staff reductions, and reduced severance costs due to employee separation programs that were implemented in 2009.

Genco

Other operations and maintenance expenses decreased by $35 million in 2010. Plant maintenance costs were lower by $16 million due to the retirement in 2009 of two generation units at Genco s Meredosia energy center and other reductions in required maintenance work. Additionally, other operations and maintenance costs were lower due to a $7 million reduction in employee benefit costs, due, in part, to reduced severance costs because of employee separation programs in 2009, a $5 million decline in labor costs resulting from staff reductions, and a property sale gain in 2010.

Goodwill, Impairment and Other Charges

The following table summarizes goodwill, impairment and other charges for the years ended December 31, 2011, 2010, and 2009:

	Long-lived Assets and Related Charges	Emission Allowances	Goodwill	Total
2011:				
AMO	**$ 89**	**$ -**	**$ -**	**$ 89**
Genco	**34**	**1**	**-**	**35**
AERG	**-**	**1**	**-**	**1**
Ameren	**$ 123**	**$ 2**	**$ -**	**$ 125**
2010:				
Genco	$ 64	$ 41	$ 65	$ 170
AERG	37	27	355	419
Ameren	$ 101	$ 68	$ 420	$ 589
2009:				
Genco	$ 6	$ -	$ -	$ 6
AERG	1	-	-	1
Ameren	$ 7	$ -	$ -	$ 7

See Note 1 Summary of Significant Accounting Policies, Note 2 Rate and Regulatory Matters, Note 15 Commitment and Contingencies, and Note 17 Goodwill, Impairment and Other Charges under Part II, Item 8, of this report for additional information.

Ameren Corporation

Goodwill, impairment and other charges decreased by $464 million in 2011. Ameren Missouri and Genco recorded long-lived asset impairments and related charges in 2011, which are discussed individually below. Additionally, Ameren and Genco recorded intangible asset impairment charges in 2011 relating to emission allowances of $2 million and $1 million, respectively. Larger impairments were recorded in 2010, when Ameren recognized noncash, pretax impairment charges relating to goodwill, long-lived assets, and emission allowances within the Merchant Generation segment. The impairments recorded in 2010 in the Merchant Generation segment were caused by a sustained decline in market prices for electricity, industry market multiples becoming observable at lower levels than previously estimated, and potentially more stringent environmental regulations being enacted.

Ameren Missouri

In July 2011, the MoPSC issued an electric rate order that disallowed the recovery of costs of enhancements relating to the rebuilding of the Taum Sauk energy center in excess of the amounts recovered from property insurance. As a result, Ameren Missouri recorded a pretax charge to earnings of $89 million in 2011. See Note 2 Rate and Regulatory Matters to our financial statements under Part II, Item 8, of this report for additional information on the disallowance, including Ameren Missouri s appeal of the MoPSC s July 2011 electric rate order.

Merchant Generation and Genco

At the end of 2011, Genco ceased operations of its Meredosia and Hutsonville energy centers. The closure of these energy centers was primarily the result of the expected cost of complying with the CSAPR and the MATS. Genco determined that environmental compliance options for these four units were uneconomical. Another factor driving the closure of these energy centers was a lack of a multiyear capacity market managed by MISO, without which Genco was not positioned to make the substantial investment for environmental controls that would be required to keep these units in service. As a result of these closures, Ameren and Genco each recorded a charge to earnings in 2011 of $34 million. Larger impairments were recorded in 2010, when Ameren and Genco recognized noncash, pretax impairment charges relating to goodwill, long-lived assets, and emission allowances.

In 2009, Genco recorded asset impairment charges of $6 million as a result of the termination of a rail line extension project at a subsidiary of Genco and to adjust the carrying value of an office building owned by Genco to its estimated fair value as of December 31, 2009. In addition, AERG recorded an asset impairment charge of $1 million to adjust the carrying value of its Indian Trails generation facility s estimated fair value as of December 31, 2009.

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Depreciation and Amortization

2011 versus 2010

Ameren Corporation

Ameren s depreciation and amortization expenses increased by $20 million in 2011 compared with 2010, because of items noted below. Partially mitigating these increases was an $8 million reduction in depreciation and amortization expenses at Ameren Services, primarily because of computer equipment becoming fully-depreciated during 2011.

Variations in depreciation and amortization expenses in Ameren s business segments and for the Ameren Companies between 2011 and 2010 were as follows:

Ameren Missouri

Depreciation and amortization expenses increased by $26 million in 2011, primarily because of increased depreciation and amortization expense resulting from the installation of scrubbers at the Sioux energy center and other capital additions. Additionally, an increase in Ameren Missouri s annual depreciation rates as a result of the 2010 MoPSC electric rate order resulted in higher depreciation and amortization expenses.

Ameren Illinois Regulated Segment

Depreciation and amortization expenses increased by $5 million in 2011, primarily because of capital additions.

Merchant Generation and Genco

Depreciation and amortization expenses were comparable between years in the Merchant Generation Segment and at Genco.

2010 versus 2009

Ameren Corporation

Ameren s depreciation and amortization expenses increased by $40 million in 2010 compared with 2009, because of items noted below.

Variations in depreciation and amortization expenses in Ameren s business segments and for the Ameren Companies between 2010 and 2009 were as follows:

Ameren Missouri

Depreciation and amortization expenses increased by $25 million in 2010, primarily because of capital additions and an increase in Ameren Missouri s annual depreciation rates due largely to the adoption of the life span depreciation methodology as a result of the 2010 MoPSC electric rate order.

Ameren Illinois Regulated Segment

Depreciation and amortization expenses decreased by $6 million in 2010, primarily because of a reduction in amortization of regulatory assets. An ICC rate order in April 2010 extended the amortization period of the IP integration-related regulatory asset. See Note 2 Rate and Regulatory Matters to our financial statements under Part II, Item 8, of this report for additional information.

Merchant Generation and Genco

Depreciation and amortization expenses increased by $20 million in 2010 in the Merchant Generation segment, primarily because depreciation and amortization expenses increased by $17 million in 2010 at Genco, due to capital additions and increased depreciation rates resulting from depreciation studies performed in 2009.

Taxes Other Than Income Taxes

2011 versus 2010

Ameren Corporation

Taxes other than income taxes increased by $8 million in 2011 compared with 2010, primarily because of items noted below at Ameren Missouri.

Variations in taxes other than income taxes in Ameren s business segments and for the Ameren Companies between 2011 and 2010 were as follows:

Ameren Missouri

Taxes other than income taxes increased by $11 million in 2011, primarily because of increased property taxes, due to higher state and local assessments and higher tax rates, and higher gross receipts taxes from increased revenues.

Ameren Illinois Regulated Segment

Taxes other than income taxes were comparable between years. Increased property taxes in 2011, primarily due to higher tax rates, were mitigated by the absence of franchise taxes that were incurred in 2010 in association with the Ameren Illinois Merger.

Merchant Generation and Genco

Taxes other than income taxes were comparable between years in the Merchant Generation Segment and at Genco.

2010 versus 2009

Ameren Corporation

Taxes other than income taxes increased by $29 million in 2010 compared with 2009, because of items noted below.

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Variations in taxes other than income taxes in Ameren s business segments and for the Ameren Companies between 2010 and 2009 were as follows:

Ameren Missouri

Taxes other than income taxes increased by $28 million in 2010, primarily because of higher gross receipts taxes as a result of increased sales, and because of increased property taxes due to higher assessed tax rates in Missouri.

Ameren Illinois Regulated Segment and Merchant Generation

Taxes other than income taxes were comparable between years in the Ameren Illinois Regulated Segment, in the Merchant Generation segment, and at Genco.

Other Income and Expenses

2011 versus 2010

Ameren Corporation

Miscellaneous income, net of expenses, decreased by $11 million in 2011 compared with 2010, primarily because of items noted below.

Variations in miscellaneous income, net of expenses, in Ameren s business segments and for the Ameren Companies between 2011 and 2010 were as follows:

Ameren Missouri

Miscellaneous income, net of expenses, decreased by $19 million in 2011, primarily because of reduced allowance for equity funds used during construction. Allowance for equity funds used during construction was higher in 2010, primarily due to scrubbers being constructed at Ameren Missouri s Sioux energy center, which were placed in service in late 2010.

Ameren Illinois Regulated Segment

Miscellaneous income, net of expenses, increased by $7 million in 2011, primarily because of reduced expenses associated with customer assistance programs.

Merchant Generation and Genco

Miscellaneous income, net of expenses, was comparable between years in the Merchant Generation Segment and at Genco.

2010 versus 2009

Ameren Corporation

Miscellaneous income, net of expenses, increased by $9 million in 2010 compared with 2009, because of items noted below.

Variations in miscellaneous income, net of expenses, in Ameren s business segments and for the Ameren Companies between 2010 and 2009 were as follows:

Ameren Missouri

Miscellaneous income, net of expenses, increased by $14 million in 2010, primarily because of higher allowance for equity funds used during construction associated with a project to install scrubbers at Ameren Missouri s Sioux energy center, reduced, in part, by increased charitable contributions.

Ameren Illinois Regulated Segment

Ameren Illinois had net miscellaneous expense of $6 million in 2010, compared with net miscellaneous income of $2 million in 2009. Interest income decreased by $5 million in 2010 compared with 2009, because the CIPS note receivable from Genco matured on May 1, 2010.

Merchant Generation and Genco

Miscellaneous income, net of expenses, was comparable between years in the Merchant Generation Segment and at Genco.

Interest Charges

2011 versus 2010

Ameren Corporation

Interest charges decreased by $46 million in 2011 compared with 2010, because of items noted below and because of reduced credit facility borrowings at Ameren.

Variations in interest charges in Ameren s business segments and for the Ameren Companies between 2011 and 2010 were as follows:

Ameren Missouri

Interest charges decreased by $4 million in 2011, primarily because of a reduction in interest charges associated with uncertain tax positions of $6 million, the redemption of $66 million of subordinated deferrable interest debentures in September 2010, and reduced amortization of credit facility fees. Offsetting these favorable items was a reduction in interest charges in 2010 due to the May 2010 MoPSC electric rate order. The rate order resulted in a reduction of interest charges of $10 million in 2010, through the recording of a regulatory asset for recovery of bank credit facility fees incurred in 2009.

Ameren Illinois Regulated Segment

Interest charges decreased by $7 million in 2011, primarily because of the redemption of $150 million of senior secured notes in June 2011 and the redemption of $40 million of first mortgage bonds in September 2010.

Merchant Generation

Interest charges decreased by $28 million in 2011 in the Merchant Generation segment because of items discussed below at Genco, and because of reduced intercompany borrowings at AERG.

Genco

Interest charges decreased by $15 million in 2011 at Genco, primarily because of the maturity and repayment of $200 million of senior unsecured notes in November 2010.

2010 versus 2009

Ameren Corporation

Interest charges decreased by $11 million in 2010 compared with 2009, because of items noted below. The decreases below were mitigated by additional interest charges resulting from the issuance of $425 million of senior notes by Ameren in May 2009.

Variations in interest charges in Ameren s business segments and for the Ameren Companies between 2010 and 2009 were as follows:

Ameren Missouri

Interest charges decreased by $16 million in 2010. Interest charges were reduced by $10 million because of a May 2010 MoPSC electric rate order, as discussed above. Additionally, interest charges were reduced by an increase in allowance for borrowed funds used during construction associated with a project to install scrubbers at the Sioux energy center. Partially reducing the above benefits was an increase in interest charges associated with the issuance of $350 million of senior secured notes in March 2009.

Ameren Illinois Regulated Segment

Interest charges decreased by $10 million in 2010, primarily because of the maturity of $250 million of first mortgage bonds in June 2009.

Merchant Generation and Genco

Interest charges increased by $14 million in 2010 in the Merchant Generation segment and $17 million at Genco, primarily because of the issuance of $250 million of senior unsecured notes at Genco in November 2009.

Income Taxes

The following table presents effective income tax rates for the registrants and by segment for the years ended December 31, 2011, 2010, and 2009:

	2011	2010	2009
Ameren	**37%**	68%[(a)]	35%
Ameren Missouri	**36**	35	33
Ameren Illinois Regulated Segment	**39**	39	37
Genco	**42**	(b)	38
Merchant Generation	**41**	(c)	38

(a) The effective tax rate was 36% for 2010, after excluding the impact of the goodwill impairment charge, which is not deductible for income tax purposes.
(b) The effective tax rate was 40% for 2010, after excluding the impact of the goodwill impairment charge, which is not deductible for income tax purposes.
(c) The effective tax rate was 30% for 2010, after excluding the impact of the goodwill impairment charge, which is not deductible for income tax purposes.

2011 versus 2010

Ameren Corporation

Ameren s effective tax rate was lower in 2011 than in 2010, primarily due to the impact of the nondeductible goodwill impairment charge in 2010. See Note 17 Goodwill, Impairment and Other Charges under Part II, Item 8, of this report for additional information on the goodwill impairment charges. In addition, there was a noncash, after-tax charge to earnings of $13 million, in the first quarter of 2010, to reduce deferred tax assets. The charge to earnings was recorded because of legislation enacted in the first quarter of 2010 that resulted in retiree health care costs no longer being deductible for tax purposes to the extent an employer s postretirement health care plan receives federal subsidies that provide retiree prescription drug benefits equivalent to Medicare prescription drug benefits. This was offset, in part, by the impact of the increased Illinois statutory tax rate effective at the beginning of 2011, along with lower favorable net amortization of property-related regulatory assets and liabilities in 2011 compared with 2010, changes to reserves for uncertain tax positions, and the decreased impact of federal and state tax credits.

Variations in effective tax rates in Ameren s business segments and for the Ameren Companies between 2011 and 2010 were as follows:

Ameren Missouri

Ameren Missouri s effective tax rate was higher, primarily because of lower favorable net amortization of

property-related regulatory assets and liabilities in 2011 compared to 2010, offset, in part, by the effect of the change in the tax treatment of retiree health care costs in 2010 and changes to reserves for uncertain tax positions.

Ameren Illinois Regulated Segment

Ameren Illinois Regulated Segment s effective tax rate was comparable between years.

Merchant Generation

The effective tax rate was higher in the Merchant Generation segment, primarily because of items detailed below at Genco.

Genco

Genco s effective tax rate was higher, after excluding the impact of the nondeductible goodwill impairment charge, primarily due to the increase in the Illinois statutory income tax rate in 2011, decreased Internal Revenue Code Section 199 production activity deductions and lower benefits from state tax credits related to capital investments, offset by favorable changes to reserves for uncertain tax positions in 2011, compared to unfavorable changes in 2010, and the decrease in the effective tax rate from the effect of the change in the tax treatment of retiree health care costs in 2010.

2010 versus 2009

Ameren Corporation

Ameren s effective tax rate was higher in 2010 than in 2009, primarily due to the unfavorable impact of the goodwill impairment charge and the effect of the change in the tax treatment of retiree health care costs. Additional variations are discussed below.

Variations in effective tax rates for Ameren s business segments and for the Ameren Companies between 2010 and 2009 were as follows.

Ameren Missouri

Ameren Missouri s effective tax rate was higher, primarily because of the change in tax treatment of retiree health care costs, along with the decreased impact of favorable net amortization of property-related regulatory assets and liabilities and other permanent items on higher pretax book income.

Ameren Illinois Regulated Segment

The effective tax rate was higher, primarily because of the decreased impact of favorable net amortization of property-related regulatory assets and liabilities and permanent items on higher pretax book income.

Merchant Generation

The effective tax rate was lower in the Merchant Generation segment, because of items detailed below at Genco, partially offset by the impact of state tax credits related to capital investments and decreased Internal Revenue Code Section 199 production activity deductions on a pretax book loss.

Genco

The effective tax rate increased, after the impact of the nondeductible goodwill impairment charge was excluded, primarily because of the change in tax treatment of retiree health care costs and changes to reserves for uncertain tax positions mitigated by the increased impact of state tax credits, Internal Revenue Code Section 199 production activity deductions, and investment tax credit amortization on lower pretax book income.

Income from Discontinued Operations, Net of Tax

Ameren Illinois

On October 1, 2010, Ameren, CIPS, CILCO, IP, AERG and AER completed a two-step corporate internal reorganization. The first step of the reorganization was the Ameren Illinois Merger. The second step of the reorganization involved the distribution of AERG stock from Ameren Illinois to Ameren and the subsequent contribution by Ameren of the AERG stock to AER. Ameren Illinois determined that the operating results of AERG qualified for discontinued operations presentation. We have therefore segregated AERG s operating results and presented them separately as discontinued operations for all periods presented prior to October 1, 2010, in this report. For Ameren s financial statements, AERG s results of operation remain classified as continuing operations. See Note 16 Corporate Reorganization and Discontinued Operations under Part II, Item 8, of this report for additional information.

Ameren Illinois income from discontinued operations (AERG) decreased $74 million in 2010, compared with 2009. AERG s results of operations were included in Ameren Illinois consolidated statement of income for all periods prior to October 1, 2010. The inclusion of only nine months in 2010 contributed to the decrease in income from discontinued operations as well as a decrease in electric margins caused by lower realized revenue per megawatt sold and higher fuel and related transportation costs. The decrease was partially offset by a reduction in income tax expense primarily caused by lower pretax book income.

LIQUIDITY AND CAPITAL RESOURCES

The tariff-based gross margins of Ameren s rate-regulated utility operating companies continue to be a principal source of cash from operating activities for Ameren and its rate-regulated subsidiaries. A diversified retail customer mix of primarily rate-regulated residential, commercial, and industrial classes and a commodity mix of natural gas and electric service provide a reasonably predictable source of cash flows for Ameren, Ameren Missouri and Ameren Illinois. For operating cash flows, Genco, through Marketing Company, sells power through primarily market-based contracts with wholesale and retail customers. In addition to using cash flows from operating activities, the Ameren Companies use available cash, credit facility borrowings, commercial paper issuances, money pool borrowings, or other short-term borrowings from affiliates to support normal operations and other temporary capital requirements. The Ameren Companies may reduce their credit facility or short-term borrowings with cash from operations or, at their discretion, with long-term borrowings or, in the case of Ameren subsidiaries, with equity infusions from Ameren. The Ameren Companies expect to incur significant capital expenditures over the next five years as they comply with environmental regulations and make significant investments in their electric and natural gas utility infrastructure to support overall system reliability and other improvements. Ameren intends to finance those capital expenditures and investments with a blend of equity and debt so that it maintains a capital structure in its rate-regulated businesses of approximately 50% to 55% equity, assuming constructive regulatory environments. Ameren, Ameren Missouri and Ameren Illinois plan to implement their long-term financing plans for debt, equity, or equity-linked securities in order to finance their operations appropriately, meet scheduled debt maturities, and maintain financial strength and flexibility. Genco and the Merchant Generation segment seek to fund their operations internally and therefore seek not to rely on financing from Ameren or external, third-party sources. Genco and the Merchant Generation segment will continue to seek to defer capital and operating expenses, sell certain assets, and take other actions as necessary to fund their operations internally while maintaining safe and reliable operations. Under its indenture, Genco may not borrow additional funds from

external, third-party sources if its interest coverage ratio is less than a specified minimum or its leverage ratio is greater than a specified maximum. See Note 5 Long-term Debt and Equity Financings under Part II, Item 8, of this report for additional information on Genco s indenture provisions. Based on projections as of December 31, 2011, of Genco s operating results and cash flows, we expect that, by the end of the first quarter of 2013, Genco s interest coverage ratio will be less than the minimum ratio required for the company to borrow additional funds from external, third-party sources. Genco s indenture does not restrict intercompany borrowings from Ameren s non-state-regulated subsidiary money pool. However, borrowings from the money pool are subject to Ameren s control, and if a Genco intercompany financing need were to arise, borrowings from the non-state-regulated subsidiary money pool by Genco would be dependent on consideration by Ameren of the facts and circumstances existing at that time.

The following table presents net cash provided by (used in) operating, investing and financing activities for the years ended December 31, 2011, 2010, and 2009:

	Net Cash Provided By Operating Activities			Net Cash (Used In) Investing Activities			Net Cash Provided By (Used In) Financing Activities		
	2011	**2010**	**2009**	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**
Ameren[(a)]	**$ 1,878**	$ 1,823	$ 1,967	**$ (1,048)**	$ (1,096)	$ (1,781)	**$ (1,120)**	$ (804)	$ 344
Ameren Missouri	**1,056**	969	975	**(627)**	(700)	(957)	**(430)**	(334)	249
Ameren Illinois	**504**	593	845	**(296)**	(247)	(442)	**(509)**	(330)	(147)
Genco	**215**	304	253	**(141)**	(29)	(389)	**(72)**	(275)	139

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

Cash Flows from Operating Activities

2011 versus 2010

Ameren Corporation

Ameren s cash from operating activities increased in 2011, compared with 2010. The following items contributed to the increase in cash from operating activities during 2011, compared with 2010:

Ameren Missouri s regulatory asset for FAC under-recovery decreased by $216 million as more deferred costs were recovered from customers during 2011.

Trade accounts receivable and unbilled revenues balances decreased, primarily because of milder weather in the fourth quarter of 2011, compared with the fourth quarter of 2010. Those same weather conditions caused accounts payable balances to MISO and natural gas suppliers to decrease as less power and natural gas was purchased. Additionally, during 2011, MISO shortened the length of its settlement terms for all of its members. The new terms resulted in an acceleration of payments that previously would not have been paid until 2012. These factors resulted in a net increase of $120 million in cash from operating activities in 2011 compared with 2010.

A net $100 million decrease in collateral posted with counterparties due primarily to the items discussed at the registrant subsidiaries below, partially offset by a
decrease in collateral returned from Ameren counterparties of $10 million and additional collateral posted to counterparties of $4 million due to changes in the market price of power.

Deferred budget billing receivables decreased by $71 million, partially as a result of milder weather.

A $45 million decrease in interest payments, primarily due to the long-term debt redemptions at the registrant subsidiaries discussed below and a reduction in Ameren s borrowings under its credit facility agreements, which resulted in an $11 million reduction in interest payments.

An $11 million reduction in payments for scheduled nuclear refueling and maintenance outages at the Callaway energy center caused primarily by the timing of the 2011 outage compared with the 2010 outage, which had unpaid liabilities as of December 31, 2011.

The following items reduced the increase in Ameren s cash from operating activities during 2011, compared with 2010:

A $115 million increase in pension and OPEB plan contributions. Ameren Illinois contributed to Ameren s postretirement benefit VEBA trust an incremental $100 million in excess of Ameren Illinois annual postretirement net periodic cost for regulatory purposes.

Electric and natural gas margins, as discussed in Results of Operations, decreased by $86 million,

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excluding impacts of noncash MTM transactions.

During 2010, Ameren s Merchant Generation coal-fired energy centers, significantly reduced their coal inventory levels, which resulted in an estimated $64 million cash savings in excess of the smaller inventory reduction that occurred in 2011.

A $55 million decrease associated with the December 2005 Taum Sauk incident, primarily as a result of insurance recoveries received in 2010, but not in 2011.

A $34 million increase in major storm restoration costs.

A $31 million decrease in income tax refunds. The 2010 refund resulted primarily from a 2009 change in tax treatment of electric generation plant expenditures while the 2011 refund resulted primarily from casualty loss deductions due to an Internal Revenue Service audit settlement. Ameren did not make any federal income tax payments in 2011 because of accelerated deductions authorized by economic stimulus legislation, use of its net operating loss carryforwards, and other deductions.

A $30 million increase in taxes other than income tax payments related to higher assessed property tax values for energy center enhancements, county property tax rate increases, the timing of property tax payments at each year end for Ameren Missouri. Ameren Illinois incurred an increase in electricity distribution and invested capital tax payments resulting from the tiered rate structure for the merged entity.

Reduced collections as more utility customers were past due on their bills on December 31, 2011, than on December 31, 2010. Additionally, write-offs of customer receivable balances increased because of economic conditions.

An $18 million increase in Ameren Missouri receivables held in court registries under the appeals of the MoPSC s 2009 and 2010 rate orders. See Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report for additional information.

A $16 million decrease in Ameren Illinois electric purchased power commodity over-recovered costs.

A $15 million increase in energy efficiency expenditures for new customer programs. The Ameren Illinois amount is recovered through customer billings over time.

An $11 million decrease in natural gas commodity over-recovered costs under the PGA, primarily in Illinois.

A $7 million increase in preliminary study expenditures, primarily at Ameren Missouri for environmental compliance testing.

Ameren Missouri

Ameren Missouri s cash from operating activities increased in 2011 compared with 2010. The following items contributed to the increase in cash from operating activities during 2011, compared with 2010:

The regulatory asset for FAC under-recovery decreased by $216 million as more deferred costs were recovered from customers during 2011.

Trade accounts receivable and unbilled revenue balances decreased by $65 million, primarily because of milder weather in the fourth quarter of 2011, compared with the fourth quarter of 2010.

Deferred budget billing receivables decreased by $33 million, partially as a result of milder weather.

Electric and natural gas margins, as discussed in Results of Operations, increased by $25 million, excluding impacts of noncash MTM transactions.

A $16 million decrease in payments associated with major outages at coal-fired energy centers, primarily because the scope of the major outages in 2011 were not as extensive as the scope of the major outages performed in 2010.

An $11 million reduction in payments due to the timing of scheduled nuclear refueling and maintenance outages at the Callaway energy center as discussed above.

A $4 million decrease in interest payments, primarily due to the redemption of subordinated deferrable interest debentures in September 2010.

The following items reduced the increase in Ameren Missouri s cash from operating activities during 2011, compared with 2010:

Income tax payments of $9 million in 2011, compared with income tax refunds of $106 million in 2010. The 2010 refund resulted primarily from a 2009 change in tax treatment of electric generation plant expenditures and accelerated deductions authorized by economic stimulus legislation. Ameren Missouri s 2011 tax liability was reduced by accelerated deductions authorized by economic stimulus legislation, use of its net operating loss carryforwards, and other deductions.

A $55 million decrease associated with the December 2005 Taum Sauk incident, primarily as a result of insurance recoveries received in 2010, but not in 2011.

A $23 million increase in property tax payments caused primarily by higher assessed tax values for energy center enhancements, county tax rate increases, and the timing of property tax payments at each year end.

A $21 million increase in major storm restoration costs.

An $18 million increase in receivables held in court registries under the appeals of the MoPSC s 2009 and 2010 rate orders.

Reduced collections as more customers were past due on their bills on December 31, 2011, than on December 31, 2010. Additionally, write-offs of customer receivable balances increased because of economic conditions.

A net $6 million decrease in collateral returned from exchange counterparties and, to a lesser extent, additional collateral postings to MISO, all due to changes in the market price of power and natural gas.

A $6 million increase in energy efficiency expenditures for new customer programs.

A $6 million increase in preliminary study expenditures, primarily for environmental compliance testing.

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Ameren Illinois

Ameren Illinois cash from operating activities decreased in 2011 compared with 2010. Ameren Illinois cash from operating activities included AERG s operating cash flows for all periods prior to October 1, 2010, which were presented as discontinued operations in Ameren Illinois consolidated statement of cash flows. Excluding the impacts of discontinued operations, Ameren Illinois cash from operating activities decreased in 2011 compared with 2010. The following items contributed to the decrease in cash from operating activities associated with continuing operations during 2011, compared with 2010:

- A $103 million increase in pension and OPEB plan contributions. Ameren Illinois contributed to Ameren s postretirement benefit VEBA trust an incremental $100 million in excess of Ameren Illinois annual postretirement net periodic cost for regulatory purposes.
- A $38 million decrease in income tax refunds caused primarily by a reduction in transmission and distribution repair deductions, partially offset by additional casualty loss deductions from an Internal Revenue Service audit settlement. Ameren Illinois did not make any federal income tax payments in 2011 because of accelerated deductions authorized by economic stimulus legislation and other deductions.
- Electric and natural gas margins, as discussed in Results of Operations, decreased by $30 million, excluding impacts of noncash MTM transactions.
- A $16 million decrease in electric purchased power commodity over-recovered costs.
- A $13 million increase in major storm restoration costs.
- Reduced collection results as more customers were past due on their bills on December 31, 2011, than on December 31, 2010. Additionally, write-offs of customer receivable balances increased because of economic conditions.
- A $9 million increase in taxes other than income payments, due primarily to an increase in electricity distribution and invested capital tax payments resulting from the tiered rate structure for the merged entity.
- A $9 million decrease in natural gas commodity over-recovered costs under the PGA.
- A $9 million increase in energy efficiency expenditures for new customer programs. These expenditures are recovered through customer billings over time.

The following items reduced the decrease in Ameren Illinois cash from operating activities associated with continuing operations during 2011, compared with 2010:

- A net $120 million decrease in collateral posted with counterparties due, in part, to a reduction in the market price of natural gas and in contracted volumes.
- Trade accounts receivable and unbilled revenues balances decreased, primarily because of milder weather in the fourth quarter of 2011, compared with the fourth quarter of 2010. Those same weather conditions caused accounts payable balances to MISO and natural gas suppliers to decrease as less power and natural gas was purchased. Additionally, during 2011, MISO shortened the length of its settlement terms for all of its members. The new terms resulted in an acceleration of payments that previously would not have been paid until 2012. These factors resulted in a net increase of $63 million in cash from operating activities in 2011 compared with 2010.
- Deferred budget billing balances decreased by $38 million, partially as a result of milder weather.
- An $11 million decrease in interest payments, primarily due to the redemption of first mortgage bonds in September 2010.

Genco

Genco s cash from operating activities decreased in 2011 compared with 2010. The following items contributed to the decrease in cash from operating activities during 2011, compared with 2010:

- Electric margins, as discussed in Result of Operations, decreased by $63 million, excluding impacts of noncash MTM transactions.
- During 2010, Genco significantly reduced the volume of its coal inventory, which resulted in an estimated $43 million cash savings in excess of the smaller inventory reduction that occurred in 2011.
- The January 2010 receipt from Marketing Company for December 2009 generation output was $16 million higher than the January 2011 receipt for December 2010 generation output. This was primarily caused by the inclusion of higher-priced sales contracts from the 2006 Illinois power procurement auction, which expired in May 2010.
- A $9 million increase in payments associated with major outages at coal-fired energy centers, primarily because the scope of the major outages in 2011 were more extensive than the scope of the major outages performed in 2010.

An $8 million increase in pension plan contributions as EEI made a contribution in 2011, but made no contribution in 2010.

The following items reduced the decrease in Genco s cash from operating activities during 2011, compared with 2010:

Income tax refunds of $25 million in 2011, compared with income tax payments of $1 million in 2010. The 2011 refund was primarily due to an increase in accelerated depreciation deductions authorized by the economic stimulus legislation. Genco did not make any federal income tax payments in 2011 primarily because of accelerated deductions related to pollution control equipment, economic stimulus legislation and deductions related to the closure of Meredosia and Hutsonville energy centers.

A $20 million decrease in interest payments, primarily due to the redemption of senior notes in November 2010.

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2010 versus 2009

Ameren s cash from operating activities decreased in 2010 compared with 2009. The following items contributed to the decrease in cash from operating activities during 2010, compared with 2009:

- A $116 million decrease in billed revenues, net of payments to suppliers, for pass-through natural gas commodity costs primarily caused by higher-priced natural gas injected into storage during 2008 and billed to customers in 2009.
- Accounts receivable and unbilled revenue balances increased by $106 million, primarily because of higher utility rates and colder December weather in 2010, compared with December 2009.
- Deferred FAC costs increased $100 million as net base fuel costs incurred at Ameren Missouri exceeded the amounts allowed in base rates due to higher fuel costs and lower off-system sales as a result of warmer weather increasing native load demand.
- Deferred budget billing balances increased by $74 million, partially as a result of warmer summer weather, which increased sales volumes over budget-billed amounts.
- An overall $56 million increase in collateral posted with counterparties due, in part, to the items discussed at the subsidiaries below, offset by a $105 million reduction in collateral posted by nonregistrant subsidiaries, primarily due to changes in the market price of power.
- A $53 million decrease associated with the December 2005 Taum Sauk incident, primarily as a result of reduced insurance recoveries.
- A $39 million increase in payments related to the Callaway energy center refueling and maintenance outage that occurred in 2010, but did not occur in 2009.
- A $14 million increase in payments associated with major outages at coal-fired plants, primarily at Ameren Missouri.
- A $12 million increase in property tax payments caused primarily by higher assessed tax rates in Missouri.
- A $10 million one-time donation in 2010 for customer assistance programs required by the 2009 Illinois energy legislation that authorized the bad debt rate adjustment mechanism used by Ameren Illinois.
- Payments for professional services, additional franchise taxes, and other administrative items necessary to complete the Ameren Illinois Merger and AERG distribution totaled $8 million.

The following items reduced the decrease in Ameren s cash from operating activities during 2010, compared with 2009:

- Electric and natural gas margins, as discussed in Results of Operations, increased by $212 million, excluding impacts of noncash MTM transactions.
- Income tax refunds of $92 million in 2010, compared with income tax payments of $9 million in 2009. The refund primarily resulted from an acceleration of depreciation deductions authorized by economic stimulus legislation.
- Ameren reduced its coal inventory levels, primarily at the Merchant Generation segment, in 2010. The inventory reduction is estimated to have resulted in cash savings of $69 million in 2010.
- A $32 million decrease in major storm restoration costs.
- Contributions to the pension and postretirement plans were $31 million lower in 2010.
- A $14 million reduction in severance payments as a result of the voluntary and involuntary separation programs initiated in both years.

Ameren Missouri

Ameren Missouri s cash from operating activities decreased in 2010 compared with 2009. The following items contributed to the decrease in cash from operating activities during 2010, compared with 2009:

- A $102 million decrease in income tax refunds, primarily due to higher pretax book income and a reduction in 2010 of the benefit of a change in tax treatment of electric generation plant expenditures taken in 2009.
- Deferred FAC costs increased $100 million as net base fuel costs incurred exceeded the amounts allowed in base rates due to higher fuel costs and lower off-system sales as a result of warmer weather increasing native load demand.
- A $53 million decrease associated with the December 2005 Taum Sauk incident discussed above.
- A $39 million increase in payments related to a Callaway nuclear plant refueling and maintenance outage that occurred in 2010, but did not occur in 2009.
- A $24 million increase in payments associated with major outages at coal-fired plants.
- A $12 million increase in property tax payments, caused primarily by higher assessed tax rates.

- An $11 million increase in energy efficiency expenditures for new customer programs.

The following items reduced the decrease in Ameren Missouri s cash from operating activities during 2010, compared with 2009:

- Electric and natural gas margins as discussed in Results of Operations, increased by $281 million, excluding the noncash impacts of MTM transactions.
- A $31 million reduction in collateral posted with counterparties due in part to improved credit ratings and to changes in the market price of power and natural gas.
- A $13 million decrease in major storm restoration costs.
- Contributions to the pension and postretirement plans were $8 million lower in 2010.
- A $5 million reduction in severance payments as a result of the voluntary and involuntary separation programs initiated in both years.

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Ameren Illinois

Ameren Illinois cash from operating activities decreased in 2010 compared with 2009. Ameren Illinois cash from operating activities included AERG s operating cash flows for all periods prior to October 1, 2010, which were presented as discontinued operations in Ameren Illinois consolidated statement of cash flows. Excluding the impacts of discontinued operations, Ameren Illinois cash from operating activities decreased in 2010 compared with 2009. The following items contributed to the decrease in cash from operating activities associated with continuing operations during 2010, compared with 2009:

- A $192 million increase in collateral posted with counterparties due, in part, to changes in the market price of natural gas and collateral posting requirements.
- Accounts receivable and unbilled revenue balances increased by $183 million, primarily because of higher utility rates and colder December weather in 2010, compared with December 2009.
- A $98 million decrease in billed revenues, net of payments to suppliers, for pass-through natural gas commodity costs primarily caused by higher-priced natural gas injected into storage during 2008 and billed to customers in 2009.
- Deferred budget billing balances increased by $60 million, partially as a result of warmer summer weather, which increased sales volumes over budget billed amounts.
- A $10 million one-time donation in 2010 for customer assistance programs required by the 2009 Illinois legislation that authorized the bad debt rate adjustment mechanism.
- Payments for professional services, additional franchise taxes, and other administrative items necessary to complete the Ameren Illinois Merger and AERG distribution, which totaled $7 million.
- In 2009, Ameren Illinois received $5 million from Marketing Company for the costs of upgrades to Ameren Illinois electric transmission system. There was no such receipt in 2010.

The following items reduced the decrease in Ameren Illinois cash from operating activities associated with continuing operations during 2010, compared with 2009:

- Electric and natural gas margins, as discussed in Results of Operations, increased by $187 million, excluding the noncash impacts of MTM transactions.
- Income tax refunds of $52 million in 2010, compared with income tax payments of $61 million in 2009. The refund resulted primarily from an acceleration of depreciation deductions authorized by economic stimulus legislation.
- A $19 million decrease in major storm restoration costs.
- Contributions to the pension and postretirement plans were $11 million lower in 2010.
- A $6 million decrease in interest payments, primarily because of the first mortgage bond maturity in June 2009.

Ameren Illinois cash from operating activities associated with discontinued operations decreased in 2010 compared with 2009. AERG s cash flows were included in Ameren Illinois consolidated statement of cash flows for all periods prior to October 1, 2010. The inclusion of only nine months in 2010 was the primary cause of the decrease in cash flows, along with a reduction in receipts from Marketing Company under the AERG PSA, primarily due to lower market prices. A decrease in income tax payments, primarily due to lower pretax book income, and an acceleration of depreciation deductions authorized by economic stimulus legislation partially offset the decrease in AERG s operating cash flows.

Genco

Genco s cash from operating activities increased in 2010 compared with 2009. The following items contributed to the increase in cash from operating activities during 2010, compared with 2009:

- A $73 million decrease in income tax payments, primarily due to lower pretax book income, deductions relating to environmental expenditures, and an acceleration of depreciation deductions authorized by economic stimulus legislation.
- Reduced coal inventory levels in 2010, which are estimated to have resulted in cash savings of $50 million in 2010.
- Lower labor expenditures resulting from staff reductions and fewer major outages at its coal-fired plants.

- A $7 million reduction in use tax payments as Genco and EEI began claiming tax exemptions and credits for purchase transactions related to their generation operations.
- Contributions to the pension plans were $6 million lower in 2010.

The following items reduced the increase in Genco s cash from operating activities during 2010, compared with 2009:

- Electric margins, as discussed in Result of Operations, decreased by $99 million, excluding impacts of noncash MTM transactions.
- A $13 million increase in interest payments, primarily due to the senior unsecured notes issued in November 2009, which required interest payments in 2010, but not in 2009.

Pension Funding

Ameren s pension plans are funded in compliance with income tax regulations and to meet federal funding or regulatory requirements. As a result, Ameren expects to fund its pension plans at a level equal to the greater of the pension expense or the legally required minimum contribution. Considering Ameren s assumptions at December 31, 2011, its investment performance in 2011, and its pension funding policy, Ameren expects to make annual contributions of $90 million to $150 million in each of the next five years, with aggregate estimated contributions of $580 million. We expect Ameren

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Missouri s, Ameren Illinois , and Genco s portion of the future funding requirements to be 51%, 33% and 12%, respectively. These amounts are estimates. The estimates may change with actual investment performance, changes in interest rates, changes in our assumptions, any pertinent changes in government regulations, and any voluntary contributions. In 2011, Ameren contributed $103 million to its pension plans. See Note 11 Retirement Benefits under Part II, Item 8, of this report for additional information.

Cash Flows from Investing Activities

2011 versus 2010

Ameren s cash used in investing activities decreased by $48 million during 2011, compared with 2010. In 2011, cash flows from investing activities benefited from an increase of proceeds from property sales as well as $8 million in proceeds from the sale of its investment in a leveraged lease and a $9 million payment received from the DOE under the terms of Ameren Missouri s settlement with the DOE in 2011 related to nuclear waste disposal. Net cash used for capital expenditures decreased $12 million during 2011, compared with 2010. Reductions in capital expenditures caused by the completion of two energy center scrubber projects in 2010 were offset, in part, by an increase in storm-related repair costs, an increase in electric transmission investments, and expenditures for a third energy center scrubber project in 2011.

Ameren Missouri s cash used in investing activities decreased by $73 million during 2011, compared with 2010, principally because of a $74 million decrease in capital expenditures and a $9 million payment received from the DOE in 2011 under the terms of the settlement with the DOE related to nuclear waste disposal. These cash benefits were reduced by a $6 million net decrease in nuclear decommissioning trust fund activities. Capital expenditures were lower in 2011 as a result of the completion in 2010 of two scrubbers at Ameren Missouri s Sioux energy center and boiler projects, which offset a $28 million increase in capital expenditures related to storm-related repair costs.

Ameren Illinois cash used in investing activities increased by $49 million during 2011, compared with 2010. There was a $70 million increase in capital expenditures primarily as a result of increased investment in electric transmission assets and a $17 million increase in capital expenditures related to storm-related repair costs. In 2011, cash flows from investing activities benefited from the repayments of advances previously paid to ATXI, as a result of the completion of a project under a joint ownership agreement. In 2010, cash flows from investing activities benefited from the proceeds received on an intercompany note receivable, offset, in part, by advances to ATXI.

Genco s cash used in investing activities increased by $112 million during 2011, compared with 2010. Net cash used for capital expenditures increased by $46 million primarily as a result of increased spending for energy center scrubber projects and boiler projects. The Coffeen energy center scrubber project was completed in February 2010, and construction began in April 2011 on Genco s Newton energy center scrubber project. In 2011, cash flows from investing activities benefited from the proceeds of property sales, principally attributed to $45 million of proceeds received from the sale of Genco s remaining interest in its Columbia CT facility. In 2010, cash flows from investing activities benefited from the proceeds received from the sale of 25% of Genco s Columbia CT facility. During 2011, cash provided by sales of properties enabled Genco to contribute net non-state-regulated subsidiaries money pool advances of $49 million. During 2010, Genco received $48 million in net repayment of non-state-regulated subsidiaries money pool advances.

2010 versus 2009

Ameren s cash used in investing activities decreased by $685 million during 2010, compared with 2009. There was a $668 million decrease in capital expenditures as compared with 2009 as a result of reductions in planned capital expenditures for the distribution system and energy center improvements during 2010, a $109 million reduction in capital expenditures to repair severe storm damage, and the completion of energy center scrubber projects in the Merchant Generation segment during 2009 and early 2010. Cash flows from investing activities in 2010 also benefited from the sale of 25% of Genco s Columbia CT facility and other properties.

Ameren Missouri s cash used in investing activities decreased by $257 million during 2010, compared with 2009. There was a $258 million decrease in capital expenditures as compared with 2009 as a result of reductions in planned capital expenditures for the distribution system and energy center improvements during 2010, as well as a $74 million reduction in capital expenditures to repair severe storm damage. This cash benefit was reduced by a $12 million net decrease in nuclear decommissioning trust fund activities.

Ameren Illinois cash used in investing activities decreased by $195 million during 2010, compared with 2009. There was a $71 million decrease in capital expenditures compared with 2009 because Ameren Illinois reduced planned capital expenditures for the distribution system during 2010 after receiving significantly less than it requested in a rate proceeding, as well as a $35 million reduction in capital expenditures to repair severe storm damage. Similar planned capital expenditure reductions at AERG resulted in the $85 million decrease in capital expenditures of discontinued operations. Additionally, Ameren Illinois advances to ATXI for construction under a joint ownership agreement decreased during

2010 as the project approached completion. Ameren Illinois received funding for this construction under a generator interconnection agreement related to ongoing transmission upgrade projects.

Genco s cash used in investing activities decreased by $360 million during 2010, compared with 2009. Reductions in planned capital expenditures, as well as completion of energy center scrubber projects during 2009, resulted in a $221 million decrease in capital expenditures compared with 2009. Cash flows from investing activities in 2010 also

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benefited from the $18 million of proceeds Genco received from the sale of 25% of its Columbia CT facility and net repayment of non-state-regulated subsidiaries money pool advances.

Capital Expenditures

The following table presents the capital expenditures by the Ameren Companies for the years ended December 31, 2011, 2010, and 2009:

Capital Expenditures	2011	2010	2009
Ameren[(a)]	**$ 1,030**	$ 1,042	$ 1,710
Ameren Missouri	**550**	624	882
Ameren Illinois	**351**	281	352
Merchant Generation-Genco	**141**	95	316
Merchant Generation-Other	**12**	6	92

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and the elimination of intercompany transfers.

Ameren s 2011 capital expenditures principally consisted of the following expenditures at its subsidiaries. Ameren Missouri spent $24 million on building its Maryland Heights energy center and $31 million for storm-related repair costs. Ameren Illinois incurred storm-related repair costs of $20 million. Genco spent $75 million toward scrubbers at its Newton and Coffeen energy centers for compliance with environmental regulations. Other capital expenditures were made principally to maintain, upgrade, and expand the reliability of the transmission and distribution systems of Ameren Missouri and Ameren Illinois, as well as to fund various energy center upgrades.

Ameren s 2010 capital expenditures principally consisted of the following expenditures at its subsidiaries. Ameren Missouri spent $130 million toward two scrubbers at its Sioux energy center, which were completed in 2010. At Genco, there was a cash outlay of $29 million for energy center scrubber projects. The scrubbers are necessary to comply with environmental regulations. Other capital expenditures were made principally to maintain, upgrade, and expand the reliability of the transmission and distribution systems of Ameren Missouri and Ameren Illinois, as well as to fund various energy center upgrades.

Ameren s 2009 capital expenditures consisted principally of the following expenditures at its subsidiaries. Ameren Missouri spent $173 million toward two scrubbers at its Sioux energy center, $93 million toward the Taum Sauk rebuild, and it incurred storm-related expenditures of $78 million. Ameren Illinois incurred storm-related repair costs of $38 million. At Genco, there was a cash outlay of $169 million for energy center scrubber projects. The scrubbers are necessary to comply with environmental regulations. Other capital expenditures were made principally to maintain, upgrade, and expand the reliability of the transmission and distribution systems of Ameren Missouri and Ameren Illinois as well as various energy center upgrades.

The following table estimates the capital expenditures that will be incurred by the Ameren Companies from 2012 through 2016, including construction expenditures, capitalized interest for the Merchant Generation business, allowance for funds used during construction for our rate-regulated utility businesses, and estimated expenditures for compliance with known and existing environmental regulations. As a result of a sharp decline in forward power prices in early 2012, as well as uncertain environmental regulations, Genco is decelerating the construction of two scrubbers at its Newton energy center, and AERG has removed the previously planned precipitator upgrades at its E.D. Edwards energy center from the five-year capital expenditures forecast. Genco will continue to incur some ongoing capital costs related to the construction of the Newton scrubbers. The table below includes Genco s estimated capital expenditures of approximately $150 million in 2012 and approximately $20 million annually from 2013 through 2016 for the installation of the two scrubbers, excluding capitalized interest. See Outlook and also Note 15 Commitments and Contingencies under Part II, Item 8, of this report for further discussion of the impact of declining power prices on the Merchant Generation segment.

	2012	2013 - 2016		Total	
Ameren Missouri	$ 665	$ 2,190 -	$ 2,960	$ 2,855 -	$ 3,625
Ameren Illinois	535	2,020 -	2,730	2,555 -	3,265
Merchant Generation-Genco	175	165 -	220	340 -	395

Merchant Generation- Other	5	35 -	50	40 -	55
ATX/ATXI	25	625 -	845	650 -	870
Other[(a)]	(10)	45 -	65	35 -	55
Ameren	$ 1,395	$ 5,080 -	$ 6,870	$ 6,475 -	$ 8,265

(a) Includes the eliminations of intercompany transfers.

Ameren Missouri s estimated capital expenditures include transmission, distribution, and generation-related investments, as well as expenditures for compliance with environmental regulations discussed below. Ameren Illinois estimated capital expenditures are primarily for electric and natural gas transmission and distribution-related investments, and expected capital expenditures incremental to historical average electric delivery capital expenditures to modernize its distribution system pursuant to the IEIMA. For additional information on the IEIMA, see Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report. Genco s estimated capital expenditures are primarily for compliance with environmental regulations and upgrades to existing coal and natural gas-fired energy centers discussed below. Estimated capital expenditures of Ameren nonregistrant subsidiaries consist primarily of AERG s estimated expenditures for compliance with environmental regulations discussed below and ATX/ATXI s estimated transmission expenditures.

We continually review our generation portfolio and expected power needs. As a result, we could modify our plan for generation capacity, which could include changing the times when certain assets will be added to or removed from our portfolio, the type of generation asset technology that will be employed, and whether capacity or power may

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be purchased, among other things. Additionally, we continually review the reliability of our transmission and distribution systems, expected capacity needs, and opportunities for transmission investments. The timing and amount of investment could vary due to changes in expected capacity, the condition of transmission and distribution systems, and the ability and willingness to pursue transmission investments, among other things. Any changes that we may plan to make for future generation, transmission or distribution needs could result in significant capital expenditures or losses being incurred, which could be material.

Environmental Capital Expenditures

Ameren, Ameren Missouri and Genco will incur significant costs in future years to comply with existing and known federal and state regulations regarding SO_2, NO_x, and mercury emissions from coal-fired power plants.

See Note 15 Commitments and Contingencies under Part II, Item 8, of this report for a discussion of existing environmental laws and regulations that affect, or may affect, our facilities and capital costs to comply with such laws and regulations, as well as our assessment of the potential impacts of the EPA s proposed regulation of CCR and cooling water intake structures, the MATS, the stayed CSAPR, and the revised national ambient air quality standards for SO_2 and NO_x emissions as of December 31, 2011.

Cash Flows from Financing Activities

2011 versus 2010

During 2011, we reduced our reliance on borrowings from short-term debt and credit facilities, and we reduced long-term debt outstanding while maintaining adequate cash balances for working capital needs.

Ameren s cash used in financing activities increased in 2011, compared with 2010. During 2011, Ameren s cash flow from operating activities of $1.9 billion exceeded its capital expenditures of $1.0 billion and common stock dividend requirements of $375 million. Ameren used this cash as well as cash on hand to repay $581 million of short-term debt and credit facility borrowings, to redeem $155 million of long-term debt, and to repay $73 million of advances previously received from generators due to project completion. During 2010, Ameren redeemed $310 million of long-term debt and $52 million of preferred stock.

Ameren Missouri s cash used in financing activities increased by $96 million in 2011, compared with 2010. During 2011, Ameren Missouri s cash flow from operating activities of $1.1 billion exceeded its combined capital and nuclear fuel expenditures of $612 million. Ameren Missouri utilized this cash to pay common stock dividends of $403 million and repay $19 million of advances previously received from generators due to project completion. During 2010, Ameren Missouri paid common stock dividends of

$235 million; redeemed $70 million of long-term debt, including its 7.69% Series A subordinated debentures; and redeemed all outstanding shares of its $7.64 Series preferred stock.

Ameren Illinois net cash used in financing activities increased by $179 million in 2011 compared with 2010. Ameren Illinois common stock dividend increased $194 million compared with 2010. In June 2011, Ameren Illinois 6.625% $150 million senior secured notes matured and were repaid and retired using available cash on hand. During 2010, in connection with the Ameren Illinois Merger, Ameren Illinois (formerly CILCO) redeemed all of its preferred stock and all $40 million of its 7.61% Series 1997-2 first mortgage bonds (formerly CIPS). Net repayments of generator advances received for construction increased $25 million in 2011 compared with 2010.

Genco s net cash used in financing activities decreased by $203 million in 2011 compared with 2010. During 2011, Genco s cash flow from operating activities of $215 million exceeded its capital expenditures of $141 million. Additionally, Genco received a capital contribution from Ameren associated with a tax allocation agreement that benefited 2011 cash flows from financing activities. Genco used this cash to reduce its reliance on credit facility borrowings. In 2010, Genco repaid at maturity $200 million of its 8.35% senior notes at maturity and repaid a net $176 million of intercompany note borrowings. These 2010 cash outlays were offset, in part, by credit facility borrowings.

2010 versus 2009

During 2010, we replaced and extended the expiration of our credit facilities. We sought to reduce our reliance on borrowings from our credit facilities and to reduce long-term debt outstanding while maintaining adequate cash balances for working capital needs.

Ameren had an $804 million net use of cash from financing activities in 2010, compared with a $344 million net source of cash in 2009. During 2010, Ameren s cash flow from operating activities of $1.8 billion exceeded its capital expenditures of $1.0 billion and common stock dividend requirements of $368 million. Ameren used this cash to redeem $310 million of long-term debt and $52 million of preferred stock in 2010. During 2009, Ameren issued $1 billion of senior debt and $634 million in common stock. It used the proceeds to repurchase, redeem, and fund maturities of $631 million of long-term debt, to reduce short-term borrowings, and to fund capital expenditures and other working capital needs at Ameren Missouri, Ameren Illinois, and Genco.

Ameren Missouri had a $334 million net use of cash from financing activities in 2010, compared with a $249 million net source of cash in 2009. Planned reductions of expenditures allowed Ameren Missouri to use cash from operations and credit facility borrowings to fund its capital expenditures and working capital needs without issuing additional senior debt or capital contributions from

Ameren. Additionally, during 2010, these efforts allowed Ameren Missouri to redeem $70 million of long-term debt, including its 7.69% Series A subordinated debentures; to redeem all outstanding shares of its $7.64 Series preferred stock; to increase common stock dividends by $60 million; and to reduce short-term and intercompany borrowing repayments by $343 million, compared with 2009.

Ameren Illinois net cash used in financing activities increased by $183 million in 2010 compared with 2009. Reduction of planned expenditures allowed it to use cash from operations to fund its capital expenditures and working capital needs without the issuance of additional senior debt or capital contributions from Ameren. Additionally, Ameren Illinois common stock dividends increased $35 million compared with 2009, and CILCO redeemed all of its preferred stock in connection with the Ameren Illinois Merger. During 2009, Ameren made capital contributions to Ameren Illinois of $272 million and Ameren Illinois repaid $250 million of long-term debt and $62 million of short-term borrowing balances.

Genco had a $275 million net use of cash from financing activities in 2010, compared with a $139 million

net source of cash in 2009, primarily as a result of reductions of planned expenditures. These efforts allowed Genco to use cash from operations and credit facility borrowings to fund capital expenditures, to meet working capital needs, to repay its $200 million of 8.35% senior notes at maturity, and to repay a net $176 million of intercompany note borrowings in 2010. During 2009, Genco issued $249 million of long-term debt and used the proceeds to repay short-term borrowings and to fund general corporate purposes.

Credit Facility Borrowings and Liquidity

The liquidity needs of the Ameren Companies are typically supported through the use of available cash, short-term intercompany borrowings, drawings under committed bank credit facilities, or commercial paper issuances. See Note 4 Short-Term Debt and Liquidity under Part II, Item 8, of this report for additional information on credit facilities, short-term borrowing activity, commercial paper activity, relevant interest rates, and borrowings under Ameren s utility and non-state-regulated subsidiary money pool arrangements.

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The following table presents the committed 2010 Credit Agreements of Ameren and the Ameren Companies, and the credit capacity available under such agreements, considering reductions for commercial paper borrowings and letters of credit, as of December 31, 2011:

	Expiration	Borrowing Capacity	Credit Available
Ameren and Ameren Missouri:			
2010 Missouri Credit Agreement[(a)]	September 2013	$ 800	$ 800
Ameren and Genco:			
2010 Genco Credit Agreement[(a)]	September 2013	500	500
Ameren and Ameren Illinois:			
2010 Illinois Credit Agreement[(a)]	September 2013	800	800
Ameren:			
Less:			
Commercial paper outstanding			(148)
Letters of credit			(15)
Total		$ 2,100	$ 1,937

(a) The Ameren Companies may access these credit facilities through intercompany borrowing arrangements.

In February 2011, Ameren Illinois received approval from the ICC to extend the expiration of its borrowing sublimit under the 2010 Illinois Credit Agreement to September 10, 2013. In June 2011, Ameren Missouri received approval from the MoPSC to extend the expiration of its borrowing sublimit under the 2010 Missouri Credit Agreement to September 10, 2013.

The 2010 Credit Agreements are used to make cash borrowings, to issue letters of credit, and to support borrowings under Ameren s $500 million commercial paper program, Ameren Missouri s $500 million commercial paper program, and Ameren Illinois $500 million commercial paper program, the latter of which was created in October 2011. Any of the 2010 Credit Agreements are available to Ameren to support borrowings under Ameren s commercial paper program, subject to borrowing sublimits. The 2010 Missouri Credit Agreement is available to support borrowings under Ameren Missouri s commercial paper program, and the 2010 Illinois Credit Agreement is available to support borrowings under Ameren Illinois commercial paper program.

The maximum aggregate amount available to each borrower under each facility is shown in the following table (such amount being such borrower s Borrowing Sublimit):

	2010 Missouri Credit Agreement	2010 Genco Credit Agreement	2010 Illinois Credit Agreement
Ameren	$ 500	$ 500	$ 300
Ameren Missouri	500	(a)	(a)
Ameren Illinois	(a)	(a)	800
Genco	(a)	500	(a)

(a) Not applicable.

These credit agreements were also available for use, subject to applicable regulatory short-term borrowing authorizations, by EEI or by other Ameren non-state-regulated subsidiaries through direct short-term borrowings from Ameren and by most of Ameren s non-rate-regulated subsidiaries, including, but not limited to, Ameren Services, AER, AERG and Marketing Company, through a non-state-regulated subsidiary money pool agreement. Ameren has

money pool agreements with and among its subsidiaries to coordinate and to provide for certain short-term cash and working capital requirements. Separate money pools are maintained for utility and non-state-regulated entities. In addition, a unilateral borrowing agreement among Ameren, Ameren Illinois, and Ameren Services enables Ameren Illinois to make short-term borrowings directly from Ameren. Pursuant to the terms of the unilateral borrowing agreement, the aggregate amount of borrowings outstanding at any time by Ameren Illinois under the unilateral borrowing agreement and the utility money pool agreement, together with any outstanding Ameren Illinois external credit facility borrowings or commercial paper issuances, may not exceed $500 million, pursuant to authorization from the ICC. Ameren Illinois did not borrow under the unilateral borrowing agreement during 2011 or 2010. Ameren Services is responsible for operation and administration of the money pool agreements. See Note 4 Short-Term Debt and Liquidity under Part II, Item 8, of this report for a detailed explanation of the money pool arrangements and the unilateral borrowing agreement.

The issuance of short-term debt securities by Ameren s utility subsidiaries is subject to approval by FERC under the Federal Power Act. In March 2010, FERC issued an order authorizing the issuance of up to $1 billion of short-term debt securities for Ameren Missouri. The authorization was effective as of April 1, 2010, and terminates on March 31, 2012. On October 1, 2010, FERC authorized Ameren Illinois to issue up to $1 billion of short-term debt securities. The authorization became effective immediately and terminates on September 30, 2012.

Genco has unlimited long and short-term debt issuance authorization from FERC. EEI has unlimited short-term debt authorization from FERC.

The issuance of short-term debt securities by Ameren is not subject to approval by any regulatory body.

The Ameren Companies continually evaluate the adequacy and appropriateness of their liquidity arrangements given changing business conditions. When business conditions warrant, changes may be made to existing credit facilities or to other short-term borrowing arrangements.

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Long-term Debt and Equity

The following table presents the issuances of common stock and the issuances, redemptions, repurchases, and maturities of long-term debt and preferred stock (net of any issuance discounts and including any redemption premiums) for the years 2011, 2010, and 2009 for the Ameren Companies. For additional information related to the terms and uses of these issuances and the sources of funds and terms for the redemptions, see Note 5 Long-term Debt and Equity Financings under Part II, Item 8, of this report.

	Month Issued, Redeemed, Repurchased or Matured	2011	2010	2009
Issuances				
Long-term debt				
Ameren:				
8.875% Senior unsecured notes due 2014	May	**$ -**	$ -	$ 423
Ameren Missouri:				
8.45% Senior secured notes due 2039	March	**-**	-	349
Genco:				
6.30% Senior unsecured notes due 2020	November	**-**	-	249
Total Ameren long-term debt issuances		**$ -**	$ -	$ 1,021
Common stock				
Ameren:				
21,850,000 shares at $25.25	September	**$ -**	$ -	$ 552
DRPlus and 401(k)	Various	**65**	80	82
Total common stock issuances		**$ 65**	$ 80	$ 634
Total Ameren long-term debt and common stock issuances		**$ 65**	$ 80	$ 1,655
Redemptions, Repurchases and Maturities				
Long-term debt				
Ameren:				
8.70% Senior unsecured notes due 2009 (formerly CILCORP)	October	**$ -**	$ -	$ 124
9.375% Senior bonds due 2029 (formerly CILCORP)	December	**-**	-	253
Ameren Missouri:				
City of Bowling Green capital lease (Peno Creek CT)	Various	**5**	4	4
7.69% Series A subordinated deferrable interest debentures due 2036	September	**-**	66	-
Ameren Illinois:				
6.625% Senior secured notes due 2011	June	**150**	-	-
7.50% Series mortgage bonds due 2009	June	**-**	-	250
7.61% Series 1997-2 first mortgage bonds due 2017	September	**-**	40	-
Genco:				
Senior notes Series D 8.35% due 2010	November	**-**	200	-
Total Ameren long-term debt redemptions, repurchases and maturities		**$ 155**	$ 310	$ 631
Preferred stock				
Ameren Missouri:				
$7.64 Series	August	**$ -**	$ 33	$ -
Ameren Illinois:				
4.50% Series	August	**-**	11	-
4.64% Series	August	**-**	8	-
4.08% Series[a]	September	**-**	7	-
4.20% Series[a]	September	**-**	5	-
4.26% Series[a]	September	**-**	4	-
4.42% Series[a]	September	**-**	3	-
4.70% Series[a]	September	**-**	5	-
7.75% Series[a]	September	**-**	9	-
Total Ameren preferred stock redemptions and repurchases		**$ -**	$ 85	$ -
Total Ameren long-term debt and preferred stock redemptions, repurchases and maturities		**$ 155**	$ 395	$ 631

(a) In September 2010, Ameren contributed to the capital of Ameren Illinois (formerly IP), without the payment of any consideration, all of the IP preferred stock owned by Ameren ($33 million). IP cancelled these preferred shares.

A Form S-3 registration statement filed by Ameren with the SEC in June 2011 authorized the offering of 6 million additional shares of its common stock under DRPlus. Shares of common stock sold under DRPlus are, at Ameren s option, newly issued shares, treasury shares, or shares purchased in the open market or in privately negotiated transactions. In 2012, Ameren plans for shares to be purchased in the open market for DRPlus and its 401(k) plan. Under DRPlus and its 401(k) plan, Ameren issued 2.2 million, 3.0 million, and 3.2 million shares of common stock in 2011, 2010, and 2009, respectively, which were valued at $65 million, $80 million, and $82 million for the respective years.

In September 2009, Ameren issued and sold 21.85 million shares of its common stock at $25.25 per share, for proceeds of $535 million, net of $17 million of issuance costs. Ameren used the offering proceeds to make investments in its rate-regulated utility subsidiaries in the form of capital contributions to Ameren Missouri and Ameren Illinois of $436 million and $99 million, respectively.

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

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 bank credit and term loan agreements and in certain of the Ameren Companies indentures and articles of incorporation.

At December 31, 2011, the Ameren Companies were in compliance with the provisions and covenants contained within their credit agreements, indentures, and articles of incorporation provisions and covenants.

We consider access to short-term and long-term capital markets a significant source of funding for capital requirements not satisfied by our operating cash flows. Inability to raise capital on reasonable terms, particularly during times of uncertainty in the capital markets, could negatively affect our ability to maintain and expand our businesses. After assessing our current operating performance, liquidity, and credit ratings (see Credit Ratings below), we believe that Ameren and its rate-regulated businesses will continue to have access to the capital markets. However, events beyond our 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.

Genco s operating results and operating cash flows are significantly affected by changes in market prices for power, which have significantly decreased over the past few years. Under the provisions of Genco s indenture described in Note 5 Long-term Debt and Equity Financings, in Part II, Item 8 of this report, Genco may not borrow additional funds from external, third-party sources if its interest coverage ratio is less than a specified minimum or its leverage ratio is greater than a specified maximum. Based on projections as of December 31, 2011, of Genco s operating results and cash flows, we expect that, by the end of the first quarter of 2013, Genco s interest coverage ratio will be less than the minimum ratio required for the company to borrow additional funds from external, third-party sources.

Dividends

Ameren paid to its shareholders common stock dividends totaling $375 million, or $1.555 per share, in 2011, $368 million, or $1.54 per share, in 2010, and $338 million, or $1.54 per share, in 2009. The payout rate based on net income in 2011 and 2009 was 72% and 55%, respectively. The payout of common stock dividends exceeded net income in 2010 because of the noncash goodwill, impairment and other charges recorded during 2010. Dividends paid to common shareholders in relation to net cash provided by operating activities for the same periods were 20% in 2011, 20% in 2010, and 17% in 2009.

The amount and timing of dividends payable on Ameren s common stock are within the sole discretion of Ameren s board of directors. The board of directors has not set specific targets or payout parameters when declaring common stock dividends. However, as it has done in the past, the board of directors is expected to consider various issues, 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. On February 10, 2012, the board of directors of Ameren declared a quarterly dividend on Ameren s common stock of 40 cents per share, payable on March 30, 2012, to stockholders of record on March 14, 2012.

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 related to certain operating expenses and accumulations of earned surplus.

Genco s indenture includes restrictions that prohibit it from making dividend payments on its common stock. Specifically, Genco cannot pay dividends on its common

stock unless the company s actual interest coverage ratio for the most recently ended four fiscal quarters and the interest coverage ratios projected by management for each of the subsequent four six-month periods are greater than a specified minimum level. Based on projections as of December 31, 2011, of Genco s operating results and cash flows in 2012 and 2013, we did not believe that Genco will achieve the minimum interest coverage ratio necessary to pay dividends on its common stock for the six months ended June 30, 2013, or the six months ended December 31, 2013. As a result, Genco was restricted from paying dividends on its common stock as of December 31, 2011, and we expect Genco will be unable to pay dividends on its common stock in 2012, 2013, and 2014. See Note 5 Long-term Debt and Equity Financings under Part II, Item 8, of this report for additional information on Genco s indenture provisions.

Ameren Missouri, Ameren Illinois and Genco 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 meaning of this limitation

has never been clarified under the Federal Power Act or FERC regulations. However, FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividends are not excessive, and (3) there is no self-dealing on the part of corporate officials. At a minimum, Ameren believes that dividends can be paid by its subsidiaries that are public utilities from net income and retained earnings. In addition, under Illinois law, Ameren Illinois may not pay any dividend on its stock unless, among other things, its earnings and earned surplus are sufficient to declare and pay a dividend after provision is made for reasonable and proper reserves, or unless Ameren Illinois has specific authorization from the ICC.

In its application for the FERC orders approving the Ameren Illinois Merger and the AERG distribution, Ameren committed itself to maintain a minimum of 30% equity in its capital structure at Ameren Illinois following the Ameren Illinois Merger and the AERG distribution.

At December 31, 2011, Ameren, Ameren Missouri and Ameren Illinois were not restricted from paying dividends.

The following table presents common stock dividends paid by Ameren Corporation to its common stockholders and by Ameren s registrant subsidiaries to their respective parents.

	2011	2010	2009
Ameren Missouri	**$ 403**	$ 235	$ 175
Ameren Illinois	**327**	133	98
Genco	**-**	-	43
Dividends paid by Ameren	**375**	368	338

Certain of the Ameren Companies have issued preferred stock, which provides for cumulative preferred stock dividends. Each company s board of directors considers the declaration of the 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, 2011. See Note 11 Retirement Benefits under Part II, Item 8, of this report for information regarding expected minimum funding levels for our pension plans. These expected pension funding amounts are not included in the table below. In addition, routine short-term purchase order commitments are not included.

	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	After 5 Years
Ameren:[(a)]					
Long-term debt and capital lease obligations[(b)(c)]	$ 6,866	$ 179	$ 940	$ 515	$ 5,232
Short-term debt	148	148	-	-	-
Interest payments[(d)]	4,338	446	826	715	2,351
Operating leases[(e)]	307	38	58	51	160
Other obligations[(f)]	9,114	1,972	2,727	1,929	2,486
Total cash contractual obligations	$ 20,773	$ 2,783	$ 4,551	$ 3,210	$ 10,229
Ameren Missouri:					
Long-term debt and capital lease obligations[(c)]	$ 3,955	$ 178	$ 314	$ 386	$ 3,077
Interest payments[(d)]	2,603	229	431	393	1,550
Operating leases[(e)]	134	13	24	24	73
Other obligations[(f)]	5,634	820	1,588	1,584	1,642
Total cash contractual obligations	$ 12,326	$ 1,240	$ 2,357	$ 2,387	$ 6,342
Ameren Illinois:					
Long-term debt[(b)(c)]	$ 1,661	$ 1	$ 201	$ 129	$ 1,330
Interest payments[(d)]	935	120	225	204	386
Operating leases[(e)]	7	1	2	2	2
Other obligations[(f)]	2,424	525	863	238	798
Total cash contractual obligations	$ 5,027	$ 647	$ 1,291	$ 573	$ 2,516
Genco:					
Long-term debt[(c)]	$ 825	$ -	$ -	$ -	$ 825
Interest payments	710	59	118	118	415
Operating leases[(e)]	131	11	22	21	77
Other obligations[(f)]	674	462	165	47	-
Total cash contractual obligations	$ 2,340	$ 532	$ 305	$ 186	$ 1,317

(a) Includes amounts for registrant and nonregistrant Ameren subsidiaries and intercompany eliminations.
(b) Excludes fair-market value adjustments of long-term debt of $5 million for Ameren Illinois.
(c) Excludes unamortized discount and premium of $15 million at Ameren, $5 million at Ameren Missouri, $8 million at Ameren Illinois, and $1 million at Genco.
(d) The weighted-average variable-rate debt has been calculated using the interest rate as of December 31, 2011.
(e) Amounts related to certain real estate leases and railroad licenses have indefinite payment periods. Ameren s $2 million annual obligation for these items is included in the Less than 1 Year, 1 3 Years, and 3 5 Years columns. The amounts for the indefinite payments are not included in the After 5 Years column because that period is indefinite.
(f) See Other Obligations within Note 15 Commitments and Contingencies under Part II, Item 8 of this report, for discussion of items included herein.

As of December 31, 2011, the amounts of unrecognized tax benefits under the authoritative accounting guidance for uncertain tax positions were $148 million, $124 million, $11 million, and $9 million for Ameren, Ameren Missouri, Ameren Illinois, and Genco, respectively. It is reasonably possible to expect that the settlement of an unrecognized tax benefit will result in an underpayment or overpayment of tax and related interest. However, there is a high degree of uncertainty with respect to the timing of cash payments or receipts associated with unrecognized tax benefits. The amount and timing of certain payments or receipts is not reliably estimable or determinable at this time. See Note 13 Income Taxes

under Part II, Item 8, of this report for information regarding the Ameren Companies unrecognized tax benefits and related liabilities for interest expense.

Off-Balance-Sheet Arrangements

At December 31, 2011, none of the Ameren Companies had off-balance-sheet financing arrangements other than operating leases entered into in the ordinary course of business. None of the Ameren Companies expect to engage in any significant off-balance-sheet financing arrangements in the near future.

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Credit Ratings

The credit ratings of the Ameren Companies affect our liquidity, our access to the capital markets and credit markets, our cost of borrowing under our credit facilities and collateral posting requirements under commodity contracts.

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

	Moody s	S&P	Fitch
Ameren:			
Issuer/corporate credit rating	Baa3	BBB-	BBB
Senior unsecured debt	Baa3	BB+	BBB
Commercial paper	P-3	A-3	F2
Ameren Missouri:			
Issuer/corporate credit rating	Baa2	BBB-	BBB+
Secured debt	A3	BBB+	A
Ameren Illinois:			
Issuer/corporate credit rating	Baa3	BBB-	BBB-
Secured debt	Baa1	BBB/BBB+[(a)]	BBB+
Senior unsecured debt	Baa3	BBB-	BBB
Genco:			
Issuer/corporate credit rating	-	BB	BB-
Senior unsecured debt	Ba1	BB	BB-

(a) The BBB+ rating applies to issuances of securities secured by the mortgage associated with the former property of CILCO. The BBB rating applies to issuances of securities secured by the mortgage associated with the former property of IP and CIPS.

The cost of borrowing under our credit facilities can also increase or decrease depending upon the credit ratings of the borrower. 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 adverse change in the Ameren Companies credit ratings may reduce access to capital and trigger additional collateral postings and prepayments. Such changes may also increase the cost of borrowing and fuel, power, and natural gas supply, among other things, resulting in a negative impact on earnings. Cash collateral postings and prepayments made with external parties, including postings related to exchange-traded contracts at December 31, 2011, were $145 million, $11 million, $102 million and $1 million at Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively. The amount of cash collateral external counterparties posted with Ameren was $6 million at December 31, 2011. Sub-investment-grade issuer or senior unsecured debt ratings (lower than BBB- or Baa3) at December 31, 2011, could have resulted in Ameren, Ameren Missouri, Ameren Illinois or Genco being required to post additional collateral or other assurances for certain trade obligations amounting to $332 million, $86 million, $125 million, and $58 million, respectively.

Changes in commodity prices could trigger additional collateral postings and prepayments at current credit ratings. If market prices were 15% higher than December 31, 2011, levels in the next 12 months and 20% higher thereafter through the end of the term of the commodity contracts, then Ameren, Ameren Missouri, Ameren Illinois and Genco could be required to post additional collateral or other assurances for certain trade obligations up to $119 million, $10 million, $- million, and $19 million, respectively. If market prices were 15% lower than December 31, 2011, levels in the next 12 months and 20% lower thereafter through the end of the term of the commodity contracts, then Ameren, Ameren Missouri, Ameren Illinois and Genco could be required to post additional collateral or other assurances for certain trade obligations up to $227 million, $10 million, $69 million, and $81 million, respectively.

OUTLOOK

Ameren seeks to earn competitive returns on its investments in its businesses. Ameren Missouri and Ameren Illinois are seeking to improve their regulatory frameworks and cost recovery mechanisms. At the same time, Ameren s rate-regulated businesses are pursuing constructive regulatory outcomes within existing frameworks and are seeking to align their overall spending, both operating and capital, with economic conditions and cash flows provided by their regulators. Consequently, Ameren s rate-regulated businesses expect to narrow the historic gap between allowed and earned returns on equity. Ameren s Merchant Generation segment maintains a fleet of competitive coal-fired and natural gas generating assets. Ameren s merchant generation strategy is to position itself as a low-cost provider and to benefit from an expected future recovery of power prices. Ameren intends to allocate its capital resources to those business opportunities, including electric and natural gas transmission, that offer the most attractive risk-adjusted return potential.

Below are some key trends, events, and uncertainties that are reasonably likely to affect the Ameren Companies financial condition, results of operations, or liquidity as well as their ability to achieve strategic and financial objectives for 2012 and beyond.

Rate-Regulated Operations

Ameren s strategy for earning competitive returns on its rate-regulated investments involves meeting customer energy needs in an efficient fashion, working to enhance regulatory frameworks, making timely and well-supported rate filings, and aligning overall spending with those rate case outcomes, economic conditions and return opportunities.

The IEIMA, enacted late in 2011, provides for a performance-based formula ratemaking framework for electric delivery utilities in Illinois. On January 3, 2012, Ameren Illinois elected to participate in this regulatory framework by making its initial performance-based formula rate filing with the ICC. We believe that our

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participation in this framework will better enable Ameren Illinois to earn its allowed return on equity for its electric delivery service business. This is expected to give Ameren Illinois the earnings predictability to invest in modernizing its distribution system. During 2012, Ameren Illinois is required to make a one-time $7.5 million nonrecoverable donation to the Illinois Science and Energy Innovation Trust. Additionally, Ameren Illinois is required to make an annual donation to that same trust and to fund customer assistance programs, both of which will total approximately $2 million, in the aggregate, in 2012.

As they continue to experience cost recovery pressures, Ameren Missouri and Ameren Illinois expect to regularly seek electric and natural gas rate increases and timely cost recovery and tracking mechanisms from their regulators. These pressures include lower load growth from a weak economy, customer conservation efforts, and the impacts of energy efficiency programs, increased investments and expected future investments for environmental compliance, system reliability improvements, and new baseload capacity, including renewable requirements. Increased investments also result in higher depreciation and financing costs. Increased costs are also expected from rising employee benefit costs, higher property and income taxes, and higher insurance premiums as a result of insurance market conditions and loss experience, among other things. Following recommendations from the NRC s task force on lessons learned from the 2011 reactor accident in Japan, the NRC is expected to issue orders in 2012 requiring United States nuclear plants to enhance nuclear plant readiness to safely manage severe events. Such orders are expected to result in increased costs or investments.

Ameren s rate-regulated businesses have procured rate increases. In January 2012, the ICC issued an order that authorized a $32 million increase in Ameren Illinois annual natural gas delivery service revenues. This request was based on a future test year of 2012, rather than a historical test year, in order to improve the ability to earn returns allowed by regulators.

In 2011, Ameren Missouri received separate rate increases for its electric and natural gas businesses. In January 2011, the MoPSC approved a stipulation and agreement that authorized an increase in annual natural gas delivery revenues of $9 million. In July 2011, the MoPSC issued an order approving an increase in annual revenues for electric service of $173 million. Depreciation for the Sioux scrubbers, previously deferred as a regulatory asset when placed in service in November 2010, will result in an increase in annual expense of $21 million, beginning in August 2011. In addition, capitalization of interest was discontinued in July 2011. The MoPSC also issued an order, in April 2011, with respect to its review of Ameren Missouri s FAC for the period from March 1, 2009, to September 30, 2009. The order required Ameren Missouri to refund $18 million, including $1 million for interest, to customers related to earnings associated with certain long-term partial requirements sales that were made by Ameren Missouri due to the loss of Noranda s load caused by a severe ice storm in January 2009. Ameren Missouri has appealed this decision to the Cole County Circuit Court. The MoPSC is currently conducting its FAC review for periods after September 2009. It is possible that the MoPSC could order additional refunds of $25 million related to periods after September 2009, and this could result in a charge to earnings. Ameren Missouri filed a request with the MoPSC in July 2011 for an accounting authority order that would allow Ameren Missouri to recover fixed costs totaling $36 million that were not recovered as a result of the loss of load caused by the severe 2009 ice storm for potential recovery in a future electric rate case.

In January 2012, Ameren Missouri made its initial filing under the MEEIA. The MEEIA requires the MoPSC to ensure that a utility s financial incentives are aligned with helping customers use energy more efficiently, to provide timely cost recovery, and to provide earnings opportunities associated with cost-effective energy efficiency programs. Ameren Missouri s filing proposes a three-year plan that includes a portfolio of energy efficiency programs along with a cost-recovery mechanism. If the proposal is approved, beginning in January 2013, Ameren Missouri plans to invest $145 million over three years in the proposed energy efficiency programs. Ameren Missouri s second filing, made in February 2012, was a request to increase its annual revenues for electric service by $376 million, which includes recovery of the cost of the proposed energy efficiency programs included in the MEEIA filing. A MoPSC decision in Ameren Missouri s MEEIA filing is anticipated in the second quarter of 2012, while an electric rate order is expected in December 2012.

Ameren and Ameren Missouri also are pursuing recovery from insurers, through litigation, for reimbursement of unpaid liability insurance claims for a December 2005 breach of the upper reservoir at Ameren Missouri s Taum Sauk pumped-storage hydroelectric energy center.

Approximately 340 employees of Ameren Missouri and Ameren Services accepted voluntary separation offers and left the company as of December 31, 2011. As a result of the voluntary separations, Ameren and Ameren Missouri estimate an annual $20 million reduction in operations and maintenance expense beginning in 2012.

Ameren Missouri s Callaway energy center completed a scheduled refueling and maintenance outage during the fourth quarter of 2011. Ameren Missouri s next scheduled refueling and maintenance outage is in the spring of 2013. During a scheduled outage, which occurs every 18 months, maintenance and purchased power costs increase, and the amount of excess power available for sale decreases, versus non-outage years.

Ameren intends to allocate its capital to those investment opportunities with the highest expected

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risk-adjusted returns. Ameren believes that because of its strategic location in the country, electric transmission may provide it with such an opportunity. In December 2011, MISO approved three projects, which will be developed by ATXI or ATX. The first project, Illinois Rivers, involves building a 345-kilovolt line across the state of Illinois, from the Missouri border to the Indiana border. Work on the first sections of this project will begin in 2012; the expected in-service date is 2016. The last section of this project is expected to be completed in 2019. The Spoon River project in northwest Illinois and the Mark Twain project in northeast Missouri are the other two projects approved by MISO in its current transmission expansion plan. These two projects are expected to be completed in 2018. The estimated total investment in these three projects is expected to be more than $1.2 billion. FERC, in its order issued in May 2011, approved transmission rate incentives for the Illinois Rivers project as well as for the Big Muddy project. The Big Muddy project, located primarily in southern Illinois, is currently being evaluated for inclusion in MISO s 2012 transmission expansion plan.

During January 2012, the weather conditions in Ameren Missouri s and Ameren Illinois service territories were unseasonably warm. Heating degree-days in Ameren s rate-regulated service territories were 14% lower than normal winter weather conditions and 25% lower than weather conditions that occurred during January 2011.

For additional information regarding recent rate orders and related appeals, pending requests filed with state and federal regulatory commissions, the FAC prudence review and related appeal, and Taum Sauk matters, see Note 1 Summary of Significant Accounting Policies, Note 2 Rate and Regulatory Matters, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

Merchant Generation Operations

In this period of generally weak power prices, Ameren is focused on improving and reducing the volatility of, operating cash flows within its Merchant Generation business so that cash flows from operations approximate required investments. Merchant Generation has reduced operating costs and sought cost-efficient methods to comply with significant environmental requirements. Merchant Generation expects to continue to pursue these strategies while positioning themselves for an expected future recovery in power prices and margins. As part of this strategy Genco closed its Meredosia and Hutsonville energy centers at the end of 2011, primarily because environmental investments expected to be required were not economical. The closures and the retention of these energy centers emission allowances create flexibility to lower compliance costs at other Merchant Generation energy centers. In addition, the closure of the Hutsonville and Meredosia energy centers is not
expected to have a material impact on Ameren s or Genco s future earnings. In 2011, nearly all of Merchant Generation s margin was generated from sales of output from five baseload energy centers (Newton, Joppa, Coffeen, E.D. Edwards, and Duck Creek). The Merchant Generation segment expects to have available generation from its coal-fired energy centers of 32.5 million megawatthours in 2012. However, based on currently expected power prices, the Merchant Generation segment expects to generate approximately 27 million (Genco 20 million) megawatthours of power in 2012. See Note 15 Commitments and Contingencies under Part II, Item 8, of this report for further discussion of environmental matters and compliance plans.

Power prices in the Midwest affect the amount of revenues and cash flows Merchant Generation and Genco can generate by marketing power into the wholesale and retail markets. Market prices for power have decreased over the past three years. During 2012, the market price for power for delivery in the current year has declined below 2011 levels because of factors such as declining natural gas prices and the stay of the CSAPR. From December 31, 2011, through January 31, 2012, the market price for power at the Indiana Hub decreased by 12%. Ameren s Merchant Generation segment and Genco will be adversely impacted by the declining market price of power for any unhedged generation. Merchant Generation and Genco are currently evaluating this recent price decline and the impact of the stay of the CSAPR, and the potential impact these events may have on their operating and capital investment plans. In 2012, Genco decelerated the construction of two scrubbers at its Newton energy center, and AERG removed from its five-year capital expenditures forecast previously planned precipitator upgrades at its E.D. Edwards energy center. Based on current environmental rules and regulations, if Merchant Generation and Genco do not complete these environmental upgrades by the beginning of 2015, Merchant Generation and Genco may need to reduce generation output at their energy centers to reduce emissions. Merchant Generation and Genco will also evaluate whether the decline in the market price for power in the first quarter of 2012, and any changes to operating and capital plans, is indicative that the carrying value of its energy centers may not be recoverable. A failure to achieve forecasted operating results and cash flows, an unfavorable change in forecasted operating results and cash flows, or a reduction in the expected useful lives of Merchant Generation s energy centers could result in the recognition of long-lived asset impairment charges. Merchant Generation s energy centers without pollution control equipment are most exposed to declining power prices as compliance options for environmental laws and regulations could become prohibitively expensive.

To reduce cash flow volatility, Marketing Company, through a mix of physical and financial sales contracts, targets to hedge Merchant Generation s expected output by 80% to 90% for the following year, 50% to

70% for two years out, and 30% to 50% for three years out. As of January 31, 2012, Marketing Company had hedged approximately 25 million megawatthours of Merchant Generation s expected generation for 2012, at an average price of $44 per megawatthour. For 2013, Marketing Company had hedged approximately 14 million megawatthours of Merchant Generation s forecasted generation sales at an average price of $40 per megawatthour. For 2014, Marketing Company had hedged approximately 7 million megawatthours of Merchant Generation s forecasted generation sales at an average price of $44 per megawatthour. Any unhedged forecasted generation will be exposed to market prices at the time of sale. As a result, any new physical or financial power sales may be at price levels lower than previously experienced and lower than the value of existing hedged sales.

Merchant Generation is also supporting development of an energy capacity market within MISO, which is expected to support longer-term investment. FERC is expected to issue an order on MISO s proposal to establish a capacity market within the RTO. The MISO proposal calls for the first annual capacity auction to be held in April 2013 for the June 2013 to May 2014 planning year.

To further reduce cash flow volatility, Merchant Generation seeks to hedge fuel costs consistent with power sales. As of January 31, 2012, for 2012 Merchant Generation had hedged fuel costs for approximately 25 million megawatthours of coal and up to 28 million megawatthours of base transportation at about $24 per megawatthour. For 2013, Merchant Generation had hedged fuel costs for approximately 12 million megawatthours of coal and up to 27 million megawatthours of base transportation at about $25.50 per megawatthour. For 2014, Merchant Generation had hedged fuel costs for approximately 5 million megawatthours of coal and up to 21 million megawatthours of base transportation at about $25.50 per megawatthour. In 2012, Genco and the Merchant Generation segment are targeting a reduction in coal inventories. See Item 7A Quantitative and Qualitative Disclosures About Market Risk of this report for additional information about the percentage of fuel and transportation requirements that are price-hedged for 2012 through 2016.

Liquidity and Capital Resources

The Ameren Companies seek to maintain access to the capital markets at commercially attractive rates in order to fund their businesses. The enhancement of regulatory frameworks and returns is expected to improve cash flows, credit metrics, and related access to capital for Ameren s rate-regulated businesses.

Genco and the Merchant Generation segment seek to fund their operations internally and therefore seek not to rely on financing from Ameren or external, third-party sources. Genco and the Merchant Generation segment will continue to seek to defer capital and operating expenses, sell certain assets, and take other actions as necessary to fund their operations internally while maintaining safe and reliable operations. Under its indenture, Genco may not borrow additional funds from external, third-party sources if its interest coverage ratio is less than a specified minimum or its leverage ratio is greater than a specified maximum. Based on projections as of December 31, 2011, of Genco s operating results and cash flows, we expect that, by the end of the first quarter of 2013, Genco s interest coverage ratio will be less than the minimum ratio required for the company to borrow additional funds from external, third-party sources. Genco s indenture does not restrict intercompany borrowings from Ameren s non-state-regulated subsidiary money pool. However, borrowings from the money pool are subject to Ameren s control, and if a Genco intercompany financing need were to arise, borrowings from the non-state-regulated subsidiary money pool by Genco would be dependent on consideration by Ameren of the facts and circumstances existing at that time.

The Ameren Companies have also entered into multiyear credit facility agreements that cumulatively provide $2.1 billion of credit through September 10, 2013. We believe that our liquidity is adequate given our 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 our ability to execute our expected operating, capital or financing plans.

In September 2012, $173 million of Ameren Missouri s 5.25% senior secured notes mature.

As of December 31, 2011, Ameren had approximately $390 million in federal income tax net operating loss carryforwards (Ameren Missouri $140 million, Ameren Illinois $90 million, Genco $20 million) and $72 million in federal income tax credit carryforwards (Ameren Missouri $11 million, Ameren Illinois $- million, Genco $1 million). These carryforwards are expected to satisfy income tax liabilities through the end of 2013 (Ameren Missouri 2012, Ameren Illinois 2012, Genco 2013).

Between 2012 and 2021, Ameren currently expects to invest between $1.8 billion to $2.2 billion to retrofit its coal-fired energy centers with pollution control equipment in compliance with environmental laws and regulations. Any pollution control investments will result in decreased energy center availability during construction and significantly higher ongoing operating expenses. Any pollution control investments at Ameren Missouri are expected to be recoverable from ratepayers, subject to prudence reviews. Regulatory lag may materially affect the timing of such recovery and returns on the investments, and therefore affect our cash flows and related financing needs. The recoverability of amounts expended in our Merchant Generation segment will depend on whether market prices for power adjust as a result of market conditions reflecting increased environmental costs for coal-fired generators.

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- In October 2011, Ameren s board of directors declared a fourth quarter dividend of 40 cents per common share, a 3.9% increase from the prior quarterly dividend of 38.5 cents per share, resulting in an annualized equivalent dividend of $1.60 per share. Based on the shares outstanding at the end of October 2011, on an annual basis, the dividend increase will result in additional dividends of $15 million.
- In February 2012, Ameren completed the asset sale of its Medina Valley energy center s net property and plant for cash proceeds of $16 million. The loss of margin contributed by Medina Valley is not expected to materially impact Ameren s 2012 results of operations.
- Ameren and Genco are currently exploring opportunities to make the Meredosia energy center available for those parties interested in repowering one of its units to create an oxy-fuel combustion coal-fired energy center designed for permanent CO_2 capture and storage.

REGULATORY MATTERS

See Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report.

ACCOUNTING MATTERS

Critical Accounting Estimates

Preparation of the financial statements and related disclosures in compliance with GAAP requires the application of appropriate technical accounting rules and guidance, as well as the use of estimates. These estimates involve judgments regarding many factors which in and of themselves could materially affect the financial statements and disclosures. We have outlined below the critical accounting estimates that we believe are most difficult, subjective, or complex. Any change in the assumptions or judgments applied in determining the following matters, among others, could have a material impact on future financial results.

Accounting Estimate

Uncertainties Affecting Application

Regulatory Mechanisms and Cost Recovery

Ameren, Ameren Missouri and Ameren Illinois defer costs in accordance with authoritative accounting guidance, and make investments that they assume will be collected in future rates.

- Regulatory environment and external regulatory decisions and requirements
- Anticipated future regulatory decisions and their impact
- Impact of deregulation, rate freezes, prudency reviews, and competition on ratemaking process and ability to recover costs
- Beginning in 2012, Ameren Illinois assessment of and ability to estimate the current year s electric delivery service costs to be reflected in revenues and recovered from customers in a subsequent year under the IEIMA performance-based formula ratemaking process

Basis for Judgment

We determine which costs are recoverable by consulting previous rulings by state regulatory authorities in jurisdictions where we operate and any other factors that may indicate whether cost recovery is probable. If facts and circumstances lead us to conclude that a recorded regulatory asset is no longer probable of recovery or that plant assets are probable of disallowance, we record a charge to earnings, which could be material. See Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report for quantification of these assets for each of the Ameren Companies, excluding Genco.

Unbilled Revenue

At the end of each period, Ameren, Ameren Missouri and Ameren Illinois project expected usage and estimate the amount of revenue to record for services that have been provided to customers but not yet billed.

- Projecting customer energy usage
- Estimating impacts of weather and other usage-affecting factors for the unbilled period
- Estimating loss of energy during transmission and delivery

Basis for Judgment

We base our estimate of unbilled revenue each period on the volume of energy delivered, as valued by a model of billing cycles and historical usage rates and growth by customer class for our service area. This figure is then adjusted for the modeled impact of seasonal and weather variations based on historical results. See the balance sheets for each of the Ameren Companies, excluding Genco, under Part II, Item 8, of this report for unbilled revenue amounts.

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Accounting Estimate

Uncertainties Affecting Application

Derivative Financial Instruments

We account for derivative financial instruments and measure their fair value in accordance with authoritative accounting guidance. The identification and classification of a derivative and the fair value of such derivative must be determined. See Commodity Price Risk and Fair Value of Contracts in Quantitative and Qualitative Disclosures About Market Risk under Part II, Item 7A, Note 7 Derivative Financial Instruments and Note 8 Fair Value Measurements under Part II, Item 8, of this report.

- Our ability to identify derivatives
- Our ability to assess whether derivative contracts qualify for the NPNS exception
- Our ability to consume or produce notional values of derivative contracts
- Market conditions in the energy industry, especially the effects of price volatility and liquidity
- Valuation assumptions on longer term contracts due to lack of observable inputs
- Effectiveness of derivatives that have been designated as hedges
- Counterparty default risk

Basis for Judgment

We evaluate contracts to determine whether they contain derivatives. Determining whether or not a contract qualifies as a derivative under authoritative accounting guidance requires us to exercise significant judgment in interpreting the definition of a derivative and applying that definition. Authoritative accounting guidance regarding derivative instruments requires that all contracts considered to be derivative instruments be recorded on the balance sheet at their fair values, unless the NPNS exception applies. We determine whether to exclude the fair value of certain derivatives from valuation under the NPNS provisions of authoritative accounting guidance after assessing our intent and ability to physically deliver commodities purchased and sold. Further, our forecasted purchases and sales also support our designation of some fair valued derivative instruments as cash flow hedges. Fair value of our derivatives is measured in accordance with authoritative accounting guidance, which provides a fair value hierarchy that prioritizes inputs to valuation techniques. We use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. When we do not have observable inputs, we use certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risks inherent in the inputs to the valuation. Our valuations also reflect our own assessment of counterparty default risk, guided by the best internal and external information available. If we were required to discontinue our use of the NPNS exception or cash flow hedge treatment for some of our contracts, the impact of changes in fair value for the applicable contracts could be material to our earnings and financial position.

Valuation of Long-Lived Assets and Asset Retirement Obligations

We periodically assess the carrying value of our long-lived assets to determine whether they are impaired. We also review for the existence of asset retirement obligations. If an asset retirement obligation is identified, we determine its fair value and subsequently reassess and adjust the obligation, as necessary.

- Management s identification of impairment indicators
- Changes in business, industry, laws, technology, or economic and market conditions
- Valuation assumptions and conclusions
- Our assessment of market participants
- Estimated useful lives of our significant long-lived assets
- Actions or assessments by our regulators
- Identification of an asset retirement obligation and assumptions about the timing of asset removals

Basis for Judgment

Whenever events or changes in circumstances indicate a valuation may have changed, we use various methodologies that we believe market participants would use to determine valuations and discounted, undiscounted, and probabilistic discounted cash flow models with multiple operating scenarios. The identification of asset retirement obligations is conducted through the review of legal documents and interviews. See Note 1 Summary of Significant Accounting Policies under Part II, Item 8, of this report for quantification of our asset retirement obligations. See Note 17 Goodwill, Impairment and Other Charges under Part II, Item 8, of this report for additional information of our long-lived asset impairment evaluation and charges recorded.

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Accounting Estimate

Uncertainties Affecting Application

Benefit Plan Accounting

Based on actuarial calculations, we accrue costs of providing future employee benefits in accordance with authoritative accounting guidance regarding benefit plans. See Note 11 Retirement Benefits under Part II, Item 8, of this report.

Future rate of return on pension and other plan assets
Interest rates used in valuing benefit obligations
Health care cost trend rates
Timing of employee retirements and mortality assumptions
Ability to recover certain benefit plan costs from our ratepayers
Changing market conditions that may affect investment and interest rate environments
Impacts of the health care reform legislation enacted in 2010

Basis for Judgment

Our ultimate selection of the discount rate, health care trend rate, and expected rate of return on pension and other postretirement benefit plan assets is based on our consistent application of assumption-setting methodologies and our review of available historical, current, and projected rates, as applicable. See Note 11 Retirement Benefits under Part II, Item 8, of this report for sensitivity of Ameren s benefit plans to potential changes in these assumptions.

Accounting for Contingencies

We make judgments and estimates in recording liabilities for claims, litigation, environmental remediation, the actions of various regulatory agencies, or other matters that occur in the normal course of business. We record a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. A gain contingency is not recorded until realized or realizable.

Estimating financial impact of events
Estimating likelihood of outcomes
Regulatory and political environments and requirements
Outcome of legal proceedings, settlements or other factors

Basis for Judgment

The determination of a loss contingency requires significant judgment as to the expected outcome of each contingency in future periods. In making the determination as to the amount of potential loss and the probability of loss, we consider all available evidence including the expected outcome of potential litigation. If no estimate is better than another within our range of estimates, we record our best estimate of a loss or the minimum value of our estimated range of outcomes. As additional information becomes available, we reassess the potential liability related to the contingency and revise our estimates. In our evaluation of legal matters, management consults with legal counsel and relies on analysis of relevant case law and legal precedents. See Note 2 Rate and Regulatory Matters, Note 10 Callaway Energy Center, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report for information on the Ameren Companies contingencies.

Impact of Future Accounting Pronouncements

See Note 1 Summary of Significant Accounting Policies under Part II, Item 8, of this report.

EFFECTS OF INFLATION AND CHANGING PRICES

Ameren s rates for retail electric and natural gas utility service are regulated by the MoPSC and the ICC. Nonretail electric rates are regulated by FERC. Rate regulation is generally based on the recovery of historical or projected costs. As a result, revenue increases could lag behind changing prices. Ameren Illinois has recently elected to participate in the performance-based formula ratemaking process for determining retail rates for its electric delivery service business established by the IEIMA. Ameren Illinois participation in this formula ratemaking process will terminate if the average residential rate increases by more than 2.5% annually from June 2011 through May 2014. The

average residential rate includes generation service, which is outside of Ameren Illinois control as it is required to purchase all of its power through procurement processes administered by the IPA. The cost of procured power can be affected by inflation. Within that formula, the monthly average yields of 30-year United States Treasury bonds are the basis for Ameren Illinois return on equity. Therefore, pending ICC approval of Ameren Illinois initial filing under the IEIMA, which is expected to occur in October 2012, there will be a direct correlation between the yield of United States Treasury bonds, which are affected by inflation, and the earnings of Ameren Illinois electric distribution business. Inflation affects our operations, earnings, stockholders equity, and financial performance.

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The current replacement cost of our utility plant substantially exceeds our recorded historical cost. Under existing regulatory practice, only the historical cost of plant is recoverable from customers. As a result, cash flows designed to provide recovery of historical costs through depreciation might not be adequate to replace the plant in future years. Ameren s Merchant Generation business does not have regulated recovery mechanisms and is therefore dependent on market prices for power to reflect rising costs.

Ameren Missouri recovers the cost of fuel for electric generation and the cost of purchased power by adjusting rates as allowed through the FAC. Ameren Illinois recovers power supply costs from electric customers by adjusting rates through a rider mechanism to accommodate changes in power prices.

Ameren Missouri and Ameren Illinois are affected by changes in the cost of electric transmission services. FERC regulates the rates charged and the terms and conditions for electric transmission services. Each RTO separately files regional transmission tariff rates for approval by FERC. All members within that RTO are then subjected to those rates. Because they are members of MISO, Ameren Missouri s and Ameren Illinois transmission rates are calculated in accordance with MISO s rate formula. The transmission rate, updated in June of each year, is based on FERC filings for the previous year. This rate is charged directly to

wholesale customers. Ameren Illinois also charges this rate directly to alternative retail electric suppliers. For Illinois retail customers who have not chosen an alternative retail electric supplier, the transmission rate is collected through a rider mechanism. This rate is not directly charged to Missouri retail customers because the MoPSC includes transmission-related costs in setting bundled retail rates in Missouri.

In our Missouri and Illinois retail natural gas utility jurisdictions, changes in gas costs are generally reflected in billings to gas customers through PGA clauses.

Ameren, Ameren Missouri and Genco are affected by changes in market prices for natural gas to the extent that they must purchase natural gas to run CTs. These companies have structured various supply agreements to maintain access to multiple natural gas pools and supply basins, and to minimize the impact to their financial statements. Ameren Missouri s exposure to changes in market prices of natural gas is mitigated by its ability to recover increasing costs via a FAC. See Quantitative and Qualitative Disclosures About Market Risk Commodity Price Risk under Part II, Item 7A, below for additional information.

See Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report for additional information on the cost recovery mechanisms.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of changes in value of a physical asset or a financial instrument, derivative or nonderivative, caused by fluctuations in market variables such as interest rates, commodity prices, and equity security prices. A derivative is a contract whose value is dependent on, or derived from, the value of some underlying asset or index. The following discussion of our risk management activities includes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. We handle market risks in accordance with established policies, which may include entering into various derivative transactions. In the normal course of business, we also face risks that are either nonfinancial or nonquantifiable. Such risks, principally business, legal, and operational risks, are not part of the following discussion.

Our risk management objective is to optimize our physical generating assets and to pursue market opportunities within prudent risk parameters. Our risk management policies are set by a risk management steering committee, which is composed of senior-level Ameren officers.

Interest Rate Risk

We are exposed to market risk through changes in interest rates associated with:

- long-term and short-term variable-rate debt;
- fixed-rate debt;
- auction-rate long-term debt; and
- defined pension and postretirement benefit plans.

We manage our interest rate exposure by controlling the amount of debt instruments we have within our total capitalization portfolio and by monitoring the effects of market changes in interest rates. For defined pension and postretirement benefit plans, we control the duration and the portfolio mix of our plan assets.

The following table presents the estimated increase in our annual interest expense and decrease in net income if interest rates were to increase by 1% on variable-rate debt outstanding at December 31, 2011:

	Interest Expense	**Net Income**[(a)]
Ameren[(b)]	$ 4	$ (2)
Ameren Missouri	2	(1)
Ameren Illinois	(c)	(c)
Genco		

(a) Calculations are based on an estimated tax rate of 40%, 38%, 41% and 41% for Ameren, Ameren Missouri, Ameren Illinois and Genco, respectively.
(b) Includes intercompany eliminations.
(c) Less than $1 million.

The estimated changes above do not consider the potential reduced overall economic activity that would exist

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in such an environment. In the event of a significant change in interest rates, management would probably act to mitigate further exposure to this market risk. However, due to the uncertainty of the specific actions that might be taken and their possible effects, this sensitivity analysis assumes no change in our financial structure.

Credit Risk

Credit risk represents the loss that would be recognized if counterparties fail to perform as contracted. Exchange-traded contracts are supported by the financial and credit quality of the clearing members of the respective exchanges and have nominal credit risk. In all other transactions, we are exposed to credit risk in the event of nonperformance by the counterparties to the transaction. See Note 7 Derivative Financial Instruments under Part II, Item 8, of this report for information on the potential loss on counterparty exposure as of December 31, 2011.

Our rate-regulated revenues are primarily derived from sales or delivery of electricity and natural gas to customers in Missouri and Illinois. Our physical and financial instruments are subject to credit risk consisting of trade accounts receivables and executory contracts with market risk exposures. The risk associated with trade receivables is mitigated by the large number of customers in a broad range of industry groups who make up our customer base. At December 31, 2011, no nonaffiliated customer represented more than 10%, in the aggregate, of our accounts receivable at Ameren Illinois. Noranda, Ameren Missouri s largest nonaffiliated electric customer, has appealed certain aspects of the 2009 and 2010 rate orders issued by the MoPSC. Noranda has paid into court registries amounts that represent more than 10%, in the aggregate, of Ameren Missouri s accounts receivable at December 31, 2011. In November 2011, the Missouri Court of Appeals issued a ruling that upheld the MoPSC s January 2009 electric rate order. Therefore, Ameren Missouri expects to receive all of the funds held in the Stoddard County Circuit Court s registry relating to the 2009 rate order, which totaled $20 million as of December 31, 2011, during the first quarter of 2012. The funds related to the 2010 appeal will remain in the Cole County Circuit Court s registry pending resolution, which is expected in 2012. See Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report for additional information. The risk associated with Ameren Illinois electric and natural gas trade receivables is also mitigated by a rate adjustment mechanism that allows Ameren Illinois to recover the difference between its actual bad debt expense under GAAP and the bad debt expense included in its base rates. Ameren Missouri and Ameren Illinois continue to monitor the impact of increasing rates on customer collections. Ameren Missouri and Ameren Illinois make adjustments to their allowance for doubtful accounts as deemed necessary to ensure that such allowances are adequate to cover estimated uncollectible customer account balances.

Ameren, Ameren Missouri, Ameren Illinois and Genco may have credit exposure associated with off-system or

wholesale purchase and sale activity with nonaffiliated companies. At December 31, 2011, Ameren s, Ameren Missouri s, Ameren Illinois and Genco s combined credit exposure to nonaffiliated trading counterparties, excluding coal suppliers, deemed below investment grade either through external or internal credit evaluations, was $48 million, net of collateral (2010 $204 million). Almost all of the $48 million exposure relates to Ameren Illinois long-term purchase power and renewable energy credit contracts. These contracts were procured through the IPA and are passed through directly to Ameren Illinois customers. At December 31, 2011, the combined credit exposures to nonaffiliated coal suppliers, deemed below investment grade either through external or internal credit evaluations, net of collateral, were $35 million, $33 million and $2 million at Ameren, Ameren Missouri and Genco, respectively. (2010- $ 19 million, $8 million, $10 million, respectively).

We establish credit limits for these counterparties and monitor the appropriateness of these limits on an ongoing basis through a credit risk management program. Monitoring involves daily exposure reporting to senior management, master trading and netting agreements, and credit support, such as letters of credit and parental guarantees. We also analyze each counterparty s financial condition before we enter into sales, forwards, swaps, futures, or option contracts. We estimate our credit exposure to MISO associated with the MISO Energy and Operating Reserves Market to be $29 million at December 31, 2011 (2010 $53 million).

Equity Price Risk

Our costs for providing defined benefit retirement and postretirement benefit plans are dependent upon a number of factors, including the rate of return on plan assets. Ameren manages plan assets in accordance with the prudent investor guidelines contained in ERISA. Ameren s goal is to ensure that sufficient funds are available to provide the benefits at the time they are payable while also to maximizing total return on plan assets and minimizing expense volatility consistent with its tolerance for risk. Ameren delegates investment management to specialists. Where appropriate, Ameren provides the investment manager with guidelines that specify allowable and prohibited investment types. Ameren regularly monitors manager performance and compliance with investment guidelines.

The expected return on plan assets is based on historical and projected rates of return for current and planned asset classes in the investment portfolio. Projected rates of return for each asset class were estimated after an analysis of historical experience, future expectations, and the volatility of the various asset classes. After considering the target asset allocation for each asset class, we adjusted the overall expected rate of return for the portfolio for historical and expected experience of active portfolio management results compared with benchmark returns, and for the effect of expenses paid from plan assets.

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In future years, the costs of such plans will be reflected in net income, OCI, or regulatory assets. Contributions to the plans could increase materially, if we do not achieve pension and postretirement asset portfolio investment returns equal to or in excess of our 2012 assumed return on plan assets of 7.75% and 7.50%, respectively.

Ameren Missouri also maintains a trust fund, as required by the NRC and Missouri law, to fund certain costs of nuclear plant decommissioning. As of December 31, 2011, this fund was invested primarily in domestic equity securities (66%) and debt securities (34%). It totaled $357 million (2010 $337 million). By maintaining a portfolio that includes long-term equity investments, Ameren Missouri seeks to maximize the returns to be used to fund nuclear decommissioning costs within acceptable parameters of risk. However, the equity securities included in the portfolio are exposed to price fluctuations in equity markets. The debt securities are exposed to changes in interest rates. Ameren Missouri actively monitors the portfolio by benchmarking the performance of its investments against certain indices and by maintaining and periodically reviewing established target allocation percentages of the assets of the trust to various investment options. Ameren Missouri s exposure to equity price market risk is in large part mitigated, because Ameren Missouri is currently allowed to recover its decommissioning costs, which would include unfavorable investment results, through electric rates.

Additionally, Ameren has company-owned life insurance contracts that are used to support Ameren s deferred compensation plans. These life insurance contracts include equity and debt investments that are exposed to price fluctuations in equity markets and to changes in interest rates.

Commodity Price Risk

We are exposed to changes in market prices for power, emission allowances, coal, transportation diesel, natural gas and uranium.

Ameren s, Ameren Missouri s and Genco s risks of changes in prices for power sales are partially hedged through sales agreements. Merchant Generation also seeks to sell power forward to wholesale, municipal, and industrial customers to limit exposure to changing prices. We also attempt to mitigate financial risks through risk management programs and policies, which include forward-hedging programs, and through the use of derivative financial instruments (primarily forward contracts, futures contracts, option contracts, and financial swap contracts). However, a portion of the generation capacity of Ameren, Ameren Missouri and Genco is not contracted through physical or financial hedge arrangements and is therefore exposed to volatility in market prices.

The following table shows how our earnings might decrease if power prices were to decrease by 1% on unhedged economic generation for 2012 through 2015:

	Net Income[a]
Ameren[b]	$ (13)
Ameren Missouri	(c)
Genco	(11)

(a) Calculations are based on an estimated tax rate of 40%, 38% and 41% for Ameren, Ameren Missouri and Genco, respectively.
(b) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(c) Less than $1 million.

Ameren s forward-hedging power programs include the use of derivative financial swap contracts. These swap contracts financially settle a fixed price against a floating price. The floating price is typically the realized, or settled, price at a liquid regional hub at some forward period of time. Ameren controls the use of derivative financial swap contracts with volumetric and correlation limits that are intended to mitigate any material adverse financial impact. Historically, Ameren has used swaps that settled against the Cinergy Hub MISO locational marginal pricing. This hub had traditionally been the most liquid location, with a strong correlation to the pricing that was realized at our generating locations. As of December 31, 2011, MISO stopped publishing Cinergy Hub pricing. As a result, Ameren will now use the Indiana Hub and other hubs as necessary for financial hedging. Ameren does not expect any material adverse financial impact to the outcomes of its forward-hedging programs as a result of this change. Ameren will continue to pursue the best available options to fix pricing for the output of its generating units.

Ameren also uses its portfolio management and trading capabilities both to manage risk and to deploy risk capital to generate additional returns. Due to our physical presence in the market, we are able to identify and pursue opportunities, which can generate additional returns through portfolio management and trading activities. All of this activity is performed within a controlled risk management process. We establish value at risk (VaR) and stop-loss limits that are intended to prevent any material negative financial impact.

We manage risks associated with changing prices of fuel for generation with techniques similar to those we use to manage risks associated with changing market prices for electricity.

Merchant Generation does not have the ability to pass higher fuel costs through to its customers for electric operations with the exception of an immaterial percentage of the output that has been contracted with a fuel cost pass-through. Ameren Missouri has a FAC that allows Ameren Missouri to recover, through customer rates, 95% of changes in fuel and purchased power costs, net of off-system revenues, including MISO costs and revenues, more or less than the amount set in base rates, without a traditional rate proceeding. Ameren Missouri remains exposed to the remaining 5%.

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Ameren, Ameren Missouri and Genco have entered into coal contracts with various suppliers to purchase coal to manage their exposure to fuel prices. The coal hedging strategy is intended to secure a reliable coal supply while reducing exposure to commodity price volatility. Additionally, the type of coal burned is part of Ameren Missouri s environmental compliance strategy. Ameren Missouri has a multiyear agreement to purchase ultra-low-sulfur coal through 2017 to comply with the CSAPR and other environmental regulations. The coal contract is with a single supplier. Disruptions of the deliveries of that ultra-low-sulfur coal from the supplier could compromise Ameren Missouri s ability to operate in compliance with emission standards. Other sources of ultra-low-sulfur coal are limited and the construction of pollution control equipment requires significant lead time to become operational. Should a temporary disruption of ultra-low-sulfur coal deliveries occur and its existing inventory of ultra-low-sulfur coal becomes fully depleted, and other sources of ultra-low-sulfur coal are not available, Ameren Missouri would use its existing emission allowances or purchase emission allowances in order to achieve compliance with environmental regulations. Genco purchases coal based on expected power sales, generally through bid procedures. Therefore, Genco s forward coal requirements are dependent on the volume of power sales that have been contracted.

Transportation costs for coal and natural gas can be a significant portion of fuel costs. Ameren, Ameren Missouri and Genco typically hedge coal transportation forward to provide supply certainty and to mitigate transportation price volatility. Natural gas transportation expenses for Ameren s gas distribution utility companies and for the gas-fired generation units of Ameren, Ameren Missouri and Genco are regulated by FERC through approved tariffs governing the rates, terms, and conditions of transportation and storage services. Certain firm transportation and storage capacity agreements held by the Ameren Companies include rights to extend the term of contracts. Depending on our competitive position, we are able in some instances to negotiate discounts to these tariff rates for our requirements.

In addition, coal transportation costs are sensitive to the price of diesel fuel as a result of rail freight fuel surcharges. We use forward fuel oil contracts (both for heating and crude oil) to mitigate this market price risk as changes in these products are highly correlated to changes in diesel markets. If diesel fuel costs were to increase or decrease by $0.25 a gallon, Ameren s fuel expense could increase or decrease by $14 million annually (Ameren Missouri $8 million, Genco $5 million). As of December 31, 2011, Ameren had a price cap for approximately 87% of expected fuel surcharges in 2012.

In the event of a significant change in coal prices, Ameren, Ameren Missouri and Genco would probably take actions to further mitigate their exposure to this market risk. However, due to the uncertainty of the specific actions that would be taken and their possible effects, this

sensitivity analysis assumes no change in our financial structure or fuel sources.

With regard to exposure for commodity price risk for nuclear fuel, Ameren Missouri has fixed-priced, base-price-with-escalation, and market-priced agreements. It uses inventories to provide some price hedge to fulfill its Callaway energy center s needs for uranium, conversion, and enrichment. There is no fuel reloading or planned maintenance outage scheduled for 2012 and 2015. Ameren Missouri has price hedges for approximately 74% of its 2013 to 2016 nuclear fuel requirements.

Nuclear fuel market prices remain subject to an unpredictable supply and demand environment. Ameren Missouri has continued to follow a strategy of managing its inventory of nuclear fuel as an inherent price hedge. New long-term uranium contracts are almost exclusively market-price-related with an escalating price floor. New long-term enrichment contracts usually have a base-price-with-escalation price mechanism, and may also have either a market-price-related component or market-based price re-benchmarking. Ameren Missouri expects to enter into additional contracts from time to time in order to supply nuclear fuel during the expected life of the Callaway energy center, at prices that cannot now be accurately predicted. Unlike the electricity and natural gas markets, nuclear fuel markets have somewhat limited financial instruments available for price hedging, so most hedging is done through inventories and forward contracts, if they are available.

The electric generating operations for Ameren, Ameren Missouri and Genco are exposed to changes in market prices for natural gas used to run CTs. The natural gas procurement strategy is designed to ensure reliable and immediate delivery of natural gas while minimizing costs. We optimize transportation and storage options and price risk by structuring supply agreements to maintain access to multiple gas pools and supply basins.

Through the market allocation and auction process, Ameren and Ameren Missouri have been granted FTRs associated with the MISO Energy and Operating Reserves Market. In addition, Marketing Company has acquired FTRs for its participation in the PJM-Northern Illinois and MISO market. The FTRs are intended to mitigate electric transmission congestion charges related to the physical constraints of the transmission system. Depending on the congestion, FTRs could result in either charges or credits. Complex grid modeling tools are used to determine which FTRs to nominate in the FTR allocation process. There is a risk of incorrectly modeling the amount of FTRs needed, and there is the potential that the FTRs could be ineffective in mitigating transmission congestion charges.

With regard to Ameren Missouri s and Ameren Illinois electric and natural gas distribution businesses, exposure to changing market prices is in large part mitigated by the fact that there are cost recovery mechanisms in place. These cost recovery mechanisms allow Ameren Missouri and Ameren Illinois to pass on to retail customers prudently

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incurred costs for fuel, purchased power, and gas supply. Ameren Missouri s and Ameren Illinois strategy is designed to reduce the effect of market fluctuations for their regulated customers. The effects of price volatility cannot

be eliminated. However, procurement strategies involve risk management techniques and instruments similar to those outlined earlier, as well as the management of physical assets.

The following table presents, as of December 31, 2011, the percentages of the projected required supply of coal and coal transportation for our coal-fired energy centers, nuclear fuel for Ameren Missouri s Callaway energy center, natural gas for our CTs and retail distribution, as appropriate, and purchased power needs of Ameren Illinois, which does not own generation, that are price-hedged over the period 2012 through 2016. The projected required supply of these commodities could be significantly affected by changes in our assumptions for such matters as customer demand for our electric generation and our electric and natural gas distribution services, generation output, and inventory levels, among other matters.

	2012	2013	2014 2016
Ameren[(a)]:			
Coal[(c)]	99%	73%	57%
Coal transportation[(c)]	100	98	88
Nuclear fuel	100	92	64
Natural gas for generation	20	1	-
Natural gas for distribution[(b)]	87	35	16
Purchased power for Ameren Illinois[(d)]	87	52	4
Ameren Missouri:			
Coal	100%	98%	90%
Coal transportation	100	97	97
Nuclear fuel	100	92	64
Natural gas for generation	12	3	-
Natural gas for distribution[(b)]	90	28	12
Ameren Illinois:			
Natural gas for distribution[(b)]	87%	36%	16%
Purchased power[(d)]	87	52	4
Genco:			
Coal[(c)]	89%	32%	17%
Coal transportation[(c)]	100	100	71
Natural gas for generation	32	-	-

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(b) Represents the percentage of natural gas price-hedged for peak winter season of November through March. The year 2012 represents January 2012 through March 2012. The year 2013 represents November 2012 through March 2013. This continues each successive year through March 2016.
(c) Ameren s and Genco s percentages of the projected required supply of coal and coal transportation have been adjusted to reflect the ceasing of operations at the Meredosia and Hutsonville energy centers on December 31, 2011.
(d) Represents the percentage of purchased power price-hedged for fixed-price residential and small commercial customers with less than one megawatt of demand. Larger customers are purchasing power from the competitive markets.

The following table shows how our total fuel expense might increase and how our net income might decrease if coal and coal transportation costs were to increase by 1% on any requirements not currently covered by fixed-price contracts for the five-year period 2012 through 2016.

	Coal		Coal Transportation	
	Fuel Expense	**Net Income[(a)]**	**Fuel Expense**	**Net Income[(a)]**
Ameren[(b)(c)]	$ 10	$ (6)	$ 3	$ (2)

Ameren Missouri[(c)]	(d)	(d)	(d)	(d)
Genco	8	(5)	3	(2)

(a) Calculations are based on an estimated tax rate of 40%, 38%, and 41% for Ameren, Ameren Missouri and Genco, respectively.
(b) Includes amounts for Ameren registrant and nonregistrant subsidiaries.
(c) Includes the impact of the FAC.
(d) Less than $1 million.

With regard to our exposure for commodity price risk for construction and maintenance activities, Ameren is exposed to changes in market prices for metal commodities and to labor availability.

See Supply for Electric Power under Part I, Item 1, of this report for the percentages of our historical needs satisfied by coal, nuclear power, natural gas, hydroelectric power, and oil. Also see Note 15   Commitments and Contingencies under Part II, Item 8, of this report for additional information.

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Fair Value of Contracts

Most of our commodity contracts that meet the definition of derivatives qualify for treatment as NPNS. We use derivatives principally to manage the risk of changes in market prices for natural gas, coal, diesel, power, and uranium. The following table presents the favorable (unfavorable) changes in the fair value of all derivative contracts marked-to-market during the year ended December 31, 2011. We use various methods to determine the fair value of our contracts. In accordance authoritative accounting guidance for fair value with hierarchy levels, the sources we used to determine the fair value of these contracts were active quotes (Level 1), inputs corroborated by market data (Level 2), and other modeling and valuation methods that are not corroborated by market data (Level 3). See Note 8 Fair Value Measurements under Part II, Item 8, of this report for further information regarding the methods used to determine the fair value of these contracts.

	Ameren[(a)]	Ameren Missouri	Ameren Illinois	Genco	Other[(b)]
Fair value of contracts at beginning of year, net	$ (79)	$ 11	$ (493)	$ 19	$ 384
Contracts realized or otherwise settled during the period	31	(11)	272	(12)	(218)
Changes in fair values attributable to changes in valuation technique and assumptions	-	-	-	-	-
Fair value of new contracts entered into during the period	21	20	(24)	1	24
Other changes in fair value	(16)	(2)	(62)	2	46
Fair value of contracts outstanding at end of year, net	$ (43)	$ 18	$ (307)	$ 10	$ 236

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

The following table presents maturities of derivative contracts as of December 31, 2011, based on the hierarchy levels used to determine the fair value of the contracts:

Sources of Fair Value	Maturity Less Than 1 Year	Maturity 1-3 Years	Maturity 4-5 Years	Maturity in Excess of 5 Years	Total Fair Value
Ameren:					
Level 1	$ 17	$ (3)	$ (1)	$ -	$ 13
Level 2[(a)]	-	-	-	-	-
Level 3[(b)]	(62)	(80)	(15)	101	(56)
Total	$ (45)	$ (83)	$ (16)	$ 101	$ (43)
Ameren Missouri:					
Level 1	$ 13	$ (4)	$ -	$ -	$ 9
Level 2[(a)]	-	-	-	-	-
Level 3[(b)]	14	(4)	(1)	-	9
Total	$ 27	$ (8)	$ (1)	$ -	$ 18
Ameren Illinois:					
Level 1	$ (7)	$ -			