Staff Cross Ex. 5

Ameren Illinois Company d/b/a Ameren Illinois
Successor to the Ameren Illinois Utilities
Response to ICC Staff Data Requests
Docket No. 11-xxx
Proposed general increase in electric and gas delivery service rates.
Response Date: 3/14/2011

RMP 1.23

For each of the publications listed below, please provide copies of all correspondence between the Ameren Illinois Utilities (or AIC, if applicable) or their affiliates and S&P, including but not limited to copies of (1) drafts of the publications S&P provided to the Ameren Illinois utilities (or AIC) or their affiliates; and (2) the Ameren Illinois utilities (or AIC) and their affiliates' responses thereto: A). Research Update, "S&P CORRECT: AmerenEnergy Generation Co. Outlook Revised to Negative from Stable, Ameren Corp. Affirmed at BBB-," December 15, 2010; B). "Ameren Illinois Company," December 29, 2010; C). "Ameren Corp.," December 29, 2010; D). "Illinois Power Co.," February 25, 2010; E). "Central Illinois Public Service Co.," February 25, 2010; F). "Central Illinois Light Co.," February 25, 2010; and G). "Ameren Corp.," February 25, 2010.

RESPONSE

Prepared By: Ryan J. Martin
Title: Assistant Treasurer and Manager, Corporate Finance
Phone Number: 314-554-4140

Written correspondence between Ameren/AIC and S&P with respect to S&P's December 15, 2010 report (referenced in A) is attached.

The was no written correspondence between Ameren or AIC and S&P with respect to the other above-referenced publications.

OFFICIAL FILE
I.L. C. C. DOC. 11-0279/11-0282
ICC Staff Cross Exhibit No 5
Witness
Date 9-13-11 CB

Martin, Ryan J

From: Grosberg, Gabe [gabe_grosberg@standardandpoors.com]
Sent: Wednesday, December 15, 2010 11:22 AM
To: Martin, Ryan J
Subject: Ameren
Attachments: DRAFT_0319785U.pdf

We plan to issue the attached release in connection with your company's business developments. We are sending this to give you an opportunity to bring to our attention any factual errors or inadvertent inclusion of confidential information in the report. If you have any questions or comments on our analysis that are not factual in nature, we ask that you discuss these matters with us. We will use our sole discretion in making editorial changes to the document, which represents our independent opinion. The information in the release is confidential and must not be disclosed or released to anyone prior to its official release by Standard & Poor's.

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Global Credit Portal

Research Update:

DRAFT: AmerenEnergy Generation Co. Outlook Revised To Negative From Stable, Ameren Corp. Affirmed At 'BBB-'

Primary Credit Analyst:
Gabe Grosberg, New York (1) 212-438-6043;gabe_grosberg@standardandpoors.com

Secondary Contact:
Todd A Shipman, CFA, New York (1) 212-438-7676;todd_shipman@standardandpoors.com

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0315765U | Unx User

Research Update:

DRAFT: AmerenEnergy Generation Co. Outlook Revised To Negative From Stable, Ameren Corp. Affirmed At 'BBB-'

Overview

- Ameren Corp.'s economic incentive to support AmerenEnergy Generation Co. (GenCo.) may wane during the next 18 months if the power market continues to decline or additionally mandated environmental costs become too onerous.
- We revised the outlook on GenCo. to negative from stable.
- We raised the senior secured debt rating on Ameren Missouri to 'BBB+' from 'BBB' to reflect the strong recovery prospects for the first mortgage bonds. We changed the recovery rating to '1+' from '1'.
- We lowered the senior secured debt rating on the former Central Illinois Public Service Co. to 'BBB' from 'BBB+' to reflect weaker recovery prospects for the first mortgage bonds and revised their recovery ratings to '1' from '1+'.

Rating Action

On Dec. 15, 2010, Standard & Poor's Ratings Services revised the outlook on GenCo. to negative from stable. At the same time, we raised the rating on Ameren Missouri's senior secured debt to 'BBB+' from 'BBB' to better reflect the recovery prospects for the senior secured debt and revised its recovery rating to '1+' from '1'. The '1+' recovery rating indicates our expectation of full (100%) recovery of principal and accrued interest if a payment default occurs.

We lowered the senior secured debt rating on the former Central Illinois Public Service Co. to 'BBB' from 'BBB+' to reflect weaker recovery prospects for the first mortgage bonds and we lowered the recovery rating to a '1' from '1+'. At the same time, we affirmed the 'BBB-' corporate credit rating on parent Ameren Corp. and its subsidiaries--GenCo., Ameren Illinois, and Ameren Missouri.

The negative outlook on GenCo. reflects our view that there is at least a one-in-three probability that Ameren's incentive to support GenCo. may wane during the next 18 months. In general, we rate a wholly owned or a substantially controlled subsidiary the same as the parent. However, we can lower the rating on a weaker subsidiary below the consolidated rating when the parent's incentive to support the subsidiary diminishes. GenCo.'s management prudently reacted to the declining market power prices by reducing its O&M costs and capital spending. However, Ameren's incentive to fully support the merchant business could be questionable if it believes that low market power prices will persist or the company is mandated to greatly increase its capital spending to meet new environmental regulations. GenCo.'s stand-alone rating is

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viewed as not conducive to credit quality. Since then, based on error corrections and a rehearing, Ameren's net rate order was increased to $44 million. Overall, we did not view the company's handling of this rate case as effective management of its regulatory risk. Should this persist it could negatively impact our assessment of the Illinois regulatory environment, pressure the company's business risk profile, which could harm its credit quality.

GenCo.'s business risk profile is fair. Ameren has 6,500 MW of merchant generation, of which 4,600 MW represent base load coal generation. Although GenCo. has implemented a three-year hedging policy, its long-term profitability is ultimately dependent on the market price of energy. While the unregulated businesses are considerably hedged for 2011, their margins already declined in 2010 due to weak market power prices and are expected to further decline over the intermediate term based on the forward curve. While the company continues to effectively manage those areas that it can directly influence, including reducing its O&M costs and capital spending, sustained weak energy power prices or increased mandated environmental capital expenditures would pressure the merchant business over the intermediate term.

For Ameren Corp. to improve its consolidated business risk profile, it must reduce its merchant business risks by either selling its merchant assets, committing its merchant generation to long-term contracts, or by completing the necessary environment capital expenditures at its merchant business.

Ameren's significant financial risk profile reflects management's proactive 2009 and 2010 decisions to reduce its dividend, issue equity, and reduce O&M costs and capital spending. More recently, the company's financial measures have improved reflecting warmer-than-expected weather, continued cost reductions, and rate case increases. For the 12 months ended Sept. 30, 2010, adjusted funds from operations (FFO) to total debt increased to 23.9% from 21.4% at the end of 2009, adjusted debt to EBITDA improved to 3.8x from 4.3x, and adjusted debt to total capital strengthened to 53.4% from 54.1%. While Ameren's financial measures are expected to remain improved for the short term, we expect that over the intermediate term the financial measures will weaken because of increasing environmental capital expenditures and gradually weaker cash flows from the merchant generation business.

Short-term credit factors

The short-term rating on Ameren is 'A-3'. We view its liquidity as adequate under Standard & Poor's corporate liquidity methodology, which categorizes liquidity in five standard descriptors (exceptional, strong, adequate, less than adequate, and weak). Adequate liquidity supports Ameren's 'BBB-' corporate credit rating. Projected sources of liquidity--mainly operating cash flow and available bank lines--exceed projected uses, necessary capital expenditures, debt maturities, and common dividends by about 1.2x. Ameren's ability to absorb high-impact, low-probability events with limited need for refinancing, its flexibility to lower capital spending, its well established bank relationships, its general high standing in the credit markets, and prudent risk management further support our assessment of its liquidity as adequate.

As of Sept. 30, 2010, Ameren and its subsidiaries had more than $1.7

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several notches lower than Ameren Corp.

Rationale

The ratings on Ameren reflect its consolidated credit profile. The ratings also reflect Ameren's satisfactory business risk profile and significant financial risk profile. Ameren's subsidiaries include rate regulated utilities Ameren Illinois and Ameren Missouri, and merchant energy company GenCo. As of Sept. 30, 2010, Ameren had about $7.7 billion of total debt outstanding. Based on the combination of future earnings, cash flow, capital expenditures, and credit risk exposure, we view Ameren as about 75% regulated and 25% merchant.

The consolidated satisfactory business risk profile reflects the combination of the excellent business risk profiles of Ameren's regulated businesses offset by the fair business risk profile of Ameren's merchant energy businesses.

Ameren Missouri's excellent business risk profile reflects its recent rate cases and regulatory mechanisms that overall indicate a decreasing regulatory risk. Ameren Missouri is a rate-regulated utility that serves 1.2 million electric and 126,000 gas customers in portions of central and eastern Missouri. The company also has 10,400 megawatt (MW) of generating capacity of which 5,400 MW is base load coal and 1,200 MW is nuclear generation. In 2009 and 2010, the company received credit supportive rate case orders from the Missouri Public Service Commission that includes more than $390 million of base rate increases, a fuel adjustment clause, pension and OPEB trackers, and a cost tracker for vegetation management and infrastructure inspections. Recently, the company filed for a $12 million gas revenue increase and a $263 million electric rate increase. The commission's orders for the gas and electric rate cases are expected by April 2011 and August 2011, respectively. We expect that Ameren Missouri will continue to file rate cases on a more frequent basis to reduce its regulatory lag.

Ameren Illinois' excellent business risk profile reflects its lower-risk pure transmission and distribution (T&D) operations. The company serves about 1.2 million electric customers and 813,000 gas customers in central and southern Illinois, whose rates are regulated by the Illinois Commerce Commission (ICC). Additionally, the company's electric transmission lines that constitute about 13% of its total rate base is regulated by the Federal Energy Regulatory Commission, which provides for some added diversification. Overall, we view the T&D businesses as lower risk than the generation businesses that are included in many fully integrated electric utilities.

Ameren Illinois' business risk profile is also affected by its ability to manage its regulatory risk. Earlier in 2010, Standard & Poor's revised its assessment of the Illinois regulation to 'less credit supportive' from 'least credit supportive'. The change reflected our view that the Illinois legislative and regulatory environment had returned to relative stability following the disruption during the state's transition to competition. Our revised assessment was partially based on the 13 constructive rate case orders from 2008 until the early 2010. These developments clearly pointed to a decreasing regulatory risk. However, in April 2010, Ameren received a $4.7 million rate case order for its Illinois electric and gas businesses that we

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billion available on its $2.1 billion credit facilities after reducing for outstanding borrowings. The company recently entered into the existing credit facilities and they do not terminate until September 2013. The credit facilities require Ameren and its subsidiaries to maintain a maximum debt-to-capital ratio of 65% and as of Sept. 30, 2010, the company was in compliance with this financial covenant.

Ameren's current positive discretionary cash flow is expected to turn negative over the intermediate term as capital expenditures increase. Long-term maturities are manageable with $155 million due in 2011 and $179 million due in 2012. In the fourth quarter of 2010, Ameren used its cash on hand to pay down Genco.'s $200 million long-term debt maturity. We fundamentally expect that Ameren will continue to meet its cash needs in a manner that is credit neutral.

Outlook

The stable outlook on Ameren reflects Standard & Poor's baseline forecast that its adjusted FFO to debt and adjusted debt to total capital will, over the intermediate term, approximate 21% and 50%, respectively. Fundamental to our forecast is the outcome of the company's rate case filings and the market power prices. However, because of the business risk pressures that Ameren Illinois and GenCo. are currently facing, there is less of a cushion at the 'BBB-' corporate credit rating. A downgrade could result if the company is unable to effectively manage its regulatory risk or dark spreads continue to compress so that FFO to debt drops to below 20% on a sustained basis. An upgrade is possible if management decides to no longer support its merchant business.

GenCo's negative outlook reflects the possibility that Ameren's economic incentive to support GenCo. may wane. A downgrade could occur if management expects low market power prices to persist or the company is mandated to greatly increase its capital spending to meet new environmental regulations so that the merchant business' longer-term economic value diminishes. We could revise the outlook to stable if the forward curve for the power market increases, demonstrating a long-term economic incentive for Ameren to support the merchant business, and the proposed federally mandated incremental environmental regulations are indefinitely postponed or their ultimate economic impact is minimized.

Related Criteria And Research

- Criteria Methodology: Business Risk/Financial Risk Matrix Expanded, May 27, 2009.
- 2008 Corporate Criteria: Analytical Methodology, April 15, 2008.

Ratings List

Ratings Affirmed; CreditWatch/Outlook Action

To

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	From	
Ameren Corp.		
Corporate Credit Rating	BBB-/Stable/A-3	BBB-/ Stable/A-3
Ameren Illinois Co.		
Ameren Missouri		
Corporate Credit Rating	BBB-/Stable/--	BBB-/ Stable/--
AmerenEnergy Generating Co.		
Corporate Credit Rating	BBB-/Negative/--	BBB-/ Stable/--
Ameren Missouri		
Senior Secured	BBB+	BBB
Recovery Rating	1+	1
Ameren Illinois (former Central Illinois Public Service Co.)		
Senior Secured	BBB	BBB+
Recovery Rating	1	1+

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Martin, Ryan J

From: Grosberg, Gabe [gabe_grosberg@standardandpoors.com]
Sent: Wednesday, December 15, 2010 12:29 PM
To: Martin, Ryan J
Subject: RE: Ameren

If you have any comments, please call ASAP. The draft is expected to be released within the next 10 minutes.

Thanks,

Gabe Grosberg
Associate Director
U.S. Utilities & Infrastructure
Standard & Poor's Corporate Ratings
55 Water Street - 39th Floor
New York, NY 10041
212.438.6043
gabe_grosberg@sandp.com

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Martin, Ryan J

From: Martin, Ryan J
Sent: Wednesday, December 15, 2010 12:33 PM
To: Grosberg, Gabe
Subject: RE: Ameren

Scanning over some comments now (nothing major) and will give you a quick call.

RYAN J. MARTIN
Assistant Treasurer & Manager
Corporate Finance
T 314.554.4140
C 314.825.9175
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E martin2@ameren.com

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[redacted]

[redacted]

DRAFT: AmerenEnergy Generation Co. Outlook Revised To Negative From Stable, Ameren Corp. Affirmed At 'BBB-'

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[redacted], CFA, New York (1) 212-438-7678;todd_shipman@standardandpoors.com

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The consolidated satisfactory business risk profile reflects the combination of the excellent business risk profiles of Ameren's regulated businesses offset by the fair business risk profile of Ameren's merchant energy businesses.

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As of Sept. 30, 2010, Ameren and its subsidiaries had more than $1.7

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billion available on its $2.1 billion credit facilities after reducing for outstanding borrowings. The company recently entered into the existing credit facilities and they do not terminate until September 2013. The credit facilities require Ameren and its subsidiaries to maintain a maximum debt-to-capital ratio of 58% and as of Sept. 30, 2010, the company was in compliance with this financial covenant.

Ameren's current positive discretionary cash flow is expected to turn negative over the intermediate term as capital expenditures increase. Long-term maturities are manageable with $155 million due in 2011 and $179 million due in 2012. In the fourth quarter of 2010, Ameren used its cash on hand to pay down GenCo's $300 million long-term debt maturity. We fundamentally expect that Ameren will continue to meet its cash needs in a manner that is credit neutral.

GenCo

Utr

Outlook

The stable outlook on Ameren reflects Standard & Poor's baseline forecast that its adjusted FFO to debt and adjusted debt to total capital will, over the intermediate term, approximate 21% and 50%, respectively. Fundamental to our forecast is the outcome of the company's rate case filings and the market power prices. However, because of the business risk pressures that Ameren Illinois and GenCo, are currently facing, there is less of a cushion at the 'BBB-' corporate credit rating. A downgrade could result if the company is unable to effectively manage its regulatory risk or dark spreads continue to compress so that FFO to debt drops to below 20% on a sustained basis. An upgrade is possible if management decides to no longer support its merchant business.

GenCo's negative outlook reflects the possibility that Ameren's economic incentive to support GenCo. may wane. A downgrade could occur if management expects low market power prices to persist or the company is mandated to greatly increase its capital spending to meet new environmental regulations so that the merchant business' longer-term economic value diminishes. We could revise the outlook to stable if the forward curve for the power market increases, demonstrating a long-term economic incentive for Ameren to support the merchant business, and the proposed federally mandated incremental environmental regulations are indefinitely postponed or their ultimate economic impact is minimized.

GenCo (to distinguish from Ameren)

Improved

Rating Criteria And Research

- Criteria Methodology: Business Risk/Financial Risk Matrix Expanded, May 27, 2009.
- 2008 Corporate Criteria: Analytical Methodology, April 15, 2008.

Ratings List

Ratings Affirmed; CreditWatch/Outlook Action

To

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	From	
Ameren Corp.		
Corporate Credit Rating	BBB-/Stable/A-3	BBB-/ Stable/A-3
Ameren Illinois Co.		
Ameren Missouri		
Corporate Credit Rating	BBB-/Stable/--	BBB-/ Stable/--
AmerenEnergy Generating Co.		
Corporate Credit Rating	BBB-/Negative/--	BBB-/ Stable/--
Ameren Missouri		
Senior Secured	BBB+	BBB
Recovery Rating	1+	1
Ameren Illinois (Former Central Illinois Public Service Co.)		
Senior Secured	BBB	BBB+
Recovery Rating	1	1+

Complete ratings information is available to RatingsDirect subscribers on the Global Credit Portal at www.globalcreditportal.com and RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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[redacted]

[redacted]

[redacted]

Martin, Ryan J

From: Martin, Ryan J
Sent: Wednesday, December 15, 2010 12:44 PM
To: Grosberg, Gabe
Subject: RE: Ameren
Importance: High

One more quick comment regarding Ameren MO. The order for the electric case is expected in **July 2011**, not **August (page 3, end of third full paragraph)**.

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Please consider the environment before printing this e-mail.

From: Grosberg, Gabe [mailto:gabe_grosberg@standardandpoors.com]
Sent: Wednesday, December 15, 2010 12:29 PM
To: Martin, Ryan J
Subject: RE: Ameren

If you have any comments, please call ASAP. The draft is expected to be released within the next 10 minutes.

Thanks,

Gabe Grosberg
Associate Director
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55 Water Street - 38th Floor
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212.438.6043
gabe_grosberg@sandp.com

From: Grosberg, Gabe
Sent: Wednesday, December 15, 2010 12:22 PM
To: Martin, Ryan J

Subject: Ameren

We plan to issue the attached release in connection with your company's business developments. We are sending this to give you an opportunity to bring to our attention any factual errors or inadvertent inclusion of confidential information in the report. If you have any questions or comments on our analysis that are not factual in nature, we ask that you discuss these matters with us. We will use our sole discretion in making editorial changes to the document, which represents our independent opinion. The information in the release is confidential and must not be disclosed or released to anyone prior to its official release by Standard & Poor's.

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Martin, Ryan J

From: Martin, Ryan J
Sent: Wednesday, December 15, 2010 12:49 PM
To: Grosberg, Gabe
Subject: RE: Ameren

One more...regarding generation capacity, you cite 6,500 MW. We disclose 6,400 in the 10K (which is also consistent with our October presentation). I've also seen 6,450 cited, so it may be safest to say "approximately" 6,500.

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Martin, Ryan J

From: Martin, Ryan J
Sent: Wednesday, December 15, 2010 12:57 PM
To: Grosberg, Gabe
Subject: RE: Ameren

Sorry, but comments keep trickling in. Just heard from IR.

There's an unnecessary "the" before "early 2010" in the third to last line of page 3.

In the last sentence of the Ameren MO paragraph on that page, it would be more appropriate to strike the word "more" before frequent. We will continue to file on a frequent basis, but it likely won't be "more frequent" than the current pace. The way it's currently written is a bit misleading.

BTW, 6,500 is fine for merchant capacity.

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Martin, Ryan J

From: Martin, Ryan J
Sent: Wednesday, December 15, 2010 1:05 PM
To: Grosberg, Gabe
Subject: RE: Ameren

In the headline of the cover and page 1 and in the first bullet of the overview, the reference to "Ameren Generation" should be "Ameren Generating".

Debt outstanding at 9/30/10 per the 10Q was $1.6 billion.

We have a $20 million drawn facility maturing in 2012 that would increase 2012 maturities to $199 million (relative to the $179 million in your report).

::::::::::::::::::::::::

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Sent: Wednesday, December 15, 2010 12:29 PM
To: Martin, Ryan J
Subject: RE: Ameren

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From: Grosberg, Gabe
Sent: Wednesday, December 15, 2010 12:22 PM
To: Martin, Ryan J
Subject: Ameren

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