

Ameren Illinois Company's  
Response to ICC Staff Data Requests  
Docket No. 12-0293  
Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing  
Data Request Response Date: 8/9/2012

RMP 5.02

Ameren Ex. 12.0, lines 123-124, states, "[t]he risks that AIC's situation pose to Ameren's credit quality may be partially mitigated by the parent's investment in other companies."

- a) Please define the "risks that AIC's situation pose to Ameren's credit quality."
- b) Please define "AIC's situation."
- c) Please specify which of "the parent's investment in other companies" may partially mitigate those risks defined in subpart A.
- d) Please explain how the parent's investment in the companies identified in subpart C may mitigate those risks defined in subpart A.

**RESPONSE**

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

- a) A deterioration in AIC's credit quality, caused by, among other things, adverse changes in operating or regulatory conditions or rating agency perceptions of regulatory supportiveness, could weaken Ameren's overall credit quality. The regulatory environment in Illinois is generally perceived to be less supportive than the average regulatory jurisdiction in which utilities operate.
- b) AIC's situation generally refers to the business and regulatory environment in which it operates and the risks faced by virtue of operating in that environment. Note that Moody's rates the supportiveness of the Illinois regulatory environment as below investment grade, a factor that has a weakening effect on Ameren's overall credit profile.
- c) The "other companies" include any Ameren subsidiary with a stronger credit profile than that of AIC.
- d) Ameren subsidiaries with stronger credit profiles, stronger credit ratings, and/or lower levels of perceived operating or regulatory risk have, on balance, and strengthening impact on Ameren's overall credit profile and may mitigate the adverse impact of AIC-related risks on Ameren's overall credit profile.

**OFFICIAL FILE**

ILL. C. C. DOCKET NO. 12-0293  
Staff Cross Exhibit No. 5  
Witness: Martin  
Date: 9-13-12 Reporter CB

**Ameren Illinois Company's  
Response to ICC Staff Data Requests  
Docket No. 12-0293  
Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing  
Data Request Response Date: 8/9/2012**

RMP 5.03

Ameren Ex. 12.0, lines 137-139 and 147-149, states:

AIC would ultimately like to see itself rated more highly than it is today, and the way to do that is not by weakening the capital structure...I believe that the Company and its customers would be best served by a capital structure that produces a credit rating somewhat stronger than the rating the Company has today."

Please specify (1) the credit rating that AIC would like to achieve; (2) the action(s) the Company intends to take to achieve that credit rating; and (3) the Company's expected time horizon for achieving that credit rating.

**RESPONSE**

**Prepared By: Ryan J. Martin**

**Title: Assistant Treasurer and Manager, Corporate Finance**

**Phone Number: (314) 554-4140**

Management believes it is important and in the best interest of the Company's ratepayers for the Company to maintain investment credit ratings within in the general Baa/BBB rating level (inclusive of Baa3, Baa2, and Baa1 for Moody's and BBB-, BBB, and BBB+ for S&P's and Fitch). Such ratings will facilitate the Company's access to capital markets on a timely basis, at a reasonable cost, and under reasonable terms and conditions. A rating toward the low end of the investment grade range (Baa2 or Baa2 for Moody's; BBB- or BBB) gives the Company little to no cushion to absorb unforeseen events or developments detrimental to credit quality and maintain an investment grade credit rating.

To achieve its desired ratings, the Company intends to exhibit the financial strength and flexibility consistent with published rating agency expectations for those rating.

Note that certain factors that contribute significantly to the Company's ratings, such as the perceived supportiveness of the Illinois regulatory environment, are outside of the Company's direct control. Under certain conditions, it may be necessary, for purposes of supporting or achieving a desired rating, for the Company to exhibit financial metrics stronger than published rating agency expectations in order to offset the adverse impact of more qualitative factors that are beyond the Company's direct control. For example, because Moody's rates the

supportiveness of the Illinois regulatory environment at sub-investment grade, it is important for the Company to maintain credit metrics at the high end of, or stronger than, the range of credit metrics that Moody's expects for investment grade utilities.

The Company is unable to predict the timing or nature of credit rating agency actions, but the agencies often comment in their published reports factors that could cause a rating to change.

Table of Contents

**AMEREN ILLINOIS COMPANY  
CONSOLIDATED STATEMENT OF INCOME  
(In millions)**

|  | Year Ended December 31, |               |                     |
|--|-------------------------|---------------|---------------------|
|  | 2011                    | 2010          | 2009 <sup>(a)</sup> |
| <b>Operating Revenues:</b>                             |                         |               |                     |
| Electric   | \$ 1,940                | \$ 2,061      | \$ 1,965            |
| Gas  | 846                     | 953           | 1,015               |
| Other  | 1                       | -             | 4                   |
| Total operating revenues                               | <u>2,787</u>            | <u>3,014</u>  | <u>2,984</u>        |
| <b>Operating Expenses:</b>                             |                         |               |                     |
| Purchased power  | 853                     | 965           | 1,048               |
| Gas purchased for resale                               | 492                     | 578           | 642                 |
| Other operations and maintenance                       | 640                     | 635           | 590                 |
| Depreciation and amortization                          | 215                     | 210           | 216                 |
| Taxes other than income taxes                          | 129                     | 128           | 125                 |
| Total operating expenses                               | <u>2,329</u>            | <u>2,516</u>  | <u>2,621</u>        |
| <b>Operating Income</b>                                | <u>458</u>              | <u>498</u>    | <u>363</u>          |
| <b>Other Income and Expenses:</b>                      |                         |               |                     |
| Miscellaneous income                                   | 7                       | 7             | 12                  |
| Miscellaneous expense                                  | 6                       | 13            | 10                  |
| Total other income (expense)                           | <u>1</u>                | <u>(6)</u>    | <u>2</u>            |
| <b>Interest Charges</b>                                | <u>136</u>              | <u>143</u>    | <u>153</u>          |
| <b>Income Before Income Taxes</b>                      | <u>323</u>              | <u>349</u>    | <u>212</u>          |
| <b>Income Taxes</b>                                    | <u>127</u>              | <u>137</u>    | <u>79</u>           |
| <b>Income from Continuing Operations</b>               | <u>196</u>              | <u>212</u>    | <u>133</u>          |
| <b>Income from Discontinued Operations, net of tax</b> | <u>-</u>                | <u>40</u>     | <u>114</u>          |
| <b>Net Income</b>                                      | <u>196</u>              | <u>252</u>    | <u>247</u>          |
| <b>Preferred Stock Dividends</b>                       | <u>3</u>                | <u>4</u>      | <u>6</u>            |
| <b>Net Income Available to Common Stockholder</b>      | <u>\$ 193</u>           | <u>\$ 248</u> | <u>\$ 241</u>       |

(a) Prior period has been adjusted to reflect the Ameren Illinois Merger as discussed in Note 1 – Summary of Significant Accounting Policies.

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

Table of Contents

**AMEREN ILLINOIS COMPANY  
CONSOLIDATED BALANCE SHEET  
(In millions)**

|   | <b>December 31,</b> |                 |
|---|---------------------|-----------------|
|   | <b>2011</b>         | <b>2010</b>     |
| <b>ASSETS</b>   |                     |                 |
| <b>Current Assets:</b>  |                     |                 |
| Cash and cash equivalents   | \$ 21               | \$ 322          |
| Accounts receivable – trade (less allowance for doubtful accounts of \$13 and \$13, respectively) | 201                 | 230             |
| Accounts receivable – affiliates  | 15                  | 73              |
| Unbilled revenue  | 146                 | 205             |
| Miscellaneous accounts receivable   | 6                   | 44              |
| Materials and supplies  | 199                 | 198             |
| Current regulatory assets   | 306                 | 260             |
| Current accumulated deferred income taxes, net  | 58                  | 43              |
| Other current assets  | 65                  | 63              |
| Total current assets  | 1,017               | 1,438           |
| <b>Property and Plant, Net</b>  | 4,770               | 4,576           |
| <b>Investments and Other Assets:</b>  |                     |                 |
| Intercompany tax receivable – Genco   | 56                  | 72              |
| Goodwill  | 411                 | 411             |
| Regulatory assets   | 748                 | 747             |
| Other assets  | 211                 | 162             |
| Total investments and other assets  | 1,426               | 1,392           |
| <b>TOTAL ASSETS</b>   | <b>\$ 7,213</b>     | <b>\$ 7,406</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                     |                 |
| <b>Current Liabilities:</b>   |                     |                 |
| Current maturities of long-term debt  | \$ 1                | \$ 150          |
| Accounts and wages payable  | 133                 | 182             |
| Accounts payable – affiliates   | 103                 | 82              |
| Taxes accrued   | 15                  | 26              |
| Customer deposits   | 76                  | 83              |
| Mark-to-market derivative liabilities   | 99                  | 82              |
| Mark-to-market derivative liabilities – affiliates  | 200                 | 172             |
| Environmental remediation   | 63                  | 72              |
| Current regulatory liabilities  | 76                  | 76              |
| Other current liabilities   | 92                  | 90              |
| Total current liabilities   | 858                 | 1,015           |
| <b>Long-term Debt, Net</b>  | 1,657               | 1,657           |
| <b>Deferred Credits and Other Liabilities:</b>  |                     |                 |
| Accumulated deferred income taxes, net  | 895                 | 724             |
| Accumulated deferred investment tax credits   | 7                   | 8               |
| Regulatory liabilities  | 666                 | 553             |
| Pension and other postretirement benefits   | 495                 | 413             |
| Other deferred credits and liabilities  | 183                 | 460             |
| Total deferred credits and other liabilities  | 2,246               | 2,158           |
| <b>Commitments and Contingencies (Notes 2, 14 and 15)</b>   |                     |                 |
| <b>Stockholders' Equity:</b>  |                     |                 |
| Common stock, no par value, 45.0 shares authorized – 25.5 shares outstanding                      | -                   | -               |
| Other paid-in capital   | 1,965               | 1,952           |
| Preferred stock not subject to mandatory redemption   | 62                  | 62              |
| Retained earnings   | 408                 | 542             |
| Accumulated other comprehensive income  | 17                  | 20              |
| Total stockholders' equity  | 2,452               | 2,576           |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>   | <b>\$ 7,213</b>     | <b>\$ 7,406</b> |

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

Table of Contents

**AMEREN ILLINOIS COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(In millions)

|   | Year Ended December 31, |               |                     |
|---|-------------------------|---------------|---------------------|
|   | 2011                    | 2010          | 2009 <sup>(a)</sup> |
| <b>Cash Flows From Operating Activities:</b>                                      |                         |               |                     |
| Net income  | \$ 196                  | \$ 252        | \$ 247              |
| Income from discontinued operations, net of tax                                   | -                       | (40)          | (114)               |
| Adjustments to reconcile net income to net cash provided by operating activities: |                         |               |                     |
| Depreciation and amortization   | 206                     | 201           | 195                 |
| Amortization of debt issuance costs and premium/discounts                         | 8                       | 10            | 9                   |
| Deferred income taxes and investment tax credits, net                             | 155                     | 210           | 23                  |
| Other   | (14)                    | (3)           | (40)                |
| Changes in assets and liabilities:  |                         |               |                     |
| Receivables   | 146                     | (84)          | 187                 |
| Materials and supplies  | (21)                    | 9             | 81                  |
| Accounts and wages payable  | (46)                    | (44)          | (3)                 |
| Taxes accrued   | (12)                    | 11            | (11)                |
| Assets, other   | (3)                     | 32            | 27                  |
| Liabilities, other  | (30)                    | 33            | 6                   |
| Pension and other postretirement benefits   | (101)                   | (7)           | 5                   |
| Counterparty collateral, net  | 20                      | (100)         | 92                  |
| Operating cash flows provided by discontinued operations                          | -                       | 113           | 141                 |
| Net cash provided by operating activities   | <b>504</b>              | <b>593</b>    | <b>845</b>          |
| <b>Cash Flows From Investing Activities:</b>                                      |                         |               |                     |
| Capital expenditures  | (351)                   | (281)         | (352)               |
| Returns from (advances to) ATXI for construction                                  | 49                      | (10)          | (47)                |
| Proceeds from intercompany note receivable – Genco                                | -                       | 45            | 42                  |
| Other   | 6                       | 5             | 6                   |
| Capital expenditures of discontinued operations                                   | -                       | (6)           | (91)                |
| Net cash used in investing activities   | <b>(296)</b>            | <b>(247)</b>  | <b>(442)</b>        |
| <b>Cash Flows From Financing Activities:</b>                                      |                         |               |                     |
| Dividends on common stock   | (327)                   | (133)         | (98)                |
| Dividends on preferred stock  | (3)                     | (4)           | (6)                 |
| Capital issuance costs  | -                       | (4)           | (13)                |
| Short-term debt and credit facility repayments                                    | -                       | -             | (62)                |
| Redemptions, repurchases, and maturities:   |                         |               |                     |
| Long-term debt  | (150)                   | (40)          | (250)               |
| Preferred stock   | -                       | (19)          | -                   |
| Repayments of generator advances received for construction                        | (53)                    | (39)          | (2)                 |
| Generator advances received for construction                                      | 5                       | 16            | 62                  |
| Capital contribution from parent  | 19                      | -             | 272                 |
| Net financing activities used in discontinued operations                          | -                       | (107)         | (50)                |
| Net cash used in financing activities   | <b>(509)</b>            | <b>(330)</b>  | <b>(147)</b>        |
| Net change in cash and cash equivalents   | <b>(301)</b>            | 16            | 256                 |
| Cash and cash equivalents at beginning of year                                    | <b>322</b>              | 306           | 50                  |
| Cash and cash equivalents at end of year  | <b>\$ 21</b>            | <b>\$ 322</b> | <b>\$ 306</b>       |
| <b>Cash Paid (Refunded) During the Year:</b>                                      |                         |               |                     |
| Interest (net of \$2, \$1, and \$3 capitalized, respectively)                     | \$ 137                  | \$ 160        | \$ 167              |
| Income taxes, net   | (14)                    | (39)          | 129                 |
| Noncash investing activity – asset transfer from ATXI                             | -                       | 7             | 29                  |
| Noncash financing activity – capital contribution from parent                     | -                       | 6             | -                   |

(a) Prior period has been adjusted to reflect the Ameren Illinois Merger as discussed in Note 1 – Summary of Significant Accounting Policies.

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

Table of Contents

**AMEREN ILLINOIS COMPANY**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
(In millions)

|   | December 31,    |                 |                     |
|---|-----------------|-----------------|---------------------|
|   | 2011            | 2010            | 2009 <sup>(a)</sup> |
| <b>Common Stock</b>   | \$ -            | \$ -            | \$ -                |
| <b>Other Paid-in Capital:</b>   |                 |                 |                     |
| Beginning of year   | 1,952           | 2,223           | 1,951               |
| Capital contribution from parent  | 13              | 6               | 272                 |
| Contribution of Ameren owned preferred stock without consideration  | -               | 33              | -                   |
| Transfer of AERG to parent (Notes 1 and 16)   | -               | (310)           | -                   |
| Other paid-in capital, end of year  | 1,965           | 1,952           | 2,223               |
| <b>Preferred Stock Not Subject to Mandatory Redemption:</b>   |                 |                 |                     |
| Beginning balance   | 62              | 115             | 115                 |
| Redemptions   | -               | (19)            | -                   |
| Contribution of Ameren owned preferred stock without consideration  | -               | (33)            | -                   |
| Other   | -               | (1)             | -                   |
| Preferred stock not subject to mandatory redemption, end of year  | 62              | 62              | 115                 |
| <b>Retained Earnings:</b>   |                 |                 |                     |
| Beginning of year   | 542             | 709             | 566                 |
| Net income  | 196             | 252             | 247                 |
| Common stock dividends  | (327)           | (133)           | (98)                |
| Preferred stock dividends   | (3)             | (4)             | (6)                 |
| Transfer of AERG to parent (Notes 1 and 16)   | -               | (281)           | -                   |
| Other   | -               | (1)             | -                   |
| Retained earnings, end of year  | 408             | 542             | 709                 |
| <b>Accumulated Other Comprehensive Income:</b>  |                 |                 |                     |
| Deferred retirement benefit costs, beginning of year  | 20              | 25              | 23                  |
| Change in deferred retirement benefit costs   | (3)             | (4)             | (4)                 |
| Change in accumulated other comprehensive income from discontinued operations                                     | -               | (1)             | 6                   |
| Deferred retirement benefit costs, end of year  | 17              | 20              | 25                  |
| Total accumulated other comprehensive income, end of year   | 17              | 20              | 25                  |
| <b>Total Stockholders' Equity</b>   | <b>\$ 2,452</b> | <b>\$ 2,576</b> | <b>\$ 3,072</b>     |
| <b>Comprehensive Income, Net of Taxes:</b>  |                 |                 |                     |
| Net income  | \$ 196          | \$ 252          | \$ 247              |
| Pension and other postretirement activity, net of income taxes (benefit) of \$(2), \$(2), and \$(2), respectively | (3)             | (4)             | (4)                 |
| Other comprehensive income from discontinued operations   | -               | (1)             | 6                   |
| <b>Total Comprehensive Income, Net of Taxes</b>   | <b>\$ 193</b>   | <b>\$ 247</b>   | <b>\$ 249</b>       |

(a) Prior period has been adjusted to reflect the Ameren Illinois Merger as discussed in Note 1 – Summary of Significant Accounting Policies.

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

Table of Contents

**AMEREN ENERGY GENERATING COMPANY  
CONSOLIDATED STATEMENT OF INCOME (LOSS)  
(In millions)**

|   | Year Ended December 31, |                 |                     |
|---|-------------------------|-----------------|---------------------|
|   | 2011                    | 2010            | 2009 <sup>(a)</sup> |
| <b>Operating Revenues</b>   | <b>\$ 1,066</b>         | <b>\$ 1,126</b> | <b>\$ 1,148</b>     |
| <b>Operating Expenses:</b>  |                         |                 |                     |
| Fuel  | 541                     | 522             | 415                 |
| Purchased power   | 55                      | 61              | 72                  |
| Other operations and maintenance  | 179                     | 191             | 226                 |
| Goodwill, impairment and other charges                                    | 35                      | 170             | 6                   |
| Depreciation and amortization   | 96                      | 98              | 81                  |
| Taxes other than income taxes   | 21                      | 22              | 24                  |
| Total operating expenses  | <u>927</u>              | <u>1,064</u>    | <u>824</u>          |
| <b>Operating Income</b>   | <b>139</b>              | <b>62</b>       | <b>324</b>          |
| <b>Other Income and Expenses:</b>   |                         |                 |                     |
| Miscellaneous income  | 1                       | 1               | 1                   |
| Miscellaneous expense   | -                       | 1               | 1                   |
| Total other income  | <u>1</u>                | <u>-</u>        | <u>-</u>            |
| <b>Interest Charges</b>   | <b>63</b>               | <b>78</b>       | <b>61</b>           |
| <b>Income (Loss) Before Income Taxes</b>                                  | <b>77</b>               | <b>(16)</b>     | <b>263</b>          |
| <b>Income Taxes</b>   | <b>32</b>               | <b>20</b>       | <b>101</b>          |
| <b>Net Income (Loss)</b>  | <b>45</b>               | <b>(36)</b>     | <b>162</b>          |
| <b>Less: Net Income Attributable to Noncontrolling Interest</b>           | <b>1</b>                | <b>3</b>        | <b>2</b>            |
| <b>Net Income (Loss) Attributable to Ameren Energy Generating Company</b> | <b>\$ 44</b>            | <b>\$ (39)</b>  | <b>\$ 160</b>       |

(a) Prior period has been adjusted to include EEI as discussed in Note 1 – Summary of Significant Accounting Policies.

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

Table of Contents

**AMEREN ENERGY GENERATING COMPANY  
CONSOLIDATED BALANCE SHEET  
(In millions, except shares)**

|   | December 31,    |                 |
|---|-----------------|-----------------|
|   | 2011            | 2010            |
| <b>ASSETS</b>   |                 |                 |
| <b>Current Assets:</b>  |                 |                 |
| Cash and cash equivalents   | \$ 8            | \$ 6            |
| Advances to money pool  | 74              | 25              |
| Accounts receivable – affiliates  | 89              | 126             |
| Miscellaneous accounts receivable   | 13              | 15              |
| Materials and supplies  | 122             | 130             |
| Mark-to-market derivative assets  | 12              | 26              |
| Other current assets  | 7               | 4               |
| Total current assets  | 325             | 332             |
| <b>Property and Plant, Net</b>  | 2,231           | 2,248           |
| <b>Investments and Other Assets:</b>  |                 |                 |
| Intangible assets   | -               | 3               |
| Other assets  | 16              | 24              |
| Total investments and other assets  | 16              | 27              |
| <b>TOTAL ASSETS</b>   | <b>\$ 2,572</b> | <b>\$ 2,607</b> |
| <b>LIABILITIES AND EQUITY</b>   |                 |                 |
| <b>Current Liabilities:</b>   |                 |                 |
| Accounts and wages payable  | \$ 71           | \$ 62           |
| Accounts payable – affiliates   | 13              | 23              |
| Current portion of tax payable – Ameren Illinois                                | 8               | 8               |
| Taxes accrued   | 20              | 20              |
| Interest accrued  | 13              | 13              |
| Mark-to-market derivative liabilities   | 3               | 9               |
| Mark-to-market derivative liabilities – affiliates                              | -               | 5               |
| Current accumulated deferred income taxes, net                                  | -               | 13              |
| Other current liabilities   | 14              | 12              |
| Total current liabilities   | 142             | 165             |
| <b>Credit Facility Borrowings</b>   | -               | 100             |
| <b>Long-term Debt, Net</b>  | 824             | 824             |
| <b>Deferred Credits and Other Liabilities:</b>                                  |                 |                 |
| Accumulated deferred income taxes, net  | 304             | 249             |
| Accumulated deferred investment tax credits                                     | 2               | 3               |
| Tax payable – Ameren Illinois   | 56              | 72              |
| Asset retirement obligations  | 66              | 74              |
| Pension and other postretirement benefits                                       | 141             | 88              |
| Other deferred credits and liabilities  | 12              | 23              |
| Total deferred credits and other liabilities                                    | 581             | 509             |
| <b>Commitments and Contingencies (Notes 2, 14 and 15)</b>                       |                 |                 |
| <b>Ameren Energy Generating Company Stockholder's Equity:</b>                   |                 |                 |
| Common stock, no par value, 10,000 shares authorized – 2,000 shares outstanding | -               | -               |
| Other paid-in capital   | 653             | 649             |
| Retained earnings   | 437             | 393             |
| Accumulated other comprehensive loss  | (72)            | (44)            |
| Total Ameren Energy Generating Company stockholder's equity                     | 1,018           | 998             |
| <b>Noncontrolling Interest</b>  | 7               | 11              |
| Total equity  | 1,025           | 1,009           |
| <b>TOTAL LIABILITIES AND EQUITY</b>   | <b>\$ 2,572</b> | <b>\$ 2,607</b> |

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

Table of Contents

**AMEREN ENERGY GENERATING COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(In millions)

|  | Year Ended December 31, |              |                     |
|--|-------------------------|--------------|---------------------|
|  | 2011                    | 2010         | 2009 <sup>(a)</sup> |
| <b>Cash Flows From Operating Activities:</b>   |                         |              |                     |
| Net income (loss)  | \$ 45                   | \$ (36)      | \$ 162              |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                         |              |                     |
| Goodwill, impairment and other charges   | 35                      | 170          | 6                   |
| Gain on sales of properties  | (12)                    | (5)          | -                   |
| Net mark-to-market (gain) loss on derivatives  | 2                       | (8)          | (27)                |
| Depreciation and amortization  | 98                      | 113          | 106                 |
| Amortization of debt issuance costs and premium/discounts                                | 3                       | 3            | 2                   |
| Deferred income taxes and investment tax credits, net                                    | 64                      | 15           | 64                  |
| Other  | 1                       | 6            | -                   |
| Changes in assets and liabilities:   |                         |              |                     |
| Receivables  | 19                      | 38           | (13)                |
| Materials and supplies   | 5                       | 42           | (12)                |
| Accounts and wages payable   | (15)                    | (25)         | (19)                |
| Taxes accrued  | -                       | 3            | -                   |
| Assets, other  | 2                       | 7            | 9                   |
| Liabilities, other   | (30)                    | (24)         | (26)                |
| Pension and other postretirement benefits  | (2)                     | 5            | 1                   |
| Net cash provided by operating activities  | <u>215</u>              | <u>304</u>   | <u>253</u>          |
| <b>Cash Flows From Investing Activities:</b>   |                         |              |                     |
| Capital expenditures   | (141)                   | (95)         | (316)               |
| Proceeds from sales of properties  | 49                      | 18           | -                   |
| Money pool advances, net   | (49)                    | 48           | (73)                |
| Net cash used in investing activities  | <u>(141)</u>            | <u>(29)</u>  | <u>(389)</u>        |
| <b>Cash Flows From Financing Activities:</b>   |                         |              |                     |
| Dividends on common stock  | -                       | -            | (43)                |
| Dividends paid to noncontrolling interest holder   | -                       | -            | (11)                |
| Capital issuance costs   | -                       | (4)          | (7)                 |
| Credit facility repayments, net  | (100)                   | 100          | -                   |
| Money pool borrowings, net   | -                       | -            | (80)                |
| Redemptions of long-term debt  | -                       | (200)        | -                   |
| Issuances of long-term debt  | -                       | -            | 249                 |
| Notes payable – affiliates   | -                       | (176)        | 31                  |
| Capital contribution from parent   | 28                      | 5            | -                   |
| Net cash provided by (used in) financing activities                                      | <u>(72)</u>             | <u>(275)</u> | <u>139</u>          |
| Net change in cash and cash equivalents  | 2                       | -            | 3                   |
| Cash and cash equivalents at beginning of year   | 6                       | 6            | 3                   |
| Cash and cash equivalents at end of year   | <u>\$ 8</u>             | <u>\$ 6</u>  | <u>\$ 6</u>         |
| <b>Cash Paid (Refunded) During the Year:</b>   |                         |              |                     |
| Interest (net of \$3, \$6, and \$12 capitalized, respectively)                           | \$ 60                   | \$ 77        | \$ 58               |
| Income taxes, net  | (25)                    | 1            | 74                  |
| <b>Noncash financing activity – capital contribution from parent</b>                     | -                       | 24           | -                   |

(a) Prior period has been adjusted to include EEI as discussed in Note 1 – Summary of Significant Accounting Policies.

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

Table of Contents

**AMEREN ENERGY GENERATING COMPANY  
CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY  
(In millions)**

|  | December 31, |          |                     |
|--|--------------|----------|---------------------|
|  | 2011         | 2010     | 2009 <sup>(a)</sup> |
| <b>Common Stock</b>  | \$ -         | \$ -     | \$ -                |
| <b>Other Paid-in Capital:</b>  |              |          |                     |
| Beginning of year  | 649          | 620      | 620                 |
| Capital contribution from parent   | 4            | 29       | -                   |
| Other paid-in capital, end of year   | 653          | 649      | 620                 |
| <b>Retained Earnings:</b>  |              |          |                     |
| Beginning of year  | 393          | 432      | 315                 |
| Net income (loss) attributable to Ameren Energy Generating Company   | 44           | (39)     | 160                 |
| Common stock dividends   | -            | -        | (43)                |
| Retained earnings, end of year   | 437          | 393      | 432                 |
| <b>Accumulated Other Comprehensive Loss:</b>   |              |          |                     |
| Derivative financial instruments, beginning of year  | (6)          | (6)      | (6)                 |
| Change in derivative financial instruments   | 1            | -        | -                   |
| Derivative financial instruments, end of year  | (5)          | (6)      | (6)                 |
| Deferred retirement benefit costs, beginning of year   | (38)         | (42)     | (61)                |
| Change in deferred retirement benefit costs  | (29)         | 4        | 19                  |
| Deferred retirement benefit costs, end of year   | (67)         | (38)     | (42)                |
| Total accumulated other comprehensive loss, end of year  | (72)         | (44)     | (48)                |
| <b>Total Ameren Energy Generating Company Stockholder's Equity</b>   | \$ 1,018     | \$ 998   | \$ 1,004            |
| <b>Noncontrolling Interest:</b>  |              |          |                     |
| Beginning of year  | 11           | 9        | 16                  |
| Net income attributable to noncontrolling interest holder  | 1            | 3        | 2                   |
| Dividends paid to noncontrolling interest holder   | -            | -        | (11)                |
| Other comprehensive income (loss) attributable to noncontrolling interest holder   | (5)          | (1)      | 2                   |
| Noncontrolling interest, end of year   | 7            | 11       | 9                   |
| <b>Total Equity</b>  | \$ 1,025     | \$ 1,009 | \$ 1,013            |
| <b>Comprehensive Income (Loss), Net of Taxes:</b>  |              |          |                     |
| Net income (loss)  | \$ 45        | \$ (36)  | \$ 162              |
| Reclassification adjustments for derivative gains included in net income, net of income taxes of \$-, \$-, and \$-, respectively | 1            | -        | -                   |
| Pension and other postretirement activity, net of income taxes (benefit) of \$(24), \$5, and \$12, respectively                  | (34)         | 3        | 21                  |
| <b>Total Comprehensive Income (Loss), Net of Taxes</b>   | \$ 12        | \$ (33)  | \$ 183              |
| Comprehensive income (loss) attributable to noncontrolling interest holder   | (4)          | 2        | 4                   |
| <b>Total Comprehensive Income (Loss) Attributable to Ameren Energy Generating Company, Net of Taxes</b>                          | \$ 16        | \$ (35)  | \$ 179              |

(a) Prior period has been adjusted to include EEI as discussed in Note 1 – Summary of Significant Accounting Policies.

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

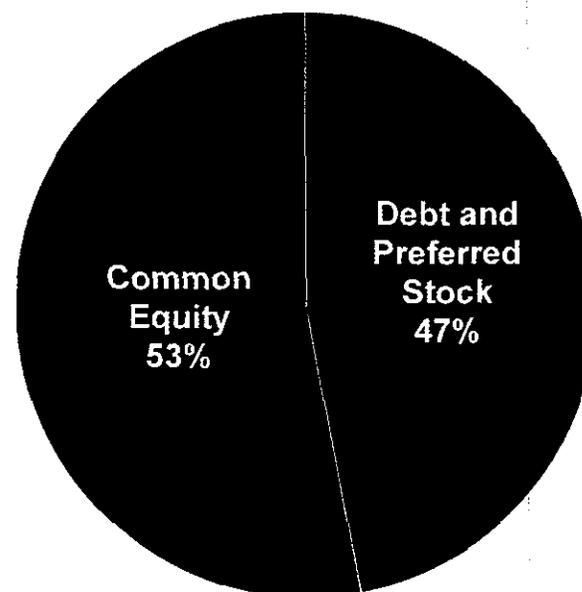
# CREDIT RATINGS AND CAPITAL STRUCTURE

## Ameren Credit Ratings

### Ameren Corporation

|   |      |                  |      |
|---|------|------------------|------|
| Issuer  | Baa3 | BBB-             | BBB  |
| Senior Unsecured                                  | Baa3 | BB+              | BBB  |
| Ameren Missouri Senior Secured                    | A3   | BBB+             | A    |
| Ameren Illinois Senior Secured                    | Baa1 | BBB <sup>1</sup> | BBB+ |
| Ameren Energy Generating Company Senior Unsecured | Ba2  | BB-              | BB-  |

## Capital Structure<sup>2</sup>



<sup>2</sup> GAAP less cash as of Dec. 31, 2011

<sup>1</sup> First mortgage bonds issued by the former Central Illinois Light Co. are rated BBB+ by S&P.

Note: A credit rating is not a recommendation to buy, sell, or hold any security and may be suspended, revised, or withdrawn at any time.

**Ameren Illinois Company's  
Response to ICC Staff Data Requests  
Docket No. 12-0293  
Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing  
Data Request Response Date: 5/24/2012**

RMP 1.02

Please provide true and correct copies of the following reports published by Moody's Investors Service ("Moody's"):

- a) Credit Opinion, "Ameren Energy Generating Company," April 13, 2012;
- b) "Rating Action: Moody's downgrades Ameren Genco's senior unsecured rating to Ba3; outlook negative," April 12, 2012; and
- c) Announcement, "Moody's Disclosures on Credit Ratings of Ameren Corporation," March 16, 2012.

**RESPONSE**

**Prepared By: Ryan J. Martin**

**Title: Assistant Treasurer and Manager, Corporate Finance**

**Phone Number: (314) 554-4140**

Please see RMP 1.02 Attach 1, 2 and 3 for the requested information.

# MOODY'S

## INVESTORS SERVICE

### Credit Opinion: Ameren Energy Generating Company

Global Credit Research - 13 Apr 2012

St. Louis, Missouri, United States

#### Ratings

| Category                          | Moody's Rating |
|-----------------------------------|----------------|
| Outlook                           | Negative       |
| Bkd Sr Unsec Bank Credit Facility | Ba3            |
| Senior Unsecured                  | Ba3            |
| <b>Parent: Ameren Corporation</b> |                |
| Outlook                           | Stable         |
| Issuer Rating                     | Baa3           |
| Senior Unsecured                  | Baa3           |
| Subordinate Shelf                 | (P)Ba1         |
| Pref. Shelf                       | (P)Ba1         |
| Commercial Paper                  | P-3            |

#### Contacts

| Analyst                           | Phone        |
|-----------------------------------|--------------|
| Michael G. Haggarty/New York City | 212.553.7172 |
| William L. Hess/New York City     | 212.553.3837 |

#### Key Indicators

##### [1] Ameren Energy Generating Company

|   | 2011 | 2010 | 2009 | 2008 |
|---|------|------|------|------|
| (CFO Pre-W/C + Interest) / Interest Expense | 4.2x | 3.9x | 4.9x | 5.5x |
| (CFO Pre-W/C) / Debt                        | 23%  | 24%  | 22%  | 29%  |
| (CFO Pre-W/C - Dividends) / Debt            | 23%  | 24%  | 18%  | 19%  |
| FCF / Debt                                  | 8%   | 18%  | -9%  | -17% |

[1] All ratios calculated in accordance with the Unregulated Utilities and Power Companies Rating Methodology using Moody's standard adjustments

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

#### Opinion

##### Rating Drivers

- Declining power prices and higher expenses continue to negatively affect margins
- Cash flow coverage metrics likely to decline to levels that are well below investment grade
- Decision to cut back environmental compliance expenditures could limit generation dispatch in 2015
- Parent company support is important to the maintenance of current Ba3 rating

- Constrained but still adequate liquidity following execution of affiliate put option agreement

### Corporate Profile

Ameren Energy Generating Company (Ameren Genco, Ba3 senior unsecured, negative outlook) is an unregulated generating subsidiary of Ameren Corporation (Baa3 senior unsecured, stable outlook) with approximately 4,500 megawatts of mostly coal fired generating capacity located in Illinois. It is also a subsidiary of intermediate holding company Ameren Energy Resources Company (unrated).

### Rating Rationale

Ameren Genco's rating reflects its position as a relatively small, unregulated, predominantly coal fired merchant generating company selling power through Ameren Energy Marketing Company predominantly in Illinois and the MISO power market. Although Ameren Genco is a marginally competitive power supplier in its region, declining power prices and higher fuel and transportation expenses are negatively affecting margins. Despite cutting O&M and capital expenditures, Ameren Genco's financial metrics are declining and we expect them to fall to levels well below our investment grade rating criteria for unregulated power companies over the next few years. Pending environmental compliance requirements represent a substantial long-term challenge for the company, and drastic cutbacks announced in February 2012 could hamper the ability of the company to fully dispatch its fleet as early as 2015, when Illinois multi-pollutant standards tighten. Although Ameren Genco has no long-term debt maturities until 2018, negative free cash flow generation over the interim could require some external financing. Liquidity is being provided by a two-year Put Option Agreement giving it the ability to raise \$100 million within one business day by exercising an option to sell three gas plants to an affiliate. The option is guaranteed by Ameren.

### DETAILED RATING CONSIDERATIONS

- Declining power prices and higher fuel and transportation expenses negatively affecting margins

Ameren Genco's margins have been declining in recent years due to a combination of falling power prices and weak economic conditions in the Midwest region, which has reduced overall demand for power. Margins have also been negatively affected by higher fuel and transportation costs and large capital expenditures for environmental compliance. Ameren's merchant generation segment (which includes both Ameren Genco and Ameren Energy Resources Generating Company) currently has hedges in place for 25 million MWh in 2012 (approximately 90% of the total MWh available) at an average price of \$44/MWh; 14 million MWh in 2013 at an average price of \$40; and 7 million MWh in 2014 at an average price of \$44. We believe that the prospect for substantial improvement in the company's margins have worsened and become more distant in recent months given new, lower forward price curves and continued efforts by the EPA to implement environmental compliance mandates.

- Cash flow coverage metrics expected to decline to levels that are well below investment grade

As a result of lower realized prices and reduced demand, Ameren Genco's cash flow coverage metrics have exhibited a declining trend over the last few years, a trend that we expect to worsen and accelerate over the next several years. Ameren Genco generated approximately 30% CFO pre-W/C to debt in both 2007 and 2008, falling to the 23% range in the years 2009 through 2011, still adequate for an investment grade rating under our rating parameters in our Unregulated Utilities and Power Company Rating Methodology. However, considering the significant reduction in forward price curves in recent months, lower prices on the company's hedged power sales in 2013, and the lack of a viable capacity market in MISO, we expect this ratio to fall below 20% in 2012 and perhaps even lower in 2013 and 2014 unless power prices recover. These levels are consistent with the Ba rating range of 13% to 20% for an unregulated generating company, in accordance with our Rating Methodology. Similarly, Ameren Genco is likely to be cash flow negative in some or all of these years, which is also consistent with a Ba rating under our rating methodology. Lower than expected coverage ratios or higher levels of negative free cash flow generation could result in ratings in the single B rating range. Any reversal of these negative financial ratio trends is dependent on higher power prices, which may not occur.

- Decision to cut back environmental compliance expenditures could limit dispatch beginning in 2015.

In February 2012, Ameren Genco announced drastic cutbacks in its environmental compliance capital expenditure program, specifically related to the deceleration and potential cancellation of scrubber installation on its 1,198 MW Newton Power plant, its largest and most recent vintage coal fired power plant. This decision is the latest indication of the effect that low power prices and the lack of a capacity market in MISO has had on this coal-fired generator. As a result, capital expenditures at Ameren's entire merchant generation segment are projected to fall from \$182 million in 2012 to \$60 million in 2013 unless the Newton scrubber project is reactivated. This raises the distinct

possibility that the company's ability to fully dispatch its merchant generating fleet could be constrained as early as 2015 if the company is not in compliance with Illinois multi-pollutant standard requirements, which tighten that year. The company has indicated that it believes that it should be able to comply with EPA mandates such as CSAPR and MATS at least until that time.

Of Ameren Genco's two other large coal fired power stations, the 895 MW Coffeen plant has already been scrubbed and the company is considering using less expensive dry sorbent injection technology at its 1,002 MW Joppa power plant (80% owned). The company also recently announced the closing of its two smallest coal fired units, Hutsonville and Meredosia, which has modestly reduced operation and maintenance expense and made available some emission allowances previously associated with these units.

We note that Ameren provides capital expenditure projections, fuel and transportation expense, and other hedging information for its merchant generating business only on a consolidated basis, despite having two separate and distinct legal entities operating under this segment, Ameren Genco and Ameren Energy Resources Generating Company (AERG, unrated). It should be noted that Ameren Genco's \$825 million of outstanding bonds are supported by the cash flows of only three of the five coal fired power plants in its merchant generation business, including the scrubbed Coffeen, and unscrubbed Joppa (EEI) and Newton plants. The vast majority of the capital expenditure cutbacks announced in February 2012 are at Ameren Genco.

- Parent company support is important to the maintenance of current Ba3 rating

The maintenance of Ameren Genco's rating at the Ba3 rating level recognizes not only the financial flexibility provided by the two year affiliate Put Option Agreement, but also the tangible financial support provided by the Ameren parent company, which guarantees the obligation of affiliate AERG under the Put Option Agreement. The parent company also provides critical power sales and marketing support to Ameren Genco through Ameren Energy Marketing Company, which has limited collateral calls and other contingent calls on Ameren Genco's liquidity as its credit quality and credit ratings have deteriorated. Ameren Genco can also continue to access funds under Ameren's non-state regulated subsidiary money pool, to which it had advanced \$74 million as of December 31, 2011. However, Ameren has indicated that any additional borrowings from the money pool would be dependent on consideration by the parent company of the facts and circumstances existing at the time.

Without the liquidity provided by the Ameren guaranteed Put Option Agreement and the power sales and marketing support provided by Ameren Energy Marketing Company, Ameren Genco would exhibit much less financial flexibility in the face of continued low power prices, deteriorating financial metrics, environmental capital expenditures, as well as the lack of capacity payments in the market in which it operates. The execution of the Put Option Agreement provides Ameren Genco critical time for current power market conditions to improve before it decides on whether to resume the installation of scrubbers at its Newton power plant, which it recently postponed.

Ameren Genco maintains a constrained but still adequate liquidity position following the March 28, 2012 execution of a two year Put Option Agreement allowing it to raise \$100 million within one business day by exercising an option to sell three gas plants to an affiliate. The Put Option Agreement allows Ameren Genco to sell three of its natural gas combustion turbine plants to Ameren Energy Resources Generating Company (AERG - unrated) for the greater of \$100 million or the fair market value of the plants as determined by a third-party valuation process. The obligation of AERG to purchase these assets upon exercise of the put option is guaranteed by Ameren.

This unusual arrangement partially replaces the liquidity provided by its \$500 million joint bank facility with the parent company, where borrowings are becoming increasingly restricted because of covenant limitations. Under Ameren Genco's bond indenture, the company may not borrow any additional funds from external, third-party sources (including its bank credit facility) if interest coverage falls below 2.5x or debt to capital rises above 60%. Based on projections of operating results and cash flows as of December 31, 2011, the company expects to be below the required 2.5x interest coverage threshold by the end of the first quarter of 2013.

We note that Ameren will not likely be able to refinance the joint bank credit facility or otherwise allow Ameren Genco to directly access the facility on an unsecured basis without a parent company guarantee when it comes up for renewal in September 2013. Cross default provisions under the facility are structured such that an event of default at Ameren Genco constitutes an event of default at the parent company, although an event of default at the Ameren parent or at any of its utility subsidiaries will not constitute an event of default at Ameren Genco. The obligations of Ameren and Ameren Genco under the facility are several and not joint, and Ameren does not currently guarantee the obligations of Ameren Genco under the facility. At December 31, 2011, there were no outstandings under the facility.

Under the terms of the facility, Ameren and Ameren Genco must each maintain a total debt to capitalization ratio of

no greater than 65%. As of December 31, 2011, both companies were in compliance with this covenant with calculations for Ameren and Ameren Genco (in accordance with the agreement) of 47% and 45%, respectively. In addition, Ameren is required to maintain a ratio of consolidated funds from operations plus interest expense to consolidated interest expense of 2.0 to 1, to be calculated quarterly. At December 31, 2011, Ameren's ratio was 5.1x to 1. Failure of either borrower to satisfy one of these financial covenants constitutes an immediate event of default under the credit facility.

As of December 31, 2011, Ameren Genco had no short-term debt outstanding. It had \$8 million of cash and cash equivalents on hand and \$74 million of advances to the Ameren non-state-regulated money pool. The company has indicated that it expects to be free cash flow positive in 2012 including usage of approximately half of its fiscal year-end advances to the money pool. Parent company Ameren had \$255 million of consolidated cash and cash equivalents on hand as of December 31, 2011. Cash collateral postings at Ameren and Ameren Genco were \$145 million and \$1 million, respectively, at December 31, 2011. Below investment grade ratings could have resulted in Ameren or Ameren Genco having to post additional collateral of \$332 million and \$58 million, respectively, at December 31, 2011.

**Rating Outlook**

The negative outlook reflects our view that low power prices are likely to continue for some time, making it increasingly difficult for merchant coal generators to remain competitive, even in heavily coal dependent areas like southern Illinois, especially when environmental compliance costs are taken into consideration. Barring a substantial improvement in power prices or the institution of a viable capacity market within the Midwest Independent System Operator (MISO), regional merchant coal fired generators like Ameren Genco are at a particular disadvantage. The ability of Ameren Genco to reverse declining financial trends through additional expense reductions, capital expenditure deferrals, or other alternatives is extremely limited. As a result, the company may not have sufficient resources to complete the installation of scrubbers at its Newton plant, increasing the possibility that generation dispatch could be constrained by tightening Illinois multi-pollutant standards as early as 2015.

**What Could Change the Rating - Up**

The negative outlook limits the likelihood of a ratings upgrade over the near term. A stabilization of the outlook could be considered, however, if there is a material improvement in power prices, clarity with regard to the Newton scrubber project, a reduction of long-term debt, a reversal of declining financial metric trends with CFO pre-working capital to debt at or above 18% on a sustained basis.

**What Could Change the Rating - Down**

Ameren Genco's rating could be downgraded if power prices do not improve materially, if the company exercises the Put Option Agreement, if it moves forward with the Newton scrubber project, if it utilizes the cash it has advanced to the Ameren money pool at a faster rate than projected, if there is a material increase in collateral postings or other liquidity requirements, if there is any change in the degree of support provided by the parent company, or if there is a material decline in cash flow coverage metrics, including a ratio of CFO pre-working capital to debt falling below 12% for an extended period.

**Rating Factors**

**Ameren Energy Generating Company**

|  |                   |              |  |              |
|--|-------------------|--------------|--|--------------|
| <b>Power Companies [1][2]</b>  | <b>12/31/2011</b> |              | <b>Moody's<br/>12-18<br/>month<br/>Forward<br/>View As<br/>of April<br/>2012</b> |              |
| <b>Factor 1: Market Assessment, Scale and Competitive Position<br/>(20%)</b> | <b>Measure</b>    | <b>Score</b> | <b>Measure</b>   | <b>Score</b> |
| a) Market and Competitive Position (15%)                                     |                   | Ba           |  | Ba           |

|   |      |     |             |          |
|---|------|-----|-------------|----------|
| b) Geographic Diversity (5%)                                      |      | Ba  |             | Ba       |
| <b>Factor 2: Cash Flow Predictability of Business Model (20%)</b> |      |     |             |          |
| a) Hedging strategy (10%)   |      | Ba  |             | Ba       |
| b) Fuel Strategy and mix (5%)                                     |      | B   |             | B        |
| c) Capital requirements and operational performance (5%)          |      | B   |             | B        |
| <b>Factor 3: Financial policy (10%)</b>                           |      | Ba  |             | Ba       |
| <b>Factor 4: Financial Strength - Key Financial Metrics (50%)</b> |      |     |             |          |
| a) CFO pre-WC + Interest / Interest (15%) (3yr Avg)               | 4.3x | Baa | 2.0x - 3.0x | Ba       |
| b) CFO pre-WC / Debt (20%) (3yr Avg)                              | 23%  | Baa | 12% - 17%   | Ba       |
| c) RCF / Debt (7.5%) (3yr Avg)                                    | 23%  | Baa | 12% - 17%   | Baa / Ba |
| d) FCF / Debt (7.5%) (3yr Avg)                                    | 5%   | Ba  | (5)% - 5%   | Ba / B   |
| <b>Rating:</b>  |      |     |             |          |
| a) Indicated Rating from Grid                                     |      | Ba1 |             | Ba2      |
| b) Actual Rating Assigned   |      | Ba2 |             | Ba3      |

\* THIS REPRESENTS MOODY'S FORWARD VIEW; NOT THE VIEW OF THE ISSUER; AND UNLESS NOTED IN THE TEXT DOES NOT INCORPORATE SIGNIFICANT ACQUISITIONS OR DVESTITURES

[1] All ratios are calculated using Moody's Standard Adjustments. [2] As of 12/31/2011; Source: Moody's Financial Metrics



© 2012 Moody's Investors Service, Inc. and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

**CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.**

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT

LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources Moody's considers to be reliable, including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody's.com](http://www.moody's.com) under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. ("MJKK") are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, "MIS" in the foregoing statements shall be deemed to be replaced with "MJKK". MJKK is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO.

This credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.

# Global Credit Portal

## AmerenEnergy Generating Co.

**Primary Credit Analyst:**

Gabe Grosberg, New York (1) 212-438-6043; gabe\_grosberg@standardandpoors.com

**Secondary Contact:**

Gerrit Jepsen, CFA, New York (1) 212-438-2529; gerrit\_jepsen@standardandpoors.com

### Table Of Contents

---

Major Rating Factors

Rationale

Credit Watch

Related Criteria And Research

# AmerenEnergy Generating Co.

## Major Rating Factors

### Strengths:

- Affiliation with monopolistic, rate-regulated electric utilities that are lower risk and generate higher predictable cash flows; and
- Consistent risk management hedging strategy that provides a degree of power price insulation over the short term.

**Corporate Credit Rating**

**BB-/Watch Neg/--**

### Weaknesses:

- The company's disclosure that it expects its ability to borrow additional funds from external third parties as of March 31, 2013, will be limited;
- Its ultimate dependence on the market price of electricity; and
- Low power prices environment that will weaken the company's cash flow.

## Rationale

Standard & Poor's Ratings Services' ratings on AmerenEnergy Generating Co. (GenCo) reflect its stand-alone credit profile and a very limited degree of support from parent Ameren Corp. Additionally, our corporate credit rating on GenCo reflects its "aggressive" financial risk profile and "strong" business risk profile (as our criteria define the terms).

We view GenCo's recent disclosure of a projected inability to borrow additional funds from third parties as of April 2013 as a material ratings constraint. Absent GenCo's ability to borrow from third parties, it would probably not be able to absorb high-impact, low-probability events without parental support. Unless management presents a very credible plan to avert this scenario, we would revise our assessment of GenCo's liquidity to "less than adequate" from "adequate" (as our criteria define the terms), which would lead to a credit downgrade.

GenCo's financial risk profile is aggressive, in our view, and reflects its stand-alone financial risk profile. Our assessment of its financial risk also takes into account Standard & Poor's base-case scenario of adjusted funds from operations (FFO) to total debt at about 15% and adjusted total debt to total capital at about 50% over the next 12 months. For the 12 months ended Dec. 31, 2011, adjusted FFO to debt was 24.2%, compared with 22.7% at year-end 2010; adjusted debt to EBITDA was 3.0x, slightly better than 3.1x at year-end 2010; and adjusted debt to total capital was 48.5%, an improvement from 51.4% at year-end 2010. Should power prices continue to remain weak, our stress-case scenario indicates that FFO to debt would decline to below 12% and we would revise our assessment of GenCo's financial risk profile to "highly leveraged" and likely further lower our credit rating on GenCo.

Even with the planned reduction in capital spending, we expect that GenCo's discretionary cash flow will turn negative and that it will meet its near-term cash needs through its availability under its existing credit facility.

GenCo's fair business risk profile reflects its ultimate dependence on the market price of electricity, which has recently sharply declined. GenCo's margins have steadily declined due to lower demand because of the recession and by an increased supply of natural gas from shale gas that have contributed to lower natural gas prices. While GenCo

continues to manage those areas that it can directly influence--such as reducing capital spending, maintaining its hedging program, and reducing its operation and maintenance (O&M) costs--sustained weak power prices will pressure its cash flow over the intermediate term. Furthermore, the prolonged weakness of the power markets, particularly the flattening of the forward curve, reduces the value of GenCo's hedging strategy to protect it from weak power prices. While GenCo's three-year hedging strategy provides a degree of price insulation over the short term, sustained depressed power prices would eventually undermine this credit enhancement. This could lead Standard & Poor's to revise GenCo's business risk profile to "weak," almost certainly resulting in a ratings downgrade.

We view Ameren's recent decision to significantly reduce its environmental capital spending at GenCo as prudent from Ameren Corp.'s perspective but believe the reduction adds considerable credit risk to GenCo. This decision will provide Ameren management with additional time to reevaluate its options and to assess its ability to meet federal and state environmental regulations even in the possible absence of a scrubber at Newton. However, the reduction of environmental capital spending also suggests management's lack of confidence in the longer-term economic sustainability of GenCo's business model. This reinforces our view that Ameren's support for GenCo is limited and that it expects GenCo to cover its cash needs as a stand-alone business even over the short term.

Our credit rating on GenCo does marginally take into account its affiliation with Ameren's regulated utilities. The excellent business risk profile for the regulated utilities reflect their low risk, monopolistic, and essential service.

### **Liquidity**

While GenCo's liquidity is currently "adequate" based on our assessment for the next 12 months, absent management detailing a credible plan that enhances its liquidity position for the period after March 31, 2013, we will revise our liquidity assessment to "less than adequate."

We base our liquidity assessment on the following factors and assumptions:

- We expect the company's liquidity sources (including cash, FFO, and credit facility availability) over the next 12 months to exceed its uses by more than 3x.
- GenCo does not have long-term debt maturities until 2018.
- Even if FFO declines by 100%, we believe net sources would still be more than 1.2x of cash requirements mostly due to the availability on its credit facility.

In our analysis, we assumed liquidity of about \$650 million over the next 12 months, primarily consisting of cash, FFO, and availability under its credit facility. GenCo's \$500 million credit facility expires in September 2013. We estimate the company will use about \$200 million over the same period for capital spending and working capital needs.

GenCo's bond indenture includes financial covenants that must be met for GenCo to incur additional indebtedness. These financial covenants include a debt to capital ratio of no greater than 60% and a minimum interest coverage ratio of 2.5x. As of Dec. 31, 2011, the debt to capital ratio was 43% and the interest coverage ratio was 4.3x. While we expect that the company will maintain debt to capital at below 50% over the intermediate term, we believe its interest coverage ratio will likely drop to about 2.3x in 2013, reflecting weaker operating cash flows as a direct result of weak market power prices.

## Recovery analysis

GenCo's unsecured notes are rated 'BB-' and are on CreditWatch with negative implications. The '3' recovery rating indicates our expectations of meaningful (50%-70%) recovery.

## CreditWatch

The CreditWatch with negative implications is based on the 50% probability that we will lower our ratings on GenCo in the near term. We would lower the ratings if we determine that GenCo's liquidity is less than adequate under our criteria, if we view management's liquidity strategy for the period after March 31, 2013, to be insufficient, or if we determine that we should base our credit rating on GenCo solely on its stand-alone credit quality, without any support from parent Ameren Corp.

## Related Criteria And Research

- Liquidity Descriptors For Global Corporate Issuers, Sept. 28, 2011
- Criteria Guidelines For Recovery Ratings On Global Industrials Issuers' Speculative-Grade Debt, Aug. 10, 2009
- Business Risk/Financial Risk Matrix Expanded, May 27, 2009
- Analytical Methodology, April 15, 2008
- Standard & Poor's Extends Recovery Ratings To Unsecured Speculative-Grade Corporate Issues, March 21, 2008

**Table 1**

### AmerenEnergy Generating Co. -- Peer Comparison

#### Industry Sector: Generating Company

|   | AmerenEnergy Generating Co. | GenOn Energy Inc. | Calpine Corp. | NRG Energy Inc. | Edison Mission Energy |
|---|-----------------------------|-------------------|---------------|-----------------|-----------------------|
| <b>Rating as of March 16, 2012</b>            | BB-/Watch Neg/--            | B/Negative/--     | B+/Stable/--  | BB-/Negative/-  | CCC+/Negative/--      |
| <b>--Average of past three fiscal years--</b> |                             |                   |               |                 |                       |
| <b>(Mil. \$)</b>                              |                             |                   |               |                 |                       |
| Revenues                                      | 1,014.0                     | 2,731.0           | 6,636.3       | 8,960.0         | 2,326.7               |
| EBITDA  | 348.7                       | 905.0             | 1,486.5       | 2,368.6         | 643.9                 |
| Net income from cont. oper.                   | 53.3                        | 85.0              | (67.7)        | 538.7           | (290.3)               |
| Funds from operations (FFO)                   | 244.3                       | 469.5             | 602.4         | 1,681.1         | 728.2                 |
| Capital expenditures                          | 168.0                       | 963.5             | 474.1         | 1,299.7         | 570.6                 |
| Free operating cash flow                      | 68.3                        | (483.0)           | 354.9         | 260.4           | 63.7                  |
| Discretionary cash flow                       | 68.3                        | (483.0)           | 354.9         | 243.4           | 62.7                  |
| Cash and short-term investments               | 6.7                         | 2,007.7           | 1,189.3       | 2,120.0         | 1,057.0               |
| Debt  | 1,072.9                     | 5,887.2           | 10,545.6      | 10,161.6        | 6,747.2               |
| Equity  | 965.3                       | 5,020.7           | 4,493.0       | 8,060.7         | 2,440.7               |
| <b>Adjusted ratios</b>                        |                             |                   |               |                 |                       |
| EBITDA margin (%)                             | 34.4                        | 33.1              | 22.4          | 26.4            | 27.7                  |
| EBITDA interest coverage (x)                  | 4.2                         | 2.4               | 1.8           | 3.1             | 1.3                   |
| EBIT interest coverage (x)                    | 3.0                         | 1.7               | 1.0           | 2.1             | (0.2)                 |

Table 1

| AmerenEnergy Generating Co. -- Peer Comparison (cont.) |      |       |      |      |       |
|--|------|-------|------|------|-------|
| Return on capital (%)                                  | 11.2 | 6.1   | 5.4  | 8.1  | (0.8) |
| FFO/debt (%)   | 22.8 | 8.0   | 5.7  | 16.5 | 10.8  |
| Free operating cash flow/debt (%)                      | 6.4  | (8.2) | 3.4  | 2.6  | 0.9   |
| Debt/EBITDA (x)  | 3.1  | 6.5   | 7.1  | 4.3  | 10.5  |
| Total debt/debt plus equity (%)                        | 52.6 | 54.0  | 70.1 | 55.8 | 73.4  |

Table 2

| AmerenEnergy Generating Co. -- Financial Summary |                  |                  |                |                |                |
|--|------------------|------------------|----------------|----------------|----------------|
| Industry Sector: Generating Company              |                  |                  |                |                |                |
| --Fiscal year ended Dec. 31--                    |                  |                  |                |                |                |
|  | 2011             | 2010             | 2009           | 2008           | 2007           |
| <b>Rating history</b>                            | BBB-/Negative/-- | BBB-/Negative/-- | BBB-/Stable/-- | BBB-/Stable/-- | BBB-/Stable/-- |
| <b>(Mil. \$)</b>                                 |                  |                  |                |                |                |
| Revenues   | 1,066.0          | 1,126.0          | 850.0          | 908.0          | 872.0          |
| EBITDA   | 316.3            | 340.9            | 388.8          | 403.4          | 333.4          |
| Net income from continuing operations            | 44.0             | (39.0)           | 155.0          | 175.0          | 125.0          |
| Funds from operations (FFO)                      | 233.7            | 242.5            | 256.6          | 298.3          | 261.9          |
| Capital expenditures                             | 143.8            | 94.1             | 266.0          | 326.5          | 192.8          |
| Dividends paid                                   | 0.0              | 0.0              | 0.0            | 101.0          | 113.0          |
| Debt   | 964.0            | 1,068.1          | 1,186.6        | 1,062.6        | 868.3          |
| Preferred stock                                  | 0.0              | 0.0              | 0.0            | 0.0            | 0.0            |
| Equity   | 1,025.0          | 1,009.0          | 862.0          | 695.0          | 648.0          |
| Debt and equity                                  | 1,989.0          | 2,077.1          | 2,048.6        | 1,757.6        | 1,516.3        |
| <b>Adjusted ratios</b>                           |                  |                  |                |                |                |
| EBITDA margin (%)                                | 29.7             | 30.3             | 45.7           | 44.4           | 38.2           |
| EBIT interest coverage (x)                       | 2.4              | 2.6              | 4.0            | 5.3            | 4.2            |
| FFO int. cov. (x)                                | 3.9              | 3.5              | 4.1            | 5.7            | 4.9            |
| FFO/debt (%)                                     | 24.2             | 22.7             | 21.6           | 28.1           | 30.2           |
| Discretionary cash flow/debt (%)                 | 7.4              | 16.7             | (3.7)          | (17.1)         | (5.6)          |
| Net cash flow/capex (%)                          | 162.5            | 257.7            | 96.5           | 60.4           | 77.3           |
| Debt/debt and equity (%)                         | 48.5             | 51.4             | 57.9           | 60.5           | 57.3           |
| Return on capital (%)                            | 8.1              | 10.6             | 15.4           | 18.9           | 16.9           |
| Return on common equity (%)                      | 4.0              | (4.8)            | 18.5           | 26.1           | 20.6           |
| Common dividend payout ratio (un-adj.) (%)       | 0.0              | 0.0              | 0.0            | 57.7           | 90.4           |

Table 3

**Reconciliation Of AmerenEnergy Generating Co. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. \$)**

--Fiscal year ended Dec. 31, 2011--

**AmerenEnergy Generating Co. reported amounts**

|   | Debt  | Shareholders' equity | Revenues | EBITDA | Operating income | Interest expense | Cash flow from operations | Cash flow from operations | Dividends paid | Capital expenditures |
|---|-------|----------------------|----------|--------|------------------|------------------|---------------------------|---------------------------|----------------|----------------------|
| Reported  | 824.0 | 1,025.0              | 1,066.0  | 270.0  | 139.0            | 63.0             | 215.0                     | 215.0                     | --             | 141.0                |
| <b>Standard &amp; Poor's adjustments</b>              |       |                      |          |        |                  |                  |                           |                           |                |                      |
| Operating leases                                      | 84.1  | --                   | --       | 6.3    | 6.3              | 6.3              | 4.7                       | 4.7                       | --             | 5.8                  |
| Capitalized interest                                  | --    | --                   | --       | --     | --               | 3.0              | (3.0)                     | (3.0)                     | --             | (3.0)                |
| Asset retirement obligations                          | 42.9  | --                   | --       | 5.0    | 5.0              | 5.0              | (2.0)                     | (2.0)                     | --             | --                   |
| Reclassification of nonoperating income (expenses)    | --    | --                   | --       | --     | 1.0              | --               | --                        | --                        | --             | --                   |
| Reclassification of working-capital cash flow changes | --    | --                   | --       | --     | --               | --               | --                        | 19.0                      | --             | --                   |
| Debt - Accrued interest not included in reported debt | 13.0  | --                   | --       | --     | --               | --               | --                        | --                        | --             | --                   |
| EBITDA - Other  | --    | --                   | --       | 35.0   | 35.0             | --               | --                        | --                        | --             | --                   |
| Total adjustments                                     | 140.0 | 0.0                  | 0.0      | 46.3   | 47.3             | 14.3             | (0.3)                     | 18.7                      | 0.0            | 2.8                  |

**Standard & Poor's adjusted amounts**

|          | Debt  | Equity  | Revenues | EBITDA | EBIT  | Interest expense | Cash flow from operations | Funds from operations | Dividends paid | Capital expenditures |
|----------|-------|---------|----------|--------|-------|------------------|---------------------------|-----------------------|----------------|----------------------|
| Adjusted | 964.0 | 1,025.0 | 1,066.0  | 316.3  | 186.3 | 77.3             | 214.7                     | 233.7                 | 0.0            | 143.8                |

**Ratings Detail (As Of March 19, 2012)****AmerenEnergy Generating Co.**

|                             |                  |
|-----------------------------|------------------|
| Corporate Credit Rating     | BB-/Watch Neg/-- |
| Senior Unsecured (3 Issues) | BB-/Watch Neg    |

**Corporate Credit Ratings History**

|             |                   |
|-------------|-------------------|
| 05-Mar-2012 | BB-/Watch Neg/--  |
| 28-Feb-2012 | BB-/Negative/--   |
| 15-Dec-2010 | BBB-/Negative/--  |
| 29-Aug-2007 | BBB-/Stable/--    |
| 23-Apr-2007 | BBB-/Watch Neg/-- |

**Business Risk Profile**

Fair

**Financial Risk Profile**

Aggressive

**Ratings Detail (As Of March 19, 2012) (cont.)**

**Related Entities**

**Ameren Corp.**

|                             |                   |
|-----------------------------|-------------------|
| Issuer Credit Rating        | BBB-/Positive/A-3 |
| Senior Unsecured (2 Issues) | BB+               |

**Ameren Illinois Co.**

|                             |                   |
|-----------------------------|-------------------|
| Issuer Credit Rating        | BBB-/Positive/A-3 |
| Commercial Paper            |                   |
| Local Currency              | A-3               |
| Preferred Stock (12 Issues) | BB                |
| Senior Secured (6 Issues)   | BBB               |
| Senior Secured (6 Issues)   | BBB+              |
| Senior Secured (3 Issues)   | BBB/Developing    |
| Senior Unsecured (4 Issues) | BBB-              |

\*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

Copyright © 2012 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

The McGraw-Hill Companies