

# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's upgrades Ameren Corp and subsidiary ratings by one notch; Outlooks stable

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Global Credit Research - 31 Jan 2014

#### Approximately \$4.8 Billion of Debt Affected

New York, January 31, 2014 -- Moody's Investors Service upgraded the ratings of Ameren Corporation to Baa2 from Baa3, Union Electric Company to Baa1 from Baa2, and Ameren Illinois Company to Baa1 from Baa2. Concurrently, we upgraded Ameren Corporation's commercial paper rating to Prime-2 from Prime-3. This rating action completes our review initiated on November 8, 2013. The outlooks are stable.

#### RATING RATIONALE

The primary driver of today's rating action was Moody's more favorable view of the relative credit supportiveness of the US regulatory environment, as detailed in our September 2013 Request for Comment titled "Proposed Refinements to the Regulated Utilities Rating Methodology and our Evolving View of US Utility Regulation."

Ameren's rating reflects improving regulatory environment in both Missouri and Illinois and financial metrics that are supportive of its ratings. Ameren's rating also reflects its position as a parent holding company that is diversified with regulated utilities operating in two states, and the modest \$425 million of long-term debt at the parent company level. The sale of the merchant operation, which was completed in December of 2013, eliminates a significant credit overhang.

#### WHAT COULD CHANGE RATING -- UP

The rating could be upgraded if the regulatory environment in Missouri and Illinois continue to improve, assuming the credit metrics are supportive of an upgrade.

#### WHAT COULD CHANGE RATING -- DOWN

A negative rating action is possible should Illinois suffer a setback in its regulatory process due to political or regulatory intervention or its CFO Pre-WC to debt falls below the mid teens range on a sustained basis.

The principal methodology used in this rating was Regulated Electric and Gas Utilities published in December 2013. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

Issuer: Ameren Corporation

Outlook is revised to stable from RUR-UP.

Upgraded:

Senior Unsecured -- Baa2 from Baa3

Subordinate Shelf -- (P)Baa3 from (P)Ba1

Pref. Shelf -- (P)Ba1 from (P)Ba2

Commercial Paper to P-2 from P-3

Senior Unsec. Shelf - (P)Baa2 from (P)Baa3

LT Issuer Rating - Baa2 from Baa3

Issuer Ameren Illinois Company

Outlook is revised to stable from RUR-UP

Upgraded:

Senior Unsecured to Baa1 from Baa2

Senior Secured -- A2 from A3

Pref. Stock to Baa3 from Ba1

LT Issuer Rating -- Baa1 from Baa2

Senior Secured Shelf -- (P)A2 from (P)A3

Pref. Shelf - (P)Baa3 from (P)Ba1

Senior Unsec. Shelf -- (P)Baa1 from (P)Baa2

Issuer: Union Electric Company

Outlook is revised to stable from RUR-UP

Upgraded:

Pref. Stock to Baa3 from Ba1

Pref. Shelf to (P)Baa3 from (P)Ba1

Commercial Paper -- P-2 from P-3

Senior Secured -- A2 from A3

LT Issuer Rating -- Baa1 from Baa2

Senior Secured Shelf -- (P)A2 from (P)A3

Senior Unsec. Shelf - (P)Baa1 from (P)Baa2

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