

# EDISON ELECTRIC INSTITUTE FINANCIAL CONFERENCE

11.12-13.14

*O'Fallon Renewable Energy Center*



# CAUTIONARY STATEMENTS

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## Forward-looking Statements

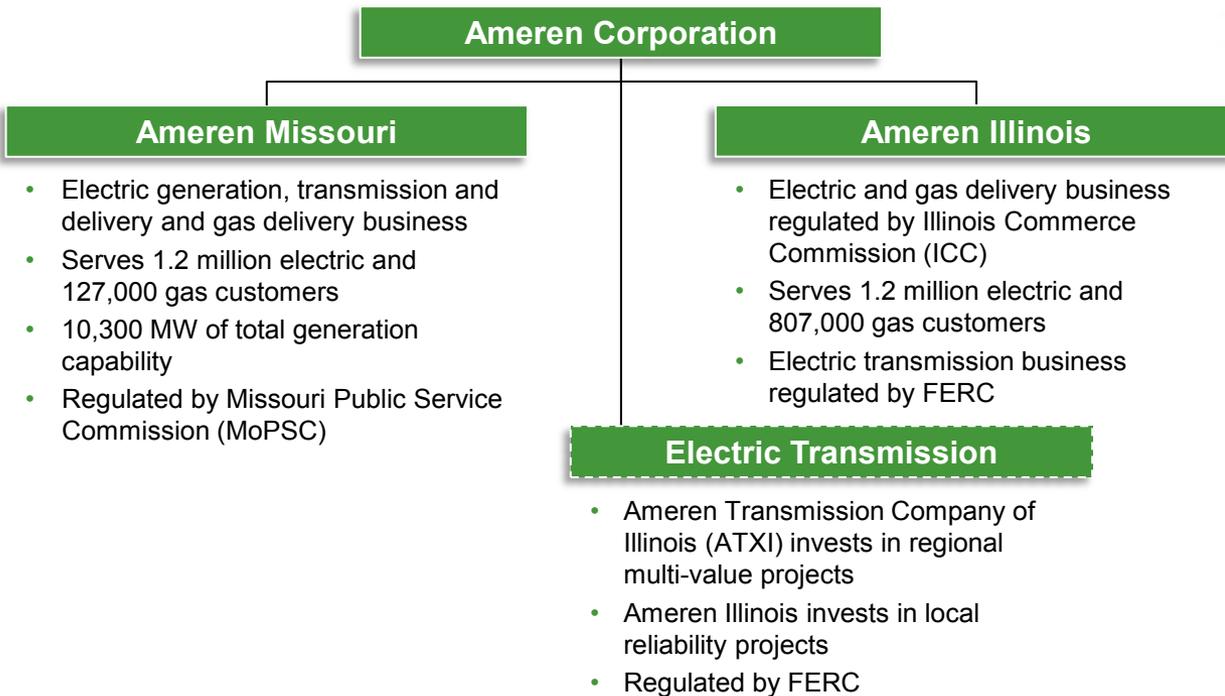
Statements in this presentation not based on historical facts are considered "forward-looking" and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions, and financial performance. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Ameren is providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. In addition to factors discussed in this presentation, Ameren's Annual Report on Form 10-K for the year ended December 31, 2013, and its other reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934 contain a list of factors and a discussion of risks which could cause actual results to differ materially from management expectations suggested in such "forward-looking" statements. All "forward-looking" statements included in this presentation are based upon information presently available, and Ameren, except to the extent required by the federal securities laws, undertakes no obligation to update or revise publicly any "forward-looking" statements to reflect new information or current events.

## Earnings Guidance

In this presentation, Ameren has presented earnings guidance and growth expectations that were issued and effective as of November 6, 2014. The guidance assumes normal temperatures for the fourth quarter of 2014 and, along with the growth expectations, is subject to the effects of, among other things, 30-year U.S. Treasury bond yields; regulatory decisions and legislative actions; energy center and energy delivery operations; energy, economic, capital and credit market conditions; severe storms; unusual or otherwise unexpected gains or losses; and other risks and uncertainties outlined, or referred to, in the Forward-looking Statements section of this presentation and in Ameren's periodic reports filed with the Securities and Exchange Commission.

# COMPANY DESCRIPTION

- Fully rate-regulated electric and gas utility
  - 2.4 million electric and more than 900,000 gas customers
  - 10,300 megawatts (MW) of regulated electric generation capability
  - 4,600 circuit miles of U.S. Federal Energy Regulatory Commission (FERC) regulated electric transmission



# SOLID OPERATING PERFORMANCE

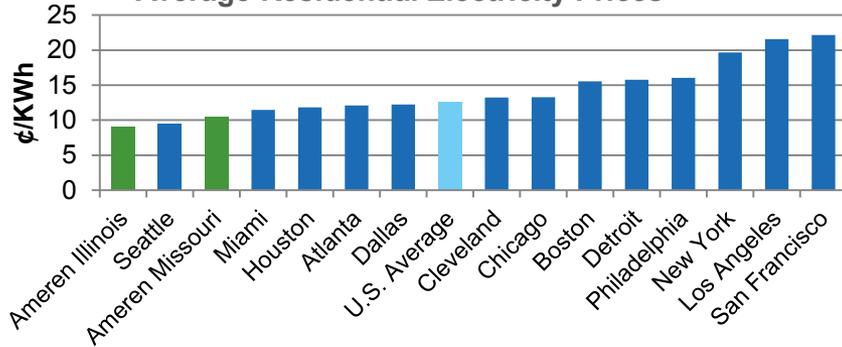
Electric rates are low

Safety has improved

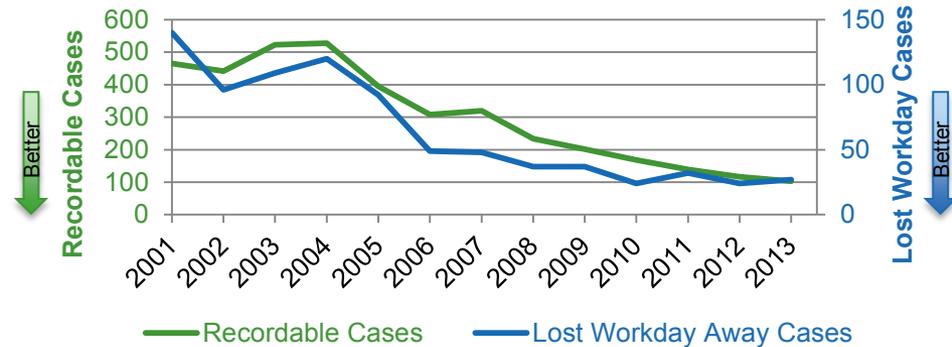
Delivery system reliability has improved

Generating plant performance remains strong

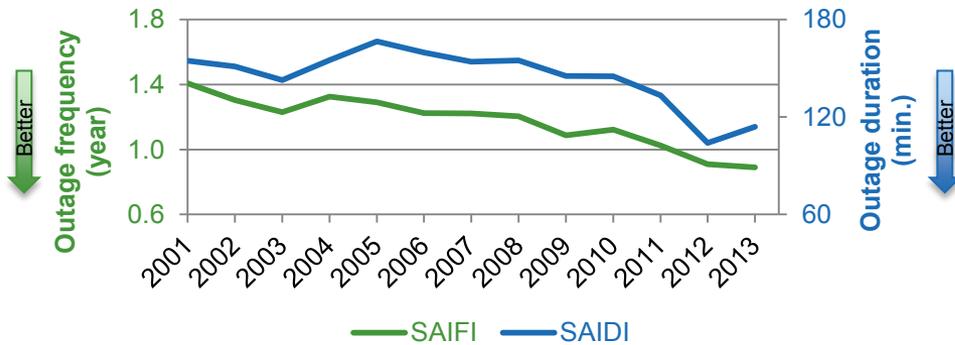
Average Residential Electricity Prices<sup>1</sup>



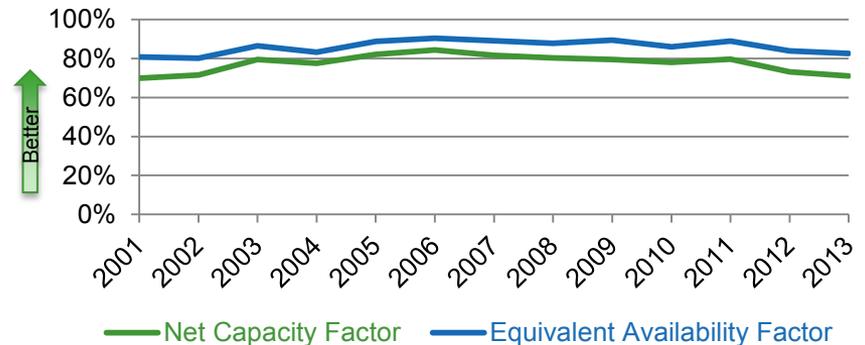
Safety Performance



Distribution System Reliability<sup>2</sup>



Baseload Energy Center Performance



<sup>1</sup> Source: 2013 Bureau of Labor Statistics and EEI "Typical Bills and Average Rates" report for year ended 12/31/13 adjusted for taxes.

<sup>2</sup> As measured by System Average Interruption Duration Index (SAIDI), which measures the average outage duration for each customer served and System Average Interruption Frequency Index (SAIFI), which measures total number of interruptions per customer served.



# INVESTMENT HIGHLIGHTS

- Executing well-defined strategic plan
  - Investing in and operating our utilities in a manner consistent with existing regulatory frameworks
  - Working to enhance regulatory frameworks and advocating for responsible energy policies
  - Creating and capitalizing on opportunities to invest in our rate-regulated businesses for the benefit of our customers and shareholders
- Strong earnings growth outlook
  - Expect 7% to 10% compound annual EPS<sup>1</sup> growth rate from 2013 through 2018 driven by:
    - ~6% compound annual rate base growth
    - Strategic capital allocation
    - Reduction of Parent Company and Other costs
  - Above expected average of regulated utility peers
- Attractive dividend
  - Recently increased rate of \$1.64<sup>2</sup> per share provides 3.8%<sup>3</sup> yield
  - Above average yield compared to regulated utility peers
  - Expect dividend payout ratio to be between 55% and 70% of annual earnings

<sup>1</sup> Earnings per diluted share from continuing operations.

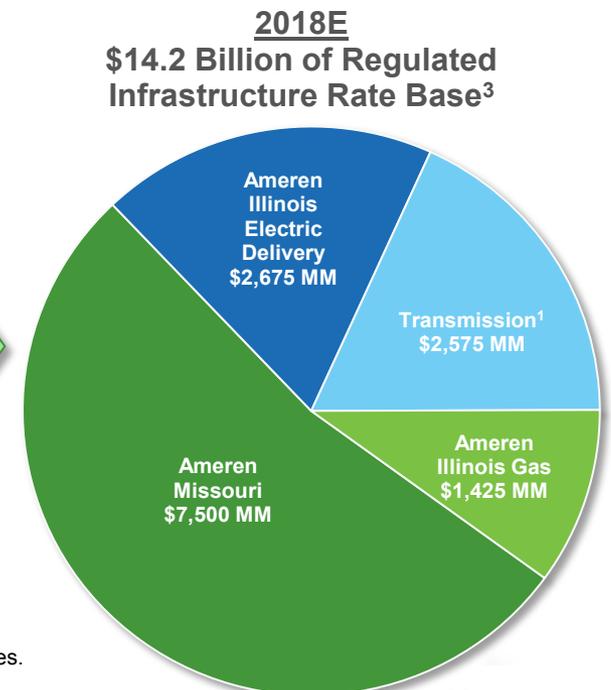
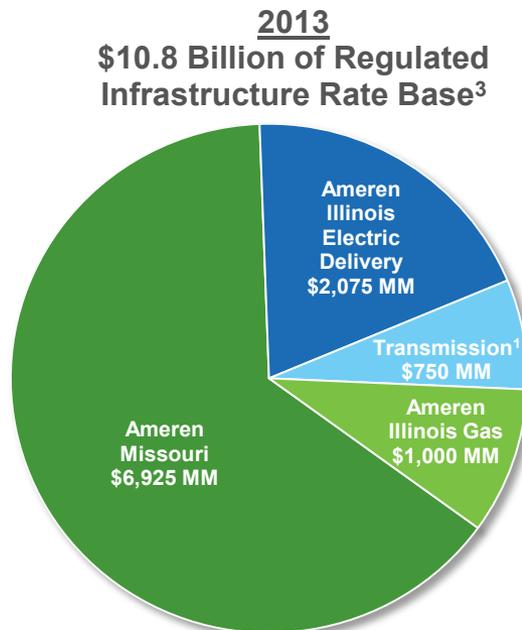
<sup>2</sup> Annualized equivalent rate.

<sup>3</sup> Based on Nov. 7, 2014 closing share price.



# INVESTING CONSISTENT WITH REGULATORY FRAMEWORKS

	Electric Transmission <sup>1</sup>	Ameren Illinois	Ameren Missouri
REGULATOR:	Federal Energy Regulatory Commission	Illinois Commerce Commission	Missouri Public Service Commission
CURRENT ALLOWED RETURN ON EQUITY (ROE):	12.38%	Electric: 30-yr Treasury yield + 580 basis points Gas: 9.08%	Electric: 9.8%
SPEED OF RECOVERY:	Timely	Lag minimized	Lag remains
FORECAST RATE BASE CAGR <sup>2</sup> 2013-2018 <sup>3</sup> :	28%	Electric: 5% Gas: 7%	2%



<sup>1</sup> Ameren Illinois and ATXI. Excludes Ameren Missouri transmission, which is included in bundled Missouri rates.

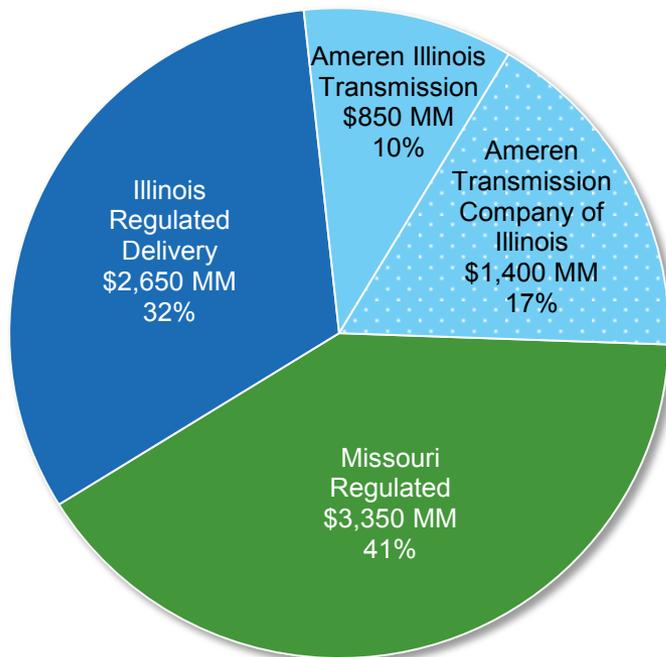
<sup>2</sup> Compound Annual Growth Rate.

<sup>3</sup> Reflects year-end rate base (rounded to nearest \$25 million) and includes construction work in progress related to ATXI's projects. 2018 projections issued and effective as of Feb. 21, 2014 Earnings Conference Call.



# 2014-2018 PLANNED CAPITAL EXPENDITURES AND EXPECTED FUNDING

## \$8.3 Billion of Regulated Infrastructure Investment<sup>1</sup> 2014-2018



## Expected Funding

- Return of capital through depreciation in rates
- Retained earnings
- ~\$1.3-1.4 billion of income tax deferrals and tax assets<sup>1</sup>
  - Income tax deferrals driven primarily by capital expenditures
  - Includes ~\$600 million of tax assets at year-end 2013
    - Net operating losses, tax credit carryforwards, expected tax refunds and state over-payments
    - Expected to be realized into 2016
- No public equity issuances expected through 2018
- Issuance of equity through dividend reinvestment and benefit plans will be evaluated through period
- Debt financing
- Capitalization target: ~50% equity

<sup>1</sup> Projections issued and effective as of Feb. 21, 2014 Earnings Conference Call. Investments reflect mid-points of five-year spending ranges rounded to nearest \$50 million.

# CREATING AND CAPITALIZING ON ADDITIONAL OPPORTUNITIES

- Illinois Electric and Natural Gas Delivery – continued execution of 10-year modernization action plan
  - Plan to install ~780,000 advanced electric meters and ~470,000 natural gas meter modules
  - Continued system modernization including replacement of aging substations and distribution infrastructure
  - Customer benefits: improved reliability and safety, control of energy usage and cost
- FERC-Regulated Electric Transmission – Order 1000 opportunities
  - Focused on our Midwest region, particularly projects in and around our traditional service territory and those that resolve system issues between:
    - MISO<sup>1</sup> Central and MISO South
    - MISO and PJM<sup>2</sup>
    - MISO and SPP<sup>3</sup>
  - Proposing projects at the regional and interregional levels
  - Customer benefits: improved reliability and market efficiency
- Missouri opportunities
  - Installation of new, advanced meters
  - Replacement of aging transmission and distribution infrastructure
  - Additional environmental controls for existing coal-fired energy centers
  - New generation projects including additional renewables and gas-fired combined cycle
  - Customer benefits: improved reliability and safety, cleaner, more diverse generation portfolio, control of energy usage and cost

<sup>1</sup> Midcontinent Independent System Operator.

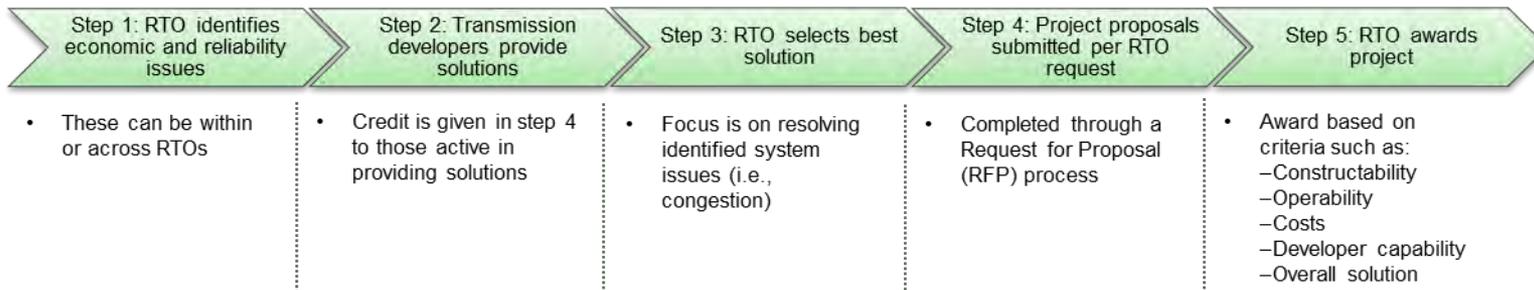
<sup>2</sup> PJM Interconnection.

<sup>3</sup> Southwest Power Pool.

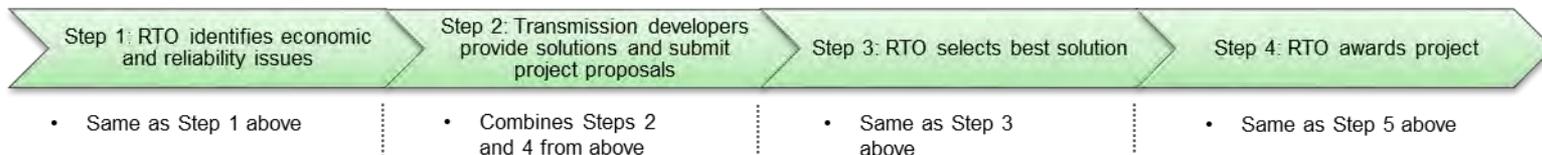


# FERC ORDER 1000 – PROJECT APPROVAL PROCESSES AND AMEREN’S COMPETITIVE STRENGTHS

## MISO AND SPP APPROVAL PROCESS:



## PJM APPROVAL PROCESS:



## AMEREN’S COMPETITIVE STRENGTHS

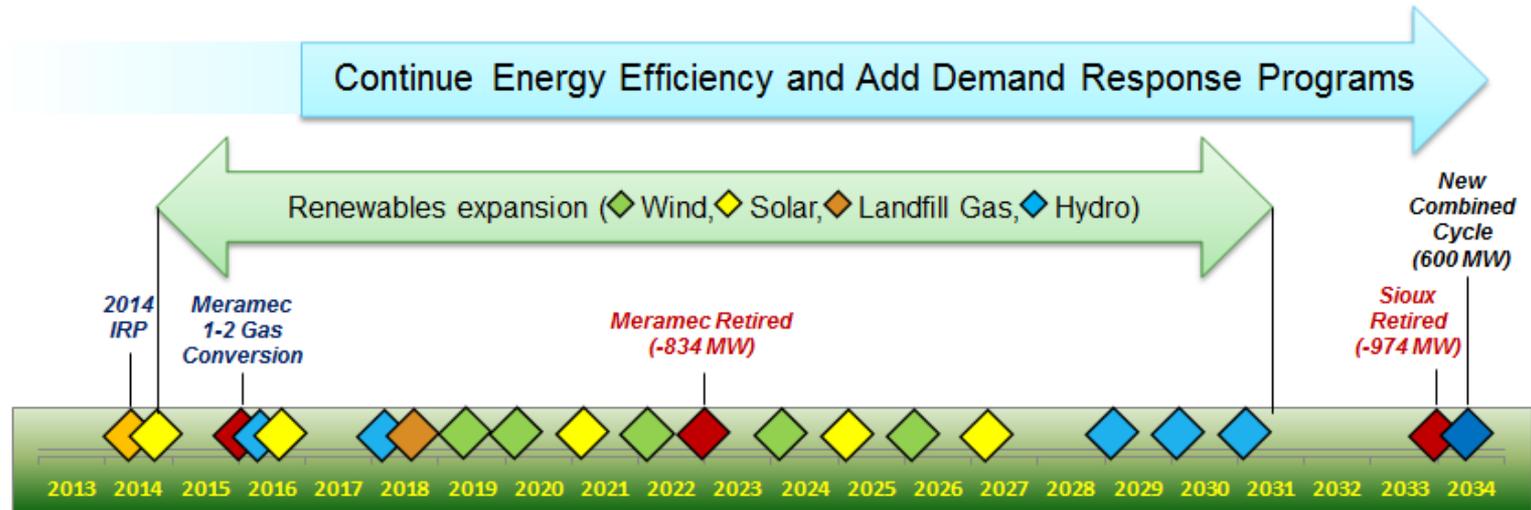
- Established owner and operator in the MISO footprint
  - Proven track record of designing, constructing, operating and owning transmission facilities
- Located at nexus of three RTOs<sup>1</sup> and MISO South border
  - Broad understanding of regional transmission system and potential solutions
  - Intimately aware of system issues between MISO, PJM and SPP
- Strong finances
  - Healthy balance sheet and cash flows
  - Solid investment grade credit ratings

<sup>1</sup> Regional Transmission Organization.

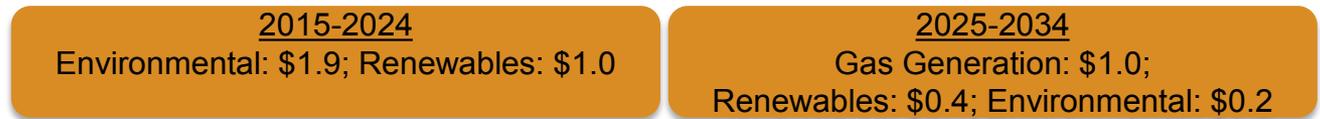


# MISSOURI INTEGRATED RESOURCE PLAN FILED WITH MOPSC

- Transitioning to a cleaner, more diverse generation portfolio in a responsible fashion
- Achieves CO<sub>2</sub> emissions reductions proposed by EPA<sup>1</sup> by 2035 at much lower cost
- Advocating for our preferred resource plan
- Expect prudent investments will be treated fairly by our regulators



Estimated Investments in New Generation and Environmental Controls (\$ in billions)<sup>2</sup>



<sup>1</sup> U.S. Environmental Protection Agency.

<sup>2</sup> In preferred resource plan filed Oct. 1, 2014 with MoPSC. In addition to investments to maintain and improve existing energy centers and transmission and distribution systems.



# REGULATORY FRAMEWORKS AND BUSINESS UPDATES



# REGULATORY UPDATES

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## Missouri

- Electric rate shift and earnings complaints denied by MoPSC by vote of 5-0
- Pending request for a \$264 million increase in annual electric service rates
  - MoPSC staff and intervenors to file direct testimony by Dec. 5, 2014
  - Hearings to begin Feb. 23, 2015
  - MoPSC decision expected by May 2015, with new rates effective by June 2015

## Illinois

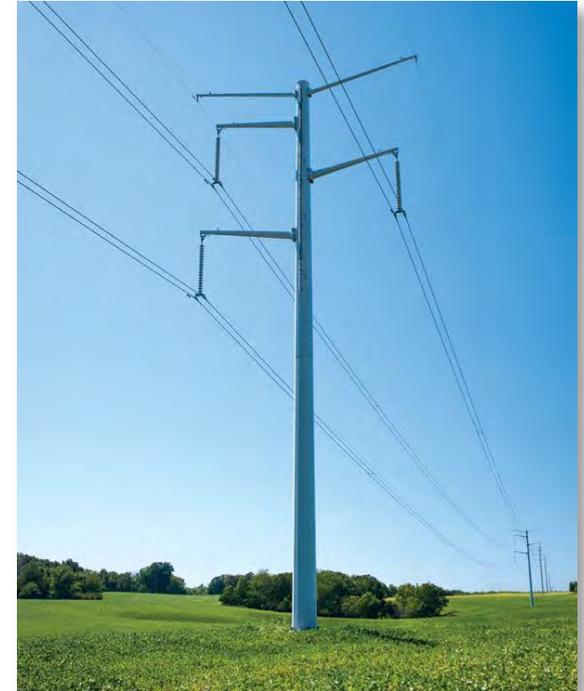
- Pending annual electric delivery service formula rate update filing of \$205 million
  - ICC administrative law judges recommended a \$204.5 million rate increase on Oct. 31, 2014
  - ICC decision expected by Dec. 2014, with new rates effective in Jan. 2015

## FERC

- Complaint case seeks to reduce Ameren Illinois' and Ameren Transmission Company of Illinois' transmission service allowed base ROE of 12.38%
  - FERC issued an order establishing settlement procedures and, if necessary, hearing procedures
  - Believe we are eligible for ROE adder of up to 50 basis points for RTO participation and requested such an adder on Nov. 6, 2014

# FERC-REGULATED ELECTRIC TRANSMISSION REGULATORY FRAMEWORK

- Formula ratemaking
  - Rates reset each Jan. 1 based on forward-looking calculation with annual reconciliation
  - Nearly eliminates regulatory lag
- ATXI's three MISO-approved multi-value projects have been granted constructive rate treatment
  - Includes construction work in progress in rate base
  - Hypothetical capital structure with 56% common equity during development



- ✓ Provides timely recovery of and return on investments
- ✓ Facilitates infrastructure investments that improve reliability and market efficiency
- ✓ Creates jobs

# FERC-REGULATED ELECTRIC TRANSMISSION BUSINESS UPDATE

- Planned \$2.25<sup>1</sup> billion investment over 2014-2018 period
  - \$1.4 billion of MISO-approved regional multi-value projects at ATXI
  - \$850 million of local reliability projects at Ameren Illinois
- ATXI's ~\$1.1<sup>1</sup> billion Illinois Rivers Project
  - Cost estimate is being updated and will reflect final ICC-approved route
  - In early stages of construction
  - Expect to complete in 2019
- ATXI's ~\$140 million to \$150 million Spoon River Project
  - Filed for ICC Certificate of Public Convenience and Necessity on Aug. 21, 2014 and expect decision in mid-2015
  - Expect to complete in 2018
- ATXI's ~\$220 million Mark Twain Project
  - Expect to complete in 2018

## ATXI Regional Multi-Value Projects



<sup>1</sup> Projections issued and effective as of Feb. 21, 2014 Earnings Conference Call.

# ILLINOIS ENERGY DELIVERY SERVICE REGULATORY FRAMEWORK

## Electric

- Formula ratemaking
  - ROE: 580 basis points above 30-year annual average Treasury yield
  - Provides recovery of prudently incurred actual costs
  - Based on year-end rate base
  - Nearly eliminates regulatory lag



## Gas

- Future test year ratemaking with infrastructure rider
  - Significantly reduces regulatory lag



- ✓ Nearly eliminates/significantly reduces regulatory lag
- ✓ Facilitates infrastructure investments that benefit customers
- ✓ Creates jobs