

AMEREN CORP  
 Form 10-Q  
 November 10, 2008

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d)  
 of the Securities Exchange Act of 1934  
 for the Quarterly Period Ended September 30, 2008  
 OR

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

Commission File Number	Exact name of registrant as specified in its charter; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-14756	Ameren Corporation (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-1723446
1-2967	Union Electric Company (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-0559760
1-3672	Central Illinois Public Service Company (Illinois Corporation) 607 East Adams Street Springfield, Illinois 62739 (888) 789-2477	37-0211380
333-56594	Ameren Energy Generating Company (Illinois Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	37-1395586
2-95569	CILCORP Inc. (Illinois Corporation) 300 Liberty Street	37-1169387

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Peoria, Illinois 61602  
(309) 677-5271

1-2732 Central Illinois Light Company 37-0211050  
(Illinois Corporation)  
300 Liberty Street  
Peoria, Illinois 61602  
(309) 677-5271

1-3004 Illinois Power Company 37-0344645  
(Illinois Corporation)  
370 South Main Street  
Decatur, Illinois 62523  
(217) 424-6600

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Indicate by check mark whether the registrants: (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes (X) No ( )

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of “accelerated filer,” “large accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Securities Exchange Act of 1934.

	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company
Ameren Corporation	(X)	( )	( )	( )
Union Electric Company	( )	( )	(X)	( )
Central Illinois Public Service Company	( )	( )	(X)	( )
Ameren Energy Generating Company	( )	( )	(X)	( )
CILCORP Inc.	( )	( )	(X)	( )
Central Illinois Light Company	( )	( )	(X)	( )
Illinois Power Company	( )	( )	(X)	( )

Indicate by check mark whether each registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Ameren Corporation	Yes ( )	No (X)
Union Electric Company	Yes ( )	No (X)
Central Illinois Public Service Company	Yes ( )	No (X)
Ameren Energy Generating Company	Yes ( )	No (X)
CILCORP Inc.	Yes ( )	No (X)
Central Illinois Light Company	Yes ( )	No (X)
Illinois Power Company	Yes ( )	No (X)

The number of shares outstanding of each registrant’s classes of common stock as of October 31, 2008, was as follows:

Ameren Corporation	Common stock, \$.01 par value per share - 211,452,854
Union Electric Company	Common stock, \$5 par value per share, held by Ameren Corporation (parent company of the registrant) - 102,123,834
Central Illinois Public Service Company	Common stock, no par value, held by Ameren Corporation (parent company of the registrant) - 25,452,373
Ameren Energy Generating Company	Common stock, no par value, held by Ameren Energy

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	Resources Company, LLC (parent company of the registrant and subsidiary of Ameren Corporation) - 2,000
CILCORP Inc.	Common stock, no par value, held by Ameren Corporation (parent company of the registrant) - 1,000
Central Illinois Light Company	Common stock, no par value, held by CILCORP Inc. (parent company of the registrant and subsidiary of Ameren Corporation) - 13,563,871
Illinois Power Company	Common stock, no par value, held by Ameren Corporation (parent company of the registrant) - 23,000,000

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OMISSION OF CERTAIN INFORMATION

Ameren Energy Generating Company and CILCORP Inc. meet the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and are therefore filing this form with the reduced disclosure format allowed under that General Instruction.

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This combined Form 10-Q is separately filed by Ameren Corporation, Union Electric Company, Central Illinois Public Service Company, Ameren Energy Generating Company, CILCORP Inc., Central Illinois Light Company, and Illinois Power Company. Each registrant hereto is filing on its own behalf all of the information contained in this quarterly report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

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This Form 10-Q contains “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements should be read with the cautionary statements and important factors included on page 7 of this Form 10-Q under the heading “Forward-looking Statements.” Forward-looking statements are all statements other than statements of historical fact, including those statements that are identified by the use of the words “anticipates,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” and similar expressions.

GLOSSARY OF TERMS AND ABBREVIATIONS

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

AERG - AmerenEnergy Resources Generating Company, a CILCO subsidiary that operates a non-rate-regulated electric generation business in Illinois.

AFS - Ameren Energy Fuels and Services Company, a Resources Company subsidiary that procures fuel and natural gas and manages the related risks for the Ameren Companies.

Ameren - Ameren Corporation and its subsidiaries on a consolidated basis. In references to financing activities, acquisition activities, or liquidity arrangements, Ameren is defined as Ameren Corporation, the parent.

Ameren Companies - The individual registrants within the Ameren consolidated group.

Ameren Illinois Utilities - CIPS, IP and the rate-regulated electric and gas utility operations of CILCO.

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

ARO - Asset retirement obligations.

Baseload - The minimum amount of electric power delivered or required over a given period of time at a steady rate.

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

CILCO - Central Illinois Light Company, a CILCORP subsidiary that operates a rate-regulated electric and natural gas transmission and distribution business and a non-rate-regulated electric generation business through AERG, all in Illinois, as AmerenCILCO. CILCO owns all of the common stock of AERG.

CILCORP - CILCORP Inc., an Ameren Corporation subsidiary that operates as a holding company for CILCO and a non-rate-regulated subsidiary.

CIPS - Central Illinois Public Service Company, an Ameren Corporation subsidiary that operates a rate-regulated electric and natural gas transmission and distribution business in Illinois as AmerenCIPS.

CO<sub>2</sub> - Carbon dioxide.

COLA - Combined construction and operating license application.

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

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

Development Company - Ameren Energy Development Company, which was an Ameren Energy Resources Company subsidiary, and parent of Genco, Marketing Company, AFS, and Medina Valley. It was eliminated in an internal reorganization in February 2008.

DOE - Department of Energy, a U.S. government agency.

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

Dynegy - Dynegy Inc.

EEL - Electric Energy, Inc., an 80%-owned Ameren Corporation subsidiary that operates non-rate-regulated electric generation facilities and FERC-regulated transmission facilities in Illinois. Prior to February 29, 2008, EEL was 40% owned by UE and 40% owned by Development Company. On February 29, 2008, UE's 40% ownership interest and Development Company's 40% ownership interest were transferred to Resources Company. The remaining 20% is owned by Kentucky Utilities Company.

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

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

Exchange Act - Securities Exchange Act of 1934, as amended.

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



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FERC - The Federal Energy Regulatory Commission, a U.S. government agency.

FIN - FASB Interpretation. A FIN statement is an explanation intended to clarify accounting pronouncements previously issued by the FASB.

Fitch - Fitch Ratings, a credit rating agency.

Form 10-K - The combined Annual Report on Form 10-K for the year ended December 31, 2007, filed by the Ameren Companies with the SEC.

FSP - FASB staff position. A publication that provides application guidance on FASB literature.

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

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

Genco - Ameren Energy Generating Company, a Resources Company subsidiary that operates a non-rate-regulated electric generation business in Illinois and Missouri.

Gigawatthour - One thousand megawatthours.

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

ICC - Illinois Commerce Commission, a state agency that regulates Illinois utility businesses, including the rate-regulated operations of CIPS, CILCO and IP.

Illinois Customer Choice Law - Illinois Electric Service Customer Choice and Rate Relief Law of 1997, which provided for electric utility restructuring and introduced competition into the retail supply of electric energy in Illinois.  
Illinois electric settlement agreement - A comprehensive settlement of issues in Illinois arising out of the end of ten years of frozen electric rates, as of January 2, 2007. The Illinois electric settlement agreement, which became effective on August 28, 2007, was designed to avoid new rate rollback and freeze legislation and legislation that would impose a tax on electric generation in Illinois. The settlement addresses the issue of future power procurement, and it includes a comprehensive rate relief and customer assistance program.

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

Illinois Regulated - A financial reporting segment consisting of the regulated electric and gas transmission and distribution businesses of CIPS, CILCO and IP.

IP - Illinois Power Company, an Ameren Corporation subsidiary. IP operates a rate-regulated electric and natural gas transmission and distribution business in Illinois as AmerenIP.

IP LLC - Illinois Power Securitization Limited Liability Company, which is a special-purpose Delaware limited-liability company.

IP SPT - Illinois Power Special Purpose Trust, which was created as a subsidiary of IP LLC to issue TFNs as allowed under the Illinois Customer Choice Law.

IPA - Illinois Power Agency, a state government agency that has broad authority to assist in the procurement of electric power for residential and nonresidential customers beginning in June 2009.

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

Lehman - Lehman Brothers Holdings, Inc.

Marketing Company - Ameren Energy Marketing Company, a Resources Company subsidiary that markets power for Genco, AERG and EEI.

Medina Valley - AmerenEnergy Medina Valley Cogen L.L.C., a Resources Company subsidiary, which owns a 40-megawatt gas-fired electric generation plant.

Megawatthour - One thousand kilowatthours.

MGP - Manufactured gas plant.

MISO - Midwest Independent Transmission System Operator, Inc.

MISO Day Two Energy Market - A market that uses market-based pricing, incorporating transmission congestion and line losses, to compensate market participants for power.

Missouri Regulated - A financial reporting segment consisting of UE's rate-regulated businesses.

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

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

MoPSC - Missouri Public Service Commission, a state agency that regulates Missouri utility businesses, including the rate-regulated operations of UE.

MW - Megawatt.

Native-load - Wholesale customers and end-use retail customers, whom we are obligated to serve by statute, franchise, contract, or other regulatory requirement.

Non-rate-regulated Generation - A financial reporting segment consisting of the operations or activities of Genco, CILCORP holding company, AERG, EEI, Medina Valley and Marketing Company.

NOx - Nitrogen oxide.

NRC - Nuclear Regulatory Commission, a U.S. government agency.

NYMEX - New York Mercantile Exchange.

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

Off-system revenues - Revenues from nonnative-load sales.

PGA - Purchased Gas Adjustment tariffs, which allow the passing through of the actual cost of natural gas to utility customers.

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

Regulatory lag - Adjustments to retail electric and natural gas rates are based on historic cost levels and rate increase requests can take up to 11 months to be granted by the MoPSC and the ICC. As a result, revenue increases authorized by regulators will lag behind changing costs.

Resources Company - Ameren Energy Resources Company, LLC, an Ameren Corporation subsidiary that consists of non-rate-regulated operations, including Genco, Marketing Company, EEI, AFS, and Medina Valley. It is the successor to Ameren Energy Resources Company, which was eliminated in an internal reorganization in February 2008.

RFP - Request for proposal.

S&P - Standard & Poor's Ratings Services, a credit rating agency that is a division of The McGraw-Hill Companies, Inc.

SEC - Securities and Exchange Commission, a U.S. government agency.

SFAS - Statement of Financial Accounting Standards, the accounting and financial reporting rules issued by the FASB.

SO<sub>2</sub> - Sulfur dioxide.

TFNs - Transitional Funding Trust Notes issued by IP SPT as allowed under the Illinois Customer Choice Law. IP designated a portion of cash received from customer billings to pay the TFNs. The designated funds received by IP were remitted to IP SPT. The designated funds were restricted for the sole purpose of making payments of principal and interest on, and paying other fees and expenses related to, the TFNs. Since the application of FIN 46R, IP does not consolidate IP SPT. Therefore, the obligation to IP SPT appears on IP's

balance sheet as of December 31, 2007. In September 2008, IP redeemed the remaining amount of TFNs. UE - Union Electric Company, an Ameren Corporation subsidiary that operates a rate-regulated electric generation, transmission and distribution business, and a rate-regulated natural gas transmission and distribution business in Missouri as AmerenUE.

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## FORWARD-LOOKING STATEMENTS

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

- regulatory or legislative actions, including changes in regulatory policies and ratemaking determinations, such as the outcome of the pending UE rate proceeding or future legislative actions that seek to limit or reverse rate increases;
- uncertainty as to the effect of implementation of the Illinois electric settlement agreement on Ameren, the Ameren Illinois Utilities, Genco and AERG, including implementation of a new power procurement process;
  - changes in laws and other governmental actions, including monetary and fiscal policies;
- changes in laws or regulations that adversely affect the ability of electric distribution companies and other purchasers of wholesale electricity to pay their suppliers, including UE and Marketing Company;
  - enactment of legislation taxing electric generators, in Illinois or elsewhere;
- the effects of increased competition in the future due to, among other things, deregulation of certain aspects of our business at both the state and federal levels, and the implementation of deregulation, such as occurred when the electric rate freeze and power supply contracts expired in Illinois at the end of 2006;
  - the effects of participation in the MISO;
- the cost and availability of fuel such as coal, natural gas, and enriched uranium used to produce electricity; the cost and availability of purchased power and natural gas for distribution; and the level and volatility of future market prices for such commodities, including the ability to recover the costs for such commodities;
  - the effectiveness of our risk management strategies and the use of financial and derivative instruments;
  - prices for power in the Midwest, including forward prices;
- business and economic conditions, including their impact on interest rates, bad debt expense, and demand for our products;
- disruptions of the capital markets or other events that make the Ameren Companies’ access to necessary capital, including short-term credit, more difficult or costly;
  - our assessment of our liquidity;
- the impact of the adoption of new accounting standards and the application of appropriate technical accounting rules and guidance;
  - actions of credit rating agencies and the effects of such actions;
  - weather conditions and other natural phenomena;
  - the impact of system outages caused by severe weather conditions or other events;
- generation plant construction, installation and performance, including costs associated with UE’s Taum Sauk pumped-storage hydroelectric plant incident and the plant’s future operation;
-

recoverability through insurance of costs associated with UE's Taum Sauk pumped-storage hydroelectric plant incident;

- operation of UE's nuclear power facility, including planned and unplanned outages, and decommissioning costs;
  - the effects of strategic initiatives, including acquisitions and divestitures;
- the impact of current environmental regulations on utilities and power generating companies and the expectation that more stringent requirements, including those related to greenhouse gases, will be introduced over time, which could have a negative financial effect;
- labor disputes, future wage and employee benefits costs, including changes in discount rates and returns on benefit plan assets;
- the inability of our counterparties and affiliates to meet their obligations with respect to contracts and financial instruments;
  - the cost and availability of transmission capacity for the energy generated by the Ameren Companies' facilities or required to satisfy energy sales made by the Ameren Companies;
    - legal and administrative proceedings; and
    - acts of sabotage, war, terrorism or intentionally disruptive acts.

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

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS.

AMEREN CORPORATION  
 CONSOLIDATED STATEMENT OF INCOME  
 (Unaudited) (In millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
<b>Operating Revenues:</b>				
Electric	\$ 1,928	\$ 1,872	\$ 4,944	\$ 4,855
Gas	132	125	987	895
Total operating revenues	2,060	1,997	5,931	5,750
<b>Operating Expenses:</b>				
Fuel	461	338	963	864
Coal contract settlement	-	-	(60)	-
Purchased power	371	419	964	1,106
Gas purchased for resale	73	68	697	622
Other operations and maintenance	449	417	1,340	1,230
Depreciation and amortization	180	176	534	534
Taxes other than income taxes	98	97	300	295
Total operating expenses	1,632	1,515	4,738	4,651
Operating Income	428	482	1,193	1,099
<b>Other Income and Expenses:</b>				
Miscellaneous income	23	20	61	53
Miscellaneous expense	(10)	(9)	(23)	(19)
Total other income	13	11	38	34
Interest Charges	113	110	331	316
Income Before Income Taxes, Minority Interest and Preferred Dividends of Subsidiaries	328	383	900	817
Income Taxes	113	130	319	279
Income Before Minority Interest and Preferred Dividends of Subsidiaries	215	253	581	538
Minority Interest and Preferred Dividends of Subsidiaries	11	9	33	28
Net Income	\$ 204	\$ 244	\$ 548	\$ 510
Earnings per Common Share – Basic and Diluted	\$ 0.97	\$ 1.18	\$ 2.61	\$ 2.46
Dividends per Common Share	\$ 0.635	\$ 0.635	\$ 1.905	\$ 1.905
Average Common Shares Outstanding	210.3	207.6	209.5	207.1

The accompanying notes are an integral part of these consolidated financial statements.

AMEREN CORPORATION  
CONSOLIDATED BALANCE SHEET  
(Unaudited) (In millions, except per share amounts)

	September 30, 2008	December 31, 2007
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 206	\$ 355
Accounts receivable – trade (less allowance for doubtful accounts of \$24 and \$22, respectively)	506	570
Unbilled revenue	262	359
Miscellaneous accounts and notes receivable	291	280
Materials and supplies	956	735
Other current assets	326	181
Total current assets	2,547	2,480
Property and Plant, Net	15,977	15,069
Investments and Other Assets:		
Nuclear decommissioning trust fund	269	307
Goodwill	831	831
Intangible assets	167	198
Regulatory assets	1,122	1,158
Other assets	566	685
Total investments and other assets	2,955	3,179
<b>TOTAL ASSETS</b>	<b>\$ 21,479</b>	<b>\$ 20,728</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$ 269	\$ 221
Short-term debt	1,407	1,472
Accounts and wages payable	509	687
Taxes accrued	128	84
Other current liabilities	605	438
Total current liabilities	2,918	2,902
Long-term Debt, Net	6,143	5,691
Preferred Stock of Subsidiary Subject to Mandatory Redemption	-	16
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes, net	2,072	2,046
Accumulated deferred investment tax credits	102	109
Regulatory liabilities	1,291	1,240
Asset retirement obligations	583	562
Accrued pension and other postretirement benefits	741	839
Other deferred credits and liabilities	367	354
Total deferred credits and other liabilities	5,156	5,150
Preferred Stock of Subsidiaries Not Subject to Mandatory Redemption	195	195
Minority Interest in Consolidated Subsidiaries	24	22
Commitments and Contingencies (Notes 2, 8, 9 and 10)		



<b>Stockholders' Equity:</b>			
Common stock, \$.01 par value, 400.0 shares authorized – shares outstanding of 210.9 and 208.3, respectively		2	2
Other paid-in capital, principally premium on common stock		4,731	4,604
Retained earnings		2,259	2,110
Accumulated other comprehensive income		51	36
Total stockholders' equity		7,043	6,752
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$</b>	<b>21,479</b>	<b>\$</b> <b>20,728</b>

The accompanying notes are an integral part of these consolidated financial statements.

AMEREN CORPORATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(Unaudited) (In millions)

	Nine Months Ended September 30,	
	2008	2007
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 548	\$ 510
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of emission allowances	(2)	(7)
Net mark-to-market gain on derivatives	(42)	(7)
Depreciation and amortization	549	557
Amortization of nuclear fuel	31	26
Amortization of debt issuance costs and premium/discounts	14	14
Deferred income taxes and investment tax credits, net	130	18
Minority interest	25	20
Other	(2)	10
Changes in assets and liabilities:		
Receivables	144	(220)
Materials and supplies	(216)	(110)
Accounts and wages payable	(100)	(113)
Taxes accrued, net	44	75
Assets, other	46	58
Liabilities, other	142	151
Pension and other postretirement benefit obligations	2	67
Counterparty collateral asset	(2)	(71)
Counterparty collateral liability	2	-
Taum Sauk insurance receivable, net	(68)	(58)
Net cash provided by operating activities	1,245	920
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(1,316)	(1,035)
Nuclear fuel expenditures	(161)	(39)
Purchases of securities – nuclear decommissioning trust fund	(386)	(110)
Sales of securities – nuclear decommissioning trust fund	360	98
Purchases of emission allowances	(2)	(12)
Sales of emission allowances	2	5
Other	2	-
Net cash used in investing activities	(1,501)	(1,093)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(399)	(395)
Capital issuance costs	(9)	(3)
Short-term debt, net	(65)	590
Dividends paid to minority interest holder	(23)	(16)
Redemptions, repurchases, and maturities:		
Long-term debt	(823)	(465)

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Preferred stock	(16)	(1)
Issuances:		
Common stock	107	71
Long-term debt	1,335	425
Net cash provided by financing activities	107	206
Net change in cash and cash equivalents	(149)	33
Cash and cash equivalents at beginning of year	355	137
Cash and cash equivalents at end of period	\$ 206	\$ 170

The accompanying notes are an integral part of these consolidated financial statements.

UNION ELECTRIC COMPANY  
CONSOLIDATED STATEMENT OF INCOME  
(Unaudited) (In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
<b>Operating Revenues:</b>				
Electric - excluding off-system	\$ 742	\$ 835	\$ 1,821	\$ 1,865
Electric - off-system	111	92	409	303
Gas	21	18	139	123
Other	1	-	1	1
Total operating revenues	875	945	2,370	2,292
<b>Operating Expenses:</b>				
Fuel	238	179	489	447
Purchased power	45	71	135	140
Gas purchased for resale	11	9	84	73
Other operations and maintenance	234	218	689	667
Depreciation and amortization	83	81	246	252
Taxes other than income taxes	69	70	189	187
Total operating expenses	680	628	1,832	1,766
Operating Income	195	317	538	526
<b>Other Income and Expenses:</b>				
Miscellaneous income	17	9	46	28
Miscellaneous expense	(2)	(5)	(6)	(9)
Total other income	15	4	40	19
Interest Charges	51	49	142	146
<b>Income Before Income Taxes and Equity in Income of Unconsolidated Investment</b>				
Income Taxes	60	93	160	132
Income Before Equity in Income of Unconsolidated Investment	99	179	276	267
Equity in Income of Unconsolidated Investment, Net of Taxes	-	14	11	40
Net Income	99	193	287	307
Preferred Stock Dividends	1	1	4	4
Net Income Available to Common Stockholder	\$ 98	\$ 192	\$ 283	\$ 303

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

UNION ELECTRIC COMPANY  
CONSOLIDATED BALANCE SHEET  
(Unaudited) (In millions, except per share amounts)

	September 30, 2008	December 31, 2007
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ -	\$ 185
Accounts receivable – trade (less allowance for doubtful accounts of \$7 and \$6, respectively)	193	191
Unbilled revenue	102	118
Miscellaneous accounts and notes receivable	228	213
Advances to money pool	-	15
Accounts receivable – affiliates	6	90
Materials and supplies	351	301
Other current assets	76	50
<b>Total current assets</b>	<b>956</b>	<b>1,163</b>
Property and Plant, Net	8,682	8,189
<b>Investments and Other Assets:</b>		
Nuclear decommissioning trust fund	269	307
Intercompany note receivable – affiliate	30	-
Intangible assets	50	56
Regulatory assets	696	697
Other assets	354	491
<b>Total investments and other assets</b>	<b>1,399</b>	<b>1,551</b>
<b>TOTAL ASSETS</b>	<b>\$ 11,037</b>	<b>\$ 10,903</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ 4	\$ 152
Short-term debt	-	82
Intercompany note payable – Ameren	17	-
Accounts and wages payable	160	315
Accounts payable – affiliates	104	212
Taxes accrued	138	78
Accrued interest	75	47
Taum Sauk pumped-storage hydroelectric facility liability	28	103
Other current liabilities	79	59
<b>Total current liabilities</b>	<b>605</b>	<b>1,048</b>
Long-term Debt, Net	3,677	3,208
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	1,336	1,273
Accumulated deferred investment tax credits	81	85
Regulatory liabilities	903	865
Asset retirement obligations	495	476
Accrued pension and other postretirement benefits	229	297
Other deferred credits and liabilities	46	50
<b>Total deferred credits and other liabilities</b>	<b>3,090</b>	<b>3,046</b>

## Commitments and Contingencies (Notes 2, 8, 9 and 10)

## Stockholders' Equity:

Common stock, \$5 par value, 150.0 shares authorized – 102.1 shares outstanding	511	511
Preferred stock not subject to mandatory redemption	113	113
Other paid-in capital, principally premium on common stock	1,119	1,119
Retained earnings	1,903	1,855
Accumulated other comprehensive income	19	3
Total stockholders' equity	3,665	3,601
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 11,037</b>	<b>\$ 10,903</b>

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

UNION ELECTRIC COMPANY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(Unaudited) (In millions)

	Nine Months Ended September 30,	
	2008	2007
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 287	\$ 307
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of emission allowances	(1)	(5)
Net mark-to-market gain on derivatives	(10)	(1)
Depreciation and amortization	246	252
Amortization of nuclear fuel	31	26
Amortization of debt issuance costs and premium/discounts	5	4
Deferred income taxes and investment tax credits, net	57	19
Other	(19)	1
Changes in assets and liabilities:		
Receivables	79	(82)
Materials and supplies	(45)	(49)
Accounts and wages payable	(226)	(97)
Taxes accrued, net	57	140
Assets, other	97	61
Liabilities, other	55	(26)
Pension and other postretirement benefit obligations	10	27