

AMEREN CORP  
Form 10-Q  
November 09, 2007

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

**FORM 10-Q**

(X) Quarterly report pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

**for the Quarterly Period Ended September 30, 2007**

OR

( ) Transition report pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

for the transition period from \_\_\_ to \_\_\_.

<u>Commission File Number</u>	Exact name of registrant as specified in its charter; State of Incorporation; <u>Address and Telephone Number</u>	<u>IRS Employer Identification No.</u>
1-14756	<b>Ameren Corporation</b> (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-1723446
1-2967	<b>Union Electric Company</b> (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-0559760
1-3672	<b>Central Illinois Public Service Company</b> (Illinois Corporation) 607 East Adams Street Springfield, Illinois 62739 (888) 789-2477	37-0211380
333-56594	<b>Ameren Energy Generating Company</b> (Illinois Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	37-1395586
2-95569	<b>CILCORP Inc.</b> (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, or a non-accelerated filer. See definitions of accelerated filer and large accelerated filer in Rule 12b-2 of the Securities Exchange Act of 1934.

	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer
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 November 1, 2007, was as follows:

Ameren Corporation	Common stock, \$.01 par value per share – 208,009,159
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 Development Company (parent company of the

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	registrant and indirect 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 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. Forward-looking statements should be read with the cautionary statements and important factors included on page 6 of this Form 10-Q under the heading “Forward-looking Statements.”

## 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 Development 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 Energy** – Ameren Energy, Inc., an Ameren Corporation subsidiary that is a power marketing and risk management agent for UE.

**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 various non-rate-regulated subsidiaries.

**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.

**CIPSCO** – CIPSCO Inc., the former parent of CIPS.

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

**CUB** – Citizens Utility Board.

**Development Company** – Ameren Energy Development Company, which is a Resources Company subsidiary, and parent of Genco, Marketing Company and AFS.

**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 (40% owned by UE and 40% owned by Development Company) that operates non-rate-regulated electric generation facilities and FERC-regulated transmission facilities in Illinois. The remaining 20% is owned by Kentucky Utilities Company.

**ELPC** – Environmental Law and Policy Center.

**EPA** – Environmental Protection Agency, a U.S. government agency.

**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.

**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, 2006, filed by the Ameren Companies with the SEC.

**FSP** – FASB Staff Position, which provides application guidance on FASB literature.

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

**Genco** – Ameren Energy Generating Company, a Development 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 the Illinois utility businesses and 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 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.

**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.

**IP LLC**– Illinois Power Securitization Limited Liability Company, which is a special-purpose Delaware limited-liability company. Under FIN 46R, Consolidation of Variable-interest Entities, IP LLC was no longer consolidated within IP's financial statements as of December 31, 2003.

**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. Pursuant to FIN 46R, IP SPT is a variable-interest entity, as the equity investment is not sufficient to permit IP SPT to finance its activities without additional subordinated debt.

**JDA** – The joint dispatch agreement among UE, CIPS, and Genco under which UE and Genco jointly dispatched electric generation prior to its termination on December 31, 2006.

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

**Marketing Company** –Ameren Energy Marketing Company, a Development Company subsidiary that markets power for Genco, AERG and EEI.

**Medina Valley**– AmerenEnergyMedina Valley Cogen (No. 4) LLC and its subsidiaries, all Development Company subsidiaries, which indirectly own 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 all the operations of UE's business, except for UE's 40% interest in EEI and other non-rate-regulated activities.

**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 are maintained for rate-regulated and non-rate-regulated businesses. These 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 the Missouri utility business and operations of UE.

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

**NO<sub>x</sub>** –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 from non-native load sales.

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

**PUHCA 1935** – The Public Utility Holding Company Act of 1935, which was repealed effective February 8, 2006, by the Energy Policy Act of 2005 that was enacted on August 8, 2005.

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

**Resources Company** – Ameren Energy Resources Company, an Ameren Corporation subsidiary that consists of non-rate-regulated operations, including Development Company, Genco, Marketing Company, AFS, and Medina Valley.

**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.

**TFN**– Transitional Funding Trust Notes issued by IP SPT as allowed under the Illinois Customer Choice Law. IP must designate a portion of cash received from customer billings to pay the TFNs. The proceeds received by IP are remitted to IP SPT. The proceeds are 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.

**TVA**– Tennessee Valley Authority, a public power authority.

**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 pending CIPS, CILCO and IP rate proceedings or future legislative actions that seek to limit 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 the new power procurement process in Illinois for 2008 and 2009;
  - changes in laws and other governmental actions, including monetary and fiscal policies;
- 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 availability of fuel such as coal, natural gas, and enriched uranium used to produce electricity; the 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;
    - business and economic conditions, including their impact on interest rates;
- disruptions of the capital markets or other events that make the Ameren Companies’ access to necessary capital more difficult or costly;
- 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,	
	2007	2006	2007	2006
<b>Operating Revenues:</b>				
Electric	\$ 1,872	\$ 1,767	\$ 4,844	\$ 4,356
Gas	125	143	895	904
Total operating revenues	1,997	1,910	5,739	5,260
<b>Operating Expenses:</b>				
Fuel	338	277	864	776
Purchased power	419	346	1,106	896
Gas purchased for resale	68	84	622	641
Other operations and maintenance	427	395	1,249	1,141
Depreciation and amortization	169	162	514	485
Taxes other than income taxes	97	99	295	302
Total operating expenses	1,518	1,363	4,650	4,241
<b>Operating Income</b>	<b>479</b>	<b>547</b>	<b>1,089</b>	<b>1,019</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	20	12	54	29
Miscellaneous expense	(6)	(3)	(10)	(4)
Total other income	14	9	44	25
<b>Interest Charges</b>	<b>110</b>	<b>89</b>	<b>316</b>	<b>254</b>
<b>Income Before Income Taxes, Minority Interest and Preferred Dividends of Subsidiaries</b>	<b>383</b>	<b>467</b>	<b>817</b>	<b>790</b>
<b>Income Taxes</b>	<b>130</b>	<b>161</b>	<b>279</b>	<b>273</b>
<b>Income Before Minority Interest and Preferred Dividends of Subsidiaries</b>	<b>253</b>	<b>306</b>	<b>538</b>	<b>517</b>
<b>Minority Interest and Preferred Dividends of Subsidiaries</b>	<b>9</b>	<b>13</b>	<b>28</b>	<b>31</b>
<b>Net Income</b>	<b>\$ 244</b>	<b>\$ 293</b>	<b>\$ 510</b>	<b>\$ 486</b>
<b>Earnings per Common Share – Basic and Diluted</b>	<b>\$ 1.18</b>	<b>\$ 1.42</b>	<b>\$ 2.46</b>	<b>\$ 2.37</b>
<b>Dividends per Common Share</b>	<b>\$ 0.635</b>	<b>\$ 0.635</b>	<b>\$ 1.905</b>	<b>\$ 1.905</b>
<b>Average Common Shares Outstanding</b>	<b>207.6</b>	<b>205.9</b>	<b>207.1</b>	<b>205.4</b>

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

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

	September 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 170	\$ 137
Accounts receivable – trade (less allowance for doubtful accounts of \$26 and \$11, respectively)	691	418
Unbilled revenue	263	309
Miscellaneous accounts and notes receivable	258	160
Materials and supplies	757	647
Other current assets	202	203
Total current assets	2,341	1,874
<b>Property and Plant, Net</b>	<b>14,729</b>	<b>14,286</b>
<b>Investments and Other Assets:</b>		
Nuclear decommissioning trust fund	301	285
Goodwill	831	831
Intangible assets	197	217
Other assets	683	654
Regulatory assets	1,323	1,431
Total investments and other assets	3,335	3,418
<b>TOTAL ASSETS</b>	<b>\$ 20,405</b>	<b>\$ 19,578</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ 203	\$ 456
Short-term debt	1,202	612
Accounts and wages payable	415	671
Taxes accrued	136	58
Other current liabilities	548	406
Total current liabilities	2,504	2,203
<b>Long-term Debt, Net</b>	<b>5,486</b>	<b>5,285</b>
<b>Preferred Stock of Subsidiary Subject to Mandatory Redemption</b>	<b>16</b>	<b>17</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	2,055	2,144
Accumulated deferred investment tax credits	111	118
Regulatory liabilities	1,241	1,234
Asset retirement obligations	571	549
Accrued pension and other postretirement benefits	1,058	1,065
Other deferred credits and liabilities	392	169
Total deferred credits and other liabilities	5,428	5,279
<b>Preferred Stock of Subsidiaries Not Subject to Mandatory Redemption</b>	<b>195</b>	<b>195</b>
<b>Minority Interest in Consolidated Subsidiaries</b>	<b>20</b>	<b>16</b>
<b>Commitments and Contingencies (Notes 2, 8, and 9)</b>		
<b>Stockholders' Equity:</b>		



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Common stock, \$.01 par value, 400.0 shares authorized – shares outstanding of 208.0 and 206.6, respectively	2	2
Other paid-in capital, principally premium on common stock	4,579	4,495
Retained earnings	2,134	2,024
Accumulated other comprehensive income	41	62
Total stockholders' equity	6,756	6,583
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 20,405</b>	<b>\$ 19,578</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,	
	2007	2006
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 510	\$ 486
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of emission allowances	(7)	(25)
Depreciation and amortization	537	507
Amortization of nuclear fuel	26	26
Amortization of debt issuance costs and premium/discounts	14	12
Deferred income taxes and investment tax credits, net	18	7
Loss on sale of noncore properties	-	4
Minority interest	20	23
Other	10	17
Changes in assets and liabilities:		
Receivables	(320)	157
Materials and supplies	(110)	(136)
Accounts and wages payable	(113)	(260)
Taxes accrued	75	148
Assets, other	(20)	(87)
Liabilities, other	193	101
Pension and other postretirement benefit obligations	87	89
Net cash provided by operating activities	920	1,069
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(1,035)	(693)
CT acquisitions	-	(292)
Nuclear fuel expenditures	(39)	(37)
Proceeds from sale of noncore properties	-	11
Purchases of securities – nuclear decommissioning trust fund	(110)	(78)
Sales of securities – nuclear decommissioning trust fund	98	68
Purchases of emission allowances	(12)	(38)
Sales of emission allowances	5	12
Other	-	3
Net cash used in investing activities	(1,093)	(1,044)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(395)	(391)
Capital issuance costs	(3)	(4)
Short-term debt, net	590	158
Dividends paid to minority interest	(16)	(21)
Redemptions, repurchases, and maturities:		
Long-term debt	(465)	(138)
Preferred stock	(1)	(1)
Issuances:		

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Common stock	<b>71</b>	78
Long-term debt	<b>425</b>	232
Net cash provided by (used in) financing activities	<b>206</b>	(87)
Net change in cash and cash equivalents	<b>33</b>	(62)
Cash and cash equivalents at beginning of year	<b>137</b>	96
Cash and cash equivalents at end of period	<b>\$ 170</b>	<b>\$ 34</b>

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
<b>Operating Revenues:</b>				
Electric - excluding off-system	\$ 835	\$ 746	\$ 1,865	\$ 1,759
Electric - off-system	92	90	303	331
Gas	18	20	123	111
Other	-	1	1	2
Total operating revenues	945	857	2,292	2,203
<b>Operating Expenses:</b>				
Fuel	179	150	447	399
Purchased power	71	64	140	199
Gas purchased for resale	9	10	73	66
Other operations and maintenance	218	214	667	581
Depreciation and amortization	81	82	252	243
Taxes other than income taxes	70	66	187	184
Total operating expenses	628	586	1,766	1,672
<b>Operating Income</b>	<b>317</b>	<b>271</b>	<b>526</b>	<b>531</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	9	9	28	22
Miscellaneous expense	(5)	(3)	(9)	(7)
Total other income	4	6	19	15
<b>Interest Charges</b>	<b>49</b>	<b>42</b>	<b>146</b>	<b>123</b>
<b>Income Before Income Taxes and Equity in Income of Unconsolidated Investment</b>	<b>272</b>	<b>235</b>	<b>399</b>	<b>423</b>
<b>Income Taxes</b>	<b>93</b>	<b>92</b>	<b>132</b>	<b>161</b>
<b>Income Before Equity in Income of Unconsolidated Investment</b>	<b>179</b>	<b>143</b>	<b>267</b>	<b>262</b>
<b>Equity in Income of Unconsolidated Investment, Net of Taxes</b>	<b>14</b>	<b>23</b>	<b>40</b>	<b>47</b>
<b>Net Income</b>	<b>193</b>	<b>166</b>	<b>307</b>	<b>309</b>
<b>Preferred Stock Dividends</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>4</b>
<b>Net Income Available to Common Stockholder</b>	<b>\$ 192</b>	<b>\$ 165</b>	<b>\$ 303</b>	<b>\$ 305</b>

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, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ -	\$ 1
Accounts receivable – trade (less allowance for doubtful accounts of \$6 and \$6, respectively)	242	145
Unbilled revenue	127	120
Miscellaneous accounts and notes receivable	207	128
Advances to money pool	13	18
Accounts receivable – affiliates	32	33
Materials and supplies	285	236
Other current assets	58	45
Total current assets	964	726
<b>Property and Plant, Net</b>	<b>8,078</b>	<b>7,882</b>
<b>Investments and Other Assets:</b>		
Nuclear decommissioning trust fund	301	285
Intangible assets	60	58
Other assets	476	526
Regulatory assets	784	810
Total investments and other assets	1,621	1,679
<b>TOTAL ASSETS</b>	<b>\$ 10,663</b>	<b>\$ 10,287</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ 152	\$ 5
Short-term debt	92	234
Intercompany note payable – Ameren	57	77
Accounts and wages payable	172	313
Accounts payable – affiliates	143	185
Taxes accrued	206	66
Other current liabilities	226	191
Total current liabilities	1,048	1,071
<b>Long-term Debt, Net</b>	<b>3,212</b>	<b>2,934</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	1,279	1,293
Accumulated deferred investment tax credits	86	89
Regulatory liabilities	850	827
Asset retirement obligations	511	491
Accrued pension and other postretirement benefits	375	374
Other deferred credits and liabilities	83	55
Total deferred credits and other liabilities	3,184	3,129
<b>Commitments and Contingencies (Notes 2, 8 and 9)</b>		
<b>Stockholders' Equity:</b>		
Common stock, \$5 par value, 150.0 shares authorized – 102.1 shares outstanding	511	511

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Preferred stock not subject to mandatory redemption	<b>113</b>	113
Other paid-in capital, principally premium on common stock	<b>744</b>	739
Retained earnings	<b>1,843</b>	1,783
Accumulated other comprehensive income	<b>8</b>	7
Total stockholders' equity	<b>3,219</b>	3,153
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 10,663</b>	\$ 10,287

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

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

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 307	\$ 309
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of emission allowances	(5)	(2)
Depreciation and amortization	252	243
Amortization of nuclear fuel	26	26
Amortization of debt issuance costs and premium/discounts	4	4
Deferred income taxes and investment tax credits, net	19	(10)
Other	1	-
Changes in assets and liabilities:		
Receivables	(182)	(34)
Materials and supplies	(49)	(35)
Accounts and wages payable	(97)	(110)
Taxes accrued	140	174
Assets, other	60	(42)
Liabilities, other	16	62
Pension and other postretirement obligations	27	35
Net cash provided by operating activities	519	620
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(493)	(341)
CT acquisitions	-	(292)
Nuclear fuel expenditures	(39)	(37)
Changes in money pool advances	5	-
Proceeds from intercompany note receivable – CIPS	-	67
Purchases of securities – nuclear decommissioning trust fund	(110)	(78)
Sales of securities – nuclear decommissioning trust fund	98	68
Sales of emission allowances	4	2
Net cash used in investing activities	(535)	(611)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(246)	(154)
Dividends on preferred stock	(4)	(4)
Capital issuance costs	(3)	-
Short-term debt, net	(142)	128
Intercompany note payable – Ameren, net	(20)	-
Issuances of long-term debt	425	-
Capital contribution from parent	5	3
Net cash provided by (used in) financing activities	15	(27)
Net change in cash and cash equivalents	(1)	(18)
Cash and cash equivalents at beginning of year	1	20
Cash and cash equivalents at end of period	\$ -	\$ 2



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

**CENTRAL ILLINOIS PUBLIC SERVICE COMPANY**  
**STATEMENT OF INCOME**  
(Unaudited) (In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
<b>Operating Revenues:</b>				
Electric	\$ 201	\$ 228	\$ 605	\$ 569
Gas	22	23	159	150
Other	1	3	3	4
Total operating revenues	224	254	767	723
<b>Operating Expenses:</b>				
Purchased power	142	125	416	355
Gas purchased for resale	12	11	107	99
Other operations and maintenance	40	41	124	117
Depreciation and amortization	16	16	49	47
Taxes other than income taxes	6	9	24	30
Total operating expenses	216	202	720	648
<b>Operating Income</b>	<b>8</b>	<b>52</b>	<b>47</b>	<b>75</b>
<b>Other Income and Expenses:</b>				
Miscellaneous income	5	4	13	13
Miscellaneous expense	(1)	-	(2)	(1)
Total other income	4	4	11	12
<b>Interest Charges</b>	<b>10</b>	<b>8</b>	<b>28</b>	<b>23</b>
<b>Income Before Income Taxes</b>	<b>2</b>	<b>48</b>	<b>30</b>	<b>64</b>
<b>Income Taxes</b>	<b>1</b>	<b>19</b>	<b>11</b>	<b>21</b>
<b>Net Income</b>	<b>1</b>	<b>29</b>	<b>19</b>	<b>43</b>
<b>Preferred Stock Dividends</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>
<b>Net Income Available to Common Stockholder</b>	<b>\$ -</b>	<b>\$ 28</b>	<b>\$ 17</b>	<b>\$ 41</b>

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

**CENTRAL ILLINOIS PUBLIC SERVICE COMPANY**  
**BALANCE SHEET**  
(Unaudited) (In millions)

	September 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1	\$ 6
Accounts receivable – trade (less allowance for doubtful accounts of \$6 and \$2, respectively)	66	55
Unbilled revenue	36	43
Accounts receivable – affiliates	50	10
Current portion of intercompany note receivable – Genco	39	37
Current portion of intercompany tax receivable – Genco	9	9
Advances to money pool	95	1
Materials and supplies	78	71
Other current assets	53	46
Total current assets	427	278
<b>Property and Plant, Net</b>	<b>1,167</b>	<b>1,155</b>
<b>Investments and Other Assets:</b>		
Intercompany note receivable – Genco	87	126
Intercompany tax receivable – Genco	107	115
Other assets	32	27
Regulatory assets	132	146
Total investments and other assets	358	414
<b>TOTAL ASSETS</b>	<b>\$ 1,952</b>	<b>\$ 1,847</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term debt	\$ 135	\$ 35
Accounts and wages payable	36	36
Accounts payable – affiliates	51	81
Taxes accrued	4	10
Other current liabilities	71	36
Total current liabilities	297	198
<b>Long-term Debt, Net</b>	<b>471</b>	<b>471</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes and investment tax credits, net	274	297
Regulatory liabilities	229	224
Accrued pension and other postretirement benefits	83	90
Other deferred credits and liabilities	38	24
Total deferred credits and other liabilities	624	635
<b>Commitments and Contingencies (Notes 2 and 8)</b>		
<b>Stockholders' Equity:</b>		
Common stock, no par value, 45.0 shares authorized – 25.5 shares outstanding	-	-
Other paid-in capital	191	190
Preferred stock not subject to mandatory redemption	50	50
Retained earnings	319	302

Accumulated other comprehensive income	-	1
Total stockholders' equity	<b>560</b>	543
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,952</b>	<b>\$ 1,847</b>

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

**CENTRAL ILLINOIS PUBLIC SERVICE COMPANY**  
**STATEMENT OF CASH FLOWS**  
(Unaudited) (In millions)

	Nine Months Ended September 30,	
	2007	2006
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 19	\$ 43
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	49	47
Amortization of debt issuance costs and premium/discounts	1	1
Deferred income taxes and investment tax credits, net	(13)	(27)
Other	-	1
Changes in assets and liabilities:		
Receivables	(36)	60
Materials and supplies	(7)	(7)
Accounts and wages payable	(27)	(5)
Taxes accrued	(6)	8
Assets, other	(8)	-
Liabilities, other	34	-
Pension and other postretirement obligations	5	6
Net cash provided by operating activities	11	127
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(58)	(63)
Proceeds from intercompany note receivable – Genco	37	34
Changes in money pool advances	(94)	(18)
Net cash used in investing activities	(115)	(47)
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	-	(50)
Dividends on preferred stock	(2)	(2)
Capital issuance costs	-	(1)
Short-term debt, net	100	-
Changes in money pool borrowings	-	(2)
Redemptions, repurchases, and maturities:		
Long-term debt	-	(20)
Intercompany note payable – UE	-	(67)
Issuances of long-term debt	-	61
Capital contribution from parent	1	1
Net cash provided by (used in) financing activities	99	(80)
Net change in cash and cash equivalents	(5)	-
Cash and cash equivalents at beginning of year	6	-
Cash and cash equivalents at end of period	\$ 1	\$ -

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



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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
<b>Operating Revenues</b>	\$ 221	\$ 259	\$ 649	\$ 744
<b>Operating Expenses:</b>				
Fuel	102	86	257	216
Purchased power	1	84	23	269
Other operations and maintenance	39	34	122	113
Depreciation and amortization	18	18	54	53
Taxes other than income taxes	5	3	15	14
Total operating expenses	165	225	471	665
<b>Operating Income</b>	56	34	178	79
<b>Miscellaneous Income</b>	-	-	1	-
<b>Interest Charges</b>	15	15	43	45
<b>Income Before Income Taxes</b>	41	19	136	34
<b>Income Taxes</b>	16	-	52	7
<b>Net Income</b>	\$ 25	\$ 19	\$ 84	\$ 27

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

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

	September 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 2	\$ 1
Accounts receivable – affiliates	114	96
Accounts receivable – trade	15	19
Materials and supplies	97	96
Other current assets	17	5
Total current assets	245	217
<b>Property and Plant, Net</b>	<b>1,594</b>	<b>1,539</b>
<b>Intangible Assets</b>	<b>57</b>	<b>74</b>
<b>Other Assets</b>	<b>18</b>	<b>20</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,914</b>	<b>\$ 1,850</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term debt	\$ 75	\$ -
Current portion of intercompany note payable – CIPS	39	37
Borrowings from money pool	108	123
Accounts and wages payable	36	52
Accounts payable – affiliates	49	66
Current portion of intercompany tax payable – CIPS	9	9
Taxes accrued	15	22
Other current liabilities	31	22
Total current liabilities	362	331
<b>Long-term Debt, Net</b>	<b>474</b>	<b>474</b>
<b>Intercompany Note Payable – CIPS</b>	<b>87</b>	<b>126</b>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes, net	153	165
Accumulated deferred investment tax credits	8	9
Intercompany tax payable – CIPS	107	115
Asset retirement obligations	31	31
Accrued pension and other postretirement benefits	41	34
Other deferred credits and liabilities	45	2
Total deferred credits and other liabilities	385	356
<b>Commitments and Contingencies (Notes 2 and 8)</b>		
<b>Stockholder's Equity:</b>		
Common stock, no par value, 10,000 shares authorized – 2,000 shares outstanding	-	-
Other paid-in capital	503	428
Retained earnings	127	156
Accumulated other comprehensive loss	(24)	(21)
Total stockholder's equity	606	563
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 1,914</b>	<b>\$ 1,850</b>



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

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

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 84	\$ 27
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of emission allowances	(1)	(1)
Depreciation and amortization	79	78
Deferred income taxes and investment tax credits, net	28	7
Other	(1)	1
Changes in assets and liabilities:		
Receivables	(14)	(30)
Materials and supplies	(1)	(30)
Accounts and wages payable	(12)	16
Taxes accrued, net	(7)	(9)
Assets, other	(12)	(16)
Liabilities, other	5	2
Pension and other postretirement obligations	5	4
Net cash provided by operating activities	<b>153</b>	<b>49</b>
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(131)	(58)
Purchases of emission allowances	(7)	(26)
Sales of emission allowances	1	1
Net cash used in investing activities	<b>(137)</b>	<b>(83)</b>
<b>Cash Flows From Financing Activities:</b>		
Dividends on common stock	(113)	(93)
Short-term debt, net	75	-
Changes in money pool borrowings	(15)	13
Intercompany notes payable – CIPS	(37)	(34)
Capital contribution from parent	75	150
Net cash provided by (used in) financing activities	<b>(15)</b>	<b>36</b>
Net change in cash and cash equivalents	<b>1</b>	<b>2</b>
Cash and cash equivalents at beginning of year	<b>1</b>	<b>-</b>
Cash and cash equivalents at end of period	\$ <b>2</b>	\$ <b>2</b>

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

**CILCORP INC.**  
**CONSOLIDATED STATEMENT OF INCOME**  
**(Unaudited) (In millions)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Operating Revenues:</b>				
Electric		\$		