



# Making an Impact

Minneapolis Investor Meetings

June 21, 2016



# Cautionary Statements



## **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, 2015, and its other reports filed with the SEC 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 and Growth Expectations**

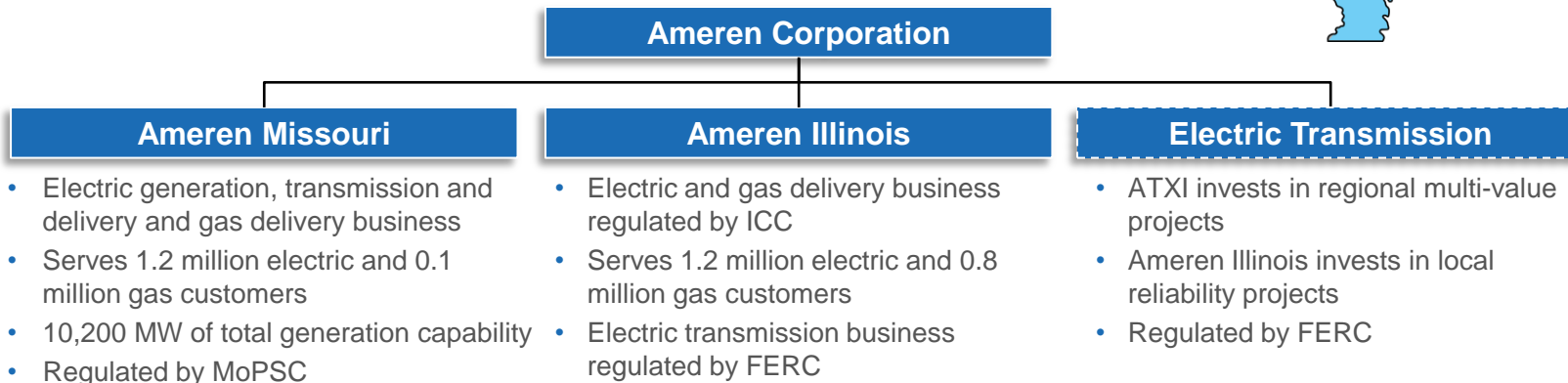
*In this presentation, Ameren has presented 2016 earnings guidance that was issued and effective as of May 10, 2016 and growth expectations that were issued and effective as of February 19, 2016. The 2016 earnings guidance assumes normal temperatures for the last nine months of this year and is subject to the effects of, among other things, changes in 30-year U.S. Treasury bond yields; regulatory decisions and legislative actions; energy center and energy delivery operations; Noranda sales levels; 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 SEC.*

# Company Description



## Fully rate-regulated electric and gas utility

- 2.4 million electric and 0.9 million gas customers
- 10,200 MW of regulated electric generation capability
- 4,600 circuit miles of FERC-regulated electric transmission



# Our Value Proposition to Investors



## Strong long-term growth outlook

- Expect ~6.5% compound annual rate base growth from 2015 through 2020<sup>1</sup>
- Expect 5% to 8% compound annual EPS growth from 2016 through 2020<sup>1</sup>
  - Based on Feb. 2016 adjusted 2016 EPS guidance of \$2.63, which was guidance mid-point of \$2.50 excluding then-estimated \$0.13 temporary net effect of lower sales to Noranda

## Attractive dividend

- Current dividend of \$1.70<sup>2</sup> per share provides 3.3%<sup>3</sup> yield
- Above average yield compared to regulated utility peers

## Attractive total return potential

- Superior earnings growth outlook and yield compared with regulated utility peers
- Committed to executing our strategy that we believe will deliver superior long-term value to both customers and shareholders



<sup>1</sup> Issued and effective as of Feb. 19, 2016 Earnings Conference Call. <sup>2</sup> Annualized equivalent rate.

<sup>3</sup> Based on June 17, 2016 closing share price.

# Solid Operating Performance



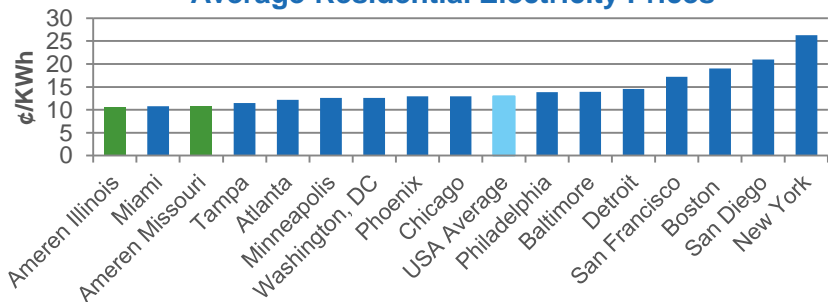
Electric rates are low

Safety has improved

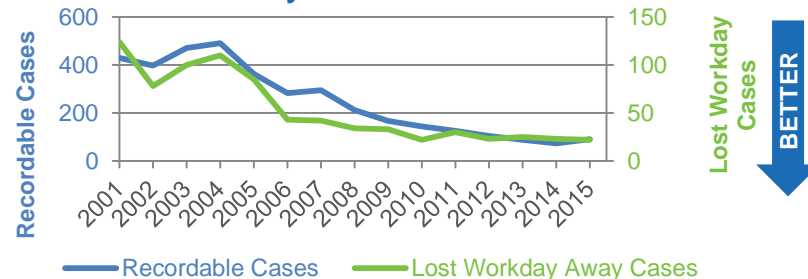
Delivery system reliability has improved

Generating plant performance remains strong

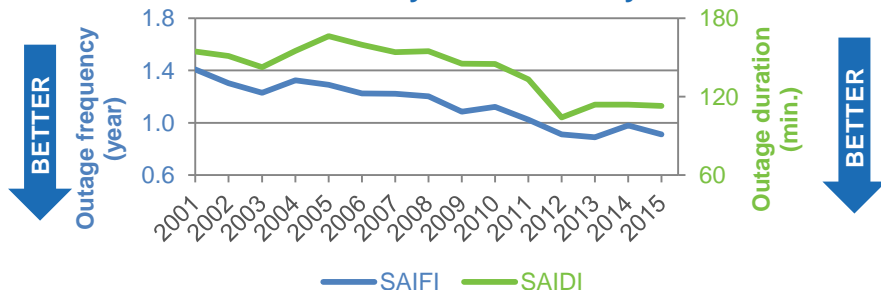
## Average Residential Electricity Prices<sup>1</sup>



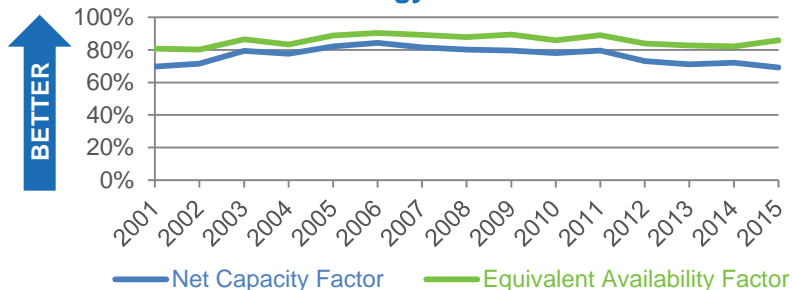
## Safety Performance



## Distribution System Reliability<sup>2</sup>



## Baseload Energy Center Performance



<sup>1</sup> Source: EEI Typical Bills and Average Rates Report for the twelve month period ending Dec. 31, 2015. Includes major U.S. metropolitan areas for which EEI data is available.

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

# Our Strategic Plan

- Investing in and operating our utilities in a manner consistent with existing regulatory frameworks
- Enhancing regulatory frameworks and advocating for responsible energy policies
- Creating and capitalizing on opportunities for investment for the benefit of our customers and shareholders



# Our Regulatory Frameworks

## FERC-regulated electric transmission service

- **Formula ratemaking; nearly eliminates regulatory lag**
  - Allowed base ROE of 12.38% is being challenged; reserving for potential refund
  - Rates reset each Jan. 1 based on forward-looking calculation with annual reconciliation
  - Constructive rate treatment for ATXI's three MISO-approved multi-value projects, including construction work in progress in rate base and 56% hypothetical equity ratio during development

## Illinois electric delivery service

- **Formula ratemaking currently extends through 2019; nearly eliminates regulatory lag**
  - Allowed ROE is 580 basis points above annual average yield of 30-year U.S. Treasury
  - Provides recovery of prudently incurred actual costs; based on year-end rate base

## Illinois gas delivery service

- **Future test year ratemaking with infrastructure rider; minimizes regulatory lag**
  - Allowed ROE is 9.6%

## Missouri electric service

- **Historical test year ratemaking; results in regulatory lag**
  - Allowed ROE is 9.53%
  - Fuel adjustment clause recovery mechanism; pension and other postretirement benefits cost tracking mechanism; constructive energy efficiency framework
- **Comprehensive performance-based ratemaking legislation not enacted this year**
  - MoPSC opened case to facilitate discussions on possible policies to improve how it regulates electric utilities
  - Senate Interim Committee exploring ways to make utility regulatory system more efficient and effective
- **Expect to file electric rate case in early July**

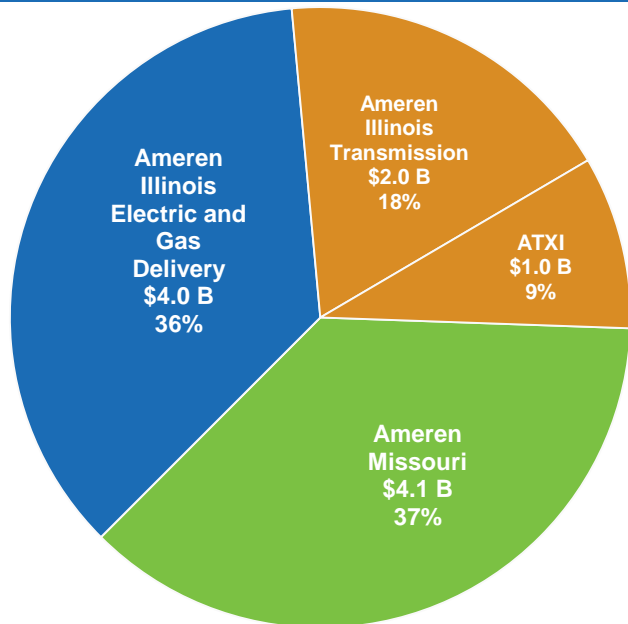




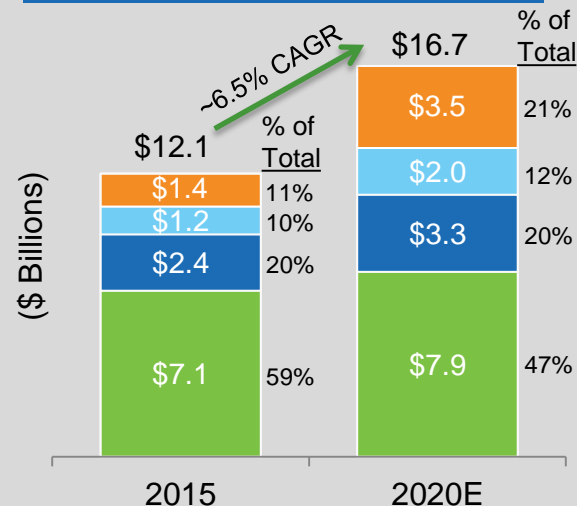
# Investing Strategically, Consistent with Regulatory Frameworks<sup>1</sup>



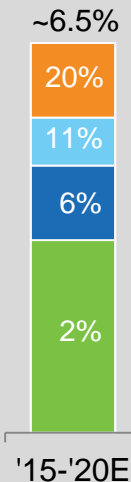
## \$11.1 Billion of Regulated Infrastructure Investment 2016-2020



## 2015 to 2020E Regulated Infrastructure Rate Base<sup>2</sup>



## 5-Yr Rate Base CAGR



<sup>1</sup> Issued and effective as of Feb. 19, 2016 Earnings Conference Call. <sup>2</sup> Reflects year-end rate base except for FERC-regulated transmission, which is average rate base. Includes construction work in progress for ATXI multi-value projects. <sup>3</sup> Ameren Illinois and ATXI. Excludes Ameren Missouri transmission, which is included in bundled Missouri rates.



# FERC-Regulated Transmission Investment

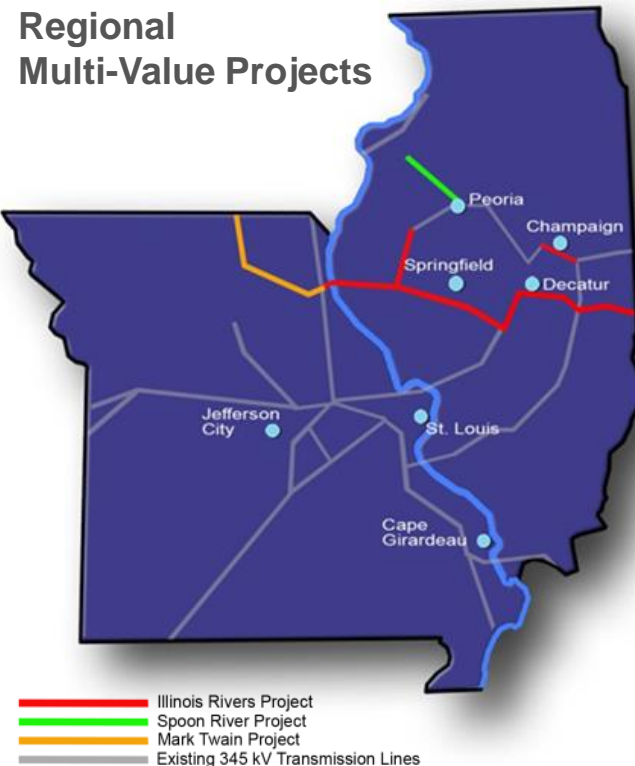


## Planned \$3.0 billion investment – 2016-2020<sup>1</sup>

- \$1.0 billion of regional multi-value projects at ATXI
- \$2.0 billion of local reliability and connecting portions of regional multi-value projects at Ameren Illinois

## Total Multi-Value Project Costs<sup>2</sup>

- **Illinois Rivers Project - \$1.4 billion**
  - ATXI ~\$1.3 billion; Ameren Illinois ~\$100 million
  - Under construction; expect to complete in 2019
- **Spoon River Project - \$150 million**
  - ATXI ~\$145 million; Ameren Illinois ~\$5 million
  - ICC issued CPCN in Sept. 2015; expect line construction to begin in late 2016 with completion in 2018
- **Mark Twain Project - \$225 million**
  - 100% ATXI project
  - CCN for Mark Twain approved by MoPSC; plan to seek county assents and have begun right-of-way acquisition
  - Anticipate construction to begin in 2017 with completion in 2018



<sup>1</sup> Issued and effective as of Feb. 19, 2016 Earnings Conference Call. <sup>2</sup> Includes pre-2016 expenditures.

# 2016-2020 Capital Expenditure Funding Plan<sup>1</sup>

- Return of capital through depreciation in rates
- Retained earnings
- ~\$2.5-\$2.6 billion of income tax deferrals and assets
  - Income tax deferrals driven primarily by capital expenditures
    - ~\$930 million due to extension of bonus tax depreciation
  - Includes ~\$630 million of tax assets at year-end 2015
    - Net operating losses, tax credit carryforwards, expected tax refunds and state over-payments
    - Parent company portion of tax assets was ~\$430 million
    - Expected to be realized into 2021
- No equity issuances expected
- Debt financing
- Capitalization target: ~50% equity



<sup>1</sup> Issued and effective as of Feb. 19, 2016 Earnings Conference Call.

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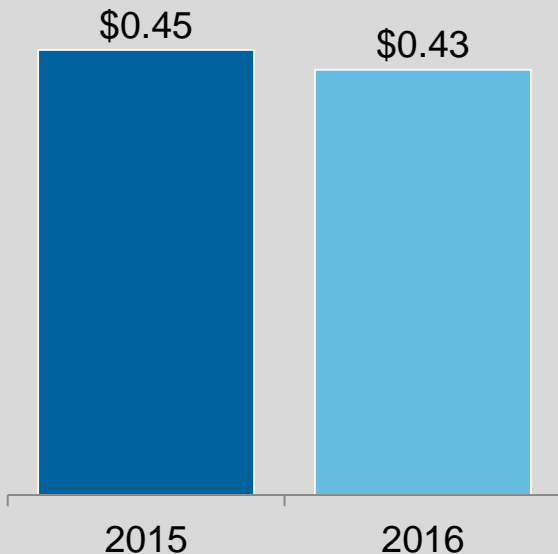
A woman wearing a white hard hat with the 'American' logo, safety glasses, and a blue button-down shirt is working on a large, dark industrial tank. She is holding a black device in her right hand and a cable in her left hand, looking up at the tank. The background is a large, dark industrial structure.

## Financial and Regulatory Update

# Earnings Summary



## Diluted EPS Q1 2015 vs. Q1 2016



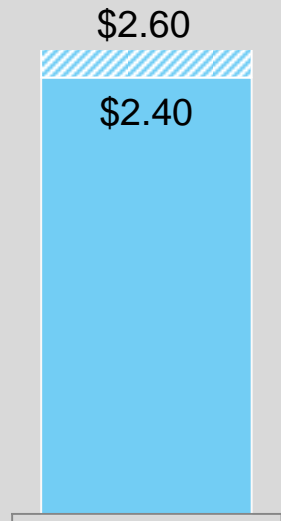
## Key Earnings Variance Drivers:

- ↓ Lower electric and natural gas sales volumes
  - Milder weather: ~\$(0.10) vs. Q1 2015 and ~\$(0.05) vs. normal
  - Net effect of reduced electric sales to Noranda: \$(0.03)
- ↓ Carryover effect of Missouri 2013-2015 energy efficiency plan: \$(0.03)
- ↓ Absence of 2015 recovery of certain cumulative Ameren Illinois power usage costs: \$(0.04)
- ↑ Decreased effective income tax rate primarily due to recognition of tax benefits associated with share-based compensation pursuant to March 2016 accounting guidance: +\$0.08
- ↑ Increased electric transmission and delivery infrastructure investments by ATXI and Ameren Illinois: +\$0.05
- ↑ Higher Illinois natural gas delivery service rates incorporating increased infrastructure investments and allowed ROE: +\$0.04

# 2016 Earnings Guidance<sup>1</sup>



## 2016E Diluted EPS



### Select 2016 balance of year EPS considerations:

- Return to normal temperatures
  - ↑ Q2-Q3 2016 ~flat; Q4 2016 ~+\$0.08

### Q2-Q4 2016 compared to Q2-Q4 2015:

- ↑ Increased electric transmission and delivery infrastructure investments by ATXI and Ameren Illinois
- ↑ Higher Illinois natural gas delivery service rates incorporating increased rate base and allowed ROE
- ↓ Q2 2016 Callaway nuclear refueling and maintenance outage vs. none in Q2 2015: \$(0.09)
- ↓ Significantly lower expected Missouri electric sales to Noranda's smelter: ~\$(0.12)
- ↓ Carryover effect of Missouri 2013-2015 energy efficiency plan on 2016, partially offset by performance incentive expected to be recognized in 2nd half of 2016
- ↓ Increased Missouri depreciation, transmission and property tax expenses
- ↓ Higher parent interest charges

<sup>1</sup> Issued and effective as of May 10, 2016 Earnings Release.

# Select Pending Regulatory Matters

## Illinois Commerce Commission

- Filed in April 2016 for required annual electric delivery service formula rate update
  - Filed for \$14 million net annual revenue requirement decrease consisting of:
    - \$96 million increase reflecting 2015 revenue requirement reconciliation, including interest, as well as expected 2016 net plant additions per rate formula
    - \$110 million decrease, including interest, related to 2014 revenue requirement reconciliation, which is being recovered in 2016
- Expect decision by Dec. 2016, with new rates effective in Jan. 2017
- Each year's electric delivery service earnings are a function of the rate formula and are not directly determined by that year's rate update filing

## Federal Energy Regulatory Commission

- Cases seek to reduce Ameren Illinois' and ATXI's transmission service allowed base ROE of 12.38% (retroactive to Nov. 2013 filing)
  - Schedule for first case (Nov. 2013 – Feb. 2015)
    - ALJ initial decision issued Dec. 22 recommended a 10.32% base ROE
    - FERC final order expected in Q4 2016
  - Schedule for second case (Feb. 2015 – May 2016)
    - ALJ initial decision expected by June 30, 2016
    - FERC final order expected in 2017
- FERC approved ROE adder of up to 50 basis points, effective Jan. 6, 2015, for MISO participation
  - Will reduce refunds when FERC issues final orders in each case
  - Subject to "zone of reasonableness"



# Noranda's Impact on Ameren Expected to be Temporary



**2016 Expected  
Diluted EPS  
Impact from  
Noranda<sup>1</sup>**

~(\$0.15)

2016

- **Noranda Aluminum's Background**

- Ameren Missouri supplies electricity to Noranda's aluminum smelter
- Ameren Missouri's largest customer: ~4% of revenues and ~10% of MWh sales in 2015
- Noranda's portion of Ameren Missouri's revenue requirement in 2015 electric rate order
  - Annual revenues of ~\$78 million, net of fuel and purchased power costs
  - Assumes smelter uses ~4.2 million MWhs annually, ~100% of operating capacity
  - Jun.-Sept. base rate is \$45.78 per MWh and Oct.-May base rate is \$31.11 per MWh

- **Noranda's 2016 Developments**

- Idled all three smelter pot lines
- Filed for bankruptcy on Feb. 8, 2016
  - Noranda had prepaid in excess of usage at Feb. 8; expect to be paid in full for services after Feb. 8

- **Strategies to Mitigate Financial Impacts of Noranda Outage**

- Utilize FAC provision to retain portion of revenues from off-system sales due to lower Noranda sales
- Expect to file electric rate case in early July that would reflect loss of sales to Noranda
  - Fully expect the earnings impact of Noranda's lower sales to be temporary

<sup>1</sup> Issued and effective as of May 10, 2016 Earnings Release. 2016 forecast assumes full outage between March and end of the year mitigated by FAC provision. Variance compared to Ameren Missouri revenue requirement for Noranda in Apr. 2015 MoPSC electric rate order.



# Appendix

# 2015 Ameren Illinois Regulatory and Legislative Outcomes

## 2015 Rate Cases

- **Continue to Receive Constructive Rate Case Outcomes**

- ICC approved \$106 million electric delivery formula rate increase, with new rates effective Jan. 2016
- ICC approved \$45 million annual natural gas delivery rate increase based on future test year ended Dec. 31, 2016, with new rates effective Jan. 2016
  - Allowed ROE of 9.6%
  - Equity ratio of 50.0%

## 2015 Illinois Legislative

- **Ameren Illinois Grid Modernization Delivering Results**

- In Apr. 2015, the Illinois Energy Infrastructure Modernization Act (IEIMA) was extended through 2019
- Continue to achieve key IEIMA metrics for customer rate impacts, job creation, and customer outages
  - Ameren Illinois customers are experiencing fewer and shorter power outages as a result of electric grid upgrades
  - More than 1,500 workers (employees and contract workers) have been hired to support investments
  - Advanced metering provides customers with enhanced energy usage and access to tools and programs to help them use less

# 2015 Ameren Missouri Electric Rate Case Order

- MoPSC approved a \$122 million annual rate increase effective May 30, 2015
  - Net energy costs<sup>1</sup>: \$109 million; Non-energy costs: \$13 million
  - Rate base: \$7.0 billion; Allowed ROE: 9.53%; Equity ratio: 51.8%
  - Test year ending March 31, 2014, with certain pro-forma adjustments through true-up date of Dec. 31, 2014
- Continuation of fuel adjustment clause
  - Continued 95%/5% sharing of variances from net base energy costs
  - Eliminated recovery of changes in transmission revenues and substantially all transmission charges through the fuel adjustment clause
- Continuation of Pension and Other Postretirement Benefits cost tracking mechanism
- Discontinuation of tracking mechanisms for vegetation management and infrastructure inspection costs and storm costs
  - Can request approval to defer extraordinary storm costs for potential future recovery



<sup>1</sup> Net energy costs include fuel and purchased power costs, including transportation, net of off-system sales.

# Select Regulatory Matters



## Illinois Commerce Commission

- Recently filed electric delivery rate update: Docket No. 16-0262
- Website: <http://www.icc.illinois.gov>



## Missouri Public Service Commission

- Order granting CCN for ATXI's Mark Twain transmission project: Docket No. EA-2015-0146
- Working case to consider policies to improve electric utility regulation: Docket No. EW-2016-0313
- Website: <https://www.efis.psc.mo.gov/mpsc/DocketSheet.html>



## Federal Energy Regulatory Commission

- Complaints challenging MISO base ROE: Docket Nos. EL14-12-002 and EL15-45
- Website: <http://elibrary.ferc.gov/idmws/search/fercadvsearch.asp>

## Other Filings

- Ameren Illinois & ATXI 2016 Projected Attachment O: <http://www.oasis.oati.com/AMRN/>. Includes effect of Dec. 2015 federal legislation extending bonus tax depreciation.

# Investor Relations Calendar



## JUNE 2016

	MON.	TUES.	WED.	THUR.	FRI.	SAT.
			1	2	3	4
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21 Minn. Investor Meetings	22	23	24
25	26	28	29	30		

- **June 21** Minneapolis Investor Meetings

## JULY 2016

SUN.	MON.	TUES.	WED.	THUR.	FRI.	SAT.
					1	2
3	4	5	6	7	8	9
10	11	12 Canada Investor Meetings	13 Canada Investor Meetings	14 Q2 Quiet Period	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- **July 12-13** Canada Investor Meetings
- **July 14** Q2 2016 quiet period begins
- **Aug. 5** Q2 2016 earnings release and call

# Glossary of Terms and Abbreviations

**ALJ** - Administrative Law Judge.

**ATXI** - Ameren Transmission Company of Illinois.

**B** - Billion.

**CAGR** - Compound annual growth rate.

**CCN** - Certificate of Convenience and Necessity.

**CPCN** - Certificate of Public Convenience and Necessity.

**E** – Estimated.

**EPS** – Earnings per share.

**FAC** – Fuel adjustment clause.

**FERC** - Federal Energy Regulatory Commission.

**GAAP** - Generally Accepted Accounting Principles

**ICC** - Illinois Commerce Commission.

**MEEIA** - Missouri Energy Efficiency Investment Act.

**MISO** - Midcontinent Independent System Operator, Inc.

**MoPSC** - Missouri Public Service Commission.

**MW** – Megawatt.

**MWh** – Megawatthour.

**Noranda** – Noranda Aluminum, Inc.

**ROE** – Return on Equity.

**SEC** – U.S. Securities and Exchange Commission.