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EDITED TRANSCRIPT

AEE - Q2 2016 Ameren Corp Earnings Call

EVENT DATE/TIME: AUGUST 05, 2016 / 2:00PM GMT



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PRESENTATION

Operator

Greetings and welcome to Ameren Corporation's second-quarter 2016 earnings call.

(Operator Instructions)

As a reminder, this conference is being recorded. It is now my pleasure to introduce your host Doug Fischer, Senior Director of Investor Relations for Ameren Corporation. Thank you, Mr. Fischer, you may begin.

Doug Fischer - Ameren Corporation - Senior Director of IR

Thank you, and good morning. I'm Doug Fischer, Senior Director of Investor Relations for Ameren Corporation. On the call with me today are Warner Baxter, our Chairman, President and Chief Executive Officer, and Marty Lyons, our Executive Vice President and Chief Financial Officer, as well as other members of the Ameren Management team.

Before we begin, let me cover a few administrative details. This call is being broadcast live on the internet and the webcast will be available for one year on our website at Ameren.com. Further, this call contains time-sensitive data that is accurate only as of the date of today's live broadcast, and redistribution of this broadcast is prohibited. To assist with our call this morning, we have posted on our website a presentation that will be referenced by our speakers. Acronyms used in the presentation are defined in the glossary on the last page. To access the presentation, please look in the investors section of our website under webcasts and presentations and follow the appropriate link.

Turning to page 2 of the presentation, I need to inform you that comments made during this conference call may contain statements that are commonly referred to as forward-looking statements. Such statements include those about future expectations, beliefs, plans, strategies, objectives, events, conditions, and financial performance. We caution you that various factors could cause actual results to differ materially from those anticipated. For additional information concerning these factors, please read the forward-looking statements section in the news release we issued today and the forward-looking statements and risk factors sections in our filings with the SEC.



Warner will begin this call with comments on second-quarter financial results, full-year 2016 earnings guidance and a business update. Marty will follow with a more detailed discussion of second-quarter results and an update on financial and regulatory matters. We will then open the call for questions. Before Warner begins, I would like to mention that all per-share earnings amounts discussed during today's call, including earnings guidance, are presented on a diluted basis unless otherwise noted. Now here's Warner who will start on page 4 of the presentation.

Warner Baxter - Ameren Corporation - Chairman, President and CEO

Thanks, Doug. Good morning, everyone, and thank you for joining us. Today we announced second-quarter 2016 core earnings of \$0.61 per share compared to core earnings of \$0.58 per share in last year's second quarter. This earnings increase reflected higher retail electric sales volumes, excluding sales to Noranda Aluminum, driven by warmer early summer temperatures. The earnings comparison also benefited from increased FERC-regulated transmission and Illinois electric distribution infrastructure investments made under modern constructive regulatory frameworks to better serve our customers.

These favorable items were partially offset by expenses for the 2016 scheduled Callaway nuclear refueling and maintenance outage as well as lower electric sales to Noranda Aluminum, historically Ameren Missouri's largest customer. Earlier this year Noranda idled production at its smelter, and the plant remains shut down. Overall, our second-quarter results were solid as our team continued to successfully execute our strategy, and I am pleased to report that we have raised our 2016 guidance to a range of \$2.45 to \$2.65 per share, up from our prior range of \$2.40 to \$2.60 per share, reflecting year-to-date results.

Turning to page 5, here we reiterate our strategic plan. We remain focused on the executing this strategy and continue to strongly believe it will deliver superior long-term value to both our customers and shareholders. I would like to take a moment and highlight some of our year-to-date efforts and accomplishments towards this end. To begin, our accomplishments include continued strategic allocation of significant amounts of capital to those businesses whose investments are supported by regulatory frameworks that provide fair, predictable and timely cost recovery and also deliver long-term benefits to our customers.

This capital allocation is illustrated in the graphic on the right side of this slide. As you can see, year-to-date we invested almost \$650 million of capital in jurisdictions with these supportive regulatory frameworks. This represented almost two-thirds of our year-to-date 2016 investments and included approximately \$330 million of capital spent on FERC-regulated transmission projects.

The largest of these is ATXI's \$1.4 billion Illinois Rivers transmission project. Construction of the first of this project's nine line segments is complete with construction of three other segments and two of three river crossings well underway. Further, two of the project's ten substations are already in service, with the remaining eight under construction. For ATXI's Spoon River project in northwestern Illinois, we are acquiring the balance of the needed right-of-way, and we plan to begin line construction later this year. As for the Mark Twain project, we are in the process of obtaining assents from the five counties this transmission line will cross and have begun right-of-way acquisition.

All three of these transmission projects, Illinois Rivers, Spoon River, and Mark Twain are MISO-approved multi-value projects. When completed, they will deliver significant customer benefits, such as improved reliability and access to cleaner energy, including wind power from the western and northern parts of the MISO region. We also continue to make significant investments in Ameren Illinois transmission that will result in a smarter and more reliable energy grid.

Turning to page 6 of our presentation, let me update you on the execution of our strategic plan at Ameren Illinois. We invested approximately \$320 million in Illinois electric and natural gas distribution infrastructure projects during the first six months. These include investments made under the Company's Modernization Action Plan, which was enabled by Illinois' Energy Infrastructure Modernization Act. This work remains on track to meet or exceed its investments, reliability, and smart meter goals. Ameren Illinois customers are experiencing fewer and shorter power outages due to our smart grid investments. In addition, natural gas distribution infrastructure projects are improving the safety and reliability of our gas distribution system.

Turning now to Missouri, first, on May 10th, we safely completed the 21st nuclear refueling and maintenance outage for our Callaway Energy Center, ahead of schedule. In addition, Ameren Missouri continues to aggressively manage those costs that are under its control. Our success in



this area has helped maintain electric rates that are the lowest of any investor-owned utility in Missouri and are well below the Midwest and national averages.

While we are taking actions to keep our electric rates among the lowest in the country, we also need to take action to begin recovery of energy infrastructure investments that are not included in rates. As a result, in early July, Ameren Missouri filed a request with the Missouri Public Service Commission, or PSC, for a \$206 million increase in annual electric service revenue. This request includes recovery of, and a return on, the new infrastructure investments I just mentioned, including those for nuclear safety, environmental controls, transmission line improvements and reliability. In addition, the filing includes recovery of fixed costs related to the loss of sales to Noranda as well as increased MISO transmission charges. We expect the Missouri PSC to issue a decision in this proceeding in late April of next year. Marty will discuss this rate filing further in a moment.

Shifting now to efforts to enhance Missouri's regulatory framework, as you know, comprehensive performance-based ratemaking legislation was not enacted by the Missouri General Assembly before its session ended in mid-May as a result of a filibuster by a small group of state senators. Since then, two separate efforts have been initiated by the state to address the need for regulatory reform to support investments in Missouri energy infrastructure. One of these efforts is an undertaking of the Missouri PSC, and the other is the work of a Senate interim committee.

The stated purpose of the Missouri PSC's effort is to consider policies to improve the way in which the commission regulates Missouri's investor-owned electric utilities. The stated objective of the Senate interim committee is to evaluate ways the utility regulatory process in Missouri might be modernized in order to ensure sustained investment in utility infrastructure, while at the same time promoting the interests of fairness among all constituencies, including customers and shareholders. We are pleased, and we are -- certainly appreciate that the Missouri PSC and the Senate interim committee are taking the time and effort to study this important issue.

I am convinced that improvements to Missouri's regulatory framework are in the best long-term interests of our customers and the entire state of Missouri as we seek to implement a smarter grid, transition to a cleaner and more diverse energy portfolio, as well as create jobs. We have filed comments with the Missouri PSC, and we will be actively engaged in both proceedings this summer and fall. In addition, we continue to engage with other key stakeholders involved in the process to explore constructive paths forward to support investment in Missouri's aging infrastructure.

As I wrap up my business update, I want to take a moment to express my appreciation to all of our co-workers who have maintained their relentless focus on executing our strategy, which is enabling us to deliver safe, reliable, and affordable service to our customers and the communities we serve. Their actions have included working under challenging and hot operating conditions in the field and in the energy centers; responding to our customers' needs in a timely manner when faced with periodic summer storms; using innovation to meet our customers' rising expectations, as well as making our operations even more efficient; and most importantly, doing all of these things with safety being at the top of their mind.

Of course, we are not done. Looking ahead, we will be relentless in our efforts to improve our operating and financial performance, including maintaining our strong focus on safety, as well as exercising disciplined cost management and strategic capital allocation, and we will continue to focus on meeting and exceeding our customers' energy needs and expectations and ultimately delivering superior long-term value to you, our shareholders.

Speaking of delivering superior value to our shareholders, I will now move to page 7 and our long-term total return outlook. In February, we outlined our plan to grow rate base in an approximate 6.5% compound annual rate over the 2015 through 2020 period, driven by a strong pipeline of investments to benefit customers and shareholders. Our above-peer average rate-based growth plan reflects strategic allocation of capital to those jurisdictions that operate under constructive and modern regulatory frameworks, and our rate base growth is foundational to our strong earnings-per-share growth expectations.

We stated in February that we expected earnings per share to grow at a 5% to 8% compound annual rate from 2016 through 2020, excluding the estimated temporary negative effect on 2016 earnings of lower sales to Noranda. We also remain focused on delivering a solid dividend, because we recognize its importance to our shareholders. Today our dividend yield remains above the average of our regulated utility peers. Of course, future dividend increases will be based on consideration of, among other things, earnings growth, cash flows, and economic and other business conditions. Our strong earnings growth profile, combined with our solid dividend, results in a superior total return opportunity for our shareholders.



To summarize, we continue to successfully execute our strategy, and I remain firmly convinced that doing so will deliver superior value to our shareholders, customers and the communities we serve. Again, thank you all for joining us today. I'll now turn the call over to Marty. Marty?

Marty Lyons - Ameren Corporation - EVP and CFO

Thank you, Warner, and good morning, everyone. Turning now to page 9 of our presentation, today we reported second-quarter 2016 GAAP earnings of \$0.61 per share, which matched last year's second-quarter GAAP earnings. As you can see on this page, there was no difference between GAAP and core results for this year's second quarter.

Moving then to page 10, here we highlight factors that drove the \$0.03 per-share increase in second-quarter 2016 results compared to prior-year core results. In 2016, we experienced higher retail electric sales volumes, excluding sales to Noranda, driven by warmer early summer temperatures. These temperatures increased earnings by an estimated \$0.07 per share versus 2015 and \$0.06 per share versus normal conditions. Moving to the next key driver of the second-quarter earnings variance, increased investments in electric transmission and distribution infrastructure in our ATXI and Ameren Illinois businesses lifted earnings by \$0.06 per share compared to the year-ago period and net of changes in returns on equity. Our Illinois electric distribution business results incorporated an 8.45% allowed ROE under formulaic ratemaking compared to 8.75% for the year-ago period, based on an assumed average 30-year treasury rate of 2.65% for the full year.

Moving to the next two items on the page, earnings for the second quarter also benefited from higher Illinois natural gas distribution service rates effective this year as well as a decline in other operations and maintenance expenses not subject to riders, regulatory trackers, or formula rates, each adding \$0.02 per share compared to the prior-year period.

Shifting now to factors that had an unfavorable effect on the second-quarter earnings comparison, the scheduled 2016 Callaway nuclear refueling and maintenance outage reduced second-quarter 2016 earnings by \$0.07 per share compared to 2015, when there was no refueling outage. The next Callaway refueling is scheduled for the fall of next year. The previously mentioned idling of Noranda's smelter pot lines reduced earnings by \$0.05 per share. Finally, the quarter-over-quarter impacts of Ameren Missouri's 2015 energy efficiency plan negatively affected the earnings comparison by \$0.04 per share.

Before moving on, let me briefly cover electric sales trends year to date. Overall, we experienced sales trends similar to those discussed on our first-quarter call. Weather-normalized kilowatthours sales to Illinois and Missouri residential and commercial customers, on a combined basis, were essentially flat as the 2016 Leap Day sales benefit was offset by energy efficiency impacts. Kilowatthour sales to Illinois industrial customers decreased approximately 5%, primarily reflecting lower sales to several large low-margin Illinois customers, including those in steel making, heavy equipment manufacturing, mining, and energy. Excluding lower sales to Noranda, kilowatthour sales to Missouri industrial customers were down 0.5%.

Turning to page 11 of our presentation, now I would like to move from this discussion of sales to our guidance for the full year. As Warner stated, we now expect 2016 diluted earnings to be in a range of \$2.45 to \$2.65 per share, an increase from our prior range of \$2.40 to \$2.60 per share. This increased guidance reflects solid year-to-date results, including a first-quarter tax gain associated with a new accounting rule and an estimated \$0.01 per share first-half weather benefit compared to normal, as warmer-than-normal second-quarter temperatures more than offset milder-than-normal first-quarter temperatures.

Regarding Noranda, we continue to expect the unfavorable impact of lower electric sales to be approximately \$0.15 per share in 2016. This estimate is net of expected revenues from off-system sales that Ameren Missouri is making as a result of reduced sales to Noranda and that are retained under a provision of our fuel adjustment clause. We continue to expect Noranda's smelter to remain idle for the rest of this year and that this will reduce earnings by approximately \$0.05 per share in the third quarter and approximately \$0.02 per share in the fourth quarter compared to the prior-year periods.

I will not go through the other earnings considerations listed on this page because they are largely self-explanatory and we discussed them on our February earnings call. Overall, our goal remains to earn at or close to our allowed ROEs in all of our jurisdictions. Of course, we are falling short of this goal in Missouri in 2016, due in large part to the Noranda sales losses.



Moving to page 12, here we begin to outline in more detail our recently filed Missouri electric rate case which Warner mentioned earlier. Earlier this week, parties to this proceeding jointly proposed a schedule to the Missouri Public Service Commission and key dates of the proposed schedule are listed on this page. We expect the Public Service Commission to decide the case by late April of next year, with new rates expected to be effective in late May.

Further, on page 13, you can see that three-quarters of our \$206 million request is driven by our need to recover, and earn a return on, important new infrastructure investments made for the benefit of our customers, adjust rates to reflect reduced customer sales, largely driven by the idling of Noranda's smelter, and recover increased MISO transmission charges. To address the regulatory lag associated with these increased transmission expenses, we have requested the implementation of a new MISO transmission tracker. In addition, the rate filing includes \$8 million for amortized recovery of an estimated \$81 million of fixed costs not recovered as a result of lower sales to Noranda.

I would also like to update you on select regulatory matters pending at the Illinois Commerce Commission and the Federal Energy Regulatory Commission. Turning to page 14, in April, Ameren Illinois made its required annual electric distribution rate update filing with the ICC. Under formula ratemaking, Ameren Illinois makes such filings to systematically adjust cash flows over time for changes in cost of service and to true up any prior period over- or under-recovery of such costs. Our filing calls for a \$14 million decrease in the net annual electric revenue requirement, consisting of an increase reflecting 2015 actual costs and expected 2016 infrastructure investments that is more than offset by a decrease reflecting completion of the recovery of 2014 actual costs by the end of this year.

Late last month, Ameren Illinois and the ICC staff entered into a stipulation agreement that resolved all issues currently existing between them and supported an annual revenue requirement that is consistent with Ameren Illinois' filing. The positions for other interveners in the case are noted on this page and an ICC decision is expected in December of this year, with new rates effective early next year. I'll remind you that each year's Illinois electric distribution earnings are a function of that year's ending rate base, the formula-determined allowed ROE, which is the annual average of 30-year US Treasury bond yields for that year plus 589 basis points and the ICC-authorized equity ratio, and are not directly determined by that year's rate update filing.

Turning to page 15, here we outline the previously mentioned complaint cases pending at the FERC that seek to reduce the base allowed ROE for MISO transmission owners, including Ameren Illinois and ATXI. In the first case last December, a FERC administrative law judge issued a proposed order recommending a 10.32% base allowed ROE and the FERC is expected to issue a final order in the fourth quarter of this year. In the second case in late June, a FERC administrative law judge issued a proposed order recommending a 9.7% base allowed ROE with a final FERC decision expected in the second quarter of next year. As a result of these pending cases and consistent with the ALJ rulings, we have accrued a reserve for potential refunds of \$58 million as of June 30th, 2016.

Finally, turning to page 16, I will summarize. Year-to-date in 2016 we continue to successfully execute our strategy, and we have delivered solid second-quarter and year-to-date results. Our solid year-to-date results allowed us to increase our full-year earnings guidance range for 2016. Further, on our February call, we stated that we expected earnings per share to grow at a strong 5% to 8% compound annual rate from 2016 through 2020, excluding the estimated temporary net effect of lower sales to Noranda this year.

We said this earnings growth was driven by approximately 6.5% compound annual rate base growth over the 2015 through 2020 period, based on a mix of needed transmission, distribution, and generation investments across multiple regulatory jurisdictions being made for the benefit of customers. When you combine our strong earnings growth with Ameren's dividend, which provides investors with a yield of approximately 3.3%, and which is above average compared to fully-regulated utility peers, we believe our common stock provides very attractive total return potential for investors. That concludes our prepared remarks. We now invite your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)



Our first question comes from Julien Dumoulin-Smith with UBS. Please state your question.

Julien Dumoulin-Smith - *UBS - Analyst*

Hi, good morning.

Warner Baxter - *Ameren Corporation - Chairman, President and CEO*

Good morning, Julien.

Marty Lyons - *Ameren Corporation - EVP and CFO*

Good morning.

Julien Dumoulin-Smith - *UBS - Analyst*

Excellent. First detailed question and then bigger picture question. On energy efficiency, obviously you're talking about lower load growth here in general, but what is the annualized impact here in 2016 after incentives? It seems as if it's about \$0.17. In tandem with, that what are the weather-normalized sales trends excluding Noranda? Most importantly, what are your 2017 expectations as you think about that energy efficiency drag?

Marty Lyons - *Ameren Corporation - EVP and CFO*

Yes, sure, Julien. This is Marty. Obviously a number of questions there. I think as it relates to energy efficiency, you've got to keep in mind that some of what we've quantified is year-over-year comparative impacts from last year to this year, so when we think about that, you've got to remember that the construct of the energy efficiency plan in Missouri from 2013 through 2015 was different than the one we've got now. Last year we were being compensated for some of the efforts associated with energy efficiency and being compensated not only for the current year effects in 2015 but some of the carryover effects to 2016. That's creating a bit of a year-over-year comparison, and that's why we've noted some of those facts this year.

In terms of the sales trends, what we're seeing, and we mentioned this on a call, year to date on a consolidated basis residential and commercial sales, we're roughly flat. Frankly, they're up a little bit in Missouri and down a little bit in Illinois, and then industrial sales overall are down about 4% with Missouri down about 0.5% and Illinois down more significantly. When you actually exclude the impacts of energy efficiency in Missouri, we would actually see overall sales instead of being flat, overall sales we'd see up about 1.5%.

In the residential, we think they'd be up about 1.3%, commercial maybe up 2%, and industrial, while they're down on a reported basis may be up 0.5% excluding energy efficiency. We do see those programs as having an effect, both the programs we put in place last year having a carryover effect to this year, but also the current-year programs that we've now put into play. They are having an impact, but overall, sales are about where we thought. We said we thought they'd be about flattish because of the effects of energy efficiency, and that's about where they are.

I think economically, unemployment's running pretty good in Missouri, frankly. I think you probably saw nationally the unemployment's at about 4.9% now for the past couple of months. What we're seeing in Missouri is it's actually running a little bit below that, closer to 4%, while unfortunately on the Illinois side we're seeing some of the industrial sales declines, seeing unemployment a little bit higher over there at about 6%. Overall, I think the economies are remaining stable. We're seeing a little bit of growth, I'd say in Missouri, especially when you strip out energy efficiency. In Illinois, while the industrial sales are down, we're still seeing some growth in terms of residential and commercial demand, which we see as a positive.

Julien Dumoulin-Smith - UBS - Analyst

Just a follow-up here on the broader 5% to 8% CAGR, can you comment quickly what the impact is from the US Treasury being down within that range? Perhaps it's linear, but I just want to reaffirm it. Separately related, what about the impact from pension discount rates? Just want to make sure we understand it's probably fairly modest given Illinois and then also Missouri, but just want to make sure we have that right.

Marty Lyons - Ameren Corporation - EVP and CFO

Yes, sure, no, I understand the question. I think that as you think about the 5% to 8% growth over time, as we've said repeatedly that's really anchored by the 6.5% compound rate-base growth. That really is the foundation. Then when you think about whether we would be above that or below that from an earnings-per-share growth perspective, certainly changes in Treasury rates or earned ROEs, sales growth levels, spending levels, regulatory decisions, all of those things can push you up or down within that range. Look, it's a five-year outlook going out to 2020, so a number of things can happen over that time, and that's why we have sort of a \$0.40 range when you look out to 2020.

As it relates to the current impact of the 30-year treasuries, as we mentioned on the call, we have booked to a lower treasury yield than we expected at the beginning of the year. The beginning of the year we had expected treasury yields to be around 3.2%. What we've booked to as of the end of June is an average rate for the year of about 2.65%. Of course, the current 30-year treasuries are sitting at 2.25%. That has caused us to change our outlook for this year. We've baked that into our guidance range for this year.

I'd remind you that a 50 basis point move in ROEs in the Ameren Illinois delivery business was about \$0.025 That gives you a sensitivity but we've baked that into our current-year guidance. We feel very good about the guidance. We were able to raise it \$0.05, as you, know this year, which is a positive. It's net of the impacts of those changes in the 30-year treasuries. As it relates to our long-term guidance, we obviously update our overall thoughts about how we're going to manage the business going forward on an annual basis, but right now feel very good about that 6.5% rate-base growth and that 5% to 8% compound annual EPS growth that we've projected.

Warner Baxter - Ameren Corporation - Chairman, President and CEO

(Multiple speakers) Julien had one other issue on pensions and OPEBs.

Marty Lyons - Ameren Corporation - EVP and CFO

Thanks, Warner. On the pension and OPEB, which a good question, Julien, I know that's impacting some folks with the lower discount rates that are expected, but we have trackers in Missouri for both pension and OPEB, and then in Illinois for our energy delivery business as well as in our FERC transmission business, you have formulaic rates. We're largely protected from those declines that are happening in terms of the discount rate. In the Illinois gas business, obviously we have forecasted test years and depending on the timing of those filings, there can be some impact there, but largely insulated from the impacts of the changes in discount rates and any kind of asset performance changes.

Julien Dumoulin-Smith - UBS - Analyst

Thanks so much.

Warner Baxter - Ameren Corporation - Chairman, President and CEO

Sure, Julien.



Operator

Our next question comes from Brian Russo with Ladenburg Thalmann. Please state your question.

Brian Russo - *Ladenburg Thalmann - Analyst*

Hi, good morning.

Warner Baxter - *Ameren Corporation - Chairman, President and CEO*

Good morning, Brian.

Brian Russo - *Ladenburg Thalmann - Analyst*

The \$0.05 increase in the guidance, is there any way to break down some of the more noticeable positives and negatives? It looks like interest rates would be maybe a \$0.025 negative versus previous guidance and I'm not sure, I think weather is a \$0.01 positive. Just maybe if you can elaborate on that. What's operational and what's kind of weather-related.

Warner Baxter - *Ameren Corporation - Chairman, President and CEO*

Sure, Brian, good question. I think if you look back at our beginning-of-the-year guidance and then walk through our first-quarter and now second-quarter disclosures, you can piece some of these things together, and you've got some of those. I think as it relates to, starting with our guidance at the beginning of the year and thinking about how it moved, we had an \$0.08 or so pickup from the adoption of a new accounting standard in the first quarter, which was a positive. At that same time we also had a couple of additional cents of decline due to this Noranda outage. We started this year thinking it was about a \$0.13 impact and now we're at about \$0.15 impact. We also had, as you mentioned, we've now had a little bit of lowered expectation in terms of the treasury rates and again, that, like you said, that has impacted us by \$0.02 or \$0.03 there as well. Those are some of the impacts that we had.

Now, in the first quarter we also had negative weather. It was about \$0.05 negative in first quarter. As mentioned on the call, we had positive weather here in the second quarter, which more than offset, and we're about \$0.01 positive now for weather year to date. When you look at that where we are at the end of six months, you've got that tax gain that we experienced in the first quarter. You've got about \$0.01 of positive weather, and we've had some offsets due to the decline in the treasuries and then this temporary impact of the Noranda outage that we're experiencing this year. Those are some of the things that were pluses and minuses versus our original expectations and why we were positioned then with the backdrop of very solid operations and very solid execution of our strategy and our plan for this year that we're able to raise the guidance by \$0.05.

Brian Russo - *Ladenburg Thalmann - Analyst*

Okay, great. It's my understanding that you're using the ATXI and FERC transmission is being financed at the parent. Just want to be -- just like you to clarify the financing strategy with ATXI and when might we see it break out into a separate sub and that parent leverage be a little bit more transparent?

Warner Baxter - *Ameren Corporation - Chairman, President and CEO*

Yes, that's -- you correctly described it. I mean what we're doing today because it is the most -- has been the most efficient way to do it, is we've been financing the transmission growth at our ATXI business through financing at the parent, which we've got both some short-term and long-term financing in place there at the parent that supports the investments we've been making at ATXI. Obviously, as that short-term debt grows at the

parent, we'll consider when it might be appropriate to term some of that out. I don't expect that to be this year, but in prospective periods we very well might consider that.

To the extent we believe it's more efficient at that point to do it at an entity other than Ameren Corp, at either ATXI or a holding company level, we'll evaluate that going forward, but as we approach that decision, whether that be next year or in some period beyond, we'll certainly be happy to discuss our thinking at that time about why we're proceeding.

Brian Russo - *Ladenburg Thalmann - Analyst*

Got it. The Missouri electric case filing, did you file a utility cap structure or the parent cap structure?

Warner Baxter - *Ameren Corporation - Chairman, President and CEO*

On the Missouri filing that we filed, as we mentioned on the call, had an equity content in the cap structure of 51.8%, and that is the cap structure of the utility subsidiary Ameren Missouri.

Brian Russo - *Ladenburg Thalmann - Analyst*

Okay. Great, thank you.

Operator

Our next question comes from Michael Lapidès with Goldman Sachs. Please state your question.

Michael Lapidès - *Goldman Sachs - Analyst*

Hey, guys, congrats to a good start to the year. Can you talk about in your multi-year forecast what your planning is for leverage at the holding company level? Meaning, do you plan on de-levering the holding company? Do you plan on issuing debt solely to fund ATXI or using debt at the holding company level and sending it down to the utilities to help fund utility growth?

Marty Lyons - *Ameren Corporation - EVP and CFO*

Michael, this is Marty. As you've seen in our slides, we have about an \$11 billion expenditure plan over the next five years. It's something that we believe, given the strength of our balance sheet today, we can finance solely with debt and maintain a very strong balance sheet and maintain very strong credit metrics relative to the ratings that we have today. Then as we think about the expenditures, obviously we've got those at each of the subsidiaries.

We do financing independently at each one of the subsidiaries, so we have -- obviously we issued long-term debt at Ameren Illinois, Ameren Missouri, and then as we just spoke about on a prior Q&A as it relates to the ATXI transmission business, then we are using a parent company leverage to be able -- or debt -- to fund those investments at ATXI. At some point may very well be able to do financing either at ATXI or some sort of intermediate holding company. That's overall our plan, and our goal is with each one of our utility subsidiaries to maintain very strong overall balance sheets there as well. That's how we're balancing things out, and again, we do believe we'll be able to finance this capital expenditure plan with that over the coming five-year period.



Michael Lapidès - *Goldman Sachs - Analyst*

Got it. So no real plans for equity or significant debt at the holding company to infuse as equity into the operating company?

Marty Lyons - *Ameren Corporation - EVP and CFO*

That is correct. That's absolutely correct. I think one thing, too, to keep in mind longer term, these -- over time we'll be able to monetize some of the tax assets that we have up at the parent. We've got quite a bit of tax assets built up overall, about \$760 million, but about \$460 million or so of that is really at the parent company, and it's something that over time we'll be able to monetize as well.

Michael Lapidès - *Goldman Sachs - Analyst*

Got it. One last one, and this is really -- I don't know if this is Warner or for Michael, but when you're thinking about the proceeding in Missouri to help improve rate making processes, I know some of the testimony filing dates have already passed, and honestly, it didn't look like there was -- it didn't look like there was lots of -- there were lots of suggestions of very specific things that other intervenors besides you guys really were recommending. More the testimony seemed like it was more, please, don't this or don't do that but not as much of please do this or please do that. How do you think the commission kind of takes it from there? If you think about it as this is a giant kind of a caldron, a boiling pot or lots of things can come out of this, how do you think about what the options that the commission actually looks at are based on what's been filed in the public testimony?

Warner Baxter - *Ameren Corporation - Chairman, President and CEO*

Michael, this is Warner. I'll take a shot at it, and then I'll let Michael add some more of the details on that. Number one, I think I would start with this. This is a positive development that we're talking about the need to address Missouri's aging infrastructure and seeking solutions, especially outside of the legislative session. I see that these proceedings that are being conducted both by the Missouri Public Service Commission and the Senate interim committee an opportunity for stakeholders really to come together to not only share ideas, to share differences and to try and find a constructive path forward. While maybe some of the filings included things that the intervenors or others did not want to see, that's informative.

Secondly, I know that Ameren Missouri and then certainly the utility group, they filed specific suggestions and there was a host of suggestions to try and address this issue. I fully expected the commission to carefully look at these things, to engage with stakeholders, as well as the Senate interim committee, to try and advance Missouri forward. Because as we've been consistent, we strongly believe that this is not only an opportunity but one of these things that it's really imperative for Missouri to move forward with the constructive policies. We're encouraged by these developments. We look forward to engaging with the key stakeholders. Michael, you've been working with some of the more specific key stakeholders, anything you'd like to add in terms of the overall process and where things go from here?

Michael Moehn - *Ameren Corporation - Chairman and President of Ameren Missouri*

Perfect, Warren. Thanks for the question, Michael. I think that where we are today is a positive, as Warner said. There's a great deal of dialogue that's occurring, and I think that given where the various stakeholders are, it's not terribly surprising. I think that the Commission is being very constructive in its process. We'll have a couple more rounds of testimony as we move through it. As Warner, said the interim Senate committee is going to hold some hearings in the very near future. They're really looking to get some outside perspectives.

I think to me, the one thing that's really positive in all of this is there's a recognition of the issue. Now, there's not tremendous consensus on what the solution is yet but there's a recognition of the issue. That's where this whole thing starts. Once we have the problem identified we can figure out how to go about it and come through, through debate and dialogue, come up with the right solution. I think it's a positive first step. Hard to predict where it's going to go, but both, I think the Commission-ordered process as well as the interim Senate committee, are driving towards an early December date with ample time to work something through the legislative process.

Michael Lapidès - *Goldman Sachs - Analyst*

Got it. Thanks guys. Much appreciated.

Warner Baxter - *Ameren Corporation - Chairman, President and CEO*

Sure, Michael.

Operator

Our next question comes from Paul Patterson with Glenrock Associates. Please state your question.

Paul Patterson - *Glenrock Associates - Analyst*

Good morning.

Warner Baxter - *Ameren Corporation - Chairman, President and CEO*

Good morning, Paul.

Paul Patterson - *Glenrock Associates - Analyst*

Just a few quick follow-ups. Most of my questions have been answered but the tax asset monetization you were referring to, is that just over the course of business, or is there any potential transaction that might be contemplated (inaudible). I was just wondering if you could elaborate a little further on that.

Marty Lyons - *Ameren Corporation - EVP and CFO*

Really expect it to be monetized just over the course of business. As we go through time, what will happen is that, as the -- as we have taxable earnings and we have taxes due, what will happen over time is that the utilities will burn off their tax assets, the utilities will then pay taxes up to the parent. The parent will be able to monetize this -- have this tax shield of the \$460 million that I spoke about and then ultimately once that's burned through, Ameren Corp becomes a taxpayer, which is out in the 2021 time frame is when we project today.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. On Illinois, there's a lot of legislative discussion there regarding the nuke stuff that EXELON's asking for but also others are asking for sort of renewable stuff, et cetera, and there's been some discussion of an omnibus bill. There's a discussion of singlized (inaudible) kind of things. I was just wondering, is there any opportunity there for you guys, given your formula rate plan, everything else for additional investments or additional opportunity, or any thoughts or risks, or any thoughts that you guys have that -- in terms of seeing what's going on in Illinois?

Warner Baxter - *Ameren Corporation - Chairman, President and CEO*

Paul, this is Warner again. The simple answer is yes. We're at the table with key stakeholders and as EXELON and others have promoted plans or potential pieces of legislation, we have provided input, and we have provided input that we believe that will encourage some additional investments



that we believe will benefit customers, but also to make sure that it's balanced for certainly the southern part of the Illinois as well as the northern part of the Illinois. It's all part of the framework, and so we think there are there are opportunities.

Whether that will be a legislative effort that will be the priority for this legislature here in the short term remains to be seen. They obviously are very focused on addressing some budget issues and so once those matters are addressed, perhaps then energy legislation will come to the forefront, but the bottom line is we're engaged. We're simply engaged with them. Richard Mark oversees our operations there. Richard, would you have anything else to add to that?

Richard Mark - Ameren Corporation - Chairman and President of Ameren Illinois

No, I think you put it well, Warner. I think we're at the table with stakeholders. We're watching the legislation very closely. In Illinois right now, I think the primary focus of the legislature is trying to get some of the state budget issues resolved.

Paul Patterson - Glenrock Associates - Analyst

Right, sure. Finally, on the Mark Twain, you guys mentioned the assent process of the counties. Is that going well? Is that working out, as just as a sort of a follow-up from -- was just wondering what, if there was anything, going on there?

Warner Baxter - Ameren Corporation - Chairman, President and CEO

We'll have Maureen Borkowski, who oversees our transmissions operations, she'll be able to give you some input on that.

Maureen Borkowski - Ameren Corporation - Chairman and President of Ameren Transmission Company and Ameren Transmission Company of Illinois

Hi, this is Maureen. Everything with Mark Twain is going as per schedule. We're basically preparing the packets of information to demonstrate to each county that we meet the statutory requirement of safely crossing public roadways. We've continued to have dialogue with each of the commissioners in each of the five counties to move that forward. Everything's on schedule at this point.

Paul Patterson - Glenrock Associates - Analyst

Great. Thanks so much.

Warner Baxter - Ameren Corporation - Chairman, President and CEO

Sure.

Operator

Our last question comes from Steve Fleishman with Wolfe Research. Please state your question.

Steve Fleishman - Wolfe Research - Analyst

Yes, hi, good morning.



Warner Baxter - Ameren Corporation - Chairman, President and CEO

Good morning, Steve.

Marty Lyons - Ameren Corporation - EVP and CFO

Good morning, Steve.

Steve Fleishman - Wolfe Research - Analyst

I wanted to give you a rare compliment for basically staying disciplined in this Westar M&A process. Usually people congratulate on doing deals but sometimes best not to. Just on that front, though, could you maybe just give a sense of how important M&A is to the plan, or is it pretty much focus on the core rate base growth and is kind of more opportunistic?

Warner Baxter - Ameren Corporation - Chairman, President and CEO

Steve, this is Warner. Let me comment squarely on this. Our focus is on the strategic plan we laid out right at the outset. That focus, as you can see, is on the organic growth in our business, which is driven by robust rate base growth, which we believe is going to deliver solid earnings per share growth. We've obviously talked about the dividend that goes along with it that is going to deliver what we think is a superior total shareholder return. As you said, we do believe the industry will continue to consolidate and certainly in the past we have obviously participated in some level of consolidation. The bottom line is we're focused on our organic growth plan. We're attentive to what's going on in the industry, and we'll simply just continue to execute, execute, execute, period.

Steve Fleishman - Wolfe Research - Analyst

Okay. Thank you.

Operator

I'm showing no further questions at this time, so I will turn it back to Mr. Fischer for closing remarks.

Doug Fischer - Ameren Corporation - Senior Director of IR

Thank you for participating in this call. Let me remind you again that a replay of the call will be available for one year on our website. If you have questions, you may call the contacts listed on our earnings release. Financial analyst inquiries should be directed to me, Doug Fischer, or my associate Andrew Kirk. Media should call Joe Muehlenkamp. Our contact numbers are on the release. Again, thank you for your interest in Ameren. Have a great Friday.

Operator

This concludes today's conference. Thank you for your participation. You may disconnect your lines at this time.



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