CENTRAL ILLINOIS LIGHT CO
Form 10-K
February 26, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(X) Annual report pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

for the fiscal year ended December 31, 2009
OR
( ) Transition report pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

for the transition period from ______ to ______.

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

	(314) 621-3222	
1-2732	**Central Illinois Light Company** (Illinois Corporation) 300 Liberty Street Peoria, Illinois 61602 (309) 677-5271	37-0211050
1-3004	**Illinois Power Company** (Illinois Corporation) 370 South Main Street Decatur, Illinois 62523 (217) 424-6600	37-0344645

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Securities Registered Pursuant to Section 12(b) of the Securities Exchange Act of 1934:

The following securities are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 and are listed on the New York Stock Exchange:

Registrant	Title of each class
Ameren Corporation	Common Stock, $0.01 par value per share

Securities Registered Pursuant to Section 12(g) of the Securities Exchange Act of 1934:

Registrant	Title of each class	
Union Electric Company	Preferred Stock, cumulative, no par value, stated value $100 per share:	
	$4.56 Series	$4.50 Series
	$4.00 Series	$3.50 Series
Central Illinois Public Service Company	Preferred Stock, cumulative, $100 par value per share:	
	6.625% Series	4.90% Series
	5.16% Series	4.25% Series
	4.92% Series	4.00% Series
	Depository Shares, each representing one-fourth of a share of 6.625% Preferred Stock, cumulative, $100 par value per share	
Central Illinois Light Company	Preferred Stock, cumulative, $100 par value per share:	
	4.50% Series	

Ameren Energy Generating Company and Illinois Power Company do not have securities registered under either Section 12(b) or 12(g) of the Securities Exchange Act of 1934.

Indicate by checkmark if each registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933.

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

Indicate by checkmark if each registrant is not required to file reports pursuant to Section 13 or Section 15(d) 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)
Central Illinois Light Company	Yes	( )	No	(X)
Illinois Power Company	Yes	( )	No	(X)

Indicate by checkmark 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.

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

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Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of each registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Ameren Corporation	( )
Union Electric Company	(X)
Central Illinois Public Service Company	(X)
Ameren Energy Generating Company	(X)
Central Illinois Light Company	(X)
Illinois Power Company	(X)

Indicate by checkmark whether each registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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

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

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

Indicate by checkmark 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)
Central Illinois Light Company	Yes	( )	No	(X)
Illinois Power Company	Yes	( )	No	(X)

As of June 30, 2009, Ameren Corporation had 214,228,275 shares of its $0.01 par value common stock outstanding. The aggregate market value of these shares of common stock (based upon the closing price of these shares on the New York Stock Exchange on that date) held by nonaffiliates was $5,332,141,765. The shares of common stock of the other registrants were held by affiliates as of June 30, 2009.

The number of shares outstanding of each registrant s classes of common stock as of January 29, 2010, was as follows:

Ameren Corporation	Common stock, $0.01 par value per share: 237,503,643
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 Resources Company, LLC (parent company of the registrant and subsidiary of Ameren Corporation): 2,000
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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DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement of Ameren Corporation and portions of the definitive information statements of Union Electric Company, Central Illinois Public Service Company, and Central Illinois Light Company for the 2010 annual meetings of shareholders are incorporated by reference into Part III of this Form 10-K.

OMISSION OF CERTAIN INFORMATION

Ameren Energy Generating Company meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format allowed under that General Instruction.

This combined Form 10-K is separately filed by Ameren Corporation, Union Electric Company, Central Illinois Public Service Company, Ameren Energy Generating Company, Central Illinois Light Company, and Illinois Power Company. Each registrant hereto is filing on its own behalf all of the information contained in this annual 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-K contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements should be read with the cautionary statements and important factors included on pages 3 and 4 of this Form 10-K under the heading Forward-looking Statements. Forward-looking statements are all statements other than statements of historical fact, including those statements that are identified by the use of the words anticipates, estimates, expects, intends, plans, predicts, projects, and similar expressions.

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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.

2007 Illinois Electric Settlement Agreement A comprehensive settlement of issues in Illinois arising out of the end of ten years of frozen electric rates, effective January 2, 2007. The settlement, which became effective on August 28, 2007, was designed to avoid new rate rollback and freeze legislation and legislation that would impose a tax on electric generation in Illinois. The settlement addressed the issue of power procurement, and it included a comprehensive rate relief and customer assistance program.

AERG AmerenEnergy Resources Generating Company, a CILCO subsidiary that operates a merchant electric generation business in Illinois.

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

AITC Ameren Illinois Transmission Company, an Ameren Corporation subsidiary that is engaged in the construction and operation of transmission assets in Illinois and is regulated by the ICC.

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

Ameren Companies The individual registrants within the Ameren consolidated group.

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

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

AMIL The balancing authority area operated by Ameren, which includes the load of the Ameren Illinois Utilities and the generating assets of Genco and AERG.

AMMO The balancing authority area operated by Ameren, which includes the load and generating assets of UE.

AMT Alternative minimum tax.

ARO Asset retirement obligations.

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

Btu British thermal unit, a standard unit for measuring the quantity of heat energy required to raise the temperature of one pound of water by one degree Fahrenheit.

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 transmission and distribution business, a merchant electric generation business through AERG, and a rate-regulated natural gas transmission and distribution business, 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 its merchant generation subsidiary. CILCORP ceased filing periodic and current reports with the SEC under the Exchange Act as a result of the covenant defeasance of its remaining outstanding senior bonds.

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.

CO_2 Carbon dioxide.

COLA Combined nuclear plant construction and operating license application.

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

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

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

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

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

Dth (dekatherm) One million Btus of natural gas.

EEI Electric Energy, Inc., an 80%-owned Ameren Corporation subsidiary that operates merchant electric generation facilities and FERC-regulated transmission facilities in Illinois. Prior to February 29, 2008, EEI was 40% owned by UE and 40% owned by Development Company. On February 29, 2008, UE s 40% ownership interest and Development Company s 40% ownership interest were transferred to Resources Company. The remaining 20% is owned by Kentucky Utilities Company, a nonaffiliated entity. Effective January 1, 2010, in an internal reorganization, Resources Company contributed its 80% ownership interest in EEI to its subsidiary, Genco.

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

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

ERISA Employee Retirement Income Security Act of 1974, as amended.

Exchange Act Securities Exchange Act of 1934, as amended.

FAC A fuel and purchased power cost recovery mechanism that allows UE to recover, through customer rates, 95% of changes in fuel (coal, coal transportation, natural gas for generation, and nuclear) and purchased power costs, net of off-system revenues, including MISO costs and revenues, greater or less than the amount set in base rates, without a traditional rate proceeding.

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.

Fitch Fitch Ratings, a credit rating agency.

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

Fuelco Fuelco LLC, a limited-liability company that provides nuclear fuel management and services to its members. The members are UE, Luminant, and Pacific Gas and Electric Company.

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

Genco Ameren Energy Generating Company, a Resources Company subsidiary that operates a merchant 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.

IBEW International Brotherhood of Electrical Workers, a labor union.

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

Illinois Customer Choice Law Illinois Electric Service Customer Choice and Rate Relief Law of 1997, which provided for electric utility restructuring and was designed to introduce 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 natural gas transmission and distribution businesses of CIPS, CILCO, IP and AITC.

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

IP LLC Illinois Power Securitization Limited Liability Company, which was a special-purpose Delaware limited-liability company. It was dissolved in February 2009 because the remaining TFNs, with respect to which this entity was created, were redeemed by IP in September 2008.

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. It was dissolved in February 2009 because the remaining TFNs were redeemed by IP in September 2008.

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.

ISRS Infrastructure system replacement surcharge. A cost recovery mechanism in Missouri that allows UE to recover gas infrastructure replacement costs from utility customers without a traditional rate case.

IUOE International Union of Operating Engineers, a labor union.

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

MACT Maximum Achievable Control Technology.

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

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

Megawatthour One thousand kilowatthours.

Merchant Generation A financial reporting segment consisting primarily of the operations or activities of Genco, the CILCORP parent company, AERG, EEI, Medina Valley, and Marketing Company.

MGP Manufactured gas plant.

MISO Midwest Independent Transmission System Operator, Inc., an RTO.

MISO Energy and Operating Reserves Market A market that uses market-based pricing, incorporating transmission congestion and line losses, to compensate market participants for power and ancillary services.

Missouri Environmental Authority Environmental Improvement and Energy Resources Authority of the state of Missouri, a governmental body authorized to finance environmental projects by issuing tax-exempt bonds and notes.

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

Mmbtu One million Btus.

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

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

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

MPS Multi-Pollutant Standard, an agreement, as amended, reached in 2006 among Genco, CILCO (AERG), EEI and the Illinois EPA, which was codified in Illinois environmental regulations.

MTM Mark-to-market.

MW Megawatt.

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

NCF&O National Congress of Firemen and Oilers, a labor union.

NO_x Nitrogen oxide.

Noranda Noranda Aluminum, Inc.

NPNS Normal purchases and normal sales.

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

NSR New Source Review provisions of the Clean Air Act.

NYMEX New York Mercantile Exchange.

NYSE New York Stock Exchange, Inc.

OATT Open Access Transmission Tariff.

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

Off-system revenues Revenues from other than native load sales.

OTC Over-the-counter.

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

PJM PJM Interconnection LLC.

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

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

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

RFP Request for proposal.

RTO Regional Transmission Organization.

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.

SERC SERC Reliability Corporation, one of the regional electric reliability councils organized for coordinating the planning and operation of the nation s bulk power supply.

SO_2 Sulfur dioxide.

TFN Transitional Funding Trust Notes issued by IP SPT as allowed under the Illinois Customer Choice Law. IP designated a portion of cash received from customer billings to pay the TFNs. The designated funds received by IP were remitted to IP SPT. The designated funds were restricted for the sole purpose of making payments of principal and interest on, and paying other fees and expenses related to, the TFNs. After the implementation of authoritative accounting guidance on the consolidation of variable-interest entities, IP did not consolidate IP SPT. In September 2008, IP redeemed the remaining TFNs.

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.

VIE Variable-interest entity.

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 UE, CIPS, CILCO and IP rate proceedings, and future rate proceedings or legislative actions that seek to limit or reverse rate increases;
- the effects of, or changes to, the Illinois power procurement process;
- changes in laws and other governmental actions, including monetary and fiscal policies;
- changes in laws or regulations that adversely affect the ability of electric distribution companies and other purchasers of wholesale electricity to pay their suppliers, including UE and Marketing Company;
- 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 on demand for our services resulting from technological advances, including advances in energy efficiency and distributed generation sources, which generate electricity at the site of consumption;
- increasing capital expenditure and operating expense requirements and our ability to recover these costs in a timely fashion in light of regulatory lag;
- the effects of participation in the MISO;
- the cost and availability of fuel such as coal, natural gas, and enriched uranium used to produce electricity; the cost and availability of purchased power and natural

gas for distribution; and the level and volatility of future market prices for such commodities, including the ability to recover the costs for such commodities;
the effectiveness of our risk management strategies and the use of financial and derivative instruments;
prices for power in the Midwest, including forward prices;
business and economic conditions, including their impact on interest rates, bad debt expense, and demand for our products;
disruptions of the capital markets or other events that make the Ameren Companies access to necessary capital, including short-term credit and liquidity, impossible, more difficult, or more costly;
our assessment of our liquidity;
the impact of the adoption of new accounting guidance and the application of appropriate technical accounting rules and guidance;
actions of credit rating agencies and the effects of such actions;
the impact of weather conditions and other natural phenomena on us and our customers;
the impact of system outages;
generation plant construction, installation and performance;
the recovery of costs associated with UE s Taum Sauk pumped-storage hydroelectric plant incident and investment in a COLA for a second unit at its Callaway nuclear plant;
impairments of long-lived assets or goodwill;
operation of UE s nuclear power facility, including planned and unplanned outages, and decommissioning costs;
the effects of strategic initiatives, including mergers, 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 and energy efficiency, will be enacted over time, which could limit, or terminate, the operation of certain of our generating units, increase our costs, reduce our customers demand for electricity or natural gas, or otherwise have a negative financial effect;
labor disputes, work force reductions, 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, credit facilities 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

ITEM 1. BUSINESS.

GENERAL

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005 administered by FERC. Ameren was formed in 1997 by the merger of UE and CIPSCO. Ameren acquired CILCORP in 2003 and IP in 2004. Ameren s primary assets are the common stock of its subsidiaries, including UE, CIPS, Genco, CILCO and IP. Ameren s subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. These subsidiaries operate, as the case may be, rate-regulated electric generation, transmission, and distribution businesses, rate-regulated natural gas transmission and distribution businesses, and merchant generation businesses in Missouri and Illinois. Dividends on Ameren s common stock and the payment of other expenses by Ameren depend on distributions made to it by its subsidiaries.

As part of an internal reorganization, Resources Company transferred its 80% ownership interest in EEI to Genco, through a capital contribution, on January 1, 2010.

The following table presents our total employees at December 31, 2009:

Ameren[(a)]	9,780
UE	4,425
CIPS	657
Genco	553
CILCO	1,183
IP	1,132

(a) Total for Ameren includes Ameren registrant and nonregistrant subsidiaries.

As of January 1, 2010, the IBEW, the IUOE, the NCF&O and the Laborers and Gas Fitters labor unions collectively represented about 59% of Ameren s total employees. They represented 64% of the employees at UE, 83% at CIPS, 72% at Genco, 38% at CILCO, and 90% at IP. All collective bargaining agreements that expired in 2009 have been renegotiated and ratified. Most of the collective bargaining agreements have three- to five-year terms, and expire between 2011 and 2013.

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In 2009, Ameren initiated a voluntary separation program that provided eligible management employees the opportunity to voluntarily terminate their employment and receive benefits consistent with Ameren s standard management severance program. This program was offered to eligible management employees at Ameren s subsidiaries, including UE, CIPS, Genco, CILCO and IP. Additionally, Ameren initiated an involuntary separation program to reduce additional management positions under terms and benefits consistent with Ameren s standard management severance program. In the third quarter of 2009, Genco announced operational changes and staff reductions at three of its generating facilities. The affected three plants were the Meredosia, Grand Tower, and Hutsonville plants. In addition, Genco retired two of the four units at its Meredosia plant. The Grand Tower plant will be operated seasonally from May through September; a very limited staff will maintain the plant during the other months. The number of positions eliminated as a result of these separation programs and operational changes was approximately 300.

For additional information about the development of our businesses, our business operations, and factors affecting our operations and financial position, see Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report and Note 1 Summary of Significant Accounting Policies under Part II, Item 8, of this report.

BUSINESS SEGMENTS

Ameren has three reportable segments: Missouri Regulated, Illinois Regulated, and Merchant Generation. CILCO has two reportable segments: Illinois Regulated and Merchant Generation. See Note 18 Segment Information under Part II, Item 8, of this report for additional information on reporting segments.

RATES AND REGULATION

Rates

The rates that UE, CIPS, CILCO and IP are allowed to charge for their utility services significantly influence the results of operations, financial position, and liquidity of these companies and Ameren. The electric and natural gas utility industry is highly regulated. The utility rates charged to UE, CIPS, CILCO and IP customers are determined, in large part, by governmental entities, including the MoPSC, the ICC, and FERC. Decisions by these entities are influenced by many factors, including the cost of providing service, the prudency of expenditures, the quality of service, regulatory staff knowledge and experience, economic conditions, public policy, and social and political views, and are largely outside of our control. Decisions made by these governmental entities regarding rates, as well as the regulatory lag involved in filing and getting new rates approved, could have a material impact on the results of operations, financial position, and liquidity of Ameren, UE, CIPS, CILCO and IP.

The ICC regulates rates and other matters for CIPS, CILCO and IP. The MoPSC regulates rates and other matters

for UE. The FERC regulates UE, CIPS, Genco, CILCO and IP as to their ability to charge market-based rates for the sale and transmission of energy in interstate commerce and various other matters discussed below under General Regulatory Matters.

About 38% of Ameren s electric and 14% of its gas operating revenues were subject to regulation by the MoPSC in the year ended December 31, 2009. About 39% of Ameren s electric and 86% of its gas operating revenues were subject to regulation by the ICC in the year ended December 31, 2009. Wholesale revenues for UE, Genco and AERG are subject to FERC regulation, but not subject to direct MoPSC or ICC regulation.

Missouri Regulated

Electric

About 83% of UE s electric operating revenues were subject to regulation by the MoPSC in the year ended December 31, 2009. Effective March 1, 2009, as a result of a MoPSC electric rate order issued in January 2009, UE s retail electric rates include a FAC for billing adjustments for changes in prudently incurred fuel and purchased power costs.

FERC regulates the rates charged and the terms and conditions for electric transmission services. Each RTO separately files regional transmission tariff rates for approval by FERC. All members within that RTO are then subjected to those rates. As a member of MISO, UE s transmission rate is calculated in accordance with MISO s rate formula. The transmission rate is updated in June of each year based on FERC filings. This rate is charged directly to wholesale customers. This rate is not directly charged to Missouri retail customers because the MoPSC includes transmission-related costs in setting bundled retail rates in Missouri.

Natural Gas

All of UE s natural gas operating revenues were subject to regulation by the MoPSC in the year ended December 31, 2009.

If certain criteria are met, UE s natural gas rates may be adjusted without a traditional rate proceeding. PGA clauses permit prudently incurred natural gas costs to be passed directly to the consumer. The ISRS also permits prudently incurred natural gas infrastructure replacement costs to be passed directly to the consumer.

As part of a 2007 stipulation and agreement approved by the MoPSC that authorized an increase in annual natural gas delivery revenues of $6 million effective April 1, 2007, UE agreed not to file a natural gas delivery rate case before March 15, 2010. This agreement did not prevent UE from filing to recover gas infrastructure replacement costs through an ISRS during this three-year rate moratorium. Since April 1, 2007, the MoPSC has approved three separate requests from UE for an ISRS to recover annual revenues of $3 million, in the aggregate. These surcharges remain in place until new rates go into effect.

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For additional information on Missouri rate matters, including UE s pending electric rate case and UE s 2009 electric rate order, see Results of Operations and Outlook in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, Quantitative and Qualitative Disclosures About Market Risk under Part II, Item 7A, and Note 2 Rate and Regulatory Matters, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

Illinois Regulated

The following table presents the approximate percentage of electric and natural gas operating revenues subject to regulation by the ICC for each of the Illinois Regulated companies for the year ended December 31, 2009:

	Electric	Natural Gas
CIPS	100%	100%
CILCO[(a)]	41	100
IP	100	100

(a) AERG s revenues are not subject to ICC regulation.

Under the Illinois Customer Choice Law, all electric customers in Illinois may choose their own electric energy provider. However, the Ameren Illinois Utilities are required to serve as the provider of last resort (POLR) for electric customers within their territory who have not chosen an alternative retail electric supplier. The Ameren Illinois Utilities obligation to provide full requirements electric service, including power supply, as a POLR varies by customer size. The Ameren Illinois Utilities are not required to offer fixed priced electric service to many of their largest customers with electric demands of 400 kilowatts or greater, as this group of customers has been declared competitive. The power procurement costs incurred by the Ameren Illinois Utilities are passed directly to their customers through a cost recovery mechanism.

Environmental adjustment rate riders authorized by the ICC permit the recovery of prudently incurred MGP remediation and litigation costs from CIPS , CILCO s and IP s Illinois electric and natural gas utility customers. In addition, IP has a tariff rider to recover the costs of asbestos-related litigation claims, subject to the following terms: 90% of cash expenditures in excess of the amount included in base electric rates is recoverable by IP from a trust fund established by IP. At December 31, 2009, the trust fund balance was $23 million, including accumulated interest. If cash expenditures are less than the amount in base rates, IP will contribute 90% of the difference to the fund. Once the trust fund is depleted, 90% of allowed cash expenditures in excess of base rates will be recoverable through charges assessed to customers under the tariff rider.

In 2009, a new law became effective in Illinois that allows electric and natural gas utilities to recover through a rate adjustment the difference between their actual bad debt expense and the bad debt expense included in their base rates. In February 2010, the ICC approved the Ameren Illinois Utilities electric and natural gas rate adjustment tariffs to recover bad debt expense not recovered in base rates.

If certain criteria are met, CIPS , CILCO s and IP s natural gas rates may be adjusted without a traditional rate proceeding. PGA clauses permit prudently incurred natural gas costs to be passed directly to the consumer.

FERC regulates the rates charged and the terms and conditions for electric transmission services. Each RTO separately files regional transmission tariff rates for approval by FERC. All members within that RTO are then subjected to those rates. As members of MISO, the Ameren Illinois Utilities transmission rate is calculated in accordance with MISO s rate formula. The transmission rate is updated in June of each year based on FERC filings. This rate is charged directly to wholesale customers and alternative retail electric suppliers. For retail customers who have not chosen an alternative retail electric supplier, the transmission rate is collected through a rider mechanism.

For additional information on Illinois rate matters, including the currently pending electric and natural gas rate cases, see Results of Operations and Outlook in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, Quantitative and Qualitative Disclosures About Market Risk under Part II, Item 7A, and Note 2 Rate and Regulatory Matters, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

Merchant Generation

Merchant Generation revenues are determined by market conditions and contractual arrangements. We expect the Merchant Generation fleet of assets to have 6,370 megawatts of capacity available for the 2010 peak summer electrical demand. As discussed below, Genco, AERG and EEI sell all of their power and capacity to Marketing Company through power supply agreements. Marketing Company attempts to optimize the value of those assets and mitigate risks through a variety of hedging techniques, including wholesale sales of capacity and energy, retail sales in the non-rate-regulated Illinois market, spot market sales primarily in MISO and PJM, and financial transactions. Marketing Company enters into long-term and short-term contracts. Marketing Company s counterparties include cooperatives, municipalities, commercial and industrial customers, power marketers, MISO, and investor-owned utilities such as the Ameren Illinois Utilities. For additional information on Marketing Company s hedging activities and Marketing Company s sales to the Ameren Illinois Utilities, see Outlook in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7 and Note 7 Derivative Financial Instruments and Note 14 Related Party Transactions under Part II, Item 8, of this report.

General Regulatory Matters

UE, CIPS, CILCO and IP must receive FERC approval to issue short-term debt securities and to conduct certain acquisitions, mergers and consolidations involving electric utility holding companies having a value in excess of $10 million. In addition, these Ameren utilities must receive authorization from the applicable state public utility regulatory agency to issue stock and long-term debt securities (with maturities of more than 12 months) and to conduct mergers, affiliate transactions, and various other activities. Genco, AERG and EEI are subject to FERC s jurisdiction when they issue any securities.

Under PUHCA 2005, FERC and any state public utility regulatory agencies may access books and records of Ameren and its subsidiaries that are determined to be relevant to costs incurred by Ameren s rate-regulated subsidiaries with respect to jurisdictional rates. PUHCA 2005 also permits Ameren, the ICC, or the MoPSC to request that FERC review cost allocations by Ameren Services to other Ameren companies.

Operation of UE s Callaway nuclear plant is subject to regulation by the NRC. Its facility operating license expires on June 11, 2024. UE intends to submit a license extension application with the NRC to extend the plant s operating license to 2044. UE s Osage hydroelectric plant and UE s Taum Sauk pumped-storage hydroelectric plant, as licensed projects under the Federal Power Act, are subject to FERC regulations affecting, among other things, the general operation and maintenance of the projects. The license for UE s Osage hydroelectric plant expires on March 30, 2047, and the license for UE s Taum Sauk plant expires on June 30, 2010. In June 2008, UE filed an application with FERC to relicense its Taum Sauk plant for another 40 years. Approval and relicensure are expected in 2012. Operations are permitted to continue under the current license while the application for relicensing is pending. The Taum Sauk plant is currently out of service. It is being rebuilt due to a major breach of the upper reservoir in December 2005. UE expects the Taum Sauk plant to become operational in the second quarter of 2010. UE s Keokuk plant and its dam, in the Mississippi River between Hamilton, Illinois, and Keokuk, Iowa, are operated under authority granted by an Act of Congress in 1905.

For additional information on regulatory matters, see Note 2 Rate and Regulatory Matters and Note 15 Commitments and Contingencies under Part II, Item 8, of this report, which include a discussion about the December 2005 breach of the upper reservoir at UE s Taum Sauk pumped-storage hydroelectric plant.

Environmental Matters

Certain of our operations are subject to federal, state, and local environmental statutes or regulations relating to the safety and health of personnel, the public, and the environment. These environmental statutes and regulations include requirements for identification, generation, storage, handling, transportation, disposal, recordkeeping, labeling, reporting, and emergency response in connection with hazardous and toxic materials, safety and health standards, and environmental protection requirements, including standards and limitations relating to the discharge of air and water pollutants and the management of waste and byproduct materials. Failure to comply with those statutes or regulations could have material adverse effects on us. We could be subject to criminal or civil penalties by regulatory

agencies. We could be ordered to make payment to private parties by the courts. Except as indicated in this report, we believe that we are in material compliance with existing statutes and regulations.

For additional discussion of environmental matters, including NO_x, SO_2, and mercury emission reduction requirements, global climate change, remediation efforts and UE s receipt in January 2010 of a Notice of Violation from the EPA alleging violations of the Clean Air Act s NSR and New Source Performance Standards (NSPS) provisions, see Liquidity and Capital Resources in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

SUPPLY FOR ELECTRIC POWER

Ameren owns an integrated transmission system that comprises the transmission assets of UE, CIPS, CILCO, IP and AITC. Ameren also operates two balancing authority areas, AMMO (which includes UE) and AMIL (which includes CIPS, CILCO, IP, AITC, Genco and AERG). During 2009, the peak demand in AMMO was 8,081 MW and in AMIL was 8,607 MW. The Ameren transmission system directly connects with 15 other balancing authority areas for the exchange of electric energy.

UE, CIPS, CILCO and IP are transmission-owning members of MISO. Transmission service on the UE, CIPS, CILCO and IP transmission systems is provided pursuant to the terms of the MISO OATT on file with FERC. EEI operates its own balancing authority area and its own transmission facilities in southern Illinois. The EEI transmission system is directly connected to MISO and TVA. EEI s generating units are dispatched separately from those of UE, Genco and AERG.

The Ameren Companies and EEI are members of SERC. SERC is responsible for the bulk electric power supply system in much of the southeastern United States, including all or portions of Missouri, Illinois, Arkansas, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Mississippi, Alabama, Louisiana, Virginia, Florida, Oklahoma, Iowa, and Texas.

See Note 2   Rate and Regulatory Matters under Part II, Item 8, of this report for additional information.

Missouri Regulated

UE s electric supply is obtained primarily from its own generation. Factors that could cause UE to purchase power include, among other things, absence of sufficient owned generation, plant outages, the fulfillment of renewable energy requirements, the failure of suppliers to meet their power supply obligations, extreme weather conditions, and the availability of power at a cost lower than the cost of generating it.

UE continues to evaluate its longer-term needs for new baseload and peaking electric generation capacity. UE s integrated resource plan filed with the MoPSC in February 2008 included the expectation that new baseload generation capacity would be required in the 2018 to 2020 time frame. Due to the significant time required to plan, acquire permits for, and build a baseload power plant, UE is actively studying future plant alternatives, including energy efficiency programs that could help defer new plant construction. UE s 2008 integrated resource plan included proposals to pursue energy efficiency programs, expand the role of renewable energy sources in UE s overall generation mix, increase operational efficiency at existing power plants, and possibly retire some generating units that are older and less efficient. UE will file a new integrated resource plan with the MoPSC in 2011.

See also Outlook in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7 and Note 2 Rate and Regulatory Matters and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

Illinois Regulated

As of January 1, 2007, CIPS, CILCO and IP were required to obtain from market sources all electric supply requirements for customers, except those declared competitive, who did not purchase electric supply from third-party suppliers. The power procurement costs incurred by CIPS, CILCO and IP are passed directly to their customers through a cost recovery mechanism.

In September 2006, a reverse power procurement auction was held, as a result of which CIPS, CILCO and IP entered into power supply contracts with the winning bidders, including Marketing Company. Under these contracts, the electric suppliers are responsible for providing to CIPS, CILCO and IP energy, capacity, certain transmission, volumetric risk management, and other services necessary for the Ameren Illinois Utilities to serve the electric load needs of fixed-price residential and small commercial customers (with less than one MW of demand) at an all-inclusive fixed price. These contracts commenced on January 1, 2007, with one-third of the supply contracts expiring in May 2008, 2009 and 2010.

As part of the 2007 Illinois Electric Settlement Agreement, the reverse power procurement auction process was discontinued and a new competitive power procurement process led by the IPA beginning in 2009 was established. In January 2009, the ICC approved the electric power procurement plan filed by the IPA for both the Ameren Illinois Utilities and Commonwealth Edison Company. The plan outlined the wholesale products that the IPA procured on behalf of the Ameren Illinois Utilities for the period June 1, 2009, through May 31, 2014. The IPA procured capacity, energy swaps, and renewable energy credits through an RFP process on behalf of the Ameren

Illinois Utilities in the second quarter of 2009. In August 2009, the IPA submitted its plan to the ICC for procurement of electric power for the Ameren Illinois Utilities and Commonwealth Edison Company for the period June 1, 2010, through May 31, 2015. The plan was modified and approved by the ICC in December 2009. The IPA will procure energy swaps, capacity and renewable energy credits, and long-term renewable supply.

A portion of the electric power supply required for the Ameren Illinois Utilities to satisfy their distribution customers requirements is purchased from Marketing Company on behalf of Genco, AERG and EEI. Also as part of the 2007 Illinois Electric Settlement Agreement, the Ameren Illinois Utilities entered into financial contracts with Marketing Company (for the benefit of Genco and AERG) to lock in energy prices for 400 to 1,000 megawatts annually of their round-the-clock power requirements during the period June 1, 2008, through December 31, 2012, at relevant market prices at that time. These financial contracts do not include capacity, are not load-following products, and do not involve the physical delivery of energy.

See Note 2 Rate and Regulatory Matters, Note 14 Related Party Transactions and Note 15 Commitments and Contingencies under Part II, Item 8, of this report for additional information on power procurement in Illinois.

Merchant Generation

Genco and AERG have entered into power supply agreements with Marketing Company whereby Genco and AERG sell and Marketing Company purchases all the capacity available from Genco s and AERG s generation fleets and the associated energy. These power supply agreements continue through December 31, 2022, and from year to year thereafter unless either party elects to terminate the agreement by providing the other party with no less than six months advance written notice. EEI and Marketing Company have entered into a power supply agreement for EEI to sell all of its capacity and energy to Marketing Company. This agreement expires on December 31, 2015. All of Genco s, AERG s and EEI s generating facilities compete for the sale of energy and capacity in the competitive energy markets through Marketing Company. See Note 14 Related Party Transactions under Part II, Item 8, of this report for additional information.

Factors that could cause Marketing Company to purchase power for the Merchant Generation business segment include, among other things, absence of sufficient owned generation, plant outages, the fulfillment of renewable energy requirements, the failure of suppliers to meet their power supply obligations, extreme weather conditions, and the availability of power at a cost lower than the cost of generating it.

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FUEL FOR POWER GENERATION

The following table presents the source of electric generation by fuel type, excluding purchased power, for the years ended December 31, 2009, 2008 and 2007:

	Coal	Nuclear	Natural Gas	Hydroelectric	Oil
Ameren:[(a)]					
2009	**83%**	**13%**	**1%**	**3%**	**(b)%**
2008	85	12	1	2	(b)
2007	84	12	2	2	(b)
Missouri Regulated:					
UE:					
2009	**75%**	**21%**	**(b)%**	**4%**	**-%**
2008	77	19	1	3	(b)
2007	76	19	2	3	(b)
Merchant Generation:					
Genco:					
2009	**99%**	**-%**	**1%**	**-%**	**(b)%**
2008	99	-	1	-	(b)
2007	96	-	4	-	(b)
CILCO (AERG):					
2009	**100%**	**-%**	**(b)%**	**-%**	**-%**
2008	99	-	1	-	-
2007	99	-	1	-	(b)
EEI:					
2009	**100%**	**-%**	**-%**	**-%**	**-%**
2008	100	-	-	-	-
2007	100	-	-	-	-
Total Merchant Generation:					
2009	**99%**	**-%**	**1%**	**-%**	**(b)%**
2008	99	-	1	-	(b)
2007	98	-	2	-	(b)

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(b) Less than 1% of total fuel supply.

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The following table presents the cost of fuels for electric generation for the years ended December 31, 2009, 2008 and 2007:

Cost of Fuels (Dollars per million Btus)	**2009**	**2008**	**2007**
Ameren:			
Coal[(a)]	**$ 1.654**	$ 1.572[(b)]	$ 1.399
Nuclear	**0.620**	0.493	0.490
Natural gas[(c)]	**8.685**	10.503	7.939
Weighted average all fuels[(d)]	**$ 1.591**	$ 1.573[(b)]	$ 1.462
Missouri Regulated:			
UE:			
Coal[(a)]	**$ 1.534**	$ 1.426	$ 1.284
Nuclear	**0.620**	0.493	0.490
Natural gas[(c)]	**8.544**	10.264	7.580
Weighted average all fuels[(d)]	**$ 1.386**	$ 1.340	$ 1.271
Merchant Generation:			
Genco:			
Coal[(a)]	**$ 1.877**	$ 1.958[(b)]	$ 1.717
Natural gas[(c)]	**13.159**	15.857	8.440
Weighted average all fuels[(d)]	**$ 2.001**	$ 2.121[(b)]	$ 1.939
CILCO (AERG):			
Coal[(a)]	**$ 1.643**	$ 1.598	$ 1.309
Weighted average all fuels[(d)]	**$ 1.673**	$ 1.721	$ 1.450
EEI:			
Coal[(a)]	**$ 1.855**	$ 1.438	$ 1.329
Total Merchant Generation:			
Coal[(a)]	**$ 1.813**	$ 1.746[(b)]	$ 1.545
Natural gas[(c)]	**8.796**	10.764	8.390
Weighted average all fuels[(d)]	**$ 1.934**	$ 1.919[(b)]	$ 1.759

(a) The fuel cost for coal represents the cost of coal, costs for transportation, which includes diesel fuel adders, and cost of emission allowances.
(b) Excludes impact of the Genco coal supply contract settlement under which Genco received a lump-sum payment of $60 million in July 2008 from a coal mine owner. See Note 1 Summary of Significant Accounting Policies under Part II, Item 8, of this report.
(c) The fuel cost for natural gas represents the cost of natural gas and firm and variable costs for transportation, storage, balancing, and fuel losses for delivery to the plant. In addition, the fixed costs for firm transportation and firm storage capacity are included in the calculation of fuel cost for the generating facilities.
(d) Represents all costs for fuels used in our electric generating facilities, to the extent applicable, including coal, nuclear, natural gas, oil, propane, tire chips, paint products, and handling. Oil, paint, propane, and tire chips are not individually listed in this table because their use is minimal.

Coal

UE, Genco, AERG and EEI have agreements in place to purchase a portion of their coal needs and to transport it to electric generating facilities through 2019. UE, Genco, AERG and EEI expect to enter into additional contracts to purchase coal from time to time. Coal supply agreements typically have an initial term of five years, with about 20% of the contracts expiring annually. Ameren burned 37.6 million tons (UE 21.3 million, Genco 7.9 million, AERG 4.0 million, EEI 4.4 million) of coal in 2009. See Part II, Item 7A Quantitative and Qualitative Disclosures About Market Risk of this report for additional information about coal supply contracts.

About 96% of Ameren s coal (UE 96%, Genco 99%, AERG 89%, EEI 100%) is purchased from the Powder River Basin in Wyoming. The remaining coal is typically purchased from the Illinois Basin. UE, Genco, AERG and EEI have a policy to maintain coal inventory consistent with their projected usage. Inventory may be adjusted because of uncertainties of supply due to potential

work stoppages, delays in coal deliveries, equipment breakdowns, and other factors. In the past, deliveries from the Powder River Basin have occasionally been restricted because of rail maintenance, weather, and derailments. As of December 31, 2009, coal inventories for UE, Genco, AERG and EEI were at targeted levels. Disruptions in coal deliveries could cause UE, Genco, AERG and EEI to pursue a strategy that could include reducing sales of power during low-margin periods, buying higher-cost fuels to generate required electricity, and purchasing power from other sources.

Nuclear

Developing nuclear fuel generally involves the mining and milling of uranium ore to produce uranium concentrates, the conversion of uranium concentrates to uranium hexafluoride gas, the enrichment of that gas, and the fabrication of the enriched uranium hexafluoride gas into usable fuel assemblies. UE has entered into uranium, uranium conversion, enrichment, and fabrication contracts to procure the fuel supply for its Callaway nuclear plant.

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Fuel assemblies for the 2010 spring refueling at UE s Callaway nuclear plant have been manufactured and delivered to the plant. UE also has agreements or inventories to price-hedge approximately 89% of Callaway s 2011 and 79% of Callaway s 2013 refueling requirements. UE has uranium (concentrate and hexafluoride) inventories and supply contracts sufficient to meet all of its uranium and conversion requirements at least through 2014. UE has enriched uranium inventories and enrichment supply contracts sufficient to satisfy enrichment requirements through 2012. Fuel fabrication services are under contract through 2010. UE expects to enter into additional contracts to purchase nuclear fuel. As a member of Fuelco, UE can join with other member companies to increase its purchasing power and opportunities for volume discounts. The Callaway nuclear plant normally requires refueling at 18-month intervals. The last refueling was completed in November 2008. The nuclear fuel markets are competitive, and prices can be volatile; however, we do not anticipate any significant problems in meeting our future supply requirements.

Natural Gas Supply

To maintain gas deliveries to gas-fired generating units throughout the year, especially during the summer peak demand, Ameren s portfolio of natural gas supply resources includes firm transportation capacity and firm no-notice storage capacity leased from interstate pipelines. UE, Genco and EEI primarily use the interstate pipeline systems of Panhandle Eastern Pipe Line Company, Trunkline Gas Company, Natural Gas Pipeline Company of America, and Mississippi River Transmission Corporation to transport natural gas to generating units. In addition to physical transactions, Ameren uses financial instruments, including some in the NYMEX futures market and some in the OTC financial markets, to hedge the price paid for natural gas.

UE, Genco and EEI s natural gas procurement strategy is designed to ensure reliable and immediate delivery of natural gas to their generating units. UE, Genco and EEI do this in two ways. They optimize transportation and storage options and minimize cost and price risk through various supply and price-hedging agreements that allow them to maintain access to multiple gas pools, supply basins, and storage. As of December 31, 2009, UE had price-hedged about 89% and Genco had price-hedged 100% of their expected natural gas supply requirements for generation in 2010. As of December 31, 2009, EEI did not have any of its required gas supply for generation hedged for price risk.

Renewable Energy

Illinois and Missouri have enacted laws requiring electric utilities to include renewable energy resources in their portfolios. Illinois requires renewable energy resources to equal or exceed 2% of the total electricity that each electric utility supplies to its eligible retail customers as of June 1, 2008, increasing to 10% by June 1, 2015, and to 25% by June 1, 2025. The Ameren Illinois Utilities have procured renewable energy credits under the ICC-approved RFP to meet this requirement through May 2010. See Note 2 Rate

and Regulatory Matters under Part II, Item 8, for additional information about the Illinois power procurement process. In Missouri, utilities will be required to purchase or generate electricity from renewable energy sources equaling at least 2% of native load sales by 2011, with that percentage increasing in subsequent years to at least 15% by 2021, subject to a 1% limit on customer rate impacts. At least 2% of each renewable energy portfolio requirement must be derived from solar energy. UE expects to satisfy the 2011 requirement with existing renewable generation in its current fleet along with a 15-year, 102-MW power purchase agreement with a wind farm operator in Iowa that began generation in 2009 and the 15-MW landfill gas project discussed below.

In September 2009, UE announced an agreement with a landfill owner to install CTs at a landfill site in St. Louis County, Missouri, which would generate approximately 15-MW of electricity by burning methane gas collected from the landfill. Construction of the CTs is expected to begin in 2010, and the CTs are expected to begin generating power in 2011. UE signed a 20-year supply agreement with the landfill owner to purchase methane gas.

Energy Efficiency

Ameren s regulated utilities have implemented energy efficiency programs to educate and help their customers become more efficient users of energy. A new law in Missouri allows electric utilities to recover costs related to MoPSC-approved energy efficiency programs. The new law could, among other things, allow UE to earn a return on its energy efficiency programs equivalent to the return UE could earn with supply-side capital investments, such as new power plants. UE introduced multiple energy efficiency programs in 2009. The goal of these recently announced and future UE energy efficiency programs is to reduce usage by 540-MW by 2025. UE has set up a website at www.uefficiency.com in order to provide more information to its customers regarding energy efficiency.

The Ameren Illinois Utilities are participating in the Illinois Clean Energy Community Foundation, a program that supports energy efficiency, promotes renewable energy, and provides educational opportunities. In June 2008, the ICC issued an order approving the Ameren Illinois Utilities electric energy efficiency plan as well as a cost recovery mechanism by which the program costs will be recovered from electric customers. In October 2008, the ICC issued an order approving the Ameren Illinois Utilities natural gas energy efficiency plan as well as a cost recovery mechanism by which the program costs will be recovered from natural gas customers. The Ameren Illinois Utilities have set up a website at www.actonenergy.com in order to provide more information to their customers regarding energy efficiency.

NATURAL GAS SUPPLY FOR DISTRIBUTION

UE, CIPS, CILCO and IP are responsible for the purchase and delivery of natural gas to their gas utility customers. UE, CIPS, CILCO and IP develop and manage a portfolio of gas supply resources. These include firm gas supply under term agreements with producers, interstate and intrastate firm transportation capacity, firm storage capacity leased from interstate pipelines, and on-system storage facilities to maintain gas deliveries to customers throughout the year and especially during peak demand. UE, CIPS, CILCO and IP primarily use the Panhandle Eastern Pipe Line Company, the Trunkline Gas Company, the Natural Gas Pipeline Company of America, the Mississippi River Transmission Corporation, and the Texas Eastern Transmission Corporation interstate pipeline systems to transport natural gas to their systems. In addition to physical transactions, financial instruments, including those entered into in the NYMEX futures market and in the OTC financial markets, are used to hedge the price paid for natural gas. See Part II, Item 7A Quantitative and Qualitative Disclosures About Market Risk of this report for additional information about natural gas supply contracts. Prudently incurred natural gas purchase costs are passed on to customers of UE, CIPS, CILCO and IP in Illinois and Missouri under PGA clauses, subject to prudency review by the ICC and the MoPSC.

For additional information on our fuel and purchased power supply, see Results of Operations, Liquidity and Capital Resources and Effects of Inflation and Changing Prices in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report. Also see Quantitative and Qualitative Disclosures About Market Risk under Part II, Item 7A, of this report, Note 1 Summary of Significant Accounting Policies, Note 7 Derivative Financial Instruments, Note 14 Related Party Transactions, Note 15 Commitments and Contingencies, and Note 16 Callaway Nuclear Plant under Part II, Item 8.

INDUSTRY ISSUES

We are facing issues common to the electric and natural gas utility industry and the merchant electric generation industry. These issues include:

- political and regulatory resistance to higher rates, especially in a recessionary economic environment;
- the potential for changes in laws, regulation, and policies at the state and federal level, including those resulting from election cycles;
- access to, and uncertainty in, the capital and credit markets;
- the potential for more intense competition in generation, supply and distribution, including new technologies;
- pressure on customer growth and usage in light of current economic conditions;
- the potential for reregulation in some states, including Illinois, which could cause electric distribution companies to build or acquire generation facilities and to purchase less power from electric generating companies such as Genco, AERG and EEI;
- changes in the structure of the industry as a result of changes in federal and state laws, including the formation of merchant generating and independent transmission entities and RTOs;
- increases or decreases in power prices due to the balance of supply and demand;
- the availability of fuel and increases or decreases in fuel prices;
- the availability of qualified labor and material, and rising costs;
- regulatory lag;
- negative free cash flows due to rising investments and the regulatory framework;
- continually developing and complex environmental laws, regulations and issues, including air-quality standards, mercury regulations, and increasingly likely greenhouse gas limitations and ash management requirements;
- public concern about the siting of new facilities;
- aging infrastructure and the need to construct new power generation, transmission and distribution facilities;
- proposals for programs to encourage or mandate energy efficiency and renewable sources of power;
- public concerns about nuclear plant operation and decommissioning and the disposal of nuclear waste; and
- consolidation of electric and natural gas companies.

We are monitoring these issues. Except as otherwise noted in this report, we are unable to predict what impact, if any, these issues will have on our results of operations, financial position, or liquidity. For additional information, see Risk Factors under Part I, Item 1A, and Outlook and Regulatory Matters in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, and Note 2 Rate and Regulatory Matters, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

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OPERATING STATISTICS

The following tables present key electric and natural gas operating statistics for Ameren for the past three years:

Electric Operating Statistics Year Ended December 31,	**2009**	2008	2007
Electric Sales kilowatthours (in millions):			
Missouri Regulated:			
Residential	**13,413**	13,904	14,258
Commercial	**14,510**	14,690	14,766
Industrial	**7,037**	9,256	9,675
Other	**1,655**	785	759
Native load subtotal	**36,615**	38,635	39,458
Off-system sales	**12,447**	10,457	10,984
Subtotal	**49,062**	49,092	50,442
Illinois Regulated:			
Residential			
Power supply and delivery service	**11,089**	11,667	11,857
Commercial			
Power supply and delivery service	**5,235**	6,095	7,232
Delivery service only	**6,797**	6,147	5,178
Industrial			
Power supply and delivery service	**514**	1,442	1,606
Delivery service only	**10,712**	11,300	11,199
Other	**546**	555	576
Native load subtotal	**34,893**	37,206	37,648
Merchant Generation:			
Nonaffiliate energy sales	**25,673**	26,395	25,196
Affiliate native energy sales	**3,529**	6,055	7,296
Subtotal	**29,202**	32,450	32,492
Eliminate affiliate sales	**(3,529)**	(6,055)	(7,296)
Eliminate Illinois Regulated/Merchant Generation common customers	**(5,566)**	(4,939)	(5,800)
Ameren total	**104,062**	107,754	107,486
Electric Operating Revenues (in millions):			
Missouri Regulated:			
Residential	**$ 982**	$ 948	$ 980
Commercial	**881**	838	839
Industrial	**314**	372	390
Other	**122**	108	93
Native load subtotal	**2,299**	2,266	2,302
Off-system sales	**401**	490	484
Subtotal	**$ 2,700**	$ 2,756	$ 2,786
Illinois Regulated:			
Residential			
Power supply and delivery service	**$ 1,094**	$ 1,112	$ 1,055
Commercial			
Power supply and delivery service	**521**	616	666
Delivery service only	**103**	77	54
Industrial			
Power supply and delivery service	**22**	102	105
Delivery service only	**36**	30	24
Other	**157**	285	372
Native load subtotal	**$ 1,933**	$ 2,222	$ 2,276
Merchant Generation:			
Nonaffiliate energy sales	**$ 1,340**	$ 1,389	$ 1,310
Affiliate native energy sales	**385**	441	461
Other	**(15)**	106	41
Subtotal	**$ 1,710**	$ 1,936	$ 1,812
Eliminate affiliate revenues	**(434)**	(547)	(591)
Ameren total	**$ 5,909**	$ 6,367	$ 6,283

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Electric Operating Statistics Year Ended December 31,	**2009**	2008	2007
Electric Generation megawatthours (in millions):			
Missouri Regulated	**48.7**	49.3	50.3
Merchant Generation:			
Genco	**13.4**	16.6	17.4
AERG	**6.8**	6.7	5.3
EEI	**7.1**	8.0	8.1
Medina Valley	**0.2**	0.2	0.2
Subtotal	**27.5**	31.5	31.0
Ameren total	**76.2**	80.8	81.3
Price per ton of delivered coal (average)	**$ 29.85**	$ 26.90[(a)]	$ 25.20
Source of energy supply:			
Coal	**67.0%**	70.1%	68.7%
Gas	**0.6**	0.8	1.8
Nuclear	**10.8**	9.5	9.4
Hydroelectric	**2.0**	1.8	1.6
Purchased and interchanged, net	**19.6**	17.8	18.5
	100.0%	100.0%	100.0%

Gas Operating Statistics Year Ended December 31,	**2009**	2008	2007
Gas Sales (millions of Dth)			
Missouri Regulated:			
Residential	**7**	8	7
Commercial	**4**	4	4
Industrial	**1**	1	1
Subtotal	**12**	13	12
Illinois Regulated:			
Residential	**60**	65	59
Commercial	**26**	28	25
Industrial	**7**	11	10
Subtotal	**93**	104	94
Other:			
Industrial	**3**	4	2
Subtotal	**3**	4	2
Eliminate affiliate sales	**-**	(1)	-
Ameren total	**108**	120	108
Natural Gas Operating Revenues (in millions)			
Missouri Regulated:			
Residential	**$ 106**	$ 121	$ 108
Commercial	**47**	54	47
Industrial	**10**	12	12
Other	**7**	14	7
Subtotal	**$ 170**	$ 201	$ 174
Illinois Regulated:			
Residential	**$ 646**	$ 819	$ 687
Commercial	**259**	338	272
Industrial	**38**	119	103
Other	**58**	(21)	39
Subtotal	**$ 1,001**	$ 1,255	$ 1,101
Other:			
Industrial	**$ 15**	$ 26	$ 16
Subtotal	**$ 15**	$ 26	$ 16
Eliminate affiliate revenues	**(5)**	(10)	(12)
Ameren total	**$ 1,181**	$ 1,472	$ 1,279
Peak day throughput (thousands of Dth):			
UE	**163**	158	155
CIPS	**280**	266	250
CILCO	**423**	399	401
IP	**650**	615	574
Total peak day throughput	**1,516**	1,438	1,380

(a)

Includes impact of the Genco coal settlement under which Genco received a lump-sum payment of $60 million in July 2008 from a coal mine owner. See Note 1   Summary of Significant Account Policies under Part II, Item 8, of this report.

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AVAILABLE INFORMATION

The Ameren Companies make available free of charge through Ameren s Web site (www.ameren.com) their annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Exchange Act as soon as reasonably possible after such reports are electronically filed with, or furnished to, the SEC. These documents are also available through an Internet Web site maintained by the SEC (www.sec.gov). Ameren also uses its Web site (www.ameren.com) as a channel of distribution of material information relating to the Ameren Companies. Financial and other material information regarding the Ameren Companies is routinely posted and accessible at Ameren s Web site.

The Ameren Companies also make available free of charge through Ameren s Web site (www.ameren.com) the charters of Ameren s board of directors audit and risk committee, human resources committee, nominating and corporate governance committee, finance committee, nuclear oversight committee, and public policy committee; the corporate governance guidelines; a policy regarding communications to the board of directors; a policy and procedures with respect to related-person transactions; a code of ethics for principal executive and senior financial officers; a code of business conduct applicable to all directors, officers and employees; and a director nomination policy that applies to the Ameren Companies. The information on Ameren s Web site, or any other Web site referenced in this report, is not incorporated by reference into this report.

ITEM 1A. RISK FACTORS.

Investors should review carefully the following risk factors and the other information contained in this report. The risks that the Ameren Companies face are not limited to those in this section. There may be additional risks and uncertainties (either currently unknown or not currently believed to be material) that could adversely affect the financial position, results of operations, and liquidity of the Ameren Companies. See Forward-looking Statements above and Outlook in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report.

The electric and gas rates that UE, CIPS, CILCO and IP are allowed to charge are determined through regulatory proceedings and are subject to legislative actions, which are largely outside of their control. Any such events that prevent UE, CIPS, CILCO or IP from recovering their respective costs or from earning appropriate returns on their investments could have a material adverse effect on future results of operations, financial position, and liquidity.

The rates that UE, CIPS, CILCO and IP are allowed to charge for their utility services significantly influence the results of operations, financial position, and liquidity of these companies and Ameren. The electric and natural gas utility industry is highly regulated. The utility rates charged to UE, CIPS, CILCO and IP customers are determined, in large part,

by governmental entities, including the MoPSC, the ICC, and FERC. Decisions by these entities are influenced by many factors, including the cost of providing service, the prudency of expenditures, the quality of service, regulatory staff knowledge and experience, economic conditions, public policy, and social and political views, and are largely outside of our control. Decisions made by these governmental entities regarding rates, as well as the regulatory lag involved in filing and getting new rates approved, could have a material adverse effect on results of operations, financial position, and liquidity.

UE, CIPS, CILCO and IP electric and gas utility rates are typically established in regulatory proceedings that take up to 11 months to complete. Rates established in those proceedings are primarily based on historical costs and revenues, and they include an allowed return on investments by the regulator.

Our company, and the industry as a whole, is going through a period of rising costs and investments. The fact that rates at UE, CIPS, CILCO and IP are primarily based on historical costs and revenues means that these companies may not be able to earn the allowed return established by their regulators and could result in deferral or elimination of planned capital investments. As a result, UE, CIPS, CILCO and IP expect to file rate cases frequently. A period of increasing rates for our customers, especially during weak economic times, could result in additional regulatory and legislative actions, as well as competitive and political pressures, that could have a material adverse effect on our results of operations, financial position, and liquidity.

We are subject to various environmental laws and regulations that require significant capital expenditures or could result in closure of facilities, could increase our operating costs, and could adversely influence or limit our results of operations, financial position, and liquidity or expose us to environmental fines and liabilities.

We are subject to various environmental laws and regulations enforced by federal, state and local authorities. From the beginning phases of siting and development to the ongoing operation of existing or new electric generating, transmission and distribution facilities, natural gas storage facilities, and natural gas transmission and distribution facilities, our activities involve compliance with diverse laws and regulations. These laws and regulations address noise, emissions, impacts to air, land and water, protected and cultural resources (such as wetlands, endangered species, and archeological and historical resources), and chemical and waste handling. Complex and lengthy processes are required to obtain approvals, permits, or licenses for new, existing or modified facilities. Additionally, the use and handling of various chemicals or hazardous materials (including wastes) requires release prevention plans and emergency response procedures.

Compliance with environmental laws and regulations can require significant capital expenditures and operating costs. Periodically, environmental statutes and regulations are amended and new statutes and regulations are adopted that impose new or modified obligations on our facilities and operations. Actions required to ensure that our facilities and operations are in compliance with environmental laws and regulations could be prohibitively expensive. As a result, we could be required to close or alter the operation of our facilities, which could have an adverse effect on our results of operations, financial position, and liquidity.

Failure to comply with environmental laws and regulations may also result in the imposition of fines, penalties, and injunctive measures affecting operating assets. We are also subject to liability under environmental laws for remediating environmental contamination of property now or formerly owned by us or by our predecessors, as well as property contaminated by hazardous substances that we generated. Such sites include MGP sites and third-party sites, such as landfills. Additionally, private individuals may seek to enforce environmental laws and regulations against us and could allege injury from exposure to hazardous materials.

Ameren also may be subject to risks in connection with changing or conflicting interpretations of existing laws and regulations. The EPA is engaged in an enforcement initiative targeted at coal-fired power plants in the United States to determine whether those power plants failed to comply with the requirements of the NSR and New Source Performance Standards (NSPS) provisions under the Clean Air Act when the plants implemented modifications. Failure to comply with the NSR and NSPS provisions under the Clean Air Act can result in increased capital expenditures for the installation of control technology, increased operations and maintenance expenses, and fines or penalties. In January 2010, UE received a Notice of Violation from the EPA alleging violations of the Clean Air Act s NSR and Title V programs. An outcome in this matter, adverse to UE, could require substantial capital expenditures and the payment of substantial penalties, neither of which can be determined at this time. Such expenditures could affect unit retirement and replacement decisions and our results of operations, financial position, and liquidity if such costs are not recovered through regulated rates.

Ameren, UE, Genco, AERG and EEI have incurred and expect to incur significant costs related to environmental compliance and site remediation. New environmental regulations, voluntary compliance guidelines, enforcement initiatives, or legislation could result in a significant increase in capital expenditures and operating costs, decreased revenues, increased financing requirements, penalties, or closure of facilities for UE, Genco, AERG and EEI. Although costs incurred by UE would be eligible for recovery in rates over time, subject to MoPSC approval in a rate proceeding, there is no similar mechanism for recovery of costs for Genco, AERG or EEI. We are unable to predict the ultimate impact of these matters on our results of operations, financial position and liquidity.

Future limits on greenhouse gas emissions would likely require UE, Genco, CILCO (through AERG) and EEI to incur significant increases in capital expenditures and operating costs, which, if excessive, could result in the closures of coal-fired generating plants, impairment of

assets, or otherwise materially adversely affect our results of operations, financial position, and liquidity.

Initiatives to limit greenhouse gas emissions and to address climate change are subject to active consideration in the U.S. Congress. In June 2009, the U.S. House of Representatives passed energy legislation entitled The American Clean Energy and Security Act of 2009 that, if enacted, would establish an economy-wide cap-and-trade program. The overarching goal of this proposed cap-and-trade program is to reduce greenhouse gas emissions from capped sources, including coal-fired electric generation units, to 3% below 2005 levels by 2012, 17% below 2005 levels by 2020, 42% below 2005 levels by 2030, and 83% below 2005 levels by the year 2050. In September 2009, climate change legislation entitled The Clean Energy Jobs and American Power Act was introduced in the U.S. Senate that was similar to that passed by the U.S. House of Representatives in June 2009, although it proposes a slightly greater reduction in greenhouse gas emissions in the year 2020 and grants fewer emission allowances to the electricity sector. Under both proposed pieces of legislation, large sources of CO_2 emissions will be required to obtain and retire an allowance for each ton of CO_2 emitted. The allowances may be allocated to the sources without cost, sold to the sources through auctions or other mechanisms, or traded among parties. The Clean Energy Jobs and American Power Act was voted out of committee in November 2009. In December 2009, Senators Kerry, Graham and Lieberman introduced a framework for Senate legislation in 2010. The framework lacks specifics, but it is consistent with the House-passed legislation except that it emphasizes the need for greater support for nuclear power and energy independence through support for clean energy and drilling for oil and natural gas. Senate leadership has stated that consideration of climate legislation will be postponed until spring 2010. In addition, the reduction of greenhouse gas emissions has been identified as a high priority by President Obama s administration. Although we cannot predict the date of enactment or the requirements of any future climate change legislation or regulations, we believe it is possible that some form of federal legislation or regulations to control emissions of greenhouse gases will become law during the current administration.

Potential impacts from climate change legislation could vary, depending upon proposed CO_2 emission limits, the timing of implementation of those limits, the method of distributing allowances, the degree to which offsets are allowed and available, and provisions for cost containment measures, such as a safety valve provision that provides a maximum price for emission allowances. As a result of our diverse fuel portfolio, our emissions of greenhouse gases vary among our generating facilities, but coal-fired power plants are significant sources of CO_2, a principal greenhouse gas. Ameren s analysis shows that if either The American Clean Energy and Security Act of 2009 or The Clean Energy Jobs and American Power Act were enacted into law in its current form, household costs and rates for electricity could rise significantly. The burden could fall particularly hard on electricity consumers and upon the economy in the Midwest because of the region s reliance on electricity generated by coal-fired power plants. Natural gas emits about half the amount of CO_2 that coal emits when burned to produce electricity. As a result, economy-wide shifts favoring natural gas as a fuel source for electricity generation also could affect the cost of heating for our utility customers and many industrial processes. Ameren believes that wholesale natural gas costs could rise significantly as well. Higher costs for energy could contribute to reduced demand for electricity and natural gas.

Additional requirements to control greenhouse gas emissions and address global climate change may also arise pursuant to the Midwest Greenhouse Gas Reduction Accord, an agreement signed by the governors of Illinois, Iowa, Kansas, Michigan, Wisconsin, and Minnesota to develop a strategy to achieve energy security and to reduce greenhouse gas emissions through a cap-and-trade mechanism. The advisory group to the Midwest governors provided draft final recommendations on the design of a greenhouse gas reduction program in June 2009. The recommendations have not been endorsed or approved by the state governors. It is uncertain whether legislation to implement the recommendations will be implemented or passed by any of the states, including Illinois.

With regard to the control of greenhouse gas emissions under federal regulation, in 2007, the U.S. Supreme Court issued a decision finding that the EPA has the authority to regulate CO_2 and other greenhouse gases from automobiles as air pollutants under the Clean Air Act. This decision required the EPA to determine whether greenhouse gas emissions may reasonably be anticipated to endanger public health or welfare, or, in the alternative, to provide a reasonable explanation as to why greenhouse gas emissions should not be regulated. In December 2009, in response to the decision of the U.S. Supreme Court, the EPA issued its endangerment finding determining that greenhouse gas emissions, including CO_2 endanger human health and welfare and that emissions of greenhouse gases from motor vehicles contribute to that endangerment. It is expected that the EPA will issue a rule by the end of March 2010 to control greenhouse gas emissions from light-duty vehicles such as automobiles. Once this rule is effective, greenhouse gases will, for the first time, be a regulated air pollutant under the Clean Air Act. The EPA has taken the position that the regulation of greenhouse gas emissions from new motor vehicles under the Clean Air Act will trigger the applicability of other Clean Air Act programs, such as the Title V Operating Permit Program and the NSR program, which apply to greenhouse gas emissions from stationary sources. This would include fossil fuel-fired electricity generating plants.

Recognizing the difficulties presented by regulating at once virtually all emitters of greenhouse gases, the EPA announced in September 2009 a proposed rule, known as the tailoring rule, that would establish new higher thresholds for regulating greenhouse gas emissions from stationary sources, such as power plants. The rule would require any source that emits at least 25,000 tons per year of greenhouse gases measured as CO_2 equivalents (CO_2e) to obtain an operating permit under Title V Operating Permit Program of

the Clean Air Act. Sources that already have an operating permit would have greenhouse gas-specific provisions added to their permits upon renewal. Currently, all Ameren power plants have operating permits that, depending on the final rule, may be modified when they are renewed to address greenhouse gas emissions. The proposed tailoring rule also would set a new applicability threshold for subjecting stationary sources to the requirements of the NSR program for greenhouse gas emissions and a new emissions threshold for determining when modifications at such stationary sources would require the source to obtain a permit and to implement control technology to address greenhouse gas emissions.

Future federal and state legislation or regulations that mandate limits on the emission of greenhouse gases would result in significant increases in capital expenditures and operating costs, which, in turn, could lead to increased liquidity needs and higher financing costs. Moreover, to the extent we request recovery of these costs through rates, our regulators might deny some or all of, or defer timely recovery of, these costs. Excessive costs to comply with future legislation or regulations might force UE, Genco, CILCO (through AERG) and EEI as well as other similarly situated electric power generators to close some coal-fired facilities and could lead to possible impairment of assets and reduced revenues. As a result, mandatory limits could have a material adverse impact on Ameren s, UE s, Genco s, CILCO s (through AERG) and EEI s results of operations, financial position, and liquidity.

The construction of, and capital improvements to, UE s, CIPS , CILCO s and IP s electric and gas utility infrastructure as well as to Genco s, CILCO s (through AERG) and EEI s merchant generation facilities involve substantial risks. These risks include escalating costs, unsatisfactory performance by the projects when completed, the inability to complete projects as scheduled, cost disallowances by regulators and the inability to earn a reasonable rate of return on invested capital at our rate-regulated utilities, any of which could result in higher costs and the closure of facilities.

Over the next five years, the Ameren Companies will incur significant capital expenditures to comply with environmental regulations and to make investments in their electric and gas utility infrastructure and their merchant generation facilities. The Ameren Companies estimate that they will incur up to $8.1 billion (UE up to $4.2 billion; CIPS up to $555 million; Genco up to $1.0 billion; CILCO (Illinois Regulated) up to $400 million; CILCO (AERG) up to $180 million; IP up to $1.1 billion; EEI up to $460 million; Other up to $220 million) of capital expenditures during the period 2010 through 2014. These expenses include construction expenditures, capitalized interest or allowance for funds used during construction, and compliance with environmental standards. Construction costs as well as the cost of capital have escalated in recent years and are expected to either stay at current levels or escalate further.

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Investments in Ameren s regulated operations are expected to be recoverable from ratepayers, but are subject to prudency reviews and regulatory lag. The recoverability of amounts expended in merchant generation operations will depend on whether market prices for power adjust to reflect increased costs for generators.

The ability of the Ameren Companies to complete facilities under construction successfully, and to complete future projects within established estimates, is contingent upon many variables and subject to substantial risks. These variables include, but are not limited to, project management expertise and escalating costs for materials, labor, and environmental compliance. Delays in obtaining permits, shortages in materials and qualified labor, suppliers and contractors who do not perform as required under their contracts, changes in the scope and timing of projects, the inability to raise capital on favorable terms, or other events beyond our control may occur that may materially affect the schedule, cost and performance of these projects. With respect to capital spent for pollution control equipment, there is a risk that electric generating plants will not be permitted to continue to operate if pollution control equipment is not installed by prescribed deadlines or does not perform as expected. Should any such construction efforts be unsuccessful, the Ameren Companies could be subject to additional costs and to the loss of their investment in the project or facility. The Ameren Companies may also be required to purchase electricity for their customers until the projects are completed. All of these risks may have a material adverse effect on the Ameren Companies results of operations, financial position, and liquidity.

Our counterparties may not meet their obligations to us.

We are exposed to the risk that counterparties to various arrangements who owe us money, energy, coal, or other commodities or services will not be able to perform their obligations or, with respect to our credit facilities, will fail to honor their commitments. Should the counterparties to commodity arrangements fail to perform, we might be forced to replace or to sell the underlying commitment at then-current market prices. Should the lenders under our credit facilities fail to perform, the level of borrowing capacity under those arrangements would decrease unless we were able to find replacement lenders to assume the nonperforming lender s commitment. In such an event, we might incur losses, or our results of operations, financial position, and liquidity could otherwise be adversely affected.

Certain of the Ameren Companies have obligations to other Ameren Companies or other Ameren subsidiaries as a result of transactions involving energy, coal, other commodities and services, and as a result of hedging transactions. If one Ameren entity failed to perform under any of these arrangements, other Ameren entities might incur losses. Their results of operations, financial position, and liquidity could be adversely affected, resulting in the nondefaulting Ameren entity being unable to meet its obligations, including to unrelated third parties.

Increasing costs associated with our defined benefit and postretirement plans, health care plans, and other employee-related benefits could materially adversely affect our results of operations, financial position, and liquidity.

We offer defined benefit and postretirement plans that cover substantially all of our employees. Assumptions related to future costs, returns on investments, interest rates, and other actuarial matters have a significant impact on our earnings and funding requirements. Ameren expects to fund its pension plans at a level equal to the greater of the pension expense or the legally required minimum contribution. Considering Ameren s assumptions at December 31, 2009, its investment performance in 2009, and its pension funding policy, Ameren expects to make annual contributions of $75 million to $225 million in each of the next five years, with aggregate estimated contributions of $740 million. We expect UE s, CIPS , Genco s, CILCO s, and IP s portion of the future funding requirements to be 66%, 6%, 9%, 9%, and 10%, respectively. These amounts are estimates. They may change with actual investment performance, changes in interest rates, changes in our assumptions, any pertinent changes in government regulations, and any voluntary contributions.

In addition to the costs of our retirement plans, the costs of providing health care benefits to our employees and retirees have increased in recent years. We believe that our employee benefit costs, including costs of health care plans for our employees and former employees, will continue to rise. The increasing costs and funding requirements associated with our defined benefit retirement plans, health care plans, and other employee benefits could increase our financing needs and otherwise materially adversely affect our results of operations, financial position, and liquidity.

Our electric generating, transmission and distribution facilities are subject to operational risks that could materially adversely affect our results of operations, financial position, and liquidity.

The Ameren Companies financial performance depends on the successful operation of electric generating, transmission, and distribution facilities. Operation of electric generating, transmission, and distribution facilities involves many risks, including:

facility shutdowns due to operator error or a failure of equipment or processes;
longer-than-anticipated maintenance outages;
disruptions in the delivery of fuel or lack of adequate inventories;
lack of water for cooling plant operations;
labor disputes;
inability to comply with regulatory or permit requirements, including those relating to environmental contamination;
disruptions in the delivery of electricity, including impacts on us or our customers;
handling and storage of fossil-fuel combustion waste products, such as coal ash;
unusual or adverse weather conditions, including severe storms, droughts, and floods;

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- a workplace accident that might result in injury or loss of life, extensive property damage, or environmental damage;
- information security risk, such as a breach of systems where sensitive utility customer data and account information are stored;
- catastrophic events such as fires, explosions, pandemic health events, or other similar occurrences; and
- other unanticipated operations and maintenance expenses and liabilities.

Our natural gas distribution and storage activities involve numerous risks that may result in accidents and other operating risks and costs that could materially adversely affect our results of operations, financial position, and liquidity.

Inherent in our natural gas distribution and storage activities are a variety of hazards and operating risks, such as leaks, accidental explosions and mechanical problems, which could cause substantial financial losses. In addition, these risks could result in serious injury to employees and nonemployees, loss of human life, significant damage to property, environmental pollution and impairment of our operations, which in turn could lead to substantial losses to us. In accordance with customary industry practice, we maintain insurance against some, but not all, of these risks and losses. The location of distribution lines and storage facilities near populated areas, including residential areas, commercial business centers, industrial sites, and other public gathering places, could increase the level of damages resulting from these risks. The occurrence of any of these events not fully covered by insurance could materially adversely affect our results of operations, financial position, and liquidity.

Even though agreements have been reached with the state of Missouri and the FERC, the breach of the upper reservoir of UE s Taum Sauk pumped-storage hydroelectric facility could continue to have a material adverse effect on Ameren s and UE s results of operations, liquidity, and financial condition.

In December 2005, there was a breach of the upper reservoir at UE s Taum Sauk pumped-storage hydroelectric facility. This resulted in significant flooding in the local area, which damaged a state park. UE settled with FERC and the state of Missouri all issues associated with the December 2005 Taum Sauk incident.

UE has property and liability insurance coverage for the Taum Sauk incident, subject to certain limits and deductibles. Insurance does not cover lost electric margins and penalties paid to FERC. UE expects that the total cost for cleanup, damage, and liabilities, excluding costs to rebuild the upper reservoir, will be approximately $205 million.

UE received approval from FERC to rebuild the upper reservoir at its Taum Sauk plant and is in the process of testing the rebuilt facility. UE expects the Taum Sauk plant to become operational in the second quarter of 2010. The estimated cost to rebuild the upper reservoir is in the range of $490 million.

Under UE s insurance policies, all claims by or against UE are subject to review by its insurance carriers. In July 2009, three insurance carriers filed a petition against Ameren in the Circuit Court of St. Louis County, Missouri, seeking a declaratory judgment that the property insurance policy does not require these three insurers to indemnify Ameren for their share of the entire cost of construction associated with the facility rebuild design being utilized. The three insurers allege that they, along with the other policy participants, presented a rebuild design that was consistent with their insurance coverage obligations and that the insurance policies do not require these insurers to pay their share of the costs of construction associated with the design being used. These insurers have estimated a cost of approximately $214 million for their rebuild design compared to the estimated $490 million cost of the design approved by FERC and implemented by Ameren. Ameren has filed an answer and counterclaim in the Circuit Court of St. Louis County, Missouri, against these insurers. The counterclaim asserts that the three insurance carriers have breached their obligations under the property insurance policies issued to Ameren and UE. Ameren seeks payment of a sum to-be-determined for all amounts covered by these policies incurred in the facility rebuild, including power replacement costs, interest, and attorneys fees. The insurers that are parties to the litigation represent approximately 40%, on a weighted average basis, of the property insurance policy coverage between the disputed amounts of $214 million and $490 million.

Until Ameren s remaining insurance claims and the related litigation are resolved, among other things, we are unable to determine the total impact the breach could have on Ameren s and UE s results of operations, financial position, and liquidity beyond those amounts already recognized. Ameren and UE expect to recover, through insurance, 80% to 90% of the total property insurance claim for the Taum Sauk incident. Beyond insurance, the recoverability of any Taum Sauk facility rebuild costs from customers is subject to the terms and conditions set forth in UE s November 2007 State of Missouri settlement agreement. In that settlement, UE agreed that it would not attempt to recover from rate payers costs incurred in the reconstruction expressly excluding, however, enhancements, costs incurred due to circumstances or conditions that were not at that time reasonably foreseeable and costs that would have been incurred absent the Taum Sauk incident. Certain costs associated with the Taum Sauk facility not recovered from property insurers may be recoverable from UE s electric customers through rates established in rate cases filed subsequent to the in-service date of the rebuilt facility. As of December 31, 2009, UE had capitalized in property and plant qualifying Taum Sauk-related costs of $99 million that UE believes qualify for potential recovery in electric rates under the terms of the November 2007 State of Missouri Settlement. The inclusion of such costs in UE s electric rates is subject to review and approval by the MoPSC in a future rate case. Any amounts not recovered through insurance, in electric rates, or otherwise could result in charges to earnings, which could be material.

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Genco s, AERG s, and EEI s electric generating facilities must compete for the sale of energy and capacity, which exposes them to price risks.

All of Genco s, AERG s, and EEI s generating facilities compete for the sale of energy and capacity in the competitive energy markets.

To the extent that electricity generated by these facilities is not under a fixed-price contract to be sold, the revenues and results of operations of these merchant subsidiaries generally depend on the prices that can be obtained for energy and capacity in Illinois and adjacent markets by Marketing Company.

Market prices for energy and capacity may fluctuate substantially, sometimes over relatively short periods of time, and at other times experience sustained increases or decreases. Demand for electricity and fuel can fluctuate dramatically, creating periods of substantial under- or over-supply. During periods of over-supply, prices might be depressed. Also, at times legislators or regulators with jurisdiction over wholesale and retail energy commodity and transportation rates may impose price limitations, bidding rules and other mechanisms to address volatility and other issues in these markets.

For power products sold in advance, contract prices are influenced both by market conditions as well as the contract terms such as damage provisions, credit support requirements and the number of available counterparties interested in contracting for the desired forward period. Depending on differences between market factors at the time of contracting versus current conditions, Marketing Company s contract portfolio may have average contract prices greater than or less than current market prices, including at the expiration of the contracts, which could significantly affect Ameren s, Genco s, AERG s, and EEI s results of operations, financial condition and liquidity.

Among the factors that could influence such prices (all of which are beyond our control to a significant degree) are:

- current and future delivered market prices for natural gas, fuel oil, and coal, and related transportation costs;
- current and forward prices for the sale of electricity;
- the extent of additional supplies of electric energy from current competitors or new market entrants;
- the regulatory and market structures developed for evolving Midwest energy markets;
- changes enacted by the Illinois legislature, the ICC, the IPA, or other government agencies with respect to power procurement procedures;
- the potential for reregulation of generation in some states;
- future pricing for, and availability of, services on transmission systems, and the effect of RTOs and export energy transmission constraints, which could limit our ability to sell energy in our markets;
- the growth rate in electricity usage as a result of population changes, regional economic conditions, and the implementation of energy-efficiency programs;
- climate conditions in the Midwest market and major natural disasters; and
- environmental laws and regulations.

UE s ownership and operation of a nuclear generating facility creates business, financial, and waste disposal risks.

UE s ownership of the Callaway nuclear plant subjects it to the risks of nuclear generation, which include the following:

- potential harmful effects on the environment and human health resulting from the operation of nuclear facilities and the storage, handling and disposal of radioactive materials;
- the lack of a permanent waste storage site;
- limitations on the amounts and types of insurance commercially available to cover losses that might arise in connection with the Callaway nuclear plant or other U.S. nuclear operations;
- uncertainties with respect to contingencies and assessment amounts if insurance coverage is inadequate;
- public and governmental concerns over the adequacy of security at nuclear power plants;
- uncertainties with respect to the technological and financial aspects of decommissioning nuclear plants at the end of their licensed lives (UE s facility operating license for the Callaway nuclear plant expires in 2024);
- limited availability of fuel supply; and

costly and extended outages for scheduled or unscheduled maintenance and refueling.

The NRC has broad authority under federal law to impose licensing and safety requirements for nuclear generation facilities. In the event of noncompliance, the NRC has the authority to impose fines, shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Revised safety requirements promulgated from time to time by the NRC could necessitate substantial capital expenditures at nuclear plants such as UE s. In addition, if a serious nuclear incident were to occur, it could have a material but indeterminable adverse effect on UE s results of operations, financial position, and liquidity. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or relicensing of any domestic nuclear unit.

Our energy risk management strategies may not be effective in managing fuel and electricity procurement and pricing risks, which could result in unanticipated liabilities or increased volatility in our earnings and cash flows.

We are exposed to changes in market prices for natural gas, fuel, electricity, emission allowances, and transmission congestion. Prices for natural gas, fuel, electricity, and emission allowances may fluctuate substantially over relatively short periods of time, and at other times experience sustained increases or decreases, and expose us to commodity price risk. We use short-term and long-term purchase and sales contracts in addition to derivatives such as forward contracts, futures contracts, options, and swaps to manage these risks. We attempt to manage our risk associated with these activities through enforcement of established risk limits and risk management procedures. We cannot ensure that these strategies will be successful in managing our pricing risk or that they will not result in net liabilities because of future volatility in these markets.

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Although we routinely enter into contracts to hedge our exposure to the risks of demand and changes in commodity prices, we do not hedge the entire exposure of our operations from commodity price volatility. Furthermore, our ability to hedge our exposure to commodity price volatility depends on liquid commodity markets. To the extent that commodity markets are illiquid, we may not be able to execute our risk management strategies, which could result in greater unhedged positions than we would prefer at a given time. To the extent that unhedged positions exist, fluctuating commodity prices can adversely affect our results of operations, financial position, and liquidity.

Our facilities are considered critical energy infrastructure and may therefore be targets of acts of terrorism.

Like other electric and natural gas utilities and other merchant electric generators, our power generation plants, fuel storage facilities, and transmission and distribution facilities may be targets of terrorist activities that could result in disruption of our ability to produce or distribute some portion of our energy products. Any such disruption could result in a significant decrease in revenues or significant additional costs for repair, which could have a material adverse effect on our results of operations, financial position, and liquidity.

Our businesses are dependent on our ability to access the capital markets successfully. We may not have access to sufficient capital in the amounts and at the times needed.

We use short-term and long-term debt as a significant source of liquidity and funding for capital requirements not satisfied by our operating cash flow, including requirements related to future environmental compliance. As a result of rising costs and increased capital and operations and maintenance expenditures, coupled with near-term regulatory lag, we expect to continue to rely on short-term and long-term debt financing. Ameren intends to replace or extend its credit facility agreements during 2010. The inability to raise debt or equity capital on favorable terms, or at all, particularly during times of uncertainty in the capital markets, could negatively affect our ability to maintain and to expand our businesses. Our current credit ratings cause us to believe that we will continue to have access to the capital markets. However, events beyond our control, such as the extreme volatility and disruption in global debt or equity capital and credit markets that occurred in 2008 and continued into 2009, may create uncertainty that could increase our cost of capital or impair, or eliminate, our ability to access the debt, equity or credit markets, including the ability to draw on our bank credit facilities. Any adverse

change in the Ameren Companies credit ratings may reduce access to capital and trigger additional collateral postings and prepayments. Such changes may also increase the cost of borrowing and fuel, power and gas supply, among other things, which could have a material adverse effect on our results of operations, financial position, and liquidity. Certain of the Ameren Companies rely, in part, on Ameren for access to capital. Circumstances that limit Ameren s access to capital, including those relating to its other subsidiaries, could impair its ability to provide those Ameren Companies with needed capital.

Ameren s holding company structure could limit its ability to pay common stock dividends and to service its debt obligations.

Ameren is a holding company; therefore, its primary assets are the common stock of its subsidiaries. As a result, Ameren s ability to pay dividends on its common stock depends on the earnings of its subsidiaries and the ability of its subsidiaries to pay dividends or otherwise transfer funds to Ameren. Similarly, Ameren s ability to service its debt obligations is also dependent upon the earnings of operating subsidiaries and the distribution of those earnings and other payments, including payments of principal and interest under intercompany indebtedness. The payment of dividends to Ameren by its subsidiaries in turn depends on their results of operations and cash flows and other items affecting retained earnings. Ameren s subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any dividends or make any other distributions (except for payments required pursuant to the terms of intercompany borrowing arrangements) to Ameren. Certain of the Ameren Companies financing agreements and articles of incorporation, in addition to certain statutory and regulatory requirements, may impose restrictions on the ability of such Ameren Companies to transfer funds to Ameren in the form of cash dividends, loans or advances.

Failure to retain and attract key officers and other skilled professional and technical employees could have an adverse effect on our operations.

Our businesses depend upon our ability to employ and retain key officers and other skilled professional and technical employees. A significant portion of our work force is nearing retirement, including many employees with specialized skills such as maintaining and servicing our electric and natural gas infrastructure and operating our generating units. Our inability to retain and recruit qualified employees could adversely affect our results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

For information on our principal properties, see the generating facilities table below. See also Liquidity and Capital Resources and Regulatory Matters in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report for any planned additions, replacements or transfers. See also Note 5 Long-term Debt and Equity Financings, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

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The following table shows what our electric generating facilities and capability are anticipated to be at the time of our expected 2010 peak summer electrical demand:

Primary Fuel Source	Plant	Location	Net Kilowatt Capability[(a)]
Missouri Regulated (UE):			
Coal	Labadie	Franklin County, Mo.	2,407,000
	Rush Island	Jefferson County, Mo.	1,204,000
	Sioux	St. Charles County, Mo.	986,000
	Meramec	St. Louis County, Mo.	839,000
Total coal			5,436,000
Nuclear	Callaway	Callaway County, Mo.	1,190,000
Hydroelectric	Osage	Lakeside, Mo.	234,000
	Keokuk	Keokuk, Ia.	137,000
Total hydroelectric			371,000
Pumped-storage	Taum Sauk[(b)]	Reynolds County, Mo.	440,000
Oil (CTs)	Meramec	St. Louis County, Mo.	59,000
	Fairgrounds	Jefferson City, Mo.	55,000
	Mexico	Mexico, Mo.	55,000
	Moberly	Moberly, Mo.	55,000
	Moreau	Jefferson City, Mo.	55,000
	Howard Bend	St. Louis County, Mo.	43,000
	Venice	Venice, Ill.	(c)
Total oil			322,000
Natural gas (CTs)	Audrain[(d)]	Audrain County, Mo.	608,000
	Venice[(e)]	Venice, Ill.	491,000
	Goose Creek	Piatt County, Ill.	438,000
	Pinckneyville	Pinckneyville, Ill.	316,000
	Raccoon Creek	Clay County, Ill.	304,000
	Kinmundy[(e)]	Kinmundy, Ill.	208,000
	Peno Creek[(d)(e)]	Bowling Green, Mo.	188,000
	Meramec[(e)]	St. Louis County, Mo.	53,000
	Viaduct	Cape Girardeau, Mo.	26,000
	Kirksville	Kirksville, Mo.	13,000
Total natural gas			2,645,000
Total UE			10,404,000
Merchant Generation:			
Genco:			
Coal	Newton	Newton, Ill.	1,194,000
	Joppa Generating Station (EEI)[(f)]	Joppa, Ill.	1,002,000
	Coffeen	Coffeen, Ill.	904,000
	Meredosia	Meredosia, Ill.	203,000
	Hutsonville	Hutsonville, Ill.	151,000
Total coal			3,454,000
Oil	Meredosia	Meredosia, Ill.	166,000
	Hutsonville (Diesel)	Hutsonville, Ill.	3,000
Total oil			169,000
Natural gas (CTs)	Grand Tower	Grand Tower, Ill.	511,000
	Elgin	Elgin, Ill.	460,000
	Gibson City[(e)]	Gibson City, Ill.	228,000
	Joppa 7B	Joppa, Ill.	165,000
	Columbia[(g)]	Columbia, Mo.	140,000
	Joppa (EEI)[(f)]	Joppa, Ill.	74,000
Total natural gas			1,578,000
Total Genco			5,201,000
CILCO (through AERG):			
Coal	E.D. Edwards	Bartonville, Ill.	715,000
	Duck Creek	Canton, Ill.	410,000
Total coal			1,125,000
Total CILCO			1,125,000
Medina Valley:			
Natural gas	Medina Valley	Mossville, Ill.	44,000
Total Merchant Generation			6,370,000

Total Ameren	16,774,000

(a) Net Kilowatt Capability is the generating capacity available for dispatch from the facility into the electric transmission grid.
(b) This facility is not currently operational because of a breach of its upper reservoir in December 2005. It is expected to become operational in the second quarter of 2010 and therefore is expected to be available for the 2010 peak summer demand. For additional information on the Taum Sauk incident, see Note 15 Commitments and Contingencies under Part II, Item 8, of this report.
(c) This facility will be out of service in 2010.
(d) There are economic development lease arrangements applicable to these CTs.
(e) These CTs have the capability to operate on either oil or natural gas (dual fuel).
(f) Ameren owns an 80% interest in EEI. This table reflects the full capability of EEI s facilities. As part of an internal reorganization, Resources Company transferred its 80% ownership interest in EEI to Genco, through a capital contribution, on January 1, 2010. See Part I, Item 1, Business and Note 1 Summary of Significant Accounting Policies under Part II, Item 8, of this report.
(g) Genco and the city of Columbia, Missouri currently are parties to a power purchase agreement pursuant to which Columbia is now purchasing up to 72 megawatts of capacity and energy generated by the facility. Genco has granted Columbia options to purchase an ownership interest in the facility, which would result in a sale of up to 72 megawatts (about 50%) of the facility. Columbia can exercise one option for 36 megawatts at the end of 2010 for a purchase price of $15.5 million, at the end of 2014 for a purchase price of $9.5 million, or at the end of 2020 for a purchase price of $4 million. The other option can be exercised for another 36 megawatts at the end of 2013 for a purchase price of $15.5 million, at the end of 2017 for a purchase price of $9.5 million, or at the end of 2023 for a purchase price of $4 million. The purchase power agreement will terminate if Columbia exercises the purchase options. In addition, in February 2010, the city of Columbia approved the purchase of approximately 36 megawatts, or 25%, of the facility, subject to regulatory approvals. As part of this transaction, the structure of the first purchase option described above will be amended. Instead of the ability to exercise the option to purchase 36 megawatts at the end of 2010 for a purchase price of $15.5 million, the option could be exercised at the end of 2011 for a purchase price of $14.9 million. All other provisions of the options described above will remain the same.

The following table presents electric and natural gas utility-related properties for UE, CIPS, CILCO and IP as of December 31, 2009:

	UE	CIPS	CILCO	IP
Circuit miles of electric transmission lines	2,942	2,306	331	1,869
Circuit miles of electric distribution lines	33,012	14,929	8,926	21,639
Circuit miles of electric distribution lines underground	22%	12%	26%	13%
Miles of natural gas transmission and distribution mains	3,259	5,359	3,915	8,818
Propane-air plants	1	1	-	-
Underground gas storage fields	-	3	2	7
Billion cubic feet of total working capacity of underground gas storage fields	-	2	8	15

Our other properties include office buildings, warehouses, garages, and repair shops.

With only a few exceptions, we have fee title to all principal plants and other units of property material to the operation of our businesses, and to the real property on which such facilities are located (subject to mortgage liens securing our outstanding first mortgage bonds and credit facility indebtedness and to certain permitted liens and judgment liens). The exceptions are as follows:

A portion of UE s Osage plant reservoir, certain facilities at UE s Sioux plant, most of UE s Peno Creek and Audrain CT facilities, Genco s Columbia CT facility, Medina Valley s generating facility, certain substations, and most transmission and distribution lines and gas mains are situated on lands occupied under leases, easements, franchises, licenses, or permits.

The United States or the state of Missouri may own or may have paramount rights to certain lands lying in the bed of the Osage River or located between the inner and outer harbor lines of the Mississippi River on which certain of UE s generating and other properties are located.

The United States, the state of Illinois, the state of Iowa, or the city of Keokuk, Iowa, may own or may have paramount rights with respect to certain lands lying in the bed of the Mississippi River on which a portion of UE s Keokuk plant is located.

Substantially all of the properties and plant of UE, CIPS, CILCO and IP are subject to the first liens of the indentures securing their mortgage bonds.

UE has conveyed most of its Peno Creek CT facility to the city of Bowling Green, Missouri, and leased the facility back from the city through 2022. Under the terms of this capital lease, UE is responsible for all operation and maintenance for the facility. Ownership of the facility will transfer to UE at the expiration of the lease, at which time the property and plant will become subject to the lien of any outstanding UE first mortgage bond indenture.

UE operates a CT facility located in Audrain County, Missouri. UE has rights and obligations as lessee of the CT facility under a long-term lease with Audrain County. The lease term will expire on December 1, 2023. Under the terms of this capital lease, UE is responsible for all operation and maintenance for the facility. Ownership of the facility will transfer to UE at the expiration of the lease, at which time the property and plant will become subject to the lien of any outstanding UE first mortgage bond indenture.

ITEM 3. LEGAL PROCEEDINGS.

We are involved in legal and administrative proceedings before various courts and agencies with respect to matters that arise in the ordinary course of business, some of which involve substantial amounts of money. We believe that the final disposition of these proceedings, except as otherwise disclosed in this report,

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will not have a material adverse effect on our results of operations, financial position, or liquidity. Risk of loss is mitigated, in some cases, by insurance or contractual or statutory indemnification. We believe that we have established appropriate reserves for potential losses.

In July 2009, Caterpillar Inc., in conjunction with other industrial customers as a coalition, intervened in the 2009 rate cases filed by CILCO and IP with the ICC to modify its electric and natural gas delivery service rates. Douglas R. Oberhelman is an executive officer of Caterpillar Inc. and a member of the board of directors of Ameren.

Mr. Oberhelman did not participate in Ameren Corporation s board and committee deliberations relating to these matters.

For additional information on legal and administrative proceedings, see Rates and Regulation under Item 1, Business, and Item 1A, Risk Factors, above. See also Liquidity and Capital Resources and Regulatory Matters in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, and Note 2 Rate and Regulatory Matters, and Note 15 Commitments and Contingencies under Part II, Item 8, of this report.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no matters submitted to a vote of security holders during the fourth quarter of 2009 with respect to any of the Ameren Companies.

EXECUTIVE OFFICERS OF THE REGISTRANTS (ITEM 401(b) OF REGULATION S-K):

The executive officers of the Ameren Companies, including major subsidiaries, are listed below, along with their ages as of December 31, 2009, all positions and offices held with the Ameren Companies, tenure as officer, and business background for at least the last five years. Some executive officers hold multiple positions within the Ameren Companies; their titles are given in the description of their business experience.

AMEREN CORPORATION:

Name	Age at 12/31/09	Positions and Offices Held
Gary L. Rainwater	63	Executive Chairman and Director
Rainwater joined UE in 1979 and has held various positions with UE and other Ameren subsidiaries during his employment. In 2004, Rainwater was elected to serve as chairman and chief executive officer of Ameren, UE, and Ameren Services in addition to his position as president. At that time, he was elected chairman of CILCO in addition to his position as chief executive officer and president of CILCO, which he assumed in 2003. In 2004, upon Ameren s acquisition of IP, Rainwater was also elected chairman, chief executive officer, and president of IP. He held the position of chairman of CIPS, CILCO and IP after relinquishing his position as president in October 2004. In 2007, Rainwater relinquished his positions as chairman, president and chief executive officer of UE and Ameren Services and as chairman and chief executive officer of CIPS, CILCO and IP. In 2009, Rainwater was succeeded as president and chief executive officer of Ameren by Thomas R. Voss and will retire as executive chairman and director in April 2010.		
Thomas R. Voss	62	President and Chief Executive Officer, and Director
Voss joined UE in 1969. He was elected senior vice president of UE, CIPS, and Ameren Services in 1999, of Genco in 2001, of CILCO in 2003, and of IP in 2004. In 2003, Voss was elected president of Genco; he relinquished his presidency of this company in 2004. In 2006, he was elected executive vice president of UE, CIPS, CILCO and IP. In 2007, Voss was elected chairman, president and chief executive officer of UE. He relinquished his positions at CIPS, CILCO and IP in 2007. In 2009, Voss was elected president and chief executive officer of Ameren; at that time, he relinquished his other positions.		
Martin J. Lyons, Jr.	43	Senior Vice President and Chief Financial Officer
Lyons joined Ameren, UE, CIPS, Genco, and Ameren Services in 2001 as controller. He was elected controller of CILCO in 2003. He was also elected vice president of Ameren, UE, CIPS, Genco, CILCO, and Ameren Services in 2003 and vice president and controller of IP in 2004. In 2007, his position at UE was changed to vice president and principal accounting officer. In 2008, Lyons was elected senior vice president and chief accounting officer of the Ameren Companies. In 2009, Lyons was also elected chief financial officer of the Ameren Companies.		

Steven R. Sullivan	49	Senior Vice President, General Counsel and Secretary

Sullivan joined Ameren, UE, CIPS, and Ameren Services in 1998 as vice president, general counsel, and secretary. He added those positions at Genco in 2000. In 2003, Sullivan was elected vice president, general counsel and secretary of CILCO. He was elected to his present position at Ameren, UE, CIPS, Genco, CILCO, and Ameren Services in 2003, and at IP in 2004.

Jerre E. Birdsong	55	Vice President and Treasurer

Birdsong joined UE in 1977 and was elected treasurer of UE in 1993. He was elected treasurer of Ameren, CIPS, and Ameren Services in 1997, and Genco in 2000. In addition to being treasurer, in 2001 he was elected vice president at Ameren and at the subsidiaries listed above. Additionally, he was elected vice president and treasurer of CILCO in 2003, and of IP in 2004.

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SUBSIDIARIES:

Name	Age at 12/31/09	Positions and Offices Held
Warner L. Baxter	48	Chairman, President and Chief Executive Officer (UE)

Baxter joined UE in 1995. He was elected senior vice president, finance, of Ameren, UE, CIPS, Ameren Services, and Genco in 2001 and of CILCO in 2003. Baxter was elected to the position of executive vice president and chief financial officer of Ameren, UE, CIPS, Genco, CILCO, and Ameren Services in 2003 and of IP in 2004. He was elected chairman, chief executive officer, president, and chief financial officer of Ameren Services effective in 2007. In 2009, Baxter was elected chairman, president and chief executive officer of UE; at that time, he relinquished his other positions.

Scott A. Cisel	56	Chairman, President and Chief Executive Officer (CIPS, CILCO and IP)

Cisel joined CILCO in 1975. He was named senior vice president and leader of CILCO s Sales and Marketing Business Unit in 2001. Cisel assumed the position of vice president and chief operating officer for CILCO in 2003, upon Ameren s acquisition of that company. In 2004, Cisel was elected vice president of UE and president and chief operating officer of CIPS, CILCO and IP. In 2007, Cisel was elected chairman and chief executive officer of CIPS, CILCO and IP, in addition to his position as president. He relinquished his position at UE in 2007.

Daniel F. Cole	56	Chairman, President and Chief Executive Officer (Ameren Services)

Cole joined UE in 1976. He was elected senior vice president of UE and Ameren Services in 1999, and of CIPS in 2001. He was elected president of Genco in 2001; he relinquished that position in 2003. He was elected senior vice president of CILCO in 2003, and of IP in 2004. In 2009, Cole was elected chairman, president and chief executive officer of Ameren Services.

Karen C. Foss	65	Senior Vice President (Ameren Services)

Foss joined UE in 2007 as vice president for public relations. She was elected senior vice president, communications and brand management, of Ameren Services in 2009. Foss relinquished her position at UE in 2009. Prior to joining UE, Foss was a news anchor at KSDK-TV in St. Louis, Missouri.

Adam C. Heflin	45	Senior Vice President and Chief Nuclear Officer (UE)

Heflin joined UE in 2005 as vice president of nuclear operations and was elected senior vice president and chief nuclear officer of UE in 2008. Prior to joining UE, Heflin served as Unit 2 plant manager at Arkansas Nuclear One, owned by Entergy Corporation. He joined Entergy Corporation s nuclear operations in 1992.

Richard J. Mark	54	Senior Vice President (UE)

Mark joined Ameren Services in 2002 as vice president of customer service. In 2003, he was elected vice president of governmental policy and consumer affairs at Ameren Services, with responsibility for government affairs, economic development, and community relations for Ameren s operating utility companies. He was elected senior vice president at UE in 2005, with responsibility for Missouri energy delivery. In 2007, Mark relinquished his position at Ameren Services.

Michael L. Moehn	40	Senior Vice President (Ameren Services)

Moehn joined Ameren Services in 2000. He was named director of Ameren Services corporate modeling and transaction support in 2001 and elected vice president of business services for Ameren Energy Resources Company in 2002. In 2004, Moehn was elected vice president of corporate planning for Ameren Services and relinquished his position at Ameren Energy Resources Company. In 2008, he was elected senior vice president of Ameren Services.

Michael G. Mueller	46	President (AFS)

Mueller joined UE in 1986. He was elected vice president of AFS in 2000 and president of AFS in 2004.

Charles D. Naslund	57	Chairman, President and Chief Executive Officer (Resources Company), and Chairman and President (Genco)

Naslund joined UE in 1974. He was elected vice president of power operations at UE in 1999, vice president of Ameren Services in 2000, and vice president of nuclear operations at UE in 2004. He relinquished his position at Ameren Services in 2001. Naslund was elected senior vice president and chief nuclear officer at UE in 2005. In 2008, he was elected chairman, president and chief executive officer of Resources Company and chairman and president of Genco. Naslund relinquished his position at UE in 2008.

Andrew M. Serri	48	President and Chief Executive Officer (Marketing Company)

Serri joined Marketing Company as vice president of sales and marketing in 2000. He was elected vice president of marketing and trading of Ameren Services in 2004, before being elected president and chief executive officer of Marketing Company that same year. He relinquished his position at Ameren Services in 2007.

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Officers are generally elected or appointed annually by the respective board of directors of each company, following the election of board members at the annual meetings of shareholders. No special arrangement or understanding exists between any of the above-named executive officers and the Ameren Companies nor, to our knowledge, with any other person or persons pursuant to which any executive officer was selected as an officer. There are no family relationships among the officers. Except for Karen C. Foss and Adam C. Heflin, all of the above-named executive officers have been employed by an Ameren company for more than five years in executive or management positions.

PART II

ITEM 5. MARKET FOR REGISTRANTS COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Ameren s common stock is listed on the NYSE (ticker symbol: AEE). Ameren common shareholders of record totaled 69,881 on January 29, 2010. The following table presents the price ranges, closing prices, and dividends paid per Ameren common share for each quarter during 2009 and 2008.

	High	Low	Close	Dividends Paid
AEE 2009 Quarter Ended:				
March 31	**$ 35.35**	**$ 19.51**	**$ 23.19**	**38 1/2¢**
June 30	**25.25**	**21.75**	**24.89**	**38 1/2**
September 30	**27.66**	**23.09**	**25.28**	**38 1/2**
December 31	**28.67**	**23.78**	**27.95**	**38 1/2**
AEE 2008 Quarter Ended:				
March 31	$ 54.29	$ 40.92	$ 44.04	63 1/2¢
June 30	48.39	41.34	42.23	63 1/2
September 30	43.16	38.49	39.03	63 1/2
December 31	39.15	25.51	33.26	63 1/ 2

There is no trading market for the common stock of UE, CIPS, Genco, CILCO or IP. Ameren holds all outstanding common stock of UE, CIPS and IP; Resources Company holds all outstanding common stock of Genco; and CILCORP holds all outstanding common stock of CILCO.

The following table sets forth the quarterly common stock dividend payments made by Ameren and its subsidiaries during 2009 and 2008:

(In millions)	2009 Quarter Ended				2008 Quarter Ended			
Registrant	**December 31**	**September 30**	**June 30**	**March 31**	**December 31**	**September 30**	**June 30**	**March 31**
UE	**$ 5**	**$ 71**	**$ 47**	**$ 52**	$ 71	$ 88	$ 28	$ 77
CIPS	**35**	**12**	**-**	**-**	-	-	-	-
Genco	**-**	**-**	**-**	**-**	17	-	60	24
CILCO	**20**	**-**	**-**	**-**	-	-	-	-
IP	**31**	**-**	**-**	**-**	15	15	15	15
Nonregistrants	**-**	**-**	**35**	**30**	32	30	30	17
Ameren	**$ 91**	**$ 83**	**$ 82**	**$ 82**	$ 135	$ 133	$ 133	$ 133

On February 12, 2010, the board of directors of Ameren declared a quarterly dividend on Ameren s common stock of 38.5 cents per share. The common share dividend is payable March 31, 2010, to stockholders of record on March 10, 2010.

For a discussion of restrictions on the Ameren Companies payment of dividends, see Liquidity and Capital Resources in Management s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7, of this report.

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Purchase of Equity Securities

The following table presents Ameren Corporation s purchases of equity securities reportable under Item 703 of Regulation S-K:

Period	(a) Total Number of Shares (or Units) Purchased[(a)]		(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
October 1 October 31, 2009	-	$	-	-	-
November 1 November 30, 2009	2,368		25.77	-	-
December 1 December 31, 2009	5,928		27.95	-	-
Total	8,296	$	27.33	-	-

(a) Included in December were 2,850 shares of Ameren common stock purchased by Ameren in open-market transactions pursuant to Ameren s 2006 Omnibus Incentive Compensation Plan in satisfaction of Ameren s obligations for Ameren board of directors compensation awards. The remaining shares of Ameren common stock were purchased by Ameren in open-market transactions pursuant to Ameren s 2006 Omnibus Incentive Compensation Plan in satisfaction of Ameren s obligation to distribute shares of common stock for vested performance units. Ameren does not have any publicly announced equity securities repurchase plans or programs.

None of the other registrants purchased equity securities reportable under Item 703 of Regulation S-K during the period from October 1, 2009 to December 31, 2009.

Performance Graph

The following graph shows Ameren s cumulative total shareholder return during the five years ended December 31, 2009. The graph also shows the cumulative total returns of the S&P 500 Index and the Edison Electric Institute Index (EEI Index), which comprises most investor-owned electric utilities in the United States. The comparison assumes that $100 was invested on December 31, 2004, in Ameren common stock and in each of the indices shown, and it assumes that all of the dividends were reinvested.

December 31,	2004	2005	2006	2007	2008	2009
Ameren	$ 100	$ 107.26	$ 118.11	$ 125.12	$ 81.84	**$ 73.08**
S&P 500 Index	100	104.91	121.48	128.14	80.73	**102.09**
EEI Index	100	116.05	140.14	163.35	121.04	**134.01**

Ameren management cautions that the stock price performance shown in the graph above should not be considered indicative of potential future stock price performance.

ITEM 6. SELECTED FINANCIAL DATA.

For the years ended December 31,

(In millions, except per share amounts)	2009	2008	2007	2006	2005
Ameren:					
Operating revenues[a]	**$ 7,090**	$ 7,839	$ 7,562	$ 6,895	$ 6,780
Operating income[a]	**1,416**	1,362	1,359	1,188	1,284
Net income attributable to Ameren Corporation[a]	**612**	605	618	547	606[b]
Common stock dividends	**338**	534	527	522	511
Earnings per share basic and diluted[a]	**2.78**	2.88	2.98	2.66	3.02[b]
Common stock dividends per share	**1.54**	2.54	2.54	2.54	2.54
As of December 31:					
Total assets	**$ 23,790**	$ 22,671	$ 20,752	$ 19,662	$ 18,171
Long-term debt, excluding current maturities	**7,113**	6,554	5,689	5,285	5,354
Preferred stock subject to mandatory redemption	**-**	-	16	17	19
Total Ameren Corporation stockholders equity	**7,853**	6,963	6,752	6,583	6,364
UE:					
Operating revenues	**$ 2,874**	$ 2,960	$ 2,961	$ 2,823	$ 2,889
Operating income	**566**	514	590	620	640
Net income available to common stockholder	**259**	245	336	343	346
Dividends to parent	**175**	264	267	249	280
As of December 31:					
Total assets	**$ 12,301**	$ 11,529	$ 10,903	$ 10,290	$ 9,277
Long-term debt, excluding current maturities	**4,018**	3,673	3,208	2,934	2,698
Total stockholders equity	**4,057**	3,562	3,601	3,153	3,016
CIPS:					
Operating revenues	**$ 869**	$ 982	$ 1,005	$ 954	$ 934
Operating income	**68**	42	49	69	85
Net income available to common stockholder	**26**	12	14	35	41
Dividends to parent	**47**	-	40	50	35
As of December 31:					
Total assets	**$ 1,965**	$ 1,920	$ 1,866	$ 1,861	$ 1,784
Long-term debt, excluding current maturities	**421**	421	456	471	410
Total stockholders equity	**574**	529	517	543	569
Genco:					
Operating revenues	**$ 850**	$ 908	$ 876	$ 992	$ 1,038
Operating income	**310**	330	258	131	257
Net income	**155**	175	125	49	97[b]
Dividends to parent	**-**	101	113	113	88
As of December 31:					
Total assets	**$ 2,535**	$ 2,244	$ 1,968	$ 1,850	$ 1,811
Long-term debt, excluding current maturities	**823**	774	474	474	474
Subordinated intercompany notes (current and long-term)	**45**	87	126	163	197
Total stockholder s equity	**862**	695	648	563	444
CILCO:					
Operating revenues	**$ 1,082**	$ 1,147	$ 1,011	$ 747	$ 742
Operating income	**252**	132	143	78	63
Net income available to common stockholder	**134**	68	74	45	24[b]
Dividends to parent	**20**	-	-	65	20
As of December 31:					
Total assets	**$ 2,382**	$ 2,296	$ 1,867	$ 1,656	$ 1,557
Long-term debt, excluding current maturities	**279**	279	148	148	122
Preferred stock subject to mandatory redemption	**-**	-	16	17	19
Total stockholders equity	**855**	684	622	535	562
IP:					
Operating revenues	**$ 1,504**	$ 1,696	$ 1,646	$ 1,694	$ 1,653
Operating income	**230**	103	109	141	202
Net income available to common stockholder	**77**	3	24	55	95
Dividends to parent	**31**	60	61	-	76
As of December 31:					
Total assets	**$ 3,942**	$ 3,770	$ 3,331	$ 3,227	$ 3,056
Long-term debt, excluding current maturities	**1,147**	1,150	1,014	772	704

Long-term debt to IP SPT, excluding current maturities	**-**	-	-	92	184
Total stockholders equity	**1,451**	1,251	1,308	1,346	1,287

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(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.
(b) Included income (loss) from cumulative effect of change in accounting principle of $(22) million ($(0.11) per share) for Ameren, $(16) million for Genco, and $(2) million for CILCO.

ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS. OVERVIEW

Ameren Executive Summary

Operations

At Ameren s rate-regulated utilities, milder weather and the economic slowdown led to a 3% decrease in kilowatthour sales to residential and commercial customers in 2009, compared with 2008. However, this sales decline was smaller, an estimated 1%, on a weather-normalized basis. The weak economy also led to a decline in kilowatthour sales by Ameren s rate-regulated utilities to their industrial customers. These sales declined 11% in 2009, compared with 2008, excluding the impact of reduced sales to Noranda s smelter plant in New Madrid, Missouri. Noranda s plant sustained damage because of a power interruption on non-Ameren-owned power lines during a severe ice storm in January 2009. As a result, the smelter s load was sharply reduced but has been rising steadily as repairs have been made to the smelter plant s production lines, with full production expected to be reached in the second quarter of 2010. Electric sales to industrial customers, including Noranda, declined 17% in 2009, compared with 2008.

For several years, Ameren s rate-regulated utility businesses have been earning returns on investment that are well below their authorized levels, in part, due to regulatory lag. Ameren is focused on improving earnings to levels that represent fair returns on its rate-regulated investments. Ameren has rate cases pending in both its Illinois and Missouri jurisdictions. Ameren is seeking revenue levels that reflect the significant investments it has made in electric and gas utility infrastructure to improve reliability. Ameren is also seeking recovery of higher financing costs and, in Missouri, rising net fuel costs. The Ameren Illinois Utilities are currently requesting a $130 million aggregate annual increase in base electric and natural gas delivery rates. The staff of the ICC currently supports a $46 million annual revenue increase. The staff s lower revenue amount reflects its lower recommended return on equity of 10.1% compared to the Ameren Illinois Utilities request of 11.5%, on a rate base weighted basis, and use of a lower pension and benefits expense level, among other things. In February 2010, administrative law judges issued a consolidated proposed order, which included a recommended revenue increase for electric delivery service for the Ameren Illinois Utilities of $66 million in the aggregate (CIPS $26 million increase, CILCO $6 million increase, and IP - $34 million increase) and a recommended revenue net decrease for natural gas delivery service of $10 million in the aggregate (CIPS $1 million increase, CILCO $6 million decrease, and IP - $5 million decrease). The ICC is not bound by the proposed order issued by the administrative law judges. New rates should be effective by early May 2010.

UE filed a request with the MoPSC in July 2009 for an annual electric service rate increase of $402 million. More than half of the request was for anticipated higher net fuel costs. These increased net fuel costs would have been eligible for recovery through the FAC absent this filing. The MoPSC staff, in its direct testimony in the rate case, recommended an annual electric service rate increase of $218 million to $251 million, with approximately $214 million of this related to higher net fuel costs. The staff s lower revenue amount reflects its lower recommended return on equity range of 9.0% to 9.7%, which was lower than UE s initial request of 11.5%. The staff s revenue amount also incorporated lower depreciation, plant maintenance and financing cost levels, as well as other adjustments. The staff testimony reflects continuation of the FAC and the pension and postretirement benefit cost trackers and a modified environmental cost recovery mechanism. Other parties filed testimony in the rate case, including a group of large industrial customers and the Office of Public Counsel. The Missouri Office of Public Counsel recommended a return on equity of 10.2%. The large industrial customers recommended a rate increase of $139 million, which included a $181 million increase related to net fuel costs. Their lower revenue requirement reflects their lower recommended return on equity of 10%, the use of significantly lower depreciation rates and plant maintenance expenses, as well as lower financing costs, among other things. The large industrial customers testimony reflects continuation of the FAC, as well as a modified approach for the accounting and recovery of environmental costs. In February 2010, UE filed its rebuttal testimony in this rate case, which included, among other things, a modification of its recommended return on equity to 10.8%. It is anticipated that certain major changes to revenues, expenses, rate base, and capital structure will be trued-up through January 31, 2010, in a March 2010 UE update. A MoPSC order is expected by late May 2010 with new rates expected to be effective in late June 2010.

Current lower power prices are very much linked to weak economic conditions. Weak economic conditions have reduced the demand for power and other energy commodities. Ameren believes that when the economy recovers, these prices should rise. In the meantime, Ameren continues to look for opportunities to prudently reduce operating and capital spending in the Merchant Generation business, as well as protect and enhance margins. Ameren s Merchant Generation business output is significantly hedged over the next few years. Such hedging protects credit quality and reduces earnings and cash flow volatility. In addition, Ameren continues to focus on providing value-added electricity products to the market.

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Leveraging Ameren s competitive merchant generating assets, Marketing Company has a track record of enhancing margins through sales to wholesale and retail customers. To strengthen Merchant Generation s ability to successfully weather current lower power prices, Ameren has reduced planned operating and capital spending, improving the cash flow outlook for the Merchant Generation business. Ameren continues to evaluate Merchant Generation s spending plans in light of changing technologies, power prices and delivered fuel costs in order to ensure that the lowest cost options are identified in terms of both capital and ongoing operating costs.

Earnings

Ameren reported net income of $612 million, or $2.78 per share, for 2009 compared with net income of $605 million, or $2.88 per share, in 2008. Factors contributing to the 10 cent decline in earnings per share in 2009 compared with 2008 included lower electricity and natural gas sales in Ameren s rate-regulated businesses and lower margins in its Merchant Generation business, as a result of weak economic conditions, milder 2009 weather and, in the Missouri Regulated business, the impact of reduced sales to Noranda. Higher depreciation and interest expense, the absence in 2009 of the benefit of a lump-sum payment from a coal supplier for higher fuel costs in 2009 as a result of a premature mine closure and contract termination, and an increased average number of common shares outstanding also affected comparative results. Offsetting factors included new utility rates in Illinois and Missouri, favorable unrealized MTM activity on derivatives, and lower operations and maintenance expenses due, in part, to the absence of a refueling and maintenance outage at the Callaway nuclear plant in 2009.

Liquidity

As a result of turmoil in the capital and credit markets in 2008 and 2009, we sought to improve our liquidity position. We replaced and extended the expiration of our credit facilities and sought to reduce our reliance on borrowings from these credit facilities, increase cash balances and increase the equity content of our capitalization. We also sought to eliminate debt at CILCORP as a step in simplifying our organizational structure. In addition, Ameren also reduced planned spending, headcount and capital investment across the company to mitigate the negative impact on sales of a weak economy and related power prices. At December 31, 2009, Ameren, on a consolidated basis, had available liquidity, in the form of cash on hand and amounts available under its existing credit facilities, of approximately $1.9 billion, which was $0.6 billion more than it had at the end of 2008. Cash flows from operations of $2.0 billion in 2009 at Ameren, along with other funds, were used to pay dividends to common shareholders of $338 million and to fund capital expenditures of $1.7 billion.

Capital Spending

During 2009, Ameren was able to significantly defer or reduce planned capital spending, including spending for environmental compliance, compared with previous plans.

Between 2010 and 2017, Ameren expects that certain Ameren Companies will be required to make cumulative investments of between $1.6 billion and $1.9 billion to retrofit their coal-fired power plants with pollution control equipment in compliance with existing emissions-related environmental laws and regulations. Any pollution control investments will result in decreased plant availability during construction and higher ongoing operating expenses. Approximately 20% of this investment is expected to be in Ameren s Missouri Regulated operations, and it is therefore expected to be recoverable from ratepayers, but subject to prudency reviews.

Initiatives to limit greenhouse gas emissions and to address global climate change are subject to active consideration in the U.S. Congress. Although we cannot predict the date of enactment or the requirements of any future climate change legislation or regulations, we believe it is possible that some form of federal legislation or regulations to control emissions of greenhouse gases will become law during President Obama s administration. Potential impacts from the climate change legislation could vary depending upon proposed CO_2 emission limits, the timing of implementation of those limits, the method of distributing allowances, the degree to which offsets are allowed and available, and provisions for cost containment measures. Future federal and state legislation or regulations that mandate limits on the emission of greenhouse gases would result in significant increases in capital expenditures and operating costs, which, in turn, could lead to increased liquidity needs and higher financing costs. Moreover, to the extent Ameren requests recovery of these costs through rates, its regulators might deny some or all of, or defer timely recovery of, these costs. Excessive costs to comply with future legislation or regulations might force UE, Genco, CILCO (through AERG) and EEI and other similarly-situated electric power generators to close some coal-fired facilities, and it could lead to possible impairment of assets and reduced revenues. As a result, mandatory limits could have a material adverse impact on Ameren s, UE s, Genco s, CILCO s (through AERG) and EEI s results of operations, financial position, or liquidity.

General

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company under PUHCA 2005, administered by FERC. Ameren s primary assets are the common stock of its subsidiaries. Ameren s subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. These subsidiaries operate, as the case may be, rate-regulated electric generation, transmission, and distribution businesses, rate-regulated natural gas transmission and distribution businesses, and merchant electric generation businesses in Missouri and Illinois. Dividends on Ameren s common stock and the payment of other expenses by Ameren depend on distributions made to it by its subsidiaries. See Note 1 Summary of Significant Accounting Policies under Part II, Item 8, of this report for a detailed description of our principal subsidiaries.

UE operates a rate-regulated electric generation, transmission and distribution business, and a rate-

regulated natural gas transmission and distribution business in Missouri.
CIPS operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.
Genco operates a merchant electric generation business in Illinois and Missouri.
CILCO operates a rate-regulated electric transmission and distribution business, a merchant electric generation business (through its subsidiary, AERG), and a rate-regulated natural gas transmission and distribution business, all in Illinois.
IP operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.

The financial statements of Ameren are prepared on a consolidated basis and therefore include the accounts of its majority-owned subsidiaries. All significant intercompany transactions have been eliminated. All tabular dollar amounts are expressed in millions, unless otherwise indicated.

In addition to presenting results of operations and earnings amounts in total, we present certain information in cents per share. These amounts reflect factors that directly affect Ameren s earnings. We believe this per share information helps readers to understand the impact of these factors on Ameren s earnings per share. All references in this report to earnings per share are based on average diluted common shares outstanding during the applicable year.

RESULTS OF OPERATIONS

Earnings Summary

Our results of operations and financial position are affected by many factors. Weather, economic conditions, and the actions of key customers or competitors can significantly affect the demand for our services. Our results are also affected by seasonal fluctuations: winter heating and summer cooling demands. The vast majority of Ameren s revenues are subject to state or federal regulation. This regulation has a material impact on the price we charge for our services. Merchant Generation sales are also subject to market conditions for power. We principally use coal, nuclear fuel, natural gas, and oil for fuel in our operations. The prices for these commodities can fluctuate significantly due to the global economic and political environment, weather, supply and demand, and many other factors. We have natural gas cost recovery mechanisms for our Illinois and Missouri gas delivery service businesses, purchased power cost recovery mechanisms for our Illinois electric delivery service businesses, and a FAC for our Missouri electric utility business. See Note 2 Rate and Regulatory Matters under Part II, Item 8, for a discussion of pending rate cases in Missouri and Illinois, including UE s request for approval to implement an environmental cost recovery mechanism and to continue its FAC. Fluctuations in interest rates and conditions in the capital and credit markets affect our cost of borrowing and our pension and postretirement benefits costs. We employ various risk management strategies to reduce our exposure to commodity risk and other risks inherent in our business. The reliability of our power plants and transmission and distribution systems and the level of purchased power

costs, operating and administrative costs, and capital investment are key factors that we seek to control to optimize our results of operations, financial position, and liquidity.

Net income attributable to Ameren Corporation was $612 million, or $2.78 per share, for 2009, $605 million, or $2.88 per share for 2008, and $618 million, or $2.98 per share, for 2007.

Net income attributable to Ameren Corporation increased $7 million and its earnings per share decreased 10 cents in 2009 compared with 2008. Net income attributable to Ameren Corporation increased in the Illinois Regulated and Missouri Regulated segments by $92 million and $25 million, respectively, in 2009 compared with 2008, while net income attributable to Ameren Corporation in the Merchant Generation segment decreased by $105 million in 2009 compared with 2008.

Compared with 2008 earnings, 2009 earnings were negatively affected by:

higher dilution and financing costs (31 cents per share);
the impact on electric and natural gas margins in our rate-regulated businesses of higher net fuel costs at UE and lower demand (exclusive of weather impacts), among other things (30 cents per share);
the absence in 2009 of the benefit of a settlement agreement reached with a coal mine owner that reimbursed Genco, in the form of a lump-sum payment, for increased costs for coal and transportation incurred in 2008 and 2009 due to the premature closure of an Illinois mine and contract termination (18 cents per share);
the impact of milder weather conditions on energy demand (estimated at 15 cents per share);
increased depreciation and amortization expenses (12 cents per share);
reduced sales to Noranda because of an extended storm-related outage (11 cents per share);

the absence in 2009 of a MoPSC rate order establishing two separate regulatory assets for previously incurred storm and MISO related costs (11 cents per share);

increased expense related to work force reductions through voluntary and involuntary separation programs and asset impairment charges recorded primarily at Genco in 2009 (7 cents per share);

increased taxes other than income taxes, primarily because of higher property taxes (6 cents per share);

lower realized electric margins in the Merchant Generation segment largely due to lower sales volumes and higher fuel and related transportation costs (5 cents per share); and

increased distribution system reliability expenditures (5 cents per share).

Compared with 2008 earnings, 2009 earnings were favorably affected by:

higher electric and natural gas delivery service rates, effective October 1, 2008, in the Illinois Regulated segment pursuant to an ICC consolidated rate order for

- CIPS, CILCO and IP (40 cents per share);
- higher electric rates, effective March 1, 2009, in the Missouri Regulated segment pursuant to a MoPSC rate order (40 cents per share);
- favorable net unrealized MTM activity on derivatives and from changes in the market value of investments used to support Ameren s deferred compensation plans (21 cents per share);
- decreased plant operations and maintenance expense (15 cents per share);
- the absence in 2009 of a Callaway nuclear plant refueling and maintenance outage (9 cents per share);
- the absence in 2009 of asset impairment charges recorded to adjust the carrying value of CILCO s (through AERG) Indian Trails and Sterling Avenue generating facilities to their estimated fair values as of December 31, 2008 (6 cents per share); and
- the reduced impact in 2009 of the electric rate relief and customer assistance programs provided to certain Ameren Illinois Utilities electric customers under the 2007 Illinois Electric Settlement Agreement (5 cents per share).

The cents per share information presented above is based on average shares outstanding in 2008.

Net income attributable to Ameren Corporation decreased $13 million and its earnings per share decreased 10 cents in 2008 compared with 2007. Net income attributable to Ameren Corporation increased in the Merchant Generation segment by $71 million in 2008 compared with 2007, while net income attributable to Ameren Corporation in the Missouri Regulated and Illinois Regulated segments decreased by $47 million and $15 million, respectively. Other net income decreased $22 million in 2008 compared with 2007, primarily because of net unrealized MTM losses on nonqualifying hedges mainly related to fuel-related transactions and reduced interest and dividend income.

Compared with 2007 earnings, 2008 earnings were negatively affected by:

- higher fuel and related transportation prices, excluding net MTM losses on fuel-related transactions (27 cents per share);
- increased distribution system reliability expenditures (16 cents per share);
- higher plant operations and maintenance expenses (16 cents per share);
- the impact of unfavorable milder weather conditions on energy demand (estimated at 16 cents per share);
- net unrealized MTM losses on nonqualifying hedges (11 cents per share);
- higher dilution and financing costs (10 cents per share);
- asset impairment charges recorded to adjust the carrying value of CILCO s (through AERG) Indian Trails and Sterling Avenue generation facilities to their estimated fair values as of December 31, 2008 (6 cents per share);
- increased depreciation and amortization expenses (6 cents per share);
- the absence in 2008 of the reversal, recorded in 2007, of the Illinois Customer Elect electric rate increase phase-in plan accrual (5 cents per share);
- higher labor and employee benefit costs (5 cents per share); and
- higher bad debt expenses (3 cents per share).

Compared with 2007 earnings, 2008 earnings were favorably affected by:

- higher realized electric margins in the Merchant Generation segment;
- the absence in 2008 of costs that were incurred in January 2007 associated with electric outages caused by severe ice storms, and the amount of these costs that UE will recover as a result of an accounting order issued by the MoPSC, which was recorded as a regulatory asset in 2008 (16 cents per share);
- the reduced impact in 2008 of the electric rate relief and customer assistance programs provided to certain Ameren Illinois Utilities electric customers under the 2007 Illinois Electric Settlement Agreement (13 cents per share);
- the absence in 2008 of a March 2007 FERC order that resettled costs among MISO market participants retroactive to 2005 that was recorded in 2007, and the subsequent recovery of a portion of these costs in 2008, through a MoPSC order (10 cents per share);
- higher electric and natural gas delivery service rates in the Illinois Regulated segment pursuant to the ICC consolidated rate order for CIPS, CILCO, and IP issued in September 2008 (9 cents per share);
- the benefit of a settlement agreement with a coal mine owner reached in June 2008 that reimbursed Genco, in the form of a lump-sum payment, for increased costs for coal and transportation that it expected to incur in 2009 due to the premature closure of an Illinois mine and contract termination (8 cents per share);
- higher electric rates, lower depreciation expense, and decreased income tax expense in the Missouri Regulated segment pursuant to the MoPSC electric rate order for UE issued in May 2007 (8 cents per share); and
- the reduced impact of the Callaway nuclear plant refueling and maintenance outage in 2008, as compared with the prior-year refueling and maintenance outage (4 cents per share).

The cents per share information presented above is based on average shares outstanding in 2007.

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Because it is a holding company, Ameren s net income and cash flows are primarily generated by its principal subsidiaries: UE, CIPS, Genco, CILCO and IP. The following table presents the contribution by Ameren s principal subsidiaries to Ameren s consolidated net income for the years ended December 31, 2009, 2008 and 2007:

	2009	2008	2007
Net income (loss):			
UE[(a)]	**$ 259**	$ 245	$ 336
CIPS	**26**	12	14
Genco	**155**	175	125
CILCO	**134**	68	74
IP	**77**	3	24
Other[(b)]	**(39)**	102	45
Net income attributable to Ameren Corporation	**$ 612**	$ 605	$ 618

(a) Includes earnings from a 40% interest in EEI through February 29, 2008.
(b) Includes earnings from other merchant generation, including CILCORP, as well as corporate, general and administrative expenses, and intercompany eliminations. Includes a 40% interest in EEI through February 29, 2008, and an 80% interest in EEI since that date.

Below is a table of income statement components by segment for the years ended December 31, 2009, 2008 and 2007:

2009	Missouri Regulated	Illinois Regulated	Merchant Generation	Other / Intersegment Eliminations	Total
Electric margins	**$ 1,983**	**$ 886**	**$ 1,012**	**$ (22)**	**$ 3,859**
Natural gas margins	**73**	**359**	**-**	**-**	**432**
Other revenues	**4**	**4**	**-**	**(8)**	**-**
Other operations and maintenance	**(880)**	**(550)**	**(340)**	**32**	**(1,738)**
Depreciation and amortization	**(357)**	**(216)**	**(126)**	**(26)**	**(725)**
Taxes other than income taxes	**(257)**	**(125)**	**(28)**	**(2)**	**(412)**
Other income and (expenses)	**56**	**2**	**1**	**(11)**	**48**
Interest charges	**(229)**	**(153)**	**(119)**	**(7)**	**(508)**
Income (taxes) benefit	**(128)**	**(77)**	**(151)**	**24**	**(332)**
Net income (loss)	**265**	**130**	**249**	**(20)**	**624**
Noncontrolling interest and preferred dividends	**(6)**	**(6)**	**(2)**	**2**	**(12)**
Net income (loss) attributable to Ameren Corporation	**$ 259**	**$ 124**	**$ 247**	**$ (18)**	**$ 612**
2008					
Electric margins	$ 1,924	$ 817	$ 1,188	$ (47)	$ 3,882
Natural gas margins	78	342	-	(5)	415
Other revenues	3	-	-	(3)	-
Other operations and maintenance	(922)	(627)	(356)	48	(1,857)
Depreciation and amortization	(329)	(219)	(109)	(28)	(685)
Taxes other than income taxes	(240)	(126)	(26)	(1)	(393)
Other income and (expenses)	53	11	-	(15)	49
Interest charges	(193)	(144)	(99)	(4)	(440)
Income (taxes) benefit	(134)	(16)	(217)	40	(327)
Net income (loss)	240	38	381	(15)	644
Noncontrolling interest and preferred dividends	(6)	(6)	(29)	2	(39)
Net income (loss) attributable to Ameren Corporation	$ 234	$ 32	$ 352	$ (13)	$ 605
2007					
Electric margins	$ 1,984	$ 759	$ 1,037	$ (51)	$ 3,729
Natural gas margins	70	317	-	(8)	379
Other revenues	2	3	-	(5)	-
Other operations and maintenance	(900)	(550)	(313)	76	(1,687)
Depreciation and amortization	(333)	(217)	(105)	(26)	(681)
Taxes other than income taxes	(234)	(121)	(25)	(1)	(381)
Other income and (expenses)	35	20	3	(8)	50

Interest charges	(194)	(132)	(107)	10	(423)
Income (taxes) benefit	(143)	(25)	(182)	20	(330)
Net income	287	54	308	7	656
Noncontrolling interest and preferred dividends	(6)	(7)	(27)	2	(38)
Net income attributable to Ameren Corporation	$ 281	$ 47	$ 281	$ 9	$ 618

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Margins

The following table presents the favorable (unfavorable) variations in the registrants electric and natural gas margins from the previous year. Electric margins are defined as electric revenues less fuel and purchased power costs. Natural gas margins are defined as gas revenues less gas purchased for resale. The table covers the years ended December 31, 2009, 2008, and 2007. We consider electric and natural gas margins useful measures to analyze the change in profitability of our electric and natural gas operations between periods. We have included the analysis below as a complement to the financial information we provide in accordance with GAAP. However, these margins may not be a presentation defined under GAAP, and they may not be comparable to other companies presentations or more useful than the GAAP information we provide elsewhere in this report.

2009 versus 2008	Ameren[(a)]	UE	CIPS	Genco	CILCO	IP
Electric revenue change:						
Effect of weather (estimate)	$ (47)	$ (33)	$ (3)	$ -	$ (4)	$ (7)
Regulated rates:						
Changes in base rates	229	141	17	-	(2)	73
Noranda sales	(50)	(50)	-	-	-	-
Illinois pass-through power supply costs	(338)	-	(89)		(104)	(145)
Sales price changes, including hedge effect	115	-	-	136	60	-
Off-system revenues	(89)	(89)	-	-	-	-
2007 Illinois Electric Settlement Agreement, net of reimbursement	15	-	2	7	4	2
Supply Cost Adjustment factor	7	-	2	-	1	4
Net unrealized MTM losses	(110)	-	-	-	-	-
Generation output, load and other	(190)	(25)	(7)	(201)	3	(6)
Total electric revenue change	$ (458)	$ (56)	$ (78)	$ (58)	$ (42)	$ (79)
Fuel and purchased power change:						
Fuel:						
Generation and other	$ 126	$ 21	$ -	$ 79	$ 2	$ -
Net unrealized MTM gains	118	58	-	33	7	-
Price	(83)	-	-	(46)	(3)	-
Coal contract settlement	(27)	-	-	(27)	-	-
Purchased power	(25)	48	-	-	18	-
Illinois pass-through power supply costs	338	-	89	-	104	145
FERC-ordered MISO resettlements	(12)	(12)	-	-	-	-
Total fuel and purchased power change	$ 435	$ 115	$ 89	$ 39	$ 128	$ 145
Net change in electric margins	**$ (23)**	**$ 59**	**$ 11**	**$ (19)**	**$ 86**	**$ 66**
Natural gas margins change:						
Effect of weather (estimate)	$ (7)	$ (1)	$ (1)	$ -	$ (1)	$ (4)
Changes in base rates	34	-	7	-	(6)	33
Absence of capitalization of nonrecoverable gas costs	(5)	-	(1)	-	-	(4)
Net unrealized 2008 MTM losses	12	-	-	-	12	-
Other	(17)	(4)	(4)	-	(8)	(2)
Net change in natural gas margins	**$ 17**	**$ (5)**	**$ 1**	**$ -**	**$ (3)**	**$ 23**

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2008 versus 2007	Ameren[(a)]	UE	CIPS	Genco	CILCO	IP
Electric revenue change:						
Effect of weather (estimate)	$ (59)	$ (36)	$ (6)	$ -	$ (4)	$ (13)
Regulated rates:						
Changes in base rates	43	16	5	-	-	22
Illinois pass-through power supply costs	(91)	-	(58)	-	15	(48)
Sales price changes, including hedge effect	106	-	-	45	18	-
Off-system revenues, excluding estimated weather impact of $53 million	(42)	(47)	-	-	-	-
2007 Illinois Electric Settlement Agreement, net of reimbursement	35	-	6	13	9	7
FERC-ordered MISO resettlements	(17)	-	-	(12)	(4)	-
Supply Cost Adjustment factor	(2)	-	(2)	-	5	(5)
Net unrealized MTM gains	81	8	-	-	-	-
Generation output, load and other	30	29	3	(14)	51	4
Total electric revenue change	$ 84	$ (30)	$ (52)	$ 32	$ 90	$ (33)
Fuel and purchased power change:						
Fuel:						
Generation and other	$ 33	$ 31	$ -	$ 31	$ (32)	$ -
Net unrealized MTM losses	(75)	(39)	-	(18)	(3)	-
Price	(93)	(56)	-	(13)	(15)	-
Coal contract settlement for 2009	27	-	-	27	-	-
Purchased power	39	9	-	23	-	-
Illinois pass-through power supply costs	91	-	58	-	(15)	48
FERC-ordered MISO resettlements	47	23	8	-	4	12
Total fuel and purchased power change	$ 69	$ (32)	$ 66	$ 50	$ (61)	$ 60
Net change in electric margins	**$ 153**	**$ (62)**	**$ 14**	**$ 82**	**$ 29**	**$ 27**
Natural gas margins change:						
Effect of weather (estimate)	$ 12	$ 2	$ 2	$ -	$ 2	$ 6
Changes in base rates	7	3	1	-	(5)	8
Capitalization of nonrecoverable gas costs	9	-	2	-	-	7
Net unrealized MTM losses	(6)	-	-	-	(6)	-
Other	14	3	2	-	8	(3)
Net change in natural gas margins	**$ 36**	**$ 8**	**$ 7**	**$ -**	**$ (1)**	**$ 18**

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.

2009 versus 2008

Ameren

Ameren s electric margins decreased by $23 million, or 1%, in 2009 compared with 2008. The following items had an unfavorable impact on Ameren s electric margins:

Higher net fuel expense at UE of $20 million resulting from lower off-system revenues ($89 million), offset, in part, by lower fuel-generation and other ($21 million) and purchased power ($48 million).

Net unrealized MTM activity in the Merchant Generation segment of $110 million (Marketing Company net loss of $112 million and EEI net gain of $2 million) on energy transactions, primarily related to nonqualifying hedges of changes in market prices for electricity.

Higher fuel expense at Genco as a result of its June 2008 settlement agreement with a coal mine owner to receive a lump-sum payment of $60 million for the early termination of a coal supply contract. This payment compensated Genco, in total, for higher fuel costs it incurred throughout 2008 ($33 million) and 2009 ($27 million). Because the entire settlement was recorded in earnings in 2008, Ameren s earnings in 2009 were comparatively lower than they otherwise would have been.

Excluding the impact of the June 2008 settlement agreement, 5% higher fuel prices in the Merchant Generation segment.

Reduced sales by UE to Noranda, due to an extended severe storm-related outage, which lowered electric revenues by $50 million in 2009. See Outlook for additional information on the Noranda plant outage.

Unfavorable weather conditions, as evidenced by a 7% reduction in cooling degree-days, which decreased margins by $43 million.

Excluding the impact of UE s reduced sales to Noranda, lower weather-normalized end-use retail sales volume of 4% in Ameren s rate-regulated utilities, largely a result of the economic slowdown, which decreased margins by $23 million.

Decreased power plant utilization in the Merchant Generation segment, primarily because of lower market prices, which resulted in fewer opportunities for economic sales, and transmission congestion, which limited the period when power could be sold. Merchant Generation s baseload, coal-fired generating plants equivalent availability factors were 81% in 2009, compared with 85% in 2008, and the average capacity factor was 66% in 2009, compared with 76% in 2008.

The following items had a favorable impact on Ameren s electric margins for 2009 compared with 2008:

- Higher electric rates at UE, effective March 1, 2009, which increased margins by $141 million, and at the Ameren Illinois Utilities, effective October 1, 2008, which increased margins by $88 million.
- Net unrealized MTM activity at UE of $58 million on energy and fuel-related transactions. During 2009 UE reversed and deferred as regulatory assets previously recorded net MTM losses of $42 million on energy and fuel-related transactions in the first quarter of 2009, when these costs became probable of recovery because of the FAC. See Note 7 Derivative Financial Instruments under Part II, Item 8, of this report, for additional information.
- Net unrealized MTM activity at the Merchant Generation segment of $55 million (Genco $33 million, CILCO $7 million, EEI $15 million) on fuel-related transactions. These were primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts.
- The repricing of wholesale and retail electric power supply agreements and financial swaps that settled at higher margins at Merchant Generation.
- Higher wholesale sales margins at UE of $32 million because of additional customers and higher-priced wholesale sales contracts. Power was available for sale to wholesale customers as a result of reduced native load demand.
- The recovery of power supply costs incurred by the Ameren Illinois Utilities of $7 million, including an increase in Supply Cost Adjustment (SCA) factors as approved in the 2008 ICC electric rate order.
- A $15 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.
- Higher Callaway nuclear plant availability due to the absence of a 30-day planned maintenance outage, which occurred in the fourth quarter of 2008.

Ameren s natural gas margins increased by $17 million, or 4%, in 2009 compared with 2008. The following items had a favorable impact on Ameren s natural gas margins:

- The Ameren Illinois Utilities net gas delivery service rate increase, effective October 1, 2008, which increased margins by $34 million.
- The absence of net unrealized MTM losses at CILCO of $12 million in 2009 on natural gas swaps.

The following items had an unfavorable impact on Ameren s natural gas margins in 2009 compared with 2008:

- Unfavorable weather conditions, as evidenced by an 8% reduction in heating degree-days, which decreased margins by $7 million.
- 7% lower weather-normalized sales volumes, largely a result of the economic slowdown, which decreased margins by $9 million.
- The absence of the capitalization of nonrecoverable purchased gas costs in accordance with the September 2008 ICC gas rate order, which resulted in a one-time increase in margins of $5 million in 2008.

Missouri Regulated (UE)

UE s electric margins increased $59 million, or 3%, in 2009 compared with 2008. The following items had a favorable impact on UE s electric margins:

- Higher electric rates, effective March 1, 2009, which increased margins by $141 million.
- Net unrealized MTM activity of $58 million on energy and fuel-related transactions. During 2009 UE reversed and deferred as regulatory assets previously recorded net MTM losses of $42 million on energy and fuel-related transactions in the first quarter of 2009, when these costs became probable of recovery because of the FAC. See Note 7 Derivative Financial Instruments under Part II, Item 8, of this report, for additional information.
- Higher wholesale sales margins of $32 million due to additional customers and higher-priced wholesale sales contracts. Power was available for sale to wholesale customers as a result of reduced native load demand.
- Higher Callaway nuclear plant availability due to the absence of a 30-day planned maintenance outage, which occurred in the fourth quarter of 2008.

The following items had an unfavorable impact on UE s electric margins in 2009 compared with 2008:

- Higher net fuel expense of $20 million resulting from lower off-system revenues ($89 million), offset, in part, by lower fuel-generation and other ($21 million) and purchased power ($48 million).
- Reduced sales to Noranda, due to an extended severe storm-related outage, which lowered electric revenues by $50 million. See Outlook for additional information on the Noranda plant outage.
- Unfavorable weather conditions, as indicated by a 13% reduction in cooling degree-days during the third quarter, which is UE s peak cooling period, and a mild winter, which decreased margins by $29 million.
- Excluding the impact of reduced sales to Noranda, 2% lower weather-normalized end-use retail sales volumes, largely a result of the economic slowdown, which decreased margins by $18 million.
- The absence in 2009 of the benefits from a MoPSC order that directed the recording of a regulatory asset related to previously incurred costs for a 2007 FERC order, which decreased margins by $12 million.

UE s natural gas margins decreased by $5 million, or 6%, in 2009 compared with 2008, primarily because of an 8% decrease in weather-normalized sales volumes in 2009.

Illinois Regulated

Illinois Regulated s electric margins increased by $69 million, or 8%, in 2009 compared with 2008. Illinois Regulated s natural gas margins increased by $17 million, or 5%, in 2009 compared with 2008. The Ameren Illinois

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Utilities have a cost recovery mechanism for power purchased on behalf of their customers. These pass-through power costs do not affect margins; however, the electric revenues and offsetting purchased power costs fluctuate primarily because of customer switching and usage. See below for explanations of electric and natural gas margin variances for the Illinois Regulated segment.

CIPS

CIPS electric margins increased by $11 million, or 4%, in 2009 compared with 2008. The following items had a favorable impact on electric margins:

- Higher electric delivery service rates, effective October 1, 2008, which increased margins by $17 million in 2009.
- The recovery of power supply costs incurred of $2 million, including an increase in the SCA factors, as approved in the 2008 ICC electric rate order.
- A $2 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.

The following items had an unfavorable impact on CIPS electric margins in 2009 compared with 2008:

- Net transmission margins that were $4 million lower, primarily because of reduced transmission service rates that were based on lower transmission costs in the prior year.
- Unfavorable weather conditions, as evidenced by a 7% reduction in cooling degree-days, which decreased margins by $3 million.

CIPS natural gas margins increased by $1 million, or 1%, in 2009 compared with 2008. This was primarily due to higher gas delivery service rates, effective October 1, 2008, which increased margins by $7 million.

The following items had an unfavorable impact on CIPS natural gas margins in 2009 compared with 2008:

- Unfavorable weather conditions, as evidenced by an 8% reduction in heating degree-days, which decreased margins by $1 million.
- 3% lower weather-normalized sales volumes for 2009, largely a result of the economic slowdown, which decreased margins by $2 million.
- The absence of the capitalization of nonrecoverable purchased gas costs in accordance with the September 2008 ICC gas rate order, which resulted in a one-time increase in margins of $1 million in 2008.

CILCO (Illinois Regulated)

The following table provides a reconciliation of CILCO s change in electric margins by segment to CILCO s total change in electric margins for 2009 compared with 2008:

	2009 versus 2008	
CILCO (Illinois Regulated)	$	(8)
CILCO (AERG)		94
Total change in electric margins	$	86

CILCO s (Illinois Regulated) electric margins decreased by $8 million, or 5%, in 2009 compared with 2008. The following items had an unfavorable impact on electric margins:

- Lower electric delivery service rates, effective October 1, 2008, which decreased margins by $2 million.
- Unfavorable weather conditions, as evidenced by a 25% reduction in cooling degree-days, which decreased margins by $4 million.

10% lower weather-normalized sales volumes, primarily in the lower-margin industrial customer sector, largely a result of the economic slowdown, which decreased margins by $1 million.

CILCO s (Illinois Regulated) electric margins were favorably affected in 2009 compared with 2008 by:

The recovery of power supply costs incurred of $1 million, including an increase in the SCA factors, as approved in the 2008 ICC electric rate order.

A $1 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.

See Merchant Generation below for an explanation of CILCO s (AERG) electric margins in 2009 compared with 2008.

CILCO s (Illinois Regulated) natural gas margins decreased by $3 million, or 3%, in 2009 compared with 2008. CILCO s natural gas margins were unfavorably affected by:

12% lower weather-normalized sales volumes and lower realized prices related to a contract with a large industrial customer for 2009, largely a result of the economic slowdown, which decreased margins by $8 million.

Lower gas delivery service rates, effective October 1, 2008, which decreased margins by $6 million.

Unfavorable weather conditions, as evidenced by a 5% reduction in heating degree-days, which decreased margins by $1 million.

CILCO s natural gas margins were favorably affected in 2009 compared with 2008 by the absence of net unrealized MTM losses of $12 million in 2009 on natural gas swaps.

IP

IP s electric margins increased by $66 million, or 16%, in 2009 compared with 2008. The following items had a favorable impact on electric margins:

Higher electric delivery service rates, effective October 1, 2008, which increased margins by $73 million.

The recovery of power supply costs incurred of $4 million, including an increase in the SCA factors, as approved in the 2008 ICC electric rate order.

A $2 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.

IP s electric margins were unfavorably affected in 2009 compared to 2008 by:

Unfavorable weather conditions, as evidenced by a 12% reduction in cooling degree-days, which decreased margins by $7 million.

- 4% lower weather-normalized sales volumes, primarily in the lower-margin industrial customer sector, largely as a result of the economic slowdown, which decreased margins by $6 million.

IP s natural gas margins increased by $23 million, or 14%, in 2009 compared with 2008. This was primarily due to higher gas delivery service rates, effective October 1, 2008, which increased margins by $33 million.

The following items had an unfavorable impact on IP s natural gas margins in 2009 compared with 2008:

- Unfavorable weather conditions, as evidenced by an 8% reduction in heating degree-days, which decreased margins by $4 million.
- The absence of the capitalization of nonrecoverable purchased gas costs in accordance with the September 2008 ICC gas rate order, which resulted in a one-time increase in margins of $4 million in 2008.
- 4% lower weather-normalized sales volumes, largely a result of the economic slowdown, which decreased margins by $3 million.

Merchant Generation

Merchant Generation s electric margins decreased by $176 million, or 15%, in 2009 compared with 2008.

Genco

Genco s electric margins decreased by $19 million, or 3%, in 2009 compared with 2008. The following items had an unfavorable impact on electric margins:

- Decreased power plant utilization, primarily due to lower market prices, which resulted in fewer opportunities for economic sales, and transmission congestion, which limited the period when power could be sold. In addition, one of Genco s coal-fired power plants experienced a transformer fire in September 2009, which put two units out of service for a period of time. This contributed to a reduction in Genco s baseload coal-fired generating plants equivalent availability factor to 81% in 2009, compared with 86% in 2008. Genco s average capacity factor also decreased to 60% in 2009, compared with 73% in 2008.
- Lower revenues allocated to Genco under its power supply agreement (Genco PSA) with Marketing Company, which were because of lower reimbursable expenses and lower generation relative to AERG in accordance with the Genco PSA, partially offset by financial swaps settling at higher margins and new higher-priced wholesale and retail electric power supply agreements.
- Higher fuel expense as a result of Genco s June 2008 settlement agreement with a coal mine owner to receive a lump-sum payment of $60 million for the early termination of a coal supply contract. This payment compensated Genco, in total, for higher fuel costs it incurred throughout 2008 ($33 million) and 2009 ($27 million). Because the entire settlement was recorded in earnings in the second quarter of 2008,
  Genco s earnings in 2009 were comparatively lower than they otherwise would have been.
- Excluding the impact of the June 2008 settlement agreement, 3% higher fuel prices.

Genco s electric margins were favorably affected in 2009 compared with 2008 by:

- Net unrealized MTM activity of $33 million on fuel-related transactions. These were primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts.
- Lower emission allowance costs because of lower prices and reduced generation increased margins by $11 million.
- A $7 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.

CILCO (AERG)

AERG s electric margins increased by $94 million, or 43%, in 2009 compared with 2008. The following items had a favorable impact on electric margins:

- Higher revenues allocated to AERG under its power supply agreement (AERG PSA) with Marketing Company, which were because of higher reimbursable expenses and higher generation relative to Genco in accordance with the AERG PSA. AERG s baseload coal-fired generating plants equivalent availability and average capacity factors were comparable to 2008. Financial swaps also settled at higher margins, and new higher-priced wholesale and retail electric power supply agreements increased revenues.

Net unrealized MTM activity of $7 million on fuel-related transactions. These were primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts.

Oil consumption was lower because of fewer plant startups and lower oil prices in 2009, reducing costs by $6 million.

A $3 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.

Other Merchant Generation

Electric margins from Ameren s other Merchant Generation operations, primarily EEI and Marketing Company, decreased by $251 million, or 66%, in 2009. Other Merchant Generation electric margins were unfavorably affected, compared with 2008, by:

Decreased power plant utilization, primarily because of lower market prices, which resulted in fewer opportunities for economic sales, and plant outages. The average realized sales price for power including hedging decreased by 27%. EEI s baseload coal-fired generating plant s equivalent availability and average capacity factors were 88% and 81%, respectively, in 2009, compared with 92% and 91%, respectively, in 2008.

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- 27% higher fuel prices at EEI because of an increase in transportation costs.
- Net unrealized MTM activity (mostly at Marketing Company) of $95 million on energy and fuel-related transactions. These were primarily associated with financial instruments that related to nonqualifying hedges of changes in market prices for electricity.

2008 versus 2007

Ameren

Ameren s electric margins increased by $153 million, or 4%, in 2008 compared with 2007. The following items had a favorable impact on Ameren s electric margins:

- Net unrealized MTM gains of $81 million on energy transactions, primarily related to nonqualifying hedges of changes in market prices for electricity.
- Increased Merchant Generation plant availability due to the lack of an extended plant outage in 2008. Merchant Generation s baseload coal-fired generating plants average capacity and equivalent availability factors were approximately 76% and 85%, respectively, in 2008 compared with 74% and 81%, respectively, in 2007.
- Higher electric rates at the Ameren Illinois Utilities, effective October 1, 2008, which increased margins by $27 million and higher electric rates at UE, effective June 4, 2007, increased margins by $16 million.
- A $35 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.
- The absence in 2008 of a March 2007 FERC order that resettled costs among MISO participants retroactive to 2005 that was recorded in 2007, and the subsequent recovery of a portion of these costs in 2008 through a MoPSC order. The net benefit to electric margins in 2008 of these items was $30 million.
- Lower fuel expense at Genco as a result of a settlement agreement with a coal mine owner reached in June 2008, which increased margins by $27 million. Genco received a lump-sum payment for increased costs for coal and transportation that it expected to incur in 2009 because of the premature closure of an Illinois mine and contract termination.
- Other MISO net purchased power costs, which decreased by $23 million.
- Merchant Generation emission allowance costs were reduced by $8 million.
- Merchant Generation capacity sales increased by $6 million.

The following items had an unfavorable impact on Ameren s electric margins in 2008 compared with 2007:

- Net unrealized MTM losses of $75 million on fuel-related transactions. These were primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts for the period 2008 through 2012.
- Unfavorable weather conditions, as evidenced by a 30% reduction in cooling degree-days, which decreased margins by $65 million. Compared with normal weather, cooling degree-days in 2008 were 5% lower.
- 6% higher fuel prices.
- Lower off-system margins due to reduced UE plant availability, partially offset by an 8% increase in realized prices and a 10% increase in hydroelectric generation. Reduced Callaway nuclear plant availability was due to unplanned plant outages, which offset the shorter planned refueling and maintenance outage. UE s coal-fired generating plants average capacity and equivalent availability factors were approximately 78% and 88%, respectively, in 2008 compared with 80% and 89%, respectively, in 2007.

Ameren s natural gas margins increased by $36 million, or 9%, in 2008 compared with 2007. The following items had a favorable impact on Ameren s natural gas margins:

- Favorable weather conditions, as evidenced by a 13% increase in heating degree-days, which increased margins by $12 million. Compared with normal weather, heating degree-days in 2008 were 7% higher.
- Higher net gas rates at the Ameren Illinois Utilities, effective October 1, 2008, which increased margins by $4 million, and higher net gas rates at UE, effective April 2007, which increased margins by $3 million.
- A September 2008 ICC rate order that concluded that a portion of previously expensed nonrecoverable purchased gas costs should be capitalized, which increased margins by $9 million.
- Increased weather-normalized sales volumes of 2% and favorable customer sales mix, which increased margins by $5 million.
- Transportation revenues increased by $4 million.

Missouri Regulated (UE)

UE s electric margins decreased $62 million, or 3%, in 2008 compared with 2007. The following items had an unfavorable impact on UE s electric margins:

- Unfavorable weather conditions, as evidenced by a 29% reduction in cooling degree-days, which decreased margins by $42 million.
- Net unrealized MTM losses of $39 million on fuel-related transactions. These were primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts for the period 2008 through 2012.
- 5% higher fuel prices.
- Replacement power insurance recoveries were $12 million lower due to the lack of an extended plant outage and an increase in insurance recovery deductible limits.
- Lower off-system margins because of reduced plant availability, partially offset by an 8% increase in realized prices and a 10% increase in hydroelectric generation. Callaway nuclear plant availability was reduced because of unplanned plant outages, which offset the shorter planned refueling and maintenance outage. UE s coal-fired generating plants average capacity and equivalent availability factors were approximately 78% and 88%,

respectively, in 2008, compared with 80% and 89%, respectively in 2007.

The following items had a favorable impact on electric margins in 2008 compared with 2007:

- The absence in 2008 of a March 2007 FERC order that resettled costs among MISO participants retroactive to 2005 that was recorded in 2007, and the subsequent recovery of a portion of these costs in 2008 through a MoPSC order. The net benefit to UE s margins in 2008 of these items was $23 million.
- Other MISO net purchased power costs, which decreased by $15 million.
- Higher electric rates, effective June 4, 2007, which increased margins by $16 million.
- Net unrealized MTM gains of $8 million, primarily related to nonqualifying hedges of changes in market prices for electricity.

UE s natural gas margins increased by $8 million, or 11%, in 2008 compared with 2007. The following items had a favorable impact on natural gas margins:

- Higher gas rates, effective April 2007, which increased margins by $3 million.
- Favorable customer sales mix, which increased margins by $3 million.
- Favorable weather conditions, as evidenced by a 12% increase in heating degree-days, which increased margins by $2 million.

Illinois Regulated

Illinois Regulated s electric margins increased by $58 million, or 8%, and natural gas margins increased by $25 million, or 8%, in 2008 compared with 2007. The Ameren Illinois Utilities have a cost recovery mechanism for power purchased on behalf of their customers. These pass-through power costs do not affect margins; however, the electric revenues and offsetting purchased power costs fluctuate primarily because of customer switching and usage. See below for explanations of electric and natural gas margins variances for the Illinois Regulated segment.

CIPS

CIPS electric margins increased by $14 million, or 6%, in 2008 compared with 2007. The following items had a favorable impact on electric margins:

- MISO purchased power costs were $8 million lower due to the absence of the March 2007 FERC order.
- Other MISO net purchased power costs, which decreased by $5 million.
- A $6 million reduced impact of the 2007 Illinois Electric Settlement Agreement.
- Higher electric delivery service rates, effective October 1, 2008, which increased margins by $5 million.

These favorable variances were partially offset by unfavorable weather conditions, as evidenced by a 30% reduction in cooling degree-days, which decreased electric margins by $6 million.

CIPS natural gas margins increased by $7 million, or 10%, in 2008 compared with 2007. The following items had a favorable impact on natural gas margins:

- Favorable customer sales mix, which increased margins by $2 million.
- Favorable weather conditions, as evidenced by a 12% increase in heating degree-days, which increased margins by $2 million.
- A September 2008 ICC rate order, that concluded that a portion of previously expensed nonrecoverable purchased gas costs should be capitalized, which increased margins by $2 million.
- Higher gas delivery service rates, effective in October 2008, which increased margins by $1 million.

CILCO (Illinois Regulated)

The following table provides a reconciliation of CILCO s change in electric margins by segment to CILCO s total change in electric margins for 2008 compared with 2007:

		2008 versus 2007
CILCO (Illinois Regulated)	$	17
CILCO (AERG)		12
Total change in electric margins	$	29

CILCO s (Illinois Regulated) electric margins increased by $17 million, or 14%, in 2008 compared with 2007. The following items had a favorable impact on electric margins:

- Increased delivery and generation service margins of $14 million due to increased sales volume and favorable customer sales mix, and the reduced impact of monthly MISO settlements that occurred in the prior year.
- MISO purchased power costs were $4 million lower due to the absence of the March 2007 FERC order.
- A $3 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.

These favorable variances were partially offset by unfavorable weather conditions, as evidenced by a 28% reduction in cooling degree-days, which decreased margins by $4 million.

See Merchant Generation below for an explanation of CILCO s (AERG) electric margins in 2008 compared with 2007.

CILCO s (Illinois Regulated) natural gas margins decreased $1 million, or 1%, in 2008 compared with 2007. The following items had an unfavorable impact on gas margins:

- Net unrealized MTM losses on natural gas swaps of $6 million in 2008.
- Lower gas delivery service rates, effective in October 2008, which decreased margins by $5 million.

The following items had a favorable impact on gas margins in 2008 compared with 2007:

- 5% higher weather-normalized sales volumes and favorable customer mix, which increased margins by $8 million.

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Favorable weather conditions, as evidenced by an 11% increase in heating degree-days, which increased margins by $2 million.

IP

IP s electric margins increased by $27 million, or 7%, in 2008 compared with 2007. The following items had a favorable impact on electric margins:

- Higher electric delivery service rates, effective October 1, 2008, which increased margins by $22 million.
- MISO purchased power costs were $12 million lower due to the absence of the March 2007 FERC order.
- A $7 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.

These favorable variances were partially offset by unfavorable weather conditions, as evidenced by a 34% reduction in cooling degree-days, which decreased margins by $13 million.

IP s natural gas margins increased by $18 million, or 12%, in 2008 compared with 2007. The following items had a favorable impact on natural gas margins:

- Higher gas delivery service rates, effective in October 2008, which increased margins by $8 million.
- A September 2008 ICC rate order concluded that a portion of previously expensed nonrecoverable purchased gas costs should be capitalized, which increased margins by $7 million.
- Favorable weather conditions, as evidenced by a 15% increase in heating degree-days, which increased margins by $6 million.

These favorable variances were partially offset by a 4% decrease in weather-normalized sales volumes, which decreased margins by $3 million.

Merchant Generation

Merchant Generation s electric margins increased by $151 million, or 15%, in 2008 compared with 2007. Merchant Generation s baseload coal-fired generating plants average capacity and equivalent availability factors were approximately 76% and 85%, respectively, in 2008 compared with 74% and 81%, respectively, in 2007. See below for explanations of electric margins variances for the Merchant Generation segment.

Genco

Genco s electric margins increased by $82 million, or 16%, in 2008 compared with 2007. The following items had a favorable impact on electric margins:

- Lower fuel expense at Genco as a result of a settlement agreement with a coal mine owner reached in June 2008, which increased margin by $27 million. Genco received a lump-sum payment for increased costs for coal and transportation that it expected to incur in 2009 because of the premature closure of an Illinois mine and contract termination.
- Increased revenues allocated to Genco under its power supply agreement (Genco PSA) with Marketing Company. Revenues from the Genco PSA increased by 7% primarily because of the repricing of wholesale and retail electric power supply agreements, and an increase in reimbursable expenses in accordance with the Genco PSA.
- Purchased power costs were reduced by $17 million due to the absence of MISO resettlement costs experienced in early 2007.
- A $13 million reduction in the 2007 Illinois Electric Settlement Agreement.
- Gains on the sales of excess oil and off-system natural gas increased margins by $12 million.
- Replacement power insurance recoveries were $9 million higher due to extended plant outages in 2008.
- Lower emission allowance costs of $5 million due primarily to an increase in low-sulfur coal consumption in 2008.

The following items had an unfavorable impact on electric margins in 2008 compared with 2007:

- Excluding the impact of the June 2008 settlement agreement, 2% higher fuel prices.
- Net unrealized MTM losses of $18 million on fuel-related transactions. These were primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts for the period 2008 through 2012.
- MISO-related revenues were $12 million lower due to the absence of the March 2007 FERC order.
- Decreased power plant utilization due to system congestion. Genco s baseload coal-fired generating plants equivalent availability factors were comparable year over year. However, the average capacity factor was approximately 73% in 2008, compared with 75% in 2007.
- A $9 million decrease in revenues because of the termination of an operating lease in February 2008 under which Genco leased certain CTs at a Joppa, Illinois, site to its former parent, Development Company. See Note 14 Related Party Transactions to our financial statements under Part II, Item 8, of this report, for additional information.

CILCO (AERG)

AERG s electric margins increased by $12 million, or 7%, in 2008 compared with 2007. The following items had a favorable impact on electric margins:

- Increased revenue allocated to AERG under its power supply agreement (AERG PSA) with Marketing Company. Revenues from the AERG PSA increased 24% primarily because of stronger generation performance as a result of the lack of an extended plant outage in 2008, the repricing of wholesale and retail electric power supply agreements, and an increase in reimbursable expenses in accordance with the AERG PSA. AERG s baseload coal-fired generating plants average capacity and equivalent

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availability factors were approximately 70% and 77%, respectively, in 2008 compared with 55% and 61%, respectively, in 2007.
A $6 million reduction in the impact of the 2007 Illinois Electric Settlement Agreement.

The following items had an unfavorable impact on electric margins in 2008 compared with 2007:

30% higher fuel prices, primarily due to a greater percentage of higher-cost Illinois coal burned in 2008 and an increased amount of oil consumed during plant start-ups.
MISO-related revenues were $4 million lower due to the absence of the March 2007 FERC order.
Net unrealized MTM losses of $3 million on fuel-related transactions. These were primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts for the period 2008 through 2012.

Other Merchant Generation

Electric margins from Ameren s other Merchant Generation operations, primarily from EEI and Marketing Company, increased by $57 million, or 18%, in 2008. Other Merchant Generation electric margins were unfavorably affected compared with 2007 by:

9% higher fuel prices.
Net unrealized MTM losses of $8 million on fuel-related transactions. These were primarily associated with financial instruments that were acquired to mitigate the risk of rising diesel fuel price adjustments embedded in coal transportation contracts for the period 2008 through 2012.

Other Merchant Generation electric margins were favorably affected by market price fluctuations during 2008, which resulted in nonaffiliated MTM gains on energy transactions of $73 million, primarily related to nonqualifying hedges of changes in market prices for electricity.

Other Operations and Maintenance Expenses

2009 versus 2008

Ameren

Other operations and maintenance expenses decreased $119 million in 2009 compared with 2008 because of several factors. Coal-fired plant maintenance costs were reduced by $48 million and bad debt expenses were lower by $44 million, because of elevated levels of bad debt expense in 2008 as a result of the transition to higher market-based rates at the Ameren Illinois Utilities and the impact of the Illinois bad debt rate adjustment mechanism (net of a related donation for customer assistance programs) discussed in Note 2 Rate and Regulatory Matters under Part II, Item 8 of this report. A favorable change of $37 million in unrealized net MTM adjustments between periods resulting from changes in the market value of investments used to support Ameren s deferred compensation plans and the absence of a Callaway

nuclear plant refueling and maintenance outage in 2009, as compared with costs of $30 million in 2008, also reduced operations and maintenance expenses. Additionally, asset impairment charges were lower by $7 million between years.

Reducing the benefit of these items was an increase of $24 million in labor costs and the recognition of $17 million for employee severance costs in 2009. In 2008, other operations and maintenance expenses were reduced by a MoPSC accounting order related to storm costs incurred in 2007, which resulted in UE recording a regulatory asset of $25 million; no similar item occurred in 2009.

Variations in other operations and maintenance expenses in Ameren s and CILCO s business segments and for the Ameren Companies between 2009 and 2008 were as follows.

Missouri Regulated (UE)

Other operations and maintenance expenses decreased $42 million. This was primarily because of a $32 million reduction in coal-fired plant maintenance costs and the absence of a Callaway nuclear plant refueling and maintenance outage in 2009, as compared with costs of $30 million in 2008. A favorable change of $19 million in unrealized net MTM adjustments between periods, which resulted from changes in the market value of investments used to support Ameren s deferred compensation plans, and a $14 million decline in employee benefit costs also resulted in decreased expenses between years.

Reducing the benefit of these items was a $21 million increase in labor costs, the recognition of $8 million in employee severance costs in 2009, and the absence of the MoPSC storm cost accounting order of $25 million that occurred in 2008, as described above. In addition to these items, storm repair expenditures were higher in 2009 as a result of a severe ice storm at the beginning of the year.

Illinois Regulated

Other operations and maintenance expenses decreased $77 million in the Illinois Regulated segment, as discussed below.

CIPS

Other operations and maintenance expenses decreased $15 million, primarily because of a $10 million reduction in bad debt expense, because of elevated levels of bad debt expense in 2008 and the impact of the Illinois bad debt rate adjustment mechanism (net of a related donation for customer assistance programs), and a favorable change in unrealized net MTM adjustments between periods resulting from changes in the market value of investments used to support Ameren s deferred compensation plans.

CILCO (Illinois Regulated)

Other operations and maintenance expenses increased $63 million, primarily because of higher labor and employee benefit costs. These increases were primarily a result of work performed on behalf of CIPS and IP as discussed below.

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At the beginning of 2009, approximately 570 employees were transferred from Ameren Services to CILCO (Illinois Regulated), which resulted in an increase in other operations and maintenance expenses at CILCO (Illinois Regulated) in 2009. These CILCO (Illinois Regulated) employees also provide support services to CIPS and IP. CILCO (Illinois Regulated) records reimbursements from CIPS and IP for work performed by its employees on their behalf as Operating Revenues Support Services Affiliates on its statement of income, which increased $70 million in 2009 compared with 2008. Intercompany revenue and expenses associated with these transactions are eliminated in consolidation within the Illinois Regulated segment. See Note 14 Related Party Transactions to our financial statements under Part II, Item 8, of this report for additional information on CILCO (Illinois Regulated) support services.

Reducing the unfavorable effect of the above items was a reduction in bad debt expense, because of elevated levels of bad debt expense in 2008 and the impact of the Illinois bad debt rate adjustment mechanism (net of a related donation for customer assistance programs).

IP

IP s other operations and maintenance expenses decreased $43 million, primarily because of a $25 million reduction in bad debt expense, because of elevated levels of bad debt expense in 2008 and the impact of the Illinois bad debt rate adjustment mechanism (net of a related donation for customer assistance programs), a $6 million decrease in distribution system reliability expenditures, including reduced storm costs, and a favorable change in unrealized net MTM adjustments between periods, resulting from changes in the market value of investments used to support Ameren s deferred compensation plans.

Merchant Generation

Other operations and maintenance expenses decreased $16 million in the Merchant Generation segment, as discussed below.

Genco

Genco s other operations and maintenance expenses were comparable between years as employee severance costs and expenses recognized for the termination of a rail line extension project were reduced by lower plant maintenance costs.

CILCO (AERG)

Other operations and maintenance expenses decreased $22 million, primarily because of a $9 million reduction in plant maintenance costs and an $11 million reduction in asset impairment charges between years.

EEI

EEI s other operations and maintenance expenses increased $10 million, primarily because of higher plant maintenance costs.

2008 versus 2007

Ameren

Ameren s other operations and maintenance expenses increased $170 million in 2008 compared with 2007. Labor costs increased by $52 million and plant maintenance expenditures at coal-fired plants were higher by $43 million due to outages. A $30 million increase in distribution system reliability expenditures and a $10 million increase in information technology costs also resulted in higher expenses. An unfavorable change of $22 million in unrealized net MTM adjustments resulting from changes in the market value of investments used to support Ameren s deferred compensation plans reduced expenses between years. Bad debt expense increased by $10 million, primarily because of the transition to higher market-based rates at the Ameren Illinois Utilities. Additionally, in the first quarter of 2007, a $15 million accrual established in 2006 for contributions to assist customers through the Illinois Customer Elect electric rate increase phase-in plan was reversed because the plan was terminated. There was no similar item in 2008.

Other operations and maintenance expenses also increased in 2008 by $14 million, because of asset impairment charges recorded during the fourth quarter of 2008 to adjust the carrying value of CILCO s (through AERG) Indian Trails and Sterling Avenue generation facilities to their estimated fair values as of December 31, 2008. CILCO recorded an asset impairment charge of $12 million related to the Indian Trails cogeneration facility as a result of the suspension of operations by the facility s only customer. CILCORP recorded a $2 million impairment charge related to the Sterling Avenue CT based on the expected net proceeds to be generated from the sale of the facility in 2009. Because most of the Sterling Avenue asset carrying value was recorded at CILCORP, as a result of adjustments made during purchase accounting, the write-down of the carrying value of the Sterling Avenue CT did not result in an impairment loss at CILCO (AERG).

Reducing the unfavorable effect of these items was a reduction of $10 million in employee benefit costs, due to changes in actuarial estimates, and an $18 million decrease in storm expenditures, primarily in UE s service territory. Additionally, costs associated with the Callaway nuclear plant refueling and maintenance outage in 2008 were $5 million lower than those for the refueling in 2007. Other operations and maintenance expenses were further reduced in 2008 by the MoPSC accounting order related to 2007 storms, as discussed above.

Variations in other operations and maintenance expenses in Ameren s and CILCO s business segments and for the Ameren Companies between 2008 and 2007 were as follows.

Missouri Regulated (UE)

UE s other operations and maintenance expenses were higher by $22 million, primarily because of a $37 million increase in labor costs and a $29 million increase in plant maintenance expenditures at coal-fired plants. An unfavorable change in unrealized net MTM adjustments resulting from changes in the market value of investments used to support Ameren s deferred compensation plans and a $16 million increase in distribution system reliability expenditures also resulted in incremental expenses.

Reducing the impact of these items were the effect of the MoPSC accounting order discussed above, a decrease in injuries and damages expenses between years, and the reduced impact of the Callaway nuclear plant refueling and maintenance outage in 2008 compared with the refueling in 2007. Storm repair expenditures also decreased by $31 million, further reducing other operations and maintenance expenses.

Illinois Regulated

Other operations and maintenance expenses increased $77 million in the Illinois Regulated segment, as discussed below.

CIPS

Other operations and maintenance expenses increased $24 million. The increase was primarily because of an $11 million increase in distribution system reliability expenditures, including storm costs, along with increased labor costs and bad debt expense. Additionally, in the first quarter of 2007, CIPS reversed an accrual of $4 million established in 2006 for contributions to assist customers through the Illinois Customer Elect electric rate increase phase-in plan. There was no similar item in 2008.

CILCO (Illinois Regulated)

Other operations and maintenance expenses were higher by $8 million, primarily because of a $5 million increase in storm costs in 2008. Additionally, in the first quarter of 2007, CILCO (Illinois Regulated) reversed an accrual of $3 million established in 2006 for the Illinois Customer Elect electric rate increase phase-in plan contributions. There was no similar item in 2008. Lower employee benefit costs reduced the effect of these unfavorable items.

IP

Other operations and maintenance expenses increased $47 million, due, in part, to a $17 million increase in distribution system reliability expenditures, including storm costs. Labor costs and bad debt expense increased by $6 million each, and unrealized net MTM adjustments resulting from changes in the market value of investments used to support Ameren s deferred compensation plans also increased other operations and maintenance expenses between years. Additionally, in the first quarter of 2007, IP reversed an $8 million accrual established in 2006 for the Illinois Customer Elect electric rate increase phase-in plan contributions. There was no similar item in 2008. Reducing the unfavorable effect of these items was a reduction in employee benefit costs.

Merchant Generation

Other operations and maintenance expenses increased $43 million in the Merchant Generation segment, as discussed below.

Genco

Other operations and maintenance expenses increased $12 million at Genco. Plant maintenance costs were higher by $9 million, due to scheduled outages, and labor costs increased by $5 million. Genco paid $3 million to the IPA in 2007 as part of the 2007 Illinois Electric Settlement Agreement. There was no similar item in 2008.

CILCO (AERG)

Other operations and maintenance expenses increased $25 million at CILCO (AERG), primarily because of a $12 million impairment charge recorded in 2008 related to the Indian Trails cogeneration plant discussed above. Plant maintenance costs increased by $7 million, due to scheduled outages, and labor costs increased by $3 million. CILCO (AERG) paid $1.5 million to the IPA in 2007 as part of the 2007 Illinois Electric Settlement Agreement. There was no similar item in 2008.

EEI

Other operations and maintenance expenses were comparable in 2008 and 2007.

Depreciation and Amortization

2009 versus 2008

Ameren

Ameren s depreciation and amortization expenses increased $40 million in 2009, as compared with 2008, because of items noted below at the Ameren Companies.

Variations in depreciation and amortization expenses in Ameren s and CILCO s business segments and for the Ameren Companies between 2009 and 2008 were as follows.

Missouri Regulated (UE)

Depreciation and amortization expenses increased $28 million, primarily because of capital additions and amortization of regulatory assets that resulted from UE s electric rate case in 2009.

Illinois Regulated

Depreciation and amortization expenses were comparable between years in the Illinois Regulated segment. As part of the consolidated electric and natural gas rate order issued by the ICC in September 2008, the ICC changed plant asset useful lives, effective October 1, 2008. This resulted in reductions in depreciation expense at CIPS and CILCO (Illinois Regulated) and an increase in depreciation expense at IP. Capital additions partially offset the benefit of the rate order at CIPS and CILCO (Illinois Regulated) and further

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increased depreciation and amortization expenses at IP. The net effect of the above items was an $18 million reduction in depreciation and amortization expenses at CILCO (Illinois Regulated) and a $14 million increase at IP. Depreciation and amortization expenses at CIPS were comparable between years.

Merchant Generation

Depreciation and amortization expenses increased $17 million in the Merchant Generation segment, primarily because of capital additions at CILCO (AERG) and $3 million of expense recorded by Genco in the third quarter of 2009 for the retirement of two generation units at its Meredosia power plant. Depreciation and amortization expenses were comparable at EEI between years.

2008 versus 2007

Ameren

Ameren s depreciation and amortization expenses were comparable between periods. Increases in depreciation expense, resulting from capital additions in 2008, were mitigated by a reduction in expense because of changes in the useful lives of plant assets resulting from rate orders in 2007 in Missouri and 2008 in Illinois, as discussed below.

Variations in depreciation and amortization expenses in Ameren s and CILCO s business segments and for the Ameren Companies between 2008 and 2007 were as follows.

Missouri Regulated (UE)

Depreciation and amortization expenses decreased $4 million, primarily because of the extension of UE s nuclear and coal-fired plants useful lives for purposes of calculating depreciation expense in conjunction with a MoPSC electric rate order effective June 2007. Reducing the benefit of this item was an increase in capital additions in 2008.

Illinois Regulated

Depreciation and amortization expenses were comparable in 2008 and 2007 in the Illinois Regulated segment. The effect of the consolidated electric and natural gas rate order issued by the ICC in 2008, as noted above, resulted in reductions in depreciation expense at CIPS and CILCO (Illinois Regulated) and an increase in depreciation expense at IP. Capital additions partially offset the benefit of the rate order at CIPS and CILCO (Illinois Regulated) and further increased depreciation and amortization expenses at IP.

Merchant Generation

Depreciation and amortization expenses increased $4 million in the Merchant Generation segment. Depreciation and amortization expenses increased $8 million at CILCO (AERG) because of capital additions in 2008. Genco s depreciation and amortization expenses decreased $4 million, primarily because of extended useful lives resulting from a depreciation study completed in September 2007, partially

mitigated by capital additions. EEI s depreciation and amortization expenses were comparable between years.

Taxes Other Than Income Taxes

2009 versus 2008

Ameren

Ameren s taxes other than income taxes increased $19 million, primarily because of higher property and payroll taxes.

Variations in taxes other than income taxes in Ameren s and CILCO s business segments and for the Ameren Companies between 2009 and 2008 were as follows.

Missouri Regulated (UE)

Taxes other than income taxes increased $17 million, primarily because of higher property taxes.

Illinois Regulated

Taxes other than income taxes were comparable in 2009 and 2008 in the Illinois Regulated segment and at CIPS, CILCO (Illinois Regulated), and IP.

Merchant Generation

Taxes other than income taxes were comparable between years in the Merchant Generation segment and at Genco, CILCO (AERG) and EEI.

2008 versus 2007

Ameren

Ameren s taxes other than income taxes increased $12 million, primarily because of higher property taxes and higher gross receipts taxes. Increases in property taxes were reduced by invested capital electricity distribution tax credits in the Illinois Regulated segment. These credits were related to payments made in a previous year.

Variations in taxes other than income taxes in Ameren s and CILCO s business segments and for the Ameren Companies between 2008 and 2007 were as follows.

Missouri Regulated (UE)

UE s taxes other than income taxes increased $6 million, primarily because of higher property taxes.

Illinois Regulated

Taxes other than income taxes increased $5 million in the Illinois Regulated segment, primarily because of higher excise taxes at CIPS, CILCO (Illinois Regulated), and IP. Property taxes were comparable between years as increases in 2008 were mitigated by the favorable impact of the invested capital electricity distribution tax credits discussed above.

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Merchant Generation

Taxes other than income taxes were comparable in 2008 and 2007 in the Merchant Generation segment and for Genco, CILCO (AERG) and EEI.

Other Income and Expenses

2009 versus 2008

Ameren

Other income and expenses were comparable in 2009 and 2008. Miscellaneous expenses decreased as expenses associated with energy efficiency and customer assistance programs under the 2007 Illinois Electric Settlement Agreement were lower in 2009. However, miscellaneous income declined because of reduced interest income, partially offset by increased allowance for funds used during construction.

Variations in other income and expenses in Ameren s and CILCO s business segments and for the Ameren Companies between 2009 and 2008 were as follows.

Missouri Regulated (UE)

Other income and expenses were comparable between periods.

Illinois Regulated

Other income and expenses decreased $9 million in the Illinois Regulated segment, and decreased at both CIPS and IP, primarily because of lower interest income. Decreased expenses associated with energy efficiency and customer assistance programs under the 2007 Illinois Electric Settlement Agreement mitigated this decrease. Other income and expenses at CILCO (Illinois Regulated) were comparable in 2009 and 2008.

Merchant Generation

Other income and expenses were comparable between years in the Merchant Generation segment and at Genco, CILCO (AERG) and EEI.

2008 versus 2007

Ameren

Other income and expenses were comparable in 2008 and 2007. Miscellaneous income increased $5 million, primarily because of an increase at UE in allowance for funds used during construction, reduced by lower interest income. Miscellaneous expense increased $6 million, primarily because of increased expenses associated with contributions to social programs.

Variations in other income and expenses in Ameren s and CILCO s business segments and for the Ameren Companies between 2008 and 2007 were as follows.

Missouri Regulated (UE)

Miscellaneous income increased $24 million, primarily because of an increase in allowance for funds used during construction. This increase resulted from higher rates and increased construction work in progress balances. Miscellaneous expense was comparable between years.

Illinois Regulated

Other income and expenses decreased $9 million in the Illinois Regulated segment and at CIPS, CILCO (Illinois Regulated) and IP, primarily because of lower interest income.

Merchant Generation

Other income and expenses in the Merchant Generation segment and at Genco, CILCO (AERG) and EEI were comparable in 2008 and 2007.

Interest Charges

2009 versus 2008

Ameren

Ameren s interest charges increased $68 million because of items noted below at the Ameren Companies and because of the issuance of $425 million of senior notes at Ameren in May 2009.

Variations in interest charges in Ameren s and CILCO s business segments and for the Ameren Companies between 2009 and 2008 were as follows.

Missouri Regulated (UE)

Interest charges increased $36 million, primarily because of the issuance of $350 million, $450 million, and $250 million of senior secured notes in March 2009, June 2008, and April 2008, respectively. The amortization of fees related to new credit facilities entered into in the second quarter of 2009 also increased interest charges. The majority of the fees related to the new credit facilities are being amortized over a two-year period. Additionally, a reversal in interest charges previously accrued on uncertain tax positions due to favorable income tax settlements in 2008, with no similar item in 2009, had a negative impact on 2009. The maturity of $148 million of first mortgage bonds in May 2008 and refinancing of auction-rate environmental improvement revenue bonds in 2008, along with a reduction of short-term borrowings, mitigated the impact of the above items.

Illinois Regulated

Interest charges increased $9 million in the Illinois Regulated segment because of the amortization of fees related to a new credit facility entered into in the second quarter of 2009 and as a result of matters as discussed below.

CIPS

Interest charges were comparable in 2009 and 2008.

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CILCO (Illinois Regulated)

Interest charges increased $8 million, primarily because of the issuance of senior secured notes of $150 million in December 2008 at a higher rate than the short-term borrowings it refinanced.

IP

Interest charges were comparable between years. Increased interest charges resulting from the issuance of senior secured notes of $400 million and $337 million in October 2008 and April 2008, respectively, was mitigated as the proceeds of these issuances were used to refinance auction-rate pollution control revenue refunding bonds, which bore default rates ranging from 12% to 18%, and to reduce short-term borrowings.

Merchant Generation

Interest charges increased $20 million in the Merchant Generation segment, because of items discussed below. Additionally, CILCORP parent company recorded amortization of fees related to new credit facilities entered into in the second quarter of 2009 and had increased intercompany borrowings.

Genco

Interest charges increased $4 million, primarily because of the issuance of $300 million of senior unsecured notes in April 2008.

CILCO (AERG)

Interest charges increased $12 million, primarily because of increased intercompany borrowings.

EEI

Interest charges were comparable between years.

2008 versus 2007

Ameren

Interest charges increased $17 million. Long-term debt issuances, net of maturities and redemptions, and the cost of refinancing auction-rate environmental improvement and pollution control revenue refunding bonds resulted in increased interest expense in 2008. These increases were reduced by income tax settlements in 2008.

Variations in interest charges in Ameren s and CILCO s business segments and for the Ameren Companies between 2008 and 2007 were as follows.

Missouri Regulated (UE)

Interest charges were comparable between periods. Interest charges associated with the issuance of senior secured notes of $450 million, $250 million, and $425 million in June 2008, April 2008, and June 2007, respectively, was

mitigated by a reduction in short-term borrowings, which were reduced with proceeds from the senior secured notes financings. The proceeds from these senior secured notes financings were also used to refinance auction-rate environmental improvement revenue refunding bonds, and to fund the maturity of $148 million of first mortgage bonds, and to reduce short-term borrowings. Additionally, interest charges were reduced by $8 million because of a reversal of interest charges previously accrued on uncertain tax positions as a result of income tax settlements in 2008.

Illinois Regulated

Interest charges increased $12 million in the Illinois Regulated segment, as discussed below.

CIPS

Interest charges decreased $7 million, primarily because of reduced short-term borrowings and a $3 million reduction from a reversal of interest charges previously accrued on uncertain tax positions as a result of an income tax settlement.

CILCO (Illinois Regulated)

Interest charges were comparable in 2008 and 2007.

IP

Interest charges increased $22 million, primarily because of the issuance of $400 million, $337 million, and $250 million of senior secured notes at IP in October 2008, April 2008, and November 2007, respectively. The $337 million senior secured notes were issued to refinance auction-rate pollution control revenue refunding bonds, while proceeds from the other debt issuances were used to reduce short-term borrowings.

Merchant Generation

Interest charges decreased $8 million in the Merchant Generation segment, as discussed below.

Genco

Interest charges were comparable between periods. Increased interest charges resulting from the issuance of $300 million of senior unsecured notes in April 2008 was mitigated by a corresponding reduction in short-term borrowings. Additionally, interest charges were reduced by $3 million as a result of an income tax settlement.

CILCO (AERG)

Interest charges decreased $4 million at CILCO (AERG), primarily because of reduced short-term borrowings.

EEI

Interest charges were comparable in 2008 and 2007.

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Income Taxes

The following table presents effective income tax rates by segment for the years ended December 31, 2009, 2008, and 2007:

	2009	2008	2007
Ameren	**35%**	34%	34%
Missouri Regulated	**33**	36	33
Illinois Regulated	**37**	30	32
Merchant Generation	**38**	36	37

2009 versus 2008

Ameren

Ameren s effective tax rate in 2009 was higher than the effective tax rate in 2008 due to variations discussed below. Variations in effective tax rates for Ameren s and CILCO s business segments and for the Ameren Companies between 2009 and 2008 were as follows.

Missouri Regulated (UE)

UE s effective tax rate was lower, primarily because of higher favorable net amortization of property-related regulatory assets and liabilities, partially mitigated by changes to reserves for uncertain tax positions.

Illinois Regulated

The effective tax rate was higher in the Illinois Regulated segment because of items detailed below.

CIPS

The effective tax rate increased, primarily because of the decreased impact of net amortization of property-related regulatory assets and liabilities, investment tax credit amortization, and permanent items on higher pretax book income.

CILCO (Illinois Regulated)

The effective tax rate was higher, primarily because of the decreased impact of permanent benefits, net amortization of property-related regulatory assets and liabilities, and investment tax credit amortization on higher pretax book income.

IP

The effective tax rate decreased, primarily because of the impact of permanent items on higher pretax book income, along with changes to reserves for uncertain tax positions.

Merchant Generation

The effective tax rate was higher in the Merchant Generation segment because of items detailed below.

Genco

The effective tax rate increased, primarily because of the decreased impact of Internal Revenue Code Section 199

production activity deductions, along with changes to reserves for uncertain tax positions.

CILCO (AERG)

The effective tax rate was lower, primarily because of the increased impact of Internal Revenue Code Section 199 production activity deductions, along with changes to reserves for uncertain tax positions.

2008 versus 2007

Ameren

Ameren s effective tax rate was comparable in 2008 and 2007. Favorable impacts of state audit settlements and changes in state apportionment were offset by unfavorable permanent items related to company-owned life insurance as well as other variations discussed below at the Ameren Companies.

Variations in effective tax rates for Ameren s and CILCO s business segments and for the Ameren Companies between 2008 and 2007 were as follows.

Missouri Regulated (UE)

The effective tax rate increased, primarily because of lower favorable net amortization of property-related regulatory assets and liabilities, along with decreased Internal Revenue Code Section 199 production activity deductions in 2008.

Illinois Regulated

The effective tax rate decreased in the Illinois Regulated segment because of items detailed below.

CIPS

The effective tax rate was lower, primarily because of the impact of net amortization of property-related regulatory assets and liabilities and permanent items on lower pretax income in 2008.

CILCO (Illinois Regulated)

The effective tax rate was higher, primarily because of lower tax credits, lower favorable net amortization of property-related regulatory assets and liabilities, and lower favorable permanent benefits related to company-owned life insurance.

IP

The effective tax rate increased, primarily because of lower favorable net amortization of property-related regulatory assets and liabilities, lower tax credits, and the impact of other permanent items as well as increased reserves for uncertain tax positions on lower pretax book income in 2008.

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Merchant Generation

The effective tax rate decreased in the Merchant Generation segment because of items detailed below.

Genco

The effective tax rate was lower, primarily because of the increased impact of Internal Revenue Code Section 199 production activity deductions and research tax credits.

CILCO (AERG)

The effective tax rate increased, primarily because of the impact of Internal Revenue Code Section 199 production activity deductions.

LIQUIDITY AND CAPITAL RESOURCES

The tariff-based gross margins of Ameren s rate-regulated utility operating companies (UE, CIPS, CILCO (Illinois Regulated) and IP) continue to be a principal source of cash from operating activities for Ameren and its rate-regulated subsidiaries. A diversified retail customer mix of primarily rate-regulated residential, commercial, and industrial classes and a commodity mix of natural gas and electric service provide a reasonably predictable source of cash flows for Ameren, UE, CIPS, CILCO (Illinois Regulated) and IP. For operating cash flows, Genco and AERG rely on power sales to Marketing Company, which sold power through financial contracts that were part of the 2007 Illinois Electric Settlement Agreement and various power procurement processes in the non-rate-regulated Illinois market. Marketing Company also sells power through other primarily market-based contracts with wholesale and retail customers. In addition to cash flows from operating activities, the Ameren Companies use available cash, credit facilities, money pool, or other short-term borrowings from affiliates to support normal operations and other temporary capital requirements. The use of operating cash flows and credit facility or short-term borrowings to fund capital expenditures and other investments may periodically result in a working capital deficit, as was the case at December 31, 2009, for Genco and CILCO. The Ameren Companies may reduce their credit facility or short-term borrowings with cash from operations or discretionarily with long-term borrowings, or in the case of Ameren subsidiaries, with equity infusions from Ameren. The Ameren Companies expect to incur significant capital expenditures over the next five years as they comply with environmental regulations and make significant investments in their electric and natural gas utility infrastructure to improve overall system reliability. Ameren intends to finance those capital expenditures and investments with a blend of equity and debt so that it maintains a capital structure in its rate-regulated businesses, of approximately 50% to 55% equity. We plan to implement our long-term financing plans for debt, equity, or equity-linked securities in order to finance our operations appropriately, meet scheduled debt maturities, and maintain financial strength and flexibility.

In 2008 and 2009, the global capital and credit markets experienced extreme volatility. See Outlook for a discussion of the implications of this volatility for our industry as a whole, including the Ameren Companies, and how we addressed these issues.

The following table presents net cash provided by (used in) operating, investing and financing activities for the years ended December 31, 2009, 2008 and 2007:

	Net Cash Provided By Operating Activities			**Net Cash (Used In) Investing Activities**			**Net Cash Provided By (Used In) Financing Activities**		
	2009	**2008**	**2007**	**2009**	**2008**	**2007**	**2009**	**2008**	**2007**
Ameren[a]	**$ 1,977**	$ 1,524	$ 1,108	**$ (1,789)**	$ (2,097)	$ (1,468)	**$ 342**	$ 310	$ 578
UE	**972**	543	587	**(955)**	(1,033)	(700)	**250**	305	297
CIPS	**191**	101	14	**(68)**	(57)	(42)	**(95)**	(70)	48
Genco	**232**	246	255	**(349)**	(330)	(210)	**121**	84	(44)

CILCO	**263**	207	74	**(153)**	(317)	(212)	**(22)**	104	141
IP	**409**	178	30	**(189)**	(246)	(186)	**(80)**	112	162

(a) Includes amounts for Ameren registrant and nonregistrant subsidiaries and intercompany eliminations.

Cash Flows from Operating Activities

2009 versus 2008

Ameren s cash from operating activities increased in 2009 compared with 2008. Operating activities associated with the December 2005 Taum Sauk incident resulted in a $256 million increase in cash during 2009, compared with 2008. The 2009 increase was a result of a $65 million increase in insurance recoveries received as well as a $191 million reduction in cash payments compared with 2008. See Note 15 Commitments and Contingencies under Part II, Item 8, of this report for information about

the Taum Sauk property insurance settlement agreement with all but three of the property insurance carriers and the related settlement payment received during 2009. Other factors contributing to the increase in cash from operating activities during 2009, compared with 2008, included a $198 million decrease in the cost of natural gas purchased for inventories because of lower prices, a $97 million decrease, net of refunds, in income tax payments primarily at UE as discussed below, and an increase in electric costs over-recovered from Illinois customers under cost recovery mechanisms. Additionally, as discussed in Results of Operations, less cash was used for operations and maintenance activities because many plant-related projects were either reduced, deferred, or cancelled as well as the absence of a Callaway nuclear plant refueling and maintenance outage in 2009. Factors reducing the increase in cash from operating activities during 2009, compared with 2008, included a $68 million increase in interest payments, a decrease in natural gas costs over-recovered from customers under the PGA, a $35 million increase in pension and postretirement plan contributions, lower electric margins, as discussed in Results of Operations, including the absence in 2009 of the 2008 lump-sum settlement payment received by Genco from a coal mine owner for the early termination of a coal supply contract, a $21 million decrease in customer advances for construction, $16 million of employee severance payments as a result of the 2009 voluntary and involuntary separation programs, an increase in annual incentive compensation payments, and an $8 million increase in cash payments for major storm restoration costs.

UE s cash from operating activities increased in 2009 compared with 2008. The increase was primarily due to net income tax refunds of $208 million in 2009 compared with net income tax payments of $130 million in 2008, and a $256 million increase in cash from operating activities associated with the December 2005 Taum Sauk incident, as discussed above. The significant change in income taxes is primarily a result of an acceleration of deductions due to economic stimulus legislation and a change in tax treatment of electric generation plant expenditures. Other factors contributing to the increase in cash from operating activities during 2009, compared with 2008, included a $20 million decrease in the cost of natural gas purchased for inventories because of lower prices, higher electric margins, as discussed in Results of Operations, and an increase in natural gas costs over-recovered from customers under the PGA. Additionally, as discussed in Results of Operations, less cash was used for operations and maintenance activities, because several plant-related projects were either reduced, deferred, or cancelled as well as the absence of a Callaway nuclear plant refueling and maintenance outage in 2009. Factors reducing the increase in cash from operating activities during 2009, compared with 2008, included the collection of an $85 million affiliate receivable in 2008 that did not occur in 2009, a $39 million increase in interest payments, a $16 million increase in pension and other postretirement plan contributions, a $10 million increase in energy efficiency expenditures for new customer programs, a $6 million increase in major storm restoration costs, and $6 million of employee severance payments as a result of the 2009 voluntary and involuntary separation programs.

CIPS cash from operating activities increased in 2009 compared with 2008. Factors contributing to the increase in cash from operating activities during 2009, compared with 2008, included a $57 million net reduction in collateral posted with suppliers due in part to improved credit ratings, a $40 million decrease in the cost of natural gas purchased for inventories because of lower prices, higher electric and natural gas margins as discussed in Results of Operations, an increase in electric costs over-recovered from customers under cost recovery mechanisms, and a $5 million decrease

in interest payments. Additionally, more cash was collected in 2009 from receivables, because of colder weather in the fourth quarter of 2008, compared with 2007. Factors reducing the increase in cash from operating activities during 2009, compared with 2008, included net income tax payments of $24 million in 2009, compared with net income tax refunds of $21 million in 2008, a decrease in natural gas costs over-recovered from customers under the PGA, and a $5 million increase in major storm restoration costs.

Genco s cash from operating activities decreased in 2009 compared with 2008. Factors contributing to a decrease in cash from operating activities during 2009, compared with 2008, included lower electric margins as discussed in Results of Operations, including the 2008 lump-sum settlement payment received from a coal mine owner as well as the absence of $7 million, net of premiums, of replacement power insurance recoveries received in 2008 from an affiliate as the policy was not renewed. Other factors contributing to the decrease in cash from operating activities during 2009, compared with 2008, included a $23 million increase in income tax payments, net of refunds, a $6 million increase in interest payments, and $4 million of employee severance payments as a result of the 2009 voluntary and involuntary separation programs. Factors offsetting the decrease in cash from operating activities during 2009, compared with 2008, included reduced coal purchases in 2009 as generation levels declined and a $10 million reduction in funding required by the 2007 Illinois Electric Settlement Agreement.

CILCO s cash from operating activities increased in 2009 compared with 2008. Factors contributing to the increase in cash from operating activities during 2009, compared with 2008, included higher electric margins as discussed in Results of Operations, a $58 million decrease in the cost of natural gas purchased for inventories because of lower prices, and a $45 million net reduction in collateral posted with suppliers due in part to improved credit ratings. Additionally, more cash was collected in 2009 from receivables, because of colder weather in the fourth quarter of 2008, compared with 2007. Factors reducing the increase in cash from operating activities during 2009, compared with 2008, included net income tax payments of $82 million in 2009, compared with net income tax refunds of $15 million in 2008, increased coal purchases to build inventories at the Duck Creek generating facility as a result of switching coal blends in 2009, a $6 million increase in pension and other postretirement plan contributions, a $6 million increase in interest payments, the absence of $5 million, net of premiums, of replacement power insurance recoveries received in 2008 from an affiliate as the policy was not renewed, a decrease in natural gas costs over-recovered from customers under the PGA, and an increase in annual incentive compensation payments.

IP s cash from operating activities increased in 2009 compared with 2008. Factors contributing to the increase in cash from operating activities during 2009, compared with 2008, included higher electric and natural gas margins as discussed in Results of Operations, an $80 million decrease in the cost of natural gas purchased for inventories because

of lower prices, a $74 million net decrease in collateral posted with suppliers due in part to improved credit ratings, an increase in electric costs over-recovered from customers under cost recovery mechanisms, and a $3 million decrease in major storm restoration costs. Additionally, more cash was collected in 2009 from receivables, because of colder weather in the fourth quarter of 2008, compared with 2007. Factors reducing the increase in cash from operating activities during 2009, compared with 2008, included net income tax payments of $22 million in 2009, compared with net income tax refunds of $43 million in 2008, a decrease in natural gas cost over-recovered from customers under the PGA, a $22 million increase in interest payments, and a $15 million reduction in customer advances for construction.

2008 versus 2007

Ameren s cash from operating activities increased in 2008, compared to 2007, primarily because of higher electric and natural gas margins as discussed in Results of Operations, a $177 million decrease in income tax payments (net of refunds), and improved collections of receivables in 2008. The reduction in income tax payments was largely attributable to higher depreciation allowed for tax purposes. In 2007, receivables from the Ameren Illinois Utilities had increased due to the January 2, 2007, electric rate increases, related uncertainty surrounding a potential electric settlement agreement, and deterioration of collections. However, collections improved in 2008. Additionally, Ameren experienced an $87 million benefit to cash flows for 2008 as compared with 2007 because of the timing of cash receipts for MISO receivables. The 2007 Illinois Electric Settlement Agreement also had a positive effect on cash from operations in 2008 compared with 2007. Cash outflows in accordance with the settlement, net of reimbursements from generators, were $84 million less in 2008 than in 2007. See Note 2 Rate and Regulatory Matters under Part II, Item 8, of this report for a discussion of the 2007 Illinois Electric Settlement Agreement. In addition, Ameren s cash flows from operations increased in 2008 compared with 2007 because of a $40 million reduction in storm restoration costs, over-recovery under the PGAs, and a $27 million payment received by Genco in 2008 as part of a coal contract settlement for increased costs for coal and transportation that Genco expected to incur in 2009 because of the premature closure of an Illinois mine at the end of 2007. See Note 1 Summary of Significant Accounting Policies under Part II, Item 8, for information on the coal contract settlement. Factors that offset, in part, the favorable variance in cash flows from operations in 2008 were a $93 million increase in cash payments related to the December 2005 Taum Sauk incident, net of insurance recoveries, an increase in natural gas inventories resulting from price increases, higher interest payments, and higher levels of collateral posted with suppliers.

At UE, cash from operating activities decreased in 2008, compared to 2007. The decrease is primarily due to a $24 million increase in net income tax payments in 2008, lower electric margins, increased system reliability expenditures as discussed in Results of Operations, and

higher levels of net collateral posted with suppliers. Also contributing to the unfavorable variance in 2008 was a $93 million increase in cash payments related to the December 2005 Taum Sauk incident, net of insurance recoveries, and a $146 million net decrease in affiliate payables. Factors increasing cash from operations included a $34 million decrease in payments for storm restorations, a decrease in other operations and maintenance expenditures related to the Callaway nuclear plant refueling and maintenance outage in 2008 as compared with the 2007 refueling and maintenance outage, reduction in interest payments, and the collection in 2008 of an $85 million affiliate receivable. In addition, cash flows from operations increased in 2008 compared with 2007 because of the timing of cash receipts for MISO receivables.

At CIPS, cash from operating activities increased in 2008 compared with 2007. The increase was primarily due to net income tax refunds of $21 million in 2008, compared with net income tax payments of $44 million in 2007, an increase in gas cost over-recovery from customers under the PGA, a $7 million increase in customer advances for construction, and favorable fluctuations in receivables and payables. In 2007, receivables increased due to the January 2, 2007, electric rate increases, related uncertainty surrounding a potential settlement agreement, and deterioration of collections. However, collections improved in 2008. The 2007 Illinois Electric Settlement Agreement also had a positive effect on cash from operations in 2008 compared with 2007. CIPS cash outflows from the settlement, net of reimbursements from generators, were $26 million less in 2008 than in 2007. CIPS experienced favorable fluctuations in intercompany receivable and payable balances resulting from changes in its year-end 2008 income tax position and a receivable related to the 2007 Illinois Electric Settlement Agreement compared with 2007. Partially offsetting the favorable variance in cash flow from operations was a larger increase in natural gas inventories in 2008 than in 2007, a decrease in electric costs over-recovered from customers, and higher net levels of collateral posted with suppliers.

Genco s cash from operating activities decreased in 2008 compared with 2007 primarily due to an increase in fuel inventory and an increase in net income tax payments of $13 million. Reducing the unfavorable variance in cash flow from operations were higher electric margins, a payment from an Illinois coal mine owner for the premature closure of an Illinois mine, as discussed above, and a $6 million reduction in funding required by the 2007 Illinois Electric Settlement Agreement in 2008 compared with 2007.

CILCO s cash from operating activities increased in 2008, compared with 2007. The increase was primarily due to net income tax refunds of $15 million in 2008 compared with net income tax payments of $35 million in 2007, higher electric margins, a reduction of coal inventory at AERG, an increase in gas cost recovered from customers under a PGA, an increase in electric cost over-recovered from customers, and favorable fluctuations in receivables and payables. In 2007, receivables increased due to the January 2, 2007, electric rate increases, related uncertainty surrounding a

potential settlement agreement, and deterioration of collections. However, collections improved in 2008. The 2007 Illinois Electric Settlement Agreement also had a positive effect on cash from operations in 2008 compared with 2007. The cash outflows related to the settlement, including AERG s obligation, were $16 million lower in 2008 than in 2007. Partially offsetting these increases in cash from operations were a larger increase in natural gas inventories during 2008 compared with 2007, as both price and volumes increased, and higher net levels of collateral posted with suppliers.

IP s cash from operating activities increased in 2008, compared with 2007. The increase was primarily due to net income tax refunds of $43 million in 2008, compared with net income tax payments of $18 million in 2007, increased electric and natural gas margins, an increase in gas cost recovered from customers under a PGA, an increase in electric power costs over-recovered from customers, a $7 million increase in customer advances for construction, and favorable fluctuations in receivables and payables. In 2007, receivables increased due to the January 2, 2007, electric rate increases, related uncertainty surrounding a potential settlement agreement, and deterioration of collections. However, collections improved in 2008. The 2007 Illinois Electric Settlement Agreement also had a positive effect on cash from operations in 2008 compared to 2007. IP cash outflows related to the settlement, net of reimbursements from generators, were $35 million lower in 2008 than in 2007. IP experienced favorable fluctuations in intercompany receivable and payable balances resulting from changes in its year-end 2008 income tax position and a receivable related to the 2007 Illinois Electric Settlement Agreement compared with 2007. In addition, operating cash required for major repairs in response to 2008 storms was $8 million less than major storm repairs in 2007. Partially offsetting these increases to operating cash flows were a $10 million increase in interest payments and higher net levels of collateral posted with suppliers.

Pension Funding

Ameren s pension plans are funded in compliance with income tax regulations and to meet federal funding or regulatory requirements. As a result, Ameren expects to fund its pension plans at a level equal to the greater of the pension expense or the legally required minimum contribution. Considering Ameren s assumptions at December 31, 2009, its investment performance in 2009, and its pension funding policy, Ameren expects to make annual contributions of $75 million to $225 million in each of the next five years, with aggregate estimated contributions of $740 million. We expect UE s, CIPS , Genco s, CILCO s, and IP s portion of the future funding requirements to be 66%, 6%, 9%, 9% and 10%, respectively. These amounts are estimates. They may change with actual investment performance, changes in interest rates, changes in our assumptions, any pertinent changes in government regulations, and any voluntary contributions. In 2009, Ameren contributed $99 million to its pension plans. See Note 11 Retirement Benefits under Part II, Item 8, of this report and Outlook for additional information.

Cash Flows from Investing Activities

2009 versus 2008

Ameren used less cash for investing activities in 2009 than in 2008. Net cash used for capital expenditures decreased in 2009 as a result of efforts to reduce, defer or cancel capital expenditure programs in light of economic conditions and the completion of power plant scrubber projects in the Merchant Generation business. Additionally, a $93 million decrease in nuclear fuel expenditures related to timing of purchases and a $10 million decrease in emission allowance purchases, because of lower prices and lower generation levels as well as reduced emission levels resulting from completion of plant scrubber projects in 2009, benefited cash during 2009.

UE s cash used in investing activities decreased during 2009, compared with 2008. Nuclear fuel expenditures decreased $93 million as a result of the timing of purchases. Cash used in investing activities in 2009 did not benefit from the receipt of $36 million in proceeds from intercompany note receivables with Ameren, and one of its subsidiaries, as occurred during 2008. Capital expenditures were consistent year over year. Reductions in planned capital expenditures for distribution system and power plant improvements in 2009 were offset by increased expenditures to repair severe storm damage and $93 million of Taum Sauk rebuild expenditures.

CIPS cash used in investing activities during 2009 increased compared with 2008. Capital expenditures increased $14 million in 2009 from 2008 primarily because of increased capital expenditures to repair severe storm damage.

Genco s cash used in investing activities increased in 2009 compared with 2008 because of $73 million of net money pool advances in 2009. Capital expenditures decreased $40 million, principally because of reduced spending related to power plant scrubber projects. One scrubber project was completed in November 2009 and a second scrubber project is estimated to be completed in 2010. Emission allowance purchases decreased $11 million, because of lower prices and lower generation levels as well as reduced emission levels resulting from the completion of a plant scrubber project in 2009, which resulted in a benefit to cash in 2009.

CILCO s cash used in investing activities decreased in 2009, compared with 2008, as a result of a $165 million decrease in capital expenditures, primarily because of the completion of a power plant scrubber project in March 2009 and other reductions in capital expenditures at AERG.

IP s cash used in investing activities decreased in 2009 compared with 2008, primarily as a result of money pool activity. During 2009, IP received a net repayment of $44 million in money pool advances compared with $44 million of net contributions during 2008. Partially offsetting this benefit to cash was an increase in advances to AITC for construction under a joint ownership agreement. IP received funding for this construction under a generator interconnection agreement related to on-going transmission upgrade projects.

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2008 versus 2007

Ameren used more cash for investing activities in 2008, than in 2007. Net cash used for capital expenditures increased in 2008 as a result of power plant scrubber projects, upgrades at various power plants, and reliability improvements of the transmission and distribution system. Additionally, increased purchases and higher prices resulted in a $105 million increase in nuclear fuel expenditures.

UE s cash used in investing activities increased during 2008, compared with 2007. Nuclear fuel expenditures increased $105 million resulting from increased purchases for future refueling outages at its Callaway nuclear plant and higher prices. In addition, capital expenditures increased $249 million. This increase was a result of increased spending related to a power plant scrubber project, reliability improvements of the transmission and distribution system, and various plant upgrades. This increase was partially offset by UE s receipt of $36 million in proceeds from intercompany note receivables with Ameren, and one of its subsidiaries.

CIPS cash used in investing activities during 2008 increased, compared with 2007. Capital expenditures increased $17 million in 2008 from 2007, primarily because of reliability improvements to the transmission and distribution system. During both years, this was offset by cash received from payments on an intercompany note receivable from Genco.