

UNION ELECTRIC CO
Form 8-K
July 15, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of report (Date of earliest event reported):

July 13, 2011

Exact Name of Registrant as

Specified in Charter;

State of Incorporation;

IRS Employer

Commission File Number

1-14756

Address and Telephone Number

Ameren Corporation

(Missouri Corporation)

Identification Number

43-1723446

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1901 Chouteau Avenue

St. Louis, Missouri 63103

(314) 621-3222

1-2967

Union Electric Company

43-0559760

(Missouri Corporation)

1901 Chouteau Avenue

St. Louis, Missouri 63103

(314) 621-3222

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.06 Material Impairments.

Reference is made to the discussion of the order issued by the Missouri Public Service Commission (MoPSC) on July 13, 2011, under Item 8.01 of this Current Report on Form 8-K. In the order, the MoPSC disallowed the recovery of all costs of enhancements related to the rebuilding of the Taum Sauk plant in excess of amounts recovered from insurance. As a result of this order, Ameren Corporation and its registrant subsidiary Union Electric Company, doing business as Ameren Missouri (Ameren Missouri), each expect to record a charge of \$90 million, before taxes, in the third quarter of 2011 for the costs associated with these enhancements.

ITEM 8.01 Other Events.

Reference is made to Note 2 Rate and Regulatory Matters to our financial statements under Part I, Item 1. Financial Statements and to Results of Operations and Outlook under Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, each in the Form 10-Q for the quarterly period ended March 31, 2011, and to Note 2 Rate and Regulatory Matters to our financial statements under Part II, Item 8. Financial Statements and Supplementary Data and to Results of Operations and Outlook under Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, each in the Annual Report on Form 10-K for the year ended December 31, 2010 (Form 10-K), of registrants Ameren Corporation and Amren Missouri for a discussion of Ameren Missouri's requests to the MoPSC to increase its annual revenues for electric service.

As previously reported, Ameren Missouri filed a request in September 2010, with the MoPSC to increase its annual revenues for electric service. The request, as amended in April 2011, sought to increase annual revenues from electric service by approximately \$210 million in the aggregate and was based on a 10.7% return on equity, a capital structure composed of 52.2% common equity, a rate base of \$6.7 billion, and a test year ended March 31, 2010, with certain pro-forma adjustments through the true-up date of February 28, 2011.

On July 13, 2011, the MoPSC issued an order approving an increase for Ameren Missouri in annual revenues for electric service of \$172 million, including \$52 million related to the anticipated increase in normalized net fuel costs above the net fuel costs included in base rates previously authorized by the MoPSC in its May 2010 electric rate order. The revenue increase was based on a 10.2% return on equity, a capital structure composed of 52.2% common equity and a rate base of approximately \$6.6 billion. The MoPSC also approved Ameren Missouri's continued use of its existing fuel adjustment clause, or FAC. The FAC provides for the adjustment of electric rates three times per year for a pass through to customers of 95% of changes in fuel and purchased power costs net of off-system revenues, subject to MoPSC prudence review. The MoPSC order granted Ameren Missouri's request to continue to use its existing vegetation management and infrastructure cost tracker and the regulatory tracking mechanism for pension and postretirement benefit costs authorized by the MoPSC in earlier electric rate orders.

The order also allowed for the full recovery of investments for the Sioux plant scrubbers and related property taxes for the Sioux and Taum Sauk plants. However, the MoPSC disallowed the recovery of all costs of enhancements related to the rebuilding of the Taum Sauk plant in excess of amounts recovered from insurance.

Rate changes consistent with the MoPSC order are expected to become effective on or before July 31, 2011, with Ameren Missouri's filing and MoPSC's acceptance of conforming tariffs. Ameren Missouri is evaluating the MoPSC's order and has not decided whether to seek rehearing of any aspect of the MoPSC's order or subsequently appeal any aspect of the order. Moreover, the Missouri Office of Public Counsel and the intervenor parties to this rate case may similarly seek rehearing or subsequently appeal any aspect of the order. Ameren Missouri cannot predict whether any such application for rehearing or appeal will be filed, or the outcome if so filed.

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 in the Form 10-K and elsewhere in this report and in our other filings with the Securities and Exchange Commission, could cause actual results to differ materially from management expectations suggested in such forward-looking statements:

regulatory, judicial, or legislative actions, including changes in regulatory policies and ratemaking determinations, such as the outcome of the pending Ameren Missouri electric rate proceeding; the court appeals related to Ameren Missouri's 2009 and 2010 electric rate orders and any appeals related to Ameren Missouri's 2011 electric rate order; the MoPSC's FAC prudence review and future appeals; and future regulatory, judicial, or legislative actions that seek to limit or reverse rate increases;

changes in laws and other governmental actions, including monetary, fiscal, and tax 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 Ameren Missouri;

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;

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 through our regulatory frameworks;

the effects of our and other members' participation in, or potential withdrawal from, Midwest Independent Transmission System Operator, Inc., (MISO) and the effects of new members joining 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;

the level and volatility of future prices for power in the Midwest;

business and economic conditions, including their impact on interest rates, bad debt expense, and demand for our products;

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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, transmission, and distribution asset construction, installation, performance, and cost recovery;

the extent to which Ameren Missouri prevails in its claims against insurers in connection with its Taum Sauk pumped-storage hydroelectric plant incident;

the extent to which Ameren Missouri is permitted by its regulators to recover in rates (i) certain of the Taum Sauk rebuild costs not covered by insurance and (ii) investments made in connection with a proposed second unit at its Callaway nuclear plant;

impairments of long-lived assets, intangible assets, or goodwill;

operation of Ameren Missouri's nuclear power facility, including planned and unplanned outages, decommissioning costs and potential increased costs as a result of recent nuclear-related developments in Japan;

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, other emissions, and energy efficiency, will be enacted over time, which could limit or terminate the operation of certain of our generating units, increase our costs, result in an impairment of our assets, reduce our customers' demand for electricity or natural gas, or otherwise have a negative financial effect;

the impact of complying with renewable energy portfolio requirements in Missouri;

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.

This combined Form 8-K is being filed separately by Ameren Corporation and Union Electric Company (each a registrant). Information contained herein relating to any individual registrant has been filed by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

AMEREN CORPORATION
(Registrant)

/s/ Martin J. Lyons, Jr.
Martin J. Lyons, Jr.
Senior Vice President and Chief Financial Officer

UNION ELECTRIC COMPANY
(Registrant)

/s/ Warner L. Baxter
Warner L. Baxter
Chairman, President and Chief Executive Officer

Date: July 15, 2011