Q4 2020 Earnings Call

Company Participants

- Andrew Kirk, Investor Relations Director
- Martin J. Lyons, Chairman and President, Ameren Missouri
- Michael L. Moehn, Executive Vice President, Chief Financial Officer, Ameren Corporation, President, Ameren Services
- Warner L. Baxter, Chairman, President and Chief Executive Officer

Other Participants

- Durgesh Chopra, Evercore ISI
- Insoo Kim, Goldman Sachs
- Jeremy Tonet, JPMorgan
- Julien Dumoulin-Smith, Bank of America Merrill Lynch
- Paul Patterson, Glenrock Associates
- Steve Fleishman, Wolfe Research

Presentation

Operator

Greetings, and welcome to Ameren Corporation's Fourth Quarter 2020 Earnings Conference Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. (Operator Instructions) As a reminder, this conference is being recorded.

I would now like to turn the conference over to your host, Mr.Andrew Kirk, Director of Investor Relations. Thank you. You may begin.

Andrew Kirk {BIO 20578297 <GO>}

Thank you, and good morning. On the call with me today are Warner Baxter, our Chairman, President and Chief Executive Officer; and Michael Moehn, our Executive Vice President and Chief Financial Officer; as well as other members of the Ameren management team joining remotely. Warner and Michael will discuss our earnings results and guidance as well as provide a business update. Then we will open the call for questions.

Before we begin, let me cover a few administrative details. This call contains time-sensitive data that is accurate only as of the date of today's live broadcast and redistribution of this broadcast is prohibited. To assist with our call this morning, we have posted a presentation on the amereninvestors.com homepage that will be referenced by our speakers.

As noted on Page 2 of the presentation, comments made during this conference call may contain statements that are commonly referred to as forward-looking statements. Such statements include those about future expectations, beliefs, plans, strategies, objectives, events, conditions and financial performance. We caution you that various factors could cause actual results to differ materially from those anticipated. For additional information concerning these factors, please read the forward-looking statements section in the news release we issued yesterday and the forward-looking statements in Risk Factors sections in our filings with the SEC. Lastly, all per share earnings amounts discussed during today's presentation, including earnings guidance are presented on a diluted basis unless otherwise noted.

Now, here's Warner.

Warner L. Baxter {BIO 1858001 <GO>}

Thanks Andrew. Good morning, everyone, and thank you for joining us. Before I begin our discussion of year-end results and other key business matters, I'll start with a few comments on COVID-19 as well as the steps we have taken to deliver safe, reliable electric and natural gas service to our customers during the recent period of extremely cold weather in our region. To begin, I hope you, your families and colleagues are safe and healthy.

While COVID-19 has driven a great deal of change, I can assure you that one thing that remains constant at Ameren is our strong commitment to the safety of our co-workers, customers and communities, so it is our strong focus on delivering safe, reliable, cleaner and affordable electric and natural gas service during this unprecedented time. We recognize that millions of customers at Missouri and Illinois are depending on us. I can't express enough appreciation to my co-workers who have shown great agility, innovation, determination and a keen focus on safety while delivering on our mission to power the quality of life.

And while we are focused on addressing the challenges associated with the pandemic and achieving our mission each day, we never lose sight of our vision, leading the way to a sustainable energy future. Despite the significant challenges presented by COVID-19, I look to the future with optimism, not just because vaccines are now being distributed to millions around the world but also because of how our co-workers stepped up and addressed a multitude of challenges and capitalized on opportunities in 2020, that will clearly help us achieve our vision.

Speaking of stepping up to the challenges to ensure that we continue to deliver on our mission and vision, our team has been tirelessly working over the last week to ensure that we continue to deliver safe, reliable electric and natural gas services to millions of people in our service territory, despite the extremely cold weather that we are experiencing in our region. As you know, the extremely cold weather has created significant challenges to maintain the safety and reliability of the energy grid in several areas of the country.

Understandably, the cold weather has driven a significant increase in customer demand for electric and natural gas service. At the same time, the extreme weather has resulted in natural gas supply disruptions and limitations, operational issues at power plants, and transmission constraints. Combined, these extraordinary circumstances that several regional transmission organizations to implement emergency operations protocols which include a controlled interruptions of service to customers in several states, most notably in Texas. Not surprisingly, the same set of conditions resulting in significant increases in power and natural gas prices in the energy markets.

Today, we have not experienced any significant reliability issues in our Missouri or Illinois businesses as past investments in energy infrastructure have paid off. In addition, the strong operation of our gas storage fields in Illinois and coal-fired energy centers in Missouri as well as our robust interconnections with gas pipeline suppliers in the power markets have played a major role as well. Rest assured, we will continue to actively manage this challenging situation for our customers.

Turning out to Page 4. Before I jump into the details of our accomplishments and strategic areas of focus, I want to reiterate the strategy that's been delivering significant long-term value to all of our stakeholders. Specifically, our strategy is to invest in a robust pipeline of great regulated energy infrastructure, continuously improve operating performance and advocate for responsible energy and economic policies to deliver superior value to our customers and shareholders. As always, our customers continue to be at the center of our strategy.

I'm pleased to say that our actions and performance in 2020 as well as our strategic areas of focus for the future are strongly aligned with our customers and shareholders' expectations to lead the way to a sustainable energy future. Which brings me to a discussion of our 2020 performance. As I said earlier, we delivered strong, financial and operational performance in 2020. Yesterday, we announced 2020 earnings of $3.50 per share compared to earnings of $3.35 per share ending 2019. Excluding the impact from weather, 2020 normalized earnings increased to $3.54 per share or approximately 6.6% from 2019's weather-normalized earnings of $3.32 per share.

With our customers' and shareholders' expectations in mind, we made significant investments in energy infrastructure in 2020 that resulted in a more reliable, resilient, secure and cleaner energy grid, as well as contributed to strong rate base growth at all of our business segments. Consistent with these objectives and despite COVID-19 challenges, we successfully executed on a robust pipeline of investments across all of our businesses.

In 2020 as outlined on this page, we also achieved constructive outcomes in several regulatory proceedings that will help drive additional infrastructure investments that will benefit customers and shareholders, while keeping our customers rates affordable. The bottom line is that we successfully executed our strategy in 2020 which will drive significant long-term value for all of our stakeholders.

Turning to Page 5. Here, we highlight the significant progress we made in an area that has and will continue to be a significant area of focus, sustainability. Last September, we announced the transformation of clean energy transition plan that effectively balances environmental stewardship with reliability and affordability. In particular, we established the clean energy goal of net zero carbon emissions by 2050 across all of our operations in Missouri and Illinois. We also established strong interim carbon reduction goals of 50% by 2030 and 85% by 2040 based on 2005 levels.

In addition, our plan includes robust investments in new wind and solar generation of being mindful of reliability. Notably, we are targeting and adding 5,400 megawatts new renewable wind and solar generation resources to our generation portfolio by 2040. Our plan also includes advancing the retirement of two coal-fired energy centers, extending the life of our carbon-free Callaway Nuclear Energy Center to 80 years and partnering with the Electric Power Research Institute in assessing advanced Clean Energy Technologies for the future. We are already executing key elements of this plan.

In particular, the significant milestone toward accomplishing a net zero carbon emissions goal was reached with the acquisition of the 400 megawatt High Prairie Renewable Energy Center in December. This was our first wind generation addition and is the largest wind facility in the state of Missouri.

Earlier this year, we also acquired our second wind generation investment. The Atchison Renewable Energy Center which when completed is expected to be a 300 megawatt facility. We also have a strong, long-term commitment to our customers and communities to be socially responsible and economically impactful. There has never been a more important time than now to be a leader in this area and we are leaning forward. In terms of COVID-19 relief, we've been continuously working to help our customers in need, including implementing disconnection moratoriums, providing a special bill payment plans, and we are running over $23 million of critical funds for energy assistance and other basic needs.

We held a Virtual Diversity Equity & Inclusion Leadership Summit in June 2020 that included over 600 community leaders and co-workers. During that summit, and we made a commitment of $10 million over the next five years to non-profit organizations focused on DE&I, and we spent over $800 million with diverse suppliers in 2020, a 24% increase over 2019. From a governance perspective, our board of directors oversight of sustainability risks was enhanced.

In addition, we named our first Chief Renewable Development Officer to lead our continued efforts to transition to a cleaner and more diverse generation portfolio. Further, the board of directors strengthened our executive compensation program by adding a 10% long-term incentive based on implementing our clean energy transition plans. And just last week, the board approved the addition of workforce and supplier diversity metrics to our short-term incentive plan for 2021. All of these efforts are consistent with our vision, leading the way to a sustainable energy future and our mission that power of the quality of life.

Turning to Page 6. As you can see on this page, our laser focus on executing our strategy for the last several years has delivered strong results. From a customer standpoint, our investments and infrastructure have driven our liability to top quartile performance, while at the same time, our disciplined cost management has kept our electric rates among the lowest in the country. The combination of these factors has helped drive significantly higher customer satisfaction scores. We've also delivered superior value to our shareholders as you can see on Page 7.

However, normalized core earnings per share has risen 70% or add an approximately 8% compound annual growth rate since we exited our unregulated generation business in 2013. Our dividend rate has increased 25% over the same time period. This has resulted in a significant reduction in our weather-normalized dividend payout ratio from over 77% in 2013 to

56% in 2020. The other bottom of our 55% to 70% targeted dividend payout range, positioning us well for continued strong infrastructure investments and rate base growth as well as future dividend growth.

Speaking of dividend growth, I'm pleased to report that last week, Ameren's Board of Directors approved a quarterly dividend increase of approximately 7%, resulting in an annualized dividend rate of $2.20 per share. This increase coupled with the dividend increase of 4% in October 2020 reflects confidence by Ameren's Board of Directors and the outlook for our businesses and management's ability to execute its strategy for the long-term benefit of our customers and shareholders. While I'm very pleased with our past performance, we are not sitting back and taking a deep breath.

We remain focused on accelerating and enhancing our performance in 2021 and in the years ahead, so we can continue to deliver superior value to our customers, communities, and shareholders.

Which brings me to Page 8. Yesterday afternoon, we also announced that we expect our 2021 earnings to be in a range of $3.65 to $3.85 per share. Michael will provide you with more details on our 2021 guidance a bit later.

Building on the strong execution of our strategy and our robust earnings growth over the past several years, we continue to expect to deliver long-term earnings growth that is among the best in the industry. We expect to deliver 6% to 8% compound annual earnings per share growth in 2021 through 2025, using the midpoint of our 2021 guidance, $3.75 per share as the base. Our long-term earnings growth will be driven by continued execution of our strategy including investing in infrastructure for the benefit of our customers while keeping rates affordable.

Another important element of our strong total shareholder return story is our dividend. Looking ahead, Ameren expects future dividend growth to be in line with this long-term earnings per share growth expectations and within a payout ratio of range 55% to 70%. In addition to earnings growth considerations, future dividend decisions will be driven by cash flow, investment requirements and other business conditions.

Turning to Page 9. The first pillar of our strategy stresses investing in and operating our utilities in a mannered consistent with existing regulatory frameworks. The strong long-term earnings growth I just discussed is primarily driven by our rate base growth plan. Today, we are rolling forward our five-year investment plan. And as you can see, we expect to grow our rate base in an approximately 8% compound annual rate for the 2020 through 2025 period. This growth is driven by our robust capital plan or approximately $17 billion over the next five years, that will deliver significant value to our customers and the communities we serve. Our plan include strategically allocating capital to all four of our business segments.

Importantly, our five-year earnings and rate base growth projections do not include 1,200 megawatts of incremental renewable investment opportunities, frozen Ameren Missouri's integrated resource plan. Our team continues to assess several renewable generation proposals from developers. We expect to file for certificates of convenience and necessity for some renewable generation projects in 2021 with the Missouri PSC. We expect to add these investments to our multi-year rate base outlook as we finalize pending negotiations with renewable energy developers and move further along in the regulatory approval process in Missouri. Finally, we remain focused on disciplined cost management or as close to our (inaudible) returns as possible in all of our businesses.

Speaking of discipline cost management, let's now turn to Page 10. Over the last several years, we've worked hard to enhance the regulatory frameworks in both Missouri and Illinois to help drive additional infrastructure investments that will benefit customers and shareholders. At the same time, we've been very focused on discipline cost management to keep rates affordable, our efforts are paying off. As outlined on this page, residential rates have decreased since opting into these enhanced regulatory frameworks for all of our Missouri electric and Illinois electric and natural gas distribution businesses. So to be clear, since these constructive frameworks have been put in place, significant investments have been made, liability is improved, rates have gone down, and thousands of jobs have been created. While this is a great win for our customers and communities, we're not done.

Turning to Page 11. As you can see from this chart, our operating expenses have decreased 14% since 2015. We will remain relentlessly focused on disciplined cost management as we look forward to the next five years and beyond. This will not only include the robust cost management initiatives undertaken to manage for COVID-19, but also several other customer affordability initiatives. These initiatives include the automation and optimization of our processes, including leveraging the benefits from significant past and future investments in digital technologies and grid modernization. In addition as part of the Ameren Missouri integrated resource plan, we will work to responsibly retire our coal-fired energy centers overtime, which includes thoughtfully managing workplace changes to attrition, transfers to other facilities and retraining for other positions in the company.

Turning now to Page 12. Next, I want to cover the second pillar of our strategy, enhancing regulatory frameworks and advocating for responsible energy and economic policies. An enhanced version of The Downstate Clean Energy Affordability Act legislation was filed in the past week, which have passed, would apply to both the Ameren Illinois electric and natural gas distribution businesses. This legislation would allow Ameren Illinois to make significant investments in solar energy, battery storage and gas infrastructure to improve safety and reliability as well as in transportation electrification in order to benefit customers in the economy across central and southern Illinois.

This important piece of legislation also require diverse suppliers spend reporting for all electric renewable energy providers. Another key component of The Downstate Clean Energy Affordability Act is that it would allow for performance-based ratemaking for Ameren Illinois natural gas and electric distribution businesses to 2032. The proposed performance metric would ensure investments are aligned with and are contributing too, the reliability of the energy grid as well as to transition to the clean energy vision of the state.

Further, this legislation would modify the allowed return on equity methodology in each business to align with returns being earned by other gas and electric utilities across the nation. This legislation builds on Ameren Illinois efforts to invest in critical energy infrastructure under a transparent and stable regulatory framework that has supported significant investment, improved safety and reliability as well as created over 1,400 jobs, all while keeping electric rates well below the Midwest and national averages. This bill would also move the state of Illinois closer to reaching its goal of 100% clean energy by 2050.

By providing for performance-based ratemaking for both electric and gas distribution businesses, we believe that proposed legislation would further align the energy goals of Ameren Illinois in the state of Illinois for the benefit of our customers, the communities we serve and the environment. All of these benefits in mind, we are focused on working with key stakeholders to get this important legislation passed this year.

Moving now to page 13 for an update on our $1.1 billion wind generation investment plan to achieve compliance with Missouri's Renewable Energy standard through the acquisition of 700 megawatts of new wind generation at two sites in Missouri. As I mentioned earlier, Ameren Missouri closed on the acquisition of our first wind energy center, a 400 megawatt project in Northeast, Missouri in December. Last month, we acquired our second wind generation project, the 300 megawatt Atchison Renewable Energy Center located in Northwest, Missouri. Approximately, 120 megawatts are already in service. We expect a total of 150 megawatts to be in service by the end of first quarter which remain expected later in 2021 upon the replacement of certain turbine blades.

We financed these projects through a combination of Green First mortgage bonds and common stock issued under our forward equity sale agreement. We do not expect the construction delay on our Atchison wind facility to have a significant economic consequences or reduce the production tax credits for this project, because of the rule change made by the U.S. Department of Treasury last year to extend the in-service criteria by one year to December 31, 2021.

Turning now to Page 14 and an update on our Callaway Energy Center. During return to full power is part of it's 24th refueling and maintenance outage in late December 2020, and our Missouri's Callaway Energy Center experienced a non-nuclear operating issue related to its generator. A thorough investigation is mattered was conducted and the decision was made to replace certain key components of the generator in order to safely and sustainably return the energy center to service. Work is already underway on this capital project, which we expect will cost approximately $65 million.

We're also pursuing the recovery of costs through applicable, warranties and insurance. Due to the long lead time for the manufacturing, repair and installation of these components, the energy center is expected to return to service in late June or early July. And as announced previously, we do not expect this outage to have a significant impact on Ameren's financial results.

Turning now to Page 15. As we look to the future, the successful execution of our five-year plan is not only focused on delivering strong results for 2025, it is also designed to position Ameren for success over the next decade and beyond. We believe that a safe, reliable, resilient, secure and cleaner energy grid will be increasingly important and bring even greater value to our customers, our communities and shareholders.

With this long-term view in mind, we are making investments that will position Ameren to meet our customers' future energy needs and rising expectations, support our transition to a cleaner energy future, provide safe, reliable natural gas services. Right side of this page shows that our allocation of capital is expected to grow our electric and natural gas energy delivery investments to be 82% of our rate base by the end of 2025. As result of Ameren Missouri's investment in 700 megawatts of wind generation combined with the schedule retirement of the Meramec coal-fired energy center in 2022, we expect coal-fired generation to decline to just 7% of rate base and our renewable generation to increase to 6% of rate base by year end 2025.

As noted previously, our current five-year plan does not include 1,200 megawatts of incremental renewable generation included in Ameren Missouri's integrated resource plan by 2025. These accidents are just further examples for the steps we are taking to address our customers and shareholders focused on ESG matters and achieve our net zero carbon emissions goal by 2050. The bottom line is that we're taking steps today across the board to position Ameren for success in 2021 and beyond.

Moving to Page 16. Looking ahead to the end of this decade, we have a robust pipeline of investment opportunities of over $40 billion that will deliver significant value to all of our stakeholders by making our energy grid stronger, smarter and cleaner. Importantly, these investment opportunities exclude any new regionally beneficial transmission projects that would increase the reliability and resiliency of the energy grid, as well as enable additional renewable generation projects. Of course, our investment opportunities will not only create a stronger and cleaner energy grid to meet our customers' needs and exceed their expectations, but they will also create thousands of jobs for our local economies. Maintaining constructive energy policies that support robust investment and energy infrastructure and a transition to a cleaner, future and a responsible fashion will be critical to meeting our country's future energy needs and delivering on our customers expectations.

Moving to Page 17. As we have outlined in our presentation today, we are focused on delivering a sustainable energy future for our customers, communities and our country. Consistent with that focus, yesterday we issued our updated ESG investor presentation called Leading The Way To A Sustainable Energy Future. This presentation demonstrates how we have been effectively integrating our focus on environmental, social, governance and sustainability matters into our corporate strategy. This slide summarizes our strong sustainability value proposition for environmental, social and governance matters. Throughout the course of my discussion this morning, I've already covered many of these topics. A few other notable points include the fact that we were honored to again be recognized by DiversityInc as one of the top utilities in the country for diversity, equity and inclusion as well as be rated in the top 25 of all companies for ESG in their inaugural list.

Finally, our strong corporate governance is led by a very talented and diverse Board of Directors focused on strong oversight of ESG matters. I encourage you to take some time to read more about our sustainability value proposition. You can find this presentation at amereninvestors.com.

Moving to Page 18. To sum up our value proposition, we remain firmly convinced that the execution of our strategy in 2021 and beyond will deliver superior value to our customers, shareholders and the environment. We believe our expectation of 6% to 8% compound annual earnings growth from 2021 through 2025 driven by strong rate base growth compares very favorably with our regulated utility peers. I am confident in our ability to execute our investment plans and strategies across all four of our business segments, because we have an experienced and dedicated team to get it done.

That fact coupled with our sustained past execution of our strategy on many fronts has positioned us well for future success. Further, our shares continue to offer investors a solid dividend. Our strong energy growth expectations outlined today position us well for future dividend growth. Simply put, we believe our strong earnings and dividend growth outlooks results in a very attractive total return opportunity for shareholders.

Again, thank you all for joining us today. Now, I'll turn the call over to Michael.

Michael L. Moehn {BIO 5263599 <GO>}

Thanks Warner, and good morning, everyone.

Turning now to Page 20 of our presentation. Yesterday, we reported 2020 earnings of $3.50 per share compared to earnings of $3.35 per share in 2019. Ameren Transmission earnings were up $0.13 per share which reflected increased infrastructure investments and the impacts of the FERC order on the MISO allowed base return on equity. Earnings from Ameren Illinois natural gas were up $0.06 per share which reflected increased infrastructure investments and lower other operations and maintenance expenses due to disciplined cost management.

Earnings in Ameren Missouri, our largest segment increased $0.03 per share from $1.74 per share in 2019 to $1.77 per share in 2020. The comparison reflected new electric service rates effective April 1st, which increased earnings by $0.23 per share compared to 2019. Earnings also benefited from lower for operations and maintenance expenses which increased earnings $0.16 per share. This was due in part to the deferral expenses related to the fall 2020 Callaway Energy Center scheduled refueling and maintenance outage compared to recognizing all the expenses for the spring 2019 outage at that time. The change in time in our expense recognition was approved by the Missouri PSC in early 2020 and better aligns revenue with expenses.

In addition, the decline in other O&M expenses were driven by disciplined cost management exercised throughout the year. These payroll factors will mostly offset by lower electric retail sales driven by the impacts of COVID-19 and weather which together reduced earnings by approximately $0.18 per share. In 2020, we experienced milder than normal summer and winter temperatures compared to near normal summer and winter temperatures in 2019. In addition, lower MEEIA performance incentives reduced earnings by $0.09 per share compared to 2019 and higher interest expense due to higher long-term debt outstanding reduced earnings by $0.04 per share. And finally and return to the Missouri rate review settlement, in order, we recognized a one-time charitable contribution which reduced earnings by $0.02 per share.

Moving to Ameren Illinois electric distribution, earnings decreased $0.01 per share, which reflected the lower allowed return equity under performance-based ratemaking mostly offset by increased infrastructure and energy efficiency investments. The allowed return on equity under formula ratemaking was 7.4% in 2020 compared to 8.4% in 2019 and was applied to year-end rate base. The 2020 allowed ROE was based on the 2020 average 30-year treasury of approximately 1.6%, down from the 2019 average of 2.6%. And finally, Ameren Parent and other results were lower compared to 2019 due to increased interest expense resulting from higher long-term debt outstanding as well as reduced tax benefits primarily associated with share based compensation.

Turning to Page 21. Outlined in this page are electric sales trends for Ameren Missouri and Ameren Illinois electric distribution for 2020 compared to 2019. Overall, the year-end results for Ameren Missouri are largely consistent with our expectations outlined in our call in May in terms of impact on total sales and earnings per share for 2020 due to COVID-19. Recall that changes in electric sales in Illinois, no matter the cause, do not affect earnings since we have full revenue decoupling.

Moving to Page 22 of the presentation. Here, we provide an overview of our $17.1 billion of strategically allocated capital plan expenditures for the 2021 through 2025 period. By business segment, the Illinois [ph] approximately 8% projected rate base growth Warner discussed earlier. This plan includes an incremental $1.1 billion compared to the $16 billion five-year plan for 2020 through 2024 that we laid out last February.

Turning to Page 23. We outlined here the expected funding sources for the infrastructure investments noted on the prior page. We expect continued growth in cash from operations as the investments are reflected in customer rates. We also expect to generate significant tax deferrals. Those tax deferrals are driven primarily by timing differences during financial statement depreciation, reflected in customer rates and accelerated depreciation for tax purposes. In addition to the benefits of the accelerated tax depreciation, as a result of our $1.1 billion investment in 700 megawatts of wind generation, we will generate production tax credits over this period. From a financing perspective, where we have no long-term debt maturities in 2021, we do expect a continuous long-term debt at the Ameren Parent, Ameren Missouri and Ameren Illinois to fund a portion of our cash requirements.

We also plan to continue to use newly issued shares from our dividend reinvestment employee benefit plans over the five-year guidance period. We expect this to provide equity funding of approximately $100 million annually. Last week, we physically settled the remaining shares under our Forward Equity Sale Agreement to generate approximately $115 million. In order for us to maintain a strong balance sheet while we fund our robust infrastructure plan, we expect incremental equity issuance of approximately $115 million in 2021 and $300 million each year starting in 2022 through 2025. All of these actions are expected to enable us to maintain a consolidated capital position target of approximately 45% equity.

Moving to Page 24 of our presentation. I would now like to discuss key drivers impacting our 2021 earnings guidance. As Warner stated and we expect 2021 diluted earnings per share to be in the range of $3.65 to $3.85 per share. On this page and next, we have let's say key earnings drivers and assumptions behind our 2021 earnings guidance, we broken down by segment as compared to our 2020 results.

Beginning with Ameren Missouri, earnings are expected to rise in 2021. As previously noted, the majority of the 700 megawatts of wind generating investing was placed in service at the end of 2020 and early 2021. As a result, we expected to see significant contributions to earnings from these investments in 2021. The 2021 earnings comparison is also expected to be favorably impacted by the first quarter -- in the first quarter by increased Missouri electric service rates that it took effect April 1, 2020. We also expect higher weather-normalized electric sales and other margins in 2021 compared to 2020 as outlined by customer class on this -- on the slide, reflecting the continued improvement in economic activity since the COVID-19 lockdowns that began in the second quarter of last year.

Our 2021 sales expectations are much improved over 2020. We do not expect total sales to return to pre COVID-19 levels this year. Further, we expect a return to normal weather in 2021, will increase Ameren Missouri earnings by approximately $0.04 compared to 2020 results. We're expecting amortization expenses associated with the fall 2020 Callaway scheduled refueling and maintenance outage to reduce earnings by approximately $0.08 per share in 2021. The fall 2020 outage costs were approximately $0.12 per share was deferred pursuant to the Missouri PSC order as expected to be amortized over approximately 17 months starting January 2021.

We also (inaudible) higher operations and maintenance expenses to reduce earnings.

Moving on, earnings from our FERC regulated electric transmission activities are expected to benefit from additional investments in Ameren Illinois and ATXI projects lean under forward-looking formula ratemaking. This benefit will be partially offset by the absence of the impact of the 2020 FERC order on the MISO base allowed return on equity.

Turning to Page 25. For Ameren Illinois electric distribution, earnings are expected to benefit in 2021 compared to 2020 from additional infrastructure investments made under Illinois performance-based ratemaking. Our guidance in -- rate base or formula based allowed ROE of 7.75% using a forecasted 1.9% 2020 average yield from a 30-year Treasury bond, which is higher than the allowed ROE of 7.4% in 2020. The allowed ROE has applied to year-end rate base.

For Ameren Illinois natural gas, earnings will benefit from higher delivery service rates based on in 2021 future test year, which were effectively last month as well as from infrastructure investments qualifying for the rider investment treatment.

Moving now to Ameren Illinois drivers and assumptions. We expect the increased common shares outstanding as a result of the issuance under the Forward Equity Sale Agreement or dividend reinvestment employ benefit plans and additional equity issuance of approximately $115 million to unfavorably impact earnings per share by $0.12. Of course in 2021, we will seek to manage all of our businesses starting to close to allowed returns as possible while being mindful of operating in other business needs.

I'd also like you take a moment (inaudible) electric retail sales outlook. We expect weather-normalized Missouri kilowatt hour sales to be in the range of flat to up approximately 0.5% compounded annually over our five-year plan, excluding the effects of our MEEIA energy efficiency plans using 2021 as the base year. Again, we exclude MEEIA effects because the plan provides a rate recovery to ensure that earnings are not affected by reduced electric sales resulting from our energy efficiency efforts.

Turning to Illinois, we expect our weather-normalized kilowatt hour sales including energy efficiency to be relatively flat over the five-year plan.

Turning to Page 26, Ameren Illinois Regulatory Matters. Last October, we filed a request with the Missouri PSC to track and defer on our regulatory asset, certain COVID-19 related costs incurred net of any COVID-19 realized cost savings. Through December 31, 2020, we have accumulated approximately $60 million of net cost and we requested additional true-ups.

If our request approved by the Missouri PSC, the ability to recover and the timing of recovery of these costs would be determined as part of the natural electric and gas rate reviews. We continue to work towards a settlement with key stakeholders. I would also note that the PSC is under no deadline to issue orders. Speaking of future rate reviews, we continue to expect to file the next Ameren Missouri electric and gas rate reviews by the end of March 2021.

Turning to Page 27, Ameren Illinois Electric Regulatory Matters. In December, the ICC approved a $49 million base electric distribution rate decrease in the annual update proceeding with new rates effective at the beginning of the year. This marks the third consecutive overall reduction in rates and the seventh overall rate decrease since performance-based ratemaking began in 2011. In Ameren Illinois natural gas regulatory matters last month, the ICC approved $76 million annual increase in gas distribution rates using a 2021 future test year, a 9.67% return on equity and a 52% equity ratio. The $76 million included $44 million of annual revenues that would otherwise be recovered in 2021 under Ameren Illinois qualifying infrastructure plant and other riders. New rates were affected in late January.

Finally, turning to Page 28. We have a strong team and are well positioned to continue to execute our plan. We delivered strong earnings growth in 2020 and we expect to deliver strong earnings growth in 2021 as we continue to successfully execute our strategy. As we look ahead, we expect 6% to 8% compound earnings per share growth from 2021 to 2025 driven by robust rate base growth and disciplined cost management. Further, we believe this growth will compare favorably with the growth of our regulated utility peers. And Ameren shares continue to offer investors an attractive dividend. In total, we have an attractive total shareholder returns compares very favorably to our peers.

That concludes our prepared remarks. We now invite your questions.

Questions And Answers

Operator

(Question And Answer)

(Operator Instructions) Our first question comes from Julien Dumoulin-Smith with Bank of America. Please proceed with your question.

A - Warner L. Baxter {BIO 1858001 <GO>}

Morning Julien.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Good morning team. Congratulations.

A - Warner L. Baxter {BIO 1858001 <GO>}

Thank you sir. How are you doing.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Good morning to you and congratulations. Quite well, thank you, little frigid here in Texas. I suppose if you can elaborate a little bit. I know you provided some comments in your remarks here on Callaway. Can you elaborate a little bit more about how you've been able to reduce your fuel and purchase power costs risk here through the period? As well as elaborate a little bit more just exactly what's transpired and what repairs are alongside. It seems like you're going to seek the bulk of the recovery through insurance and warranties here, but if you can elaborate there, too.

A - Warner L. Baxter {BIO 1858001 <GO>}

Yeah. And thanks, Julien, lots of stuff to unpack there. I'm going to first ask Marty to talk a little bit about sort of what happened in the event and some of the actions that we're taking to make sure we get timely recovery. And then I'll talk a little bit about how we're balancing the fuel and purchase power costs. So, Marty, why don't you to talk a little bit about the event in Callaway and how we're managing through that place.

A - Martin J. Lyons {BIO 4938648 <GO>}

Yeah. Sure, Warner, and good morning, Julien. Yes, we talked about in our prepared remarks, during the return to full power after our last refueling and maintenance outage, we experienced an issue with the electric generator, so non-nuclear part of the plant non-nuclear operating issue. So, subsequently, we did open up generator for inspection and identified issues with both the router as well as the status. So we decided that significant components did need to be replaced, and those are long lead time materials that need to be manufactured, installed, tested, et cetera. So that we can ultimately make sure that we bring the plant back safely and sustainably. And we do estimate that that'll take as we said, late June, early July.

So during this period of time, the plant does remain down, but as we suggested, we're going to be doing everything we can to reduce the ultimate costs, including pursuing recovery of costs through warranties as well as we've made insurance claims, and to have insurance both on the property side as well as for accidental outage impacts as it relates to last generation.

A - Warner L. Baxter {BIO 1858001 <GO>}

So I think that summarizes generally the event and what we're doing from a warranty and insurance perspective. I think, Julien, what we're doing from an operational perspective is what we do, when Callaway has this normal outages, we adjust the efforts and the outages or move those around for our coal fired energy centers. Now, I got to tell you, I'm pleased to say during this very cold period, our coal fired energy centers operated extremely well. And we do the same thing with the rest of our generating use, because all those go to mitigate the impact that Callaway is out. And so those are things that our team has already checked and adjusted for during this period of time. And we're very focused on just doing that the work that Marty described extremely well, getting Callaway back in service for the benefit of our customers.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Excellent. And if I can sneak in this one on legislation. I mean, there's been some consternation out in the market about this 30-year treasury gyration and some of the proposals out there. I know a lot of bills floating out there. There's been some pickup in attention on that nuance. How would you characterize that? It seems like perhaps part of the back and forth negotiation in the early part of the session here?

A - Warner L. Baxter {BIO 1858001 <GO>}

Well, you're right. There are a lot of bills being discussed and actually filed in the state of Illinois. And I tell you, we're excited about the Downstate Clean Energy Affordability Act. And really the enhancements that were made through the act that we just filed last year does several things. One, Julien, it addresses the issue that you talked about. It really is no longer that Downstate Clean Energy Affordability Act that was filed isn't based on a 30-year treasury. It is doing what legislators really wanted to have done back in 2012, when the modernization action plan was put in place. That was simply to try and have the return on equity really become very close to the national average. And that's exactly what's reflected in there.

And so we -- that's why we like that, though, and of course, we'd like to build that was filed, because it not only applies to our electric business, but our gas business, because we're firmly convinced that performance based rate making has been terrific things for the state of Illinois in terms of reliability, in terms of affordability and jobs. And we think we can duplicate that in our natural gas business. We think that's the best way forward.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

(Technical Difficulty).

A - Warner L. Baxter {BIO 1858001 <GO>}

I'm sorry, Julien, you dropped out little bit there. I'm sorry.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Sorry, the gas as well as electric seems like a priority.

A - Warner L. Baxter {BIO 1858001 <GO>}

Exactly, right. So look just to sum it up, there are a lot of bills out there. Obviously very early innings of the session, yes, there's some that are trying to take different approaches to it. The only thing you can rest assured is that Richard Mark and his team, they're at the table. We're talking with key stakeholders and we are strongly supporting the Downstate Clean Energy Affordability Act.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Excellent guys. I'll pass it. Thanks for the time.

A - Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Julien.

A - Martin J. Lyons {BIO 4938648 <GO>}

Thank you.

Operator

Our next question comes from Insoo Kim with Goldman Sachs. Please proceed with your question.

A - Warner L. Baxter {BIO 1858001 <GO>}

Good morning, Insoo

Q - Insoo Kim {BIO 19660313 <GO>}

Good morning. Thank you for the time. I guess my first question going back to the Callaway outages a little bit and your work to mitigate any cost increases from purchase power, fuel. Is expectation currently that during this time period, whether it's with the -- now or in the next few months, with the outage ongoing, that the past durable still happen through bills? Or is there contemplation that maybe there'll be some type of deployment payment setup?

A - Michael L. Moehn {BIO 5263599 <GO>}

Good morning, this is Michael. Yes, you see, you are right. I mean, we have a fuel adjustment clause in place Insoo that fully expect to those costs would flow through that there's a 95, five, sharing on that mechanism. As Marty said, I mean, there is this, look, do everything we can to possibly mitigate the overall impact on customers. And so there is insurance that both on the property side as well as the replacement power side not upon on whether or not we're going to get recovered there, but to the extent that we do that obviously would go to mitigate a big part of that impact.

Q - Insoo Kim {BIO 19660313 <GO>}

Got it. And then on your funding equity plans through 2025, correct me if I'm wrong, but I think the last time you were contemplating was the $150 million run rate for the year through 2024 and now it seems like a stepped up COVID turning 2022. Is that contemplating just that base CapEx frankly 2025? Or somewhat inclusive of potential upside from renewable projects or other items?

A - Michael L. Moehn {BIO 5263599 <GO>}

No, you're looking at the right way. I mean it's up about $150 million per year, starting in 2022, from where we were before, and it really is driven by we got about $1.1 billion additional capital here, $16 billion where we were last February to where we are today at $17.1 billion. And it really is just to continue to conservatively finance this balance sheet. We like our ratings, where they are, being heavily wanted Moody's BBB plus at S&P, and maintain that capital structure right at about 45%. So that's really what it's being driven to do at the end of the day, Insoo.

Q - Insoo Kim {BIO 19660313 <GO>}

Got it. And just if I make what range of FFO to debt, should we be considering with this plan?

A - Michael L. Moehn {BIO 5263599 <GO>}

Yes, we haven't specifically given that in the past, I mean, it Moody's, we have a threshold, a third target, S&P we have a threshold of 13%. We have 17% threshold at Moody's. I would tell you historically we've been 19%, 20%. It's been coming down a little bit over time as we've invested more in capital, but we've had some good margins there.

Q - Insoo Kim {BIO 19660313 <GO>}

Got it. Thank you so much.

A - Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Insoo.

Operator

Our next question comes from Durgesh Chopra with Evercore ISI. Please proceed with your question.

A - Warner L. Baxter {BIO 1858001 <GO>}

Good morning.

Q - Durgesh Chopra {BIO 20053859 <GO>}

Hey, good morning, guys. Thanks for taking my question.

A - Warner L. Baxter {BIO 1858001 <GO>}

Absolutely.

Q - Durgesh Chopra {BIO 20053859 <GO>}

Thank you. Going back to just the ROE, can you -- see pretty clear on what you're zooming for 2021? But maybe just how you're thinking about 30-year in the context of your 5-year plan?

A - Michael L. Moehn {BIO 5263599 <GO>}

Yes, good. Appreciate the question. We historically, you're right. I mean, we're assuming 1.95 here for this year. And as you think, Durgesh, about our overall range the 6% to 8% off of this 375, it provides you a quite a bit of range, you go out in time, obviously about 40%, up $0.40 in total. And we really haven't historically said what we are assuming it. It obviously accommodates a number of things within that in terms of those ROEs, in terms of CapEx, in terms of regulatory outcomes, et cetera. But we haven't specifically said that we're targeting from a 30-year treasury.

Q - Durgesh Chopra {BIO 20053859 <GO>}

Got it. Is it -- can we assume that like with the most of the forecasts here that you're assuming that yields creep up higher? Is that a fair assumption? Or are you kind of modeling surely a flat and that would be upside?

A - Michael L. Moehn {BIO 5263599 <GO>}

It is a wide range and lots of different things can accommodate it in there. I mean, obviously, the 30 years moved quite a bit here in the last few months or so, but difficult to speculate exactly where it's going.

Q - Durgesh Chopra {BIO 20053859 <GO>}

Understood. Okay. I understand that. Maybe just one quick one, the 1.2 gigawatt of the investment that you highlight in the Missouri IRB what's the cadence of timing and cadence of including that in the current 5-year plan? Or you think that falls out of the current 5-year than it's more like 2025 and beyond?

A - Warner L. Baxter {BIO 1858001 <GO>}

So yes, this is Warner. Look, we've said before, we're focused on getting some of these renewable energy projects done consistent with our integrated resource plan. And so Marty and his team are working very hard, looking at several proposals, and as we said in our prepared remarks, that we plan on filing some CCN, still in 2021, to start addressing that. And so we don't have a specific number in terms of what we'll pursue. But we're looking to execute that plan. Simply put once we, when we do that we get further along the regulatory process, we finish our negotiations with developers, we think about the interconnection agreements to the extent needed. All those things will really dictate when we ultimately put them in our CapEx plan. But I would not suggest that 1,200 megawatts are outside of that -- all of that will be outside of the 2025 period.

Q - Durgesh Chopra {BIO 20053859 <GO>}

Okay. Great. Appreciate the color Warner. Thank you.

A - Warner L. Baxter {BIO 1858001 <GO>}

You bet. Take care.

Operator

Our next question comes from Steve Fleishman with Wolfe Research. Please proceed with your question.

A - Warner L. Baxter {BIO 1858001 <GO>}

Good morning, Steve. How are you doing?

Q - Steve Fleishman {BIO 1512318 <GO>}

Hey, great, thanks. Hey, Warner. So just a question on the dividend increase you did, which obviously, very happy about but you do it kind of off cycle. So you kind of did it in increase higher increase and you've been doing 5 months after you did your last one. So kind of curious, like, why didn't you do that in October? Or why don't you wait till next October? Is there any other kind of sense on what like, why now? And is this kind of the timing when you're going to do dividend increases going forward?

A - Warner L. Baxter {BIO 1858001 <GO>}

Yes. That's a great question. Look, we've discussed with you and investors in the past look, Ameren's dividend, and this dividend policy are really important matters to our Board of Directors. And so clearly the Board took careful consideration in terms of thinking first and foremost about the dividend policy. And as you know, we announced that dividend policy change that talked about the future dividend growth is really going to be in line with our long-term earnings per share growth and within our payout ratio of 55% to 70%, which is what we talked about in the past. And so when they did that, we all collectively did that we also carefully considered the practice that we've been using over the last several years of raising the dividend in the fall or in October.

And at the end of the day, the Board of Directors came to conclusion that it was really just appropriate to align the dividend increase we announced last week with the simultaneous updating of the dividend policy, which I just described. And then also to align it with our discussion about long-term earnings guidance, which as you know we typically do right now at the beginning of the year. And so I can never tell you exactly what the Board would do in the future. And I would expect the practice that we employing this year to continue in the future. So of course all future dividend decisions, as we've said before, are driven by all kinds of things earnings, growth, cash flow, investments, business conditions, those types of things, but I expect to practice that we've employed this year to be consistent in the future.

Q - Steve Fleishman {BIO 1512318 <GO>}

Okay, great. Thanks a lot.

A - Warner L. Baxter {BIO 1858001 <GO>}

You bet.

Operator

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

A - Warner L. Baxter {BIO 1858001 <GO>}

Hello Paul. How are you?

Q - Paul Patterson {BIO 1821718 <GO>}

I'm all right. So really, excuse me, with respect to the legislation and just sort of follow-up on Julien's question. It seems like the sort of your -- you've got a downstate approach. And as you know there and as you mentioned the other bills and stuff going on. I'm just wondering, sort of the strategy there and the thoughts about having sort of a one approach for downstate versus upstate. And could just elaborate a little bit one strategy there and just sort of a general what your thoughts are about what might be going on?

A - Warner L. Baxter {BIO 1858001 <GO>}

Sure. Look, really our message around this Paul hasn't really changed. We talked last year and we'll continue to talk about that. As we see it as our legislators see it the downstate needs are different. And keep in mind when we think about downstate, I mean we are the major energy supplier downstate not just on the electric side, but on the gas side as well. So that downstate legislators looked at it and they clearly recognize there's some broad policy issues in the state of Illinois clearly in the northern portion. The state of around the nuclear plants, these are important issues. And so we get that. And of course, we're engaged in those conversations, because we want to make sure that policy decisions made for the nuclear plants and others don't have negative implications for our customers' downstate. So we're engaged there. But similarly, we know the importance of investing in energy infrastructure on the electric and gas businesses, and we don't want to lose sight of that.

And so we have proposed legislation, like we did last year that really is affecting the downstate, which is very consistent with what the state of Illinois wants to move towards a cleaner energy future. In this Downstate Affordability Act isn't just about grid modernization, let's just be clear, it is in part, and certainly around the gas business, that also is driving towards greater electrification, greater solar and battery storage, and its own standard policies that support these critical investments. So, look if at the end of the day, we are -- we believe this is an appropriate approach. Of course, we're still early in the session, as Julien and I discussed a little while ago, and so we will engage with key stakeholders, other utilities on these important matters, but this is the direction that we think is appropriate, and certainly the sponsors of the legislation do as well.

Q - Paul Patterson {BIO 1821718 <GO>}

Okay, great. And then appreciate the data on the cost reductions and bill data. But just in general, as you've updated your forecast everything here. What's your expectation for the potential bill impact or just roughly speaking, with this growth trajectory that you guys have?

A - Michael L. Moehn {BIO 5263599 <GO>}

Yes, I might comment just specifically on O&M, and I'm not going to really comment on the overall bill impact itself. I think we've done a very good job, obviously, over time in managing that in terms of impact to customer. But if you think about the O&M piece of that as Warner pointed out, we've had some good success in managing those costs really on a flat basis over the last 5 years. And as we think about the future, we're obviously mindful of the capital that we're investing, and we're really focused on keeping that on O&M flattish over this 5-year forecasts as well.

Q - Paul Patterson {BIO 1821718 <GO>}

Okay. Thanks so much. Have a good week.

A - Michael L. Moehn {BIO 5263599 <GO>}

You bet. Have a good week and be safe.

Operator

Our last question comes from the line of Jeremy Tonet with JP Morgan. Please proceed with your question.

A - Warner L. Baxter {BIO 1858001 <GO>}

Jeremy, good morning.

Q - Jeremy Tonet {BIO 15946844 <GO>}

Good morning. Few quick -- thanks for taking the questions, looking at your prior rate based disclosures in today's update; (inaudible) the growth into 2025 is closer to 9%, if I'm doing the math there, right. Can you speak of the CapEx status here that is the typical industry profile that is more end loaded on the CapEx and do you have any thoughts on ultimate.

Hey, Jeremy, I am sorry. You are breaking up. It was hard to hear the first part of your question. So something on our rate base growth. Look, if you could start again, I apologize. It just wasn't coming across clearly, please.

Sure. Can you hear me now? Is this better?

A - Warner L. Baxter {BIO 1858001 <GO>}

Yeah. That's much better. Thank you.

Q - Jeremy Tonet {BIO 15946844 <GO>}

Sorry about that. So looking at your prior rate based disclosures in today's update, it looks like growth into 2025 is closer to 9%. Can you speak to the CapEx reference here versus typical industry profile, which is more kind of front end loaded on the CapEx? And then just also kind of thinking about Missouri renewables ownership and transmission investments as well, do you see this is additive to this growth, extending the growth one way or for having any other impacts here?

A - Warner L. Baxter {BIO 1858001 <GO>}

Yes. So let me -- I'll answer the second part. And then Michael, maybe you can get a little bit into to the math in the first part. Couple of things, with regard to the renewables and the transmission, we do see these as meaningful opportunities to continue a rate base growth. Now, as we've said in the past, we're not out here, given our 5-year plan and whether it will be 100% additive in all respects. And that be premature for me to say that but to be clear. We see the real needs clearly in our integrated resource plan for renewables and we are taking steps as we discussed earlier to begin executing that plan. In fact, we have already started that, as you know with regard to the 700 megawatts. But we believe it's absolutely a prudent and appropriate to do more as we transition to a clean energy future. But that clean energy future really is not going to be coming forth if we don't have greater levels of investment in transmission. And so as we pointed out in our slides and before that these large regional transmission projects, which have really put our country in the position where it is today in terms of growth and renewables, we're going to need to do more of that.

And so we see those as greater opportunities. When they come in is a little early to say. We had been actively working with MISO and other key stakeholders to try and put the process in place for those transmission investments to get going on those. As I've said before, those take time, and not going to be done here in a year or two, if anything, we might see some towards the back end of our 2021 to 2025 plan. But we certainly see greater levels of investment in transmission in the next decade to enable where this transition to a clean energy future. So stay tuned in terms of how it ultimately gets additive. But we see that as clearly potential upside opportunities. And, Michael, I'll let you address for specific rate base question.

A - Michael L. Moehn {BIO 5263599 <GO>}

Yes, Jeremy. And I'm not sure I completely followed your question. But let me try again, I can, you can do a little follow up, if it doesn't hit what you're looking for. I mean the overall rate base growth obviously has come down a little bit from where we were in February; it's just a function of obviously a higher jump off point here in 2020, but still very robust rate base growth of 8% as noted on the slide.

As we think about beyond 2025, and obviously, there's a large pipeline of opportunity there 40 plus billion dollars that we've indicated. And look, we'll have to just continue to assess over time, how we continue to phase this into the capital plan, we're mindful to the previous question about customer affordability, and just managing overall rate impact. So that's got to be factored into all this just overall financing those types of things. So I think there's lots of opportunity there in terms of the overall runway, and we'll just continue to update as we move through time.

Q - Jeremy Tonet {BIO 15946844 <GO>}

Got it, that's helpful. Maybe just to clarify, if I look at kind of the prior plan of '24 (inaudible) 25 yesterday at the rate base, I think it looks like a 9% step up there. And so we could take that discussion offline. Maybe it just kind of building off the some of the other comments you've had here given this week's extreme weather, how is your system performed overall, I guess, in light of everything, but more importantly do you expect any local policy impacts as a result of this week? Whether it's capacity, resiliency, generation transition, or anything from these events?

A - Warner L. Baxter {BIO 1858001 <GO>}

Yeah. So Jeremy, this is Warner again. Look, couple of things. One, our system performed really quite well. Do we have our share of challenges because of the overall impact to the energy grid broadly in different areas of the country? Yes, we're impacted by that because of the interconnectivity, but our system performed well, and as I said before, certainly the fact that we had our coal fired energy centers running well, our gas storage operations doing very well. And those investments that we've been making over the last 5, 10 years, it really paid off during this period of time. So we -- as I said, we did not have any significant reliability issues. And we're pleased to say that.

Now, when you step back and say what is going to happen as a result of all this, I believe there will be greater levels of oversight or perhaps hearings and as we all collectively try to understand how we can continue to improve the grid. I'm not going to speculate where it'll be it, whether there'll be, I think, likely state or federal matters but we're just -- we've been very focused on, as an industry is making sure that we're taking care of our customers collectively. But there's going to be more to be head on this to be sure. And we look forward to engaging with stakeholders should we be asked to, but I can be pleased to tell you and others, that's just a held up well, and we delivered customers safe, reliable electric and natural gas during this period of time.

Q - Jeremy Tonet {BIO 15946844 <GO>}

Got it. That's very helpful. Just one last one if I could on Callaway here in outage. And just want to come back to how much ultimate cost recovery do you expect to seek from warranties and the insurance, are there any early investigations findings that inform your kind of confidence here on the ultimate liability improved?

A - Warner L. Baxter {BIO 1858001 <GO>}

And Jeremy, honestly we're, it'd be premature for us to comment on that. We're dealing with the appropriate parties from a warranty perspective, from an insurance perspective, that work continues. So if we -- when we have material updates on that we will provide it. But it's just too early for us to really comment any further at this stage.

Q - Jeremy Tonet {BIO 15946844 <GO>}

Understand. Appreciate that. Thank you so much for taking my questions.

A - Warner L. Baxter {BIO 1858001 <GO>}

You bet. Thanks, have a good weekend.

Operator

We have reached the end of the question-and-answer session. I'd like to turn the call back over to Andrew Kirk for closing comment.

A - Andrew Kirk {BIO 20578297 <GO>}

Thank you for participating in this call. A replay of this call will be available for one year on our website. If you have questions, you may call the contacts listed on our earnings release. Financial Analysts inquiries should be directed to me, Andrew Kirk, media should call Tony Paraino. Again, thank you for your interest in Ameren and have a great day.

Operator

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