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Privileged and Confidential
Confidential Settlement Document
For Discussion Purposes Only

BGS-FP Supplier Forward Contract
By and Between

_____ and

Illinois Power Company d/b/a AmerenIP
Dated _____

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BGS-FP SUPPLIER FORWARD CONTRACT

THIS BGS-FP SUPPLIER FORWARD CONTRACT (“Agreement”) is made and entered into this _____, by and between Illinois Power Company d/b/a AmerenIP (the “Company,”), a corporation and a public utility organized and existing under the laws of the State of Illinois, and _____ (the “BGS-FP Supplier”), a corporation organized and existing under the laws of the State of _____. The Company and the BGS-FP Supplier are hereinafter sometimes referred to collectively as the “Parties”, or individually as a “Party”.

WITNESSETH:

WHEREAS, the Company is a public utility and an electric utility under the Illinois Public Utilities Act and as such has the obligation under state law to procure and to provide power and energy at retail to Customers in accordance with its tariffs;

WHEREAS, to fulfill its obligation, the Company does not generate, but rather purchases Energy, Capacity and other services, and transmits and distributes power and Energy within its service territory located within the State of Illinois;

WHEREAS, in its Order dated January 24, 2006, in Consolidated Docket Nos. 05-0160, 05-0161, 05-0162 (the “2006 BGS Order”) the Illinois Commerce Commission (“ICC”) has reviewed the structure and the rules governing the Illinois Auction, and found it appropriate for the Company to base its determination of the market value of electric power and energy on the results of entering the markets for BGS Supply and obtaining Forward Contracts pursuant to a bid process;

WHEREAS, in its Order dated _____, 2007, in Docket No. 06-0800 (the “2007 BGS Order,” and jointly with the 2006 BGS Order, the “BGS Orders”) the ICC reviewed the

auction process and continued to find it appropriate for the Company to procure electric power and Energy and to enter into Forward Contracts pursuant to a bid process;

WHEREAS, in the BGS Orders, the ICC approved for this purpose the "Illinois Auction."

WHEREAS, the Illinois Auction includes ~~two sections: a Fixed Price Section (which contains products for the Company's BGS-FP Load and BGS-LFP Load) as well as an Hourly Price Section (which contains a product for the Company's BGS-LRTP Load);~~

WHEREAS, between _____, the Illinois Auction was held during which the Company solicited bids for BGS-FP Supply for a term of 36 months that is to be supplied pursuant to separate Forward Contracts with each winning bidder;

WHEREAS, BGS-FP Supply obtained by the Company pursuant to these various Forward Contracts will be resold and distributed to residential, commercial, industrial, governmental and other Customers pursuant to BGS-FP tariffs at prices based upon the Final Auction Prices and other applicable rates, prices and charges paid by the Company under these Forward Contracts, as more fully described in the Company's Rider MV - Market Value of Power and Energy ("Rider MV");

WHEREAS, the BGS-FP Supplier was one of the winning bidders in the Illinois Auction for the provision of BGS-FP Supply; and

WHEREAS, the Company and the BGS-FP Supplier desire to enter into this Agreement setting forth their respective obligations concerning the provision of BGS-FP Supply.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

ARTICLE 1. DEFINITIONS

1.1 General Provisions

Any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in this Article 1. To the extent this Article 1 defines a term with reference to a document other than this Agreement: (i) if the definition of such term in that document changes, the definition of that term as it is used in this Agreement also shall change, and (ii) if that document no longer uses such term, the term as used in this Agreement shall be defined in accordance with common industry practice, unless otherwise specified herein.

A reference to any law, regulation, rule or tariff refers to such law, regulation, rule or tariff as it may be amended, modified, replaced or superseded from time to time.

1.2 Definitions

2006 BGS Order has the meaning set forth in the recitals above.

2007 BGS Order has the meaning set forth in the recitals above.

Alternative Retail Electric Supplier or "ARES" has the meaning ascribed to the term "Alternative Retail Electric Supplier" as set forth in Section 16-102 of the Illinois Public Utilities Act (220 ILCS 5/16-102).

AmerenIP means Illinois Power Company d/b/a AmerenIP.

Ancillary Services shall mean those Ancillary Services detailed in Schedules 3, 5 and 6 of the MISO Tariff.

Ancillary Services Costs has the meaning set forth in Section 2.1.a(iii).

Applicable Legal Authorities means those federal and Illinois statutes and administrative rules, orders and regulations that govern the electric utility industry in Illinois.

~~Asset Owner has the meaning ascribed to such term in the MISO Business Practices Manual for Energy Markets.~~

Auction Date means the last day of the Illinois Auction.

Auction Revenue Rights or "ARRs" has the meaning ascribed to such term in the MISO Tariff or any successor concept or product.

Available Broker Quotes has the meaning set forth in Appendix D.

Balancing Authority has the meaning ascribed to such term in the MISO Agreements.

Bankruptcy Code means those laws of the United States of America related to bankruptcy, codified and enacted as Title 11 of the United States Code, entitled "Bankruptcy" and found at 11 U.S.C. § 101 et seq., as such laws may be amended, modified, replaced or superseded from time to time.

Basic Generation Service - Fixed Pricing or "BGS-FP" means electric generation service that is provided by the Company at retail to BGS-FP Customers pursuant to the Applicable Legal Authorities.

Basic Generation Service - Large Customer Fixed Pricing or "BGS-LFP" means electric generation service that is provided by the Company at retail to BGS-LFP Customers pursuant to the Applicable Legal Authorities.

~~Basic Generation Service - Large Service Real-Time Pricing or "BGS-LRTP" means electric generation service that is provided by the Company at retail to BGS-LRTP Customers pursuant to the Applicable Legal Authorities, at prices that include an energy charge component that varies on an hourly basis in accordance with changes in the MISO real-time LMP for Energy.~~

Basic Generation Service Supply or "BGS Supply" means BGS-FP Supply, or BGS-LFP Supply ~~or BGS-LRTP Supply~~.

BGS-FP Customer has the meaning set forth in Appendix G.

BGS-FP Load means the full Energy and Capacity (but not Ancillary Services) requirement of BGS-FP Customers, including distribution losses assigned by the Company, as measured by the Company and reported by the Meter Data and Management Agent to the MISO.

The total BGS-FP Load shall be equal to the cumulative total of the Company's aggregate Energy and Capacity requirements (including, without limitation, unaccounted-for Energy assigned to the BGS-FP Load) as determined by the MISO less the requirements of Wholesale Customers less the BGS-LFP Load less ~~the BGS-LRTP Load less any load served under the Company's Rider RTP-L net of QF Generation or~~ under one or more interruptible service tariffs offered by the Company less the Retail Electric Supplier requirements.

BGS-FP Peak Load Share means the portion of load attributable to BGS-FP Customers of the cumulative total of the aggregate peak load of the Company. The BGS-FP Peak Load Share is a single value measured, in MW, by taking the sum of the Company's peak load less the aggregate total of the peak load of Wholesale Customers less the aggregate total of the peak load of BGS-LFP Customers of the Company less the aggregate total of the peak load of ~~BGS-LRTP Customers of the Company less the aggregate total of the peak load of Customers served under~~ the Company's Rider RTP-L or one or more interruptible service tariffs offered by the Company less the peak load of ~~eustomers~~ Customers of Retail Electric Suppliers.

BGS-FP Supplier means an entity that has been selected through the Illinois Auction and has accepted the obligations and associated rights to provide BGS-FP Supply to the

Company in accordance with the Applicable Legal Authorities and has entered into this Agreement with the Company as a Party.

BGS-FP Supplier Forward Contract means an agreement between the Company and a BGS-FP Supplier for the provision of BGS-FP Supply.

BGS-FP Supplier Responsibility Share means the fixed percentage share of the BGS-FP Load for which the BGS-FP Supplier is responsible, as set forth in Appendix A. The stated percentage share was determined by multiplying the number of Tranches won by the BGS-FP Supplier in the Illinois Auction by the Tranche size percentage share.

BGS-FP Supply means Energy and Capacity, as measured by the Company and reported by the Meter Data and Management Agent to the MISO, and such other services or products (including all Energy Losses, Energy Imbalance Service, and congestion costs associated with the provision of such services), that the BGS-FP Supplier may be required by the MISO or other governmental body having jurisdiction to provide in order to meet the BGS-FP Supplier Responsibility Share under this Agreement, excluding Network Integration Transmission Service.

BGS-FP Supply Charge means the amount payable by the Company to the BGS-FP Supplier each Billing Period, equal to the Final Auction Price multiplied by the applicable Seasonal Payment Factor multiplied by the PPEA for such Billing Period.

BGS-LFP Customer has the meaning set forth in Appendix G.

BGS-LFP Load means the full Energy and Capacity (but not Ancillary Services) requirement of BGS-LFP Customers, including distribution losses assigned by the Company, as measured by the Company and reported by the Meter Data and Management Agent to the MISO.

BGS-LFP Supplier means an entity that has been selected through the Illinois Auction and has accepted the obligations and associated rights to provide BGS-LFP Supply to the Company in accordance with the Applicable Legal Authorities and has entered into an agreement with the Company to provide BGS-LFP Supply.

BGS-LFP Supplier Responsibility Share means for each BGS-LFP Supplier, the fixed percentage share of the BGS-LFP Load for which such BGS-LFP Supplier is responsible.

BGS-LFP Supply means Energy and Capacity as measured by the Company and reported by the Meter Data and Management Agent to the MISO, and such other services or products (including all Energy Losses, Energy Imbalance Service, and congestion costs associated with the provision of such services) that BGS-LFP Suppliers may be required by the MISO or other governmental body having jurisdiction to provide in order to meet BGS-LFP Supplier Responsibility Shares, excluding Network Integration Transmission Service.

~~BGS-LRTP Customer has the meaning set forth in Appendix G.~~

~~BGS-LRTP Load means the full Energy and Capacity (but not Ancillary Services) requirement of BGS-LRTP Customers, including distribution losses assigned by the Company, as measured by the Company and reported by the Meter Data and Management Agent to the MISO, less, for purposes of determining BGS-LRTP Supply, QF Generation.~~

~~BGS-LRTP Supplier means an entity that has been selected through the Illinois Auction and has accepted the obligations and associated rights to provide BGS-LRTP Supply to the Company in accordance with the Applicable Legal Authorities and has entered into an agreement with the Company to provide BGS-LRTP Supply.~~

~~BGS-LRTP Supplier Forward Contract means an agreement between the Company and a BGS-LRTP Supplier for the provision of BGS-LRTP Supply.~~

~~BGS LRTP Supplier Responsibility Share means for each BGS LRTP Supplier, the fixed percentage share of the BGS LRTP Load for which such BGS LRTP Supplier is responsible.~~

~~BGS LRTP Supply means Energy and Capacity as measured by the Company and reported by the Meter Data and Management Agent to the MISO, and such other services or products (including all Energy Losses, Energy Imbalance Service, and congestion costs associated with the provision of such services) that BGS LRTP Suppliers may be required by the MISO or other governmental body having jurisdiction to provide in order to meet BGS LRTP Supplier Responsibility Shares, excluding Network Integration Transmission Service.~~

BGS Orders has the meaning set forth in the recitals above.

Bid Participation Fee means the fee that is required to be paid by all prospective bidders in the Illinois Auction. The Bid Participation Fee, along with the Supplier Fee, is used to cover the administration costs of the Illinois Auction.

Billing Period means each calendar month during the Delivery Period or Term.

Broker means a third party intermediary between traders for physical, futures or over-the-counter deals that is not affiliated with either (i) the Company or (ii) any other Illinois electric utility that is procuring energy and capacity through the Illinois Auction. For purposes of this definition, the Company or any other Illinois electric utility will be considered to be affiliated with any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company or such other Illinois electric utility. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

Business Day has the meaning ascribed to such term in the MISO Tariff. Unless the context suggests otherwise, a Business Day shall begin at 8:00 a.m. CPT and end at 5:00 p.m. CPT.

Capacity has the meaning ascribed to such term in the MISO Tariff; provided, however, that all Capacity provided by the BGS-FP Supplier must satisfy any applicable requirements of NERC and/or SERC, the MISO, the Local Balancing Authority, a planning reserve sharing group of which the Company is a member, or any Applicable Legal Authority, such that such Capacity can be used by the Company to satisfy any capacity and/or reserve requirement obligations imposed on it by such entities.

Charge means any fee, charge or other amount that is billable by the Company to the BGS-FP Supplier under this Agreement.

Commercial Pricing Node shall have the meaning ascribed to such term in the MISO Agreements, or any successor concept.

Connected Entity means an entity whose transmission system is directly or indirectly connected with the Company's transmission system.

Costs means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement, and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of this Agreement.

CPT or "Central Prevailing Time" means Central Standard Time or Central Daylight Time, whichever is in effect in Springfield, Illinois at any given hour.

~~Credit Exposure means the amount required as security from a BGS-LRTP Supplier pursuant to Section 6.3 of the BGS-LRTP Supplier Forward Contract.~~

Credit Limit means the amount of unsecured credit the Company will grant the BGS-FP Supplier, calculated in accordance with Section 6.4.

Credit Limit Cap has the meaning set forth in Table A of Section 6.4

Current Business Day has the meaning set forth in Appendix D.

Customer means a Company customer as defined in the Company's retail electric tariffs, eligible to receive BGS Supply, in accordance with the Applicable Legal Authorities.

Damages means financial compensation from the Defaulting Party to the Non-Defaulting Party associated with the occurrence of an Event of Default or an Early Termination of this Agreement. Damages shall be calculated and assessed in accordance with Article 5.

Defaulting Party has the meaning set forth in Section 5.1.

Delivery Period has the meaning set forth in Section 4.1.

Delivery Point means the Commercial Pricing Node recognized by the MISO as encompassing the BGS-FP Load of the Company multiplied by the BGS-FP Supplier Responsibility Share, as specified in Appendix A and specific to the BGS-FP Supplier. The BGS-FP Supplier shall deliver BGS-FP Supply to the Delivery Point – which is tied to the BGS-FP Load of the Company.

Delivery Start Date means June 1, 2008, unless this Agreement is filed with FERC accompanied by a request by the BGS-FP Supplier under Section 205 of the Federal Power Act for the Agreement to be accepted and/or approved by FERC, in which case the Delivery Start Date shall be the later of: (i) June 1, 2008, or (ii) the "effective date", as that term is used by FERC, given to this Agreement by FERC in response to such a filing.

Detailed Switching Statistics, Customer Counts and Size Distributions means the number of Customers and their associated electricity usage and MW demand that have switched to an ARES/Retail Electric Supplier divided into all of the Customer load classes as defined by the Company.

Early Termination has the meaning set forth in Section 4.1.a.

Early Termination Date means the date upon which an Early Termination becomes effective as specified in Section 4.1.a.

Eastern Prevailing Time or "EPT" means Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect in the Commonwealth of Pennsylvania.

Effective Date means the date of execution of this Agreement, as set forth in the first paragraph above.

Emergency means (i) an abnormal system condition requiring manual or automatic action to maintain system frequency, or to prevent loss of firm load, equipment damage, or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; or (ii) a fuel shortage requiring departure from normal operating procedures; or (iii) an Emergency, as that term is defined in the MISO Tariff; or (iv) any other condition or situation that the Company or the MISO deems imminently likely to endanger life or property or to affect or impair the Company's electrical system or the electrical system(s) of a Connected Entity. Such a condition or situation may include, but shall not be limited to, potential overloading of the Company's transmission and/or distribution circuits, the MISO's minimum generation ("light load") conditions, or unusual operating conditions on either the Company's or a Connected Entity's electrical system, or conditions such that the Company is unable to accept Energy from the BGS-FP Supplier without jeopardizing the Company's electrical system or a Connected Entity's electrical system.

Energy means three-phase, 60-cycle alternating current electric energy, expressed in units of kilowatt-hours or megawatt-hours.

Energy Imbalance Service has the meaning ascribed to such term in Schedule 4 of the MISO Tariff.

Energy Losses means "System Losses", as such term is defined by the MISO Tariff, as well as distribution system real energy losses.

EST means Eastern Standard Time.

Event of Default has the meaning set forth in Section 5.1.

FERC means the Federal Energy Regulatory Commission or its successor.

Final Auction Price means the price in dollars-per-MWh, set forth in Appendix A, resulting from the Company's competitive solicitation of the opportunity to supply BGS-FP. The Final Auction Price is the basis for financial settlement of BGS-FP Supply supplied by the BGS-FP Supplier to the Company under this Agreement.

Final Energy Adjustment Amount means the monetary amount due to the BGS-FP Supplier or the Company, as the case may be, in order to reconcile any difference between the IPEA for a given Billing Period and the FPEA for such Billing Period. The Final Energy Adjustment Amount shall be equal to the Final Auction Price multiplied by the applicable Seasonal Payment Factor multiplied by the difference between the FPEA and the IPEA for such Billing Period. A monetary amount due to the BGS-FP Supplier shall be represented as a positive number and a Final Energy Adjustment Amount indicating a monetary amount due to the Company shall be represented as a negative number.

Final Period Energy Allocation or "FPEA" means a quantity in $\frac{kWh}{MWh}$ which, for any Billing Period, is the corresponding IPEA adjusted for any billing or metering errors found subsequent to the calculation of such IPEA of which the MISO is notified within 50 days.

Financial Gains means, with respect to any Party, an amount equal to the present value of the financial benefit to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner.

Financial Losses means, with respect to any Party, an amount equal to the present value of the financial loss to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner and consistent with the determination of Damages in this Agreement.

Financial Transmission Rights or "FTRs" has the meaning ascribed to such term in the MISO Tariff and shall include any successor or replacement concept or product.

Fitch means Fitch Ratings (a subsidiary of Fimalac, S.A.) or its successor.

Fixed Price Section means a section within the Illinois Auction through which supply to serve the BGS-LFP Load and BGS-FP Load is procured.

Force Majeure means an event or circumstance which prevents one Party from performing its obligations under the Agreement which event or circumstance is not within the reasonable control of, or the result of the negligence of the affected Party and which, by the exercise of due diligence, the Party is unable to mitigate or avoid or cause to be avoided. A BGS-FP Supplier may not raise a claim of Force Majeure with respect to BGS-FP Supply so long as Energy is physically available and can be delivered to the Delivery Point.

Forward Contract has the meaning ascribed to such term in Section 101(25) of the Bankruptcy Code.

Forward Contract Merchant has the meaning ascribed to such term in Section 101(26) of the Bankruptcy Code.

FPA has the meaning set forth in Section 11.2.

Governmental Charges has the meaning set forth in Section 15.14.

Guarantor means any party who has the authority and may agree to guarantee the BGS-FP Supplier's financial obligations under this Agreement, recognizing that such a party will be obligated to meet the Company's creditworthiness requirements for the BGS-FP Supplier.

Guaranty means a payment guaranty, hypothecation agreement, margins or security agreement or any other document (whether in the form attached as Appendix F or other substantially similar form approved by the Company in advance of the Illinois Auction in accordance with the process announced on the Illinois Auction Website).

HE means the hour ending.

~~Hourly Price Section means a section within the Illinois Auction through which supply to serve the BGS-LRTP Load is procured.~~

ICC means the Illinois Commerce Commission or its successor.

Illinois Auction has the meaning set forth in the Recitals above.

Illinois Auction Rules means that set of rules approved by the ICC in its Order governing the conduct of the Illinois Auction.

Illinois Auction Website means the following internet address: <http://www.illinois-auction.com>.

Initial Mark means the On-Peak Forward Market Price or the Off-Peak Forward Market Price, as applicable, for a particular month as of the closing day of the Illinois Auction, as described in Appendix D.

Interest Index means the average Federal Funds Effective Rate for the period of time the funds are on deposit. The Federal Funds Effective Rate is published daily on the Federal Reserve website (<http://www.federalreserve.gov/releases/h15/update/>).

Intermediate Energy Adjustment Amount means the monetary amount due to the BGS-FP Supplier or the Company, as the case may be, in order to reconcile any difference between the PPEA used for the purpose of calculating estimated payments made to the BGS-FP Supplier for a given Billing Period and the IPEA for such Billing Period. The Intermediate Energy Adjustment Amount shall be equal to the Final Auction Price multiplied by the applicable Seasonal Payment Factor multiplied by the difference between the IPEA and the PPEA for such Billing Period. A monetary amount due to the BGS-FP Supplier shall be represented as a positive number and an Intermediate Energy Adjustment Amount indicating a monetary amount due to the Company shall be represented as a negative number.

Intermediate Period Energy Allocation or "IPEA" means a quantity in ~~kWh~~MWh which, for any Billing Period, is the corresponding PPEA adjusted for any billing or metering errors found subsequent to the calculation of such PPEA of which the MISO is notified within 55 days.

~~Kilowatt or "kW" means a unit of measurement of useful power equivalent to 1000 watts. Kilowatt-hour or "kWh" means one kilowatt of electric power used over a period of one hour.~~

Letter of Credit has the meaning set forth in Section 6.8.a(ii). The Letter of Credit must be in the form attached as Appendix E or in a substantially similar form approved by the Company in advance of the Illinois Auction in accordance with the process announced on the Illinois Auction Website.

LMP Market means an Energy market operated by the MISO in which Energy is bought and sold at prices that vary with the points of delivery.

Load Serving Entity or "LSE" has the meaning ascribed to such term in the MISO Tariff.

Local Balancing Authority has the meaning ascribed to such term in the MISO Agreements.

Locational Marginal Price or "LMP" means the price calculated and published by the MISO for a given point of delivery or collection of points of delivery.

Margin means the amount by which the Total Exposure Amount exceeds the BGS-FP Supplier's Credit Limit.

Margin Call has the meaning set forth in Section 6.6(i).

Mark means the current On-Peak Forward Market Price or Off-Peak Forward Market Price, as applicable, for a particular month, as described in Appendix D.

Market Participant has the meaning ascribed to such term in the MISO Tariff.

Master Netting Agreement has the meaning ascribed to such term in Section 101(38A) of the Bankruptcy Code.

Master Netting Agreement Participant has the meaning ascribed to such term in Section 101(38B) of the Bankruptcy Code.

Megawatt or MW means one thousand kilowatts.

Megawatt-hour or MWh means one megawatt of electric power used over a period of one hour.

Merger Event means when a Party consolidates or amalgamates with, or merges into or with, or transfers all or substantially all of its assets to another entity and either (i) the resulting entity fails to assume all of the obligations of such Party hereunder or (ii) the benefits of any credit support provided pursuant to Article 6 fail to extend to the performance by such resulting, surviving or transferee entity of the Party's obligations hereunder, and the resulting entity fails to meet the creditworthiness standards of this Agreement.

Meter Data and Management Agent has the meaning ascribed to such term in the MISO Tariff.

Meter Reading means the process whereby the Company takes notice of the information presented on a Customer's meter. A Meter Reading may be obtained manually, through telemetry, or by estimation, in accordance with the Company's established procedures and practices.

Minimum Rating has the meaning set forth in Section 6.4(i)(a).

MISO means the Midwest Independent Transmission System Operator, Inc. or its successor(s).

MISO Ancillary Services Market means a market for one or more Ancillary Services, operated by the MISO, for which settlement is done through market settlements, directly between the MISO and the Market Participant; as contrasted with settlement via transmission service settlements, between the MISO and the Transmission Service Customer.

MISO Agreements means the MISO Tariff, any associated protocols, manuals, or procedures, and any other documents produced or maintained by the MISO.

MISO Cinergy Hub means that financial trading hub referred to by the MISO as the "Cinergy Hub".

MISO Illinois Hub means that financial trading hub referred to by the MISO as the "Central Illinois Hub," commonly referred to as the "Illinois Hub."

~~MISO Invoice Reimbursement Amounts means those charges invoiced by the MISO to the Company on a Transmission Service settlement invoice related to the delivery of BGS-FP Supply to the Delivery Point with the exception of those charges specifically identified as related to the MISO Tariff schedules identified in Appendix C hereto.~~

MISO Tariff means the Open Access Transmission Tariff and Energy Markets Tariff for the MISO, on file with FERC, which sets forth the rates, terms and conditions of transmission service over the MISO Transmission System.

MISO Transmission System has the meaning ascribed by the MISO Tariff to the term "Transmission System."

Moody's means Moody's Investors Service, Inc. or its successor.

MtM means the financial exposure to the Company due to fluctuations in market prices for Energy as described in Appendix D.

MtM Exposure Amount means an amount calculated each Business Day for the BGS-FP Supplier reflecting the financial exposure to the Company due to fluctuations in market prices for Energy as set forth in Appendix D, minus amounts due pursuant to this Agreement to the BGS-FP Supplier for the delivery of BGS-FP Supply. If the sum of the MtM Exposure Amounts for all agreements for BGS-FP Supply executed in 2006 and thereafter between the Company and the BGS-FP Supplier results in a negative number, the MtM Exposure Amount shall be zero.

Mutual Termination Agreement has the meaning set forth in Section 4.2.

Natural Termination Date means May 31, 2011.

NERC means the North American Electric Reliability Corporation or its successor.

Network Integration Transmission Service or "NITS" has the meaning ascribed to such term in the MISO Tariff. In the event the MISO Tariff is modified such that "Network Integration Transmission Service" is no longer offered, Network Integration Transmission Service shall mean the type of transmission service offered under the MISO Tariff that is accorded the highest level of priority for scheduling and curtailment purposes.

Non-Defaulting Party means (i) if the Company is the Defaulting Party, the BGS-FP Supplier; or (ii) if the BGS-FP Supplier is the Defaulting Party, the Company.

Off-Peak means all hours not qualifying as On-Peak.

Off-Peak Forward Market Price has the meaning set forth in Appendix D.

On-Peak means HE 0800 EPT through HE 2300 EPT, Monday through Friday, excluding Saturday, Sunday and NERC holidays.

On-Peak Forward Market Price has the meaning set forth in Appendix D.

Other BGS Supplier means an entity that is defined as a BGS-FP Supplier, or BGS-LFP Supplier ~~or BGS-LRTP Supplier~~ in an agreement with ~~one or more~~ the Company other than this Agreement.

Preliminary Period Energy Allocation or "PPEA" means, for each Billing Period, the preliminary calculation of the product of: (i) the BGS-FP Supplier Responsibility Share multiplied by (ii) the Energy requirements portion of the BGS-FP Load for such Billing Period.

Published Index means a legitimate daily (or Business Day) publication, daily (or Business Day) online publication, news service, real-time and after-hour feeds, brokerage services, and trading platforms that surveys and reports price information related to the sale, purchase and/or delivery of electricity.

QF Generation means Capacity or Energy delivered to the Company from a Qualifying Facility as that term is defined in 83 Illinois Administrative Code Part 430 that is not included in MISO's market model and is not considered as generation by MISO for the purposes of the calculation of the zonal load.

Qualified Institution means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, or the U.S. branch of a foreign bank or trust company, with (i) a credit rating of at least (a) "A-" by S&P and "A3" by Moody's, if such entity is rated by both S&P and Moody's or (b) "A-" by S&P or "A3" by Moody's, if such entity is rated by either S&P or Moody's but not both, and (ii) having a capital and surplus of at least \$1,000,000,000.

Renewable Energy Portfolio Standards means those standards requiring that specified levels of electric power and energy sold for the provision of Basic Generation Service shall be produced from renewable resources, as set forth in Appendix H.

Replacement BGS-FP Supplier has the meaning set forth in Section 4.2.

Resource Adequacy Requirements means those resource adequacy requirements (or equivalent requirements) imposed by state or federal law, regulation or tariff, or set forth in the MISO Agreements or policy, procedures or guidelines of SERC, the Local Balancing Authority or a planning reserve sharing group of which the Company is a member, but does not include operating reserves (which is an Ancillary Service).

Retail Electric Supplier or "RES" means either: (i) an ARES certified by the ICC pursuant to Section 16-115 of the Illinois Public Utilities Act (220 ILCS 5/16-115), meeting all obligations of ARESs under the Public Utilities Act and applicable regulations, and authorized to provide electric power and energy supply services to retail customers in the Company's Service Territory; or (ii) an Illinois electric utility as defined in Section 16-102 of the Illinois Public Utilities Act (220 ILCS 5/16-102) meeting all obligations provided in Sections 16-115A and 16-116 of the Public Utilities Act (220 ILCS 5/16-115A, 220 ILCS 5/16-116), other than the Company.

Rider MV has the meaning set forth in the recitals above.

S&P means Standard and Poor's, a division of The McGraw-Hill Companies, Inc., or its successor.

Safe Harbor Provisions of the Bankruptcy Code means Sections 101(25), 101(26), 101(38A), 101(38B), 362(b)(6), 362(b)(27), 546(e), 546(j), 556, 561, 562 and 767 of the Bankruptcy Code together with other sections pertaining or referring to any of them and any future amendments to the Bankruptcy Code which provide protections, rights or remedies to

non-bankrupt Forward Contract Merchants or Master Netting Agreement Participants against bankrupt counterparties under Forward Contracts or Master Netting Agreements.

Seasonal Payment Factor means a numerical factor set forth in Appendix B hereto, one amount (the Summer Factor) applicable during the summer months of June through September, and one amount (the Nonsummer Factor) applicable during the non-summer months of October through May, applied to the Final Auction Price in accordance with the provisions of Article 9 and thereby used to shape the Company's payments to BGS-FP Suppliers.

Security Instrument has the meaning set forth in Section 6.8.a.

SERC means the Southeastern Electric Reliability Council, Inc., or the regional reliability entity to which the Company belongs, or its successor.

Service Territory means the geographic areas of the State of Illinois in which the Company serves Customers.

Settlement Amount means with respect to a Non-Defaulting Party, the net amount of the Financial Losses or Financial Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of Early Termination, as set forth in Section 5.4.a. For the purposes of calculating the Termination Payment, the Settlement Amount shall be considered an amount due to the Non-Defaulting Party under this Agreement if the total of the Financial Losses and Costs exceeds the Financial Gains and shall be considered an amount due to the Defaulting Party under this Agreement if the Financial Gains exceed the total of the Financial Losses and Costs.

Statement means a report prepared following each Billing Period by the Company for the BGS-FP Supplier indicating the amount due to the BGS-FP Supplier in compensation for BGS-FP Supply supplied to the Company by the BGS-FP Supplier during such Billing Period, in accordance with the BGS-FP Supplier's obligations under this Agreement.

Supplier Fee has the meaning set forth in Section 2.1.a(x).

Supply Day means any calendar day during the Delivery Period during which the BGS-FP Supplier is providing, or is obligated by this Agreement to provide, BGS-FP Supply to the Company.

Surplus Margin has the meaning set forth in Section 6.6(iii).

Switching Statistics means the number and percentage of Customers and their associated electricity usage that have switched to an ARES/Retail Electric Supplier and/or returned to Company service, divided into a residential group, a small commercial and industrial group (Customers less than 1 MW) and a large commercial/industrial group (Customers 1 MW and over, as provided by the Company to the Illinois Commerce Commission on a monthly basis).

Tangible Net Worth or "TNW" means the total assets of the BGS-FP Supplier less intangible assets and total liabilities of the BGS-FP Supplier. For the purposes of this definition, intangible assets include benefits such as goodwill, patents, copyrights and trademarks.

Term has the meaning set forth in Section 4.1.

Termination Date means the earlier of the Early Termination Date or the Natural Termination Date.

Termination Payment has the meaning set forth in Section 5.4.b.

Total Exposure Amount means an amount calculated each Business Day for the BGS-FP Supplier reflecting the total credit exposure to the Company, on an aggregate basis, and consisting of the sum of: (i) the MtM Exposure Amount arising under this Agreement and any other agreement for BGS-FP Supply or BGS-LFP Supply between the Company and the BGS-FP Supplier; and (ii) the amount designated as the Credit Exposure under any BGS-LRTP Supplier Forward Contract between the Company and the BGS-FP Supplier; provided, however,

that in the event the Total Exposure Amount calculated for any day is a negative number, the Total Exposure Amount shall be deemed to be zero (0) for such day. Any previously posted collateral will be netted against the Total Exposure Amount when determining collateral requirements.

Tranche means a fixed percentage share of the BGS-FP Load of the Company as determined for the purposes of the Illinois Auction.

Transmission Provider has the meaning ascribed to such term in the MISO Agreements.

Transmission Service has the meaning ascribed to such term in the MISO Tariff.

Week shall mean a period commencing at the beginning of hour-ending 0100 CPT on a Monday and finishing at the end of hour ending 2400 CPT of the immediately following Sunday.

Wholesale Customer means an entity located within the Service Territory of the Company (e.g., a municipality or cooperative) authorized to take electric service for resale to retail customers under a wholesale contract subject to FERC's jurisdiction.

1.3 Interpretation

In this Agreement, unless a different intention clearly appears:

- (i) singular includes the plural and vice versa;
- (ii) the reference to any Party includes such Party's legal and/or permitted successors and assignees, and reference to a Party in a particular capacity excludes such Party in any other capacity or individually;
- (iii) the reference to any gender includes the other gender;

(iv) reference to any document other than this Agreement refers to such documents as may be amended, modified, replaced or superseded from time to time, or any successor document(s) thereto;

(v) reference to any Article, Section or Appendix means such Article, Section or Appendix of this Agreement, unless otherwise indicated;

(vi) "hereunder", "hereof", "hereto", and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision;

(vii) "including" (and with correlative meaning "include"), when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;

(viii) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and through means "through and including";

(ix) reference to any law or regulation refers to such law or regulation as may be amended, modified, replaced or superseded from time to time, or any successor law(s) or regulation(s) thereto; and

(x) reference to "termination of this Agreement," "this Agreement is terminated," "this Agreement may be terminated" and similar phrases used in this Agreement refer to the termination of deliveries under this Agreement and related on-going rights and obligations, and does not imply or mean a termination of rights, remedies, obligations and provisions which by their nature or as provided elsewhere in the Agreement survive termination.

ARTICLE 2. GENERAL TERMS AND CONDITIONS

2.1 Parties' Obligations

2.1.a Obligations of the BGS-FP Supplier

The BGS-FP Supplier hereby agrees as follows:

(i) The BGS-FP Supplier will deliver to ~~each~~the Delivery Point sufficient quantities of BGS-FP Supply on an instantaneous basis at all times to meet the BGS-FP Supplier Responsibility Share.

(ii) Without limitation, the BGS-FP Supplier shall procure those services provided by the MISO and perform such functions as may be required by the MISO that are necessary for the delivery of BGS-FP Supply required hereunder except to the extent that ~~each~~the Company is the LSE for BGS-FP Load located within its Service Territory and is responsible for procuring Network Integration Transmission Service.

(iii) For periods prior to the implementation of a MISO Ancillary Services Market for a given service, the BGS-FP Supplier shall compensate the Company for all costs incurred by the Company, in conformance with the filed rates contained in the MISO Agreements ("Ancillary Services Costs"), to provide BGS-FP Supply to the BGS-FP Load ~~and the MISO Invoice Reimbursement Amounts~~. For periods subsequent to the implementation of such an Ancillary Services Market for a given service, the BGS-FP Supplier shall compensate the Company for ~~the MISO Invoice Reimbursement Amounts and for all~~all costs incurred by the Company for Ancillary Services for which no such MISO Ancillary Services Market exists, ~~at~~at ~~costs incurred by the Company, in conformance with the filed rates contained in the MISO Agreements, to provide BGS-FP Supply to the BGS-FP Load.~~

(iv) For those charges listed on Appendix C, the BGS-FP Supplier bears the risk of any changes in MISO products, tariffs, business rules and pricing, or any other changes

in market conditions or market rules during the Term, as such changes ~~related~~relate to the delivery of BGS-FP Supply to the Delivery Point, except for any changes related to Network Integration Transmission Service.

(v) Except for the circumstance in which physical impossibility not due to any gross negligence or willful misconduct of the BGS-FP Supplier prevents the delivery of Energy to at the Delivery Point: (a) the BGS-FP Supplier's obligation to deliver Energy to ~~such~~the Delivery Point pursuant to this Agreement shall be absolute and unconditional and shall not be affected by any circumstances of any character, (b) the BGS-FP Supplier has assumed full, complete and sole responsibility, without reservation or condition, for the delivery of Energy to the Delivery Point pursuant to this Agreement, and (c) it is the intention of the Parties that no event or condition (whether foreseen or unforeseen and whether such event or condition might otherwise serve as a defense or relieve the BGS-FP Supplier of its obligations and liabilities hereunder) shall excuse the BGS-FP Supplier's performance pursuant to this Agreement. In the event in which it is physically impossible to deliver Energy to at the Delivery Point, the BGS-FP Supplier shall be excused from performing the obligations under Section 2.1.a(i) only to the extent that the BGS-FP Supplier is unable to perform those obligations due to an event of Force Majeure. A lack of Energy offered in any LMP Market (day-ahead or real-time) does not constitute a physical impossibility, as that term is used in the foregoing sentence.

(vi) The BGS-FP Supplier will reasonably cooperate with the Company in any regulatory compliance efforts that may be required to maintain the ongoing lawfulness and enforceability of the terms of this Agreement and to fulfill any regulatory reporting requirement associated with the provision of BGS-FP Supply, before FERC or any other regulatory body asserting jurisdiction.