

ANCILLARY SERVICES

SUPPLY AGREEMENT

by and between

UNION ELECTRIC COMPANY d/b/a AmerenUE

and

CENTRAL ILLINOIS LIGHT COMPANY d/b/a AmerenCILCO,

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AmerenCIPS,

AND ILLINOIS POWER COMPANY d/b/a AmerenIP

Dated: December 28, 2007

This Ancillary Services Supply Agreement (“Agreement”) is made and entered into this 28th day of December, 2007, by and between Central Illinois Light Company d/b/a AmerenCILCO, Central Illinois Public Service Company d/b/a AmerenCIPS, and Illinois Power Company d/b/a AmerenIP (each a “Company” and, collectively, the “Companies”), each a corporation and a public utility organized and existing under the laws of the State of Illinois, and Union Electric Company d/b/a AmerenUE (the “Ancillary Services Supplier”), a corporation organized and existing under the laws of the State of Missouri. Each Company and Ancillary Services Supplier are hereinafter sometimes referred to collectively as the “Parties”, or individually as a “Party”.

RECITALS

Whereas, each 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, the Companies, in connection with their provision of service of power and energy in accordance with their tariffs, are in need of Operating Reserve Service (Spinning) (“Spinning Reserve Service”) and Operating Reserve Service (Supplemental) (“Supplemental Reserve Service”), collectively “Ancillary Services”, from January 1, 2008 until the earlier of (i) December 31, 2008, or (ii) the day prior to commencement of operation of a market for Ancillary Services administered by the Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”);

Whereas, on October 31, 2007, Ameren Services Company (“Ameren Services”), on behalf of the Companies, issued a Request for Proposals for Ancillary Service Products Beginning January 1, 2008 (“RFP”);

Whereas, on November 16, 2007, Ancillary Services Supplier responded to the Revised RFP and was chosen by Ameren Services and the Companies as an ancillary services supplier to the Companies on December 7, 2007;

Whereas, on November 2, 2007, Ancillary Services Supplier filed an amendment to its rate schedule with the Federal Energy Regulatory Commission (“FERC”) to continue to provide Spinning Reserve Service and Supplemental Reserve Service at current rates; and

Whereas, each of the Companies and the Ancillary Services Supplier desire to enter into this Agreement setting forth their respective obligations concerning the provision of Spinning Reserve Service and Supplemental Reserve Service.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, 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. 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.
- 1.2.1 Agent means Ameren Services Company acting on behalf of AmerenCILCO, AmerenCIPS, and AmerenIP as the operating agent, billing agent and any other functions as may be necessary from time to time.
- 1.2.2 AmerenCILCO means Central Illinois Light Company d/b/a AmerenCILCO.
- 1.2.3 AmerenCIPS means Central Illinois Public Service Company d/b/a AmerenCIPS.
- 1.2.4 AmerenIP means Illinois Power Company d/b/a AmerenIP.
- 1.2.5 Ancillary Service(s) means Spinning Reserve Service and/or Supplemental Reserve Service.
- 1.2.6 Applicable Law means all constitutions, laws, ordinances, rules, regulations, orders, interpretations, permits, treaties, judgments, decrees, injunctions, writs and orders of any Governmental Authority that apply to a Party or this Agreement.
- 1.2.7 Balancing Authority means the entity that maintains the balance of load, interchange and generation within defined metered boundaries and supports system interconnection frequency. The metered boundaries of AmerenCILCO, AmerenCIPS, and AmerenIP are operated by the Agent as a single Balancing Authority called the Ameren Illinois Balancing Authority or "AMIL".
- 1.2.8 Bankrupt means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.
- 1.2.9 Billing Period means each calendar month during the Delivery Period or Term.
- 1.2.10 Business Day means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. central prevailing time.

- 1.2.11 Claims means all third-party claims or actions, filed or threatened and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys' fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.
- 1.2.12 Commercial Node has the meaning ascribed to such term in the Midwest ISO Tariff.
- 1.2.13 Continuous Basis means 24 hours per day, 7 days per week.
- 1.2.14 Contract Price means the total price to be paid by the Companies to Ancillary Services Supplier for the purchase of each Ancillary Service, as specified in Section 4.2 for Spinning Reserve Service and for Supplemental Reserve Service.
- 1.2.15 CPT or Central Prevailing Time means Central Standard Time or Central Daylight Time, whichever is in effect in Chicago, Illinois on a given day.
- 1.2.16 Defaulting Party has the meaning set forth in Section 8.1.
- 1.2.17 Delivery Period has the meaning set forth in Section 2.3.
- 1.2.18 Delivery Point means the busbar of each generating station providing Ancillary Service.
- 1.2.19 Delivery Start Date means January 1, 2008, beginning at the start of HE0100 CPT.
- 1.2.20 Deployed Energy Rate means the greatest of (i) the Hourly Ex Post LMP at the Commercial Node for the generating unit(s) providing energy for each MWh, (ii) \$100 per MWh, or (iii) 110% of the Verifiable Costs of the generating unit(s) providing energy for the megawatthours provided; less, in all cases, any other revenue provided to the Ancillary Services Supplier for deployment of the Ancillary Services.
- 1.2.21 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 Midwest ISO Tariff; or (iv) any other condition or situation that a Company, the Ancillary Services Supplier, or the Midwest ISO deems imminently likely to endanger life or property or to affect or impair a Company's electrical system or the electrical system(s) of a utility interconnected with a Company or the Ancillary Services Supplier's equipment. Such a condition or situation may include, but shall not be limited to, potential overloading of a Company's transmission and/or distribution circuits, the

Midwest ISO's minimum generation ("light load") conditions, unusual operating conditions on the electrical system of either a Company or a utility interconnected with a Company, or unusual operating conditions associated with the Ancillary Services Supplier's equipment.

- 1.2.22 Energy means three-phase, 60-cycle alternating current electric energy, expressed in units of megawatt-hours.
- 1.2.23 Event of Default has the meaning set forth in Section 8.1.
- 1.2.24 FERC means the Federal Energy Regulatory Commission or its successor.
- 1.2.25 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 Party claiming Force Majeure ("Claiming Party") and which, by the exercise of due diligence, the Party is unable to mitigate or avoid or cause to be avoided. Force Majeure shall not be based on or shall not be declared by any Party in the event the State of Illinois enacts a retail rate freeze that may affect any Party.
- 1.2.26 FPA means the Federal Power Act, 16 U.S.C. §§ 792, *et seq.*
- 1.2.27 Governmental Authority means any federal, state, local, municipal, tribal or other governmental, administrative, judicial or regulatory entity having or asserting jurisdiction over a Party or this Agreement.
- 1.2.28 Governmental Charges means charges to be paid for all taxes imposed by any government authority.
- 1.2.29 HE means the hour ending.
- 1.2.30 Hourly Ex Post LMP has the meaning ascribed to such term in the Midwest ISO Tariff.
- 1.2.31 Interest means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.
- 1.2.32 Locational Marginal Price or LMP has the meaning ascribed to such term in the Midwest ISO Tariff.
- 1.2.33 Megawatt or MW means a unit of measurement of useful power equivalent to one million watts.
- 1.2.34 Megawatt-hour or MWh means one megawatt of electric power used over a period of one hour.

- 1.2.35 Midwest CRSG means the Midwest Contingency Reserve Sharing Group Agreement dated July 31, 2006.
- 1.2.36 Midwest ISO means the Midwest Independent Transmission System Operator, Inc. or its successor(s).
- 1.2.37 Midwest ISO Agreements means the Midwest ISO Tariff, any associated protocols, manuals, or procedures, and any other documents produced or maintained by the Midwest ISO.
- 1.2.38 Midwest ISO Tariff means the Open Access Transmission and Energy Markets Tariff for the Midwest ISO, on file with FERC, and as it may be amended from time to time.
- 1.2.39 Midwest ISO Transmission System has the meaning ascribed by the Midwest ISO Tariff to the term "Transmission System."
- 1.2.40 Moody's means Moody's Investors Service, Inc. or its successor.
- 1.2.41 NERC means the North American Electric Reliability Corporation or its successor.
- 1.2.42 Network Integration Transmission Service or "NITS" has the meaning ascribed to such term in the Midwest ISO Tariff. In the event the Midwest ISO 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 Midwest ISO Tariff that is accorded the highest level of priority for scheduling and curtailment purposes.
- 1.2.43 Non-Defaulting Party(ies) means (i) if one or more of the Companies is the Defaulting Party, then the Ancillary Services Supplier shall be the Non-Defaulting Party; or (ii) if the Ancillary Services Supplier is the Defaulting Party, then the Company or Companies shall be the Non-Defaulting Party.
- 1.2.44 Offer has the meaning ascribed to such term in the Midwest ISO Tariff.
- 1.2.45 Replacement Price means the price at which the Agent, on behalf of a Company, acting in a commercially reasonable manner, purchases a replacement for Ancillary Service capacity or Energy specified in this Agreement ("Product") but not delivered by Ancillary Services Supplier, plus additional transmission charges, if any, reasonably incurred by Agent to obtain the substitute Product provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Agent or any Company be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Ancillary Services Supplier's liability. For the purposes of this definition, Company or Companies shall be considered to have purchased replacement Ancillary Service to the extent Company and Companies shall have entered into one or more arrangements in a commercially reasonable manner

whereby Company or Companies repurchases its obligation to sell and deliver the Ancillary Service from another party.

- 1.2.46 Sales Price means the price at which Ancillary Services Supplier, acting in a commercially reasonable manner, resells at the Delivery Point any Product not received by Company or Companies, deducting from such proceeds any and additional transmission charges, if any, reasonably incurred by Ancillary Services Supplier in delivering Ancillary Service to the third party purchasers, provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Ancillary Services Supplier be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Company or Companies' liability. For purposes of this definition, Ancillary Services Supplier shall be considered to have resold such Ancillary Service to the extent Ancillary Services Supplier shall have entered into one or more arrangements in a commercially reasonable manner whereby Ancillary Services Supplier repurchases its obligation to purchase and receive the Ancillary Service from another party at the Delivery Point.
- 1.2.47 S&P means Standard and Poor's, a division of The McGraw-Hill Companies, Inc., or its successor.
- 1.2.48 SERC means the SERC Reliability Corporation, or the regional reliability entity to which a Company belongs, or its successor.
- 1.2.49 Spinning Reserve means that ancillary service needed to serve load immediately in the event of a system contingency such as loss of a generating unit or loss of scheduled interchange. Spinning Reserve must be provided by generating units that are on-line and loaded at less than maximum output.
- 1.2.50 Spinning Reserve Capacity means the capacity designated by the Ancillary Services Supplier for the provision of Spinning Reserve Service. The Spinning Reserve Capacity under this Agreement shall be 50 MW; provided, however, from the date the administrator of the Midwest CRSG implements the changes to the Spinning Reserve Capacity as requested by Ameren Services on December 10, 2007, the Spinning Reserve Capacity shall be 39 MW until the Termination Date.
- 1.2.51 Spinning Reserve Capacity Rate means the \$32.75 per MW of Spinning Reserve Capacity per hour that the Companies will pay Ancillary Services Supplier for Spinning Reserve Service over the Term.
- 1.2.52 Statement means an invoice prepared following each Billing Period by the Ancillary Services Supplier indicating the amount due to the Ancillary Services Supplier in compensation for Ancillary Services supplied to each of the Companies by the Ancillary Services Supplier during such Billing Period, in accordance with the Ancillary Services Supplier's obligations, including any adjustments as detailed herein, under this Agreement, and any amounts due from Ancillary Services Supplier to a Company or an invoice from Agent on behalf of

a Company or Companies for any penalties, damages, or the difference between the Replacement Price and the Contract Price calculated due to Ancillary Services Supplier's failure to deliver or perform under this Agreement.

- 1.2.53 Supplemental Reserve means that ancillary service needed to serve load immediately in the event of a system contingency such as loss of a generating unit or loss of scheduled interchange. Supplemental Reserve may be provided either by generating units that are on-line but unloaded which can be fully applied within 10 minutes or by quick-start generation capable of serving demand within 10 minutes.
- 1.2.54 Supplemental Reserve Capacity means the capacity designated by the Ancillary Services Supplier for the provision of Supplemental Reserve. The Supplemental Reserve Capacity under this Agreement shall be 69 MW; provided, however, from the date the administrator of the Midwest CRSG implements the changes to the Supplemental Reserve Capacity as requested by Ameren Services on December 10, 2007, the Spinning Reserve Capacity shall be 68 MW until the Termination Date.
- 1.2.55 Supplemental Reserve Capacity Rate means the \$1,760 per MW of Supplemental Reserve Capacity per month that the Companies will pay Ancillary Services Supplier for Supplemental Reserve over the Term.
- 1.2.56 Term shall have the same meaning as provided in Section 2.1.
- 1.2.57 Termination Date means the earlier of December 31, 2008, or (ii) the day prior to commencement of operation of a market for Ancillary Services administered by the Midwest ISO.
- 1.2.58 Transmission Service has the meaning ascribed to such term in the Midwest ISO Tariff.
- 1.2.59 Verifiable Costs means the cost of fuel, operations and maintenance, energy provided for electric losses, purchased power and other costs that would not have been incurred if the energy had not been provided, but shall not include the cost of Transmission Service.
- 1.3 Interpretation. In this Agreement, unless a different intention clearly appears:
- 1.3.1 Singular includes the plural and vice versa;
- 1.3.2 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;
- 1.3.3 Reference to any gender includes the other gender;

- 1.3.4 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;
- 1.3.5 Reference to any Article, Section or Schedule means such Article, Section or Schedule of this Agreement, unless otherwise indicated;
- 1.3.6 "Hereunder", "hereof", "hereto" "herein", and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision;
- 1.3.7 "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;
- 1.3.8 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";
- 1.3.9 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
- 1.3.10 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

TERM

- 2.1 This Agreement shall become effective as of January 1, 2008, ("Effective Date") and shall remain in effect for a period ending at HE 2400 CPT on the Termination Date (the "Term"), provided, however, that: (i) termination of this Agreement for any reason shall not relieve any of the Companies or Ancillary Services Supplier of any obligation accrued or accruing prior to such termination; (ii) applicable provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for final billings, settlements, payments and adjustments; and (iii) termination of this Agreement for an Event of Default shall not deprive the Non-Defaulting Party(ies) of its/their rights and remedies to recover its/their full damages, as provided elsewhere in this Agreement.
- 2.2 Except as provided in Sections 2.4, 8.2 and 12.1, no Party shall have any right to terminate this Agreement.

- 2.3 Ancillary Services Supplier shall commence providing Ancillary Services to the Companies on the Delivery Start Date and shall cease providing Ancillary Services to the Companies at HE 2400 CPT on the Termination Date (the "Delivery Period").

One or more of the Companies and Ancillary Services Supplier may agree at any time during the Term to terminate their respective rights and obligations hereunder on such terms and under such conditions that they mutually deem to be appropriate as set forth in a mutual termination agreement reasonably acceptable in form and substance to such Company or Companies and Ancillary Services Supplier and executed by all Parties thereto.

Article 3

ANCILLARY SERVICES SUPPLIER'S OBLIGATIONS

- 3.1 Ancillary Services Supplier hereby agrees as follows:

- 3.1.1 Ancillary Services Supplier will provide from the generating unit(s) set forth in Schedule A or other units in the AmerenUE generating fleet meeting the requirements to supply Ancillary Services to the Delivery Points the Spinning Reserve Capacity for Spinning Reserve Service which can be deployed with a minimum ramp rate of 7 MW per minute on a Continuous Basis throughout the Delivery Period. The 7 MW per minute response rate shall be dedicated to this Spinning Reserve Service and is in addition to any ramping capabilities the unit(s) may need to respond to set point changes established by the Midwest ISO. The Spinning Reserve Service provided shall satisfy the requirements of Schedule 5 of the Midwest ISO Tariff. Ancillary Services Supplier will provide from the generating unit(s) set forth in Schedule B to the Delivery Points the Supplemental Reserve Capacity for Supplemental Reserve Service which can be deployed within 10 minutes on a Continuous Basis throughout the Delivery Period. Any deployment of the Supplemental Reserve Capacity dedicated to this Supplemental Reserve Service is in addition to any generation the unit(s) may need to respond to set point changes established by the Midwest ISO, except where reserve requirements are already included. The Supplemental Reserve Service provided shall satisfy the requirements of Schedule 6 of the Midwest ISO Tariff. The Spinning Reserve Service and Supplemental Reserve Service provided by Ancillary Services Supplier hereunder shall satisfy the Companies' and Agent's requirements and obligation under the Midwest Contingency Reserve Sharing Group Agreement and allow the Agent as the Balancing Authority operator to comply with NERC requirements for Disturbance Control Standards and any other such related standards, requirements, or criteria which may be imposed by a national or regional reliability entity or Governmental Authority.
- 3.1.2 Ancillary Services Supplier will inform the Agent and the Midwest ISO on a day-ahead and real-time hourly basis of the specific generating units listed in Schedule A and Schedule B that will be designated to provide Spinning Reserve Service and Supplemental Reserve Service, the MW amount of Spinning Reserve Service and Supplemental Reserve Service to be provided by each generating unit and the minimum response rate of each generating unit. Additionally, the Ancillary Services Supplier shall provide the Agent with all unit parameters relating to its

Offers for each generating unit providing Spinning Reserve Service and Supplemental Reserve Service, including Emergency maximum and minimum unit ratings, economically dispatchable maximum and minimum unit ratings, regulation status and control mode.

- 3.1.3 Ancillary Services Supplier will maintain, or make appropriate arrangements for, at Ancillary Services Supplier's expense and as approved by Agent, a communications system compatible with the Midwest ISO's control center and the Agent's control center which is capable of continuously receiving deployment instructions for Spinning Reserves and Supplemental Reserves from the Midwest ISO and of implementing the deployment instructions through the Agent's control center.
- 3.1.4 Ancillary Services Supplier shall deploy, or make appropriate arrangements for deploying, the designated generating units in such a manner that the units respond in accordance with the deployment instructions from the Midwest ISO. In the case of unit(s) designated for Spinning Reserve Service, the designated generating units will deploy their generation outputs in accordance with the instructions at an aggregate rate of no less than 7 MW per minute. In the case of unit(s) designated for Supplemental Reserve Service, the generating unit(s) providing Supplemental Reserve Capacity must be fully deployed to the level instructed within 10 minutes of the notification from the Midwest ISO or the Agent, whichever is sooner. Ancillary Services Supplier shall not be obligated to provide more than the Spinning Reserve Capacity in the aggregate of Spinning Reserve Service or more than the Supplemental Reserve Capacity in the aggregate of Supplemental Reserve Service. Any adjustments to the designated generating units' output related to the deployment of Spinning Reserve Service and Supplemental Reserve Service is in addition to any level or change in unit set points established by the Midwest ISO.
- 3.1.5 Ancillary Services Supplier will comply with all applicable Midwest ISO Agreements in designating, scheduling and deploying generating units for Spinning Reserve Service and Supplemental Reserve Service.
- 3.1.6 Ancillary Services Supplier will provide capacity in an amount equal to the sum of the Spinning Reserve Capacity and the Supplemental Reserve Capacity to Companies for purposes of MISO's Module E requirements. Ancillary Services Supplier will not commit Spinning Reserve Capacity or Supplemental Reserve Capacity as a capacity resource to any other entity for daily reserve purposes or sell Spinning Reserve Capacity or Supplemental Reserve Capacity in a day-ahead or other capacity market.
- 3.1.7 Ancillary Services Supplier will be responsible for all Governmental Charges on or with respect to the Spinning Reserve Service or Supplemental Reserve Service arising prior to the Delivery Point. Company or Companies shall pay or cause to be paid all Governmental Charges on or with respect to the Spinning Reserve Service or Supplemental Reserve Service at and from the Delivery Point (other

than ad valorem, franchise or income taxes which are related to the sale of the Spinning Reserve Service or Supplemental Reserve Service and are, therefore, the responsibility of the Ancillary Services Supplier). In the event Ancillary Services Supplier is required by law or regulation to remit or pay Governmental Charges which are Company or Companies' responsibility hereunder, Company or Companies shall promptly reimburse Ancillary Services Supplier for such Governmental Charges. If Company or Companies is required by law or regulation to remit or pay Governmental Charges which are Ancillary Services Supplier's responsibility hereunder, Company or Companies may deduct the amount of any such Governmental Charges from the sums due to Ancillary Services Supplier in accordance with this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges from which it is exempt under the law.

- 3.2 If and to the extent the Company or Companies demonstrate that the Ancillary Services Supplier has failed to comply with the terms of this Agreement in the provision of Spinning Reserve Service or Supplemental Reserve Service or with the Midwest ISO Agreements as they relate to Spinning Reserve Service or Supplemental Reserve Service or with the Midwest Contingency Reserve Sharing Agreement and such failure is not excused by the terms of this Agreement or applicable law and is not the result of gross negligence, misfeasance, actions or inactions by one or more of the Companies, and this failure results in non-compliance by any of the Company or Companies or Agent with NERC requirements for Disturbance Control Standards, or any other such related standard, requirement, or criteria as may now exist, which may be implemented under the current regime, or which may be imposed by a national or regional reliability entity or Governmental Authority, and this failure results in the imposition of a financial penalty, Ancillary Services Supplier agrees that it will compensate the Company or Companies or Agent for the portion attributable to the Ancillary Services Supplier of the penalty, charge or fee the Companies or Agent are assessed due to the non-compliance. In the event the non-compliance does not result in a financial penalty, Ancillary Services Supplier agrees to work with Company, Companies and/or Agent to remedy the failure and to develop a mitigation plan to restore compliance and to provide to the appropriate national or regional reliability entity or Governmental Authority.

Article 4

OBLIGATIONS OF THE COMPANIES

- 4.1 Each of the Companies hereby agrees as follows:
- 4.1.1 Company, through its Agent, will accept delivery of Spinning Reserve Service and Supplemental Reserve Service provided by the Ancillary Services Supplier pursuant to Article 3 at the Delivery Points.
- 4.1.2 Company will utilize its Network Integration Transmission Service or other transmission arrangements, as appropriate, for delivery of the Spinning Reserve Service and Supplemental Reserve Service and any associated Energy.

- 4.1.3 Company, through its Agent, will cause the deployment of Spinning Reserve Service in a proportionate manner to other Spinning Reserve Service resources that it has available to it.
- 4.2 The Companies, through the Agent, will pay to the Ancillary Services Supplier:
- 4.2.1 For Spinning Reserve Service, (i) the Spinning Reserve Capacity Rate multiplied by the MW amount of Spinning Reserve Capacity for each hour of the Billing Period, plus (ii) the Deployed Energy Rate for the megawatthours of Spinning Reserve Service deployed. In the event that the Spinning Reserve Capacity for Spinning Reserve Service is not constant for a complete Billing Period, the monthly charges for Spinning Reserve Capacity, but not for deployed energy, will be determined based on the number of hours that each Spinning Reserve Capacity amount was in effect during the Billing Period. In the event the Ancillary Services Supplier is unable to provide all or a part of the Spinning Reserve Capacity for Spinning Reserve Service for all or part of a Billing Period and is not excused by Force Majeure, the monthly charges for Spinning Reserve Capacity and Energy, but not for deployed energy, will be reduced on a pro rata basis; and
- 4.2.2 For Supplemental Reserve Service, (i) the Supplemental Reserve Capacity Rate multiplied by the MW amount of Supplemental Reserve Capacity for each Billing Period, plus (ii) the Deployed Energy Rate for the megawatthours of Supplemental Reserve Service deployed. In the event that the Supplemental Reserve Capacity for Supplemental Reserve Service is not constant for a complete Billing Period, the monthly charges for Supplemental Reserve Capacity, but not for deployed energy, will be determined on a pro rata basis based on the number of days that each Supplemental Reserve Capacity amount was in effect during the Billing Period per the total number of days in the Billing Period. In the event the Ancillary Services Supplier is unable to provide all or a part of the Supplemental Reserve Capacity for Supplemental Reserve Service for all or part of a Billing Period and is not excused by Force Majeure, the monthly charges for Supplemental Reserve Capacity, but not for deployed energy, will be reduced on a pro rata basis.
- 4.3 The Agent, on behalf of the Companies, shall maintain data records including operational data on the generating units providing Ancillary Services, the deployment instructions, and the generating unit(s) response to the instructions. These data records shall be used by Agent to monitor the performance of the Ancillary Services Supplier and to determine any failure by Ancillary Services Supplier to comply with its obligations under Article 3 herein.
- 4.4 The Companies shall pay any prepayments required pursuant to Article 9 of this Agreement and the timely payment of all such payments shall be a condition precedent to Ancillary Services Supplier's performance under this Agreement.
- 4.5 The Companies and Ancillary Services Supplier hereby agree that they shall discharge mutual debts on a monthly basis against any cash prepayment paid by Companies to

Ancillary Services Supplier from amounts due and owing to and from each other through netting, in which case all amounts owed by Companies to the Ancillary Services Supplier less any deductions due from Ancillary Services Supplier to Companies for the purchase of Ancillary Services during the Billing Period under this Agreement, shall be netted so that only the excess amount remaining due shall be paid by the Companies to the Ancillary Services Supplier in accordance with Article 7 and any amounts overpaid by Companies shall be credited to the next monthly bill.

Article 5

MAINTENANCE, AVAILABILITY AND OPERATIONS

- 5.1 Ancillary Services Supplier shall plan and perform scheduled maintenance of the generating unit(s) designated in Schedule A and Schedule B so as to ensure that sufficient designated unit(s) is available to provide the Ancillary Service on a Continuous Basis throughout the Delivery Period.
- 5.2 Each Party acknowledges and agrees that it will be bound by all Midwest ISO Agreements, as they may be revised or amended from time to time, as they relate to the provision of the Ancillary Service and which are needed to maintain the integrity of the Midwest ISO Transmission System. Each Party acknowledges and agrees that it will cooperate with the other Parties so that such other Parties will be in compliance with all Midwest ISO Emergency operations procedures, which include, but are not limited to, those procedures pertaining to minimum and maximum generation Emergencies.

Article 6

REPRESENTATIONS, WARRANTIES AND COVENANTS

- 6.1 Ancillary Services Supplier hereby represents, warrants and covenants to each of the Companies as follows:
- 6.1.1 Ancillary Services Supplier is a corporation, partnership, limited liability company or other legal entity duly organized, validly existing and in good standing under the laws of the State of Missouri and is duly registered and authorized to do business and is in good standing in the State of Illinois;
- 6.1.2 Ancillary Services Supplier has all requisite power and authority to execute and deliver this Agreement and to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;
- 6.1.2.1 Ancillary Services Supplier is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- 6.1.2.2 Ancillary Services Supplier represents and warrants there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
- 6.1.2.3 Ancillary Services Supplier represents and warrants that no Event of Default with respect to it has occurred and is continuing and no such event

or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

6.1.2.4 Ancillary Services Supplier is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

6.1.3 The execution and delivery of this Agreement and the performance of Ancillary Services Supplier's obligations hereunder have been duly authorized by all necessary action on the part of Ancillary Services Supplier and do not and will not conflict with or constitute a breach of or default under any of the terms, conditions, or provisions of Ancillary Services Supplier's certificate of incorporation or bylaws or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any Governmental Authority to which Ancillary Services Supplier is a party or by which Ancillary Services Supplier or any of its properties is bound or subject;

6.1.4 All necessary and appropriate action that is required on Ancillary Services Supplier's part to execute this Agreement has been completed;

6.1.5 This Agreement is the legal, valid and binding obligation of Ancillary Services Supplier, enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or law;

6.1.6 Ancillary Services Supplier will have and maintain during the Delivery Period all regulatory approvals and certifications necessary to permit its performance under this Agreement and will be in compliance with all Applicable Law; and

6.1.7 The capacity and electrical output of the generating unit(s) designated on Schedule A and Schedule B have been certified as deliverable to the Companies pursuant to the Midwest ISO Tariff.

6.2 Each Company, individually, hereby represents, warrants and covenants to Ancillary Services Supplier as follows:

6.2.1 Company is an electric utility corporation duly organized, validly existing and in good standing under the laws of the State of Illinois;

6.2.2 Company has all requisite power and authority to execute and deliver this Agreement and to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;

6.2.2.1 Company is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt except those actions that might be

contemplated or undertaken should a rate freeze be imposed or extended by an act of the Illinois legislature.

- 6.2.2.2 Company represents and warrants there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
- 6.2.2.3 Company represents and warrants that no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement; and
- 6.2.2.4 Company is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

6.2.3 The execution and delivery of this Agreement and the performance of Company's obligations hereunder have been duly authorized by all necessary action on the part of Company and do not and will not conflict with or constitute a breach of or default under any of the terms, conditions, or provisions of Company's certificate of incorporation or bylaws or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any Governmental Authority to which the Company is a party or by which the Company or any of its properties is bound or subject;

6.2.4 All necessary and appropriate action that is required on the Company's part to execute this Agreement has been completed;

6.2.5 This Agreement is the legal, valid and binding obligation of Company, enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditor's rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or law; and

6.2.6 Company will have and maintain, during the Delivery Period, all regulatory approvals and certifications necessary to permit its performance under this Agreement and will be in compliance with all Applicable Law.

6.3 All representations, warranties and covenants contained in this Article 6 are of a continuing nature and shall be maintained during the Term of this Agreement. If a Party learns that any of the representations, warranties or covenants in this Agreement are no longer true during the Term of this Agreement, the Party shall immediately notify the other Party in accordance with Section 16.1 via facsimile, with a hard copy of the notice delivered by overnight mail.

Article 7

BILLING AND PAYMENT

7.1 Payment Obligations. Subject to Article 9 herein, the Companies, through their Agent, shall pay all amounts due to Ancillary Services Supplier less any amounts due to the

Companies in accordance with Section 3.2, except for Termination Payments hereunder, in accordance with the following provisions:

- 7.1.1 Each Billing Period, Ancillary Services Supplier will prepare a Statement of amounts due to the Ancillary Services Supplier. The Statement will include a spreadsheet of supporting documentation of the detailed calculations of the amounts due to the Ancillary Services Supplier including the hourly detail of all billing determinants.
 - 7.1.2 The Statement will be sent to the Agent, on behalf of the Companies, within eight (8) Business Days after the end of the Billing Period via email, facsimile, PDF or other expeditious means.
 - 7.1.3 If the Statement shows a net amount owed by one or more of the Companies to Ancillary Services Supplier including any deduction for any amounts Ancillary Services Supplier owes Company or Companies for failure to deliver, Agent shall remit payment of such amount unless disputed, in which circumstance the undisputed amount shall be remitted, by the twentieth (20th) day of each month, or if the twentieth day of the month is not a Business Day, on the first Business Day after the twentieth day.
 - 7.1.4 Payments shall be subject to adjustment for any revisions in LMPs, arithmetic errors, computation errors, meter reading or usage estimation errors, or other errors, provided that the Party asserting the error provides notice to the other Party within one (1) year of the date the Statement is issued. Notwithstanding the foregoing, Parties will use commercially reasonable efforts to reflect any adjustment on the Statement following the Billing Period in which the revision or error was identified.
 - 7.1.5 In the event that the Agent determines that the Ancillary Services Supplier owes an amount to the Companies related to a penalty, fee, or charge incurred by the Companies or the Agent pursuant to a failure by the Ancillary Services Supplier as described in Section 3.2 Agent shall prepare a Statement billing any amounts owed by the Ancillary Services Supplier and provide the Statement to the Ancillary Services Supplier by email and deduct any undisputed amounts from the Ancillary Services Supplier Statement. In addition to the Statement, the Agent shall include documentation as to the nature of the penalty, fee or charge that was assessed to the Companies or the Agent and supporting documentation of the Ancillary Services Supplier's failure to perform which resulted in the penalty, fee, or charge.
 - 7.1.6 All payments of funds shall be made by electronic transfer to a bank designated either (i) on the Statement or (ii) through a separate notice including but not limited to email or facsimile by the recipient of such funds.
- 7.2 Billing Disputes. If a commercial dispute arises between one or more of the Companies and Ancillary Services Supplier regarding a Statement, the disputing Party shall pay only

the undisputed portion of the Statement, if any, and shall present the dispute in writing to the non-disputing Party within ten (10) Business Days from the due date of the Statement in question and submit supporting documentation to the non-disputing Party within thirty (30) calendar days from the due date of the Statement in question. Billing disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 13. Upon resolution of a billing dispute, any payments made to a Party will include Interest on the payment payable from the original due date of the Statement in question.

- 7.3 A Party may dispute a Statement in a commercially reasonable manner at any time within one (1) year after the date the Statement in dispute is issued, even if such Party has already paid amounts shown on such Statement in full. A Statement shall become final, and not subject to dispute, on the date one (1) year from the date such Statement is issued unless, within that year, a Party: (i) presents the dispute in writing to the non-disputing Party accompanied by a brief explanation of the source of the dispute; and (ii) submits documentation supporting the dispute to the non-disputing Party within thirty (30) calendar days thereafter.
- 7.4 Billing Responsibility with respect to Third Parties. None of the Companies or the Agent shall have any responsibility for billing between Ancillary Services Supplier and the Midwest ISO or Ancillary Services Supplier and any other third party.
- 7.5 Record Retention. The Parties shall retain for a period of at least two (2) years following the Termination Date necessary records so as to permit the Parties to confirm the accuracy of any Statement or calculation of payments due hereunder; provided, however, that if a Party has provided notice in accordance with Section 7.3 that it disputes the accuracy of any Statement or calculation of any payments, the Parties agree that they shall retain all records related to such dispute until the dispute is finally resolved. The Parties further agree to retain any records in accordance with any requirements imposed by Applicable Law.
- 7.6 Audit Rights. Each Party shall be entitled to cause independent audits to be performed of the Statements rendered under this Agreement, including supporting documentation and calculations. Similarly, each Party shall be entitled to cause independent audits of the data used by the other Party in supporting documentation and calculations. Such audits (collectively "Audits") may be performed at the request of each Party no more than once during the Delivery Period and once thereafter and shall cover all data and Statements subsequent to the last preceding Audit. In the event a Party requests an Audit as described herein, the Party requesting the Audit shall pay all expenses for the Audit. Such Audits shall be conducted by an independent auditor selected by the Party invoking its right to audit pursuant to this Section. The party being audited shall give the auditor access to what is reasonably necessary to verify a Statement or Statements including but not limited to data, including metered data, records, calculations, and workpapers. The auditor shall work during normal working hours at a location designated by the non-requesting party and shall work to prevent disruption of the work environment. The auditor shall establish such procedures as are necessary to prevent the disclosure of market information or other confidential information of one Party from being disclosed to

the other Party as well as any third party. The auditor shall agree in writing as a condition of the engagement not to disclose any such information to the Party initiating the audit. Any amount which the auditor finds as a result of an error in data calculations or a Statement shall be treated in accordance with Section 7.2. Notwithstanding anything to the contrary, no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

Article 8
BREACH AND DEFAULT

- 8.1 Events of Default. An “Event of Default” under this Agreement shall occur if a Party (the “Defaulting Party”):
- 8.1.1 Fails to make, when due, any payment (including any Prepayment required pursuant to Article 9) required pursuant to this Agreement and such failure is not remedied within two (2) Business Days;
 - 8.1.2 Unless excused by Force Majeure, in the case of Ancillary Services Supplier, fails to provide Companies with Spinning Reserve Service or Supplemental Reserve Service on a Continuous Basis in accordance with Articles 3 and 5 and such failure is not remedied within two (2) Business Days;
 - 8.1.3 Becomes Bankrupt;
 - 8.1.4 Is dissolved (other than pursuant to a consolidation, amalgamation or merger);
 - 8.1.5 Fails to comply with the Creditworthiness standards as set forth in Article 9 and such failure is not remedied within two (2) Business Days;
 - 8.1.6 Violates any Applicable Law with respect to the supply or receipt of the Ancillary Services and associated Energy in a manner that materially and adversely affects the Party’s performance under this Agreement and such violation is not remedied within two (2) Business Days;
 - 8.1.7 In the case of one or more of the Companies, fails to accept the Ancillary Services properly tendered by Ancillary Services Supplier under this Agreement or fails to procure transmission rights needed to ensure each Company’s performance under this Agreement and such failure is not remedied within two (2) Business Days;
 - 8.1.8 Makes a materially incorrect or misleading representation or warranty or breaches a covenant, with a resulting material adverse effect on one or more other Parties, under this Agreement and such representation or warranty is not corrected or breach of covenant remedied within two (2) Business Days; or
 - 8.1.9 Fails to have at the commencement of the Delivery Period or loses during the Delivery Period any authorization granted by the FERC, SERC, NERC or any other Governmental Authority needed to perform its obligations under this Agreement and such failure is not remedied within the compliance timeline set by

the Governmental Authority or a reasonable time period as agreed upon by the Parties.

- 8.2 Remedies Upon Default. If an Event of Default with respect to a Defaulting Party(ies) shall have occurred and be continuing, the Non-Defaulting Party or Parties shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date (“Early Termination Date”) to accelerate all amounts owing between the Parties and to liquidate and terminate all, but not less than all, Ancillary Service, (ii) withhold any payments due to the Defaulting Party(ies) under this Agreement and (iii) suspend performance. The Non-Defaulting Party(ies) shall calculate, in a commercially reasonable manner, a settlement amount for the terminated Ancillary Service (the “Termination Payment”) as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party(ies) the terminated Ancillary Service is commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable).
- 8.2.1 Notice of Payment of Termination Payment. As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party(ies) to the Defaulting Party(ies) of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party(ies). The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective.
- 8.3 Remedy Calculations for Ancillary Services Supplier Failure. If Ancillary Services Supplier fails to schedule and/or deliver all or part of the Ancillary Service and such failure is not excused under the terms of this Agreement, or by Buyer’s failure to perform, then Ancillary Services Supplier shall pay Company or Companies, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if designated on the Statement “Accelerated Payment of Damages” within five (5) Business Days of Statement receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.
- 8.4 Remedy Calculations for Company or Companies Failure. If Company or Companies fails to schedule and/or receive all or part of the Ancillary Service and such failure is not excused under the terms of this Agreement or by Ancillary Services Supplier’s failure to perform, then the Company that failed to schedule and/or receive shall pay Ancillary Services Supplier, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if designated on the Statement “Accelerated Payment of Damages”, within five (5) Business Days of Statement receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

Article 9
CREDITWORTHINESS

- 9.1 If at any time the senior unsecured debt ratings, or if unavailable, the issuer or corporate credit ratings (the "Ratings") from Moody's are Baa3/Negative or lower, or from S&P are BBB-/Negative or lower for any Company, then the Ancillary Services Supplier may require the Companies to prepay for the expected Ancillary Services in accordance with Section 9.1.1.
- 9.1.1 If prepayment is required, the Ancillary Services Supplier will provide written notification of the required prepayment amount at least five (5) Business Days prior to the start of each month and the Companies will provide the required prepayment no later than three (3) Business Days prior to the start of each month. The required prepayment amount will be calculated as follows: (i) the Spinning Reserve Capacity Rate multiplied by the MW amount of Spinning Reserve Capacity, plus (ii) the Supplemental Reserve Capacity Rate multiplied by the MW amount of Supplemental Reserve Capacity. If the amount presented for prepayment by the Ancillary Services Supplier is disputed by the Companies, then the Companies will provide the entire prepayment and will work to resolve any such dispute in a commercially reasonable manner as per Section 13 of this Agreement. The prepayment amount provided for a month will be reconciled with the amount shown in the Statement for such month, with any difference to be reflected on the Statement for the succeeding month.
- 9.1.2 Ancillary Services Supplier agrees that at any time it is holding any portion of a prepayment, it will exercise reasonable care to assure the safe custody of all posted prepayments to the extent required by applicable law, and in any event, the Ancillary Services Supplier will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as otherwise provided in this Section 9 and beyond the reasonable care in the custody thereof, Ancillary Services Supplier will have no duty with respect to the prepayment. Notwithstanding anything to the contrary, if Ancillary Services Supplier shall hold a prepayment, Ancillary Services Supplier may sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any prepayment it holds, free from any claim or right of any nature whatsoever of the Companies, including any equity or right of redemption by the Companies.
- 9.1.3 If prepayments are required, the remaining prepayment, if any, shall be returned upon the end of the Term of the Agreement if the Companies have fulfilled all obligations under the Agreement.
- 9.1.4 If at any time the Ratings from Moody's for each of the Companies are higher than Baa3/Negative and the Ratings from S&P for each of the Companies are higher than BBB-/Negative, then the Ancillary Services Supplier agrees that the Companies shall not be required to make prepayments.

Article 10

REGULATORY AUTHORIZATIONS AND JURISDICTION

- 10.1 Each of the Companies and Ancillary Services Supplier are subject to, and shall comply with, all existing or future applicable federal, state and local laws and regulations, all existing or future duly promulgated orders or other duly-authorized actions of the Midwest ISO or of Applicable Law that relates to or affects performance under this Agreement.
- 10.2 The inclusion herein of descriptions of procedures or processes utilized by the Midwest ISO or otherwise subject to the jurisdiction of FERC is intended solely for informational purposes. Subject to Section 12.1, if anything stated herein is found by FERC to conflict with or be inconsistent with any provision of the FPA, or any rule, regulation, order or determination of FERC under the FPA, or if any existing procedures or processes utilized by the Midwest ISO are duly modified, the applicable FERC rule, regulation, order, determination or modification shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of FERC under the FPA, each Company and/or Ancillary Services Supplier if applicable, shall use reasonable commercial efforts to secure, from time to time, all appropriate orders, approvals and determinations from FERC necessary to support this Agreement.

Article 11

LIMITATION OF LIABILITY

- 11.1 EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. UNLESS EXPRESSLY PROVIDED HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN

ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

Article 12

CHANGE IN REGULATORY ENVIRONMENT

- 12.1 Each Company will bear the risk of any changes in the charges and requirements associated with its Network Integration Transmission Service or other transmission arrangements utilized for delivery of the Ancillary Services and any associated Energy. Ancillary Services Supplier and the Company or Companies agree to mediate in a commercially reasonable manner and in accordance with Article 13 to determine the pro-rata distribution of possible charges that all Parties will bear for changes in market rules, market conditions, tariffs, regulations or Applicable Law, whatever the cause or source of those changes, that result in the imposition of new, additional or increased charges, services or products being required in order to effect the provision of Ancillary Services and associated Energy to each Company. Ancillary Services Supplier and the Companies agree that if the FERC proceedings regarding Union Electric Company's Cost of Service Recovery Rates filed in Docket Nos. ER07-170 and ER08-186 fail to result in rates that are acceptable to Ancillary Services Supplier in its sole discretion or if the ER07-170 and ER08-186 proceedings, including settlement negotiations, fail to be resolved by a date that is acceptable to Ancillary Services Supplier in its sole discretion, Ancillary Services Supplier may terminate this Agreement in its entirety or as to Spinning Reserve service upon no less than 30 days notice to the Companies.

Article 13

DISPUTE RESOLUTION

- 13.1 Informal Resolution of Disputes. Each Company and Ancillary Services Supplier shall use commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Agreement within no more than thirty (30) days. Any dispute between any of the Companies and Ancillary Services Supplier under this Agreement shall be referred to a designated senior representative of each of the Parties, who shall attempt to timely resolve the dispute. If such representatives can resolve the dispute, such resolution shall be reported in writing to and shall be binding upon the Parties. If such representatives cannot resolve the dispute within a period not to exceed thirty (30) days, as specified above, or a Party fails to appoint a representative within ten (10) days of written notice of the existence of a dispute, any Party may proceed as permitted by Section 13.2 of this Agreement.
- 13.2 Recourse to Agencies or Courts of Competent Jurisdiction. Subject to Article 11, Limitation of Liability, nothing in this Agreement shall restrict the rights of any Party to file a complaint with FERC under relevant provisions of the FPA. as well as pursue all other rights that may be available in law or in equity.
- 13.3 As this is a wholesale power transaction subject to FERC jurisdiction, absent the agreement of each Company and Ancillary Services Supplier to a proposed change to this Agreement, the Parties agree that the standard of review for any change to this Agreement, whether proposed by a Party, a non-party, the ICC or FERC acting *sua*

sponte, will be the “public interest” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956).

Article 14
ASSIGNMENT

- 14.1 This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and permitted assigns. Each Party may, at any time and from time to time, upon notice but without the other Parties’ consent or approval, (i) transfer or assign this Agreement or any right or obligation under this Agreement to any entity that acquires all or substantially all of that Party’s assets whose creditworthiness is equal to or higher than that of such Party and agrees to assume all that Party’s obligations, and, agrees to be bound by the creditworthiness provisions of this Agreement, (ii) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, or (iii) transfer or assign this Agreement to an affiliate of such Party which affiliate’s creditworthiness is equal to or higher than that of such Party but otherwise no such transfer or assignment shall be made without the prior written consent of the other Parties, such consent not to be unreasonably withheld or delayed. Any purported assignment in contravention of this Article 14 will be void. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee and all necessary consents have been obtained unless otherwise agreed to in writing by the non-assigning party.

Article 15
INDEMNIFICATION

- 15.1 Ancillary Services Supplier shall indemnify, defend and hold harmless each Company and its related parties from and against all Claims arising from or out of any event, circumstance, act or incident first occurring or existing prior to the Delivery Point. Each Company shall indemnify, defend and hold harmless Ancillary Services Supplier and its related parties from and against all Claims arising from or out of any event, circumstance, act or incident first occurring or existing at or after the Delivery Point. Notwithstanding anything to the contrary, the obligation of the Parties to indemnify shall be limited to three years after the date of any incident.

Article 16
MISCELLANEOUS PROVISIONS

- 16.1 Notices. Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by overnight express mail, courier service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

If to Ancillary Services Supplier:

Director, Asset Management and Trading
Union Electric Company d/b/a AmerenUE
1901 Chouteau Avenue MC 900
Saint Louis, Missouri 63103
Fax: 314-613-9567

If to the Companies:

Maureen A. Borkowski
Vice President, Transmission
Ameren Services Company, on behalf of
AmerenCILCO, AmerenCIPS and AmerenIP
1901 Chouteau
P.O. Box 66149 MC 630
St. Louis, Missouri 63166-6149
Fax: 314-554-6454

or to such other person at such other address as a Party shall designate by like notice to the other Party. Notice shall be effective when received. Notice received after the close of the Business Day shall be deemed received on the next Business Day; provided, that notice by facsimile transmission shall be deemed to have been received by the recipient if the recipient confirms receipt telephonically or in writing.

- 16.2 Force Majeure. If any Party is delayed, hindered in or prevented from performing any act required under this Agreement by a Force Majeure event affecting either Party, the Claiming Party, upon giving notice to the other Party, shall be excused from whatever performance is affected by the Force Majeure event. The excuse from performance shall

- be of no greater scope and of no longer duration than is reasonably required by the Force Majeure event and the Claiming Party shall use its reasonable efforts to avoid or remove the causes of non-performance.
- 16.3 No Prejudice of Rights. The failure of a Party to insist on any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such rights or any other right hereunder, which shall remain in full force and effect. No term or condition of this Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to excuse.
- 16.4 Governing Law and Venue. EXCEPT TO THE EXTENT THE FPA GOVERNS, THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.
- 16.5 Headings. The headings and subheadings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereunto, nor should they be used to aid in any manner in the construction of this Agreement.
- 16.6 No Presumption of Construction for or against any Party. The Parties have each been represented by counsel of their choosing in connection with entering into this Agreement. Any rule of construction or interpretation requiring this Agreement to be construed or interpreted for or against any Party shall not apply to the construction or interpretation of this Agreement.
- 16.7 Entire Agreement. This Agreement supersedes all previous representations, understandings, negotiations and agreements, either written or oral, between the Parties hereto or their representatives with respect to the subject matter and constitutes the entire agreement of the Parties with respect to the subject matter.
- 16.8 Forward Contract. The Parties acknowledge and agree that this Agreement constitutes a "forward contract" and the Parties are "forward contract merchants" within the meaning of the United States Bankruptcy Code.
- 16.9 Schedules. Schedules A referred to herein and attached hereto are made a part of this Agreement for all purposes.
- 16.10 Severability. If any provision of this Agreement is held invalid or unenforceable, all other provisions will not be affected. With respect to the provision held invalid or unenforceable, the Parties will amend this Agreement as necessary to effect the Parties' original intent as closely as possible.

- 16.11 Third-Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties. Nothing in this Agreement shall be construed to create any duty, or standard of care with reference to, or any liability to, any person not a Party to this Agreement.
- 16.12 Relationship of the Parties. This Agreement will not be interpreted or construed to: (i) create an association, joint venture or partnership between the Parties or impose any partnership obligation or liability on any Party, or (ii) create any agency relationship between the Parties or impose any fiduciary duty of any kind on any Party, or (iii) create a lease of any property of any kind. No Party will have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or otherwise to bind, any other Party.
- 16.13 Amendment. This Agreement, including the schedules hereto, cannot be amended without the written agreement of all Parties.
- 16.14 Counterparts. This Agreement may be executed in counterparts, each of which will be considered an original, but all of which shall constitute one instrument. Each Party expressly acknowledges the effectiveness of facsimile signatures as originals.
- 16.15 Survival. Notwithstanding anything to the contrary, the provisions of Article 2, Article 8, Article 15 and Section 16.3, shall survive the termination of this Agreement, together with any other provision in this Agreement which by its terms is intended to survive the termination of the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the dates below.

ATTEST:

**Ameren Services Company, as Agent for
Central Illinois Light Company d/b/a AmerenCILCO,
Central Illinois Public Service Company d/b/a AmerenCIPS,
and Illinois Power Company d/b/a AmerenIP**

By: 

Name: Maureen A. Borkowski

Title: Vice President, Transmission

Date: December 28, 2007

Union Electric Company d/b/a AmerenUE

By: 

Name: Shawn E. Schukar

Title: Vice President

Date: December 28, 2007

Schedule A

**DESIGNATED UNITS
FOR SPINNING RESERVE SERVICE**

Labadie Units 1-4

Rush Island Units 1-2

Schedule B

DESIGNATED UNITS FOR SUPPLEMENTAL RESERVE SERVICE

Venice CTG-2

Howard Bend

Fairgrounds

Meramec CTGs 1 & 2

Mexico

Moberly

Moreau

Peno Creek CTGs 1-4