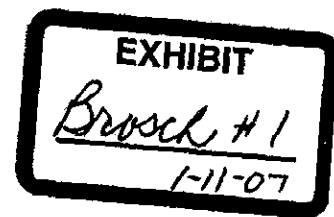


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APR 16 2007

Missouri Public
Service Commission



Ameren/E Exhibit No. 130
Case No(s). ER-2007-0002
Date 3/29/07 Rptr PR

Electric Energy, Inc.

Power Supply Agreement

**Electric Energy, Inc.
and the
Sponsoring Companies**



POWER SUPPLY AGREEMENT
BETWEEN
ELECTRIC ENERGY, INC.
AND THE
SPONSORING COMPANIES

POWER SUPPLY AGREEMENT
BETWEEN
ELECTRIC ENERGY, INCORPORATED
AND THE
SPONSORING COMPANIES

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POWER SUPPLY AGREEMENT
between
ELECTRIC ENERGY, INCORPORATED
and the
SPONSORING COMPANIES

This Power Supply Agreement (referred to as the "Agreement"), entered into this 2nd day of September, 1987, by and between Electric Energy, Incorporated (referred to as "Company"), party of the first part, and Central Illinois Public Service Company (referred to as "CIPS"), Illinois Power Company (referred to as "IP"), Kentucky Utilities Company (referred to as "KU"), and Union Electric Company (referred to as "UE"), parties of the second part, such parties of the second part herein sometimes collectively referred to as "Sponsoring Companies," or as "Sponsors,"

WITNESSETH THAT:

WHEREAS, Company and Sponsoring Companies, and with Middle South Utilities until May 1, 1957, entered into the Interim, Supplemental and Surplus Power (IS&S) Agreement dated August 1, 1953, as amended from time to time, relating to the establishment of interconnections between Company's generating station and the systems of Sponsoring Companies and for the supply of interim power, supplemental power, surplus power, seasonal power, short-term power, and emergency assistance power as therein provided; and

WHEREAS, the arrangements were made to assist Company in meeting its obligations under Contract No. AT-(40-1)-1312, dated May 4, 1951, as amended from time to time (hereinafter called the "Contract"), between Company and the United States of America, acting by and through the United States Atomic Energy Commission (hereinafter called "AEC") for the supply by Company of electric power to AEC at its Paducah Project (hereinafter sometimes referred to as the "Project"); and

WHEREAS, pursuant to the Energy Reorganization Act of 1974, the AEC was abolished and certain of its functions, including procurement of electric power for the Project, were transferred to and vested in the Administrator of a new independent executive agency to be known as the Energy Research and Development Administration, which agency is hereinafter referred to as "ERDA"; and

WHEREAS, under date of April 1, 1975, Company and ERDA entered into Modification No. 11 to the Contract specifying the terms and conditions for the extension of the Contract through 1989, and

thereby, inter alia, gave ERDA an option to extend delivery of power through May 31, 1993; and

WHEREAS, pursuant to the Department of Energy Organization Act (P.L. 95-91), ERDA was abolished and the functions and authority of the Administrator were transferred to and vested in the Secretary of the Department of Energy (referred to as "DOE"); and

WHEREAS, Company and DOE have entered into Modification No. 12 to the Contract specifying the terms and conditions for the extension of power delivery to DOE through December 31, 2005; and

WHEREAS, Modification No. 12 restates and amends the Contract, such that the terms and provisions of the Articles and Sections of Modification No. 12, as they read in their entirety, are the terms and provisions of the Contract; and

WHEREAS, the parties hereto desire to amend the IS&S Agreement further, including changing the title to Power Supply Agreement, so as to be consistent with the requirements, conditions, and obligations of Company specified in Modification No. 12 to the Contract, and to restate this Agreement and its previous modifications and amendments;

NOW, THEREFORE, in consideration of the premises and provisions of this Agreement as heretofore amended and as it is amended hereby, and in consideration of the mutual agreements and undertakings of the parties, the parties do hereby agree that the terms and provisions of the Articles and Sections of the original IS&S Power Agreement, as amended, are hereby restated and amended so that the Articles and Sections of this Agreement shall read in their entirety as follows:

ARTICLE I

FACILITIES & INTERCONNECTED SYSTEM PROVISIONS

SECTION 1.01. Generating Station. Company has constructed and is now operating a steam electric generating plant consisting of six turbo-generators, as described in Appendix "A" to this Agreement, with all other necessary equipment, including general equipment at Joppa, Illinois, and six transmission circuits (all of such generating and transmission equipment being sometimes collectively referred to in this Agreement as the "Joppa Plant") for the purposes of (1) delivering electric power and energy to DOE, and

(2) delivering electric power and energy to the point of delivery (as described in Section 2.01) between Company and the systems of Company's Sponsoring Companies.

SECTION 1.02. Facilities to be Provided by Sponsoring Companies. CIPS, IP and UE have constructed and, throughout the term of the Agreement, will operate and maintain certain portions of transmission facilities (together constituting a 230 kV transmission line from UE's Cahokia Substation, through West Frankfort, Illinois, to the Joppa Plant, and a 138 kV transmission line from Ashley, Illinois, to West Frankfort), together, in each case, with related substation facilities.

KU has constructed and will, throughout the term of the Agreement, operate and maintain a 161 kV transmission line connected to a 161 kV switch position of DOE at the Project, and extending to a point near Grahamville, Kentucky, where KU has a 161/69 kV substation. The parties recognize that, depending upon interconnected system conditions, it may be necessary or desirable at some future date to modify or change the DOE 161 kV bus arrangement at the Project. If, in such event, KU lacks a contract path through the DOE bus, the parties will cooperate to develop contractual arrangements satisfactory to KU to provide KU, without cost to it, a contract path from the Joppa Plant to the point where CIPS', IP's, and UE's systems connect with the system of the Tennessee Valley Authority (referred to as "TVA") near the 345/500 kV Shawnee Substation. Such arrangements shall be at no economic detriment to any Sponsoring Company and may be provided for under a separate agreement.

SECTION 1.03. Additional Transmission Facilities Provided by Sponsoring Companies. CIPS and UE have constructed, and presently operate and maintain additional transmission and substation facilities connecting to the Joppa Plant bus. Such facilities are CIPS' step-down substation at the Joppa Plant and the Joppa-South Marion 161 kV line, and UE's Joppa-Cape Girardeau 161 kV line. Such facilities provide additional transmission capability for the delivery and receipt of power and energy between Company and Sponsoring Companies. It is recognized that such facilities were not installed as part of the original Joppa Plant transmission and further that, depending upon interconnected system conditions, it may be necessary or desirable at some future date to alter such facilities. The parties owning such facilities may make such changes, in their judgment, as are necessary or desirable; provided, however, that any such party shall first discuss any contemplated change or changes with the other parties to this Agreement.

SECTION 1.04. Operation and Maintenance of Systems Involved. Company and Sponsoring Companies will operate their own systems in parallel, directly or indirectly, except during emergencies which

temporarily preclude parallel operation or as otherwise mutually agreed upon. Company has the obligation under the Contract to protect the systems of Sponsoring Companies from detriment because of burdensome interconnected conditions as described in the Contract. The parties hereto agree to coordinate their operations to attempt to assure maximum continuity of service to the Project, and to that end to minimize to the extent practicable burdensome interconnected system conditions as described in the Contract. Accordingly, the parties will cooperate with each other in the establishment of schedules for maintenance and operation of facilities and in the coordination of relay protection, frequency and interchange control, communications and telemetering systems.

SECTION 1.05. Power Deliveries as Affected by Physical Characteristics of Systems. It is recognized that, the systems of the parties hereto being interconnected directly and indirectly through other systems, the division of the power flow among the points of interconnection of the systems of the parties hereto is determined by the physical characteristics of the several systems and is not entirely subject to the control of the parties. The parties will cooperate in the development of mutually satisfactory arrangements among themselves, and with utilities not parties hereto, whereby the deliveries of power and energy herein contemplated can be realized.

SECTION 1.06. Connection with TVA. The generating and transmission facilities of Company are connected with the facilities of Sponsoring Companies and, through the DOE facilities, with the system of TVA (as provided in the Agreement between Company and TVA dated December 29, 1976). In the Contract, Company agrees to make all reasonable efforts to stay interconnected with TVA, either directly or indirectly, to assure continuity of service to the Project. The Sponsoring Companies will cooperate with Company in such use of transmission facilities to enable Company to fulfill such promise.

SECTION 1.07. Coordinating Committee. Company and each Sponsoring Company shall appoint one or more members to a Coordinating Committee, which shall have the authority to establish operating and maintenance schedules, control and operating procedures, and principles of interchange accounting. Each Sponsoring Company shall also aid in providing guidance to Company relative to matters arising under the Contract and this Agreement.

ARTICLE II

POWER SUPPLY

SECTION 2.01. Characteristics of Supply and Points of Delivery. All capacity and energy delivered hereunder shall be three-phase, 60 Hertz. Capacity and energy shall be delivered or received hereunder either at the 161 kV bus at the Joppa Plant or at the 161 kV bus of DOE at the Project, as the Sponsoring Company or Companies involved may direct from time to time. Unless otherwise so directed, capacity and energy shall be delivered by, to, or for the account of CIPS, IP, and UE at the 161 kV bus at the Joppa Plant, and capacity and energy shall be delivered by, to, or for the account of KU at the 161 kV bus of DOE at the Project. Electric capacity and energy may also be delivered at other future points of connection between Company and Sponsoring Companies. Such future points of connection will be described in appendices which shall be made a part of this Agreement.

SECTION 2.02. Operation of Joppa Plant. Company agrees to operate and maintain the Joppa Plant so that the total net megawatts deliverable from the Joppa Plant shall be at its highest level possible consistent with safe, prudent and efficient operation and the requirements of the Sponsoring Companies.

Sponsoring Companies recognize that under the Contract, Company has agreed to purchase capacity and energy for DOE's use in order to provide DOE with an economical power supply.

SECTION 2.03. Sponsors' Participation Ratios. By virtue of their joint ownership of Company, Sponsors have the right to participate in certain transactions between Sponsors and Company in proportion to their ownership. These proportions are defined as the Sponsors' "Participation Ratios" and are stated in percentages as follows:

CIPS	20%
IP	20%
KU	20%
UE	40%

SECTION 2.04. Sponsors' Capacity Ratios. The Sponsors' rights to purchase capacity from Company may be independent from their ownership of Company, and are defined in terms of the Sponsors' "Capacity Ratios." The Sponsors' initial Capacity Ratios are stated in percentages as follows:

CIPS	20%
IP	20%
KU	20%
UE	40%

Capacity Ratios may be changed pursuant to Section 2.09, Released Power, or pursuant to cancellation by any Sponsor of an amount of its Annual Percentage of Joppa Plant in accordance with Section 2.05.

SECTION 2.05. Sponsors' Annual Percentage of Joppa Plant. Company agrees to provide to Sponsors the use of certain portions (stated in percentages) of the net generating capability of Joppa Plant, referred to in this Agreement as Sponsors' "Annual Percentage of Joppa Plant." The Sponsors' Annual Percentage of Joppa Plant shall be:

(a) For the period January 1, 1987 through December 31, 1989 -- 26.5 percent in the aggregate, allocated as follows by Participation Ratio:

UE	10.6 percent
IP	5.3 percent
CIPS	5.3 percent
KU	5.3 percent

(b) For the period January 1, 1990 through December 31, 2005 -- 25.0 percent in the aggregate, allocated as follows by Participation Ratios:

UE	10 percent
IP	5 percent
CIPS	5 percent
KU	5 percent

However, for the period January 1, 1994 through December 31, 2005, Sponsors shall, each calendar year, have the right to increase their Annual Percentage of Joppa Plant, in the aggregate, by up to 10 percentage points. Each Sponsor shall have the right to increase its Annual Percentage of Joppa Plant by an amount in percentage points equal to 0.1 times its Participation Ratio as defined in Section 2.03. To exercise this right, each Sponsor must notify Company and other Sponsors in writing of the amount of increase proposed for any calendar year on or before August 1 of the year immediately preceding such calendar year. The first notification may be given on August 1, 1993. If no notification is given for a calendar year, the Sponsors' Annual Percentage of Joppa

Plant and the allocation of such shall be unchanged from the previous calendar year.

If any individual Sponsor declines to exercise its right to increase its percentage of the Joppa Plant, as described in this Section 2.05 above, any other Sponsor may make use of the remaining aggregate percentage increase by notifying Company and the other Sponsors of its intent to do so within ten (10) working days after the August 1 notice date. If more than one Sponsor desires to make use of such remaining aggregate percentage increase, the rights to such increase shall be allocated by Company to the interested Sponsors in proportion to those Sponsors' Participation Ratios as defined in Section 2.03. However, no Sponsor's Annual Percentage of Joppa Plant may exceed its Capacity Ratio.

Each Sponsor shall have the right to increase or decrease its Annual Percentage of Joppa Plant by any amount up to its Participation Ratio by providing a written notice of the change to Company and the other Sponsors a minimum of five (5) years prior to the effective date of the change. However, no such notice shall be given prior to January 1, 1989, or become effective earlier than January 1, 1994.

Any reduction of a Sponsor's Annual Percentage of Joppa Plant made in accordance with this Section 2.05 shall require a proportionate reduction in Capacity Ratio and shall be a permanent reduction unless otherwise mutually agreed upon by Company and Sponsoring Companies.

SECTION 2.06. Scheduling of Joppa Plant. The percentage of Joppa Plant provided to the Sponsors on a week-by-week basis, referred to in this Agreement as the Sponsors' "Weekly Percentage of Joppa Plant," may vary according to the following scheduling procedures:

(a) On or before August 1 of each year, beginning August 1, 1987, each Sponsor shall provide Company and other Sponsors with a schedule of its Weekly Percentage of Joppa Plant for the following calendar year.

(b) Each Sponsor's Weekly Percentage of Joppa Plant may vary according to this schedule from zero percent up to that Sponsor's Capacity Ratio; provided, however, that each Sponsor's average Weekly Percentage of Joppa Plant for the calendar year shall equal its Annual Percentage of Joppa Plant pursuant to Section 2.05.

SECTION 2.07. Permanent Joppa Power. Company agrees to supply and Sponsors agree to purchase the amount of Joppa capacity associated with each Sponsor's Annual Percentage of Joppa Plant at the amount of Joppa energy scheduled and delivered under the terms of this Section 2.07. Such capacity and energy shall be referred

to as "Permanent Joppa Power," and shall be delivered to Sponsors at their delivery points as follows.

During any clock hour, each Sponsor shall be entitled to schedule delivery of an amount of Permanent Joppa Power determined by multiplying its Weekly Percentage of Joppa Plant by the capability of the Joppa Plant. "Capability of the Joppa Plant" shall mean, for any clock hour, the estimated net capability of the Joppa Plant to provide power at the Joppa 161 kV bus. Such capability shall be determined in accordance with methods and procedures mutually agreed upon.

Sponsors shall pay Company for Permanent Joppa Power at the rates provided in Article III.

SECTION 2.08. Excess Joppa Energy. At times, Company may have amounts of Joppa Plant generating capacity available which is not being scheduled by DOE or Sponsors. When this occurs, DOE shall have first right to schedule delivery of the energy associated with such unused capacity, to be referred to as "Excess Joppa Energy." If DOE declines to schedule such energy, any Sponsor may do so. If more than one Sponsor desires to schedule such energy, the schedule shall be divided in proportion to such Sponsors' Participation Ratios. The aggregate of the scheduled megawatthours of Excess Joppa Energy for all hours of a month shall be the delivered megawatthours of Excess Joppa Energy for the month and shall be called the "Billing MWh of Excess Joppa Energy."

Sponsors shall pay Company for Excess Joppa Energy at the rates provided in Article III.

SECTION 2.09. Released Power. At times, Company or certain Sponsors may desire to purchase and other Sponsors may desire to release portions of their Annual Percentage of Joppa Plant. Also, at times, Sponsors may desire to purchase and Company may desire to release portions of the Annual DOE Percentage of Joppa Plant, as defined in the Contract. Power so released and purchased shall be called "Released Power" and shall be made under terms, conditions and rates as may be agreed upon by Company and Sponsors. Capacity Ratios and Annual or Weekly Percentages of Joppa Plant shall be revised during the term of such released power as agreed by the parties.

SECTION 2.10. Interchange Transactions. Power and energy, other than the power and energy generated at the Joppa Plant, may be sold by Sponsors to Company through their interconnecting facilities. The terms, conditions of supply, and rates for such transactions shall be set forth in Service Schedules which are attached and made a part of this Agreement. The initial Service Schedules are as follows:

Service Schedule A	Additional Power
Service Schedule B	Firm Additional Power
Service Schedule C	Economy Energy
Service Schedule D	Term Energy

By written agreement of the parties, Service Schedules may be revised and additional Service Schedules may be added and, when signed by authorized officials of the parties hereto, shall become a part of this Agreement for such term as may be provided in the Service Schedule. Any power or energy purchased by Company pursuant to the terms and conditions of Service Schedules may be resold by Company to DOE pursuant to the relevant terms and conditions of the Contract.

Any party furnishing service under a Service Schedule shall have the right by legally effective filing made with the Federal Energy Regulatory Commission or any successor regulatory agency having jurisdiction to supersede, change or modify the rates and charges for, or terms and conditions of, service furnished by such party under such Service Schedule, and each such party furnishing service under a Service Schedule shall have the right at any time unilaterally to file such changed, modified or superseding rates, terms and conditions with the FERC or such successor regulatory authority.

Any difference between the cost to Company for power and energy purchased under a Service Schedule and the cost to DOE under the Contract for such power and energy shall not be included in the Component D calculation specified in Section 3.01 of this Agreement.

SECTION 2.11. Sponsors' Participation in Interchange Transactions. The sellers of power and energy sold under the Service Schedules to this Agreement shall be chosen based on competitive bidding among Sponsors. The Sponsor offering the lowest price for power and energy sold to Company shall have the right to transact first. However, price quotes for power and energy which are within one dollar per megawatthour (\$1/MWh) of each other shall be considered equal for purposes of scheduling transactions, and such sales shall be divided in proportion to the Sponsors' Participation Ratios as defined in Section 2.03.

SECTION 2.12. Purchases of Firm Additional Power for Resale to DOE. By the terms of the Contract, Company is obligated to supply to DOE up to 550 megawatts of Firm Additional Power beginning January 1, 1993. Each Sponsor shall be obligated to supply Company with an amount of such Firm Additional Power in proportion to its Participation Ratio. Such obligation shall entitle each Sponsor to bid for the supply of Firm Additional Power which is scheduled in advance, and for the supply of Firm Additional Power

which may be required due to Joppa Plant outages. However, any Sponsor may cancel its obligation to supply Firm Additional Power by providing Company and other Sponsors a written notice of such cancellation a minimum of three years and thirty days prior to the effective date of such cancellation. In the event of cancellation by any Sponsor(s), the remaining Sponsor(s) shall assume the full obligation to supply Firm Additional Power in proportion to the remaining Participation Ratios.

By September 1 of every year, beginning September 1, 1992, each Sponsor obligated to supply Firm Additional Power shall provide Company with its price offers for the scheduled amounts of Firm Additional Power for the immediately following calendar year. The Sponsors' offers shall be in the form specified in Section 2.08 of the Contract and shall not exceed the rates then in effect and filed in Service Schedule B of this Agreement. Company shall commit to purchase Firm Additional Power for resale to DOE based on the competitive bidding procedure described in Section 2.11, and shall provide Sponsors with a final schedule for the supply of Firm Additional Power by December 1. Such schedule shall specify the time periods, prices and amounts of power to be provided by each Sponsor. Each Sponsor shall be obligated to supply the scheduled amounts of power and Company shall be obligated to pay for such power at the scheduled prices.

Because the need for unscheduled amounts of Firm Additional Power cannot be foreseen, and the Sponsors are obligated to provide such power in proportion to their Participation Ratios, the Company shall pay Sponsors in proportion to their Participation Ratios for such power at the full capacity rate then in effect and filed in Schedule B. However, Company shall purchase the energy associated with such unscheduled Firm Additional Power in accordance with the competitive bidding procedures of Section 2.11.

SECTION 2.13. Scheduled Maintenance. Company shall have the right to schedule maintenance of the Joppa Plant at such times as Company, in its sole discretion, shall determine. On or before September 1 of each year, Company shall provide Sponsors with a schedule of planned maintenance outages for the following calendar year. Such schedule shall be used in determining Sponsors' Unit Maintenance Hours used in the calculation of Adjusted Sponsors' Annual Percentages of Joppa Plant.

SECTION 2.14. Use of Joppa Energy by Company. Company may make use of any Joppa energy in excess of the amount to which Sponsors are entitled from the Joppa Plant. Company may also make use of any Joppa energy to which Sponsors are entitled to the extent that Sponsors do not make 100 percent load factor use of Sponsors' Annual Percentages of Joppa Plant.

ARTICLE III

RATES

SECTION 3.01. Joppa Plant Costs. As soon as practical after the close of each calendar month, the following components of costs of Company applicable to the ownership, operation and maintenance of the Joppa Plant for such month shall be determined and recorded:

(a) "Component A" shall consist of expenses made up of (i) the amounts of interest chargeable to Accounts 427, 430 and 431, less the amount credited to Accounts 418, 419, 419.1, 421 and 454, of the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts, (ii) the amounts of amortization of debt discount or premium and expenses chargeable to Accounts 428 and 429, and (iii) an amount equal to appropriate monthly proportion of the annual amount of depreciation and related items in Account 403 for the current year.

(b) "Component B" shall consist of the total operating expenses for labor, maintenance, materials, supplies, services, administrative and general expenses, etc., properly chargeable to the Operations and Maintenance Expense Accounts of the FERC Uniform System of Accounts (exclusive of Accounts 501, 517 through 555, 904, 911 through 916, and 924).

(c) "Component C" shall consist of the total expenses for taxes, including all taxes on income, and insurance (other than the taxes and insurance referred to in clauses (i) and (ii) below) properly chargeable to Accounts 408, 409, 410, 411, and 924 of the FERC Uniform System of Accounts:

(i) the cost of any taxes that are now or may ever be levied based on revenue, energy generated or sold or on any other basis capable of direct distribution shall be allocated directly to DOE and Company in amounts reflecting the proper share of each, and DOE shall pay to Company its share thereof; and

(ii) the cost of any insurance carried solely for the benefit of DOE at its request shall be paid for solely by DOE unless otherwise agreed upon from time to time by the parties hereto.

(d) "Component D" shall consist of an amount equal to (1) the product of 1.25 dollars multiplied by the total number of share of capital stock of the par value of \$100 per share of Company, which shall have been issued pursuant to authorization by the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935, or any successor regulatory agency having jurisdiction, and which are outstanding on the last day of such month, and (2) the product of

.0125 multiplied by Company's retained earnings at December 31 of the previous year.

(e) "Fuel" shall consist of Account 501 of the FERC Uniform System of Accounts.

Company, in providing capital for any requirements related to the operation, maintenance, replacement, or for additions and extensions shall use its best judgment in obtaining the capital from such sources so as to have the effect of holding the total cost of power to the lowest practical amount.

SECTION 3.02. Permanent Joppa Power Rate. The rate for Permanent Joppa Power shall consist of:

(a). Demand Charge

A monthly demand charge, to be billed to each Sponsor monthly, to be the sum of:

(i) Company's demand costs (Components A, B, C, and D specified in Section 3.01) for the month multiplied by each Sponsor's Annual Percentage of Joppa Plant determined in accordance with Section 2.05; and

(ii) 10 percent of the Company's fuel costs per megawatt-hour for the immediately preceding twelve months, multiplied by the current, established capability of the Joppa Plant (as defined in Appendix B) multiplied by the number of hours of the month, multiplied by each Sponsor's Annual Percentage of Joppa Plant, multiplied by the Joppa Plant Availability Factor for the month as determined in accordance with Appendix "C" to this Agreement. However, for purposes of this calculation, any increase or decrease of Company's fuel cost per megawatt-hour in excess of one-half of one percent (+0.5%) from such cost used for the previous month's calculation shall be disregarded to the extent of the excess. This Component (ii) shall not be included in the Component D calculation specified in Section 3.01, and the income taxes on this charge shall not be included in Component C of Section 3.01.

(b) Energy Charge

A monthly energy charge for Permanent Joppa Power to equal the Company's actual fuel costs for the month, multiplied by the ratio of each Sponsor's billing MWh of Permanent Joppa Power to the billing MWh of all Joppa energy delivered during the month to all Company customers.

SECTION 3.03. Excess Joppa Energy Rate. The rate for Excess Joppa Energy shall consist of a monthly energy charge equal to

Company's actual fuel costs for the month, multiplied by 110 percent, multiplied by each Sponsor's ratio of the billing MWh of Excess Joppa Energy to the billing MWh of all Joppa energy delivered during the month to all Company customers. The difference between the cost to generate Excess Joppa Energy and the cost of Excess Joppa Energy to Sponsors shall not be included in the Component D calculation specified in Section 3.01, and the income taxes on such difference shall not be included in Component C of Section 3.01.

SECTION 3.04. Annual Adjustment of Charges. After the close of each calendar year, adjustments shall be made to each Sponsor's total demand and energy charges for the calendar year as follows:

(a) Sponsors' charges for Component D in clause (d) of Section 3.01 shall be adjusted to provide Company a return on equity of 15.0 percent after taxes. By mutual agreement, Company and Sponsors may make adjustments to Component D to account for any change which has occurred in the circumstances of Company.

(b) Portion (i) of the Permanent Joppa Power demand charge specified in Section 3.02 shall be adjusted to equal Company's actual demand costs for the year (Components A, B, C and D) multiplied by the Adjusted Sponsors' Annual Percentage of Joppa Plant determined in accordance with Appendix "C" to this Agreement.

SECTION 3.05. Adjustment in Event of Change in Deduction for Depreciation. The depreciation recorded in Account 403 of the FERC Uniform System of Accounts and charged proportionately to the Sponsors under Section 3.01 shall be consistent with the deduction of depreciation allowable by the Internal Revenue Service for federal income tax purposes. Company shall use its best judgment in recording depreciation and in deducting depreciation for taxes in order to comply fully with tax law and to avoid any future tax deficiencies, and shall charge each Sponsor its proportionate share of such depreciation in accordance with Section 3.02 of this Agreement.

If the Internal Revenue Service ever finally determines that any portion of the depreciation charged by Company was improper and will not be currently allowed for federal income tax purposes, Sponsors will make adjusted payments to Company for power and energy which will provide net income to Company equal to the net income which Company would have earned if the determination had not been made. Each Sponsor's portion of such adjusted payments shall be in proportion to the respective Annual Percentage(s) of Joppa Plant in effect during the year or years requiring such an adjustment. If the disallowed deduction results in allowable depreciation deductions in later periods in excess of recorded depreciation, the tax recovery thereby realized shall be credited to each

Sponsor in proportion to its respective Annual Percentage(s) of Joppa Plant during the year or years requiring such an adjustment.

SECTION 3.06. Adjustment in the Event of Disallowance of Expenses. Income deductions in the accounts shall be consistent with the allowable income tax deductions therefor. Company will use its best judgment, consistent with allowable accounting practices under the FERC Uniform System of Accounts, to achieve such consistency.

If the Internal Revenue Service ever finally determines that certain expenses, including, without limitation, maintenance expenses, will not be allowed for income tax purposes, Sponsors will make adjusted payments to Company for power and energy which will provide net income to Company equal to the net income which Company would have earned if the determination had not been made. Each Sponsor's portion of such adjusted payments shall be in proportion to its respective Annual Percentage(s) of Joppa Plant in effect during the year or years requiring such adjustment. If the disallowed deduction results in allowable deductions in later years in excess of recorded income deductions, the tax recovery thereby realized shall be credited to each Sponsor in proportion to its respective Annual Percentage(s) of Joppa Plant in effect during the year or years requiring such an adjustment.

SECTION 3.07. Adjustment for Replacements, Extensions and Improvements. It may be desirable for Company to install extensions of or improvements to the Joppa Plant and to make replacements (independent of maintenance expenditures) for the purpose of allowing Company to fulfill its obligations to Sponsors and DOE. Any expenditures for replacements, extensions and improvements installed shall constitute a part of the Joppa Plant and the original property removed in relation to replacements shall be retired from the Joppa Plant accounts. Removal costs and salvage relating to property replaced shall be accounted for by additions and credits to Account 403 of the FERC Uniform System of Accounts. Proceeds of fire or other applicable insurance protection, or damages collected from third parties responsible for damages requiring replacement, shall also be included in Account 403. Appropriate allowance for the depreciation of replacements, extensions and improvements shall be included in Component A specified in Section 3.01.

Company shall be solely responsible for financing replacements, extensions and improvements, and will exert its best efforts to obtain financing in appropriate form at reasonable cost.

SECTION 3.08. Review and Recommendations by Sponsors. While it is recognized that the construction and operation and probable demolition of Company's Joppa Plant are the responsibility of Company, the costs thereof have a direct relation to the Sponsors'

estimated subject to adjustment when the actual determination can be made, and all payments shall be subject to subsequent adjustment, which may be required pursuant to the terms of Article III.

ARTICLE V

MEASURING INSTRUMENTS

SECTION 5.01. Measuring Instruments. The parties hereto shall own and maintain such metering equipment as may be necessary to provide complete information regarding the delivery of power and energy to or for the account of any of the parties hereto; and the ownership and expense of such metering shall be in accordance with agreements among them. Each party will, at its own expense, make such periodic tests and inspections of its meters as may be necessary to maintain them at the highest practical commercial standard of accuracy, and will advise all other interested parties hereto promptly of the results of any such test showing an inaccuracy of more than 1 percent. Each party will make additional tests of its meters at the request of any other interested party. Other interested parties shall be given notice of, and may have representatives present at, any test and inspection made by another party. If any periodic or additional test shows that a meter is within 1 percent of accuracy, no correction shall be made in billings; but if any test shows that the meter is inaccurate by more than 1 percent, a correction shall be made in the billing for the previous month, or from the date of the latest test if within the previous month, and for the elapsed period in the month during which the test was made. The cost of any additional test requested by any party other than the owner of the meter to be tested shall be borne by the party requesting the test if such test shows the meter to be within 1 percent of accuracy, and by the party owning the meter if such test shows it to be inaccurate by more than 1 percent.

SECTION 5.02. Measurement of Maximum Demand. Whenever it may be necessary to measure maximum demand, such maximum demand shall be taken as the highest average simultaneous load measured in megawatts at the point of metering during any 30-minute period starting on any clock half-hour in the period under consideration.

ARTICLE VI

TERM OF AGREEMENT - CANCELLATION

SECTION 6.01. Duration. This Agreement shall continue in force through December 31, 2005, unless cancelled pursuant to the provisions of Section 6.02.

cost of power under this Agreement, and, accordingly, Sponsors may from time to time review and discuss with Company its construction and operating plans, practices and procedures and any plans for demolition of the Joppa Plant and make recommendations with respect thereto which in Sponsors' judgment may provide for economies, and Company will adopt such recommendations of Sponsors as may be mutually agreed upon.

SECTION 3.09. Ownership of or Investment in Facilities Away from the Joppa Plant. The parties recognize that for the economical or reliable operation of the Joppa Plant, or because of technical reasons, or existing or future laws, regulations or orders of any legislative, judicial, administrative or other authoritative body, it may become necessary for Company or Sponsors to own or lease facilities away from the Joppa Plant, provide funds for or pay for the construction, operation, maintenance, financing or other costs of facilities, or arrange in some other manner for such facilities or services. In any such event, Sponsors agree to exert their best efforts to obtain necessary authorization and/or funding, and, if successful, to modify the terms of this Agreement in any and all respects necessary to provide for such facilities or services in order to enable Company to perform its obligations under this Agreement without detrimental effect to Company. If possible, the costs thereby incurred shall be included under Section 3.01 and consideration shall be given to the desirability of including any facilities provided under this Section 3.09 within the definition of the Joppa Plant.

The foregoing provisions of this Section 3.09 shall not be applicable to the Freezer Sublimator System referred to in Section 1.07 of the Contract and in Appendix D to the Contract. In no event shall any Sponsor be obligated to supply funds or otherwise participate in the financing, construction, operation, maintenance or costs of, or otherwise be obligated with respect to, such Freezer Sublimator System pursuant to the Contract.

ARTICLE IV

BILLING AND PAYMENT

SECTION 4.01. Submittal of Bills for Power. As soon as practicable after the end of each month, Company shall render to each Sponsoring Company a statement of all Joppa Plant power and energy delivered to or for the account of such Sponsoring Company during the immediately preceding month, specifying the amount due to Company therefor. This statement shall also include any payments due Company for costs incurred under Sections 3.05, 3.06, 3.07 and 3.09 of this Agreement. Each Sponsoring Company shall make payment promptly upon the receipt of such statement. In case any factor entering into the computation of the amount due cannot be determined at the time of billing, such factor shall be

SECTION 6.02. Cancellation of Agreement. Any party to this Agreement shall have the right to cancel its participation in this Agreement by providing a written notice of cancellation to the other parties a minimum of five (5) years prior to the effective date of cancellation. In the event of cancellation by any Sponsor of its participation in this Agreement, the demand and energy charges specified in Article III of this Agreement shall continue until the effective date of such cancellation, but such Sponsor shall not be required to pay for energy not delivered.

ARTICLE VII

GENERAL PROVISIONS

SECTION 7.01. Access to Resources. Company shall, at all reasonable times, upon the request of any Sponsoring Company grant to its representatives reasonable access to the books, records and accounts of Company, and furnish such Sponsoring Company such information as it may reasonably request, to enable it to determine the accuracy and reasonableness of payments made for energy supplied under this Agreement.

SECTION 7.02. Indemnity for Injuries and Damages. Each of the parties hereto shall indemnify and save harmless the other parties from and against any and all claims for injury or damage to persons or property, including expenses and costs in connection therewith, caused by, or resulting from the construction, installation, operation or maintenance of the facilities of the indemnifying party or by reason of the acts or negligence of its agents or employees in connection therewith.

SECTION 7.03. Force Majeure. No party hereto shall be held responsible or liable for any loss or damage on account of non-delivery of energy hereunder at any time caused by act of God, fire, flood, explosion, strike, civil or military authority, insurrection or riot, act of the elements, failure of equipment, or for any other cause beyond its control.

SECTION 7.04. Other Provisions of Contract. The parties hereto shall cooperate with each other in making any necessary contractual or other arrangements provided for under the Contract and not specifically discussed in this Agreement.

SECTION 7.05. Regulatory Approvals. This Agreement shall be subject to such action, if any, as may be taken by governmental regulatory authorities having jurisdiction.

SECTION 7.06. Notices. All notices and requests under this Agreement shall be in writing and shall be sufficient in all respects if delivered in person or sent by registered mail addressed to the party to be served, at such party's general office or at such other address as such party may from time to time designate in writing; provided that, in the event of operating conditions so necessitating, any notice or request concerning capacity or energy available or required, and the quoted price therefor, may be given orally or by telephone or telegraph.

SECTION 7.07. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, but this Agreement may not be assigned by any party hereto, except to a successor to all or substantially all the properties and assets of such party, without the written consent of all the other parties hereto.

SECTION 7.08. Titles and Subtitles. The Article and Section headings in this Agreement have been inserted as a matter of convenience and reference only, and are not a part of this Agreement.

SECTION 7.09. Jurisdiction. Except as to matters within the jurisdiction of particular regulatory bodies outside the State of Illinois, this Agreement shall be construed under the laws of the State of Illinois.

IN WITNESS WHEREOF, that this Power Supply Agreement between Electric Energy, Incorporated and Sponsoring Companies may be executed in any number of counterparts, all of which shall constitute but one and the same document, the parties hereto have caused this Agreement to be executed by their duly authorized officers, as of the day and year first above written, and shall become effective on the effective date of Modification No. 12 to the Contract.

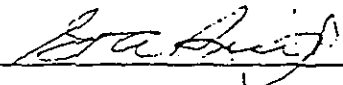
ELECTRIC ENERGY, INC.

ATTEST:


Secretary

By

Title


President

CENTRAL ILLINOIS PUBLIC SERVICE CO.

ATTEST:

R. W. Jackson
Secretary

By

Title

W. B. Buchanan
President

ILLINOIS POWER COMPANY

ATTEST:

W. B. Buchanan
Secretary

By

Title

W. B. Buchanan
Chairman and President

KENTUCKY UTILITIES COMPANY

ATTEST:

W. B. Buchanan
Secretary

By

Title

W. B. Buchanan
Chairman

UNION ELECTRIC COMPANY

ATTEST:

W. B. Buchanan
Secretary

By

Title

W. B. Buchanan
President

APPENDIX "A"

PRODUCTION PLANT

General Features

The Company's steam-electric generating station is of the outdoor type, located on the north bank of the Ohio River near Joppa, Illinois, approximately 8 miles north-northwest of the Project.

General facilities include: fencing; roadways; railroad trackage, including storage trackage and locomotives; towboat river barge coal unloading facilities; coal and ash handling facilities; service-water facilities; machine shop; warehouses; and administration building.

Arrangement and Structures

The circulating-water intake is at the river bank, with the water pumped from there to the station. Condensers are located in a deep pit, at an elevation suitable for full siphon action with river levels between normal pool at 290 (referred to mean sea level) and maximum flood of record at approximately 343; also with provision for satisfactory operation at extreme low river level of 285, which may occur at infrequent intervals when the navigation dam wickets are down.

Turbine-generators are situated on an open deck at elevation 350, served by two 125-ton overhead gantry cranes. Boiler equipment is located upstream or easterly from the turbines, main operating floor being at elevation 350. Top of stack is at elevation 900.

Provided on the operating-floor level adjacent to the turbines are two enclosed control rooms, air-conditioned and acoustically treated. In these rooms are located all operating controls for the six turbine-generator units, the six steam-generating units and their accessories, and complete controls for all transmission facilities.

Equipment

There are six General Electric turbine-generators, each consisting of a turbine designed to give 173.5 MW gross generation at 1.5 in. Hg abs back pressure, with throttle steam conditions 1800 psig 1050F and reheat to 1000F, with full six-stage extraction plus provision for three percent evaporated makeup. Generators, wound for 20kV, are rated 150 MW 0.85 pf, giving 176.5 MVA with 0.5-psig hydrogen, and 216.2 MVA with 30-psig hydrogen. Each unit is served by separate motor-driven exciter with special built-in flywheel, and shaft-end amplidyne pilot exciter. One spare exciter is provided.

River-water temperature varies between a minimum near 40F and a maximum of approximately 88F, which will give a usual range of condenser back pressures of from less than one inch to approximately 3.0 in. Hg abs. The net capability of each plant unit at generator voltage is 170 MW; this is after provision for plant auxiliaries, with 1.5-in. Hg abs average back pressure figured as obtainable with Ohio River water, and is with full-extraction from six points. After step-up transformer and transmission losses, the net capability of each plant unit is 168 MW for high voltage deliveries of power at DOE's Paducah Project.

The surface condenser serving each turbine has 90,000 sq ft of surface, being of the two-pass divided water-box type. Circulating water for each condenser is supplied by two vertical pumps at intake. Condenser deaeration of feedwater will be used.

Steam-generating plant consists of six Combustion Engineering units, each of which is designed to deliver, continuously, 1,200,000 lb per hour of steam, when fired with 11,000-Btu per lb coal, carrying 12 percent moisture and 12 percent ash as received. Each steam generator is equipped with five No. 673 Raymond pulverizers. Air and/or steam is used for soot blowing.

SUBSTATION

Transformers

Each generating unit is connected to a bank of three single-phase, 56/70 MVA, Type OA/FA transformers to step-up from generator voltage to 161 kV. A common spare single-phase transformer is provided for the six generating unit transformer banks. One three-phase unit auxiliary transformer is tapped off each generator main lead circuit to furnish power for the unit boiler and turbine auxiliaries. Auxiliary power distribution is made at 4160 volts and 480 volts.

A transformer fed from the 69-kV tertiary windings of the 230/161-kV autotransformers in the Central Illinois Public Service Company's Joppa substation or from that Company's 69-kV system, serves for plant start-up and as a standby for each of the unit auxiliary transformers; also, if desired, to supply power for the common station auxiliaries.

Switchyard

A 161-kV switchyard is located west of the generating station. Main one-line wiring diagram is shown by Exhibit 1.

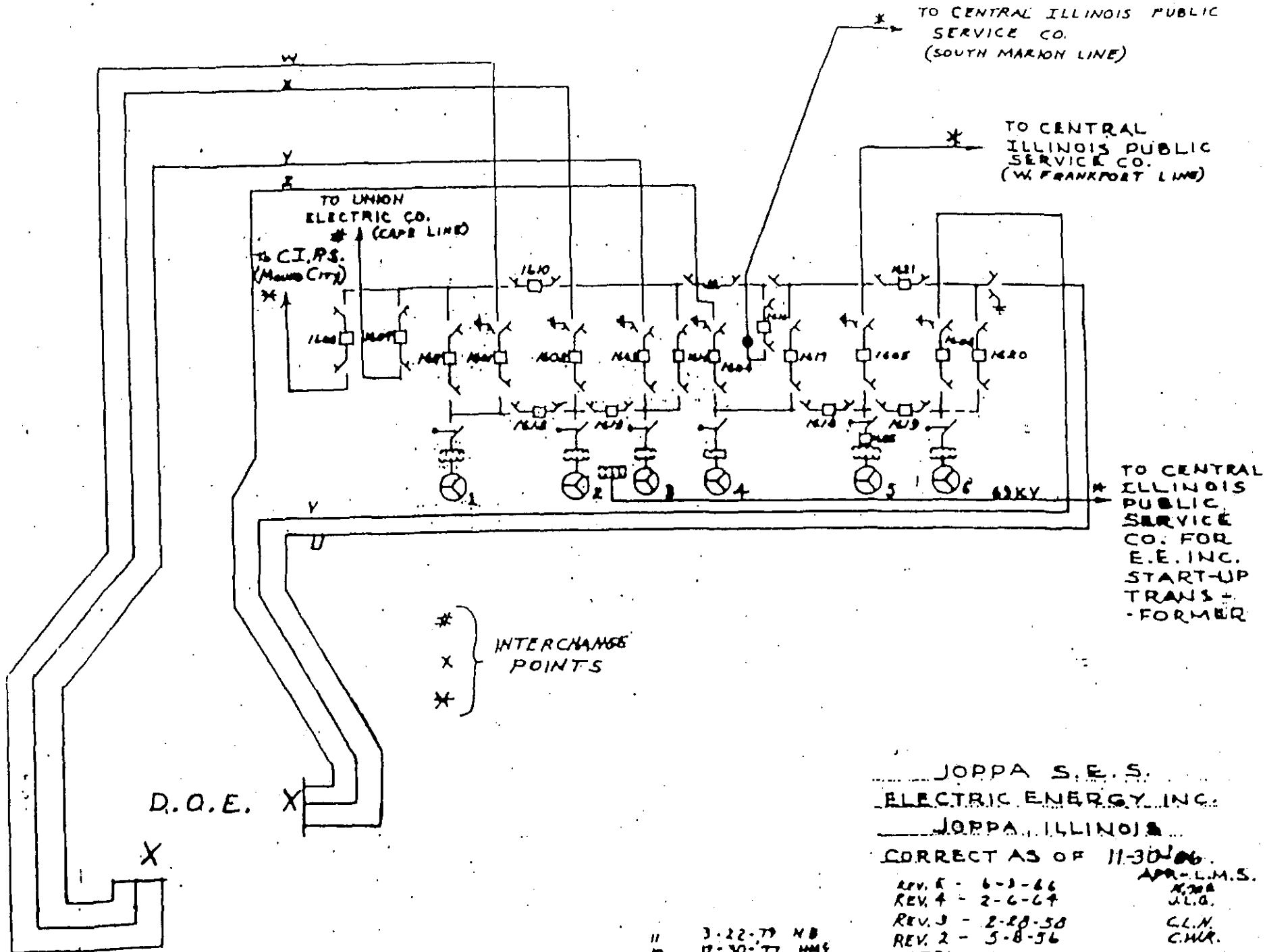
There are a total of twenty 161-kV oil circuit breakers having the following ratings: Interrupting capacity--fourteen 10,000 and six 15,000 MVA, circuit opening time--3 cycles; circuit closing time--10 cycles, and reclosing time--adjustable from 15 to 45 cycles.

TRANSMISSION LINES

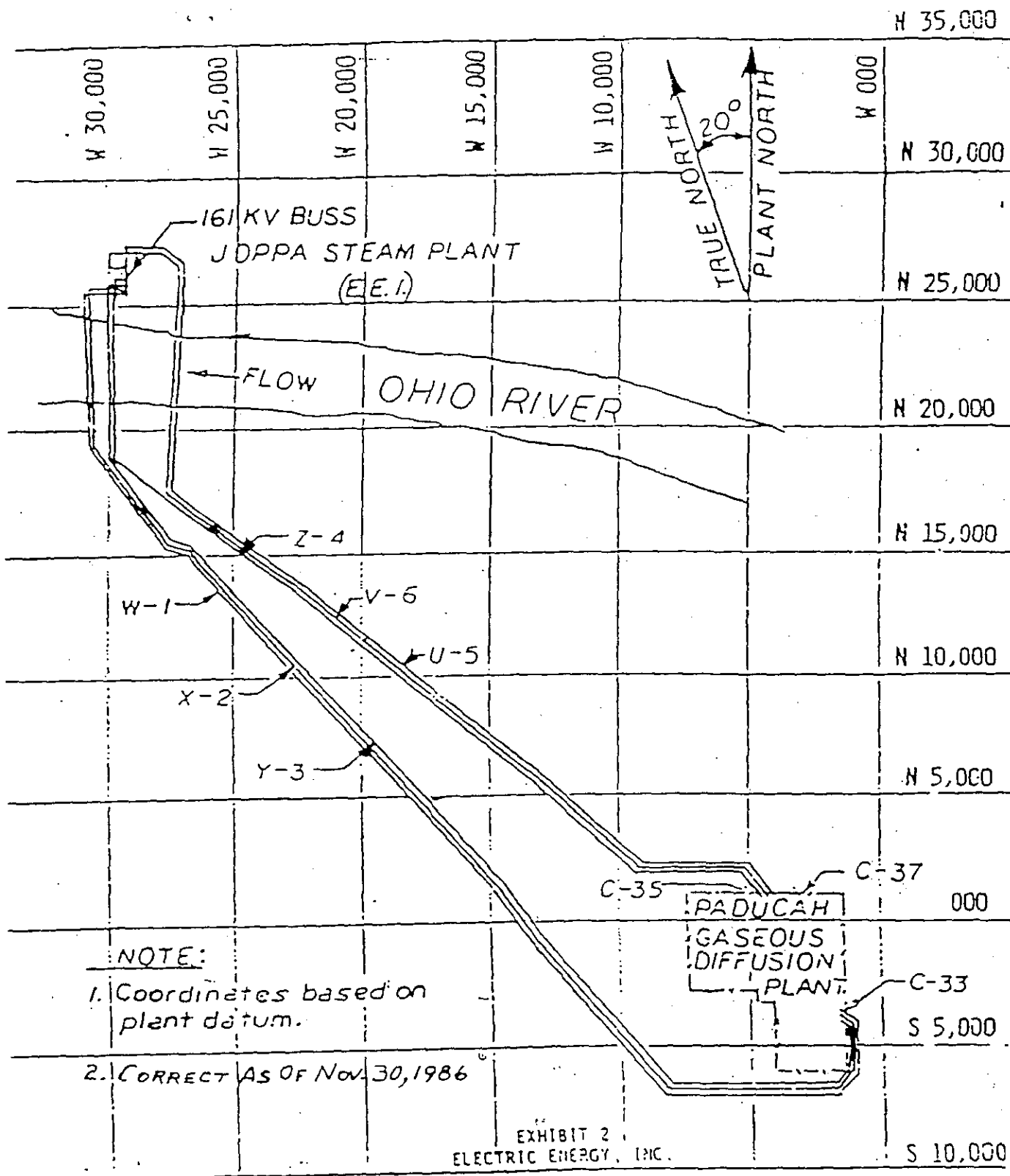
Transmission lines consist of six 161-kV circuits, extending from the generating station to river crossing towers, then across the Ohio River into the northwest corner of McCracken County, Kentucky, then in a southeasterly direction to a transmission line alley reserved for this purpose around the DOE Project, then continuing on this alley to the DOE substations at the project, an average total distance of approximately 8.7 miles. The general location of these lines is shown on Exhibit 2.

The river crossings consist of three double-circuit steel tower lines with crossing spans of about 4700 ft. Navigation clearance from maximum high water of record to the lowest conductors has been provided as required by the Corps of Engineers. The line conductors are 1,061,000 cmils high strength ACSR cables supported by 16 insulator units per suspension string. Overhead lightning shield wires have been provided.

From the river crossing to the DOE substations, there are six separate single-circuit 161-kV lines. Line conductors are 1,033,500-cmils ACSR supported by 11 unit suspension insulator strings and overhead lightning shield wires have been provided. These circuits are carried on wood-pole H-frame structures from the Paducah terminal of the river crossing to the boundary line of the DOE property. From the DOE property boundary line to the DOE substations the 161-kV circuits are carried on single-circuit steel towers.



11	3-22-79	NB
10	12-30-77	HMS
NB	REV DATE	BY



APPROXIMATE LOCATION OF
GENERATING STATION AND
TRANSMISSION LINES

APPENDIX "B"

DETERMINATION OF ESTABLISHED CAPABILITY

The established capability of Company's Joppa Plant shall be determined in accordance with the following procedures:

1. Company will, at the start of each calendar year or at such other time as appropriate, review the actual performance experience of the Joppa Plant in the past calendar year and determine by mutual agreement with DOE and the Sponsors a reasonable value for the dependable capability of the Joppa Plant for the period until the next determination. Due consideration shall be given to the effect of any outage time required for expected replacements, extensions, and improvements or major maintenance of an unusual nature which is in excess of four weeks' duration which would affect the daily capability of the Joppa Plant. Among other things, consideration shall also be given to pollution control restrictions. This determination may indicate the necessity to change the established capability of the Joppa Plant for a period due to pollution control restrictions or other reasons during which replacements, or extensions and improvements, or major maintenance of an unusual nature which is in excess of four weeks' duration are being affected. The basis for determination of the Joppa Plant's dependable capability shall be the maximum amount of generation, which may be limited by pollution control restrictions or other factors, that could have been carried continuously at all times during the year or the portion of the year under consideration, had the average conditions of temperature and cleanliness of circulating water during the previous calendar year prevailed; with all normally operated equipment which will be available for service, in service; with such equipment in an average state of maintenance and cleanliness; with the plant consuming fuel of the average quality being purchased; with average steam conditions and normal interstage extraction from the turbines; with generators carrying usual hydrogen pressure, operating at normal voltage, and with the operating power factor normally imposed by the system.

2. The capability of Company's Joppa Plant shall be determined at its 161 kV bus by subtracting from the sum of the generator outputs the total of the auxiliary load demands and the step-up transformer loss demands at the plant. The generator outputs and the auxiliary load demands will be measured by suitable meters, while the loss demand of the step-up transformers to the 161 kV bus shall be calculated by a mutually agreed upon procedure.

SERVICE SCHEDULE A
TO THE POWER AGREEMENT

ADDITIONAL POWER

SECTION A1 - DURATION

A1.01. This Service Schedule A, entered into this 2nd day of September, 1987, as a part of and under the Power Agreement dated September 2, 1987, as amended, by and between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part being herein sometimes collectively referred to as the Sponsoring Companies, shall become effective upon appropriate regulatory approval, and shall continue in effect throughout the duration of the Power Agreement of which it is a part. Any party furnishing service under this Service Schedule shall have the right by legally effective filing made with the Federal Energy Regulatory Commission or any successor regulatory agency having jurisdiction to supersede, change or modify the rates and charges for, or terms and conditions of, service furnished by such party under this Service Schedule, and each such party furnishing service under this Service Schedule shall have the right at any time unilaterally to file such changed, modified or superseding rates, terms and conditions with the FERC or such successor regulatory authority.

SECTION A2 - PURPOSE

A2.01. The purpose of this Service Schedule A is to provide for and establish the terms and conditions for the supply of Additional Power by the Sponsoring Companies to the Company.

SECTION A3 - ADDITIONAL POWER

A3.01. Non-firm power other than power generated at Joppa Plant, such power to be referred to as Additional Power, may be purchased by Company from Sponsoring Companies, if such power is available as determined solely by Sponsoring Companies, and further provided that delivery of such power shall not unduly burden the interconnected transmission system, as determined by the Sponsoring Companies.

SECTION A4 - RIGHT TO SUPPLY ADDITIONAL POWER

A4.01. Each Sponsoring Company's right to supply Additional Power to Company shall be in accordance with the provisions of Section 2.11 of the Agreement.

out-of-pocket costs, plus an adjustment for transmission losses.

- 4) If the supplying party is KU, KU shall charge the receiving party up to 3.9 mills per kilowatthour, plus 1.0 mills per kilowatthour for difficult to quantify expense.

SERVICE SCHEDULE B

TO THE POWER AGREEMENT

FIRM ADDITIONAL POWER

SECTION B1 - DURATION

B1.01. This Service Schedule B, entered into this 2nd day of September, 1987, as a part of and under the Agreement dated September 2, 1987 by and between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part being herein sometimes collectively referred to as the Sponsoring Companies, shall become effective upon appropriate regulatory approval, and shall continue in effect throughout the duration of the Power Agreement of which it is a part. Any party furnishing service under this Service Schedule shall have the right by legally effective filing made with the Federal Energy Regulatory Commission or any successor regulatory agency having jurisdiction to supersede, change or modify the rates and charges for, or terms and conditions of, service furnished by such party under this Service Schedule, and each such party furnishing service under this Service Schedule shall have the right at any time unilaterally to file such changed, modified or superseding rates, terms and conditions with the FERC or such successor regulatory authority.

SECTION B2 - PURPOSE

B2.01. The purpose of this Service Schedule B is to provide for and establish the terms and conditions for the supply of Firm Additional Power by the Sponsoring Companies to the Company so that Company can fulfill its obligations to DOE pursuant to the Contract.

SECTION B3 - FIRM ADDITIONAL POWER

B3.01. Pursuant to the Contract, Company may sometimes be required to supply up to 550 MW of power to DOE in order to meet DOE's minimum load requirement. Such power shall be referred to as Firm Additional Power and may be purchased from the Sponsoring Companies.

SECTION B4 - RIGHT TO SUPPLY FIRM ADDITIONAL POWER

B4.01. Each Sponsoring Company's right to supply Firm Additional Power to Company shall be in accordance with the provisions of Sections 2.11 and 2.12 of the Agreement.

SECTION B5 - BASIS OF SETTLEMENT

B5.01. The rates and charges for Firm Additional Power shall be:

a) A reservation charge of such price as conditions warrant and is mutually agreed upon, up to 24.0 cents per day or up to \$1.20 per week per kilowatt for power reserved, or the cost to the supplying party of capacity purchased from other systems; and

b) An energy charge per kilowatthour delivered which shall be settled for either by:

i) If the energy supplied is from the supplying party's system, then the payment per kilowatthour delivered shall be equivalent to the supplying party's out-of-pocket cost plus 10 % of such cost. Out-of-pocket cost shall be based on the cost of fuel, labor, maintenance, and operating supplies (including start-up costs, if any), and losses in transmission and transformation; or,

ii) If the energy supplied is from the system of a third party, then the payment for the energy delivered shall be priced according to the purchased energy price from the third-party system plus:

- 1) If the supplying party is CIPS, CIPS shall charge the receiving party up to 2.00 mills per kilowatthour for transmission use, plus 1.00 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.
- 2) If the supplying party is IP, IP shall charge the receiving party up to 1.6 mills per kilowatthour for transmission use, plus 1.0 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.
- 3) If the supplying party is UE, UE shall charge the receiving party up to 1.0 mills per kilowatthour for transmission use, plus 1.0 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.
- 4) If the supplying party is KU, KU shall charge the receiving party up to 3.9 mills per kilowatthour, plus 1.0 mills per kilowatthour for difficult to quantify expense.

SERVICE SCHEDULE C

TO THE POWER AGREEMENT

ECONOMY ENERGY

SECTION C1 - DURATION

C1.01. This Service Schedule C, entered into this 2nd day of September 1987, as a part of and under the Agreement dated September 2, 1987 by and between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part being herein sometimes collectively referred to as the Sponsoring Companies, shall become effective upon appropriate regulatory approval, and shall continue in effect throughout the duration of the IS&S Power Agreement of which it is a part. Any party furnishing service under this Service Schedule shall have the right by legally effective filing made with the Federal Energy Regulatory Commission or any successor regulatory agency having jurisdiction to supersede, change or modify the rates and charges for, or terms and conditions of, service furnished by such party under this Service Schedule, and each such party furnishing service under this Service Schedule shall have the right at any time unilaterally to file such changed, modified or superseding rates, terms and conditions with the FERC or such successor regulatory authority.

SECTION C2 - PURPOSE

C2.01. The purpose of this Service Schedule C is to provide for and establish the terms and conditions for the supply of Economy Energy by the Sponsoring Companies to the Company so that Company can fulfill its obligations to DOE and the Sponsoring Companies pursuant to the Contract.

SECTION C3 - ECONOMY ENERGY

C3.01. From time to time the Sponsoring Companies may be able to provide energy to Company which would then be provided to DOE at a cost lower than that of the Joppa Plant or other DOE sources. Sponsoring Companies may sell said energy, referred to as Economy Energy, to Company which shall furnish it to DOE. Such energy may be purchased by Company from the Sponsoring Companies, if available in the sole judgment of the Sponsoring Companies.

C3.02. Economy Energy is non-firm energy which the Sponsoring Companies can produce or purchase and deliver to Company to provide for delivery by Company to DOE at an incremental cost which is lower than the cost DOE would incur by receiving equivalent energy from Joppa or other DOE sources.

C3.03. In order that the advantages to be derived hereunder may be realized by the parties to the fullest extent practicable, operating representatives of the parties will, from time to time, upon request of another party, furnish information with respect to (a) the cost, as hereinafter defined, of Economy Energy a Sponsoring Company can make available, and (b) the value, as hereinafter defined, of Economy Energy Company can utilize.

C3.04. Economy Energy may be scheduled in amounts mutually agreed upon from time to time, by telephone or otherwise, under the conditions determined by the Coordinating Committee.

C3.05. Insofar as practicable, the Sponsoring Company supplying Economy Energy will use for such purpose those power sources available for additional generation or supply at the time, which have the lowest cost for energy.

SECTION C4 - RIGHT TO SUPPLY ECONOMY ENERGY

C4.01. Each Sponsoring Company's right to supply Economy Energy to Company shall be in accordance with the provisions of Section 2.11 of the Agreement.

SECTION C5 - BASIS OF SETTLEMENT

C5.01. The cost of Economy Energy hereunder shall mean the incremental expense that the Sponsoring Companies supplying such energy would incur in supplying it, and shall consist of its incremental expense of generating that increment of energy delivered and shall be based on the cost of fuel, labor, maintenance and operating supplies (including start-up cost, if any), purchased energy, and losses in transmission and transformation. The determination of incremental costs shall be in accordance with industry practices in the area. The value of Economy Energy hereunder shall mean the incremental expense that the Company or DOE would incur if Economy Energy were not received, and shall consist of the Company's incremental expense of generating that increment of energy, or DOE's expense in purchasing that increment of energy, and shall be based on the cost of fuel, labor, maintenance and operating supplies (including start-up cost, if any).

C5.02. The billing price of Economy Energy shall be as follows:

- a) If the energy supplied is from the supplying party's system, the price shall be agreed upon before the delivery begins and shall be computed so as to divide equally between

the Sponsoring Company and Company the prospective net benefit estimated to be realized from the transaction by comparison of the cost to the Sponsoring Company and value to Company as defined above.

b) If the energy supplied is from the system of a third party, then the price shall be agreed upon before delivery begins and shall be computed so as to divide equally among the Sponsoring Company, Company and the third party the prospective net benefit estimated to be realized from the transaction by comparison of the cost to the third party and value to Company as defined above. However, the Sponsoring Company may, at its option, elect to receive an amount up to one-third of such prospective net benefit, or:

(i) when CIPS is the Sponsoring Company, an amount not to exceed 3.0 mills per kWh plus quantifiable transmission losses;

(ii) when IP is the Sponsoring Company, an amount not to exceed 2.6 mills per kWh plus quantifiable transmission losses;

(iii) when UE is the Sponsoring Company, an amount not to exceed 2.0 mills per kWh plus quantifiable transmission losses.

(iv) when KU is the Sponsoring Company, an amount not to exceed 4.9 mills per kWh.

SERVICE SCHEDULE D

TO THE POWER AGREEMENT

TERM ENERGY

Section D1 - Duration

D1.01. This Service Schedule, entered into this 2nd day of September, 1987, as a part of and under the Power Agreement dated September 2, 1987, as amended, by and between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part, such parties of the second part being herein sometimes collectively referred to as the Sponsoring Companies, is made effective upon appropriate regulatory approval, and shall continue in effect throughout the duration of the Power Agreement of which it is a part. Any party furnishing service under this Service Schedule shall have the right by legally effective filing made with the Federal Energy Regulatory Commission or any successor regulatory agency having jurisdiction to supersede, change or modify the rates and charges for, or terms and conditions of, service furnished by such party under this Service Schedule, and each such party furnishing service under this Service Schedule shall have the right at any time unilaterally to file such changed, modified or superseding rates, terms and conditions with the FERC or such successor regulatory authority.

Section D2 - Purpose

D2.01. The purpose of this Service Schedule D is to provide for and establish the terms and conditions for the supply of Term Energy by the Sponsoring Companies to Company so that Company can fulfill its obligations to DOE and the Sponsoring Companies pursuant to the Contract.

Section D3 - Term Energy

D3.01. Term Energy is energy which one party purchases from another party for the purpose of obtaining a supply of energy intended to replace higher cost energy sources enabling the parties to share cost savings through more efficient use of resources. Either party, by giving the other party advance notice may reserve, for periods of one day or more, but less than twelve months, and at agreed upon minimum and maximum rates of delivery, such electric energy as the other party may have or may specifically reserve from the system of another interconnected

company and is willing to make available as Term Energy. The party which is asked to supply Term Energy shall be the sole judge as to the amounts and periods that it has electric energy available for reservation by the other party.

D3.02. To reserve Term Energy, the party desiring such energy shall specify in its notice to the other party the maximum and minimum kilowatthours per hour and the minimum kilowatthours to be reserved. The party receiving such notice shall promptly signify the extent of its ability and willingness to comply with the provisions of such request.

D3.03. During the period that Term Energy has been reserved as provided above, it shall be the responsibility of the purchasing party to schedule in advance the deliveries of energy associated therewith and of the supplying party to deliver such energy. The degree of firmness of the energy reserved shall be mutually agreed upon between the parties at the time the energy is reserved.

Section D4 - Right to Supply Term Energy

D4.01. Each Sponsoring Company's right to supply Term Energy shall be in accordance with the provisions of Section 2.11 of the Agreement.

Section D5 - Basis of Settlement

D5.01. Term Energy supplied hereunder shall be settled for by payment of an energy charge per kilowatthour delivered, plus an availability charge.

D5.02. The availability charge shall be such price as conditions warrant and as is mutually agreed upon, up to 6.25 mills/KWh for energy reserved or energy delivered, whichever is greater.

D5.03. The energy charge per kilowatthour delivered shall be settled for either by:

a) If the energy supplied is from the supplying party's system, then the payment per kilowatthour delivered shall be equivalent to the supplying party's out-of-pocket costs plus an adder equal to or less than 10 percent of such cost. Out-of-pocket costs shall be based on the cost of fuel, labor, maintenance and operating supplies (including start-up costs, if any), and losses in transmission and transformation, or

b) If the energy supplied is from the system of a third party, then for each kilowatthour of energy that is priced according to the purchased energy price from such third party, the supplying party shall charge the receiving party the amount therefor paid to such third party plus:

i) If the supplying party is CIPS, CIPS shall charge the receiving party up to 2.00 mills per kilowatthour for transmission use, plus 1.00 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.

ii) If the supplying party is IP, IP shall charge the receiving party up to 1.6 mills per kilowatthour for transmission use, plus 1.0 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.

iii) If the supplying party is UE, UE shall charge the receiving party up to 1.0 mills per kilowatthour for transmission use, plus 1.0 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.

(iv) If the supplying party is KU, KU shall charge the receiving party up to 3.9 mills per kilowatthour, plus 1.0 mills per kilowatthour for difficult to quantify expense.

ELECTRIC ENERGY, INC.

POST OFFICE BOX 165 JOPPA, ILLINOIS 62953
PHONE 618 543-7531

December 5, 1988

Mr. W. E. Cornelius
Union Electric Company

Mr. W. J. Kelley
Illinois Power Company

Mr. J. T. Newton
Kentucky Utilities Company

Mr. D. G. Raymer
Central Illinois Public Service Company

Gentlemen:

This Letter Supplement confirms the understanding reached between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part, being herein sometimes collectively referred to as the Sponsoring Companies, with respect to revising the Power Supply Agreement (herein called the "Agreement"), dated September 2, 1987. The purpose of this Letter Supplement is to amend the Agreement to incorporate the following changes:

1. The original Section 2.12 is deleted and is replaced in its entirety with the following revised Section 2.12:

SECTION 2.12. Purchases of Firm Additional Power for Resale to DOE. By the terms of the Contract, Company is obligated to supply to DOE amounts of power necessary to meet DOE's "Minimum Power Requirement" at the Project. DOE's Minimum Power Requirement shall be defined as 450 MW during the months of March through October and 550 MW during the months of November through February. Each Sponsor shall be obligated to supply Company with an amount of such Firm Additional Power in proportion to its Participation Ratio.

Such power shall be referred to as "Firm Additional Power," and shall be defined as firm power, other than power generated at Joppa Plant, which is purchased by Company from the Sponsoring Companies for the purpose of supplying DOE's Minimum Power Requirement. In the event that such power must be curtailed by the supplying Sponsoring Company, such curtailment shall be made, in order of priority, only after all non-firm coordination sales and interruptible native load sales have been curtailed.

ELECTRIC ENERGY, INC.

- 2 -

However, such curtailment will be made, in the judgment of the supplying Sponsoring Company, if necessary to preclude the need to curtail non-interruptible native load or non-interruptible coordination sales. (Native load is defined as the power needed to supply retail customers and requirements wholesale customers.)

Such obligation shall entitle each Sponsor to bid for the right to supply Firm Additional Power which is scheduled in advance, and for the supply of Firm Additional Power which may be required due to Joppa Plant outages. However, any Sponsor may cancel its obligation to supply Firm Additional Power by providing Company and other Sponsors a written notice of such cancellation a minimum of three years and thirty days prior to the effective date of such cancellation. In the event of cancellation by any Sponsor(s), the remaining Sponsor(s) shall assume the full obligation to supply Firm Additional Power in proportion to the remaining Participation Ratios.

By September 1 of every year, beginning with the effective date of this modification, each Sponsor obligated to supply Firm Additional Power shall provide Company with its price offers for the scheduled amounts of Firm Additional Power for the immediately following calendar year. The Sponsors' offers shall be in the form specified in Section 2.08 of the Contract and shall not exceed the rates then in effect and filed in Service Schedule B of this Agreement. Company shall commit to purchase Firm Additional Power for resale to DOE based on the competitive bidding procedure described in Section 2.11, and shall provide Sponsors with a final schedule for the supply of Firm Additional Power by December 1. Such schedule shall specify the time periods, prices and amounts of power to be provided by each Sponsor. Each Sponsor shall be obligated to supply the scheduled amounts of power and Company shall be obligated to pay for such power at the scheduled prices.

Because the need for unscheduled amounts of Firm Additional Power cannot be foreseen, and the Sponsors are obligated to provide such power in proportion to their Participation Ratios, the Company shall pay Sponsors in proportion to their Participation Ratios for such power at the full capacity rate then in effect and filed in Schedule B. However, Company shall purchase the energy associated with such unscheduled Firm Additional Power in accordance with the competitive bidding procedures of Section 2.11.

2. The following Section 3.10 is added to the Agreement:

SECTION 3.10. Additional Transmission Facilities - Joppa Plant. In order for Company to supply the amounts of Additional Power projected to be needed by DOE, Company will require

ELECTRIC ENERGY, INC.

- 3 -

additional transmission facilities. DOE and Company will mutually determine the transmission additions or modifications necessary to establish an adequate transmission path, and such modifications shall be described in an Appendix "E," which shall be completed and made a part of this Agreement before such modifications are installed. Company shall install these transmission additions or modifications, subject to regulatory approval. Cost allocation of these facilities will be in accordance with the following:

(a) Sponsors shall provide a maximum of 25 percent of the cost support for these facilities.

(b) The costs applicable to these transmission facility modifications shall be included under Section 3.01 of this Agreement and shall be charged to Sponsors in accordance with Article III of this Agreement provided that Sponsors' Annual Percentage of Joppa Plant is not more than 25 percent, as stated in Section 2.05 of this Agreement. If such percentage is more than 25 percent, then Sponsors and Company agree that Sponsors shall continue to provide only 25 percent of the cost support for the modified transmission facilities to be described in Appendix "E" to this Agreement.

3. The following paragraph (c) is added to Section 3.04 of the Agreement:

(c) If DOE's average annual purchases (averaged for all years beginning with the in-service date of the modified transmission facilities described in Appendix "E" of this Agreement) of Additional Power from Company do not exceed 4,200,000 MWh, then Sponsors shall pay none of the costs of the facilities described in Appendix "E" of this Agreement. If DOE's average annual purchases of additional power exceed 4,200,000 MWh but are less than 6,000,000 MWh, then Sponsors shall pay for a percentage of the costs of the facilities described in Appendix "E," determined by the following formula:-

$$\% = 25 \times \frac{\text{Excess MWh}}{1,800,000}$$

Where Excess MWh equals the average Annual MWhs of Additional Power purchased by DOE from Company in excess of 4,200,000 MWh. Adjustments will be applied to current and previous years' Annual Adjustment of DOE Charges.

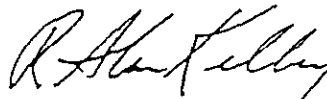
The understandings confirmed in this Letter Supplement are expressly limited to the specific arrangements described herein and, except as expressly provided for herein, shall not affect the rights and obligations of the Company or any Sponsoring Company under the provisions of the Agreement.

ELECTRIC ENERGY, INC.

- 4 -

If this Letter Supplement meets with your approval, please sign in the appropriate space below and return the signed copies to me.

Sincerely,



R. Alan Kelley
President
Electric Energy, Incorporated

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

By 

Title _____

ILLINOIS POWER COMPANY

By 

Title _____

KENTUCKY UTILITIES COMPANY

By 

Title _____

UNION ELECTRIC COMPANY

By 

Title _____

SECOND REVISED

SERVICE SCHEDULE B

TO THE POWER AGREEMENT

FIRM ADDITIONAL POWER

SECTION B1 - DURATION

B1.01. This Service Schedule B, entered into this ____ day of _____, 198_, as a part of and under the Agreement dated _____, 198_ by and between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part being herein sometimes collectively referred to as the Sponsoring Companies, shall become effective upon appropriate regulatory approval, and shall continue in effect throughout the duration of the Power Agreement of which it is a part. Any party furnishing service under this Service Schedule shall have the right by legally effective filing made with the Federal Energy Regulatory Commission or any successor regulatory agency having jurisdiction to supersede, change or modify the rates and charges for, or terms and conditions of, service furnished by such party under this Service Schedule, and each such party furnishing service under this Service Schedule shall have the right at any time unilaterally to file such changed, modified or superseding rates, terms and conditions with the FERC or such successor regulatory authority.

SECTION B2 - PURPOSE

B2.01. The purpose of this Service Schedule B is to provide for and establish the terms and conditions for the supply of Firm Additional Power by the Sponsoring Companies to the Company so that Company can fulfill its obligations to DOE pursuant to the Contract.

SECTION B3 - FIRM ADDITIONAL POWER

B3.01. Pursuant to the Contract, Company may sometimes be required to supply up to 550 MW of power to DOE in order to meet DOE's minimum load requirement. Such power shall be referred to as Firm Additional Power and may be purchased from the Sponsoring Companies.

SECTION B4 - RIGHT TO SUPPLY FIRM ADDITIONAL POWER

B4.01. Each Sponsoring Company's right to supply Firm Additional Power to Company shall be in accordance with the provisions of Sections 2.11 and 2.12 of the Agreement.

SECTION B5 - BASIS OF SETTLEMENT

B5.01. The rates and charges for Firm Additional Power pursuant to Option (a) of Section 2.08 of the Contract shall not exceed 10.0 cents per kilowatthour; and, for power provided pursuant to Option (b) of Section 2.08, shall not exceed:

a) A reservation charge of such price as conditions warrant and is mutually agreed upon, up to 24.0 cents per day or up to \$1.20 per week per kilowatt for power reserved from IP and UE, up to 46.0 cents per day or up to \$2.30 per week per kilowatt for power reserved from CIPS, up to 33.0 cents per day or up to \$1.66 per week per kilowatt for power reserved from KU, or the cost to the supplying party of capacity purchased from other systems; and

b) An energy charge per kilowatthour delivered which shall be settled for either by:

i) If the energy supplied is from the supplying party's system, then the payment per kilowatthour delivered shall be equivalent to the supplying party's out-of-pocket cost plus 10% of such cost. Out-of-pocket cost shall be based on the cost of fuel, labor, maintenance, and operating supplies (including start-up costs, if any), and losses in transmission and transformation; or,

ii) If the energy supplied from the system of a third party, then the payment for the energy delivered shall be priced according to the purchased energy price from the third-party system plus:

1) If the supplying party is CIPS, CIPS shall charge the receiving party up to 2.00 mills per kilowatthour for transmission use, plus 1.00 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.

- 2) If the supplying party is IP, IP shall charge the receiving party up to 1.6 mills per kilowatthour for transmission use, plus 1.0 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.
- 3) If the supplying party is UE, UE shall charge the receiving party up to 1.0 mills per kilowatthour for transmission use, plus 1.0 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.
- 4) If the supplying party is KU, KU shall charge the receiving party up to 2.6 mills per kilowatthour, plus 1.0 mills per kilowatthour for difficult to quantify expense.

SERVICE SCHEDULE E

TO THE POWER AGREEMENT

EMERGENCY ENERGY

SECTION E1 - DURATION

E1.01. This Service Schedule E, entered into this ____ day of ____, 198_, as a part of and under the Agreement dated ____, 198_ by and between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part being herein sometimes collectively referred to as the Sponsoring Companies, shall become effective upon appropriate regulatory approval, and shall continue in effect throughout the duration of the Power Supply Agreement between Electric Energy, Inc. and the Sponsoring Companies of which it is a part. Any party furnishing service under this Service Schedule shall have the right by legally effective filing made with the Federal Energy Regulatory Commission or any successor regulatory agency having jurisdiction to supersede, change or modify the rates and charges for, or terms and conditions of, service furnished by such party under this Service Schedule, and each such party furnishing service under this Service Schedule shall have the right at any time unilaterally to file such changed, modified or superseding rates, terms and conditions with the FERC or such successor regulatory authority.

SECTION E2 - PURPOSE

E2.01. The purpose of this Service Schedule E is to provide for and establish the terms and conditions for the supply of Emergency Energy by the Sponsoring Companies to the Company so that Company can fulfill its obligations to DOE and the Sponsoring Companies pursuant to the Contract.

SECTION E3 - EMERGENCY ENERGY

E3.01. Emergency Energy is energy furnished by one party to another party when an emergency exists on the system of the other party.

E3.02. An emergency is defined as the breakdown, or other contingency, involving either sources of power or transmission facilities, or both, which impairs or jeopardizes the ability to meet system loads.

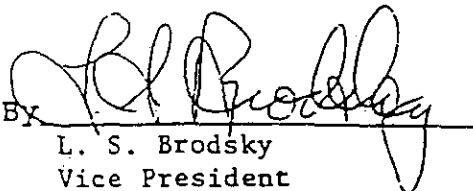
CERTIFICATE OF CONCURRENCE

This is to certify that Illinois Power Company assents to and concurs in the rate schedules described below, which Electric Energy, Inc. has filed, and hereby files this Certificate of Concurrence in lieu of filing the rate schedules specified:

- (1) The Letter Supplement, dated December 5, 1988, to the Power Supply Agreement, dated September 2, 1987, between Electric Energy, Inc. and Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company and Union Electric Company;
- (2) Second Revised Service Schedule B, Firm Additional Power, to the Power Supply Agreement; and
- (3) Service Schedule E, Emergency Energy, to the Power Supply Agreement.

Illinois Power Company's Rate Schedule is FERC No. 119, as supplemented.

ILLINOIS POWER COMPANY

By 
L. S. Brodsky
Vice President
August 22, 1989

Dated: 8/21/89

CERTIFICATE OF CONCURRENCE

This is to certify that Kentucky Utilities Company assents to and concurs in the rate schedules described below, which Electric Energy, Inc. has filed, and hereby files this Certificate of Concurrence in lieu of filing the rate schedules specified:

(1) The Letter Supplement, dated December 5, 1988, to the Power Supply Agreement, dated September 2, 1987, between Electric Energy, Inc. and Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company and Union Electric Company;

(2) Second Revised Service Schedule B, Firm Additional Power, to the Power Supply Agreement; and

(3) Service Schedule E, Emergency Energy, to the Power Supply Agreement.

Kentucky Utilities Company's Rate Schedule is FERC No. 199, as supplemented.

KENTUCKY UTILITIES COMPANY

By Robert M. Hewitt
Vice President

Dated: 8-21-89

CERTIFICATE OF CONCURRENCE

This is to certify that Union Electric Company assents to and concurs in the rate schedules described below, which Electric Energy, Inc. has filed, and hereby files this Certificate of Concurrence in lieu of filing the rate schedules specified:

(1) The Letter Supplement, dated December 5, 1988, to the Power Supply Agreement, dated September 2, 1987, between Electric Energy, Inc. and Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company and Union Electric Company;

(2) Second Revised Service Schedule B, Firm Additional Power, to the Power Supply Agreement; and

(3) Service Schedule E, Emergency Energy, to the Power Supply Agreement.

Union Electric Company's Rate Schedule is FERC No. 126, as supplemented.

UNION ELECTRIC COMPANY

By 

EARL K. DILLE
President

Dated: 8/21/89

ELECTRIC ENERGY, INC.

POST OFFICE BOX 165 JOPPA, ILLINOIS 62933

PHONE GIS 543-7531

Mod 14

May 23, 1991

Mr. E. K. Dille
Union Electric Company

Mr. W. J. Kelley
Illinois Power Company

Mr. J. T. Newton
Kentucky Utilities Company

Mr. C. L. Greenwalt
Central Illinois Public Service Company

Gentlemen:

This Letter Supplement confirms the understanding reached between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part, being herein sometimes collectively referred to as the Sponsoring Companies, with respect to revising the Power Supply Agreement (herein called the "Agreement"), dated September 2, 1987. The purpose of this Letter Supplement is to amend the Agreement to incorporate the following changes:

1. The original Section 3.03 is deleted and is replaced in its entirety with the following revised Section 3.03:

SECTION 3.03. Excess Joppa Energy Rate. The rate for Excess Joppa Energy shall consist of a monthly energy charge equal to Company's actual fuel costs for the month, multiplied by a factor not to exceed 110 percent, multiplied by each Sponsor's ratio of the billing MWh of Excess Joppa Energy to the billing MWh of all Joppa energy delivered during the month to all Company customers. The difference between the cost to generate Excess Joppa Energy and the cost of Excess Joppa Energy to Sponsors shall not be included in the Component D calculation specified in Section 3.01, and the income taxes on such difference shall not be included in Component C of Section 3.01.

2. The following Section 3.11 is added to the Agreement:

SECTION 3.11. Transmission Improvements and Studies. Company will contract with the Sponsoring Companies to make

ELECTRIC ENERGY, INC.

-2-

the transmission modifications outlined in Attachment A to this Letter Supplement. Company's actual costs associated with the installation of facilities outlined in such Attachment A (including applicable overhead costs and all amounts charged to Company by the Sponsoring Companies) shall be included as Joppa Plant Costs in accordance with Section 3.01 of the Agreement. Such costs shall be charged to Sponsors in accordance with Article III of this Agreement provided that Sponsors' Annual Percentage of Joppa Plant is not greater than 25 percent, as stated in Section 2.05 of this Agreement, and provided that DOE purchases a minimum of 4,400,000 MWh of Additional Power annually from Company. However,

(a) If Sponsors' Annual Percentage of Joppa Plant is greater than 25 percent, then Sponsors shall continue to pay only 25 percent of the annual support for such costs, with such costs allocated among the Sponsors in proportion to the Sponsors' Participation Ratios as defined in Section 2.03, or

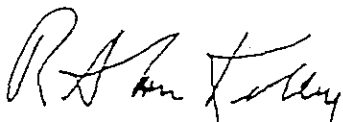
(b) If DOE's annual purchases of Additional Power from Company is less than 4,400,000 MWh, then regardless of the Sponsors Annual Percentage of Joppa Plant, Sponsors shall pay none of the annual support for such costs.

If DOE cancels its contract with EEI pursuant to Section 6.02 of Modification No. 14, then Sponsors shall pay none of the unamortized portions of such costs.

None of Company's costs associated with the engineering and design of additional transmission facilities not included in the outline of facilities in Attachment A, and which have been, or may be, accumulated under Company Work Order No. 2106, shall be allocated to Sponsors.

If this Letter Supplement meets with your approval, please sign in the appropriate space below and return the signed copies to me.

Sincerely,



R. Alan Kelley
President
Electric Energy, Incorporated

ELECTRIC ENERGY, INC.

-3-

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

By *W. H. Truesdell*
Title President & CEO

ILLINOIS POWER COMPANY

By *Charles W. Mills*
Title Executive V. P.

KENTUCKY UTILITIES COMPANY

By *John T. Newton*
Title President

UNION ELECTRIC COMPANY

By *Earl A. Green*
Title President

Attachment A

Increase ILMO-Joppa Transmission Tie Capability

EEInc. shall upgrade, or cause to be upgraded, the tie capabilities between EEInc. and the ILMO companies. This upgrade shall include the upgrade (raising) of the Joppa-S. Marion 161 kV line, the replacement of one of the 150 MVA 230/161 kV transformers at Joppa with a 438 MVA unit, and upgrade of the Joppa-W. Frankfort 230 kV line terminal equipment at West Frankfort to 1600 amp capability. Implementation of this upgrade will raise the Joppa-ILMO tie capability from 855 to 1189 MVA depending upon ambient temperature. This is an increase of 227 to 289 MVA depending on temperature.



Electric Energy, Inc.

October 7, 1992

Mr. C. W. Mueller
Union Electric Company

Mr. L. D. Haab
Illinois Power Company

Mr. J. T. Newton
Kentucky Utilities Company

Mr. C. L. Greenwalt
Central Illinois Public Service Company

Gentlemen:

This Letter Supplement confirms the understanding reached between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part, being herein sometimes collectively referred to as the Sponsoring Companies, with respect to revising the Power Supply Agreement (herein called the "Agreement"), dated September 2, 1987. The purpose of this Letter Supplement is to amend the Agreement to incorporate the following changes:

1. The demand charge component set forth in paragraph (a), item (ii), of Section 3.02, Permanent Joppa Power Rate, shall be modified in its entirety as follows:

(ii) \$1.53 per megawatthour, multiplied by 1000 MW (capability of Joppa Plant), multiplied by the number of hours of the month, multiplied by each Sponsor's Annual Percentage of Joppa Plant, multiplied by the ratio of, the Joppa Plant Availability Factor for the month (as determined in accordance with Appendix "C" to this Agreement) to 0.925. This portion of the demand charge shall not be included in the Component D calculation specified in Section 3.01, and the income taxes on this charge shall not be included in Component C of Section 3.01. Furthermore, this portion of the demand charge shall be subject to periodic adjustment, upon mutual agreement of Company and Sponsors, and after an initial period of three years from date of execution of this Letter Supplement, to account for such indeterminable factors as prevailing condition in the bulk power market.



2. Section 3.03. Excess Joppa Energy Rate is modified in its entirety as follows:

Section 3.03. Excess Joppa Energy Rate. The rate for Excess Joppa Energy shall consist of a monthly energy charge equal to Company's actual fuel cost for the month, multiplied by each Sponsor's ratio of the billing MWh of Excess Joppa Energy to the billing MWh of all Joppa energy delivered during the month to all Company customers, plus a factor not to exceed \$1.53 multiplied by each Sponsor's billing MWh of Excess Joppa Energy delivered during the month. The difference between the cost to generate Excess Joppa Energy and the cost of Excess Joppa Energy to Sponsors shall not be included in the Component D calculation specified in Section 3.01, and the income taxes on such difference shall not be included in Component C of Section 3.01.

If this Letter Supplement meets with your approval, please sign in the appropriate space below and return the signed copies to me.

Sincerely,

R. Alan Kelley
President
Electric Energy, Incorporated

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

By E. J. [Signature]

Title President & CEO

ILLINOIS POWER COMPANY

By Charles W. Hill

Title Executive Vice President



-3-

KENTUCKY UTILITIES COMPANY

By John T. Newton
Title Chairman

UNION ELECTRIC COMPANY

By Curtis M. Sullivan
Title Senior Vice President

ELECTRIC ENERGY, INC.

POST OFFICE BOX 165 JOPPA, ILLINOIS 62953
PHONE 618 543-7531

December 5, 1988

Mr. W. E. Cornelius
Union Electric Company

Mr. W. J. Kelley
Illinois Power Company

Mr. J. T. Newton
Kentucky Utilities Company

Mr. D. G. Raymer
Central Illinois Public Service Company

Gentlemen:

This Letter Supplement confirms the understanding reached between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part, being herein sometimes collectively referred to as the Sponsoring Companies, with respect to revising the Power Supply Agreement (herein called the "Agreement"), dated September 2, 1987. The purpose of this Letter Supplement is to amend the Agreement to incorporate the following changes:

1. The original Section 2.12 is deleted and is replaced in its entirety with the following revised Section 2.12:

SECTION 2.12. Purchases of Firm Additional Power for Resale to DOE. By the terms of the Contract, Company is obligated to supply to DOE amounts of power necessary to meet DOE's "Minimum Power Requirement" at the Project. DOE's Minimum Power Requirement shall be defined as 450 MW during the months of March through October and 550 MW during the months of November through February. Each Sponsor shall be obligated to supply Company with an amount of such Firm Additional Power in proportion to its Participation Ratio.

Such power shall be referred to as "Firm Additional Power," and shall be defined as firm power, other than power generated at Joppa Plant, which is purchased by Company from the Sponsoring Companies for the purpose of supplying DOE's Minimum Power Requirement. In the event that such power must be curtailed by the supplying Sponsoring Company, such curtailment shall be made, in order of priority, only after all non-firm coordination sales and interruptible native load sales have been curtailed.

ELECTRIC ENERGY, INC.

- 2 -

However, such curtailment will be made, in the judgment of the supplying Sponsoring Company, if necessary to preclude the need to curtail non-interruptible native load or non-interruptible coordination sales. (Native load is defined as the power needed to supply retail customers and requirements wholesale customers.)

Such obligation shall entitle each Sponsor to bid for the right to supply Firm Additional Power which is scheduled in advance, and for the supply of Firm Additional Power which may be required due to Joppa Plant outages. However, any Sponsor may cancel its obligation to supply Firm Additional Power by providing Company and other Sponsors a written notice of such cancellation a minimum of three years and thirty days prior to the effective date of such cancellation. In the event of cancellation by any Sponsor(s), the remaining Sponsor(s) shall assume the full obligation to supply Firm Additional Power in proportion to the remaining Participation Ratios.

By September 1 of every year, beginning with the effective date of this modification, each Sponsor obligated to supply Firm Additional Power shall provide Company with its price offers for the scheduled amounts of Firm Additional Power for the immediately following calendar year. The Sponsors' offers shall be in the form specified in Section 2.08 of the Contract and shall not exceed the rates then in effect and filed in Service Schedule B of this Agreement. Company shall commit to purchase Firm Additional Power for resale to DOE based on the competitive bidding procedure described in Section 2.11, and shall provide Sponsors with a final schedule for the supply of Firm Additional Power by December 1. Such schedule shall specify the time periods, prices and amounts of power to be provided by each Sponsor. Each Sponsor shall be obligated to supply the scheduled amounts of power and Company shall be obligated to pay for such power at the scheduled prices.

Because the need for unscheduled amounts of Firm Additional Power cannot be foreseen, and the Sponsors are obligated to provide such power in proportion to their Participation Ratios, the Company shall pay Sponsors in proportion to their Participation Ratios for such power at the full capacity rate then in effect and filed in Schedule B. However, Company shall purchase the energy associated with such unscheduled Firm Additional Power in accordance with the competitive bidding procedures of Section 2.11.

2. The following Section 3.10 is added to the Agreement:

SECTION 3.10. Additional Transmission Facilities - Joppa Plant. In order for Company to supply the amounts of Additional Power projected to be needed by DOE, Company will require

ELECTRIC ENERGY, INC.

- 3 -

additional transmission facilities. DOE and Company will mutually determine the transmission additions or modifications necessary to establish an adequate transmission path, and such modifications shall be described in an Appendix "E," which shall be completed and made a part of this Agreement before such modifications are installed. Company shall install these transmission additions or modifications, subject to regulatory approval. Cost allocation of these facilities will be in accordance with the following:

(a) Sponsors shall provide a maximum of 25 percent of the cost support for these facilities.

(b) The costs applicable to these transmission facility modifications shall be included under Section 3.01 of this Agreement and shall be charged to Sponsors in accordance with Article III of this Agreement provided that Sponsors' Annual Percentage of Joppa Plant is not more than 25 percent, as stated in Section 2.05 of this Agreement. If such percentage is more than 25 percent, then Sponsors and Company agree that Sponsors shall continue to provide only 25 percent of the cost support for the modified transmission facilities to be described in Appendix "E" to this Agreement.

3. The following paragraph (c) is added to Section 3.04 of the Agreement:

(c) If DOE's average annual purchases (averaged for all years beginning with the in-service date of the modified transmission facilities described in Appendix "E" of this Agreement) of Additional Power from Company do not exceed 4,200,000 MWh, then Sponsors shall pay none of the costs of the facilities described in Appendix "E" of this Agreement. If DOE's average annual purchases of additional power exceed 4,200,000 MWh but are less than 6,000,000 MWh, then Sponsors shall pay for a percentage of the costs of the facilities described in Appendix "E," determined by the following formula:-

$$\% = 25 \times \frac{\text{Excess MWh}}{1,800,000}$$

Where Excess MWh equals the average Annual MWhs of Additional Power purchased by DOE from Company in excess of 4,200,000 MWh. Adjustments will be applied to current and previous years' Annual Adjustment of DOE Charges.

The understandings confirmed in this Letter Supplement are expressly limited to the specific arrangements described herein and, except as expressly provided for herein, shall not affect the rights and obligations of the Company or any Sponsoring Company under the provisions of the Agreement.

ELECTRIC ENERGY, INC.

- 4 -

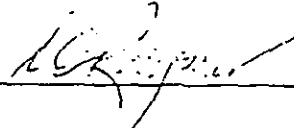
If this Letter Supplement meets with your approval, please sign in the appropriate space below and return the signed copies to me.

Sincerely,



R. Alan Kelley
President
Electric Energy, Incorporated

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

By 

Title _____

ILLINOIS POWER COMPANY

By 

Title _____

KENTUCKY UTILITIES COMPANY

By 

Title _____

UNION ELECTRIC COMPANY

By 

Title _____

SECOND REVISED

SERVICE SCHEDULE B

TO THE POWER AGREEMENT

FIRM ADDITIONAL POWER

SECTION B1 - DURATION

B1.01. This Service Schedule B, entered into this ____ day of _____, 198_, as a part of and under the Agreement dated _____, 198_ by and between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part being herein sometimes collectively referred to as the Sponsoring Companies, shall become effective upon appropriate regulatory approval, and shall continue in effect throughout the duration of the Power Agreement of which it is a part. Any party furnishing service under this Service Schedule shall have the right by legally effective filing made with the Federal Energy Regulatory Commission or any successor regulatory agency having jurisdiction to supersede, change or modify the rates and charges for, or terms and conditions of, service furnished by such party under this Service Schedule, and each such party furnishing service under this Service Schedule shall have the right at any time unilaterally to file such changed, modified or superseding rates, terms and conditions with the FERC or such successor regulatory authority.

SECTION B2 - PURPOSE

B2.01. The purpose of this Service Schedule B is to provide for and establish the terms and conditions for the supply of Firm Additional Power by the Sponsoring Companies to the Company so that Company can fulfill its obligations to DOE pursuant to the Contract.

SECTION B3 - FIRM ADDITIONAL POWER

B3.01. Pursuant to the Contract, Company may sometimes be required to supply up to 550 MW of power to DOE in order to meet DOE's minimum load requirement. Such power shall be referred to as Firm Additional Power and may be purchased from the Sponsoring Companies.

SECTION B4 - RIGHT TO SUPPLY FIRM ADDITIONAL POWER

B4.01. Each Sponsoring Company's right to supply Firm Additional Power to Company shall be in accordance with the provisions of Sections 2.11 and 2.12 of the Agreement.

SECTION B5 - BASIS OF SETTLEMENT

B5.01. The rates and charges for Firm Additional Power pursuant to Option (a) of Section 2.08 of the Contact shall not exceed 10.0 cents per kilowatthour; and, for power provided pursuant to Option (b) of Section 2.08, shall not exceed:

a) A reservation charge of such price as conditions warrant and is mutually agreed upon, up to 24.0 cents per day or up to \$1.20 per week per kilowatt for power reserved from IP and UE, up to 46.0 cents per day or up to \$2.30 per week per kilowatt for power reserved from CIPS, up to 33.0 cents per day or up to \$1.66 per week per kilowatt for power reserved from KU, or the cost to the supplying party of capacity purchased from other systems; and

b) An energy charge per kilowatthour delivered which shall be settled for either by:

i) If the energy supplied is from the supplying party's system, then the payment per kilowatthour delivered shall be equivalent to the supplying party's out-of-pocket cost plus 10% of such cost. Out-of-pocket cost shall be based on the cost of fuel, labor, maintenance, and operating supplies (including start-up costs, if any), and losses in transmission and transformation; or,

ii) If the energy supplied from the system of a third party, then the payment for the energy delivered shall be priced according to the purchased energy price from the third-party system plus:

1) If the supplying party is CIPS, CIPS shall charge the receiving party up to 2.00 mills per kilowatthour for transmission use, plus 1.00 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.

SERVICE SCHEDULE E

TO THE POWER AGREEMENT

EMERGENCY ENERGY

SECTION E1 - DURATION

E1.01. This Service Schedule E, entered into this ____ day of _____, 198_, as a part of and under the Agreement dated _____, 198_ by and between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Central Illinois Public Service Company (herein called "CIPS"), Illinois Power Company (herein called "IP"), Kentucky Utilities Company (herein called "KU"), and Union Electric Company (herein called "UE"), parties of the second part being herein sometimes collectively referred to as the Sponsoring Companies, shall become effective upon appropriate regulatory approval, and shall continue in effect throughout the duration of the Power Supply Agreement between Electric Energy, Inc. and the Sponsoring Companies of which it is a part. Any party furnishing service under this Service Schedule shall have the right by legally effective filing made with the Federal Energy Regulatory Commission or any successor regulatory agency having jurisdiction to supersede, change or modify the rates and charges for, or terms and conditions of, service furnished by such party under this Service Schedule, and each such party furnishing service under this Service Schedule shall have the right at any time unilaterally to file such changed, modified or superseding rates, terms and conditions with the FERC or such successor regulatory authority.

SECTION E2 - PURPOSE

E2.01. The purpose of this Service Schedule E is to provide for and establish the terms and conditions for the supply of Emergency Energy by the Sponsoring Companies to the Company so that Company can fulfill its obligations to DOE and the Sponsoring Companies pursuant to the Contract.

SECTION E3 - EMERGENCY ENERGY

E3.01. Emergency Energy is energy furnished by one party to another party when an emergency exists on the system of the other party.

E3.02. An emergency is defined as the breakdown, or other contingency, involving either sources of power or transmission facilities, or both, which impairs or jeopardizes the ability to meet system loads.

E3.03. In the event of such an emergency, Company may request the Sponsoring Companies to furnish Emergency Energy and the Emergency Energy requested shall be furnished; provided, however, that if at the time of any request for Emergency Energy a Sponsoring Company is affected by an emergency condition on its system, its commitment to supply Emergency Energy shall be limited to such amount of Emergency Energy as in its sole judgment it can supply hereunder. Sponsoring Companies shall not be obligated to supply Emergency Energy for a period in excess of 48 consecutive hours during any single emergency.

SECTION E4 - BASIS OF SETTLEMENT

E4.01. Emergency Energy supplied hereunder shall be settled for as follows:

a) If the emergency energy supplied is from the supplying party's system, then the payment per kilowatthour delivered shall be the greater of: (i) 10.0 cents per kilowatthour; or (ii) 110% of the out-of-pocket costs of supplying such energy. Out-of-pocket costs shall be based on the costs of fuel, labor, maintenance and operating supplies (including start-up costs, if any), and losses in transmission and transformation.

b) If the emergency energy supplied is from the system of a third party, then the payment for the emergency energy delivered shall be the greater of: (i) 10.0 cents per kilowatthour; or (ii) 100% of the cost of the purchased energy from the third party plus:

(1) If the supplying party is CIPS, CIPS shall charge the receiving party up to 2.00 mills per kilowatthour for transmission use, plus 1.00 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.

(2) If the supplying party is IP, IP shall charge the receiving party up to 1.6 mills per kilowatthour for transmission use, plus 1.0 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.

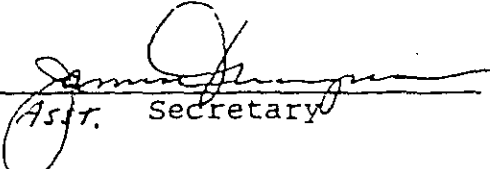
(3) If the supplying party is UE, UE shall charge the receiving party up to 1.0 mills per kilowatthour for transmission use, plus 1.0 mills per kilowatthour to recover difficult to quantify incremental out-of-pocket costs, plus an adjustment for transmission losses.

(4) If the supplying party is KU, KU shall charge the receiving party up to 2.6 mills per kilowatthour, plus 1.0 mills per kilowatthour for difficult to quantify expense.

IN WITNESS WHEREOF, the parties hereto have executed Schedule E, all other provisions of the Power Supply Agreement shall remain in full force and effect, as of the day and year first above written.

ELECTRIC ENERGY, INC.

ATTEST:

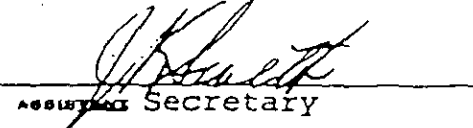

Asst. Secretary

By

Title

CENTRAL ILLINOIS PUBLIC SERVICE CO.

ATTEST:



Assistant Secretary

By

Title

ILLINOIS POWER COMPANY

ATTEST:

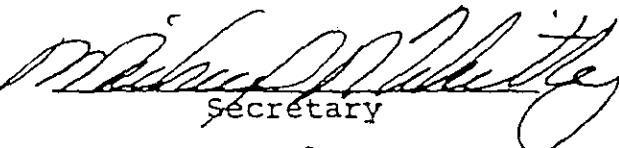

Secretary

By

Title

KENTUCKY UTILITIES COMPANY

ATTEST:

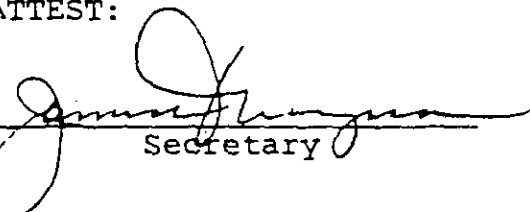

Secretary

By

Title

UNION ELECTRIC COMPANY

ATTEST:


Secretary

By

Title

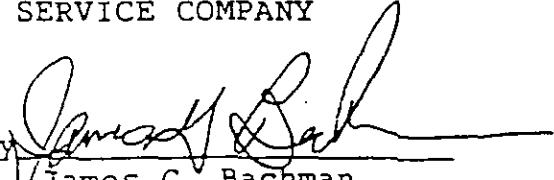
CERTIFICATE OF CONCURRENCE

This is to certify that Central Illinois Public Service Company assents to and concurs in the rate schedules described below, which Electric Energy, Inc. has filed, and hereby files this Certificate of Concurrence in lieu of filing the rate schedules specified:

- (1) The Letter Supplement, dated December 5, 1988, to the Power Supply Agreement, dated September 2, 1987, between Electric Energy, Inc. and Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company and Union Electric Company;
- (2) Second Revised Service Schedule B, Firm Additional Power, to the Power Supply Agreement; and
- (3) Service Schedule E, Emergency Energy, to the Power Supply Agreement.

Central Illinois Public Service Company's Rate Schedule is FERC No. 99, as supplemented.

CENTRAL ILLINOIS PUBLIC
SERVICE COMPANY

By 
James G. Bachman
Vice President

Dated: 8/21/89

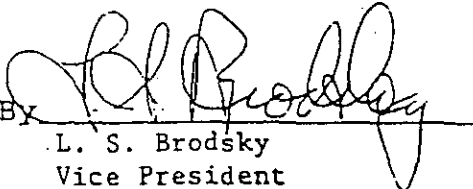
CERTIFICATE OF CONCURRENCE

This is to certify that Illinois Power Company assents to and concurs in the rate schedules described below, which Electric Energy, Inc. has filed, and hereby files this Certificate of Concurrence in lieu of filing the rate schedules specified:

- (1) The Letter Supplement, dated December 5, 1988, to the Power Supply Agreement, dated September 2, 1987, between Electric Energy, Inc. and Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company and Union Electric Company;
- (2) Second Revised Service Schedule B, Firm Additional Power, to the Power Supply Agreement; and
- (3) Service Schedule E, Emergency Energy, to the Power Supply Agreement.

Illinois Power Company's Rate Schedule is FERC No. 119, as supplemented.

ILLINOIS POWER COMPANY

By 
L. S. Brodsky
Vice President

August 22, 1989

Dated: 8/21/89

CERTIFICATE OF CONCURRENCE

This is to certify that Kentucky Utilities Company assents to and concurs in the rate schedules described below, which Electric Energy, Inc. has filed, and hereby files this Certificate of Concurrence in lieu of filing the rate schedules specified:

- (1) The Letter Supplement, dated December 5, 1988, to the Power Supply Agreement, dated September 2, 1987, between Electric Energy, Inc. and Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company and Union Electric Company;
- (2) Second Revised Service Schedule B, Firm Additional Power, to the Power Supply Agreement; and
- (3) Service Schedule E, Emergency Energy, to the Power Supply Agreement.

Kentucky Utilities Company's Rate Schedule is FERC No. 199, as supplemented.

KENTUCKY UTILITIES COMPANY

By Robert M. Hurtt
Vice President

Dated: 8-21-89

CERTIFICATE OF CONCURRENCE

This is to certify that Union Electric Company assents to and concurs in the rate schedules described below, which Electric Energy, Inc. has filed, and hereby files this Certificate of Concurrence in lieu of filing the rate schedules specified:

- (1) The Letter Supplement, dated December 5, 1988, to the Power Supply Agreement, dated September 2, 1987, between Electric Energy, Inc. and Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company and Union Electric Company;
- (2) Second Revised Service Schedule B, Firm Additional Power, to the Power Supply Agreement; and
- (3) Service Schedule E, Emergency Energy, to the Power Supply Agreement.

Union Electric Company's Rate Schedule is FERC No. 126, as supplemented.

UNION ELECTRIC COMPANY

By



EARL K. DILLE
President

Dated: 8/21/89



Electric Energy, Inc.

April 18, 2005

Mr. Daniel F. Cole
Union Electric Company

Mr. Thomas R. Voss
Ameren Energy Resources Company

Mr. Paul W. Thompson
Kentucky Utilities Company

Gentlemen:

This Letter Supplement is entered into this 18th day of April, 2005 and is made effective as of January 1, 2003, and confirms the understanding reached between Electric Energy, Incorporated (herein called the "Company"), party of the first part, and Union Electric Company (herein called "UE"), Ameren Energy Resources Company (herein called "AER"), and Kentucky Utilities Company (herein called "KU"), parties of the second part, being herein sometimes collectively referred to as the Sponsoring Companies, with respect to revising the Power Supply Agreement (herein called the "Agreement"), dated September 2, 1987. The purpose of this Letter Supplement is to amend the Agreement to incorporate the following changes:

1. SECTION 3.01, Joppa Plant Costs, is modified at subsection (d) as follows:

SECTION 3.01(d) "Component D" shall consist of an amount equal to the lesser of (1)(i) the product of 1.250 dollars multiplied by the total number of shares of capital stock of the par value of \$100 per share of Company, which shall have been issued pursuant to authorization by the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935, or any successor regulatory agency having jurisdiction, which are outstanding on the last day of such month, and (ii) the product of .01250 multiplied by Company's retained earnings at December 31 of the previous year; or, (2)(i) the product of 1.250 multiplied by 62,000 dollars plus (ii) the product of .01250 multiplied by \$2,634,467.00.

2. SECTION 3.06, Adjustment in Event of Change in Deduction for Depreciation is modified to read as follows:



Electric Energy, Inc.

SECTION 3.06, Adjustment in Event of Change in Deduction for Depreciation.

The depreciation recorded in Account 403 of the Uniform System of Accounts and charged proportionately to the Sponsoring Companies under Section 3.01 shall, at the election of the Company on an asset-by-asset basis, be (a) the deduction for depreciation allowable by the Internal Revenue Service for federal income tax purposes; or (b) the deduction for depreciation reported in the financial records of the Company in compliance with generally accepted accounting principals ("GAAP"). The Company shall use its best judgment in recording depreciation and in deducting depreciation for taxes and financial reporting in order to comply fully with the tax law and/or GAAP, and to avoid any future tax deficiencies, and shall charge the Sponsoring Companies its proportionate share of such depreciation in accordance with SECTION 3.02 of this Agreement.

In the event the Company elects to charge the Sponsoring Companies the amount of depreciation for any asset equal to the deduction for federal income tax purposes, and if the Internal Revenue Service ever finally determines that any portion of the depreciation charged by Company was improper and will not be allowed for federal income tax purposes, the Sponsoring Companies will make adjusted payments to Company for power and energy which will provide net income to Company equal to the net income which Company would have earned if the determination had not been made. The Sponsoring Companies; portion of such adjusted payments shall be in proportion to the Adjusted Annual Sponsoring Companies, Percentage(s) of Joppa Plant in effect during the year or years requiring such an adjustment. If the disallowed deduction results in allowable depreciation deductions in later periods in excess of recorded depreciation, the tax recovery thereby realized shall be credited to Sponsoring Companies in proportion to the Adjusted Annual Sponsoring Companies' Percentage(s) of Joppa Plant during the year or years requiring such an adjustment.

If this Letter Supplement meets with your approval, please sign in the appropriate space below and return the signed copies to me.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Alan Kelley". The signature is written in a cursive, flowing style.

R. Alan Kelley
Chairman
Electric Energy, Incorporated



AMEREN ENERGY RESOURCES COMPANY

By Thurmon R Voas

Title President

UNION ELECTRIC COMPANY

By Daniel F. Ah

Title Senior Vice President

KENTUCKY UTILITIES COMPANY ^{SOP}

By Raymond

Title Senior Vice President