

AmerenUE's Response to  
OPC Data Request  
MPSC Case No. ER-2007-0002  
AmerenUE's Tariff Filing to Increase Rates for Electric Service  
Provided to Customers in the Company's Missouri Service Area

**FILED**<sup>3</sup>

APR 20 2007

Missouri Public  
Service Commission

Requested From: Ryan Kind

Data Request No. OPC 2005

Please provide access to the Electric Energy, Inc. Board of Director meeting minutes, Board of Director Committee meeting minutes and all related reports for the period covering January 1, 2003 through June 30, 2006. Please provide notice to OPC on a going forward basis as new information beyond June 30, 2006 becomes available.

Supplemental Response No. 1:

See attached.

~~**HIGHLY CONFIDENTIAL**~~  
~~**and PROPRIETARY**~~

Prepared By: Wendy Tatro  
Title: Associate General Counsel  
Date: March 16, 2007

DPL Exhibit No. 431  
Case No(s) ER-2007-0002  
Date 3-19-07 Rptr 1P

**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held January 31, 2003**

A meeting of the Board of Directors of Electric Energy, Inc. convened via telephone conference call, on Friday, January 31, 2003, at 10:00 a.m. Central Time, subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

**Notice of Meeting of Board of Directors**

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held via telephone conference with said calls originating from Electric Energy, Inc., at Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Friday, January 31, 2003, at 10:00 a.m. Central Time.

Date: January 24, 2003"

There were present, by roll call, the following constituting a majority of the Board of Directors:

Messrs.	J. A. Bradshaw
	D. F. Cole
	R. W. Eimer, Jr.
	R. A. Kelley
	C. D. Naslund
	G. L. Rainwater
	A. R. Smith
	P. W. Thompson

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc., and Mr. William H. Sheppard, Vice President of Electric Energy, Inc.

The minutes of the meeting of the Board of Directors held on November 8, 2002, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. James M. Helm who presented the earnings report for the fourth quarter 2002. Mr. Helm discussed each of the earnings components for the fourth quarter. After discussion, it was agreed that no dividends would be declared payable for the fourth quarter 2002.

Mr. William H. Sheppard reviewed with the Board the 2002 Management Incentive Compensation Plan, discussed how the earned incentive compensation is determined, and reported the results for the year. Mr. Sheppard also reviewed the Company's key performance comparisons.

Mr. Sheppard updated the Board with a final report on 2002 Capital Budget expenditures.

Mr. Sheppard reviewed the Company's Strategic Plan and 2003 Performance Objectives. Mr. Sheppard proposed the 2003 Incentive Compensation Program to the Board. After full discussion, the Board approved the continuation of the Incentive Compensation Plan for 2003.

Mr. James M. Helm provided a status report on the VEBA Trusts managed by National Investment Services of America. Mr. Helm presented the financial results of the Management and Bargaining Unit Trusts for the twelve months ended December 31, 2002, and reviewed the investment strategy for each fund.

Mr. Helm then reported on the Company's pension fund assets managed by Deutsche Bank. Mr. Helm presented the financial results for the twelve months ended December 31, 2002, and reviewed the management strategy for the fund.

Mr. Helm reviewed with the Board the Company's plan for the formation of a SteamCo/GenCo. Mr. Helm discussed the proposed sales and use tax savings on coal purchases, the general certification requirements, the proposed organizational change of dividing the existing operations of the company into two separate and distinct companies, steps completed to date, and Board action required to complete the formation of the SteamCo/GenCo. After discussion, upon motion duly made and seconded, it was unanimously:

RESOLVED, that the Company has received a Private Letter Ruling from the Illinois Department of Revenue approving the tax exempt status of the purchase of coal in accordance with the reconfiguration of the corporate structure of the Company; and

WHEREAS, such savings justify the change in corporate structure as set forth in the request for Letter Ruling; and

WHEREAS, the Board now wishes to authorize the creation of a subsidiary of Electric Energy, Inc. and all such asset and other transfers as may be required to accomplish the revised structure in order to obtain the sales tax exemption on coal;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Electric Energy, Inc. that the Officers of the Company are authorized and directed to form such subsidiaries, transfer title to assets, fund the operations as may be necessary, seek such regulatory approval or amendment as may be required, and in furtherance thereof to engage such consultants, accountants, and attorneys all as may be necessary and convenient to implement the restructuring plan to accomplish the tax savings on the purchases of coal; provided, however, that no such corporate restructuring plan or reconfiguration shall operate to suspend or abrogate the super majority provisions of the By-laws of Electric Energy, Inc.

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It was agreed that the next Board of Director's meeting would be held on Friday, May 9, 2003, in St. Louis, Missouri.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm

Secretary

**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held May 9, 2003**

A meeting of the Board of Directors of Electric Energy, Inc. convened at the St. Louis Airport Hilton, St. Louis, Missouri, on Friday, May 9, 2003, at 10:00 a.m., subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held at the St. Louis Airport Hilton, St. Louis, Missouri, for the transaction of such business as may properly come before the meeting on Friday, May 9, 2003, at 10:00 a.m. Central Time.

Date: April 9, 2003"

The following were present constituting a majority of the Board of Directors:

Messrs.	R. A. Bowen
	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	G. L. Rainwater
	A. R. Smith
	P. W. Thompson
	D. A. Whiteley

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Mr. Robert L. Powers, as President of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. R. Alan Kelley, Chairman of Electric Energy, Inc., Mr. William H. Sheppard, Vice President of Electric Energy, Inc., Mr. Benjamin McKnight and Mr. David Bell both of Deloitte & Touche LLP.

The President suggested that consideration should be given to the election of Officers for the ensuing year. The following were thereupon separately nominated and separately elected to the office set opposite their names by unanimous vote:

R. Alan Kelley	Chairman
Robert L. Powers	President
William H. Sheppard	Vice President
James M. Helm	Secretary-Treasurer

The minutes of the meeting of the Board of Directors held on January 31, 2003, copies of which had been sent previously to each member, were approved.

The President introduced Messrs. Benjamin McKnight and David Bell of Deloitte & Touche LLP who reported on the Company's consolidated financial statements for 2002. Mr. Bell reviewed and reported on the audit scope, accounting and reporting matters, required matters to be reported to the Board, and the results of the review of internal accounting controls.

The President then excused the Officers from the meeting so the Board could independently discuss the audit results with Messrs. McKnight and Bell. Mr. McKnight reported there were no substantive issues that should be brought to the attention of the Board. The Officers then rejoined the meeting.

The President introduced Mr. James M. Helm who presented the earnings report for the first quarter 2003. Mr. Helm discussed each of the earnings components for the first quarter.

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A resolution was presented to appoint Deloitte and Touche, LLP as auditors for the year 2003. Upon motion duly made and seconded, it was unanimously;

RESOLVED, that Deloitte and Touche, LLP be and is hereby appointed as auditors for the year 2003.

The President and Mr. William H. Sheppard entered into a discussion of the Company's SO<sub>2</sub> and NO<sub>x</sub> allowances. The Board was advised of the number of SO<sub>2</sub> and NO<sub>x</sub> allowances available for sale, the potential earnings to the Company, and key cash requirement dates for the Company. Mr. Sheppard also reviewed the multi-pollutant control strategy with a general discussion of NO<sub>x</sub>, Mercury, and SO<sub>2</sub> control projects. Mr. Sheppard asked Mr. Helm to review the Statement of Projected Cash Flow for the Period 2002-2011 with the Board. After full discussion, it was the sense of the Board to have the Officers of the Company sell approximately \$10,000,000.00 of allowances.

The President reviewed the 2003 performance objectives for the Company's wholly-owned subsidiary, Midwest Electric Power, Inc., with the Board. After discussion, it was generally agreed not to implement an incentive plan based on performance objectives for Midwest Electric Power, Inc.

The President requested Mr. James M. Helm to update the Board with a SteamCo/GenCo progress report. Mr. Helm reviewed the proposed implementation timeline and discussed the time sensitive issues of permitting, contract transfer, clarification of the Company's private letter ruling, and other business sensitive changes in the State of Illinois.

It was agreed that the next Board of Director's meeting would be held on Friday, July 25, 2003, via teleconference, at 10:00 a.m. Central Time.



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There being no further business, upon motion duly made and seconded,  
the meeting was adjourned.

/s/ James M. Helm

Secretary

**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held July 25, 2003**

A meeting of the Board of Directors of Electric Energy, Inc. convened via teleconference on Friday, July 25, 2003, at 10:00 a.m., subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

**Notice of Meeting of Board of Directors**

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held via teleconference with said calls originating from Electric Energy, Inc., at Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Friday, July 25, 2003, at 10:00 a.m. Central Time.

Date: July 18, 2003"

There were present the following, constituting a majority of the Board of Directors:

Messrs.	R. A. Bowen
	D. F. Cole
	R. W. Eimer, Jr.
	R. A. Kelley
	C. D. Naslund
	G. L. Rainwater

Mr. Robert L. Powers, as President of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending by telephone were Mr. R. Alan Kelley, Chairman of the Board and Mr. William H. Sheppard, Vice President of Electric Energy, Inc.

The minutes of the meeting of the Board of Directors held on May 9, 2003, copies of which had been sent previously to each member, were approved.

The President reported on the Company's sale of SO<sub>2</sub> and NO<sub>x</sub> allowances previously authorized by the Board. Mr. Powers reported the sale of 1,095 NO<sub>x</sub> 2004 vintage allowances at \$4,750.00 per ton for \$5,201,250.00 and 29,500 SO<sub>2</sub> 2003 and earlier vintage allowances at \$163.50 per ton for \$4,823,250.00.

The President introduced Mr. James M. Helm who presented the earnings report for the second quarter 2003.

Mr. Powers informed the Board of a change in the ownership of the Company's ash marketer. Mr. Powers noted the change in ownership coupled with market pricing pressure may have an adverse effect on future earnings.

Mr. James M. Helm entered into a discussion of the Company's pension fund assets managed by Mellon Trust. Mr. Helm reported the financial results for the six months ended June 30, 2003, and reviewed the asset management strategy for the fund.

Mr. Helm then provided a status report on the VEBA Trusts managed by NISA Investment Advisors and the International Equity Funds. Mr. Helm reported the financial results of the Management and Bargaining Unit Trusts for

the six months ended June 30, 2003. Mr. Helm also reviewed the asset strategy for each fund.

Mr. William H. Sheppard reviewed with the Board the 2003 Management Incentive Compensation Plan and the 2003 Collective Bargaining Unit Performance Incentive Plan. Each of the categories and targets were separately reviewed and discussed. Mr. Sheppard reported the projected results for 2003.

Mr. R. Alan Kelley updated the Board with the projected 2003 Capital Expenditures in the amount of \$5,496,000.00.

Mr. Helm updated the Board with a progress report of the SteamCo/GenCo project. Mr. Helm discussed the debt covenant, DOE/Sponsor Power Agreements, entity formation, and clarification of the Private Letter Ruling.

Mr. Kelley brought up for discussion the matter of Director's fees. Mr. Kelley reviewed the income tax effect of the Company's current Director's fee policy. Mr. Kelley then suggested the Directors individually submit a list of suggested charities to the Officers of the Company. The Officers would select a charity from each submitted list and make the appropriate charitable contributions. After discussion, it was agreed to implement the recommended change in payment of Director's fees.

It was agreed that the next Board of Directors' meeting would be held on Friday, November 7, 2003, at the St. Louis Airport Hilton Hotel in St. Louis, Missouri, at 10:00 a.m. Central Time.

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There being no further business, upon motion duly made and seconded,  
the meeting was adjourned.

/s/ James M. Helm  
Secretary

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Electric Energy, Inc.

Minutes of Meeting of Board of Directors

Held November 7, 2003

A meeting of the Board of Directors of Electric Energy, Inc. convened at the St. Louis Airport Hilton in St. Louis, Missouri, on Friday, November 7, 2003, at 10:00 a.m. Central Time, subsequent to the following notice which had been previously sent to each member of the Board:

"ELECTRIC ENERGY, INC.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held at the St. Louis Airport Hilton in St. Louis, Missouri, for the transaction of such business as may properly come before the meeting on Friday, November 7, 2003, at 10:00 a.m. Central Time.

Date: October 31, 2003"

There were present the following constituting a majority of the Board of  
Directors:

Messrs.	R. A. Bowen
	D. F. Cole
	R. W. Eimer, Jr.
	R. A. Kelley
	P. W. Thompson
	A. R. Smith
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc. and Mr. William H. Sheppard, Vice President of Electric Energy, Inc.

The minutes of the meeting of the Board of Directors held on July 25, 2003, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. James M. Helm who reviewed the earnings report for the third quarter 2003. Mr. Helm discussed each of the earnings components for the current quarter.

Mr. Kelley introduced Mr. William H. Sheppard who presented the 2004-2006 budget for the Company. Mr. Sheppard reviewed the assumptions and major issues with the Board which included future funding requirements of the Pension and VEBA Trust funds, increased health care costs, change in depreciation methods, Sponsor utilization, proposed sale of emission allowances, multi-year labor agreement, and multi-pollution control legislation including Mercury.

Mr. Sheppard then discussed the Company's proposed 2004 operation and maintenance, administrative and general, and depreciation and interest expenses. Mr. Sheppard then presented the Capital budget for 2004 – 2006. After discussion, upon motion duly made and seconded it was unanimously

RESOLVED, the Board of Directors of Electric Energy, Inc. has authorized the implementation of the planned 2004 Capital Projects Budget and has authorized the Officers to make those expenditures.

Mr. William H. Sheppard entered into a discussion of proposed allowance sales during 2004. Mr. Sheppard reported the Company has budgeted to sell

approximately \$8,500,000.00 of allowances during the second quarter of 2004. After a general discussion it was the sense of the Board to have the Officers sell approximately \$8,500,000.00 in allowances. However, prior to an allowance sale in 2004, the Officers are to contact and consult with the appropriate Sponsor company representative.

Mr. Kelley introduced Mr. James M. Helm who entered into a discussion of the Company's ten-year Statement of Projected Cash Flow. Mr. Helm discussed the major assumptions, 2004 net income including \$5,100,000.00 of allowance sales, the Company has \$10,000,000.00 net income annually beginning in 2005, the Company can continue to borrow long term cash, dividends suspension continues, short-term debt limit increases to \$70,000,000.00 beginning 2006, and the Company changes to straight line depreciation after 2005. Mr. Helm reviewed the 2004 and 2005 net income, short-term borrowing, long-term financing, dividend, capital expenditure, and debt retirement requirements for the Company.

Mr. Kelley introduced Mr. Robert L. Powers who updated the Board regarding the SteamCo/GenCo project. Mr. Powers reviewed the sensitivity issues, progress since the last meeting, and final implementation plans.

Mr. Powers entered into a discussion regarding contingency reserves provided for the Department of Energy (DOE). Mr. Powers reported the Company purchased 30 MW of contingency reserve for DOE and DOE was disputing the billing under the existing contract.



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The Chairman brought up for discussion meeting dates for 2004. The following dates were selected:

January 30, 2004	(Friday - Phone)
May 13, 2004	(Friday - Joppa, IL)
August 6, 2004	(Friday - Phone)
October 29, 2004	(Friday - St. Louis, MO)

Mr. Kelley brought up for discussion certain salary changes for the President, Vice President, and Secretary-Treasurer of the Corporation. After discussion, upon motion duly made and seconded, it was:

RESOLVED, that the annual compensation of the President of the Corporation be [REDACTED], effective January 1, 2004, and the maximum amount of short-term incentive compensation be [REDACTED] percent of base salary.

RESOLVED, that the annual compensation of the Vice President of the Corporation be [REDACTED], effective January 1, 2004, and the maximum amount of incentive compensation be [REDACTED] percent of base salary.

RESOLVED, that the annual compensation of the Secretary-Treasurer of the Corporation be [REDACTED], effective January 1, 2004, and the maximum amount of incentive compensation be [REDACTED] percent of base salary.

There being no further business, upon motion, duly made and seconded, the meeting was adjourned.

/s/ James M. Helm

Secretary

**Electric Energy, Inc.**  
**Minutes of Meeting of Board of Directors**  
**Held January 30, 2004**

A meeting of the Board of Directors of Electric Energy, Inc. convened via telephone conference call, on Friday, January 30, 2004, at 10:00 a.m. Central Time, subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held via telephone conference with said calls originating from Electric Energy, Inc., at Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Friday, January 30, 2004, at 10:00 a.m. Central Time.

Date: January 23, 2004"

There were present, by roll call, the following constituting a majority of the Board of Directors:

Messrs.	R. A. Bowen
	D. F. Cole
	R. W. Eimer, Jr.
	R. A. Kelley
	C. D. Naslund
	A. R. Smith
	P. W. Thompson
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc., and Mr. William H. Sheppard, Vice President of Electric Energy, Inc.

The minutes of the meeting of the Board of Directors held on November 7, 2003, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. James M. Helm who presented the earnings report for the fourth quarter 2003. Mr. Helm discussed each of the earnings components for the fourth quarter.

Mr. Robert L. Powers informed the Board that Met-South, Inc. was having contractual issues with its ash marketer. It was reported there were unresolved issues over a three-year period and future earnings may be adversely impacted.

Mr. William H. Sheppard reviewed with the Board the 2003 Management Incentive Compensation Plan, discussed how the earned incentive compensation is determined, and reported the results for the year. Mr. Sheppard also reviewed the Company's key performance comparisons. Mr. Sheppard then reviewed the Collective Bargaining Unit Performance Incentive Plan and reported the results for the year.

Mr. Sheppard updated the Board with a final report on 2003 Capital Budget expenditures.

Mr. Sheppard reviewed the Company's Strategic Plan and 2004 Performance Objectives. Mr. Sheppard proposed the 2004 Incentive Compensation Program to the Board.

After full discussion, upon motion duly made and seconded, it was unanimously;

RESOLVED, the Board has approved the continuation of the Company's Incentive Compensation Plan for 2004.

Mr. James M. Helm provided a status report on the VEBA Trusts managed by National Investment Services of America. Mr. Helm presented the financial results of the Management and Bargaining Unit Trusts for the twelve months ended December 31, 2003, and reviewed the investment strategy for each fund.

Mr. Helm then reported on the Company's pension fund assets managed by Deutsche Bank. Mr. Helm presented the financial results for the twelve months ended December 31, 2003, and reviewed the management strategy for the fund.

Mr. William H. Sheppard entered into a discussion of the Company's cash flow needs and the possible sale of allowances in June 2004. Mr. Sheppard discussed the recent market price increase of SO<sub>2</sub> and NO<sub>x</sub> allowances. After a general discussion, it was agreed to study further the cash flow and allowance strategies for the Company and report the results at the May 2004 Board meeting.

It was agreed that the next Board of Directors' meeting would be held on, Thursday, May 13, 2004, in Joppa, Illinois.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm

Secretary

**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held May 13, 2004**

A meeting of the Board of Directors of Electric Energy, Inc. convened at Electric Energy, Inc. in Joppa, Illinois, on Thursday, May 13, 2004, at 8:30 a.m., subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held at Electric Energy, Inc. in Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Thursday, May 13, 2004, at 8:30 a.m. Central Time.

Date: May 6, 2004 "

The following were present constituting a majority of the Board of Directors:

Messrs.	R. W. Eimer, Jr.
	R. A. Kelley
	C. D. Naslund
	A. R. Smith
	P. W. Thompson
	T. R. Voss
	D. A. Whiteley

Mr. Robert L. Powers, as President of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also

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attending were Mr. R. Alan Kelley, Chairman of Electric Energy, Inc., Mr. William H. Sheppard, Vice President of Electric Energy, Inc., Mr. Benjamin K. McKnight and Mr. David Bell both of Deloitte & Touche LLP.

The President suggested that consideration should be given to the election of Officers for the ensuing year. The following were thereupon separately nominated and separately elected to the office set opposite their names by unanimous vote:

R. Alan Kelley	Chairman
Robert L. Powers	President
William H. Sheppard	Vice President
James M. Helm	Secretary-Treasurer

The minutes of the meeting of the Board of Directors held on January 30, 2004, copies of which had been sent previously to each member, were approved.

The President introduced Messrs. Benjamin K. McKnight and David Bell of Deloitte & Touche LLP who reported on the Company's consolidated financial statements for 2003. Mr. Bell reviewed and reported on the audit scope, accounting and reporting matters, required matters to be reported to the Board, and the results of the review of internal accounting controls.

The President then excused the Officers from the meeting so the Board could independently discuss the audit results with Messrs. McKnight and Bell. Mr. McKnight reported there were no substantive issues that should be brought to the attention of the Board. The Officers then rejoined the meeting.

The President introduced Mr. James M. Helm who presented the earnings report for the first quarter 2004. Mr. Helm discussed each of the earnings components for the first quarter.

A resolution was presented to appoint Deloitte and Touche, LLP as auditors for the year 2004. Upon motion duly made and seconded, it was unanimously;

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RESOLVED, that Deloitte and Touche, LLP be and is hereby appointed as auditors for the year 2004.

The President introduced Mr. James M. Helm who discussed the Company's financing strategy. Mr. Helm reviewed with the Board the background, cash flow needs, alternatives discussed, and conclusions of the financing committee. The financing committee recommended that the Company borrow up to \$50 million dollars from Ameren in addition to utilizing \$45 million dollars in existing short-term bank borrowings. After full discussion, upon motion duly made and seconded, it was unanimously;

WHEREAS: Electric Energy, Inc. (the "Corporation") presently has Loan Agreements with U. S. Bank National Association, a national banking association, formerly known as Firststar Bank, N.A., as a lender and as agent for a group of lenders, and Bank of America, N. A., a national banking association formerly known as NationsBank, N.A. (the "Banks"), providing, among other matters, for the extension of credit to the Corporation of funds in such amounts, at such times, and upon terms as set forth in the respective Loan Agreements, all not to exceed \$45 million dollars; and,

WHEREAS: there has been presented to the Corporation:

(a) an extension of credit to this Corporation as borrower from Ameren Corporation and certain of its subsidiaries ("Ameren") as lender providing, among other things, for one or more short-term loans to this Corporation not in excess of an aggregate principal amount at any one time outstanding of \$50 million dollars, such amount subject to change at Ameren's discretion ("Ameren Funding Arrangement"); and

(b) a copy of a form of Promissory Note evidencing such short-term loans from Ameren to the Corporation, which is attached to this Resolution and is incorporated herein by this reference; and,

WHEREAS: such terms pursuant to the proposed Ameren Funding Arrangement are fair and reasonable to the Corporation, and it is the judgment of this Board of Directors that the Corporation would benefit from such arrangement,

NOW THEREFORE BE IT RESOLVED: that the officers of the Corporation are authorized to execute, in the name and on behalf of the Corporation, and deliver, one or more Promissory Notes between this Corporation and Ameren, substantially in the form of the Promissory Note attached hereto, except for such changes, additions and deletions as to any

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or all of the terms and provisions thereof as the officers executing such Promissory Note on behalf of the Corporation shall deem proper, such execution by such officers of any Promissory Note between the Corporation and Ameren to be conclusive evidence that such officers deem all of the terms and provisions thereof to be proper; provided, however, that the authority granted by this resolution shall not be exercised if to do so shall cause the pending acquisition of Illinois Power by Ameren to be hindered, disapproved, qualified, or otherwise negatively affected, and in such event, upon the certification by the Chairman of the Board, this authority shall be deemed withdrawn;

FURTHER RESOLVED: that the officers of the Corporation are authorized to borrow on behalf of the Corporation such amounts permitted or provided to be borrowed by this Corporation under the Ameren Funding Arrangement and related Promissory Note(s) executed by this Corporation pursuant to this resolution;

FURTHER RESOLVED: that the officers of the Corporation are authorized in the name and on behalf of the Corporation from time to time to take such actions and to execute and deliver such documents as may be required or as such officers may deem necessary, advisable or proper in order to carry out and perform the obligations of the Corporation under the Ameren Funding Arrangement and any Promissory Note executed by the Corporation pursuant to this resolution, or under any other instrument or document executed pursuant to or in connection with such arrangement; all such actions to be performed in such manner, and all such documents to be executed and delivered in such form as the officers performing or executing the same shall approve, the performance or execution thereof by such officers to be conclusive evidence of the approval thereof by such officers and by this Board of Directors.

The President introduced Mr. William H. Sheppard who reviewed the Company's allowance strategy with the Board. Mr. Sheppard discussed the number of NO<sub>x</sub> and SO<sub>2</sub> allowances held by the Company. After a general discussion, it was agreed the Company's officers are authorized to sell approximately 500 vintage 2004 NO<sub>x</sub> allowances before summer and sell the remainder vintage 2004 NO<sub>x</sub> allowances (estimated 292) after summer.

Mr. Sheppard also reviewed with the Board the 2004 Management Incentive Compensation Plan and the 2004 Collective Bargaining Unit



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Performance Incentive Plan. Each of the categories and targets were separately  
reviewed and discussed. Mr. Sheppard reported the projected results for 2004.

It was agreed that the next Board of Director's meeting would be held on  
Friday, August 6, 2004, via teleconference, at 10:00 a.m. Central Time.

There being no further business, upon motion duly made and seconded, the  
meeting was adjourned.

/s/ James M. Helm

Secretary

**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held August 6, 2004**

A meeting of the Board of Directors of Electric Energy, Inc. convened via teleconference on Friday, August 6, 2004, at 10:00 a.m., subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

**Notice of Meeting of Board of Directors**

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held via teleconference with said calls originating from Electric Energy, Inc., at Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Friday, August 6, 2004, at 10:00 a.m. Central Time.

Date: July 30, 2004"

There were present the following, constituting a majority of the Board of Directors:

Messrs.	R. A. Bowen
	D. F. Cole
	R. W. Eimer, Jr.
	R. A. Kelley
	C. D. Naslund
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending by telephone were Mr. Robert L. Powers, President of the Company, and Mr. William H. Sheppard, Vice President of Electric Energy, Inc.

The minutes of the meeting of the Board of Directors held on May 13, 2004, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. William H. Sheppard who reported the Company has sold 500 NO<sub>x</sub> allowances at \$2,200.00 each for a total of \$1,100,000.00. Mr. Sheppard reviewed the Company's bank of SO<sub>2</sub> and NO<sub>x</sub> allowances, discussed financing strategy, and the possibility of deferring the time line for implementing the multi-pollution control projects.

The Chairman introduced Mr. James M. Helm who presented the earnings report for the second quarter 2004.

Mr. James M. Helm entered into a discussion of the Company's pension fund assets managed by Mellon Trust. Mr. Helm reported the financial results for the six months ended June 30, 2004, and reviewed the asset management strategy for the fund.

Mr. Helm then provided a status report on the VEBA Trusts managed by NISA Investment Advisors and the International Equity Funds. Mr. Helm reported the financial results of the Management and Bargaining Unit Trusts for the six months ended June 30, 2004. Mr. Helm also reviewed the asset strategy for each fund.

Mr. William H. Sheppard then updated the Board with the projected 2004 Capital expenditures of \$4,353,000.00. Mr. Sheppard reported a projected decrease of approximately \$1,112,000.00 because of a deferral regarding Mercury compliance implementation.

Mr. Sheppard then updated the Board with a progress report of the company's labor contract negotiations. Mr. Sheppard discussed the time line of negotiations, major negotiation issues, and progress to date.

It was agreed that the next Board of Directors' meeting would be held on Friday, October 29, 2004, at the St. Louis Airport Hilton Hotel in St. Louis, Missouri, at 10:00 a.m. Central Time.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm

Secretary

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Electric Energy, Inc.

Minutes of Meeting of Board of Directors

Held October 29, 2004

A meeting of the Board of Directors of Electric Energy, Inc. convened at the St. Louis Airport Hilton in St. Louis, Missouri, on Friday, October 29, 2004, at 10:00 a.m. Central Time, subsequent to the following notice which had been previously sent to each member of the Board:

"ELECTRIC ENERGY, INC.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held at the St. Louis Airport Hilton in St. Louis, Missouri, for the transaction of such business as may properly come before the meeting on Friday, October 29, 2004, at 10:00 a.m. Central Time.

Date: October 24, 2004"

There were present the following constituting all of the Board of  
Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.
	D. A. Whiteley

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Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc. and Mr. William H. Sheppard, Vice President of Electric Energy, Inc.

The minutes of the meeting of the Board of Directors held on August 6, 2004, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. James M. Helm who reviewed the earnings report for the third quarter 2004. Mr. Helm discussed each of the earnings components for the current quarter.

Mr. Helm entered into a discussion of the need to clarify the companies existing power contracts and proposed a modification of the Department of Energy Contract and the Sponsors' Power Supply Agreement. After a general discussion, it was agreed to approve the following resolution and Sponsors' Power Supply Agreement Letter Supplement:

RESOLVED; the Board authorizes the appropriate Officers of Electric Energy, Inc. to obtain regulatory approval of the proposed contract modifications presented to the Board and made a part of the Minutes.

MODIFICATION NO. 16

THIS MODIFICATION NO. 16 is entered into this \_\_\_\_ day of \_\_\_\_\_, 2004, and effective as of January 1, 2005, by and between ELECTRIC ENERGY, INC. (referred to as "Company"), a corporation organized under the laws of the State of Illinois, and the UNITED STATES OF AMERICA (referred to as "Government"), acting by and through the SECRETARY (referred to as "Secretary") of the DEPARTMENT OF ENERGY (referred to as "DOE"):

WITNESSETH THAT:

WHEREAS, Company and the Government have heretofore entered into Contract No. DE-AC05-760R01312 (referred to as the "Agreement") for the

supply by the Company of electric power required by DOE at its Paducah Project (referred to as the "Project") near Paducah, Kentucky; and

WHEREAS, the Agreement has previously been amended by Modification Nos. 1 through 15, and by various unnumbered letter agreements and unilateral notices; and

WHEREAS, this Modification No. 16 is authorized by and entered into under the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974; the Department of Energy Organization Act; and other applicable law;

NOW, THEREFORE, in consideration of the premises and provisions of the Agreement, as heretofore amended and as it is amended hereby, and in consideration of the mutual agreements and undertakings of the parties, the parties agree that the terms and provisions of the Articles and Sections of the Agreement, as heretofore amended, shall be and are hereby amended by this Modification No. 16 as follows:

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 dollars 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. The depreciation recorded in Account 403 of the Uniform System of Accounts and charged proportionately to DOE 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 DOE its

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proportionate share of such depreciation in accordance with SECTION 3.02 of this Agreement.

In the event the Company elects to charge DOE 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, DOE 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. DOE's portion of such adjusted payments shall be in proportion to the Adjusted Annual DOE 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 DOE in proportion to the Adjusted Annual DOE Percentage(s) of Joppa Plant during the year or years requiring such an adjustment.

IN WITNESS WHEREOF, the parties hereto have executed this Modification No. 16 as of the day and year first above written.

UNITED STATES OF AMERICA

BY: SECRETARY OF ENERGY

BY: \_\_\_\_\_  
(Contracting Officer)

ELECTRIC ENERGY, INC.

BY: \_\_\_\_\_  
TITLE: Chairman of the Board



SPONSORS' POWER SUPPLY AGREEMENT LETTER SUPPLEMENT

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 confirms the understanding reached between Electric Energy, Inc. (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 dollars 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:

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 DOE 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 DOE its proportionate share of such depreciation in accordance with SECTION 3.02 of this Agreement.

In the event the Company elects to charge DOE 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, DOE 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. DOE's portion of such adjusted payments shall be in proportion to the Adjusted Annual DOE 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 DOE in proportion to the Adjusted Annual DOE 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,

R. Alan Kelley  
Chairman  
Electric Energy, Inc.

UNION ELECTRIC COMPANY

By \_\_\_\_\_  
Title \_\_\_\_\_

AMEREN ENERGY RESOURCES COMPANY

By \_\_\_\_\_  
Title \_\_\_\_\_

KENTUCKY UTILITIES COMPANY

By \_\_\_\_\_  
Title \_\_\_\_\_

Mr. Kelley introduced Mr. William H. Sheppard who presented the 2005-2007 budget for the Company. Mr. Sheppard reviewed budget with the Board which included Sponsor utilization, fuel, security requirements, Pension and VEBA Trust funding, health care costs, and pollution control projects.

Mr. Sheppard then discussed the Company's proposed 2005 operation and maintenance, administrative and general, and depreciation and interest expenses. Mr. Sheppard then presented the Capital budget for 2005 – 2007. After discussion, upon motion duly made and seconded it was unanimously

RESOLVED, the Board of Directors of Electric Energy, Inc. has authorized the implementation of the planned 2005 Capital Projects Budget and has authorized the Officers to make those expenditures.

Mr. Sheppard reported to the Board the Company successfully obtained a three year contract with Local 148 which expires June 30, 2007. Mr. Sheppard discussed the wage increase; pension supplement, 401(k) increase, and modifications to the health care plan.

The Chairman entered into a general discussion of the Company's insurance coverage and strategy. It was reported the Company could obtain savings of \$567,000.00 on an annual basis by increasing certain deductible limits. A general discussion ensued regarding risk levels and individual Company philosophies of increasing the deductible limits of certain insurance coverage. The Chairman requested the Minutes reflect a differing view among the Sponsor companies regarding deductible limits.

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The Chairman reported to the Board the completion of the transfer of 12,400 shares of stock, par value \$100, to Ameren Energy Resources Company and requested the approved resolutions along with the unanimous written consent without a meeting be included as part of the minutes. The following are the resolutions;

WHEREAS, Ameren Corporation, Illinova Corporation, Illinova Generating Company ("IGC") and Dynegy, Inc. are parties to that certain Stock Purchase Agreement, dated as of February 2, 2004, as amended on March 23, 2004, April 30, 2004 and May 31, 2004 (as may be further amended or modified, waived, or supplemented from time to time, the "Stock Purchase Agreement");

WHEREAS, the Stock Purchase Agreement contemplates that at the Closing (as defined in the Stock Purchase Agreement), IGC will transfer 12,400 shares, par value \$100 (the "IGC Shares") of Electric Energy, Inc. (the "Company") to Ameren Energy Resources Company ("AERC") or its nominee (the "Transfer");

WHEREAS, Article II, Section 6 of the Company's Bylaws requires that in the event any holder of voting capital stock of the Company (together with its affiliates) owns greater than 50% of the voting capital stock of the Company, all changes in the relative percentages of ownership of stock (or securities) of the Company must be approved by holders of 75% or more of the outstanding shares of the Company entitled to vote;

WHEREAS, IGC and AERC have requested that the shareholders of the Company approve the Transfer; and

WHEREAS, all of the shareholders of the Company desire to approve the Transfer.

NOW THEREFORE BE IT:

RESOLVED, that the Transfer is hereby approved, and the officers of the Company are hereby authorized and directed to execute and record on the books of the Company such stock certificates, receipts, and other documents necessary or convenient to evidence the actions taken hereby; and

RESOLVED FURTHER, that the written consent of the shareholders of the Company adopting the foregoing resolutions may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same written consent.

ELECTRIC ENERGY, INC.

UNANIMOUS WRITTEN CONSENT WITHOUT A MEETING

The undersigned, being all the shareholders of Electric Energy, Inc., an Illinois Corporation (the "Company"), do hereby consent without a meeting pursuant to The Illinois Business Corporation Act, 805 ILCS 5/7.10 (2002), and in accordance with Article II, Section 9 of the Bylaws of the Company, to the adoption of the resolutions attached hereto and do hereby waive any notice required to be given in connection therewith.

Dated as of the \_\_\_\_ day of \_\_\_\_\_, 2004.

AMEREN ENERGY RESOURCES COMPANY, 12,400 shares

By: \_\_\_\_\_

Name:

Title:

ILLINOVA GENERATING COMPANY, 12,400 shares

By: \_\_\_\_\_

Name:

Title:

KENTUCKY UTILITIES COMPANY, 12,400 shares

By: \_\_\_\_\_

Name:

Title:

UNION ELECTRIC COMPANY (D/B/A AMERENUE),  
24,800 shares

By: \_\_\_\_\_

Name:

Title:

The Chairman entered into a discussion of the number of Directors for the Company. A general discussion ensued as to the number of Directors with regard to the acquisition of the Illinova Generating Company stock by Ameren Energy Resources Company. It was agreed to table the discussion until a later date.

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The Chairman brought up for discussion meeting dates for 2005. The following dates were selected:

January 28, 2005	(Friday – Phone)
May 13, 2005	(Friday – St. Louis, MO)
August 5, 2005	(Friday – Phone)
October 28, 2005	(Friday – St. Louis, MO)

Mr. Kelley brought up for discussion certain salary changes for the Vice President, and Secretary-Treasurer of the Corporation. After discussion, upon motion duly made and seconded, it was:

RESOLVED, that the annual compensation of the Vice President of the Corporation be [REDACTED], effective January 1, 2005, and the maximum amount of incentive compensation be [REDACTED] percent of base salary.

RESOLVED, that the annual compensation of the Secretary-Treasurer of the Corporation be [REDACTED], effective January 1, 2005, and the maximum amount of incentive compensation be [REDACTED] percent of base salary.

There being no further business, upon motion, duly made and seconded, the meeting was adjourned.

/s/ James M. Helm  
Secretary

**Electric Energy, Inc.**  
**Minutes of Meeting of Board of Directors**  
**Held January 28, 2005**

A meeting of the Board of Directors of Electric Energy, Inc. convened via telephone conference call, on Friday, January 28, 2005, at 9:30 a.m. Central Time, subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held via telephone conference with said calls originating from Electric Energy, Inc., at Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Friday, January 28, 2005, at 9:30 a.m. Central Time.

Date: January 21, 2005"

There were present, by roll call, the following constituting a majority of the Board of Directors:

Messrs.	D. F. Cole
	P. W. Thompson
	D. A. Whiteley
	T. R. Voss
	J. N. Voyles, Jr.

Mr. Robert L. Powers, as President of the Corporation, presided at the meeting and Mr. William H. Sheppard, Vice President of the Corporation, was appointed Acting Secretary for the meeting.

The minutes of the meeting of the Board of Directors held on October 29, 2004, copies of which had been sent previously to each member, were discussed. Mr. Powers reported representatives of LG&E, while subsequently reviewing the October 29, 2004, minutes, noted that the proposed resolution of Modification No. 16 and Letter Supplement to the Power Supply Agreement should have an effective date of January 1, 2003, instead of January 1, 2005. This change was acceptable to the Directors, who asked that it be noted in the minutes. Upon motion by Mr. Whiteley, seconded by Mr. Thompson, the minutes were approved with the revision agreed to by the Board.

Mr. Powers presented the earnings report for the fourth quarter 2004 and discussed each of the earnings components for the fourth quarter.

Mr. William H. Sheppard reviewed with the Board the 2004 Management Incentive Compensation Plan, discussed how the earned incentive compensation is determined, and reported the results for the year. Mr. Sheppard also reviewed the Company's key performance comparisons. Mr. Sheppard then reviewed the Collective Bargaining Unit Performance Incentive Plan and reported the results for the year.

Mr. Sheppard updated the Board with a final report on 2004 Capital Budget expenditures.

Mr. Sheppard reviewed the Company's Strategic Plan and 2005 Performance Objectives. Mr. Sheppard proposed the 2005 Incentive Compensation Program to the Board. After full discussion, upon motion duly made and seconded, it was unanimously:



RESOLVED, the Board has approved the continuation of the Company's Incentive Compensation Plan for 2005.

Mr. Robert L. Powers provided a status report on the VEBA Trusts managed by National Investment Services of America. Mr. Powers presented the financial results of the Management and Bargaining Unit Trusts for the twelve months ended December 31, 2004, and reviewed the investment strategy for each fund.

Mr. Powers then reported on the Company's pension fund assets managed by Deutsche Bank. Mr. Powers presented the financial results for the twelve months ended December 31, 2004, and reviewed the management strategy for the fund. Mr. Powers reported the Company does not expect to make contributions to the pension plan or VEBA Trusts during 2005.

Mr. Powers brought up for discussion the matter of a Power Supply Agreement beginning in 2006. Mr. Powers recommended that a team be formed, and a member of each Sponsor to appoint a representative from their company to the team. Mr. Powers reported he would provide a draft of a proposed Power Supply Agreement to the Sponsors by the third week of February.

It was agreed that the next Board of Directors' meeting would be held on, Friday, May 13, 2005, in St. Louis, Missouri.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ William H. Sheppard  
Acting Secretary

**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held January 30, 2004**

A meeting of the Board of Directors of Electric Energy, Inc. convened via telephone conference call, on Friday, January 30, 2004, at 10:00 a.m. Central Time, subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held via telephone conference with said calls originating from Electric Energy, Inc., at Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Friday, January 30, 2004, at 10:00 a.m. Central Time.

Date: January 23, 2004"

There were present, by roll call, the following constituting a majority of the Board of Directors:

Messrs.	R. A. Bowen
	D. F. Cole
	R. W. Eimer, Jr.
	R. A. Kelley
	C. D. Naslund
	A. R. Smith
	P. W. Thompson
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc., and Mr. William H. Sheppard, Vice President of Electric Energy, Inc.

The minutes of the meeting of the Board of Directors held on November 7, 2003, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. James M. Helm who presented the earnings report for the fourth quarter 2003. Mr. Helm discussed each of the earnings components for the fourth quarter.

Mr. Robert L. Powers informed the Board that Met-South, Inc. was having contractual issues with its ash marketer. It was reported there were unresolved issues over a three-year period and future earnings may be adversely impacted.

Mr. William H. Sheppard reviewed with the Board the 2003 Management Incentive Compensation Plan, discussed how the earned incentive compensation is determined, and reported the results for the year. Mr. Sheppard also reviewed the Company's key performance comparisons. Mr. Sheppard then reviewed the Collective Bargaining Unit Performance Incentive Plan and reported the results for the year.

Mr. Sheppard updated the Board with a final report on 2003 Capital Budget expenditures.

Mr. Sheppard reviewed the Company's Strategic Plan and 2004 Performance Objectives. Mr. Sheppard proposed the 2004 Incentive Compensation Program to the Board.

After full discussion, upon motion duly made and seconded, it was unanimously;

RESOLVED, the Board has approved the continuation of the Company's Incentive Compensation Plan for 2004.

Mr. James M. Helm provided a status report on the VEBA Trusts managed by National Investment Services of America. Mr. Helm presented the financial results of the Management and Bargaining Unit Trusts for the twelve months ended December 31, 2003, and reviewed the investment strategy for each fund.

Mr. Helm then reported on the Company's pension fund assets managed by Deutsche Bank. Mr. Helm presented the financial results for the twelve months ended December 31, 2003, and reviewed the management strategy for the fund.

Mr. William H. Sheppard entered into a discussion of the Company's cash flow needs and the possible sale of allowances in June 2004. Mr. Sheppard discussed the recent market price increase of SO<sub>2</sub> and NO<sub>x</sub> allowances. After a general discussion, it was agreed to study further the cash flow and allowance strategies for the Company and report the results at the May 2004 Board meeting.

It was agreed that the next Board of Directors' meeting would be held on, Thursday, May 13, 2004, in Joppa, Illinois.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm  
Secretary

**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held May 13, 2005**

A meeting of the Board of Directors of Electric Energy, Inc. convened at the St. Louis Airport Hilton Hotel in St. Louis, Missouri, on Friday, May 13, 2005, at 10:00 a.m., subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held at the St. Louis Airport Hilton Hotel in St. Louis, Missouri, for the transaction of such business as may properly come before the meeting on Friday, May 13, 2005, at 10:00 a.m. Central Time.

Date: May 6, 2005 "

The following were present constituting all of the Board of Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.
	D. A. Whiteley

Mr. R. Alan Kelley, Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending

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were Mr. Robert L. Powers, President of Electric Energy, Inc., Mr. William H. Sheppard, Vice President of Electric Energy, Inc., Mr. Dave Yankee and Mr. David Bell, both of Deloitte & Touche LLP.

The President suggested that consideration should be given to the election of Officers for the ensuing year. The following were thereupon separately nominated and separately elected to the office set opposite their names by unanimous vote:

R. Alan Kelley	Chairman
Robert L. Powers	President
William H. Sheppard	Vice President
James M. Helm	Secretary-Treasurer

The minutes of the meeting of the Board of Directors held on January 28, 2005, copies of which had been sent previously to each member, were approved.

The President introduced Messrs. Dave Yankee and David Bell of Deloitte & Touche LLP who reported on the Company's consolidated financial statements for 2004. Mr. Bell reviewed and reported on the audit scope, accounting and reporting matters, required matters to be reported to the Board, and the results of the review of internal accounting controls.

The President then excused the Officers from the meeting so the Board could independently discuss the audit results with Messrs. Yankee and Bell. Mr. Bell reported there were no substantive issues that should be brought to the attention of the Board. The Officers then rejoined the meeting.

The President introduced Mr. James M. Helm who presented the earnings report for the first quarter 2005. Mr. Helm discussed each of the earnings components for the first quarter.

The Chairman entered into a discussion of appointing auditors for the Company. Due to the increased reporting requirements as required by the

Sarbanes-Oxley Act, and additional audit work required by the sponsor company auditors, it was recommended the Company solicit audit proposals from other auditing firms for 2005. After a general discussion it was agreed to recommend auditors for the Company at the next meeting.

The Chairman introduced Mr. William H. Sheppard who updated the Board with safety initiatives and plans to improve the Company's safety culture. Mr. Sheppard reported the results of his visit to Duke Power along with the Company's increased emphasis on safety, employee expectations, consequences, and employees working safely as a condition of employment.

The Chairman entered into a general discussion regarding the Power Supply Agreement (PSA). The Chairman reported the existing PSA expires December 31, 2005, and a team has been formed to negotiate a new PSA for the Company. A discussion was held regarding appropriate power pricing going forward in the new agreement. The Chairman noted that the current contracts are market-based, as the market was defined when the contracts were negotiated in the late 1980's. Mr. Thompson commented that the past contracts have served the owners and their customers well, and that he would have no objections to continuing this approach. It was the sense of the Board that the PSA negotiating team be directed to develop a new PSA for the Company, considering market-based pricing as the market is now defined using indices that power prices could be tied to, for Board consideration at its next meeting.

It was agreed that the next Board of Director's meeting would be held on Friday, August 5, 2005, via teleconference, at 10:00 a.m. Central Time.

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There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm

Secretary



**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held August 5, 2005**

A meeting of the Board of Directors of Electric Energy, Inc. convened via teleconference on Friday, August 5, 2005, at 10:00 a.m., subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

**Notice of Meeting of Board of Directors**

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held via teleconference with said calls originating from Electric Energy, Inc., at Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Friday, August 5, 2005, at 10:00 a.m. Central Time.

Date: July 29, 2005"

There were present the following, constituting all of the Board of Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending by telephone were Mr. Robert L. Powers, President of

the Corporation, Mr. William H. Sheppard, Vice President of Electric Energy, Inc., and Mr. Jerre E. Birdsong, Vice President, Risk Management and Treasurer of Ameren Services.

The minutes of the meeting of the Board of Directors held on May 13, 2005, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. James M. Helm who presented the earnings report for the second quarter 2004.

The Chairman brought up for discussion the appointment of independent auditors for 2005. After discussion, a resolution was presented to appoint PricewaterhouseCoopers as independent auditors for the year 2005. Upon motion duly made and seconded, it was unanimously;

RESOLVED, that PricewaterhouseCoopers be and is hereby appointed for the year 2005.

Mr. James M. Helm entered into a discussion of the Company's pension fund assets managed by Mellon Trust. Mr. Helm reported the financial results for the six months ended June 30, 2005, and reviewed the asset management strategy for the fund.

Mr. Helm then provided a status report on the VEBA Trusts managed by NISA Investment Advisors and the International Equity Funds. Mr. Helm reported the financial results of the Management and Bargaining Unit Trusts for the six months ended June 30, 2005. Mr. Helm also reviewed the asset strategy for each fund.

Mr. William H. Sheppard then updated the Board with the projected 2005 Capital expenditures of \$9,080,000.00. Mr. Sheppard reported a projected increase of approximately \$247,000.00. Mr. Sheppard further reported that capital expenditures would be within the spending guidelines previously authorized by the Board.

The Chairman then introduced Mr. Jerre E. Birdsong who discussed the current and future financing needs of the Company. After full discussion, upon motion duly made and seconded, it was unanimously;

WHEREAS, Electric Energy, Inc. (the "Corporation") presently has a Loan Agreement with Bank of America, N. A., a national banking association formerly known as NationsBank, N.A. (the "Bank"), providing, among other matters, for the extension of credit to the Corporation of funds in such amounts, at such times, and upon terms as set forth in the respective Loan Agreements, all not to exceed \$20 million dollars; and,

WHEREAS: there has been presented to the Corporation:

(a) an extension of credit to this Corporation as borrower from Ameren Corporation ("Ameren") as lender providing, among other things, for one or more short-term loans to this Corporation not in excess of an aggregate principal amount at any one time outstanding of \$75 million dollars, such amount subject to change at Ameren's discretion ("Ameren Funding Arrangement"); and

(b) a copy of a form of Promissory Note evidencing such short-term loan from Ameren to the Corporation, which is attached to this Resolution and is incorporated herein by this reference; and,

WHEREAS: such terms pursuant to the proposed Ameren Funding Arrangement are fair and reasonable to the Corporation, and it is the judgment of this Board of Directors that the Corporation would benefit from such arrangement,

NOW THEREFORE BE IT RESOLVED: that the officers of the Corporation are authorized to execute, in the name and on behalf of the Corporation, and deliver, one or more

Promissory Notes between this Corporation and Ameren, substantially in the form of the Promissory Note attached hereto, except for such changes, additions and deletions as to any or all of the terms and provisions thereof as the officers executing such Promissory Note on behalf of the Corporation shall deem proper, such execution by such officers of any Promissory Note between the Corporation and Ameren to be conclusive evidence that such officers deem all of the terms and provisions thereof to be proper;

FURTHER RESOLVED: that the officers of the Corporation are authorized to borrow on behalf of the Corporation such amounts permitted or provided to be borrowed by this Corporation under the Ameren Funding Arrangement and related Promissory Note(s) executed by this Corporation pursuant to this resolution;

FURTHER RESOLVED: that the officers of the Corporation are authorized in the name and on behalf of the Corporation from time to time to take such actions and to execute and deliver such documents as may be required or as such officers may deem necessary, advisable or proper in order to carry out and perform the obligations of the Corporation under the Ameren Funding Arrangement and any Promissory Note executed by the Corporation pursuant to this resolution, or under any other instrument or document executed pursuant to or in connection with such arrangement; all such actions to be performed in such manner, and all such documents to be executed and delivered in such form as the officers performing or executing the same shall approve, the performance or execution thereof by such officers to be conclusive evidence of the approval thereof by such officers and by this Board of Directors.

The Chairman introduced Mr. Robert L. Powers who updated the Board with a report on the Power Supply Agreement. Mr. Powers reported that the team has met regularly and discussed key issues of a proposed Power Supply Agreement. A draft outline has been presented to the interested parties for consideration. He further reported that the team has entered into preliminary discussions as to how the Company would file for market-based rates. Mr. Powers disclosed that it was the general consensus of the team, at this time, that

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the Company would not enter MISO. He also reported that discussions were ongoing with the Department of Energy regarding sales beginning in 2006.

The Chairman then reported to the Board that he would attempt to convene the Sponsoring Companies on either August 15 or August 26, 2005, for a meeting in St. Louis, Missouri. Mr. Kelley further reported that if during that meeting the Sponsors expressed the desire for a Special Shareholders' Meeting to be called on that date, he would be prepared to call the Special Shareholders' Meeting at that time and at their request.

It was agreed that the next Board of Directors' meeting would be held on Friday, October 28, 2005, at the St. Louis Airport Hilton Hotel in St. Louis, Missouri, at 10:00 a.m. Central Time.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm  
Secretary

Electric Energy, Inc.

Minutes of Special Meeting of Board of Directors

Held September 8, 2005

A special meeting of the Board of Directors of Electric Energy, Inc. convened at Electric Energy, Inc., Joppa, Illinois via teleconference, on Thursday, September 8, 2005, at 10:00 a.m. Central Time, pursuant to a waiver of consent signed by all the members of the Board of Directors, stating the time, place and purpose of the meeting.

There were present the following constituting all of the Board of Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc. and Mr. William H. Sheppard, Vice President of Electric Energy, Inc.

The minutes of the meeting of the Board of Directors held on August 5, 2005, copies of which had been sent previously to each member, were approved.

The Chairman stated that the meeting was called to discuss pricing for one or more new Power Sales Agreements (PSA). He noted that the Directors owe a fiduciary duty to the Company and its owners to act on an informed basis, to exercise

their business judgment, and to take action in the best interest of the Company. The Chairman explained that in this regard, the Directors have duty to maximize its value, that is to maximize the return to the Company in connection with any new PSA's. A comment was made by Mr. Thompson that he believes there are several other factors, including risk, that the Directors should bear in mind when making decisions.

The Chairman further pointed out that as discussed at the May 13, 2005 meeting of the Board, the PSA entered into in 1987 was "market-based" as the market was then defined. However, at that time, there was no transparent competitive wholesale bulk power market, and there was no open access transmission service which the Company could use to find a market for its power. With the expiration of the contract at year-end, the Chairman commented that it seems appropriate to continue this approach of a market-based product, as the market is now defined. It was noted that this approach would also satisfy the directors' legal obligation to maximize the value of the Company for its stockholders.

The Chairman commented there had been a discussion in the past regarding a potential conflict that might exist among Board members in their positions as both the Company directors and officers of the regulated utility owners of the Company – AmerenUE and Kentucky Utilities (KU). The Chairman noted that the ownership interests of AmerenUE and KU in the Company are not regulated assets, but are instead shareholder assets. It was also noted that interests in the Company were not purchased with ratepayer funds, nor are they rate based. The Chairman noted that consequently the officers and directors of Ameren UE and KU owe a fiduciary duty and loyalty to their companies' shareholders, not their ratepayers.

Therefore, no conflict of interest exists. As such, it was noted that it is in the best interest of the shareholders of UE and KU to maximize the revenue derived from the output of the Joppa plant. It was also noted that this is consistent with the best interest of EEInc. Mr. Thompson expressed his belief that trade-offs between value to shareholders and value to rate payers were inherent in determining maximum value to shareholders.

The Chairman next discussed how these considerations related to possible future sales to AmerenUE. The Chairman noted that Missouri regulation requires that EEInc. (as an affiliate of AmerenUE) sell any portion of its output to AmerenUE at the lower of cost or market. The Chairman again explained that since the Company could not sell to AmerenUE without acting contrary to its own best interest, and the Board members could not vote for sales at cost without violating their legal obligation to the Company, the Chairman recommended that the Company not offer AmerenUE any share of the Company's power output going forward. Following a thorough discussion of the issue, the Board concurred with the recommendation.

The Chairman then entered into a discussion of FERC requirements for affiliate transactions. The Chairman noted that FERC has imposed increased scrutiny and shown increased hostility with respect to the sale of power by unregulated affiliated generators (such as the EEInc.) to affiliated regulated utilities (such as AmerenUE and KU). The Chairman further informed the Board that FERC only permits such sales upon a showing that the buyer has not preferred its affiliate without justification. He stated that this proof is generally difficult to make, often involving large amounts of data analysis, an independently administered RFP, a FERC



hearing and an uncertain outcome. In addition, the process could last six to twelve months. It was concluded that this could be avoided if the Company receives approval from FERC to sell power at market-based rates and then sold power to its unregulated affiliates; that is affiliates without a franchised service territory. Based upon the preceding discussion, it was the consensus of the Board that such a market-based rate filing would be appropriate. The Chairman informed the Board that the Company would be filing for approval from FERC to sell power at market-based rates within a week.

A comment was made by Mr. Thompson that at the time of the meeting, his company had not made a determination as to what entity it would choose to have contract for its 20 percent of the Joppa Plant output. He indicated that KU is still trying to pursue contracting for the power at the best possible price, considering all of the points raised in the board discussion.

The Chairman then opened for discussion the issue of owners' entitlement to a percentage of Joppa Plant output going forward. The Chairman noted that no explicit rights to the Company's power are called out in either the Articles of Incorporation or the By-laws. In particular, it was noted that it is unclear under the By-laws Article II, Section 6(e), whether the owners have such an entitlement. Section 6(e) describes how the right, if there is one, can be changed, and no where is there a provision that prescribes at what price the owners may be entitled to purchase their proportionate share.

After a thorough discussion, and considering the nature and extent of any rights of the owners to the Company's power output pursuant to the Company's By-

laws, as well as the FERC affiliate and Missouri affiliate pricing issues noted in these minutes; upon motion duly made and seconded, the following resolutions were adopted:

RESOLVED, beginning January 1, 2006, the Company will sell, or offer to sell, all of its Joppa Plant output at market-based rates; and

BE IT FURTHER RESOLVED, that the officers of the Company be and they are hereby authorized to complete negotiations for the sale of the Joppa Plant output at such rates.

It was agreed the next Board of Directors meeting be held Friday, October 28, 2005, at the St. Louis Airport Hilton Hotel in St. Louis, Missouri, at 10:00 a.m. Central Time.

There being no further, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm  
Secretary

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Electric Energy, Inc.

Minutes of Meeting of Board of Directors

Held October 28, 2005

A meeting of the Board of Directors of Electric Energy, Inc. convened at the St. Louis Airport Hilton in St. Louis, Missouri, on Friday, October 28, 2005, at 10:00 a.m. Central Time, subsequent to the following notice which had been previously sent to each member of the Board:

"ELECTRIC ENERGY, INC.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held at the St. Louis Airport Hilton in St. Louis, Missouri, for the transaction of such business as may properly come before the meeting on Friday, October 28, 2005, at 10:00 a.m. Central Time.

Date: October 21, 2005"

There were present the following constituting all of the Board of  
Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary.

Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc. and Mr. William H. Sheppard, Vice President of Electric Energy, Inc.

The minutes of the Special Meeting of the Board of Directors held on September 8, 2005, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. James M. Helm who reviewed the earnings report for the third quarter 2005. Mr. Helm discussed each of the earnings components for the current quarter.

The Chairman introduced Mr. William H. Sheppard who entered into a general discussion of emission allowances. Mr. Sheppard discussed the past emission allowance sales, provided a status of current allowances, and provided future alternatives available to the Company.

Mr. Robert L. Powers then reported to the Board the Company has sold 400 NO<sub>x</sub> allowances for \$1,075,970. Mr. Powers reported the Board has previously authorized allowance transactions. Mr. Powers further reported that because of market conditions, the Company needs the flexibility to be able to sell allowances in the future. Mr. Powers informed the Board the Company would enlist the help of Ameren in marketing allowances. Mr. Powers also noted the Company has requested Ameren to assist in natural gas purchases as well as gas transportation. After a general discussion, upon motion duly made and seconded it was unanimously:

RESOLVED, the Company and its subsidiary hold and acquire SO<sub>2</sub> and NO<sub>x</sub> emission allowances which are marketable and which the Company has sold from time to time as the market or the needs of the Company have justified; and

WHEREAS, in order to efficiently use and manage the allowances and the plant, it becomes necessary to sell such allowances, or to transfer them

between the Company and its subsidiary, all as may be determined from time to time by the Officers of the Company;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Electric Energy, Inc., that the Officers of the Company are hereby authorized to sell, transfer, or otherwise dispose of the excess emission allowances of the Company and its subsidiary, from time to time, at their discretion, and in order to achieve maximum benefit to the Company.

Mr. Paul Thompson asked if resolution included the ability to sell options.

Mr. Powers replied, "Yes".

Mr. Robert L. Powers provided a status report on the market-based rate authorization. Mr. Powers reported the Company filed for a market-based rate authorization with FERC and discussed the chronological events and developments since the filing. Mr. Powers reported that the Company expected FERC approval of the rate filing by year end.

Mr. Kelley introduced Mr. William H. Sheppard who presented the 2006-2008 budget for the Company. Mr. Sheppard reviewed budget highlights with the Board which included revenues and earnings, significant cost trends in fuel, administrative and general, maintenance, and depreciation and interest expenses.

Mr. Helm then reviewed the projected cash flow with the Board. Mr. Helm discussed the assumptions in the cash flow model which included the projected increase in net income, possible reinstatement of dividends, debt repayments, and capital expenditures being funded by internal cash flow.

Mr. Sheppard then presented the Capital budget for 2005 – 2007. After discussion, upon motion duly made and seconded it was unanimously

RESOLVED, the Board of Directors of Electric Energy, Inc. has authorized the implementation of the planned 2006 Capital Projects Budget and has authorized the Officers to make those expenditures.

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Mr. Sheppard entered into a status report on coal inventory levels. It was reported the Company presently has a nineteen day supply of usable coal on the ground. The Company is presently receiving six to seven trains of coal per week, and is continuing a coal conservation plan.

The Chairman brought up for discussion meeting dates for 2005. The following dates were selected:

February 3, 2006	(Friday – Phone)
May 12, 2006	(Friday – St. Louis, MO)
July 21, 2006	(Friday – Phone)
October 27, 2006	(Friday – St. Louis, MO)

Mr. Kelley brought up for discussion certain salary changes for the Vice President and Secretary-Treasurer of the Corporation. After discussion, upon motion duly made and seconded, it was:

RESOLVED, that the annual compensation of the Vice President of the Corporation be [REDACTED], effective January 1, 2006, and the maximum amount of incentive compensation be [REDACTED] percent of base salary.

RESOLVED, that the annual compensation of the Secretary-Treasurer of the Corporation be [REDACTED], effective January 1, 2006, and the maximum amount of incentive compensation be [REDACTED] percent of base salary.

There being no further business, upon motion, duly made and seconded, the meeting was adjourned.

\_\_\_\_\_  
/s/ James M. Helm  
Secretary

**Electric Energy, Inc.**  
**Minutes of Special Meeting of Board of Directors**  
**Held December 22, 2005**

A special meeting of the Board of Directors of Electric Energy, Inc. convened at Electric Energy, Inc., Joppa, Illinois, via teleconference, on Thursday, December 22, 2005, at 10:00 a.m. Central Time, pursuant to a waiver of consent signed by all the members of the Board of Directors, stating the time, place and purpose of the meeting.

There were present the following constituting all of the Board of Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc., Mr. William H. Sheppard, Vice President of Electric Energy, Inc., and Mr. Michael T. Pullen, Manager of Systems of Electric Energy, Inc.

The minutes of the meeting of the Board of Directors held on October 28, 2005, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. Robert L. Powers. Mr. Powers informed the Board that the Department of Energy's contract with the Company has been extended by entering into Modification No. 17. The contract modification extends the contract through December 31, 2006, and deletes Sections 2.06, Excess Joppa Energy, and Section 3.08, Adjustment for Replacements, Extensions and Improvements. After a general discussion, the Chairman asked that the Board ratify Modification No. 17.

Upon motion duly made and seconded, Modification No. 17 was ratified and unanimously approved by the Board, and it was requested the Modification No. 17 be made a part of the minutes.

MODIFICATION NO. 17

THIS MODIFICATION NO. 17, entered into this \_\_\_ day of December, 2005, by and between ELECTRIC ENERGY, INC. (referred to as "Company"), a corporation organized under the laws of the State of Illinois, and the UNITED STATES OF AMERICA (referred to as "Government"), acting by and through the SECRETARY (referred to as "Secretary") of the DEPARTMENT OF ENERGY (referred to as "DOE");

WITNESSETH THAT:

WHEREAS, Company and Government have heretofore entered into Contract No. DE-AC05-760R01312 (referred to as the "Agreement") for the supply by Company of electric power required by DOE at its Paducah Project (referred to as the "Project") near Paducah, Kentucky; and

WHEREAS, the Agreement has previously been amended by Modifications Nos. 1 through 16, and by various unnumbered letter agreements and unilateral notices; and

WHEREAS, Company and the DOE desire to amend the Agreement, so as to extend its term beyond December 31, 2005, and to make certain other changes; and

WHEREAS, this Modification No. 17 is authorized and entered into under the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974 (P.L. 93-438); the Department of Energy Organization Act (P.L. 95-91); and other applicable law;

NOW, THEREFORE, in consideration of the premises and provisions of the Agreement, and heretofore amended as it is amended hereby, and in consideration of the mutual agreements and undertakings of the parties, the terms and provisions of the Articles and Sections of the Agreement, as heretofore amended, shall be and hereby are amended by this Modification No. 17 as follows:

1. Article VI—Term of Agreement shall be modified to read as follows:

**Section 6.01. Duration.** This Agreement shall continue in force through December 31, 2006. However, the obligations of DOE and Company which are specified in this Agreement as continuing after termination shall continue in accordance with the terms of this Agreement.

2. Section 2.06—Excess Joppa Energy, and Section 3.08—Adjustment for Replacements, Extensions and Improvements, of the Agreement shall be deleted.



3. Except as modified herein, the Agreement shall remain in full force and effect from January 1, 2006 through December 31, 2006.

4. This Modification No. 17 is subject to necessary acceptance by the Federal Energy Regulatory Commission (the "FERC"). Upon execution of this Modification No. 17 by a duly authorized representative of DOE, Company shall prepare and file at the FERC a revised and restated Agreement containing these changes with the FERC, with a request that the Agreement, as so modified, be permitted to become effective as of January 1, 2006.

IN WITNESS WHEREOF, the parties hereto have executed the Modification No. 17 as of the day and year first above written.

UNITED STATES OF AMERICA

By: \_\_\_\_\_

ELECTRIC ENERGY, INC.

By: \_\_\_\_\_

Mr. Powers then summarized the key points of the proposed Power Sales Agreement between the Company and the owners. Mr. Powers reported he received a letter indicating Kentucky Utilities Company did not wish to participate in the Power Sales Agreement effective January 1, 2006. Mr. Powers reported the counterparty to the agreement would be Ameren Energy Marketing, participating at 100 per cent.

A general discussion was entered into by the Board regarding the Power Sales Agreement. Some of the issues raised and further clarified by the Chairman and President were: market-based rates, interpretation of certain contract sections, pricing of energy, when and how contract pricing will be established, scheduling of power, and monitoring profits of the Company.

After full discussion, upon motion duly made and seconded, it was agreed to approve the following resolution:

RESOLVED; the Board authorizes the appropriate officers of Electric Energy, Inc. to enter into a Power Sales Agreement presented to the Board and made a part of the Minutes.

**POWER SALES AGREEMENT**

**By and Between**

**ELECTRIC ENERGY, INC.**

**and**

**AMEREN ENERGY MARKETING COMPANY**

**Dated December\_\_\_\_, 2005**

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Appendix A          Monthly Correction Factors

**POWER SALES AGREEMENT**

This **POWER SALES AGREEMENT** ("**Agreement**") is made and entered this \_\_\_\_ day of December, 2005, by and between Electric Energy, Inc., a corporation organized and existing under the laws of the State of Illinois ("**Seller**") and Ameren Energy Marketing Company, a corporation organized and existing under the laws of the state of Illinois ("**Buyer**"). Each of Seller and Purchaser is hereinafter sometimes referred to individually as a "**Party**" and they are hereinafter sometimes referred to collectively as the "**Parties**."

**W I T N E S S E T H:**

**WHEREAS**, Seller is a public utility, as defined in 16 U.S.C. § 824(e), engaged in, among other businesses, the purchase and sale of electric capacity and energy at wholesale; and

**WHEREAS**, Seller owns and operates a six-unit coal-fired generation facility in Joppa, Illinois (the "**Joppa Station**"), with a net capacity of approximately 1,002 MWs;

**WHEREAS**, Buyer is a public utility, as defined in 16 U.S.C. § 824(e), engaged in, among other businesses, the purchase and sale of electric capacity and energy at wholesale; and

**WHEREAS**, Buyer and Seller desire to enter into a long-term electric power supply agreement in order to meet certain demands of Buyer for Capacity and Energy.

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

**1.**  
**Definitions and Interpretation**

1.1 Definitions.

Unless specified to the contrary, when used herein, the following capitalized terms shall have the meanings ascribed to them below:

Agreement means this Power Sales Agreement, by and between Electric Energy, Inc. and Ameren Energy Marketing Company.

Ancillary Services means those ancillary services, including but not limited to those described in FERC Order No. 888, that may from time to time be required by FERC to be supplied by any transmission provider in a Control Area.

Business Day means any Day, Monday through Friday, which is not a NERC Holiday.

Buyer means Ameren Energy Marketing Company.

Capacity means the minimum Net Capability for the Unit as reported to any NERC Regional Reliability Council in accordance with MAIN Guide No. 3A (or such comparable guide or authority) and reduced, if appropriate, to reflect station power consumption and losses to the Delivery Point(s). Capacity is measured in MWs.

Capacity Price has the meaning ascribed to such term in Section 6.2.

Cinergy Index has the meaning ascribed to such term in Section 6.3.

Commercial Node or CpNode means a node in the commercial model used by the Midwest ISO or other applicable RTO with an LMP Market to schedule and settle market activities.

Contract Capacity means the amount of Capacity provided by Seller to Buyer hereunder, which shall not exceed one hundred percent (100%) of the Capacity available from the Unit in any Hour of each Day.

Contract Capacity Forecast has the meaning ascribed to such term in Section 5.2.1.

Contract Energy means that Energy provided by Seller to Buyer pursuant to this Agreement, which shall not exceed one hundred percent (100%) of the Energy produced by the Unit in any Hour of each Day.

Contract Energy Forecast has the meaning ascribed to such term in Section 5.2.2.

Contract Charge has the meaning ascribed to such term in Section 6.1.

Control Area means an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to,

among other things, match at all times the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s) with the load within the electric power system(s).

Cost To Generate means the actual costs incurred by Seller during the month to generate the Contract Capacity and Contract Energy less the amounts paid by Buyer during the month for the Capacity Charge ("Adjusted Actual Costs"). The actual costs shall include all variable and fixed costs incurred by the Seller that are reflected on Seller's monthly income statement. For purposes of calculating the Cost To Generate in Section 4.2.1.2, Seller shall convert the Adjusted Actual Costs incurred by Seller during the month to a per megawatt-hour charge by dividing the Adjusted Actual Cost by the total amount of megawatt-hours generated by Seller during the month.

CPT means Central Prevailing Time.

Day means a twenty four (24) hour period, commencing at the beginning of hour ending 0100 Central Prevailing Time, except that the "Day" shall be a twenty three (23) hour period on the first day of Daylight Savings Time each year and shall be a twenty five (25) hour period on the first day following the last full day of Daylight Savings Time each year.

Day-Ahead Energy Market means the forward market for efficiently allocating transmission capacity, facilitating purchases and sales of Energy and scheduled bilateral transactions, conducted by the Midwest ISO (or other RTO) the Day prior to the actual operating Day.

Day-Ahead LMP means the locational marginal price calculated through the clearing of the Day-Ahead Energy Market.

Default Interest Rate means the U.S. Prime Rate as quoted in the "Money Rates" section of *The Wall Street Journal*, plus one percent (1%) per annum, prorated to a daily rate and compounded daily; provided that (a) the rate applicable on any dates where no such rate is quoted shall be the rate last quoted in the "Money Rates" section of *The Wall Street Journal*, and (b) the average of all quoted rates shall be used if more than one rate is published.

Delivery Point means (i) the interface between Seller's Control Area and each Control Area or RTO to which Seller's Control Area is directly connected (i.e., currently the Midwest ISO and the Tennessee Valley Authority), unless and until functional control of the Seller's transmission system has been transferred to the Midwest ISO or another RTO; or (ii) the Unit bus, if and when functional control of Seller's transmission system is transferred to the Midwest ISO or another RTO.

Delivery Term means the period of time between January 1, 2006 and December 31, 2015.

Dispute has the meaning ascribed to such term in Section 8.1.

EEI Interface CpNode means the CpNode defined by the Midwest ISO to settle market activities at the interface between the Seller's Control Area and the transmission system functionally controlled by the Midwest ISO.

Effective Date has the meaning set forth in Section 3.2.

Energy means real (not reactive) electric energy in the form of three-phase alternating current having a nominal frequency of approximately 60 cycles per second, a harmonic content consistent with the requirements of the Institute of Electrical and Electronic Engineers Standard No. 519, and a voltage content consistent with the guidelines applied by the Control Area in which the applicable Generating Resource resides. Energy is measured in MWh.

Energy Price has the meaning ascribed to such term in Section 6.3.

Energy Schedule has the meaning ascribed to such term in Section 5.1.2.

EST means Eastern Standard Time.

Federal Power Act means 16 U.S.C. §§ 791a *et seq.*

FERC means the Federal Energy Regulatory Commission or any agency which succeeds to such Commission's regulatory functions for the electric utilities.

Force Majeure means an event or circumstance which prevents a Claiming Party from performing its obligations or causes delay in such Claiming Party's performance under this Agreement, which event or circumstance was not anticipated as of the date of execution of this Agreement, which is not within the reasonable control of, or the result of the negligence of the Claiming Party and which, by the exercise of due diligence or use of Good Utility Practice, the Claiming Party is unable to overcome or avoid or cause to be avoided. Events of Force Majeure may include, but are not limited to, acts of God; fire; flood; earthquake; war; riots; requirements, actions or failure to act on the part of governmental authorities; adoption or change in any law, regulation, statute, rule or regulation imposed by federal, state or local governmental bodies, including, without limitation, a change in the interpretation thereof; or any lawful order by any court or administrative agency (so long as the Claiming Party has not applied for or assisted in the application for such judicial or governmental action). Force Majeure shall not be based on: (i) Buyer's inability economically to use the power purchased hereunder; (ii) Buyer's ability to purchase Capacity and/or Energy from a third party at a price less than the price under this Agreement; (iii) Seller's ability to sell Capacity and/or Energy at a price greater than the price under this Agreement; or (iv) Seller's inability economically to produce the power sold hereunder, including but not limited to Seller's inability to provide Capacity and/or Energy at its expected cost or price or at a cost or price equal to or lower than the price under this Agreement.

Good Utility Practice means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant

time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts generally accepted in the region.

Hour means a clock hour.

Initial Period has the meaning ascribed to such term in Section 6.2.

LMP Market means a system, implemented and operated by the Midwest ISO or other RTO, in which users of the electric transmission grid are charged for electric transmission congestion based on the location of the transmission busses where they inject and withdraw power from the transmission system and the prices for electric energy at such busses. Such a system must include a central clearing market for sales and purchases of electric energy.

MAIN means the Mid-America Interconnected Network, Inc., or any successor organization.

Midwest ISO means the Midwest Independent Transmission System Operator, Inc., or the successor organization to the functions thereof.

MISO Capacity Market has the meaning ascribed to such term in Section 6.2.

Monthly Correction Factor means the factor set forth in Appendix A for each month of a calendar year that is used to convert a Calendar Year price set forth in the Cinergy Index to a monthly price for On-Peak Energy. The Monthly Correction Factors set forth in Appendix A shall be updated every two (2) years by Buyer's pricing and analysis group and upon approval of Seller.

MW means megawatts.

MWh means megawatt-hours.

NERC Holiday means any day that is New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Three of these days, Memorial Day, Labor Day, and Thanksgiving Day occur on the same day each year. Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the fourth Thursday in November. New Year's Day, Independence Day, and Christmas Day, by definition, are predetermined dates each year. However, in the event they occur on a Sunday, the "NERC Holiday" is celebrated on the Monday immediately following that Sunday. However, if any of these days occur on a Saturday, the "NERC Holiday" remains on that Saturday.

Notice has the meaning ascribed to such term in Section 12.2.



Off Peak means all hours that are not On-Peak, including NERC Holidays.

On-Peak means the hours beginning at 6:00 A.M. Central Prevailing Time and ending at 10:00 P.M. Central Prevailing Time for the days Monday through Friday, excluding NERC Holidays.

Party has the meaning ascribed to such term in the preface hereto.

Person means any individual, a partnership, a joint venture, a corporation, a limited liability company, a limited liability partnership, a trust, a self-regulating organization, an unincorporated organization, or a governmental entity or any department or agency thereof.

Real-Time Energy Market means the real-time market for facilitating purchases and sales of Energy and scheduled bilateral transactions conducted by the Midwest ISO (or other RTO) in real-time on the actual operating Day.

Real-Time LMP means the locational marginal price calculated through the clearing of the Real-Time Energy Market.

Regional Transmission Organization or RTO has the meaning set forth in *Regional Transmission Organizations*, Order No. 2000, FERC Stats. & Regs. [Regs. Preambles 1996-2000] ¶ 31,089 (1999), *on reh'g*, Order No. 2000-A, FERC Stats. & Regs. ¶ 31,092 (2000), *petitions for review dismissed sub nom., Public Utility Dist. No. 1 of Snohomish County, Wash. v. FERC*, 272 F.3d 607 (D.C. Cir. 2001).

Scheduled Outage means a maintenance or planned outage as defined by the NERC Generating Unit Availability Data System ("GADS").

Seller means Electric Energy, Inc.

Tribunal has the meaning ascribed to such term in Section 8.2.1.

Unit means the six (6) coal-fired, steam-driven generation units constituting the Joppa Station and having a combined net generating capability of approximately 1,002 MWs.

Unit Firm means that the Contract Energy is intended to be supplied from a generation asset or assets specified as the Unit, such that Seller's failure to deliver shall be excused under the circumstances set forth in Sections 4.2 and 4.3.

Year means one calendar year.

## 1.2 Interpretation.

In this Agreement, unless a different intention clearly appears:

1.2.1 the singular includes the plural and vice versa;

1.2.2 the reference to any Party includes such Party's legal and/or permitted successors and assignees;

1.2.3 reference to either gender includes the other gender;

1.2.4 reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or otherwise modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;

1.2.5 reference to any Article, Section or Appendix means such Article or Section of this Agreement, or such Appendix to this Agreement, as the case may be, and references in any Article, Section or definition to any clause or paragraph means such clause or paragraph of such Section or definition;

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

1.2.7 "including" means including but not limited to;

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

1.2.9 reference to any law (including statutes and ordinances) means such law as amended, modified, codified, reenacted, in whole or in part, and in effect from time to time, including rules or regulations promulgated thereunder.

### 1.3 No Interpretation Based on Other Agreements.

All terms defined and/or used in this Agreement shall be interpreted without regard for how such terms may be defined and/or used in other agreements between the Parties and/or their affiliates.

### 1.4 No Presumption of Construction For or Against Any Party.

The Parties have jointly participated in the drafting of this Agreement and have had the opportunity to engage counsel of their own choosing in connection therewith. Any rule of construction or interpretation requiring this Agreement to be construed or interpreted for or against any Party as a consequence of its role in the drafting of this Agreement shall not apply to the construction or interpretation hereof.

### 1.5 Titles and Headings.

Article and Section titles and headings in this Agreement are inserted for convenience and ease of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

2.

Seller's Participation in the Midwest ISO or Other RTO

This Agreement has been drafted by the Parties with the presumption that, during the Delivery Term: (i) functional control of the Control Area operated by Seller and the transmission system comprising such Control Area will not initially be transferred to the Midwest ISO or another RTO; and (ii) the Parties acknowledge that functional control of the Control Area operated by Seller and the transmission system comprising such Control Area may be transferred to the Midwest ISO or another RTO and at such time the Delivery Points set forth herein shall change from the interface between the Seller's Control Area and each Control Area to which Seller's Control Area is directly connected, to the generation bus of the Unit; provided, however that in no event shall Seller transfer such functional control of the Control Area operated by Seller to the Midwest ISO or any other RTO without providing the Buyer with at least twelve (12) months' prior written notice.

3.

Term and Termination

3.1 Term.

This Agreement shall become effective as of the Effective Date and shall continue in effect for a period ending at the end of the hour ending 2400 CPT on December 31, 2015, unless terminated prior to this date pursuant to the terms of this Agreement (the "Term").

3.2 Effective Date.

The Effective Date for this Agreement shall be the date of the last event to occur of the following: (i) the commencement of the hour ending 0100 CPT on January 1, 2006, (ii) the commencement of the hour ending 0100 CPT on the third (3<sup>rd</sup>) Business Day following the date of acceptance or approval by FERC in response to a filing, if any, by Seller under Section 205 of the Federal Power Act for the Agreement to be accepted and/or approved by FERC, and (iii) the commencement of the hour ending 0100 CPT on the third (3<sup>rd</sup>) Business Day following the receipt by Buyer of any and all regulatory approvals required by Buyer, in a form satisfactory to Buyer in Buyer's reasonable opinion, to enter into this Agreement and/or recover from its ratepayers amounts paid hereunder; provided, however, if such approvals set forth in this section 3.2 (ii) and (iii) have not been received on or before the commencement of the hour

ending 0100 CPT on January 1, 2006, then this Agreement shall be null and void, *ab initio*.

3.3 Termination.

In addition to terminating automatically pursuant to Section 3.2, this Agreement may be terminated pursuant to Section 6.2 and by either Party, upon five (5) Business Days' written notice to the other Party, as a result of an Event of Default caused by the other Party that is not cured within thirty (30) days. In the event this Agreement is filed with FERC accompanied by a request by Seller under Section 205 of the Federal Power Act for this Agreement to be accepted and/or approved by FERC, this Agreement may also be terminated by either Party, upon five (5) Business Days' written notice to the other Party, in the event of an order by FERC: (i) rejecting this Agreement, (ii) directing that this Agreement be suspended or modified in any material way, (iii) conditioning the acceptance of the Agreement on satisfaction of one or more circumstances or events that cannot be expected to occur without either Party incurring significant cost.

This Agreement may also be terminated by either Party by giving at least eighteen (18) months' advance written notice of such termination. Such notice shall specify an effective date for the termination, which shall occur at hour ending 2400 on the last day of the month of termination.

#### 4.

#### Provision of Capacity and Energy by Seller

##### 4.1 Provision of Contract Capacity by Seller.

Seller shall provide to Buyer at the Delivery Points, and Buyer shall purchase from Seller at the Delivery Points, the Contract Capacity during each Hour of each Day during the Delivery Term.

##### 4.2 Provision of Contract Energy by Seller.

During each Hour of each Day during the Delivery Term, Seller shall deliver and sell to Buyer at the Delivery Points, and Buyer shall purchase and receive at the Delivery Points, the Contract Energy. The Contract Energy shall be Unit Firm.

4.2.1 Economic Curtailments: If at any time during the Term the Parties reasonably determine or expect that Seller will not be able to generate the Contract Energy for an extended period of time at or below the expected price Buyer must pay to Seller under the Terms of this Agreement, or that adverse operating conditions exist or are expected to exist in the future such that generating at full output may not be beneficial to the Parties (e.g., coal inventories at the Joppa Station reach unacceptably low levels requiring coal conservation measures per this Section 4.2.1), then the Parties shall agree to pursue one or more of the following curtailment (hereinafter referred to as "Economic Curtailment") strategies:

4.2.1.1 If the Parties agree that neither Party will be adversely impacted financially by instituting an Economic Curtailment, then the Parties shall determine the duration and magnitude of such Economic Curtailment. During such Economic Curtailment period, Buyer shall be obligated to purchase and Seller shall be obligated to generate only that amount of Contract Energy agreed to by the Parties.

4.2.1.2 If the Parties are not able to agree that neither Party will be adversely impacted financially, or if the Parties are unable to agree on the magnitude and/or duration of the Economic Curtailment, then i) Buyer may require Seller to generate each Hour a specified amount of Contract Energy not to exceed the Contract Capacity, provided Buyer agrees to Pay to Seller, in addition to the price Buyer is obligated to pay Seller for Contract Energy pursuant to Section 6.3, the positive difference, if any, between the Seller's Cost To Generate such Contract Energy and the price for Contract Energy pursuant to Section 6.3; or ii) Seller may require Buyer to purchase Contract Energy provided that Buyer shall not be obligated to pay Seller for such Contract energy an amount greater than required pursuant to Section 6.3.

#### 4.3 Seller's Failure to Deliver.

##### 4.3.1 Generally.

Seller's failure to deliver Contract Capacity and/or Contract Energy pursuant to this Agreement shall be excused: (i) to the extent caused by an event of Force Majeure; (ii) by Buyer's failure to perform any of its material obligations under this Agreement; (iii) to the extent necessary to preserve the integrity of, or prevent or limit any instability on, the Control Area of Seller; (iv) to the extent any Control Area operator or the Midwest ISO (or other RTO) declares, using reasonable judgment, an emergency condition in a Control Area containing a Delivery Point; or (v) by the interruption or curtailment of firm transmission to a Delivery Point.

##### 4.3.2 Other.

In addition to the circumstances set forth in Section 4.3.1, Seller's failure to deliver Unit Firm Contract Energy shall be excused, except as otherwise provided in Section 5.1: (i) if a portion of the Unit (i.e. an individual generating unit) is unavailable as a result of a Forced Outage or derate (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines) or (ii) by an event or circumstance that affects the Unit so as to prevent Seller from performing its obligations, which event or circumstance was not anticipated as of the Effective Date, and which is neither within the reasonable control of, nor the result of

the negligence of, the Seller or (iii) by Buyer's failure to perform. In any of such events, Seller shall not be liable to Buyer for any damages whatsoever.

#### 4.3.3 Scheduled Outages.

Unless otherwise agreed to by the Parties, Seller shall not conduct scheduled outages between June 1 and September 30 or between December 1 and February 28 (or February 29 in a leap year).

#### 4.4 Excuse for Buyer's Failure to Receive.

Buyer's failure to receive Contract Capacity and/or Contract Energy pursuant to this Agreement shall be excused: (i) to the extent caused by an event of Force Majeure; (ii) by Seller's failure to perform any of its material obligations under this Agreement; or (iii) by the interruption or curtailment of firm transmission from a Delivery Point.

#### 4.5 Remedy for Failure to Deliver or Receive.

(a) In the event of Seller's unexcused failure to deliver Contract Energy pursuant to this Agreement, Seller shall pay Buyer, as Buyer's sole and exclusive remedy, the positive difference, if any, between the Replacement Price and the Contract Price. For purposes of this subparagraph (a), "Contract Price" means the price to be paid by Buyer under this Agreement for the Contract Energy that was not delivered by Seller, and "Replacement Price" means the price actually paid by Buyer, acting in a commercially reasonable manner, to replace the undelivered Contract Energy, along with any reasonable related transmission, ancillary service, or brokerage costs.

(b) In the event of Buyer's unexcused failure to receive Contract Energy pursuant to this Agreement, Buyer shall pay Seller, as Seller's sole and exclusive remedy, the positive difference, if any, between the Contract Price and the Sales Price. For purposes of this subparagraph (b), "Sales Price" means the price actually received by Seller, acting in a commercially reasonable manner, to resell the unreceived Contract Energy, along with any reasonable related transmission, ancillary service, or brokerage costs, and "Contract Price" means the price to be paid by Buyer under this Agreement for the Contract Energy that was not received by Buyer.

#### 4.6 No Ancillary Services.

This Agreement only provides for a sale of Contract Energy and Contract Capacity to Buyer. As the operator of its Control Area, Seller may have a need to provide generation-based Ancillary Services. Accordingly, other than the Contract Energy and Contract Capacity sold hereunder, Seller, and not Buyer, shall have exclusive rights to all benefits and attributes of the Unit, including generation-based Ancillary Services.

5.  
Scheduling, Dispatch and Transmission

5.1 Scheduling of Energy.

5.1.1 Seller Unit Availability Schedule.

Unless otherwise agreed to by the Parties, Seller shall provide to Buyer in writing, no later than one hundred eighty (180) minutes prior to the deadline(s) imposed by the Midwest ISO or other RTO tariff for submitting the required tag for a day-ahead generation schedule (hereinafter "Tag Deadline"), the amount of Contract Energy available for each Hour of the next Business Day that Seller reasonably believes will be available for dispatch from the Unit; provided, however, that with respect to any non-Business Day, Seller shall provide written notice of the amount of Contract Energy reasonably anticipated to be available for dispatch on such non-Business Day(s) not later than one hundred eighty (180) minutes prior to the Tag Deadline on the Business Day preceding such non-Business Day(s) (hereinafter "Unit Availability Schedule"). Seller shall notify Buyer as soon as practicable of any Unit derate or other deviation from the Unit Availability Schedule so that Buyer may take the appropriate actions to modify the amount of energy scheduled into the Midwest ISO or other RTO.

5.1.2 Buyer Schedules.

Day Ahead Schedule - Unless otherwise agreed to by the Parties in accordance with Section 4.2, Buyer shall schedule an amount of Contract Energy that equals the amount of Contract Energy that Seller has indicated will be available in the Unit Availability Schedule. Failure of Buyer to schedule an amount of Contract Energy equal to the amount set forth in the Unit Availability Schedule shall constitute Buyer's unexcused failure to receive and the provisions of Section 4.5(b) shall apply. Buyer shall provide to Seller in writing by 0800 EST each Business Day a Contract Energy schedule for the next Business Day (and any intervening Saturday, Sunday, or NERC Holiday) (the "Day Ahead Schedule") that shall state for each Hour of the applicable Day the amounts of Contract Energy that Buyer will purchase from Seller at each Delivery Point. In the event Buyer fails to provide Seller a Day Ahead Schedule as required by this Section 5.1, Buyer shall be deemed to have provided Seller a Day Ahead Schedule identical to the last Day Ahead Schedule provided to Seller. All Day Ahead Schedules submitted by Buyer must honor the ramping and operational capabilities of the Unit (e.g. minimum generation capabilities). If at any time prior to the close of the Midwest ISO (or other RTO) Day Ahead Energy Market (currently 1100 EST) Seller becomes aware of or reasonably anticipates that its ability to generate the amount of Contract Energy set forth in the Unit Availability Schedule has changed, Seller shall notify Buyer immediately (or as soon as reasonably possible) so that Buyer may adjust the generation tag submitted to the Midwest ISO (or other RTO) prior to the close of the Midwest ISO (or other RTO) Day Ahead Energy Market. If Seller does not generate in real time the amount of Contract Energy set forth in the Unit

Availability Schedule and Seller did not notify Buyer prior to the close of the Day Ahead Energy Market of such potential generation deviation, Seller shall reimburse Buyer for any Midwest ISO (or other RTO) charges or penalties incurred by Buyer that are directly related to the deviation from the Unit Availability Schedule and the amount of Contract Energy actually generated by Seller in real time.

Real Time Schedule – Seller shall notify Buyer immediately (or as soon as reasonably possible) of any increased or decreased capability in the real time availability of the Unit as compared to the Unit Availability Schedule. Upon receiving updated Unit capability information from Seller, Buyer shall use reasonable efforts to schedule any increased or decreased capability of the Unit into the Midwest ISO (or other RTO) real time market. Buyer and Seller shall exchange information (“Real Time Schedule”) as required to implement the Real Time Schedule provided that the Real Time Schedule honors the ramping and other operational capabilities of the Unit. Any charges or penalties incurred by Buyer that are directly related to the deviation from the Day-Ahead Schedule created by scheduling this updated Unit capability in real time shall be reimbursed by the Seller.

Changes in Scheduling Practices – The Parties acknowledge that the Midwest ISO (or other RTO) requirements for scheduling and tagging may change during the Term. Accordingly, in the event of any such change, the Parties shall confer and modify this Section 5.1.2 to account for such changes in an attempt to preserve the flexibility and commitments imposed on each Party prior to such changes to the extent possible.

#### 5.1.3 Transmission Service and Losses.

Unless and until Seller’s Control Area and the transmission assets comprising Seller’s Control Area have been transferred to the Midwest ISO or other RTO, Seller shall be responsible for procuring and paying for long-term Firm Point-to-Point transmission service from the Unit to the Delivery Point(s) and for all transmission losses from the Unit to the Delivery Point(s). Seller shall reserve an amount of long-term Firm Point-to-Point transmission service to each Delivery Point equal to the Contract Capacity. Buyer shall be responsible for: (i) procuring and paying for all transmission services from the Delivery Point(s); and (ii) any transmission losses and any other transmission related charges (including Ancillary Service and congestion charges) from the Delivery Point(s). If during the Term Seller transfers functional control of its transmission assets to the Midwest ISO, the Delivery Point for all Contract Energy provided hereunder shall thereafter become the generator bus and Seller shall be responsible for all transmission related charges (including Ancillary Services, losses and congestion charges) up to the Delivery Point and Buyer shall be responsible for all transmission related charges (including Ancillary Services, losses and congestion charges) from the Delivery Point.

#### 5.1.4 MISO Administration RSG and RNU Charges



The Parties acknowledge that most of the Contract Energy purchased hereunder will be sold into the Midwest ISO LMP Market at the EEI Interface CpNode (or Unit CpNode if Seller transfers its control area to the Midwest ISO or other RTO). The Parties further acknowledge that to sell the Contract Energy into the Midwest ISO LMP Market, Buyer will incur Midwest ISO administrative charges (e.g., Schedule 17) (the "MISO Admin Charges"). As a result, the Contract Energy Price set forth in Section 6.3(B) shall be reduced by the amount of MISO Admin Charges for all Contract Energy sold into the MISO LMP Market.

The Parties further acknowledge and agree that the Buyer may incur charges (e.g., Revenue Sufficiency Guarantee charges and/or Revenue Neutrality Uplift charges) (collectively "Market Deviation Charges") in the event that the amount of Contract Energy the Buyer schedules into the Midwest ISO Day-Ahead Energy Market differs from the amount actually generated in real-time by Seller. Notwithstanding anything to the contrary in this Agreement, in the event Buyer incurs such Market Deviation Charges, Seller shall reimburse Buyer for such charges provided Buyer was not, using reasonable efforts, able to avoid such charges.

## 5.2 Scheduling Forecasts.

### 5.2.1 Contract Capacity Forecast.

Seller shall provide to Buyer, no later than sixty (60) days prior to the beginning of each Year, a non-binding forecast of Contract Capacity setting forth the amount of Contract Capacity expected to be available for each Day of the subsequent Year ("**Contract Capacity Forecast**"). Following receipt by Buyer of such Contract Capacity Forecast, Seller and Buyer shall coordinate and confirm that the Contract Capacity allocations set forth in such Contract Capacity Forecast are appropriately registered and designated to meet the requirements of the governing Control Area, the Midwest ISO (or other RTO), and reliability council.

### 5.2.2 Contract Energy Forecast.

Seller shall provide to Buyer, no later than sixty (60) days prior to the beginning of each Year, a non-binding forecast of the amount of Contract Energy that Seller expects to be available for each Day of the subsequent Year ("**Contract Energy Forecast**").

### 5.2.3 Forecast Changes.

During the course of the Year to which the Contract Capacity Forecast and Contract Energy Forecast provided to Buyer in accordance with Sections 5.2.1 and 5.2.2 are applicable, Seller shall notify Buyer of any changes to either such forecast no later than sixty (60) days prior to the effective date of such a change, or as soon as reasonably practicable.

5.3 No Buyer Dispatch Rights.

Buyer shall have no rights to dispatch or to direct the dispatch of the Unit.

6.  
Prices and Charges

6.1 Contract Charge.

Each Month of the Delivery Term, Buyer shall pay to Seller a Contract Charge equal to the product of the Capacity Price and the Contract Capacity provided during the Month plus the product of the Energy Price and the Contract Energy provided during such Month pursuant to this Agreement.

6.2 Capacity Price.

For the first three (3) years of the Delivery Term (the "**Initial Period**"), the Capacity Price shall be \$1.00 kW/month, provided that if during any Year of the Initial Period the Midwest ISO (or other applicable RTO) implements a system of market pricing for Capacity ("**MISO Capacity Market**"), beginning on January 1 of the Year following the implementation of the MISO Capacity Market, the Capacity Price for each Year thereafter for the remainder of the Delivery Term shall be the market price for capacity in the MISO Capacity Market that the Parties agree reasonably corresponds to the type of Contract Capacity provided hereunder, and provided further that if the Midwest ISO has not implemented the MISO Capacity Market within the Initial Period, the Parties shall, no less than one hundred eighty (180) days prior to the end of the Initial Period, begin to negotiate a new Capacity Price to apply for an additional period of the Delivery Term which the Parties agree shall reasonably reflect the market price of capacity in the southern Illinois region. The Parties shall amend this Agreement to incorporate the new Capacity Price, if necessary, no less than sixty (60) days prior to the end of the Initial Period. If the Parties cannot agree on a Capacity Price prior to sixty (60) days before the end of the Initial Period, the Agreement shall terminate at the end of the Initial Period without further action by either Party.

6.3 Energy Price.

6.3.1 During the Delivery Term, Buyer may use up to fifty percent (50%) of the maximum Contract Energy that should be available in an hour from the Contract Capacity, to supply forward contracts with delivery terms that begin on or after the Delivery Term and terminate no longer than eighteen (18) months from the forward contract date of execution, unless otherwise agreed by the Parties (hereinafter "Forward Contracts").

6.3.2 During the Delivery Term, the Energy Price for Contract Energy shall be:

(A) for all on-peak Contract Energy Buyer uses to supply Forward Contracts, the price shall be the price posted on the next Business Day after the date of the forward contract execution, for each calendar month or calendar quarter (but only if the entire calendar quarter falls within the delivery term of such Forward Contract) set forth in the "Long-term Forward Markets" table in Platts Megawatt Daily for the Cinergy Hub (hereinafter "**Cinergy Index**") (or any successor publication containing forward Energy prices for the Cinergy Index if Platts Megawatt Daily ceases to exist); provided further, that for those months of the delivery term of each such Forward Contract for which a monthly Energy price for the Cinergy Hub is not available on the next Business Day after the date of execution, or for which on the date of execution the calendar quarter set forth in the Cinergy Index does not fall entirely within the delivery term of the Forward Contract, then for only those months of each such Forward Contract the price to be used shall be the product of the Calendar Year price in the Cinergy Index that corresponds to the missing months and the Monthly Correction Factor that corresponds to such missing months set forth in Appendix A;

(B) for all off-peak Contract Energy Buyer uses to supply Forward Contracts, the price shall be determined by: (i) the Parties agreeing to the selection of an off-peak price that corresponds to the magnitude and duration of the Forward Contract from a commercially recognized publication or index (e.g., Intercontinental Exchange) that the Parties agree reports off-peak prices that reflect the Midwest market; (ii) in the event a commercially recognized publication or index that reports off-peak prices that reflect the Midwest market cannot be found or agreed upon, then the Parties shall seek a quote for an off-peak product of the same duration and magnitude as such Forward Contract from an agreed upon commercially recognized Energy broker, and if the Parties agree to such broker quote, such broker quote shall be used as the price for the off-peak Energy. Prior to agreeing to the broker quote, the Parties acknowledge and agree that Seller shall have the right to independently verify that the broker quote received is reasonable

by soliciting other broker quotes. If the Parties elect to obtain the quote from an Energy broker, the Parties shall obtain such quote by conducting a conference call with the agreed upon broker, or upon receiving authorization from Seller, Buyer may obtain such broker quote without Seller by conducting the call on a recorded line and making such recorded conversation available to Seller; or (iii) in the event that the Parties are unable to agree on an off-peak Energy price from a commercially recognized publication or index or from a broker quote, Buyer shall have the option, but shall not be obligated, to pay to Seller the price determined in accordance with Section 6.3.2 (C) for Energy used to supply such Forward Contract; or

(C) for all Contract Energy Buyer sells into the Day-Ahead Market, the price shall be:

(i) the Midwest ISO (or other applicable RTO) Day-Ahead LMP for each hour at the EEI Interface CpNode, provided that the Seller's Control Area and the transmission system comprising Seller's Control Area have not been transferred to the Midwest ISO or other RTO; or

(ii) the Midwest ISO (or other applicable RTO) Day-Ahead LMP for each hour at the CpNode at the Unit if the Seller's Control Area and the transmission system comprising Seller's Control Area have been transferred to the Midwest ISO or other RTO, provided in each case that the Midwest ISO or the other RTO operates an LMP Market; or

(iii) if operational control of the Seller's Control Area and the transmission system comprising Seller's Control Area have been transferred to an RTO and such RTO has not implemented an LMP Market and/or no Day-Ahead LMP price is available, then such other price as the Parties otherwise mutually agree to in writing, provided that, if the Parties cannot agree upon such price within 60 days of the transfer of such operational control, this Agreement shall automatically terminate at such time without further action by either Party.

(D) During the Delivery Term, the Energy Price for Contract Energy scheduled on a real-time basis shall be:

(i) the Midwest ISO (or other applicable RTO) Real-Time LMP for each hour at the EEI Interface CpNode, provided

that the Seller's Control Area and the transmission system comprising Seller's Control Area have not been transferred to the Midwest ISO or other RTO; or

(ii) the Midwest ISO (or other applicable RTO) Real-Time LMP for each hour at the CpNode at the Unit if the Seller's Control Area and the transmission system comprising Seller's Control Area have been transferred to the Midwest ISO or other RTO, provided in each case that the Midwest ISO or the other RTO operates an LMP market; or

(iii) if operational control of the Seller's Control Area and the transmission system comprising Seller's Control Area have been transferred to an RTO and such RTO has not implemented an LMP market and/or no Real-Time LMP price is available, then such other price as the Parties otherwise mutually agree to in writing, provided that, if the Parties cannot agree upon such price within 60 days of the transfer of such operational control, this Agreement shall automatically terminate at such time without further action by either Party.

6.3.3 In the event that the Cinergy Index or Midwest ISO LMP Market (or other RTO LMP Market that has functional control of Seller's transmission system) ceases to exist during the Delivery Term, Buyer and Seller will revise this Agreement in an effort to provide for its effective implementation and application, without altering the balance of risks, rewards, and costs currently set forth in this Agreement; provided, however if the Parties fail to execute such a revision within 60 days of the termination of the existence of the Cinergy Index or the Midwest ISO (or other RTO) LMP Market, this Agreement shall automatically terminate at such time without further action by either Party.

#### 6.4 Forward Contract Confirmation

In the event Buyer wishes to elect the Energy pricing provisions set forth in Section 6.3 for a Forward Contract, Buyer shall supply to Seller (by phone, electronic mail or other reasonable means), on the date the Forward Contract is executed, the amount of Energy (on-peak and off-peak) Buyer has sold under the Forward Contract and the term of the Forward Contract, and within 30 days thereafter (or as soon thereafter as practicable), the following additional information: i) a copy of the Forward Contract that complies with the requirements of Section 6.3 with the pricing provisions and third-party name redacted; ii) the applicable on-peak Energy pricing from the Cinergy Index and the applicable off-peak Energy pricing from the source determined in accordance with Section 6.3.2 (B) that are to be applied to the Contract Energy corresponding to the Forward Contract amounts of on-peak and off-peak Energy; and iii) such other information the Parties agree is necessary for Seller to bill Buyer for Contract Energy under the terms and conditions set forth in Section 6.3 relating to a Forward Contract.

### 7. Billing and Payment

#### 7.1 Billing and Payment.

Seller shall provide Buyer an estimated bill for service rendered during any Month on or before the seventh (7<sup>th</sup>) day of the succeeding Month. Seller shall provide Buyer a final corrected bill for service rendered during any Month on or before the seventh (7<sup>th</sup>) day of the second succeeding Month. Buyer shall pay Seller the full amount shown on each estimated and final corrected bill no later than fifteen (15) days from the date of post mark of each such bill, if sent via first-class mail, or the date of receipt of such bill, if sent electronically (*i.e.*, by e-mail or by facsimile). There will be added to any portion of any bill remaining unpaid for a period not to exceed five (5) days after the date due a sum interest calculated at the Default Interest Rate.

#### 7.2 Billing Disputes.

If Buyer disputes in good faith any portion of a bill prepared pursuant to Section 7.1, the Buyer shall provide to Seller written notice of the portion of the bill which is disputed and, notwithstanding the dispute, shall pay the undisputed portion of such bill. Payment of the disputed amount shall not be required until the dispute is resolved. The Parties shall use diligent, good faith efforts to resolve any billing dispute as promptly as possible. Upon resolution of the dispute, any required payment shall be made within five (5) Days of such resolution along with interest calculated at the Default Interest Rate.

7.3 Records Maintained by Buyer and Seller.

Seller shall maintain for a period of at least twelve (12) Months complete records to substantiate the rates and charges made pursuant to this Agreement. Such records held by Seller shall be available for inspection by Buyer, at that Buyer's expense, by a duly authorized representative of Buyer, at all reasonable times and upon reasonable notice.

8.  
Dispute Resolution

8.1 Resolution by the Parties.

If a dispute or difference of any kind whatsoever shall arise between the Parties in connection with, relating to, or arising out of this Agreement (a "**Dispute**"), the Parties shall attempt to settle such Dispute through amicable discussions. In the event that the Parties are not able to resolve a Dispute through such discussions, either Party may provide written notice to the other Party that the Dispute shall be referred to senior officers of the Parties for resolution. The written notice referring the Dispute shall set forth the matter in controversy, and the Party receiving such notice shall have ten (10) Days to respond by setting forth its description of the matter in controversy. Within ten (10) Days of the notice referring the Dispute for resolution by senior officers, each Party shall provide written notice to the other identifying its designated senior officer who shall participate in the dispute resolution process. The Parties' designated senior officers shall meet in person or by other means within ten (10) Days of the last day on which the responding Party may provide its description of the matter in controversy.

8.2 Binding Arbitration.

In the event that the Parties are unable to resolve a Dispute within ten (10) Days of the initial meeting of senior officers in accordance with Section 8.1, such Dispute shall be resolved by binding arbitration in accordance with the following:

8.2.1 The arbitral tribunal (the "**Tribunal**") shall be composed of three (3) arbitrators appointed as follows:

8.2.1.1 each Party shall appoint an arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator who shall have at least 10 years experience with FERC rules, regulations, and precedent, and who shall act as president of the Tribunal;

8.2.1.2 if either Party fails to appoint an arbitrator within thirty (30) Days of receiving notice of the appointment of an arbitrator by the other Party, such arbitrator shall be appointed by the American Arbitration Association or such other mediation or dispute resolution agency to which the Parties have agreed;

8.2.1.3 if the two arbitrators to be appointed by the Parties fail to agree upon a third arbitrator within thirty (30) Days of the appointment of the second arbitrator, the third arbitrator shall be appointed by the American Arbitration Association or such other mediation or dispute resolution agency to which the Parties have agreed; and

8.2.1.4 should a vacancy arise because any arbitrator dies, resigns, refuses to act, or becomes incapable of performing his functions, the vacancy shall be filled by the method by which that arbitrator was originally appointed. When a vacancy is filled the newly established Tribunal shall exercise its discretion to determine whether any hearings shall be held again.

8.2.2 Each Party shall bear the expense of the arbitrator the Party appointed and the Parties shall share equally the expense of the third arbitrator.

8.2.3 Ten (10) Days after its constitution, the Tribunal shall convene a meeting with the Parties or their representatives to determine the procedure to be followed in the arbitration. The procedure shall be as agreed by the Parties or, in default of agreement, as determined by the Tribunal, and decisions of the Tribunal as to procedure shall be final and binding.

8.2.4 If an arbitrator appointed by one of the Parties fails or refuses to participate in the arbitration at any time after the hearings on the substance of the dispute have started, the remaining two arbitrators may continue the arbitration and make an award without a vacancy being deemed to arise if, in their discretion, they determine that the failure or refusal of the other arbitrator to participate is without reasonable excuse.

8.2.5 Any award or procedural decision of the Tribunal shall be made by a majority and, in the event that no majority may be formed, the president of the Tribunal shall proceed as if he were a sole arbitrator.

8.2.6 The arbitrators shall be required to issue their ruling in accordance with Illinois Law, the terms of this Agreement, and FERC rules, regulations, and precedent.

8.2.7 All decisions and awards of the Tribunal shall be final and binding on the Parties.

8.2.8 The Parties hereby expressly waive all rights of appeal or recourse from any decision or award hereunder to any court, except such rights as cannot be waived by the laws of the State of Illinois.

8.2.9 Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction.

8.2.10 To the extent that the provisions of Sections 8.2.1 through 8.2.7 are silent on any matter relating to the arbitration, the rules of the American Arbitration



Association (or such other mediation or dispute resolution agency to which the Parties have agreed) shall govern.

8.3 Obligations to Pay Charges and Perform Other Obligations.

Except to the extent that a Party has elected to terminate this Agreement in accordance with Section 3.3, during the pendency of any Dispute, each Party shall continue to perform its obligations hereunder.

9.  
Default and Remedies

9.1 Events of Default.

An "Event of Default" shall mean:

9.1.1 the failure of any Party to make any payment or perform any material obligation in the time and manner required by this Agreement, except where such failure to discharge obligations (other than the payment of money) is excused pursuant to Section 4.3 or Section 4.4 or where the failure is a failure to deliver or receive Contract Energy, the exclusive remedy for which is described in Section 4.5 of this Agreement.

9.1.2 the occurrence and continuation of a default, event of default, or other similar condition or event in respect of Buyer under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money, which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable.

9.2 Notice of Default.

Upon failure of a Party hereto to make any payment or perform any material obligation required hereunder, the other Party shall give written notice of such Event of Default to the Party in default. The Party in default shall have thirty (30) days within which to cure such default and, if cured within such time, the Event of Default specified in such notice shall cease to exist.

9.3 Remedies for Default.

If an Event of Default is not cured as provided in Section 9.2, the Party not in default may, in addition to all other rights and remedies available at law, equity, or under other provisions of this Agreement, terminate this Agreement in accordance with the provisions of Section 3.3. In the event this Agreement so terminates, the Party in default shall, in any event, pay the Party not in default any amounts owed by

the defaulting Party to the Party not in default as a result of the provision of Contract Capacity and/or Contract Energy pursuant to this Agreement, together with interest thereon at the Default Interest Rate, plus any costs incurred by the Party not in default in seeking the recovery of the payments owed in accordance with this Section 9.3.

10.  
Representations and Warranties

10.1 Certain Representations and Warranties by Seller.

Seller represents and warrants to Buyer that Seller is a corporation duly organized, validly existing and in good standing under applicable laws of the State of Illinois, that it has all requisite corporate power to carry on its business as it is now being conducted and as it is contemplated to be conducted under this Agreement and that the execution, delivery and performance of this Agreement by Seller have been duly authorized by all requisite corporate action of Seller.

10.2 Certain Representations and Warranties by Buyer.

Buyer represents and warrants to Seller that Buyer is a corporation duly organized, validly existing and in good standing under applicable laws of the State of Illinois, that it has all requisite corporate power to carry on its business as it is now being conducted and as it is contemplated to be conducted under this

Agreement and that the execution, delivery and performance of this Agreement have been duly authorized by all requisite corporate action of Buyer.

11.  
Continuity of Service

11.1 Continuity of Service.

Seller does not guarantee continuous service, but shall endeavor at all times to provide in an uninterrupted fashion the services contemplated by this Agreement. Seller shall particularly use its best efforts to minimize unavailability of the Contract Capacity and/or the Contract Energy during On-Peak Hours and between June 1 and August 31 of each year. Seller shall operate and maintain the Unit in accordance with Good Utility Practice. In providing service hereunder, Seller will not unduly discriminate between Buyer and other similarly situated customers taking comparable service on the same terms and conditions. In no event, however, shall Seller be liable to Buyer for loss or damage arising from an event of Force Majeure or for reasons beyond the reasonable control of Seller and for such other reasons as set forth in Section 4.3 hereof. Seller reserves the right to suspend service without liability on its

part at such times and for such periods and in such manner as it may deem advisable including, without limitation, suspensions for the purpose of making necessary adjustments to, changes in, or repairs on, the Unit, and to suspend in cases where, in Seller' opinion, the continuance of service to Buyer would endanger Persons or property. Seller shall provide Buyer with reasonable advance notice in the event of a suspension of service, except in emergency cases where such notice is impracticable, in which case notice shall be provided as soon as possible following such suspension. In the case of any suspension of service, Seller shall communicate to Buyer all available information regarding the reasons for the suspension and the expected duration of the suspension.

#### 11.2 Relative Responsibilities.

Except as otherwise provided herein, Buyer assumes all responsibility for Contract Energy beyond the Delivery Points, and Seller assumes all responsibility for Contract Energy before the Delivery Points. Both Seller and Buyer shall use reasonable diligence in maintaining their respective facilities and equipment in proper and serviceable condition, and shall take reasonable steps and precautions for maintaining the services agreed to be performed and received under this Agreement.

#### 11.3 Access.

Each Party shall give all necessary permission to the other Party to enable the agents or employees of the other Party to carry out this Agreement, and shall give the other Party the right to enter its premises by the other Party's duly authorized agents and employees at all reasonable times for the purpose of reading or checking meters; for inspecting, testing, repairing, renewing or exchanging any or all of the other Party's equipment; or for performing any other work incident to rendering the services covered by this Agreement. Except as otherwise agreed by the Parties, whenever agents or employees of one Party enter the premises of the other Party, such agents or employees shall be accompanied by personnel of the Party owning such premises. It is agreed, however, that neither Party hereto assumes the duty of inspecting the equipment, lines or other facilities of the other Party.

#### 11.4 Indemnification and Limitation of Liability.

In no event shall either Party be liable to the other Party for any indirect, special, incidental or consequential damages with respect to any claim arising out of this Agreement whether based on contract, tort (including negligence) or otherwise. Buyer shall indemnify and hold Seller harmless from and against any claim by or liability to customers of Buyer for loss or damage arising out of any performance or failure to perform under this Agreement. Seller shall indemnify and hold Buyer

harmless from and against any claim or liability to customers of Seller for loss or damage arising out of any performance or failure to perform under this Agreement.

12.  
Miscellaneous

12.1 Governing Law.

This Agreement shall be deemed to be an Illinois contract and shall be construed in accordance with and governed by the laws of the State of Illinois without regard to its conflict of laws provisions.

12.2 Notices.

All notices, schedules, requests, confirmations and the like (collectively, “**Notices**”) provided pursuant to this Agreement shall be provided in writing via First Class U.S. mail, overnight courier, electronic mail, or facsimile, and shall be deemed given when received or in accordance with confirmation of delivery. Notices shall be provided to the Parties:

If to Buyer:

Ameren Energy Marketing  
Attn: Donald L. Gulley  
1710 Gratiot Street  
St. Louis, MO 63103  
Phone: 314-613-9474  
Facsimile: 314-613-9073  
Email: [dgulley@ameren.com](mailto:dgulley@ameren.com)

If to Seller:

Electric Energy, Inc.  
Attn: Michael T. Pullen  
2200 Portland Road, P.O. Box 355  
Joppa, IL 62958  
Phone: 618-543-7531, x 483  
Facsimile: 618-543-7411  
Email: [mikepullen@electricenergvinc.com](mailto:mikepullen@electricenergvinc.com)

Either Party may provide Notice to the other Party of changes in the representative and/or address to whom Notice should be provided.

### 12.3 Entire Agreement.

This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all previous representations, understandings, negotiations and agreements, whether written or oral, between the Parties hereto or their representatives with respect to the subject matter hereof.

### 12.4 Appendices.

Appendix A referred to herein and attached hereto is made a part hereof for all purposes.

### 12.5 Severability.

The Parties agree that in the event that any portion of this Agreement is determined to be invalid, illegal or unenforceable for any reason, the remaining portions of this Agreement shall be unaffected and unimpaired thereby, and shall remain in full force and effect, to the fullest extent permitted by applicable law, and the Parties shall negotiate in good faith to amend this Agreement to affect the intent of the Parties in entering into this Agreement.

### 12.6 Amendments.

No amendments or changes to this Agreement shall be binding unless made in writing and duly executed by the Parties.

### 12.7 Waiver of FERC Filing Rights; Standard of Review.

The Parties waive all rights to submit filings to FERC seeking modification or rescission of this Agreement, under Sections 205 or 206 of the Federal Power Act, on the basis of the "just and reasonable" standard of review contained in those sections. The Parties waive all rights to argue before FERC that the "just and reasonable" standard of review should be applied to any proceeding involving this Agreement brought under Section 206 of the Federal Power Act. In any proceeding before FERC involving this Agreement, the Parties shall request that FERC review any and all aspects of this Agreement under the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the "Mobile-Sierra" doctrine).

12.8 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

12.9 No Waiver.

The failure of either Party to insist in any one or more instances upon strict performance of any provision of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provision or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect.

12.10 No Third Party Beneficiaries.

This Agreement is intended solely for the benefit of the Parties hereto. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any Person not a Party to this Agreement.

12.11 No Association, Partnership or Joint Venture.

This Agreement shall not be interpreted or construed to create an association, joint venture, partnership or other similar relationship between the Parties or to impose any partnership obligation or liability upon either Party.

12.12 Assignment; Successors and Assignees.

This Agreement shall not be assignable by either Party without the express prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assignees of the Parties.

12.13 Confidentiality.

12.13.1 Obligation.

Each Party agrees that it will treat in confidence this Agreement and all documents, materials and other information which it shall have obtained regarding the other Party during the course of the negotiations leading to, and its performance of,

this Agreement (whether obtained before or after the Effective Date). Each Party shall return to the other Party, at such other Party's request, all copies of any nonpublic documents and materials which may have been furnished by the other Party in connection herewith. Except as required by law, this Agreement and such documents, materials and information shall not be communicated to any third party (other than a Party's counsel, accountants, financial advisors, corporate parents, affiliates, officers, directors or employees thereof, or in connection with the sale or assignment or financing or refinancing of such Party or its affiliates and, then, only if the Party seeking to provide such information to a third party has given prior notice to the other Party and entered into a confidentiality agreement reasonably satisfactory to the other Party with the proposed recipient of the information).

12.13.2 Exceptions.

The obligation of each Party to treat such documents, materials and other information in confidence shall not apply to any information which: (i) is or becomes available to such Party from a source other than the other Party, (ii) is or becomes available to the public other than as a result of disclosure by such Party or its agents, (iii) is required to be disclosed under applicable law or pursuant to a regulatory or judicial process, but only to the extent it must be disclosed and provided that the disclosing Party seeks to avail itself of rules, regulations or other procedures available pursuant to such law or regulatory or judicial process for the protection of confidential, privileged and/or proprietary information, or (iv) such Party reasonably deems necessary to disclose to obtain any consent or approval required in connection with this Agreement.

12.14 Survival of Obligations.

Cancellation, expiration or earlier termination of this Agreement shall not relieve the Parties of obligations that by their nature should survive cancellation, expiration or termination, including exclusion of warranties and remedies, exclusions of consequential damages, limitations on liability, audits, promises of indemnity and confidentiality.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

ATTEST:

ELECTRIC ENERGY, INC.

AMEREN ENERGY MARKETING CO.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name:

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## APPENDIX A

### Monthly Correction Factors

The Monthly Correction Factors set forth in the table below shall remain valid for the first two (2) years of the Delivery Term (where each two (2) years of the Delivery Term shall hereinafter be referred to as a "**Two Year Cycle**") after which new Monthly Correction Factors shall apply for each Two Year Cycle thereafter by amending this Appendix A in writing for each subsequent Two Year Cycle. If the Parties fail to agree on a new set of Monthly Correction Factors prior to the expiration of any Two Year Cycle, then the factors used for the previous Two Year Cycle shall continue until new Monthly Correction Factors have been agreed to by the Parties.

Month	Monthly Factor
Jan	1.12
Feb	1.12
Mar	1.00
Apr	1.00
May	0.86
Jun	0.95
Jul	1.23
Aug	1.23
Sep	0.95
Oct	0.84
Nov	0.84
Dec	0.84

Mr. Powers informed the Board the Company entered into a contract with Midwest Electric Power, Inc. effective January 1, 2006. Mr. Powers summarized the key points of the contract to the Board.

It was agreed the next Board of Directors' meeting be held Friday, February 3, 2006, via teleconference, at 10:00 a.m. Central Time.

There being nothing further, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm

Secretary



**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held February 3, 2006**

A meeting of the Board of Directors of Electric Energy, Inc. convened via telephone conference call, on Friday, February 3, 2006, at 10:00 a.m. Central Time, subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

**Notice of Meeting of Board of Directors**

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held via telephone conference with said calls originating from Electric Energy, Inc., at Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Friday, February 3, 2006, at 10:00 a.m. Central Time.

Date: January 27, 2006"

There were present, by roll call, the following constituting all of the Board of Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc., Mr. William H. Sheppard, Vice President of Electric Energy, Inc., and Mr. Jerre Birdsong, Vice President and Treasurer of Ameren.

The Chairman introduced Mr. James M. Helm who presented the earning's report for the fourth quarter 2005. Mr. Helm discussed each of the earning's components for the fourth quarter.

The Chairman then introduced Mr. Jerre E. Birdsong who recommended the Board consider declaring dividends beginning the first quarter of 2006. Mr. Birdsong discussed the Company's projected revenue, earning's after tax, and retained earnings for the year. Mr. Birdsong recommended a target dividend of \$137,500,000.00 for 2006 and payable quarterly. After discussion, upon motion duly made and seconded, it was unanimously:

RESOLVED, that there be paid out of surplus on March 28, 2006, to stockholders of record at the close of business on February 3, 2006, dividends of \$554.44 per share on 62,000 shares of common stock, totaling \$34,375,000.00.

Mr. William H. Sheppard reviewed with the Board the 2005 Management Incentive Compensation Plan, discussed how the earned incentive compensation is determined, and reported the results for the year. Mr. Sheppard also reviewed the Company's key performance comparisons. Mr. Sheppard then reviewed the Collective Bargaining Unit Performance Incentive Plan and reported the results for the year.

Mr. Sheppard reviewed the Company's Strategic Plan and 2006 Performance Objectives. Mr. Sheppard proposed the 2006 Incentive Compensation

Program to the Board. After full discussion, upon motion duly made and seconded, it was unanimously;

RESOLVED, the Board has approved the continuation of the Company's Incentive Compensation Plan for 2006.

Mr. James M. Helm provided a status report on the VEBA Trusts managed by National Investment Services of America. Mr. Helm presented the financial results of the Management and Bargaining Unit Trusts for the twelve months ended December 31, 2005, and reviewed the investment strategy for each fund.

Mr. Helm then reported on the Company's pension fund assets managed by Mellon Trust. Mr. Helm presented the financial results for the twelve months ended December 31, 2005, and reviewed the management strategy for the fund.

It was agreed that the next Board of Directors' meeting would be held on, Wednesday, May 17, 2006, at 9:00 a.m. Central Time in St. Louis, Missouri.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm

Secretary

**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held May 17, 2006**

A meeting of the Board of Directors of Electric Energy, Inc. convened at the Ameren General Office Building in St. Louis, Missouri, on Wednesday, May 17, 2006, at 9:00 a.m., subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held at the Ameren General Office Building in St. Louis, Missouri, for the transaction of such business as may properly come before the meeting on Wednesday, May 17, 2006, at 9:00 a.m. Central Time.

Date: May 10, 2006"

The following were present constituting all of the Board of Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.
	D. A. Whiteley

Mr. R. Alan Kelley, Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending

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were Mr. Robert L. Powers, President of Electric Energy, Inc., Mr. William H. Sheppard, Vice President of Electric Energy, Inc., Mr. Miles Mooney and Ms. Jaime Stein, both of PricewaterhouseCoopers, LLP.

The Chairman suggested that consideration should be given to the election of Officers for the ensuing year. The following were thereupon separately nominated and separately elected to the office set opposite their names by unanimous vote:

R. Alan Kelley	Chairman
Robert L. Powers	President
William H. Sheppard	Vice President
James M. Helm	Secretary-Treasurer

The minutes of the meeting of the Board of Directors held on February 3, 2006, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. Miles Mooney and Ms. Jaime Stein of PricewaterhouseCoopers, LLP who reported on the Company's consolidated financial statements for 2005. Mr. Mooney reviewed and reported on the audit scope, accounting and reporting matters, required matters to be reported to the Board, and the results of the review of internal accounting controls.

The Chairman then excused the Officers from the meeting so the Board could independently discuss the audit results with Mr. Mooney and Ms. Stein. Mr. Mooney reported there were no substantive issues that should be brought to the attention of the Board. The Officers then rejoined the meeting.

The President introduced Mr. James M. Helm who presented the earnings report for the first quarter 2006. Mr. Helm reviewed the first quarter earnings, each of the earnings' components, revenue forecast, and revised cash flow model for 2006. After discussion, upon motion duly made and seconded, it was unanimously;

RESOLVED, that there be paid out of surplus on June 28, 2006, to stockholders of records at the close of business on February 17, 2006, dividends of

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\$554.44 per share on 62,000 shares of common stock, totaling \$34,375,000.00 for the second quarter 2006.

The Chairman brought up for discussion the appointment of auditors for 2006. After discussion, a resolution was presented to appoint PricewaterhouseCoopers, LLP as independent auditors for the year 2006. Upon motion duly made and seconded, it was unanimously;

RESOLVED, that PricewaterhouseCoopers, LLP be and is hereby appointed as auditors for the year 2006.

The Chairman introduced Mr. William H. Sheppard who reviewed the Company's environmental compliance plan. Mr. Sheppard reviewed the state of the proposed implementation plan for Clean Air Interstate Rule (CAIR) and Clean Air Mercury Rule (CAMR) and how future capital expenditures would be affected. If the proposed rule is finalized as is, costs will increase because Illinois wants to reduce emissions by more than the Federal EPA rule requirements.

It was agreed that the next Board of Director's meeting would be held on Friday, July 21, 2006, via teleconference, at 10:00 a.m. Central Time.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm

Secretary

**Electric Energy, Inc.**

**Minutes of Meeting of Board of Directors**

**Held July 21, 2006**

A meeting of the Board of Directors of Electric Energy, Inc. convened via teleconference on Friday, July 21, 2006, at 10:00 a.m., subsequent to the following notice which had been previously sent to each member of the Board:

"Electric Energy, Inc.

(An Illinois Corporation)

**Notice of Meeting of Board of Directors**

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held via teleconference with said calls originating from Electric Energy, Inc., at Joppa, Illinois, for the transaction of such business as may properly come before the meeting on Friday, July 21, 2006, at 10:00 a.m. Central Time.

Date: July 14, 2006"

There were present the following, constituting a majority of the  
Board of Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	P. W. Thompson
	T. R. Voss
	J. N. Voyles, Jr.
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of the Corporation, and Mr. William H. Sheppard, Vice President of the Corporation.

The minutes of the meeting of the Board of Directors held on May 17, 2006, copies of which had been sent previously to each member, were approved.

The Chairman introduced Mr. James M. Helm who presented the earnings report for the third quarter 2006. After discussion, upon motion duly made and seconded, it was unanimously;

RESOLVED, that there be paid out of surplus on September 27, 2006, to stockholders of record at the close of business on July 21, 2006, dividends of \$554.44 per share on 62,000 shares of common stock, totaling \$34,375,000.00 for the third quarter 2006.

Mr. James M. Helm entered into a discussion of the Company's pension fund assets managed by Mellon Trust. Mr. Helm reported the financial results for the six months ended June 30, 2006, and reviewed the asset management strategy for the fund.

Mr. Helm then provided a status report on the VEBA Trusts managed by NISA Investment Advisors and the International Equity Funds. Mr. Helm reported the financial results of the Management and Bargaining Unit Trusts for the six months ended June 30, 2006. Mr. Helm also reviewed the asset strategy for each fund.

The Chairman introduced Mr. William H. Sheppard who updated the Board with the projected 2006 Capital expenditures of \$9,327,000.00.



Mr. Sheppard further reported that capital expenditures would be within the spending guidelines previously authorized by the Board.

Mr. Sheppard provided a report on the Company's incentive compensation plan for 2006. Mr. Sheppard reviewed each of the incentive categories and the projection for each category.

Mr. Sheppard then entered into a discussion of the Company's multi-pollution capital expenditure plan. He first reviewed the 2006 Capital plan presented in the October 2005 board meeting. Mr. Sheppard reported the current plan has been modified to support recent regulatory requirements as required by the Illinois Environmental Protection Agency. Mr. Sheppard discussed in detail the boiler optimization controls and separated over fire air projects previously installed by the Company and the proposed future projects consisting of mercury controls, scrubbers, fabric filters, and land fill projects to meet regulatory requirements. Mr. Sheppard concluded the presentation by reporting the Company has a multi-pollution control plan, and it is his expectation that the plan will firm up in the near future.

Mr. Robert L. Powers entered into a general discussion regarding the Company's collective bargaining agreement. Mr. Powers reported the Company would like to extend the existing labor contract for a period of one to two years.

It was agreed that the next Board of Directors' meeting would be held on Friday, October 27, 2006, at the St. Louis Airport Hilton Hotel in St. Louis, Missouri, at 10:00 a.m. Central Time.

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There being no further business, upon motion duly made and seconded, the meeting was adjourned.

/s/ James M. Helm  
Secretary

Electric Energy, Inc.

Minutes of Meeting of Board of Directors

Held October 27, 2006

A meeting of the Board of Directors of Electric Energy, Inc. convened at the Ameren General Office Building in St. Louis, Missouri, on Friday, October 27, 2006, at 10:00 a.m. Central Time, subsequent to the following notice which had been previously sent to each member of the Board:

"ELECTRIC ENERGY, INC.

(An Illinois Corporation)

Notice of Meeting of Board of Directors

To the Members of the Board of Directors  
of Electric Energy, Inc.

YOU ARE HEREBY NOTIFIED that a meeting of the Board of Directors of Electric Energy, Inc., will be held at the Ameren General Office Building in St. Louis, Missouri, for the transaction of such business as may properly come before the meeting on Friday, October 27, 2006, at 10:00 a.m. Central Time.

Date: October 23, 2006"

There were present the following constituting a majority of the Board of Directors:

Messrs.	D. F. Cole
	R. A. Kelley
	C. D. Naslund
	T. R. Voss
	J. N. Voyles, Jr. (via telephone)
	D. A. Whiteley

Mr. R. Alan Kelley, as Chairman of the Corporation, presided at the meeting and Mr. James M. Helm, Secretary of the Corporation, acted as Secretary. Also attending were Mr. Robert L. Powers, President of Electric Energy, Inc., Mr.

William H. Sheppard, Vice President of Electric Energy, Inc., Mr. Donald Gulley and Mr. Don Mosier, of Ameren Energy Marketing, and Mr. Mark Eacret of Ameren Services.

The minutes of the Meeting of the Board of Directors held on July 21, 2006, copies of which had been sent previously to each member, were approved.

The Chairman reported to the Board that the 12,400 shares of Electric Energy, Inc. held by Ameren Energy Resources Company had been transferred to Ameren Energy Development Company.

The Chairman introduced Mr. James M. Helm who presented the earnings report for the fourth quarter 2006. After discussion, upon motion duly made and seconded, it was unanimously;

RESOLVED, that there be paid out of surplus on December 21, 2006, to stockholders of record at the close of business on October 27, 2006, dividends of \$554.44 per share on 62,000 shares of common stock, totaling \$34,375,000.00 for the fourth quarter 2006.

The Chairman introduced Mr. William H. Sheppard who provided a status report of emission allowance sales. Mr. Sheppard discussed the company's current bank of allowances, and reported the sales of 48,875 SO<sub>2</sub> allowances and 400 NO<sub>x</sub> allowances.

The Chairman introduced Mr. Robert L. Powers who updated the Board on the proposed revision to the Company's Power Supply Agreement. Mr. Powers reviewed the background to the Power Supply Agreement and entered into a general discussion of the proposed amendments which included: forward contract amount, forward contract duration, termination clause, pricing provision for forward contracts, and energy allocation.

After discussion, upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, Electric Energy, Inc. is the Seller in that certain Power Sales Agreement dated December 22, 2005 (hereinafter "Agreement") by and between Electric Energy, Inc. and Ameren Energy Marketing Company; and

WHEREAS, the Parties amended the Agreement on the 20<sup>th</sup> day of July, 2006, to codify new terms and conditions under which Seller shall price Energy purchased by Buyer under the Agreement for purposes of supplying forward contracts; and

WHEREAS, the Parties desire to further amend the Agreement in order to codify terms and conditions in accordance with the terms set forth in the proposed Second Amendment to the Agreement, which has been presented to Board; and

WHEREAS, it is the determination of the Board that such amendment is to the benefit of Electric Energy, Inc.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Electric Energy, Inc. that the terms substantially set forth in Second Amendment to the Power Sales Agreement are hereby APPROVED, and,

BE IT FURTHER RESOLVED that the Chairman, the President and any other Officers of the Company, are authorized and directed to execute any documents or instruments, to deliver and file or record any such documents or instruments, and to take all action necessary or convenient to effect the purposes thereof; and,

BE IT FURTHER RESOLVED that the Secretary of the Company shall place this resolution in the minutes of the Meeting at which it was adopted, and shall place such minutes on file with the corporate book of the Company.

Mr. Kelley introduced Mr. William H. Sheppard who presented the 2007 – 2009 budget for the Company. Mr. Sheppard reviewed budget highlights with the Board which included significant cost trends in fuel, administrative and general, maintenance, depreciation and interest expenses, and bus bar costs.

Mr. Sheppard then presented the Capital budget for 2007 – 2009. After discussion, upon motion duly made and seconded it was unanimously;

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RESOLVED, the Board of Directors of Electric Energy, Inc. has authorized the implementation of the planned 2007 Capital Projects Budget and has authorized the Officers to make those expenditures.

The Chairman brought up for discussion meeting dates for 2007. The following dates were selected:

February 2, 2007	(Friday – Phone)
May 18, 2007	(Friday – St. Louis, MO)
July 20, 2007	(Friday – Phone)
October 26, 2007	(Friday – St. Louis, MO)

Mr. Kelley brought up for discussion certain salary changes for the Vice President and Secretary-Treasurer of the Corporation. After discussion, upon motion duly made and seconded, it was:

RESOLVED, that the annual compensation of the Vice President of the Corporation be [REDACTED], effective January 1, 2007, and the maximum amount of incentive compensation be [REDACTED] percent of base salary.

RESOLVED, that the annual compensation of the Secretary-Treasurer of the Corporation be [REDACTED], effective January 1, 2007, and the maximum amount of incentive compensation be [REDACTED] percent of base salary.

There being no further business, upon motion, duly made and seconded, the meeting was adjourned.

/s/ James M. Helm  
Secretary