

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of)	
Union Electric Company d/b/a AmerenUE)	
for an Order Authorizing the Sale and)	Case No. EO-2010-0263
Transfer of Certain Assets of AmerenUE)	
to St. James Municipal Utilities)	
and Rolla Municipal Utilities.)	

STIPULATION AND AGREEMENT

COME NOW Union Electric Company, d/b/a AmerenUE ("AmerenUE"); the City of Rolla, Missouri (Rolla), by and through Rolla Municipal Utilities; the City of St. James (St. James), by and through St. James Municipal Utilities; and, the Staff of the Missouri Public Service Commission ("Staff") (collectively the "Signatories"), and respectfully submit the following Stipulation and Agreement ("Stipulation") to the Missouri Public Service Commission ("Commission"):

1. This Stipulation is intended to settle all issues among the Signatories for purposes of Case No. EO-2010-0263.

STIPULATED FACTS

2. AmerenUE is a Missouri corporation and an "electrical corporation" and a "public utility" as those terms are defined in Section 386.020, RSMo. Consequently, it is subject to the jurisdiction and supervision of the Commission as provided by law.

3. On March 24, 2010, AmerenUE submitted an Application to the Commission seeking approval to transfer certain of its assets to St. James and Rolla, two wholesale customers of AmerenUE.

4. AmerenUE is proposing to sell a substation, plant associated with the substation and existing 34.5 kV circuits to the Cities of Rolla and St. James, acting

through their respective boards of public works — Rolla Municipal Utilities and St. James Municipal Utilities. All the assets to be sold are used to deliver electricity to Rolla and St. James who provide electrical service at retail.

5. The sale price to Rolla is Four Million Seven Hundred Seventy Eight Thousand Eight Hundred Twenty One Dollars and Ninety Three Cents (\$4,778,821.93) and the sale price to St. James is One Million Eight Hundred Ninety Thousand Four Hundred Fifteen Dollars and Seventy-Six Cents (\$1,890,415.76).

6. The agreed to transaction is the result of an arms' length bona fide negotiation between AmerenUE, Rolla and St. James, each with self-interest to reach the most advantageous deal.

7. Moreover, because the cities are operating through boards of municipalities whose members are appointed by the mayor and confirmed by the common council of the municipality – elected officials -- the citizens of the municipalities have, among others, the power of their vote to protect their interests in actions their respective boards and councils may take.

8. Presently, to service the substation, related plant and circuits it is proposing to sell, AmerenUE dispatches material, equipment and personnel from a location over an hour away. Rolla and St. James will be able to service the substation with personnel dispatched from much closer.

9. Rolla and St. James believe the purchase will allow them to enhance reliability and reduce outage durations in the electric service they each provide.

10. The proposed sale will not result in any reduced level of service or reliability to any customer of AmerenUE, nor have an impact on AmerenUE's rates.

11. The proposed transaction is not detrimental to the public interest.

AGREED TO CONCLUSION

12. Accordingly, the Signatories agree that AmerenUE's Application should be granted and that the Commission should issue its order authorizing:

- (a) the sale of certain AmerenUE transformers, distribution facilities, and related property rights, as more fully described in the Rolla Agreement, to Rolla;
- (b) the sale of AmerenUE's Phelps Substation, distribution facilities, and related property rights, as more fully described in the St. James Agreement, to St. James;
- (c) the sale and transfer to Rolla and St. James of all of the property rights, privileges, immunities, and obligations of AmerenUE applicable to the Phelps Substation and related equipment, including, but not limited to, works, or systems or franchises, as described in the Agreements, effective as of the date of the closing of the transaction; and
- (d) such other relief as may be deemed necessary to accomplish the purpose of the Application and to consummate the sales.

General Provisions

13. This Stipulation is being entered into solely for the purpose of settling the issues specified in Case No. EO-2010-0263. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology, cost of capital methodology or capital structure, rate design principle or methodology, or depreciation principle or methodology, and except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of

this Stipulation (whether this Stipulation is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation.

14. This Stipulation has resulted from negotiations among the Signatories and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

15. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void; neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

16. If the Commission approves the specific terms of this Stipulation without condition or modification, the Signatories waive as to the issues resolved herein: their respective rights to (1) call, examine, and cross-examine witnesses pursuant to § 536.070(2), RSMo; (2) their respective rights to present oral argument and written briefs pursuant to §536.080.1, RSMo; (3) their respective rights to the reading of the transcript

by the Commission pursuant to §536.080.2, RSMo; (4) their respective rights to seek rehearing, pursuant to §386.500, RSMo; and (5) their respective rights to judicial review pursuant to §386.510, RSMo. These waivers apply only to a Commission order approving this Stipulation without condition or modification issued in this above-captioned proceeding and only to the issues that are resolved hereby. These waivers do not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

17. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

18. If the Commission has questions for the Signatories, the Signatories will make available, at any on-the-record session, their representatives and attorneys on the issues resolved by this Stipulation, so long as all Signatories have had adequate notice of that session. The Signatories agree to cooperate in presenting this Stipulation to the Commission for approval, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation.

WHEREFORE, for the foregoing reasons, the undersigned Signatories respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement.

Respectfully submitted,

<p>/s/ James B. Lowery</p> <hr/> <p>James B. Lowery, #40503 111 South Ninth Street, Suite 200 P.O. Box 918 Columbia, MO 65205-0918 (573) 443-3141 (573) 442-6686 (Facsimile) lowery@smithlewis.com</p> <p>ATTORNEYS FOR AMERENUE</p>	<p>/s/ Nathan Williams</p> <hr/> <p>Nathan Williams Deputy Staff Counsel Missouri Bar No. 35512 Attorney for the Staff of the Missouri Public Service Commission P. O. Box 360 Jefferson City, MO 65102 (573) 751-8702 (Telephone) (573) 751-9285 (Fax) e-mail: nathan.williams@psc.mo.gov</p>				
	<p>/s/ Dean L. Cooper</p> <hr/> <table border="0"> <tr> <td>Gary W. Duffy</td> <td>MBE #24905</td> </tr> <tr> <td>Dean L. Cooper</td> <td>MBE#36592</td> </tr> </table> <p>BRYDON, SWEARENGEN & ENGLAND P.C. 312 E. Capitol Avenue P. O. Box 456 Jefferson City, MO 65102 (573) 635-7166 Email: duffy@brydonlaw.com dcooper@brydonlaw.com</p> <p>ATTORNEYS FOR THE CITY OF ROLLA, MISSOURI, AND THE CITY OF ST. JAMES, MISSOURI</p>	Gary W. Duffy	MBE #24905	Dean L. Cooper	MBE#36592
Gary W. Duffy	MBE #24905				
Dean L. Cooper	MBE#36592				

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on September 7, 2010, to the following:

Lewis Mills
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Jefferson City, MO 65101
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