

TERRITORIAL AGREEMENT

THIS AGREEMENT is entered into between Union Electric Company, hereinafter referred to as "Company", and Culvre River Electric Cooperative, Inc., hereinafter referred to as "Cooperative".

WHEREAS, Company and Cooperative are authorized by law to provide electric service within the State of Missouri, including portions of St. Charles County; and

WHEREAS, the Missouri Legislature has authorized electrical corporations and rural electric cooperatives to enter into written territorial agreements; and

WHEREAS, Company and Cooperative desire to promote the orderly development of the retail electric service system within portions of St. Charles County, Missouri, to avoid wasteful duplication and to minimize disputes which may result in higher costs in serving the public;

NOW, THEREFORE, Company and Cooperative, in consideration of the mutual covenants and agreements herein contained, agree as follows:

1. For purposes of this Agreement:

(a) "Customer" includes any natural person, firm, association, partnership, business trust, public or private corporation, political subdivision or any agency, board, department or bureau of the state or federal government or any other legal entity which has requested or is receiving electric service. Any customer who has requested or is receiving electric

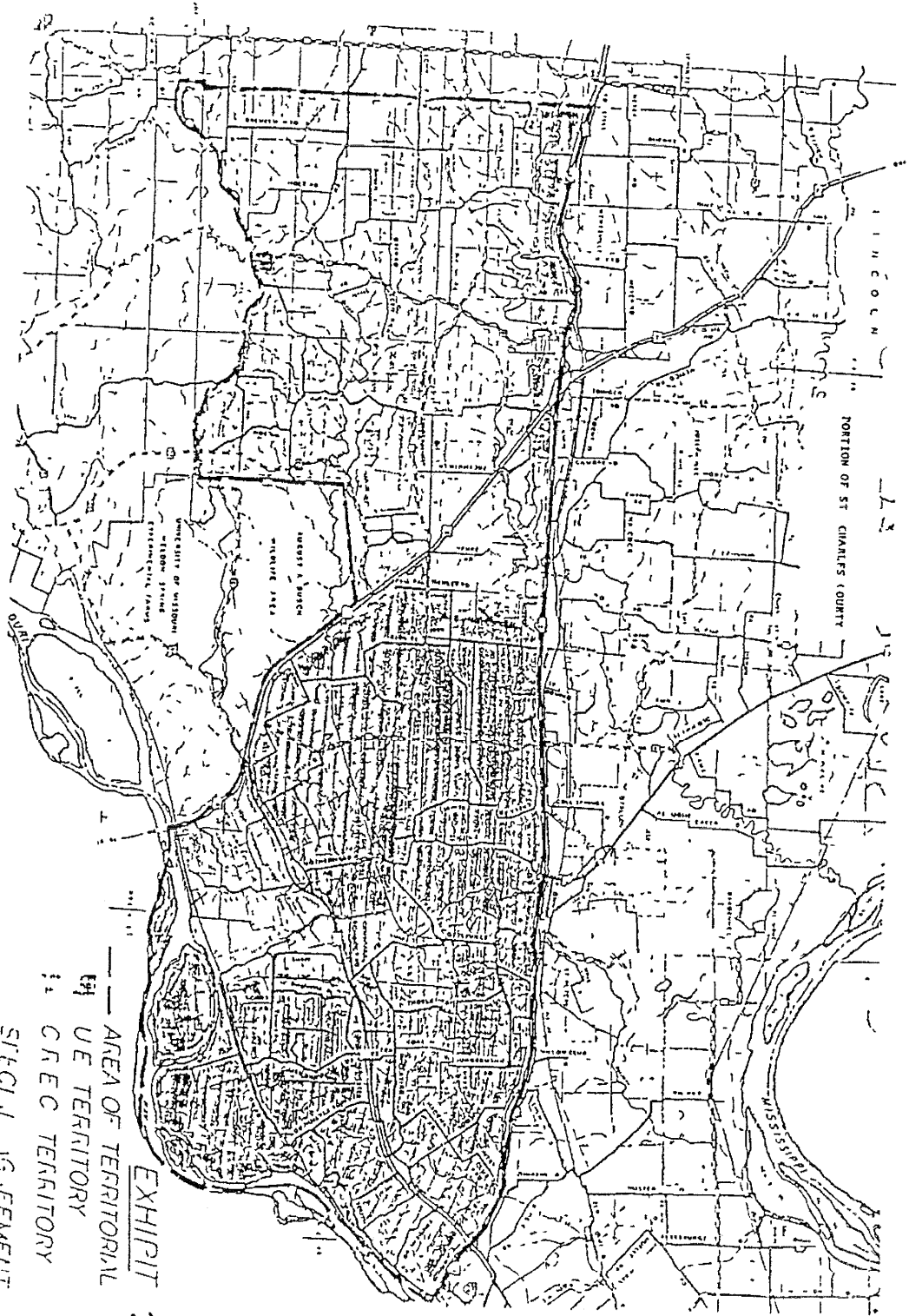


EXHIBIT 2

— AREA OF TERRITORIAL  
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SPECIAL AGREEMENT  
 (SEE PAGE 5)

service at one structure shall be a new and different customer at each structure at which electric service has been requested.

(b) "Structure" is defined as agricultural, residential, commercial, industrial or other building or a mechanical installation, machinery or apparatus but shall not include customer-owned meter wiring. "Structure" shall include contiguous additions to and expansions of previously existing structures and replacements of previously existing structures if the replacement structures are used for the same purposes and have basically the same power usage characteristics as the original structure.

(c) "Company" shall mean Union Electric Company and any subsidiary or other corporate entity owned or controlled by Union Electric Company.

(d) "Cooperative" shall mean Cuivre River Electric Cooperative, Inc. and any subsidiary or other corporate entity owned and controlled by Cuivre River Electric Cooperative, Inc.

(e) "New Structure" shall mean any structure which did not receive electric energy from either party prior to the effective date of this Agreement.

2. From the effective date of this Agreement, as between the parties hereto, each shall have the exclusive right to furnish electric service to all new structures located within its respective electric service area described in paragraphs 3 and 4 of this Agreement, regardless of the size of the load or the characteristics of the customers' requirements. Except as

provided expressly herein, neither party may furnish, make available, render or extend electric service to structures or for use within the electric service area of the other party, either directly, indirectly or through a subsidiary corporation or other entity controlled by the party. Each party shall have the right to continue to serve those structures located in the electric service area of the other party which it is serving on the effective date of this Agreement. In addition, each party shall have the right to serve new structures in multi-tract contiguous development areas identified on Exhibit 4, which are within either party's service area as defined in paragraph 3 and 4 of this agreement. Exhibit 4 is attached hereto and made a part hereof. Cooperative's right to serve new structures within such multi-tract development areas located within the Company's electric service area defined in paragraph 3 shall cease if and when such development areas are annexed into the city limits of a city with a population in excess of 1500 inhabitants unless the Cooperative has installed primary distribution facilities designed for and capable of providing service to such structures prior to annexation.

3. The electric service area of Company under this Agreement shall be that portion of St. Charles County as described by metes and bounds in Exhibit 1 to this Agreement excluding those portions of St. Charles County described by metes and bounds in Exhibit 3 and as substantially illustrated by the map marked Exhibit 2 to the Agreement, all exhibits being

incorporated herein by reference and made a part of this Agreement as if fully set out verbatim.

4. The electric service area of Cooperative under this Agreement shall be those portions of St. Charles County as described by metes and bounds in Exhibit 3 to this Agreement and as substantially illustrated by the map marked Exhibit 2 to this Agreement, both exhibits being incorporated herein by reference and made a part of this Agreement as if fully set out verbatim.

5. The parties to this agreement reserve for purposes of a future territorial agreement a portion of St. Charles county, more specifically described as sections 6, 7, 18, 19, 30 and 31 of Township 46 North, Range 1 East; sections 30 and 31 of Township 47 North, Range 1 East; such portion of section 19 of Township 47 North, Range 1 East in St. Charles county, Missouri, as is south of the center line of U.S. Highway 70; and such portion of section 6 of Township 45 North, Range 1 East in St. Charles county, Missouri, as is north of State Highway T and State Highway D. Both parties shall have the right to serve new structures in such portion of St. Charles county as they would have under the principles of law of the state of Missouri. Company shall have the additional right to waive in whole or in part any charge for any service, including wiring, piping, appliances or equipment, required by its tariffs on file with the Missouri Public Service Commission or by the Commission's Promotional Practice Rule, 4 CSR 240-14.010 et seq., to new structures located within such portion of St. Charles county as

it deems justified, the Commission's Promotional Practices Rule notwithstanding. Cooperative hereby waives any right it may have to file a Complaint either with the Commission or a court alleging the Company's violation of the Commission's Promotional Practices Rule within such portion of St. Charles county.

6. The location of a structure for purposes of this Agreement shall be the geographical location at which electric power and energy is used, regardless of the point of delivery. The first owner of a new structure located on or crossed by any line described in paragraphs 3 and 4 dividing the electric service territories of the parties shall be permitted to choose either party for permanent electric service provided that the customer's meter is installed within that supplier's service area, and thereafter that supplier shall exclusively serve that structure.

7. The parties may agree on a case-by-case basis to allow structures to receive service from one party though the structure is located in the electric service area of the other. Such agreements shall be in writing and approved by both parties.

8. Company and Cooperative agree to undertake all actions reasonably necessary to implement this Agreement. Company and Cooperative will cooperate in presenting a joint application showing this Agreement to be in the public interest. Company and Cooperative will share equally in the costs assessed by the Public Service Commission for seeking of administrative approval

of this Agreement. All other costs will be borne by the respective party incurring the costs

9. Except as expressly provided herein, neither the boundaries described by this Agreement nor any term of this Agreement may be modified, repealed or changed except by a writing mutually approved by the respective parties and by the Missouri Public Service Commission.

9. This Agreement shall be binding on the parties and all subsidiaries, successors, assigns and corporate parents or affiliates of Company and Cooperative.

10. This Agreement shall become effective upon approval by the Missouri Public Service Commission pursuant to Section 394.312 RSMo. and the Boards of Directors of the parties. The term of this Agreement shall be perpetual. Performance of the parties is contingent upon all of the following having occurred no later than March 31, 1993:

(a) All required approvals of the Cooperative's Board of Directors.

(b) Approval of the transaction by the Public Service Commission of Missouri, including but not limited to the following:

(1) a finding that this agreement shall not impair the Company's certificates of convenience and necessity in any respect within St. Charles county.

(2) an order granting the Company the authority to make offers described in paragraph 5 to potential customers.

Such order may not limit Company's authority to exercise such right upon condition of prior Commission approval of such offer. However, recovery of the cost of extending service to the new structure may be conditioned upon a finding by the Commission based upon evidence submitted by the Company that it will receive a benefit by providing service to the new structure and that such service will benefit its existing customers.

(c) Approval of the transaction, if necessary, to the extent of its jurisdiction, by the Federal Energy Regulatory Commission.

11. Both of the parties to this Agreement have service territories outside of the area covered by this Agreement. Within the service areas outside of that covered by this Agreement, each party will continue to operate without regard to this Agreement. The principles of law, rules and regulations applicable to the business of retail sales of electricity shall apply without regard to this Agreement.

12. As a part of this Agreement, the parties agree that all claims pending in the lawsuits styled Union Electric Company v. Cuivre River Electric Cooperative and Union Electric v. SSM Health Care System, Case No. CV190-5138CC, and Union Electric v. Cuivre River Electric Cooperative, Case No. CV190-5239CC, shall be dismissed with prejudice, each party to bear their own costs.

13. This Agreement shall in no way affect either party's right to construct such electric distribution and transmission



facilities within the designated electric service area of the other as that party deems necessary, appropriate or convenient to provide electric service to its customers under the terms of this Agreement or otherwise.

14. This contract constitutes the entire agreement between the parties relating to the allocation of service rights in the territory described herein. If the Public Service Commission of Missouri does not approve the provisions of this Agreement, then it shall be nullified and of no legal effect between the parties. Further, if any part of this Agreement is declared invalid or void by a Court or agency of competent jurisdiction, then the whole Agreement shall be deemed invalid or void.

IN WITNESS WHEREOF, the parties have executed this Agreement this 30th day of October, 1992.

UNION ELECTRIC COMPANY

By William J. Bass

ATTEST:

James J. Hanger

CUIVRE RIVER ELECTRIC  
COOPERATIVE

By Wm. L. Brown

ATTEST:

R. H. L. L.  
Asst. Secretary

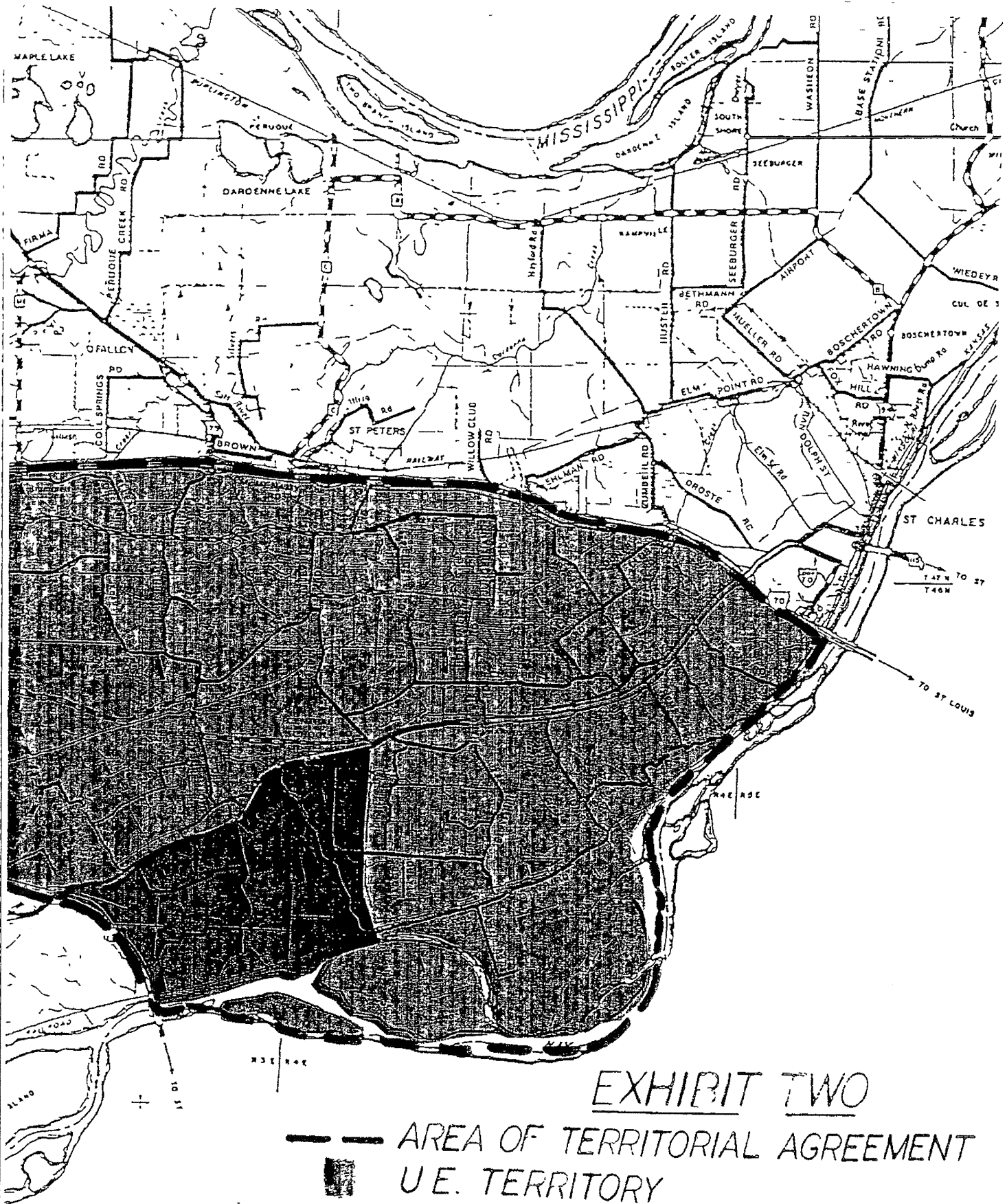


EXHIBIT TWO

- — — — — AREA OF TERRITORIAL AGREEMENT
- ▨ U.E. TERRITORY
- C.R.E.C. TERRITORY
- SPECIAL AGREEMENT AREA  
(SEE PARA. 5)

