

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

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In the matter of Union Electric Company ) d/b/a AmerenUE's Purchased Gas ) Adjustment Factors to be Audited in its ) 2006-2007 Actual Cost Adjustment. )		Case No. GR-2008-0107
In the matter of Union Electric Company ) d/b/a AmerenUE's Purchased Gas ) Adjustment Factors to be Audited in its ) 2007-2008 Actual Cost Adjustment. )		Case No. GR-2008-0366
In the matter of Union Electric Company ) d/b/a Ameren Missouri's Purchased Gas ) Adjustment Factors to be Audited in its ) 2008-2009 Actual Cost Adjustment. )		Case No. GR-2009-0337
In the matter of Union Electric Company ) d/b/a Ameren Missouri's Purchased Gas ) Adjustment Factors to be Audited in its ) 2009-2010 Actual Cost Adjustment. )		Case No. GR-2010-0180
In the matter of Union Electric Company ) d/b/a Ameren Missouri's 2010-2011 ACA ) Audit. ) )		Case No. GR-2012-0077
In the Matter of Laclede Gas Company's ) Purchased Gas Adjustment for 2006-2007 )		Case No. GR-2008-0140
In the Matter of Laclede Gas Company's ) Purchased Gas Adjustment for 2007-2008 )		Case No. GR-2008-0387
In the Matter of Laclede Gas Company's ) Purchased Gas Adjustment for 2008-2009 )		Case No. GR-2010-0138
In the Matter of Laclede Gas Company's ) PGA Factors to be Reviewed in Its ) 2009-2010 ACA Filing )		Case No. GR-2011-0055
In the Matter of Laclede Gas Company's ) Purchased Gas Adjustment for 2010-2011 )		Case No. GR-2012-0133

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**JOINT VERIFIED MOTION OF UNION ELECTRIC COMPANY D/B/A AMEREN  
MISSOURI AND LACLEDE GAS COMPANY FOR A  
DETERMINATION ON THE PLEADINGS RESPECTING ISSUES  
RELATING TO MOGAS PIPELINE, L.L.C.**

COMES NOW, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) and Laclede Gas Company (“Laclede”)( jointly “the Companies”) and, pursuant to 4 CSR 240-2.117(2), moves the Commission to issue its order determining any issues in these cases relating to charges from MoGas Pipeline, LLC or its predecessors in interest (“MoGas”), finding that it was prudent and reasonable for Ameren Missouri and Laclede to enter into a settlement agreement with MoGas, and closing these dockets with respect to such MoGas issues. In support of its motion, Ameren Missouri and Laclede state as follows:

1. On June 21, 2006, the Missouri Public Service Commission Staff("Staff") filed a complaint against Missouri Pipeline, LLC (“MPC”) and Missouri Gas Company, LLC (“MGC”). MPC formerly provided intrastate transportation service under tariffs on file with this Commission for gas purchased by Ameren Missouri and Laclede used to provide service to their retail customers. In addition, MGC formerly provided intrastate transportation service under tariffs on file with this Commission for gas purchased by Ameren Missouri. The Staff complaint at issue (filed in Case No. GC-2006-0491) alleged that MPC was charging Ameren Missouri and Laclede rates in excess of those allowed by MPC’s-then-effective Commission-approved tariffs. The Staff complaint also alleged that MGC was charging Ameren Missouri at rates in excess of those allowed by MGC’s then-effective Commission-approved tariffs. MPC and MGC later merged (together with

another of their affiliates) to form MoGas. MoGas is now an interstate pipeline subject to the jurisdiction of the Federal Energy Regulatory Commission.<sup>1</sup>

2. In a Revised Report and Order (the “RRO”) that became effective on October 21, 2007 in Case No. GC-2006-0491, the Commission determined that MoGas had charged rates in excess of those allowed by its tariff. The basis for the Commission’s determination was its interpretation of a tariff provision which required MoGas to charge its non-affiliated customers (like the Companies) the same rate or a lower rate than it charged its own affiliates. Because MGC charged its affiliate (Omega Pipeline Company<sup>2</sup>) a lower rate starting July 1, 2003, but did not charge that same lower rate to Ameren Missouri, the Commission determined that MoGas violated its tariff and overcharged Ameren Missouri. Because MPC charged its affiliate (Omega Pipeline Company) a lower rate starting May 1, 2005, but did not charge that same lower rate to the Companies, the Commission determined that MoGas violated its tariff and overcharged the Companies.

3. The overcharges, which Ameren Missouri and Laclede paid to ensure they obtained the pipeline transportation they needed to serve their customers, were reflected in their respective purchased gas adjustment (“PGA”) charges to their retail customers. In part, because of the potential for recovering these overcharges from MoGas, Staff has recommended that each of the Companies’ actual cost adjustment (“ACA”) dockets, encompassing the periods during which overcharges were claimed, remain open pending a final determination regarding the overcharges. The Commission has followed the

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<sup>1</sup>Though the complaint case involved two pipeline entities at the time, because of the later merger the rest of this motion will simply refer to MoGas.

<sup>2</sup> Omega Pipeline Company was a gas marketer who bought, sold and distributed gas to the United States Army at Ft. Leonard Wood.

Staff's recommendation.<sup>3</sup> Such a final determination has been substantially delayed because MoGas, in addition to direct review of the RRO under Section 386.510, RSMo. (2000), also challenged the RRO via requests for extraordinary writs. Indeed, the litigation sparked by the Staff complaint and the resulting RRO, and MoGas' repeated attempts to have the RRO overturned, has produced multiple opinions from Missouri's appellate courts.<sup>4</sup> The impact of those opinions is that MoGas has exhausted all avenues to challenge the RRO, and the RRO has been fully upheld by the appellate courts, although, as discussed below, the enforcement actions taken by Ameren Missouri and Laclede relating to the RRO remain subject to appeal.

4. Ameren Missouri, in reliance on the RRO's conclusion that it had been overcharged, sued MoGas in the Circuit Court of Cole County (Case No. 09AC-CC00398). The lawsuit sought all overcharges during the period July 1, 2003, to May 31, 2008,<sup>5</sup> plus statutory interest. Laclede, also in reliance on the RRO's conclusion that it had been overcharged, sued MoGas in the Circuit Court of St. Charles County (Case No. 1111-CV02060). Laclede's lawsuit sought all overcharges during the period May 1, 2005, to May 31, 2008, plus statutory interest. Ameren Missouri's and Laclede's lawsuits were pursued on behalf of their customers since any recovery in the lawsuit would ultimately be flowed-back to customers through the PGAs.

5. In addition to the Staff's complaint, MoGas initiated litigation in various courts pertaining to Ameren Missouri's and Laclede's lawsuits against MoGas seeking recovery of overcharges, and the Commission authorized its General Counsel to seek

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<sup>3</sup> There are no non-MoGas issues in any of the Ameren Missouri ACA cases. There are monetary non-MoGas issues in the following Laclede ACA cases: GR-2008-0140, GR-2011-0055 and GR-2012-0133.

<sup>4</sup> See, e.g., *State ex rel. MoGas Pipeline LLC v. Pub. Serv. Comm'n*, 2013 Mo. App. LEXIS 59 (Mo. App. 2013) (transfer denied April 30, 2013); *State ex rel. Missouri Pipeline Co., L.L.C. v. Pub. Serv. Comm'n*, 307 S.W.3d 162 (Mo. App. W.D. 2009) (transfer denied April 20, 2010).

<sup>5</sup> MoGas' Commission-approved intrastate tariff was no longer effective after May 31, 2008, because at that time MoGas began operating as an interstate pipeline.

statutory penalties on its behalf against MoGas relating to overcharges during the period July 1, 2003, to May 31, 2008.

6. On September 6, 2012, the St. Charles County Circuit Court entered summary judgment in Laclede's favor in the amount of \$6,638,361 plus statutory interest in an unspecified amount. This amount represents the overcharges to Laclede for the period May 1, 2005, through May 31, 2008. On September 25, 2012, the St. Charles County Circuit judge presiding over Ameren Missouri's case<sup>6</sup> entered summary judgment in Ameren Missouri's favor in the amount of \$7,449,885.68. This amount represents the overcharges to Ameren Missouri for the period July 1, 2003, to May 31, 2008. A later amended judgment fixed the statutory interest (at a rate of 9% per annum) at \$5,237,102.71, bringing the total judgment to \$12,686,988.39.

7. MoGas has continued to contest the validity of the judgments, has timely perfected an appeal of the judgment entered in favor of Laclede to the Missouri Court of Appeals for the Eastern District (Case No. ED99505) and has timely perfected an appeal of the judgment entered in favor of Ameren Missouri to the Missouri Court of Appeals for the Western District of Missouri (Case No. WD76207). For a number of reasons, issues could exist with respect to collecting the judgments, such as the risk of an adverse appellate opinion relating to some or all of the judgments, the risk of bankruptcy on MoGas' part given the size of the judgments, and other risks arising from Ameren Missouri's and Laclede's dependence on MoGas for gas transportation needed to provide gas to serve its customers. Recognizing these risks, Ameren Missouri and Laclede have thus far agreed to stay execution of their judgments while the parties have engaged in

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<sup>6</sup> The Cole County Circuit Court judge initially handling the Company's lawsuit recused himself and Ameren Missouri's overcharge lawsuit was transferred by order of the Missouri Supreme Court to St. Charles County, thereby allowing the St. Charles County Circuit Court judge to handle both overcharge lawsuits.

settlement discussions. Ameren Missouri's and Laclede's goal throughout those discussions has been to preserve as much of the judgments as possible for their customers' benefit while mitigating the kinds of risks noted above. Throughout the discussions Ameren Missouri and Laclede have kept the Staff informed and sought their input regarding the terms of a possible settlement.

8. After extensive negotiations and consultations, Ameren Missouri, Laclede and MoGas executed the Settlement Agreement attached hereto and incorporated herein by this reference as Attachment 1. Some of the key terms of the Settlement Agreement include the following:

- MoGas is to pay Ameren Missouri the sum of \$3.506 million and is to pay Laclede the sum of \$3.676 million within 10 days of the satisfaction of all contingencies provided for in the Settlement Agreement;
- MoGas is to promptly make a change in its Senior Management by removing MoGas' President, David Ries, from any management role with MoGas; and
- The settlement is subject to a condition precedent requiring the Commission to enter an order:

that determines that it was prudent and reasonable for Ameren Missouri and Laclede to enter into the Settlement Agreement;

that closes all issues relating to MoGas in these ACA dockets, effective upon issuance of such order, subject to the requirement that, on a going forward basis, Laclede and Ameren Missouri each return the funds to be paid to them by MoGas hereunder to their retail customers through their respective PGA mechanisms;

that determines that there shall be no disallowance of charges from MoGas to Laclede or Ameren Missouri applicable to transportation services provided by MoGas between July 1, 2003 and May 31, 2008;

that indicates that, upon the making of the payments required to be paid by MoGas to Ameren Missouri and Laclede as described above, the Commission will dismiss its complaint case against MoGas; and

that remains in effect for thirty (30) days without any motion for reconsideration or appeal being filed by any party or third party.<sup>7</sup>

9. Ameren Missouri's PGA clause (found at P.S.C. Mo. No. 2, 10<sup>th</sup> Revised, Sheet No. 28), in Paragraph 5, provides that any refunds received by Ameren Missouri will be credited to the ACA account. Paragraph 5 also provides for an allocation of the refund to the applicable sales classification.

10. Consistent with its PGA clause (beginning at P.S.C. Mo. No. 2 Eighth Revised Sheet No. 22), Ameren Missouri has determined the appropriate allocation of the \$3.506 million. See Attachment 2, which is incorporated herein by this reference.<sup>8</sup> Ameren Missouri proposes that this allocation be reflected in its ACA balance and used in the determination of the ACA factors to be used commencing in November of this year should the settlement amount be received prior to the close of business for the month of September 2013. Ameren Missouri proposes crediting the Rolla portion of the credit over three years and to set out the credit as a separate line item on Rolla customers' bill.<sup>9</sup>

11. Laclede's PGA clause (see Laclede's Tariff Sheet no. 20, Paragraph C), provides that any refunds received by Laclede will be credited to the ACA account.

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<sup>7</sup>The Settlement Agreement provides that the Commission may condition the effectiveness of the order on the filing by Ameren Missouri and Laclede of documentation demonstrating that MoGas has made the payments it is required to make.

<sup>8</sup> Please note that there are no interruptible customers and that customers in the transportation rate classification did not pay any overcharges. Consequently, none of the refund is allocated to those classes.

<sup>9</sup> If necessary, Ameren Missouri will request a variance in its next ACA filing from any provision of its PGA Clause that might otherwise contemplate a credit over a 12-month period in order to prevent the size of the refund to be credited from creating a situation where the PGA charge actually becomes negative if a 12-month period is used.

Paragraph C.2 on Tariff Sheet No. 21 also provides for an allocation of the refund to the applicable sales classifications.

12. Consistent with its PGA clause, Laclede has determined the appropriate allocation of the \$3.676 million. The allocation is set forth on Attachment 3, which is incorporated herein by this reference. Laclede proposes that this allocation be reflected in its ACA balance and used in the determination of the ACA factors to be used commencing in November of this year, as contemplated by its PGA Clause should the settlement amount be received prior to the close of business for the month of September 2013.

13. Commission rule 4 CSR 240-2.117(2) provides that the Commission may dispose of any part of a case on the pleadings whenever such disposition is not otherwise contrary to law or contrary to the public interest.

14. Given the nearly seven years that it has taken to realize a substantial proportion, but not all, of the overcharges paid by Ameren Missouri's and Laclede's customers on account of the improper MoGas charges, and given the risks of further delay and the risk of an inability to actually recover sums from MoGas, as noted earlier, it is not contrary to law or the public interest for the Commission to fully or partially (as appropriate) dispose of each of these ACA cases by entering the order required by the Settlement Agreement, which will result, after payment by MoGas, of refunds through Ameren Missouri's and Laclede's ACA factors of \$3.506 million (to Ameren Missouri's customers) and \$3.676 million (to Laclede's customers).

15. Staff has authorized the undersigned counsel to state that the Staff does not oppose granting the relief prayed for in this Joint Motion, but that Staff reserves the right to confirm the payments received and review the allocations proposed in



Attachments 2 and 3 in the applicable ACA review and reserves the right to propose appropriate compliance adjustments resulting from such review.

WHEREFORE, Ameren Missouri and Laclede pray that the Commission make and enter its order disposing of all MoGas related issues in these ACA dockets, and more specifically enter an order as follows:

- a. Determining that it was prudent and reasonable for Ameren Missouri and Laclede to enter into the Settlement Agreement;
- b. Closing these ACA dockets with respect to all MoGas related issues effective upon issuance of the order (but subject to the requirement that, on a going forward basis, Ameren Missouri and Laclede return the funds to be paid to them by MoGas hereunder to their retail customers through their PGA mechanisms, as herein provided);
- c. Determining that there shall be no disallowance of charges from MoGas to Ameren Missouri or Laclede applicable to transportation services provided by MoGas between July 1, 2003, and May 31, 2008;
- d. Ordering that, upon the making of the payments required to be paid by MoGas to Ameren Missouri and Laclede, the Commission's complaint against MoGas pending in Cole County Circuit Court shall be dismissed;<sup>10</sup>
- e. Determining that the \$3.506 million payment to be received by Ameren Missouri be included in Ameren Missouri's ACA balance, allocated as provided for on Attachment 2 hereto, and included in Ameren Missouri's ACA factors to be used starting November 1, 2013<sup>11</sup>; and
- f. Determining that the \$3.676 million payment to be received by Laclede be included in Laclede's ACA balance, allocated as provided for on Attachment 3 hereto, and included in Laclede's ACA factors to be used starting with effective date of Laclede's new PGA rates in November, 2013.<sup>12</sup>

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<sup>10</sup>The Commission may also want to condition the effectiveness of the order on the filing by Ameren Missouri and Laclede of documentation demonstrating that MoGas has made the payments to the Company that it is required to make.

<sup>11</sup>Should the settlement payments be received by September 30, 2013.

<sup>12</sup>Should the settlement payments be received by September 30, 2013.

Respectfully Submitted,

/s/ James B. Lowery

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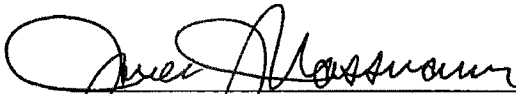
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**ATTORNEYS FOR LACLEDE GAS  
COMPANY**

**VERIFICATION**

I, James Massmann, being duly sworn, depose and say that: I am Director - Gas Supply for Union Electric Company d/b/a Ameren Missouri; that I have knowledge of the facts stated in the foregoing Joint Motion; and that said facts are true and correct to the best of my knowledge, information and belief.

  
James Massmann

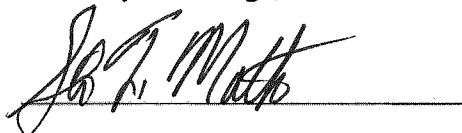
Subscribed and sworn to before me this 21st day of June, 2013.

**Julie Donohue - Notary Public**  
Notary Seal, State of  
Missouri - St. Louis County  
Commission #13753418  
My Commission Expires 1/15/2017

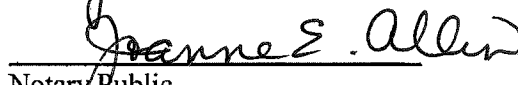
  
Notary Public

**VERIFICATION**

I, Stephen E. Mathias, being duly sworn, depose and say that: I am Vice President, Gas <sup>Operation</sup> for Laclede Gas Company; that I have knowledge of the facts stated in the foregoing Joint Motion; and that said facts are true and correct to the best of my knowledge, information and belief.



Subscribed and sworn to before me this 24 day of June, 2013.

  
Notary Public

**JOANNE E. ALLEN**  
Notary Public - Notary Seal  
STATE OF MISSOURI  
St. Louis County  
My Commission Expires: Oct. 5, 2013  
Commission # 09878750

**JOANNE E. ALLEN**  
Notary Public - Notary Seal  
STATE OF MISSOURI  
St. Louis County  
My Commission Expires: Oct. 5, 2013  
Commission # 09878750

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Joint Motion was served on the Staff of the Missouri Public Service Commission and on the Office of the Public Counsel via electronic mail (e-mail) or via certified and regular mail on this 15<sup>th</sup> day of July, 2013.

*/s/ Rick Zucker* \_\_\_\_\_

Rick Zucker

### Settlement Agreement

This Settlement Agreement is entered into this 28<sup>th</sup> day of May, 2013, and is by and among MoGas Pipeline LLC ("MoGas"), a Delaware limited liability company, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri"), a Missouri corporation and Laclede Gas Company ("Laclede"), a Missouri corporation. MoGas, Ameren Missouri and Laclede also may each be referred to individually as a "Party" and, in the aggregate, as the "Parties."

#### RECITALS

WHEREAS, the Missouri Public Service Commission ("MoPSC") issued a Revised Report and Order (the "RRO") in Case No. GC-2006-0491 in which it determined that MoGas had overcharged Ameren Missouri and Laclede for pipeline transportation services on a natural gas pipeline system owned by MoGas when MoGas failed to charge Ameren Missouri and Laclede the same rate it had charged its then-affiliate, Omega Pipeline Company ("Omega"); and

WHEREAS, in the RRO, the MoPSC based this determination on its interpretation of Section 3.2 of MoGas's tariff, which, in the opinion of MoPSC, provided for an automatic rate reduction for unaffiliated customers if a discounted rate was offered to a MoGas affiliate; and

WHEREAS, the RRO acknowledged that as of June 1, 2006, the affiliate at issue, Omega, had been sold to an entity that was not affiliated with MoGas; and

WHEREAS, on March 7, 2011, Laclede filed a petition in the Circuit Court of St. Charles County, Missouri against MoGas in Case No. 1111-CV02060 (the "Laclede Case"), based on the RRO; and

WHEREAS, on September 6, 2012, the St. Charles County Circuit Court entered summary judgment in the Laclede Case in favor of Laclede in the amount of \$6,638,361 plus statutory interest in an unspecified amount. This amount represents Laclede's claimed overcharges for the time period May 1, 2005 through May 31, 2008; and

WHEREAS, on July 21, 2009, Ameren Missouri filed a petition in the Circuit Court of Cole County, Missouri against MoGas in Case No. 09AC-CC00398 (the "Ameren Missouri Case"), also based on the RRO; and

WHEREAS, on September 25, 2012, the St. Charles County Circuit Court Judge presiding over the Laclede Case (who was assigned to preside over the Ameren Missouri Case by the Missouri Supreme Court), entered summary judgment in the Ameren Missouri Case in favor of Ameren Missouri in the amount of \$7,449,885.68, plus statutory interest in an unspecified amount. This amount represents Ameren Missouri's claimed overcharges for the time period July 1, 2003 through May 31, 2008. On October 30, 2012, an Amended Judgment and Order was entered in the Ameren Missouri Case awarding Ameren Missouri \$7,449,885.68 and which also specified the amount of the statutory interest that was due in the amount of \$5,237,102.71; and

WHEREAS, MoGas has filed timely notices of appeal of the judgments entered in favor of Laclede and Ameren Missouri which appeals are currently pending and does not admit to having liability with respect to the foregoing claims and causes of action; and

WHEREAS, the Parties desire to settle and resolve all claims and causes of action arising from the RRO, the Judgment of the Cole County Circuit Court in the Ameren Missouri Case and the Judgment of the St. Charles County Circuit Court in the Laclede Case.

NOW THEREFORE, for and in consideration of the agreements reflected herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

#### **SETTLEMENT TERMS AND CONDITIONS**

1. The foregoing recitals are incorporated herein by this reference.

2. (i) Within 10 days of receiving "MoPSC Approval," MoGas will make a cash payment to Laclede in the amount of \$3,676,000, and a separate cash payment to Ameren Missouri in the amount of \$3,506,103, provided that all parties to the Settlement and Mutual Release Agreement attached hereto as Exhibit A (the "Additional Release") have executed such Additional Release. Laclede and Ameren Missouri agree to execute the Additional Release during the 10 day period provided that the Additional Release has been executed by Ries and RH (as defined herein). If MoGas is unable to obtain the signature of Ries and RH on the Additional Release by the end of the 10 day period, then MoGas agrees to indemnify Laclede and Ameren Missouri as set forth in the Indemnification Agreement attached as Exhibit B. For all purposes of this Settlement Agreement, the term "MoPSC Approval" shall have the meaning and is defined in Paragraph 6 below. The cash payments to be made pursuant to this Paragraph 2 (i) are intended as consideration for the settlement and release of all claims arising out of the Ameren Missouri and Laclede Cases and are not intended to represent penalties, fines or damages. Upon receipt of MoPSC Approval, the making of the foregoing cash payments by MoGas and the full execution of the Additional Release (or the Indemnification Agreement, as the case may be), the settlement and release of all of the foregoing claims shall be fully effective and irrevocable by any Party. MoGas shall not seek to recover the value of such payments from its customers in any current or future regulatory proceedings.

(ii) During the time period commencing upon the execution of this Settlement Agreement and continuing until 10 days following receipt of MoPSC Approval, if the MoPOSC issues an order consistent with MoPSC Approval, the payments by MoGas referred to in Paragraph 2 (i) have been made and the settlement and release of claims have become effective and irrevocable (as set forth in Paragraph 2 (i)): (a) Laclede agrees that the "stay" as defined in Paragraph #1 of that certain letter agreement dated April 1, 2013 from Thomas R. Schwarz, Jr. of Blitz, Bardgett & Deutsch, LC to David Luce of Carmody MacDonald shall remain in effect; and (b) Ameren Missouri agrees that the "stay" as defined in Paragraph # 1 of that certain letter agreement dated April 1, 2013 from Michael R. Tripp of Smith Lewis, LLP to David

Luce of Carmody MacDonald shall remain in effect. However, if the MoPSC issues an order inconsistent with MoPSC Approval, the "stays" referred to above shall remain in effect until 14 days after the issuance of such order.

3. In addition to the cash payments required by Paragraph 2(i), upon the satisfaction of all contingencies provided for herein, MoGas shall take all necessary steps to promptly change senior management with respect to the president of MoGas, David Ries ("Ries"), according to the following terms:

(i) MoGas will submit its written transition plan (the "Transition Plan") to the other Parties and to MoPSC within 30 days of the execution of this Settlement Agreement. The Transition Plan will detail the process for securing new management, which process shall be concluded within 90 days of MoPSC Approval. The Transition Plan shall also outline the minimum qualifications that new senior management will be required to possess, which shall include significant experience in operating an interstate natural gas pipeline, and will outline the measures that will be implemented to ensure that the current president has no direct or indirect management, employment, consulting, supervisory or any other form of involvement in the operation or management of MoGas, other than what is set forth in Paragraph 4 below, upon the conclusion of the 90-day transition period; and

(ii) The Transition Plan shall be provided to the MoPSC as part of the filing seeking approval for the applicable terms of the Settlement Agreement. MoGas will also provide a report to the MoPSC, Ameren Missouri and Laclede within 3 months of the completion of the 90-day transition period explaining and verifying completion of these terms and shall cooperate with the other parties in providing ongoing confirmation of its compliance with the terms of this provision.

4. (i) The provisions of this Paragraph 4(i) will only apply as long as Ries has a management role or Ries (or an entity owned or controlled by him) has an ownership interest in D&D Energy, LLC, the indirect parent company of MoGas ("D&D Energy"), or otherwise, directly or indirectly, in MoGas. The parties recognize that, in the event of a breach by MoGas of its obligations under Paragraph 3, damages will be difficult to ascertain. Therefore, MoGas agrees to a liquidated damages payment (each an "LD Payment") to be paid to Ameren Missouri and Laclede in the respective amounts of \$2,000,000 and \$2,000,000 in the event that MoGas commits a "Material Breach" of Paragraph 3. For purposes of the foregoing, a "Material Breach" of Paragraph 3 shall mean, and only mean:

If, without the prior written consent of Ameren Missouri and Laclede, any of the following occurs after the end of the 90-day



transition period: (a) Ries shall remain or become an employee of MoGas; (b) MoGas and Ries enter into a consulting agreement or other similar agreement pursuant to which Ries is to provide services with respect to the management of MoGas in exchange for consideration; or (c) Ries either participates in the management of MoGas or is granted and exercises any voting rights with regard to MoGas in excess of the rights (1) currently granted to him under the Limited Liability Operating Agreement for D&D Energy (the "Operating Agreement") or (2) otherwise available to him under applicable law. In the event of a breach of subpart (c) above, prior to being entitled to the LD Payment, Ameren Missouri and Laclede shall provide MoGas written notice setting forth the details of the breach and MoGas shall have a period of twenty (20) days to cure such breach provided that the breach is of a nature than can either be cured or rescinded, provided, however, that in the event of a breach of subpart (c), MoGas shall also be required to pay Ameren Missouri and Laclede 5% of the LD Payment. In the event of a second and subsequent breach of subparagraph (c), MoGas shall have an opportunity to cure the breach in a like manner but shall also be required to pay an additional 10% of the LD Payment to Ameren Missouri and Laclede. In the event of a third and subsequent breach of subpart (c), there shall be no opportunity for cure, and the remaining amount of the LD payment shall be made by MoGas to Ameren Missouri and Laclede. Each of Ameren Missouri and Laclede shall be required to provide written notice to MoGas of any claim for LD Payments under this Paragraph 4(i) within thirty (30) days of their actual knowledge of the occurrence of any event under subparts (a), (b) or (c) above or shall be deemed to have irrevocably waived such claim. All payments referred to in this Paragraph 4(i) are payments made as liquidated damages, and are not to be considered a penalty.

(ii) MoGas has provided Laclede and Ameren Missouri a copy of the Operating Agreement with certain confidential information redacted from the copy provided. Except for the Operating Agreement to which Ries Holdings, Inc. ("RH"), an affiliate of Ries is a party, following the termination of Ries' employment with MoGas (and the corresponding termination of his employment agreement), there are no other agreements in existence between D&D Energy or MoGas on the one hand and RH or Ries on the other that provide RH or Ries with any rights relating to participation in the management or operation of MoGas except for consulting arrangements pursuant to which Ries would provide consulting services during the transition period. Subject to the foregoing understanding, "Material Breach" shall not be deemed to occur by virtue of RH exercising any rights it has pursuant to the Operating Agreement (including, but not limited to, any voting rights or information rights under such Operating Agreement), statutory or similar rights under applicable law.

(iii) In connection with any financing, sale or similar transaction and upon the request of MoGas, Ameren Missouri and Laclede each shall deliver within 10 days of any such request a written estoppel certificate to the party for whom MoGas has requested and who can rely on such estoppel setting forth whether, as of such time, Ameren Missouri and Laclede are aware of any violation of the foregoing. Such obligation on the part of Ameren Missouri and Laclede shall be conditioned on MoGas' continued compliance with its obligations under Paragraph 3 to provide ongoing confirmation of its compliance with the terms of that Paragraph.

5. Upon receipt of the payments provided for in Paragraph 2(i), MoGas, Ameren Missouri and Laclede will immediately engage in their best efforts to take all necessary actions to accomplish the vacation and annulment of the judgments referred to in the recitals above in any county in which the judgments were entered or have been registered, including filing requests for such relief, or requests to facilitate such relief, in any circuit or appellate court with jurisdiction. In the event that after using their best efforts, the parties are unable to obtain a judgment or order that vacates or annuls the judgments referred to in the recitals, Ameren Missouri and Laclede will file a satisfaction of judgment that states such satisfaction is pursuant to settlement in all circuit courts in which the judgment was entered or registered. Each Party shall pay its own attorneys' fees and costs to effect the obligations in this paragraph.

6. This Settlement Agreement is also contingent upon MoPSC Approval. For all purposes of this Settlement Agreement, MoPSC Approval shall be deemed to have occurred when MoPSC issues a report and order (the "Order"): (i) that determines that it was prudent and reasonable for Laclede and Ameren Missouri to enter into the Settlement Agreement and that approves the terms of the Settlement Agreement without modification of any kind; (ii) that closes all issues relating to MoGas in the pending actual cost adjustment (ACA) dockets listed below, effective upon issuance of such Order, subject to the requirement that, on a going forward basis, Laclede and Ameren Missouri each return the funds to be paid to them by MoGas hereunder to their retail customers through their respective purchased gas adjustment ("PGA") mechanisms, (iii) that determines that there shall be no disallowance of charges from MoGas to Laclede or Ameren Missouri applicable to transportation services provided by MoGas between July 1, 2003 and May 31, 2008; (iv) that indicates that, upon the making of the payments by MoGas under Paragraph 2(i), MoPSC will file a dismissal with prejudice of all claims made in *State of Missouri ex rel. Missouri Public Service Commission v. Missouri Pipeline Company, LLC, et al.*, Case No. 07AC-CC01103, pending in the Cole County Circuit Court, and (v) that remains in effect for thirty (30) days without any motion for reconsideration or appeal being filed by any third party (excluding any shareholder, member, owner or employee of a Party). Notwithstanding the foregoing, the MoPSC may condition the effectiveness of the Order on the filing by Ameren Missouri and Laclede of documentation demonstrating that MoGas has made the payments provided for by Paragraph 2 (i) of this Agreement.

7. For purposes of Paragraph 6, Subparagraph (ii) above: (i) the impacted ACA dockets are: Ameren Missouri Case Nos. GR-2008-0107, GR-2008-0366, GR-2009-0337, GR-2010-0180, GR-2012- 0077, and Laclede Case Nos. GR-2008-0140; GR-2008-0387, GR-2010-

0138; GR-2011-0055 and GR-2012-0133; and (ii) Laclede and Ameren agree to comply with the obligation to refund the payments to their retail customers as set forth in the Order. Each of the Parties is responsible for their own costs and fees, including attorney fees, associated with obtaining the Order. Ameren and Laclede each agree to use reasonable efforts to obtain the Order including responding to information or other requests from the MoPSC Staff on a timely basis and to keep MoGas apprised of all substantive communications with the MoPSC regarding the foregoing process.

8. MoGas represents and warrants that: (i) MoGas is duly organized, validly existing and in good standing under the laws of the State of Delaware; (ii) MoGas has all requisite power and authority to execute, deliver and perform this Settlement Agreement and all documents to be executed in connection therewith; (iii) MoGas's entering into this Settlement Agreement has been duly authorized by all necessary corporate action; (iv) upon execution by MoGas, this Settlement Agreement will be a legally binding obligation of MoGas, enforceable in accordance with its terms; and (v) attached as Exhibit B is a true and correct copy of all necessary consents authorizing MoGas's execution, delivery and performance of this Settlement Agreement.

9. Laclede represents and warrants that: (i) Laclede is duly organized, validly existing and in good standing under the laws of the State of Missouri; (ii) Laclede has all requisite power and authority to execute, deliver and perform this Settlement Agreement and all documents to be executed in connection therewith; (iii) Laclede's entering into this Settlement Agreement has been duly authorized by all necessary corporate action; and (iv) upon execution by Laclede, this Settlement Agreement will be a legally binding obligation of Laclede, enforceable in accordance with its terms.

10. Ameren Missouri represents and warrants that: (i) Ameren Missouri is duly organized, validly existing and in good standing under the laws of the State of Missouri; (ii) Ameren Missouri has all requisite power and authority to execute, deliver and perform this Settlement Agreement and all documents to be executed in connection therewith; (iii) Ameren Missouri's entering into this Settlement Agreement has been duly authorized by all necessary corporate action; and (iv) upon execution by Ameren Missouri, this Settlement Agreement will be a legally binding obligation of Ameren Missouri, enforceable in accordance with its terms.

11. This Settlement Agreement is intended by the parties to constitute a complete compromise and settlement of all claims which the Parties may have or claim to have against each other and shall be construed accordingly. As such, this Settlement Agreement, when fully executed by the parties and when the contingencies provided for herein have been satisfied, shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

12. In consideration of MoGas's payments under Paragraph 2(i), and the acceptance of such payments by Ameren Missouri and Laclede in lieu of executing on their judgments, each

party to this Settlement Agreement, on behalf of itself and its predecessors, successors, assigns, agents, representatives, heirs, and attorneys hereby releases and forever discharges each other party and its predecessors, successors, assigns, agents, parents, direct subsidiaries, indirect subsidiaries, affiliates, directors, officers, attorneys, employees, shareholders and members from and against all actions, claims, suits, debts, damages, causes of action, liabilities, and demands whatsoever, whether matured or unmatured, whether at law or in equity, whether before a local, state, or federal court or state or federal administrative agency or commission, and whether now known or unknown, liquidated or unliquidated, that they now have or may have had, or thereafter claim to have, on behalf of themselves or any other person or entity, at any time prior to and including the date of this Settlement Agreement that arises out of, or relates to, the decision of the Missouri Public Service Commission in Case No. GC-2006-0491, the Judgment of the Cole County Circuit Court in Case No. 09AC-CC00398, or the Judgment of the St. Charles County Circuit Court in Case No. 1111-CV02060.

13. This Settlement Agreement shall be governed by Missouri law, without giving effect to principles of conflicts of law.

14. This Settlement Agreement contains the complete agreement between the Parties with respect to the subject matter hereof and supersedes all prior representations, discussions, negotiations, agreements and understandings, whether written or oral, with respect thereto.

15. This Settlement Agreement may be executed in identical counterparts, each of which shall constitute an original and all of which shall constitute one and the same Settlement Agreement.

16. The Parties acknowledge and agree that the representations and warranties contained in this Settlement Agreement are essential and material terms, without which they would not have entered into it.

17. This Settlement Agreement may be modified only by a written document signed by the Parties. No waiver of this Settlement Agreement or any of its promises, obligations, terms, or conditions shall be valid unless it is written and signed by the Party against whom the waiver is to be enforced.

18. Notices required to be given in writing hereunder shall be given via hand delivery or by United States Mail, postage prepaid, to the persons at the addresses specified below:

To Laclede:

Mark C. Darrell  
Senior Vice President, General Counsel and Chief Compliance Officer  
720 Olive St.  
St. Louis, Mo. 63367  
(314)342-0520  
[mdarrell@thelacledegroup.com](mailto:mdarrell@thelacledegroup.com)

To Ameren Missouri:

Wendy Tatro  
Corporate Counsel  
1901 Chouteau Avenue  
PO Box 66149, MC 1310  
St. Louis, MO 63166-6149  
[wtatro@ameren.com](mailto:wtatro@ameren.com)

To MoGas:

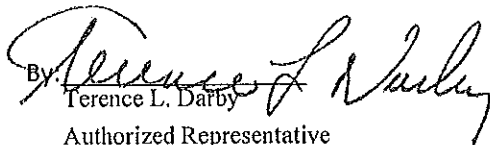
Energy Investors Funds Group  
Three Charles River Place  
63 Kendrick Street  
Needham, MA 02494  
Attention: Alycia Goody

19. Each of the signatories of this Settlement Agreement represents and warrants that he or she is authorized to execute this Settlement Agreement and binds the Parties hereto.



20. If any part or provision of the Settlement Agreement shall be finally determined to be invalid or unenforceable under applicable law by a court of competent jurisdiction, that part or provision shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of that provision or the remaining provisions of this Settlement Agreement.

21. The Parties acknowledge that they have had the opportunity to consult with legal counsel of their choosing prior to entering into this Settlement Agreement and that they enter into this Settlement Agreement knowingly and voluntarily.

MoGas Pipeline LLC

By:   
Terence L. Darby  
Authorized Representative

Union Electric Company d/b/a Ameren Missouri

By:  

Laclede Gas Company

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

Union Electric Company d/b/a Ameren Missouri

Laclede Gas Company

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

By: Mark C. Danell  
Senior Vice President  
and General Counsel

**Exhibit A**

**Settlement and Mutual Release Agreement**

This Settlement and Mutual Release Agreement (the "Agreement") is entered into as of the \_\_\_\_\_ day of May, 2013, by and between Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri"), Laclede Gas Company ("Laclede"), Ries Holdings, Inc. ("Ries Holdings") and David Ries ("Ries"), personally and also in his capacity as owner, member, officer, agent or employee of any signatory or related entity;

WITNESSETH THAT:

WHEREAS, Ameren Missouri and Laclede have conditionally reached an agreement to settle their claims for overcharges against MoGas Pipeline, LLC ("MoGas") and have set forth the terms and conditions of that settlement in a separate written Settlement Agreement ("MoGas Settlement Agreement") in which one of those terms and conditions is that MoGas must take all necessary measures to ensure that Ries has no future direct or indirect management, employment, consulting, supervisory, or other involvement in the operation or management of MoGas other than what is set forth in the MoGas Settlement Agreement; and

WHEREAS, Ries is the owner of Ries Holdings and Ries Holdings has an indirect ownership in MoGas, there is value to Ries and to Ries Holdings in having the claims for overcharges settled on the terms and conditions set forth in the MoGas Settlement Agreement; and

WHEREAS, Ameren Missouri and Laclede require from Ries and Ries Holdings a release of claims, as more particularly set out in this Agreement, as a necessary condition of settlement and release of their respective overcharge claims in the MoGas Settlement Agreement;

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

**1. Release by Ries and Ries Holdings of claims against Ameren Missouri and Laclede.** In exchange for the good and valuable consideration reflected in this Agreement, the receipt and sufficiency of which is hereby acknowledged by each party hereto, Ries and Ries Holdings, on behalf of themselves and their predecessors, successors, assigns, agents, representatives, heirs, and attorneys, hereby release and forever discharge Ameren Missouri and Laclede, and their predecessors, successors, assigns, agents, parents, direct subsidiaries, indirect subsidiaries, affiliates, directors, officers, attorneys, employees, shareholders, and members, from and against all actions, claims, suits, debts, damages, causes of action, liabilities, and demands whatsoever, whether matured or unmatured, whether at law or in equity, whether before a local, state, or federal court or state or federal administrative agency or commission, and whether now known or unknown, liquidated or unliquidated, that they now have or may have had, or thereafter claim to have, on behalf of themselves or any other person



or entity at any time prior to and including the date of this Agreement that arises out of, or relates to, the decision of the Missouri Public Service Commission in Case No. GC-2006-0491, the Judgment of the Cole County Circuit Court in Case No. 09AC-CC00398, the Judgment of the St. Charles County Circuit Court in Case No. 1111-CV02060, and the negotiation and execution of the terms and conditions of the MoGas Settlement Agreement including, but not limited to, those terms that state Ries cannot hereinafter have direct or indirect management, employment, consulting, supervisory, or other involvement in the operation or management of MoGas other than what is set forth in the MoGas Settlement Agreement.

**2. Release by Ameren Missouri and Laclede of claims against Ries and Ries Holdings.** In exchange for the good and valuable consideration reflected in this Agreement, the receipt and sufficiency of which is hereby acknowledged by each party hereto, Ameren Missouri and Laclede, on behalf of themselves and their predecessors, successors, assigns, agents, representatives, heirs, and attorneys, hereby release and forever discharge Ries and Ries Holdings, and their predecessors, successors, assigns, agents, parents, direct subsidiaries, indirect subsidiaries, affiliates, directors, officers, attorneys, employees, shareholders, and members, from and against all actions, claims, suits, debts, damages, causes of action, liabilities, and demands whatsoever, whether matured or unmatured, whether at law or in equity, whether before a local, state, or federal court or state or federal administrative agency or commission, and whether now known or unknown, liquidated or unliquidated, that they now have or may have had, or thereafter claim to have, on behalf of themselves or any other person or entity at any time prior to and including the date of this Agreement that arises out of, or relates to, Ries' management of MoGas, the decision of the Missouri Public Service Commission in Case No. GC-2006-0491, the Judgment of the Cole County Circuit Court in Case No. 09AC-CC00398, the Judgment of the St. Charles County Circuit Court in Case No. 1111-CV02060, and the negotiation and execution of the terms and conditions of the MoGas Settlement Agreement including, but not limited to, those terms that state Ries cannot hereinafter have direct or indirect management, employment, consulting, supervisory, or other involvement in the operation or management of MoGas other than what is set forth in the MoGas Settlement Agreement.

**3. Complete Settlement.** This Agreement is intended by all parties to constitute a complete compromise and settlement of all claims which they may have or claim to have against each other and shall be construed accordingly.

**4. When Releases Effective.** Upon receipt of MoPSC Approval and the making of cash payments by MoGas, all as set forth in the MoGas Settlement Agreement, the settlement and mutual releases provided in this Agreement shall be fully effective and irrevocable by any party hereto.

**5. Governing Law.** This Agreement, or any legal dispute arising under it or arising between the parties as it pertains to the subjects of the releases described herein, shall be governed by Missouri law, without giving effect to principles of conflicts of law. Any legal claim

arising under this Agreement or arising between the parties as it pertains to the subjects of the releases described herein shall be brought in the Circuit Court of Cole County, Missouri, and shall be decided by a judge, rather than a jury.

**6. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have caused these presents to be executed as of the day and year first written above.

Union Electric Company, d/b/a Ameren Missouri

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

\_\_\_\_\_  
David Ries, Individually

Laclede Gas Company

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

Ries Holdings, Inc.

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

MEMBER WRITTEN CONSENT

Of

DES Energy, Ltd.

The undersigned, being the president and chief executive officer of DES Energy, Ltd. ("DES"), a Kansas corporation, on behalf of DES hereby executes this Member Written Consent approving, authorizing and directing the actions set forth herein:

RECITALS:

WHEREAS, DES is the holder of a majority the outstanding membership interests in D&D Energy, LLC, a Kansas limited liability company and, as such holder, has full power and authority to manage the business and affairs of D&D Energy in accordance with the Amended and Restated Operating Agreement of D&D Energy, LLC dated October 1, 2007 (the "Operating Agreement") and, pursuant to Section 3.10 of the Operating Agreement, may do so by execution of written consent;

WHEREAS, D&D Energy, in turn, is the holder of all of the outstanding membership interests of Mogas Energy, LLC, a Delaware limited liability company ("ME") which, in turn, is the holder of all of the outstanding membership interests of MoGas Pipeline LLC, a Delaware limited liability company ("MoGas");

WHEREAS, management and control of MoGas is vested in ME, its sole member and management and control of ME is vested in D&D Energy, its sole member;

WHEREAS, MoGas is proposing to enter into a Settlement Agreement (the "Settlement Agreement") with Union Electric company d/b/a Ameren Missouri, a Missouri corporation and Laclede Gas Company, a Missouri corporation in the form attached hereto.

WHEREAS, by execution of this Member Written Consent, DES is authorizing and directing MoGas to enter into the Settlement Agreement and comply with all of its obligations thereunder.

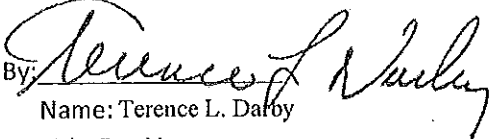
NOW, THEREFORE, DES hereby executes this Member Written Consent authorizing, approving, directing and consenting to the following:

1. D&D Energy, as the sole member of ME, which in turn, is the sole member of MoGas, approves, authorizes, consents and directs MoGas to enter into the Settlement Agreement, to comply with all its obligations thereunder including, but not limited to, making all payments required to be made and complying with all covenants, promises and obligations set forth therein; and
2. D&D Energy approves, authorizes, consents and directs Terry Darby (i) to execute the Settlement Agreement on behalf of MoGas; (ii) to take all such actions on behalf of MoGas as

are necessary for MoGas to comply with all of its obligations, covenants and promises thereunder.

THIS Member Written Consent is executed and effective as of May 28, 2013

By: DES Ltd.

By:   
Name: Terence L. Dafoy  
Title: President

**Attachment B**

**Indemnification Agreement**

This Indemnification Agreement (the "Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013 by and between Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri"), Laclede Gas Company ("Laclede") and MoGas Pipeline LLC ("MoGas").

WHEREAS, American Missouri and Laclede, on the one hand, and MoGas, on the other hand, have entered into an agreement (the "Settlement Agreement") regarding judgments obtained by Ameren Missouri and Laclede against MoGas relating to claims that they were overcharged by MoGas;

WHEREAS, in the Settlement Agreement, Ameren Missouri and Laclede have agreed to accept less than the amount of the judgments in order to settle and resolve all of their disputes with MoGas and associated entities, including its President, David Ries ("Ries") and his affiliates as defined below;

WHEREAS, pursuant to Paragraph 3 of the Settlement Agreement, MoGas has agreed to certain changes in management on a going forward basis including that Ries, the current president of MoGas, will no longer have any future direct or indirect role in the management of MoGas;

WHEREAS, all of the parties acknowledge and agree that there are good and justifiable business reasons for the change in management provisions set forth in Paragraph 3 of the Settlement Agreement; and

WHEREAS, as a condition of the final settlement of the litigation pursuant to the Settlement Agreement becoming effective, Ameren Missouri and Laclede have requested that MoGas indemnify each of them for certain claims, all as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged and confessed, the parties hereby agree as follows:

1. Indemnity. Subject to the terms and conditions of this Agreement, MoGas will indemnify, defend, save and hold harmless each of Ameren Missouri and Laclede and the officers, directors, members, employees and agents of each from and against any and all "Losses" (as defined herein) that either Ameren Missouri or Laclede may incur as a result of any litigation initiated against either or both of them by Ries or any Reis Affiliate, arising out of or related to the Settlement Agreement ("Litigation"). A Reis Affiliate shall mean any members of the Ries family related to Ries in the fourth degree or more closely, and any entities in which Ries has a direct or indirect ownership interest, including but not limited to Ries Holdings, Inc. For purposes of the foregoing, "Losses" shall mean the amount of any judgment or damages awarded in connection with any such Litigation, any payments made to Ries or a Reis Affiliate in settlement of any such Litigation (subject to the provisions herein with regard to approval of settlements) and all out of pocket attorney's fees and court costs incurred as a result of such Litigation.

2. Indemnification Procedures. In the event of and as soon as reasonably practicable after Ameren Missouri or Laclede have knowledge of any actual or pending Litigation that could reasonably be expected to result in a Loss (including knowledge that any such Litigation is imminent), Ameren Missouri or Laclede, as the case may be, shall give written notice thereof to MoGas. However, MoGas's obligation to indemnify Ameren Missouri and Laclede shall not be affected so long as notice is sent to MoGas such that they are afforded a reasonable amount of time to respond to the Litigation. Notice to MoGas shall be made via hand delivery, overnight mail, or United States Mail, postage prepaid, and shall be sent to Energy Investor Funds Group, Three Charles River Place, 63 Kendrick Street, Needham, Massachusetts 02494, Attention: Alycia Goody.

In connection with any Litigation, MoGas shall assume and control the defense of the Litigation at its sole expense and through counsel of its choice (such counsel to be reasonably acceptable to Ameren Missouri and Laclede). If MoGas, in the reasonable opinion of Ameren Missouri and Laclede, fails to conduct the defense in an active and diligent manner, Ameren Missouri and Laclede may, upon notice to MoGas, assume control of the Litigation, select a law firm as their counsel, and require MoGas to reimburse Ameren Missouri and Laclede for all costs of such law firm. Within 14 days following such assumption, MoGas shall pay Ameren and Laclede a retainer in a reasonable amount to be agreed upon by the parties, but such amount shall not be less than \$75,000, which amount shall be maintained by MoGas making payment from time to time to restore the retainer to such amount upon 14 days notice from Ameren or Laclede.

Even though MoGas shall assume the defense of the Litigation, Ameren Missouri and Laclede may still participate in such defense with counsel of their own choosing, at their own expense.

In connection with any Litigation, each of Ameren Missouri and Laclede shall cooperate with MoGas in such defense and make available to them all witnesses, pertinent records, materials and information in either of their possession or control relating thereto as is reasonably required or requested by MoGas to support and facilitate the defense of such Litigation.

No Litigation can be settled that would result in an indemnification payment being made hereunder by MoGas without the prior written consent of MoGas.

3. Right of Offset. In the event that Litigation results in a judgment against Ameren Missouri or Laclede, MoGas shall have 30 days after demand by Ameren Missouri or Laclede to make the payment required under this Agreement. If such payment is not made within the 30 day period, Ameren Missouri and Laclede shall have the right to offset any amounts owed by either of them to MoGas against any amounts owed by MoGas under this Agreement.

4. Term. This Indemnification Agreement shall remain in effect until such time as any Litigation that could be brought by Ries or any Ries Affiliate would be barred by the applicable statute of limitations. The burden shall be on MoGas to show that any such Litigation is barred by such statute of limitations.

5. No Recovery from Customers. MoGas shall not seek to recover the value of any payments made under this Agreement from its customers in any current or future regulatory proceedings.

6. Governing Law. This Agreement shall be governed by Missouri law, without giving effect to principles of conflicts of law.

7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representative, successors and assigns.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first written above.

MoGas Pipeline, LLC  By: _____ Its: _____	Union Electric Company, d/b/a Ameren Missouri  By: _____ Its: _____
	Laclede Gas Company  By: _____ Its: _____



**Allocation of Refund**  
per PGA Clause

Total ACA		Rolla ACA		Total Refund
Firm Rate Class	Interrup. Rate Cl.	Firm	Interrup. Rate Cl.	All Classes
\$ 1,360,308	\$ -	\$ 2,145,795	\$ -	\$ 3,506,103

Note 1

Note 1: The interruptible customers and transportation customers did not pay any overcharges.



MoGas Refund To Laclede Gas Company  
Distribution to Customers By Sales Classification

	<u>Firm Sales- non-LVTSS &amp; VF</u>	<u>Firm Sales- LVTSS &amp; VF</u>	<u>Firm Transportation</u>	<u>Interruptible Sales</u>	<u>Total Refund</u>
Allocation of refund	-\$3,410,109	-\$11,534	-\$267,091	\$12,734	-\$3,676,000