

COOPERATION AND FUNDING AGREEMENT

THIS COOPERATION AND FUNDING AGREEMENT (this "Agreement"), dated as of August 14, 2007, is by and among the Missouri Department of Natural Resources, a department of the State of Missouri ("DNR"), the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and governmental instrumentality of the State of Missouri ("EIERA"), the Missouri Public Service Commission, a utility regulatory commission of the State of Missouri ("PSC"), and Union Electric Company d/b/a AmerenUE, a corporation and existing under the laws of the State of Missouri ("AmerenUE").

WHEREAS, DNR was created pursuant to Article 4, Section 47 of the State Constitution with authority to administer the programs of the State of Missouri (the "State") as provided by law relating to environmental control and the conservation and management of natural resources; and

WHEREAS, DNR's Missouri Energy Center ("DNR/EC") is vested with power and duties pursuant to Sections 640.150 and 640.155 RSMo to develop, promote and carry out the State energy efficiency programs; and

WHEREAS, the EIERA is authorized and empowered pursuant to the provisions of Sections 260.005 through 260.125, inclusive, RSMo, and Appendix B(1) thereto, to finance, acquire, construct and equip certain projects for the purpose of preventing or reducing pollution and disposal of solid waste or sewage and to provide for the furnishing of water facilities and resource recovery facilities and to provide for the development of energy resources and increased energy efficiency in the State; and

WHEREAS, the PSC was created and established pursuant to Chapters 386 and 393 of the Missouri Revised Statutes ("RSMo") to ensure for the citizens of the State that regulated utility services are safe and adequate and provided at just and reasonable rates; and

WHEREAS, in resolution of Case No. ER-2007-0002 before the PSC, a Report and Order was issued by the PSC dated May 22, 2007, (the "Order"), a copy of portions of which are attached as Exhibit A and incorporated into this Agreement. Pursuant to Section 10(G) of the Order, AmerenUE was required to fund a low income weatherization fund for the benefit of AmerenUE's low-income, electric customers in AmerenUE's electric service territory (the "AmerenUE Electric Weatherization Fund" or "Fund"); and

WHEREAS, a separate collaborative committee ("Collaborative Committee") consisting of Staff from the PSC, Office of Public Counsel ("OPC"), and DNR/EC met and agreed upon the structure and implementation details for the Fund to be consistent in principle with the AmerenUE Low-Income Weatherization Fund – Agreement of the Parties Addressing Purpose, Procedures and Organizational Considerations dated November 27, 2002, in relation to Case No. EC-2002-1 before the PSC, a copy of which is attached as Exhibit B and incorporated into this agreement; and

NOW, THEREFORE, the Parties to this Agreement mutually agree as follows:

1. Payments into the Fund. EIERA shall be responsible for managing the Fund in accordance with this Agreement. AmerenUE shall make an initial contribution of one million two hundred thousand dollars (\$1,200,000) to the Fund on or before September 1, 2007 and shall contribute an additional one million two hundred thousand dollars (\$1,200,000) annually ("Payments") on or before July 5 each year thereafter. The parties to this agreement recognize that a portion of the \$1,200,000 contribution required by the Order is currently under review by the Circuit Court of Cole County. If the court finds that the Weatherization Program is to be funded at less than \$1,200,000 annually, this agreement will be modified to reflect the court's ruling. The Payments shall be made in the manner specified in writing by the EIERA. EIERA shall promptly notify the Staff of the PSC, DNR and the OPC if a Payment has not been received on or before the specified date.

2. Segregation of the Fund. The monies paid into the Fund shall be accounted for separately from any other weatherization funds held by the EIERA, but may be deposited in a common bank account known as the Weatherization Account. Interest earned on the Weatherization Account and accounting expenses incurred thereon shall be split on a pro rata basis based upon the balance of each individual weatherization fund held in the Weatherization Account on the final business day of each month.

3. Investment of Fund. EIERA shall deposit all Payments of the Fund in an interest-bearing and collateralized account in the name of the EIERA with Central Bank located in Jefferson City, Missouri. The EIERA may move the Fund to another financial institution in the State with the prior written consent of AmerenUE.

4. Disbursements from Fund. EIERA shall disburse monies held in the Fund only upon receipt of a complete and signed disbursement request ("Disbursement Request") from DNR in the form attached hereto as Exhibit C designating the subgrantee as the payee Agency (as defined below) and evidencing DNR's approval of the requested amounts.

5. Use of Fund. Disbursements from the Fund shall be authorized by DNR only in a manner consistent with the Order and the directions of the Collaborative Committee which include the following:

- (a) DNR shall allocate the Funds to the agencies listed on Exhibit D (collectively, the "Agencies") according to the formula set forth in Exhibit D, which Schedule may be modified from time to time by the Collaborative Committee;
- (b) Monies from the Fund will be disbursed by the Agencies to AmerenUE electric residential customers only; and
- (c) Monies from the Fund will be spent in a manner consistent with the Federal Weatherization Assistance Program as administered by DNR.

- (d) Up to one hundred twenty thousand dollars (\$120,000) of the fund will be used to perform a process and impact evaluation of the program to be completed by December 31, 2009. Not later than January 1, 2009, the parties shall enter into an amendment to the Agreement establishing the duties of each party with respect to the evaluation.
6. Reporting Requirements. The indicated Parties shall provide the following reports:
- 6.1. DNR/EC Progress Reports. DNR/EC shall provide progress reports to the Collaborative Committee within thirty (30) days of the end of each calendar quarter reporting period. The progress report shall detail the number of homes weatherized estimated kWh and BTU saved for each home and expenditure rates on a calendar quarterly basis.
- 6.2. DNR/EC Annual Report. The DNR/EC shall prepare and issue an annual report to the Collaborative Committee within forty-five (45) days after the 12-month program budget. The annual report shall be in the form acceptable to the Collaborative Committee.
- 6.3. EIERA Fund Reports. The EIERA shall provide a report to the Collaborative Committee each calendar quarter summarizing the deposits to, disbursements from and interest earned on the Fund. The EIERA shall notify the Collaborative Committee when the final disbursement has been made from the Fund.
- 6.4. Reports to PSC. The Collaborative Committee shall provide ongoing progress reports and a final report to the PSC regarding the use of the Fund.
7. Program Expense Reimbursement. All reasonable fees and expenses relating to this Agreement and the investment and disbursement of the Fund pursuant to Sections 3 and 4, including service charges of the financial institution holding the Fund, accounting fees and legal fees and expenses of the EIERA not to exceed \$3,000.00 annually, shall be paid from the Fund monies.
8. Delegation of Function. To the extent it may be lawful to do so, DNR or the EIERA may contract to have any of the responsibilities outlined herein performed by one or more consultants, trustees or other technical or legal advisors.
9. Reservation of Rights. None of the rights conferred upon or reserved to the Parties to this Agreement shall be exclusive of any other rights available to such Parties, but such rights shall be in addition to every other right such Party may have by law.
10. Limitation of Rights. The provisions of this Agreement are intended to be for and are for the sole and exclusive benefit of the Parties hereto. Nothing expressed or mentioned in or to be implied by this Agreement shall be construed to give any person other than the Parties hereto any legal or equitable right, remedy or power of claim under this Agreement.
11. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized by any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of

such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereto or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

12. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different Parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

13. Amendments and Supplements. This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing signed by the Parties hereto.

14. Compliance with Law. The Parties hereto shall comply with all applicable state and federal laws and regulations.

[The remainder of the page is intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers or representatives.

MISSOURI DEPARTMENT OF NATURAL
RESOURCES

By: _____
Doyle Childers
Director

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By: _____
Thomas C. Welch
Director

MISSOURI PUBLIC SERVICE COMMISSION

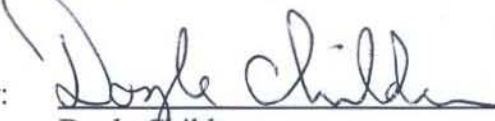
By: _____
Wess Henderson
Executive Director

UNION ELECTRIC COMPANY
d/b/a AMERENUE

By: _____
Name: _____
Title: _____

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Thomas C. Welch
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By: _____
Thomas C. Welch
Director

MISSOURI PUBLIC SERVICE COMMISSION

By: _____
Wess Henderson
Executive Director

UNION ELECTRIC COMPANY
d/b/a AMERENUE

By: 
Name: Richard J. Mark
Title: Senior Vice President Missouri Energy
Delivery