

**CONNECTION CONSTRUCTION AGREEMENT**  
**Holcim 345 kV Delivery Point**

**THIS CONNECTION CONSTRUCTION AGREEMENT** (Agreement) is made and entered into this 17<sup>th</sup> day of October, 2006, by and between Ameren Services Company, a Missouri corporation, as designated agent for Union Electric Company dba AmerenUE ("UE"), and Citizens Electric Corporation, a Missouri corporation ("Citizens"). UE and Citizens may be referred to herein individually as a "Party", and collectively as the "Parties."

**RECITALS**

- A. Citizens has requested that UE permit Citizens to connect a new large retail electric load ("Holcim Cement Facility") to the UE Transmission System at a new delivery point referred to herein as the Holcim 345 kV Delivery Point described in Appendices A and B to this Agreement;
- B. UE has agreed to allow such connection and Citizens has agreed to design, procure, install, construct, own, operate, and maintain a 345 kV breaker distribution substation with metering and isolating disconnects (Citizens' Holcim 345 kV Breaker Station) at the Holcim Cement Facility to enable such connection.
- C. UE will design, procure, install, construct, own, operate and maintain a new 345 kV bus tie breaker position V-14, a new 345 kV bus #3 with line bus disconnects, a new 345 kV line terminal breaker position V-19 at its Rush Island Power Station Switchyard, and a radial 345 kV line from the Rush Island Power Station Switchyard line breaker position V-19 to Citizens' Holcim 345 kV Breaker Station (See Appendix B). Citizens has agreed to pay UE for the UE Built Facilities in accordance with the terms and conditions of this Agreement.
- D. Citizens and Holcim are currently negotiating an umbrella agreement under which Citizens would provide certain services to Holcim. If such agreement remains unexecuted up to 45 days after the effective date of this Agreement, Citizens shall have the right to terminate this Agreement, with prior written notification to UE. Should Citizens terminate the Agreement within the 45 day period, Citizens shall reimburse UE for all costs incurred by Ameren under the provisions of Article 9 of this Agreement.

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, it is agreed:

**ARTICLE 1**  
**DEFINITIONS**

**1.1 Definitions.** Wherever used in this Agreement with initial capitalization, the following terms shall have the meanings specified in this Article 1.

- 1.1.1 "Citizens Built Facilities" shall mean all facilities and equipment to be designed, procured, engineered, installed, constructed, owned and/or controlled, operated and maintained by Citizens on Citizens' side of the Delivery Point that are necessary to physically and electrically connect the Citizens Distribution System to the UE Transmission System at the Delivery Point. Citizens Built Facilities are identified in Appendices A and B. Citizens Built Facilities shall be (i) constructed pursuant to this Agreement, (ii) paid for by Citizens and (iii) upon completion, owned, controlled and/or operated by Citizens, as provided in Appendix A.
- 1.1.2 "Citizens Distribution System" shall mean the electric distribution facilities owned by Citizens, including Citizens' Holcim 345 kV Breaker Station to supply the Holcim Cement Facility, which are controlled and/or operated by Citizens for purposes of providing electric distribution services to the Holcim Cement Facility.
- 1.1.3 "Confidential Information" shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as Confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information may include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this Agreement. Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information informs, in writing, the Party receiving the information that the information is confidential.
- 1.1.4 "Delivery Point" shall mean the point specified in Appendices A and B to this Agreement where the UE Built Facilities will connect to the Citizens Built Facilities upon performance of this Agreement by the Parties.
- 1.1.5 "Force Majeure" shall mean an event or occurrence or circumstance beyond the reasonable control of, and without the fault or negligence of, the Party claiming Force Majeure, including, but not limited to, acts of God, labor dispute (including strikes), floods, earthquakes, storms, fires, lightning, epidemics, wars, riots, civil disturbances, sabotage, acts of public enemy, explosions, orders, regulations or restrictions imposed by governmental, military, or lawfully established civilian authorities, or any other event or cause which is beyond the claiming Party's reasonable

control, and which wholly or in part prevents the claiming Party from performing its obligations under this Agreement. Mere economic hardship of a Party does not constitute Force Majeure.

- 1.1.6 “Functional Authority” shall refer to the entity that specifically performs or directs someone else to perform detailed switching operations, etc., as authorized by the Jurisdictional Authority.
- 1.1.7 “Good Utility Practice” shall mean any of the practices, methods, and activities engaged in or approved by a significant portion of the electric utility industry, including any of the practices, methods, or activities which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition, applicable law and regulation. Good Utility Practice is not necessarily the optimal practices, methods or acts to the exclusion of all others, but rather are the practices, methods, or acts generally accepted in the region.
- 1.1.8 “Governmental Authority” means any federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority having jurisdiction over either Party.
- 1.1.9 “Jurisdictional Authority” shall refer to the entity in charge of and responsible for directing and coordinating operation of system equipment. This includes complete authority over switching, voltage control, equipment loading, and any other activity pertinent to proper operation, subject to the equipment limitations.
- 1.1.10 “Principles Agreement” shall mean that agreement accepted by the Federal Energy Regulatory Commission (“FERC”) on November 25, 1999, in Docket ER00-255-000 titled “Principles Governing Charges and Loss Factors for Wholesale Direct Assignment Facilities.”
- 1.1.11 “UE Built Facilities” shall mean all facilities and equipment to be designed, procured, engineered, installed, constructed, owned and/or controlled, operated and maintained by UE on UE’s side of the Delivery Point that are necessary to physically and electrically connect the Citizens Distribution System to the UE Transmission System at the Delivery Point. UE Built Facilities are identified in Appendices A and B and are Wholesale Direct Assignment Facilities as that term is referenced in the Principles Agreement. UE Built Facilities shall be (i) constructed pursuant to this Agreement, (ii) paid for by Citizens and (iii) upon completion, owned, controlled and/or operated by UE, as provided in

Appendix A.

- 1.1.12 "UE Transmission System" shall mean the electric transmission facilities owned, controlled and/or operated by UE for purposes of providing electric transmission services.

**ARTICLE 2**  
**TERM OF AGREEMENT**

- 2.1 Term.** This Agreement shall become effective on the date first written above and continue in full force and effect until the earlier of the following:
- (i) the Parties agree to mutually terminate this Agreement;
  - (ii) the date on which the connection at the Delivery Point has been constructed and placed in service, and all rights and obligations of the Parties under this Agreement have been satisfied or extinguished (expected to be no later than September 8, 2008);
  - (iii) Citizens provides written notice within 45 days after the effective date of this Agreement; or
  - (iv) earlier termination as permitted or provided for under this Agreement.
- 2.2 Survival.** The applicable provisions of this Agreement shall continue in effect after expiration, cancellation, or termination hereof to the extent necessary to provide for payment by Citizens to UE of all amounts owed under this Agreement, and the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

**ARTICLE 3**  
**CONSTRUCTION OF CONNECTION FACILITIES**

**3.1 Connection Facilities.**

- 3.1.1 UE Built Facilities.** UE shall design, engineer, construct, install and place in service and maintain the UE Built Facilities. All UE Built Facilities installed pursuant to this Agreement shall satisfy all applicable safety and/or engineering codes, comply with Good Utility Practice, and all requirements of any Governmental Authority having jurisdiction. UE will make available to Citizens all applicable design and material information prior to the start of construction so that Citizens can coordinate the design and construction of the Citizens Built Facilities with the UE Built Facilities. To the extent UE personnel are required access to Holcim's site to support construction of the UE Built Facilities, UE will comply with Holcim's safety and environmental requirements for such activities on Holcim's site.

UE estimates the time necessary to construct the UE Built Facilities, based on normal scheduling requirements, to be two years from the date this Agreement is executed. However, for purposes of this Agreement, UE commits to an estimated completion date of September 8, 2008. Citizens shall bear the cost of the UE Built Facilities identified in Appendix A including the cost to design, engineer, install, construct, place in-service, and maintain the UE Built Facilities and all adjustments for the coordination of the connection with Citizens Distribution System.

- 3.1.2 Citizens Built Facilities.** Citizens shall design, engineer, construct, install and place in service and maintain the Citizens Built Facilities. The Citizens Built Facilities shall satisfy all applicable safety and/or engineering codes, the connection requirements of UE, Good Utility Practice, Holcim's safety and environmental requirements, and all requirements of any Governmental Authority having jurisdiction. Citizens shall submit to UE prior to construction, such design information reasonably requested by UE, including but not limited to information relating to the 345 kV metering equipment, RTU, and Citizens' Holcim 345 kV Breaker Station. Upon UE's receipt of all the requested information pertaining to the Citizens Built Facilities, UE shall complete its review and respond to Citizens within thirty (30) days. UE shall have the right to inspect the installation of all Citizens Built Facilities to determine that they are consistent with the design specifications submitted to UE for review pursuant to this Section 3.1.2. Any consent, acknowledgement, endorsement and/or inspection by UE shall not imply that UE is warranting the design, construction, installation or durability of the Citizens Built Facilities, nor shall it cause UE to incur or assume any liability whatsoever for the design, installation, or operation of the Citizens Built Facilities.
- 3.2 Monitoring and Inspection.** UE's contract and construction management personnel shall be permitted to monitor construction and installation of the Citizens Built Facilities once the site activity is commenced, and, upon reasonable notice, Citizens shall grant UE personnel all access to the site necessary to conduct such monitoring. Upon reasonable notice, authorized UE personnel may inspect any or all of the Citizens Built Facilities being installed and/or constructed to ensure conformity with this Agreement. This Delivery Point shall not be energized until the Citizens Built Facilities are inspected and accepted by UE to be place in service.
- 3.3 No Implied Warranty.** Neither Party's acceptance of the other's proposed design of facilities to be constructed under this Agreement shall be construed as a warranty or representation to the other Party, or any other person or entity, of the adequacy, suitability, safety or reliability of the design, construction, installation or operation of the relevant facilities.
- 3.4 No Credits for UE Connection Facilities.** Except as provided in this paragraph, Citizens agrees that it will not seek to receive any credit or other reimbursement against the

purchase of any transmission or distribution service from UE as the result of the construction of, or payment for, the UE Built Facilities pursuant to this Agreement. However, Citizens reserves its rights to seek credit or other reimbursement in the event that a change in FERC policy would provide eligibility for such credits as would be applicable to the UE Built Facilities.

#### **ARTICLE 4 FORCE MAJEURE**

- 4.1 General.** Neither Party will be considered in Default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure, provided, however, that neither Party shall be relieved of liability for failure of performance to the extent that the failure is due to causes arising out of its own negligence, intentional wrongdoing or due to removable or remediable causes which it fails to remove or remedy within a reasonable time. A Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement. Nothing contained in this Agreement shall be construed to require a Party to settle any strike or labor dispute. A Party unable to carry out an obligation imposed on it by this Agreement due to Force Majeure shall give timely notice to the other Party in writing or by telephone within a reasonable time after the occurrence of the cause relied on and its expected duration. If notification is provided by telephone, as soon thereafter as practicable, the Party making such notification shall provide the other Party with written notification of the cause and its expected duration. Such written notification may be made by e-mail or facsimile to the e-mail address or facsimile number used by the Parties to address other matters pertaining to this Agreement.
- 4.2 Excused from Performance.** A Party shall not be responsible for any non-performance under the Agreement due to Force Majeure affecting such Party's ability to perform under this Agreement. A Party shall be excused from whatever performance is affected only while a Force Majeure situation exists and while the Party uses commercially reasonable efforts to alleviate such situation. As soon as the non-performing Party is able to resume performance of its obligations excused as a result of the occurrence of Force Majeure, such Party shall give prompt notice thereof to the other Party.
- 4.3 Payments during Force Majeure.** The obligation of a Party to make payments of amounts owed under this Agreement shall not be suspended by Force Majeure.

#### **ARTICLE 5 PAYMENTS AND BILLING PROCEDURES**

- 5.1 General.** Billings and payments under this Agreement shall be made in accordance with the provisions of this Agreement, including Appendix A. Except for those payments specifically noted in Appendix A, Section 3.2 and 3.3, to be excluded from the Principles Agreement, all payments shall be made in accordance with the Principles Agreement.



## **ARTICLE 6 ASSIGNMENT**

- 6.1 General.** Neither Party shall voluntarily assign its rights nor delegate its duties under this Agreement, or any part of such rights or duties, without the written consent of the other Party, which consent shall not be unreasonably withheld, except in connection with the sale, merger, or transfer of a substantial portion of its properties so long as the assignee in such a sale, merger, or transfer assumes directly all rights, duties and obligations arising under this Agreement and such assignor shall be, without further action, released from its obligation hereunder. Any such assignment or delegation made without such written consent shall be null and void.

## **ARTICLE 7 INDEMNITY**

- 7.1 Duty to Indemnify.** UE shall fully indemnify and hold Citizens, its members, directors, partners, stakeholders, officers, managers, employees, agents, representatives, servants, its affiliated and associated companies, their respective shareholders, directors, partners, stakeholders, officers, managers, employees, agents, representatives, servants, and/or their assigns, harmless from and against any and all claims, demands, liability, losses, damage, costs or expenses (including attorneys' fees and other costs of defense), of any nature or kind whatsoever, including, but not limited to, claims, demands and/or liability for personal injury to (including death of) any person whomever (including payments and awards made to UE's employees or under any workers' compensation law or under any plan for employees' disability and death benefits) and for damage to any property whatsoever arising out of or otherwise resulting from the activities by Citizens under this Agreement; provided, however, that the provisions of this Section 7.1 shall not apply if any such personal injury or property damage is caused by the gross negligence or the willful misconduct of Citizens, its agents or employees. Citizens shall fully indemnify and hold UE, its shareholders, directors, partners, stakeholders, officers, managers, employees, agents, representatives, servants, its affiliated and associated companies, their respective shareholders, directors, partners, stakeholders, officers, managers, employees, agents, representatives, servants, and/or their assigns, harmless from and against any and all claims, demands, liability, losses, damage, costs or expenses (including attorneys' fees and other costs of defense), of any nature or kind whatsoever, including, but not limited to, claims, demands and/or liability for personal injury to (including death of) any person whomever (including payments and awards made to Citizens' employees or under any workers' compensation law or under any plan for employees' disability and death benefits) and for damage to any property whatsoever arising out of or otherwise resulting from the activities by UE under this Agreement; provided, however, that the provisions of this Section 7.1 shall not apply if any such personal injury or property damage is caused by the gross negligence or the willful misconduct of UE, its agents or employees or UE's affiliates or their agents or employees.

- 7.2 **Limitation on Liability.** Notwithstanding any other provision of this Agreement, neither Party shall be liable in statute, contract, in tort (including negligence), strict liability, or otherwise to the other Party, its agents, representatives, its affiliated and associated companies, and/or its assigns, for any incidental or consequential loss or damage whatsoever, including, but not limited to, loss of profits or revenue on work not performed, for loss of use of or under-utilization of the other Party's facilities, or loss of use of revenues or loss of anticipated profits, resulting from either Party's performance or non-performance of an obligation imposed on it by this Agreement.

## **ARTICLE 8 BREACH, CURE AND DEFAULT**

- 8.1 **General.** A breach of this Agreement ("Breach") shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement. A default of this Agreement ("Default") shall occur upon the failure of a Party in Breach of this Agreement to cure such Breach in accordance with the provisions of Section 8.3.
- 8.2 **Events of Breach.** A Breach of this Agreement shall include:
- (a) The failure to pay any amount when due;
  - (b) The failure to comply with any material term or condition of this Agreement;
  - (c) A Party: (1) becoming insolvent; (2) filing a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law or consenting to the filing of any bankruptcy or reorganization petition against it under any similar law; (3) making a general assignment for the benefit of its creditors; or (4) consenting to the appointment of a receiver, trustee or liquidator;
  - (d) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;
  - (e) Failure of either Party to provide information or data to the other Party as required under this Agreement provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.
- 8.3 **Cure and Default.** Upon the occurrence of an event of Breach, the Party not in Breach (hereinafter the "Non-Breaching Party"), when it becomes aware of the Breach, may give written notice of the Breach to the Breaching Party (the "Breaching Party"). Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach. Upon receiving written notice of the Breach hereunder, the Breaching Party shall have thirty (30) days to cure such Breach. If the Breach is such that it cannot be cured within thirty (30) days, the Breaching Party will commence in good faith all steps as are reasonable and appropriate to cure the Breach within such thirty (30) day time period and thereafter diligently pursue such action to completion. In the event the Breaching Party fails to cure the Breach, or to commence



reasonable and appropriate steps to cure the Breach, within thirty (30) days of becoming aware of the Breach, the Breaching Party will be in Default of the Agreement.

## **ARTICLE 9 TERMINATION UNDER DEFAULT**

**9.1 Termination.** Subject to the provisions of this Article 9, a non-defaulting Party may terminate this Agreement upon the Default of the other Party as provided under Article 8 of this Agreement by giving written notice of termination to the defaulting Party. Moreover, Citizens may elect to terminate this Agreement within 45 days of the effective date by providing written notice to UE no later than 45 days after the effective date.

**9.2 Disposition of Facilities.**

9.2.1 Upon termination of this Agreement, unless otherwise agreed by the Parties in writing, UE shall:

- (a) prior to the construction and installation of any portion of the UE Built Facilities and to the extent possible, cancel any pending orders of, or return, such facilities to the extent that such orders or facilities are not required by UE for other purposes;
- (b) unless otherwise determined by UE to cause a safety issue, keep in place any portion of the UE Built Facilities already constructed and installed; and
- (c) perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of the UE transmission and distribution systems (e.g., construction demobilization, wind-up work).

9.2.2. Unless termination of this Agreement is a result of a UE Default:

9.2.2.1 upon termination of this Agreement and submission of an itemized bill by UE, Citizens shall reimburse UE within 30 days from the date of a UE invoice in a single lump sum payment, for any costs incurred by UE in performance of the actions required or permitted by Section 9.2.1 and for any costs incurred by UE including design, drafting, and engineering, for any portion of the UE Built Facilities described in Appendix A, and for the \$3 million payment in the event any lost opportunity energy sales occur during the V14 Connection Activities as described in Appendix A, Section 3.3.

9.2.2.2 upon termination of this Agreement and prior to the construction and installation of any portion of the UE Built Facilities, UE may, at its option, retain any portion of such materials not cancelled or returned in accordance

with Section 9.2.1(a), in which case UE shall be responsible for all costs associated with procuring such materials. To the extent that Citizens has already paid UE for any or all of such costs, UE shall refund such amounts, without interest, to Citizens. If UE elects to not retain any portion of such materials that it was not able to cancel or return, UE shall convey and make available to Citizens such materials as soon as practicable after Citizens has made full payment for such materials.

- 9.3 Survival of Rights.** Termination of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder.

## **ARTICLE 10 DISPUTES**

- 10.1 Submission.** Any claim or dispute, which either Party may have against the other, arising out of the Agreement, shall be submitted in writing to the other Party not later than the latter of sixty (60) days after the circumstances which gave rise to the claim or dispute have taken place or sixty (60) days of discovery of such circumstances. The submission of any claim or dispute shall include a concise statement of the question or issue in dispute, together with relevant facts and documentation to fully support the claim.
- 10.2 Alternative Dispute Resolution.** If any such claim or dispute arises, the Parties shall use their best efforts to resolve the claim or dispute, initially through good faith negotiation or upon the failure of such negotiations, through mutually agreed to Alternative Dispute Resolution ("ADR") techniques, which may, if both Parties consent, include arbitration before one neutral arbitrator conducted in accordance with the rules of the American Arbitration Association's Commercial Arbitration Rules. All negotiations pursuant to these procedures for the resolution of Disputes will be confidential, and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and State Rules of Evidence.
- 10.3 Termination of ADR.** Notwithstanding the provisions of Section 10.2, either Party may terminate its participation in ADR during any stage of ADR prior to the entry of judgment upon the decision of an arbitrator and proceed to submit such claim or dispute for decision by a court or regulatory authority of competent jurisdiction.

## **ARTICLE 11 NOTICES**

- 11.1 General.** Any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by

either Party to the other may be so given, tendered or delivered, as the case may be, by depositing the same in any United States Post Office with postage prepaid, for transmission by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out below:

**To: UE**

Paul J. Nauert  
Manager, Transmission and Distribution Design  
Ameren Services (MC 450)  
One Ameren Plaza  
1901 Chouteau Avenue  
P.O. Box 66149  
St. Louis, Missouri 63166  
T: (314) 554-4144  
Fax: (314) 554-3260

**To: Citizens**

Tom Borowiak  
Vice President of Engineering  
Citizens Electric Corporation  
150 Merchant Street  
P.O. Box 311  
Ste. Genevieve, Missouri 63670  
T: (573) 883-5339, ext. 105  
Fax: (573) 883-3381

**ARTICLE 12  
MISCELLANEOUS**

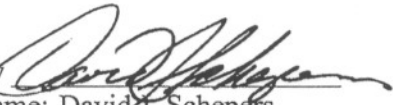
- 12.1 Waiver.** Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver or continuing waiver with respect to any subsequent default or other matter.
- 12.2 Governing Law.** The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the applicable laws of the State of Missouri without regard to the conflicts of law provisions.
- 12.3 Providing of Confidential Information.** Each Party may provide and supply to the other Party in its discretion, confidential or proprietary information which may be contained in documents, data, graphic or computerized material or other written or oral information (the "Confidential Information") in connection with or related to this

Agreement. Each Party agrees that any and all Confidential Information which has been or may be disclosed, directly or indirectly, to it by or on behalf of the other Party with respect to this Agreement shall be maintained in strict confidence by it and shall not be disclosed by it to any third person or entity (other than its directors, officers, employees or consultants including financial and legal advisors having a need to know such Confidential Information) without the disclosing Party's prior express written consent. The Parties each agree that they shall not make any use of any Confidential Information received pursuant to this Agreement except for the limited purposes for which such Confidential Information is given in connection with this Agreement without the express prior written consent of the disclosing Party. In no event shall the Confidential Information be used, directly or indirectly, to the detriment of the disclosing Party.

- 12.4 Headings Not To Affect Meaning.** The descriptive headings of the various Sections and Articles of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions hereof.
- 12.5 Amendments.** This Agreement may be amended by and only by a written instrument duly executed by both of the Parties.
- 12.6 Entire Agreement.** This Agreement with Appendices A and B attached hereto and the Principles Agreement constitutes the entire agreement between the Parties with reference to the subject matter hereof and no change or modification as to any of the provisions hereof shall be binding on either Party unless reduced to writing and executed by the duly authorized officers or agents of Citizens and UE. The terms and conditions of this Agreement and Appendices A and B shall be amended, as mutually agreed to by the Parties, to comply with changes or alterations made necessary by a valid applicable order of any governmental regulatory authority, or any court, having jurisdiction hereof.
- 12.7 Binding Effect.** This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the Parties.
- 12.8 Conflicts.** In the event of a conflict between the body of this Agreement and any attachment, appendix or exhibit hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed to be the final intent of the Parties.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers on the day and year first above written.

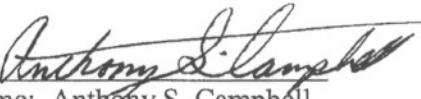
**Ameren Services Company**  
**As designated agent for AmerenUE**

By 

Name: David J. Schepers

Title: Vice President – Energy Delivery,  
Technical Services

**Citizens Electric Corporation**

By 

Name: Anthony S. Campbell

Title: Chief Executive Officer

## APPENDIX A

### **UE CONNECTION FACILITIES AND COST RESPONSIBILITY AND REIMBURSEMENT**

This Appendix A is a part of the Connection Construction Agreement between Citizens and UE.

- 1.0 UE Built Facilities.** Subject to cost reimbursement pursuant to this Agreement and this Appendix A, UE shall design, procure, install, own, control, operate and maintain a new 345 kV bus tie breaker position V-14, a new 345 kV Bus #3 Extension with bus disconnects, a new 345 kV line terminal breaker position V-19 in its Rush Island 345 kV Switchyard, and a new 345 kV radial line extending from line terminal breaker position V-19 to connect to the strain insulators at Citizens' Holcim 345 kV Breaker Station. Citizens will reimburse UE for all actual costs UE incurs to design, engineer, procure, install, own, control, operate, and maintain the UE Built Facilities and any associated relay equipment modifications as required by this new delivery point connection in accordance with the Principles Agreement.
- 2.0 Citizens Built Facilities.** Citizens shall design, procure, install, own, control, operate and maintain and pay for a new 345 kV breaker with disconnects on both sides of the 345 kV breaker and 345 kV metering in Citizens' Holcim 345 kV Breaker Station to supply the Holcim Cement Facilities including an associated Remote Terminal Unit (RTU).
- 3.0 Cost Responsibility.** Citizens and UE hereby acknowledge and agree that the costs listed in paragraphs 3.1 and 3.2 below are only estimates of UE's total costs and Citizens agrees to and shall reimburse UE for all of UE's total actual costs to design, engineer, draft, review, install, adjust, inspect, procure, own, control, operate and maintain all of the UE Built Facilities in accordance with the Principles Agreement except as expressly provided below. Citizens further acknowledges and agrees to compensate UE for UE's agreement to accept the risk of incurring costs associated with potential lost opportunity energy sales resulting from a Rush Island Unit #2 generating unit outage, which is required to accommodate the connection (subject to the limitations included in paragraph 3.3). Citizens acknowledges and agrees that the monthly charges assessed by UE pursuant to this Agreement and the Principles Agreement shall be set forth in the Wholesale Distribution Service ("WDS") portion of the Network Integration Transmission Service Agreement issued pursuant to the Midwest ISO tariff. Such monthly charges shall begin upon completion of the UE Built Facilities.

  - 3.1 Cost for Breaker Position V19 and Radial 345 kV Line to Holcim Facility**  
Citizens' estimated cost reimbursement obligation to UE to install the V19 breaker position and to construct the 345kV line to the Holcim Facility is anticipated to be approximately \$4,800,000.
  - 3.2 Cost for Breaker V14 and 345 kV Bus #3 Extension**



Citizens' estimated cost reimbursement obligation to UE to install the V14 breaker position and to construct the 345kV Bus #3 Extension is estimated to be approximately \$1,100,000.

Notwithstanding the obligation of Citizens to reimburse UE for the costs of all UE Built Facilities in accordance with the Principles Agreement, Citizens reimbursement obligation for these facilities shall be calculated pursuant to the terms herein rather than the Principles Agreement. Citizens shall be assessed a monthly payment which shall be one-twelfth (1/12) the actual costs of the facilities identified in this Section 3.2 multiplied by a fixed charge rate of 5.75%. If these facilities have not been converted to network facilities within eighteen (18) months of them becoming operational, UE shall have the unilateral right to adjust the fixed charge rate to reflect UE's then applicable AFUDC rate it applies to other UE construction projects.

### 3.3 Generation Outage Expense

In order for V14 to be connected to Bus 2 in Rush Island's 345 kV Switchyard, Unit 2 of the Rush Island Plant ("Unit 2") needs to be out of service. The Parties understand that taking or keeping Unit 2 out of service to complete the necessary connections and testing of equipment ("V14 Connection Services") will result in lost opportunity energy sales that UE would have made had Unit 2 been in service. To accommodate the desire by Citizens to have the V14 Connection Services completed before May 31, 2008, and Citizens' desire to avoid all exposure to costs associated with lost opportunity energy sales, UE agrees to provide the V14 Connection Services, and Citizens hereby agrees to pay UE a non-refundable fixed amount of \$3.0 million within 10 days of receipt of an invoice from UE for the \$3.0 million, upon completion of the V14 Connection Services. Such agreement recognizes that UE has taken on the risk associated with the potential incurrence of all costs associated with the lost opportunity energy sales and that Citizens shall bear no risk for any costs associated with the lost opportunity energy sales. UE further agrees to complete the V14 Connection Services by May 31, 2008, subject to the provisions set forth in Section 11. Notwithstanding the above provisions contained in this paragraph, if UE, in its sole discretion, determines that no lost opportunity energy sales occurred as a result of the V14 Connection Services, Citizens' obligation to pay to UE the non-refundable fixed amount of \$3.0 million shall be waived. In the event that Citizens cancels the project while UE is conducting the V14 Connection Services, Citizens shall remain obligated to pay the \$3.0 million fixed fee when the V14 Connection Services activities cease, if there are any lost opportunity energy sales.

- 4.0 Inspection and Testing.** Upon the completion of the installation of Citizens Built Facilities under this Agreement, UE shall have the right to witness the inspection and testing all such Citizens Built Facilities. Citizens shall provide reasonable Notice to UE prior to such testing so that UE may have representatives present for the tests. Citizens shall provide to UE written certified copies of the tests result for UE's records.

- 5.0 Delivery Point:** The point where UE's 345 kV line conductors connect to Citizens' strain insulators at Citizens' Holcim 345 kV Breaker Station as shown in attached Appendix B.
- 6.0 Power Factor and Voltage Regulation:** At the time this Delivery Point goes into service, Citizens agrees to procure, pay for, install, own, operate, and maintain equipment to sustain a 95% or higher power factor as measured at the Delivery Point in Citizens' Holcim 345 kV Breaker Station. In order to provide adequate voltage regulation, Citizens agrees to provide or cause to be provided 345/13.8 kV transformers at the Holcim 345/13.8 kV Substation with Load Tap Changer (LTC) capability.
- 7.0 Load Control Metering:** Citizens shall procure, install, own, operate, and maintain standard 3-element 345 kV load control metering at Citizens' Holcim 345 kV Breaker Station which will be connected to metering accuracy potential and current transformers. Citizens will procure, install, own, control, operate, and maintain an RTU at Citizens' Holcim 345 kV Breaker Station and will provide a port off the RTU to UE providing information as prescribed by UE.
- 8.0 Jurisdictional/Functional Authority:** UE shall have Jurisdictional and Functional Authority of its Rush Island Power Station Switchyard including the 345 kV line terminal breaker position V-19 and associated line terminal breaker disconnects and its 345 kV radial line from UE's Rush Island Power Station Switchyard to the Delivery Point with Citizens. Citizens shall have Jurisdictional and Functional Authority of Citizens' Holcim 345 kV Breaker Station except that UE shall have Jurisdictional Authority on the breaker line side disconnect.
- 9.0 Scheduled Outage:** An outage of up to two weeks is estimated to be required to complete the connection work described herein. Citizens and UE shall jointly determine an acceptable time period for the outage of the Rush Island 345 kV Bus 2 to complete the work in accordance with Good Utility Practice.
- 10.0 Exhibit WDS Modification:**  
Citizens agrees to cooperate with UE and the Midwest ISO in good faith and to complete all necessary documentation required to incorporate the actual costs associated with the new 345 kV radial line and V 19, and the new costs associated with the 345 kV Bus #3 Extension and V 14 into the Exhibit WDS Attachment of Citizens' Network Integration Transmission Service Agreement. The estimated monthly local facilities charges for new 345 kV radial line and V 19 is \$65,680 and for the 345 kV Bus #3 Extension and V14 is \$5,271. It is anticipated that, in the near future, an additional 345 kV line from Baldwin Power Station will be terminated in the Rush Island Switchyard. Once this additional 345 kV line is terminated and in service, Citizens' monthly charge for the 345 kV Bus #3 Extension and V 14 will be cancelled.  
Citizens and UE agree to identify ownership at the Delivery Point in Exhibit WDS as follows:

10.1 Identification of the Holcim Delivery Point;

The point where UE's 345 kV line conductors connect to Citizens' strain insulators at Citizens' Holcim 345 kV Breaker Station.

**11.0 Regulatory Approval:**

The Parties understand and agree that UE must secure a certificate of public convenience and necessity ("Certificate") from the Missouri Public Service Commission ("Commission") to construct a portion of the UE Built Facilities. UE shall use the same effort to secure the necessary Certificate for this project that it has used to secure Certificates for other projects on its system. However, UE does not guarantee that it will be successful in its efforts to secure the needed Certificate and Citizens understands and agrees that UE's failure to acquire the Certificate shall not cause UE, in any way, to be in default under this Agreement. If UE's request for a Certificate is denied by the Commission, this Agreement shall terminate unless otherwise agreed in writing by the Parties.

## APPENDIX B

### ONE-LINE DIAGRAM

This Appendix B is a part of the Connection Construction Agreement between Citizens and UE.

