

**TERRITORIAL AGREEMENT**

**between**

**UNION ELECTRIC COMPANY  
d/b/a AMERENUE**

**and**

**PEMISCOT-DUNKLIN ELECTRIC COOPERATIVE, INC.**

## **TERRITORIAL AGREEMENT**

This Agreement is made and entered into as of the 28th day of March, 2008, by and between UNION ELECTRIC COMPANY d/b/a/ AmerenUE (Company) and PEMISCOT-DUNKLIN ELECTRIC COOPERATIVE, INC. (Cooperative). Company and Cooperative are sometimes referred to herein singularly as a “Party” and collectively as the “Parties.”

### **RECITALS**

- A. Company is authorized by law to provide electric service within the State of Missouri, including all or portions of Dunklin County;
- B. Cooperative is authorized by law to provide electric service within the State of Missouri, including all or portions of Pemiscot, Dunklin and New Madrid Counties;
- C. The Missouri Legislature, by Section 394.312 RSMo.(2000), has authorized electrical corporations and rural electric cooperatives to enter into written territorial agreements;
- D. Company and Cooperative desire to promote the orderly development of the retail electric service within Dunklin County in Missouri, and to minimize disputes which may result in higher costs in serving the public; and
- E. Company and Cooperative desire to reduce the wasteful duplication of Customer Service Equipment and offer improved level of service to their Customers.

### **AGREEMENT**

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

#### **ARTICLE 1. DEFINITIONS**

In addition to terms defined elsewhere herein, when used herein, the following terms shall

have the definitions set forth below. Words importing persons include corporations or other entities, as applicable, and words importing on the singular include the plural and vice versa when the context requires.

- 1.1 **Agreement** shall mean this document including any appendices or exhibits hereto.
- 1.2 **Customer** shall mean any person, partnership, corporation, limited liability company, political subdivision, or any agency, board, department or bureau of the state or federal government, or any other legal entity that has requested or is receiving electric service. Any Customer who has requested or is receiving electric service at one structure shall be a new and different Customer at each structure at which electric service has been requested.
- 1.3 **Effective Date** of this Agreement shall be the closing date of the Contract for Exchange of Distribution Facilities between Union Electric Company d/b/a AmerenUE and Pemiscot-Dunklin Electric Cooperative, Inc. (Contract for Exchange) as defined in Article VIII(A). This date shall not be later than December 1, 2008.
- 1.4 **Electric Power Provider** shall mean any other electric corporation and/or rural electric cooperative.
- 1.5 **Existing Structure** shall mean any structure that receives electric energy from either Party, prior to or on, the Effective Date of this Agreement. This term shall also mean (i) any replacement of an Existing Structure, provided said structure is totally removed and replaced by a structure used for the same purpose, and (ii) any maintenance, repair, remodeling, or partial replacement of an existing structure.
- 1.6 **New Outbuilding** shall mean a garage, barn, gazebo, silo, grain bin, or similar non-residential structure that is not attached to an Existing Structure and is constructed after the Effective Date of this Agreement.
- 1.7 **New Structure** shall mean (i) any structure that did not receive electric energy from either Party, prior to or on, the effective date of this Agreement and (ii) the replacement of an existing structure with a structure that does not satisfy the definition of existing structure set forth herein.
- 1.8 **Structure** shall mean an agricultural, residential, commercial, industrial or other building or a mechanical installation, machinery or apparatus, but shall not include

customer-owned meter wiring. A Structure shall include an original structure and any contiguous addition to or expansion thereto. Structure shall not include a metering device or customer-owned meter wiring.

- 1.9 **Laws and Regulations** shall mean all applicable statutes, regulations, codes, laws, licenses, decisions, interpretations, policy statements, regulatory guides, rules, criteria, all license requirements enforced or issued by any government, federal, state, or local, or any governmental agency, authority, or body and industry-recognized guidelines and professional standards.

## **ARTICLE 2.**

### **EXCLUSIVE RIGHT TO SERVE**

- 2.1 Pursuant to RSMo. Section 394.312, this Agreement designates the boundaries of the electric service area of Company and Cooperative in Dunklin County. The Company agrees not to serve New Structures in an area described in Article 4, hereinafter referred to as the Exclusive Service Area of the Cooperative after the Effective Date of this Agreement. Because RSMo. 394.312 permits electric suppliers to displace competition only by a written agreement, Parties that are not signatories to this Agreement are in no way affected by the terms of this Agreement, including, but not limited to, the exclusive service area boundaries set forth herein.
- 2.2 After the Effective Date, as between the Parties, Cooperative shall have the exclusive right to furnish electric service to all New Structures located within its Exclusive Service Area described in Article 4 of this Agreement, regardless of the size of the load or the characteristics of the customer's requirements. Except as provided expressly herein, neither Party may furnish, make available, render, or extend electric service to New Structures or for use within the exclusive service area of the other Party, either directly, indirectly or through a parent, affiliate, subsidiary, or other entity controlled by the Party.
- 2.3 During the time period between the filing date of this Agreement with the Missouri Public Service Commission and the Effective Date of the Agreement, if a customer requests new electric service for a Structure located in the Service Area which is the subject of this Agreement, the Company will serve the New Structure and will transfer it to the Cooperative at the same time as it transfers all Existing Structures.

**ARTICLE 3.**

**EXCLUSIVE SERVICE AREA OF COMPANY**

The Company will no longer retain service territory south of the City of Kennett in Dunklin County.

**ARTICLE 4.**

**EXCLUSIVE SERVICE AREA OF COOPERATIVE**

The Exclusive Service Area of Cooperative, as between the Parties under this Agreement, shall be Dunklin County under this Agreement and as illustrated in Exhibit A. All exhibits referred to in this Article are incorporated herein by reference and made a part of this Agreement, as if fully set out verbatim. In cases of conflict between maps in Exhibit A and the written legal descriptions by metes and bounds in Exhibit B, the legal written descriptions shall prevail.

**ARTICLE 5.**

**OTHER ELECTRIC SYSTEMS**

- 5.1 The Exclusive Service Areas, as between the Cooperative and Company, defined in Articles 3 and 4, include the cities of Kennett, Malden and Campbell (hereinafter individually referred to as City), which operate and maintain municipally-owned electric facilities.
- 5.2 Article 5.1 does not in any way limit the existing or future service territory of City or any other municipal electric supplier, including those boundaries as set out in any Territorial Agreement between City and either Company or Cooperative, and that City and any other municipal electric supplier, are and shall be, free to serve anywhere they may legally choose without regard to this Territorial Agreement. Nothing herein (i) prohibits City or any other municipal electric supplier from serving any load or area they may otherwise legally serve now or in the future or (ii) affects the rights of City, Company, Cooperative, or any other municipal electric supplier under § 386.800 RSMo. 1994.

- 5.3 The Exclusive Service Area of the Cooperative, as defined in Article 4, may include Electric Power Providers. Should any Electric Power Provider cease to operate and maintain its electric facilities and sell such facilities, merge, or otherwise transfer the service and facilities to the Cooperative, or the Cooperative's surviving entity, Cooperative and/or its surviving entity shall have the right to serve the structures which are receiving permanent service, as that term is defined in RSMo. § 394.315, from said Electric Power Provider and/or the Cooperative, as of the date Cooperative and Electric Power Provider close and consummate the sale and/or merger (Reorganization Date).

**ARTICLE 6.**

**LOCATION OF A STRUCTURE**

The location of a Structure for purposes of this Agreement shall be the geographical location at which electric energy is used, regardless of the metering point or point of delivery.

**ARTICLE 7.**

**RIGHT TO CONSTRUCT FACILITIES**

This Agreement shall in no way affect either Party's right to construct such electric distribution and transmission facilities within the designated Exclusive Service Area of the other as that Party deems necessary, appropriate or convenient to provide electric service to its customers not inconsistent with the terms of this Agreement and as otherwise allowed by law.

**ARTICLE 8.**

**CASE-BY-CASE EXCEPTION PROCEDURE**

- 8.1 The Parties may agree on a case-by-case basis, by an Addendum hereto, to allow a Structure to receive service from one Party, though the Structure is located in the Exclusive Service Area of the other Party.
- 8.2 Such Addendum shall be filed with the Executive Secretary of the Commission in the same manner as a motion or other pleading, with a copy submitted to the Office of the Public Counsel.

- 8.3 Each Addendum shall consist of a notarized statement identifying the Structure, the Party to serve the Structure, the justification for the Addendum, and indicating that the Parties support the Addendum.
- 8.4 Each Addendum shall be accompanied by a notarized statement, signed by the customer to be served, which acknowledges such customer's receipt of notice of the contemplated electric service to be provided, and that the Addendum represents an exception to the territorial boundaries approved by the Commission and shall indicate the customer's consent to be served by the service provided contemplated by the Addendum.
- 8.5 If the Commission Staff or Office of the Public Counsel do not submit a pleading objecting to the Addendum within forty-five (45) days of the filing thereof, the Addendum shall be deemed approved by the aforesaid Parties. Each Addendum shall contain a statement in bold uppercase typeface indicating that the Staff or Office of the Public Counsel have forty-five (45) days to oppose the Addendum or else the Addendum shall be deemed approved by the aforesaid Parties.
- 8.6 Each Party, pursuant to an executed Addendum, shall have the right to provide temporary service, as defined in Section 393.106 RSMo., until the Commission approves or disapproves the Addendum. No Party shall be required to remove any facilities installed pursuant to an agreement, until the effective date of an Order of the Commission or a court regarding the removal of same.

## **ARTICLE 9.**

### **TERM AND CONDITIONS OF PERFORMANCE**

- 9.1 **Effective Date.** The Effective Date of this Agreement shall be the closing date of the Contract for Exchange of Distribution Facilities between Union Electric Company d/b/a AmerenUE and Pemiscot-Dunklin Electric Cooperative, Inc. (Contract for Exchange) as defined in Article VIII(A). This date shall not be later than December 1, 2008.

9.2 **Term of Agreement.** The term of this Agreement shall be perpetual, unless terminated by the Parties in accordance with Article 10, Termination.

9.3 **Conditions of Performance.** Performance of the Parties is contingent upon all of the following having occurred no later than December 1, 2008, unless such condition is waived, extended or modified by agreement, in writing, signed by an officer of each Party hereto:

- A. all required approvals of both Company's and Cooperative's Board of Directors;
- B. approval of this Territorial Agreement by the Commission;
- C. approval by the Federal Energy Regulatory Commission to the extent of its jurisdiction, if required; and
- D. approval by the Securities and Exchange Commission to the extent of its jurisdiction, if required.

9.4 Each Party's board of directors, each board member and officer of Company and Cooperative agree to support the approval of this Agreement as being in the public interest. To this end, each Party will cooperate in presenting a Joint Application showing that the Territorial Agreement is in the public interest. Further, no board member or officer of Company or Cooperative shall support any effort undertaken by others to oppose this Agreement.

9.5 Company and Cooperative agree to undertake all actions reasonably necessary to implement this Agreement. Company and Cooperative will cooperate in presenting a Joint Application showing this Agreement, in total, not to be detrimental to the public interest. Company and Cooperative will share equally in the costs assessed by the Commission for seeking of administrative approval of this Agreement. All other costs will be borne by the respective Party incurring the costs.

**ARTICLE 10.**



**TERMINATION**

- 10.1 **Termination Events.** This Agreement and the transactions contemplated by this Agreement may be terminated by mutual consent of Company and Cooperative.
- 10.2 **Effective Date of Termination.** The termination of this Agreement shall be effective on the date the Commission receives a notice, signed by both Company and Cooperative, of their decision to terminate this Agreement.
- 10.3 **Effect of Termination.** If the transactions contemplated by this Agreement are terminated as provided herein, each Party shall pay the costs and expenses incurred by it in connection with this Agreement, and no Party (or any of its officers, directors, employees, agents, attorneys, representatives, or shareholders) shall be liable to any other Party for any costs, expenses, or damages; except as provided herein, neither Party shall have any liability or further obligation to the other Party to this Agreement.

**ARTICLE 11.**

**NOTICES**

All notices, reports, records, or other communications which are required or permitted to be given to the Parties under this Agreement, shall be sufficient in all respect if given, in writing, and delivered in person, by fax, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested, to the receiving Party at the following address:

If to Cooperative:

PEMISCOT-DUNKLIN ELECTRIC COOPERATIVE  
Attention: Charles J. Crawford  
General Manager  
Highway 412 West  
PO Box 657, MO 63452  
Hayti, Missouri, 63851  
Phone: 573-757-6641

If to Company:

UNION ELECTRIC COMPANY  
Attention: Jean Mason  
Manager, SEMO Division  
45 S. Minnesota  
Cape Girardeau, MO 63701  
Phone: 314-651-5653  
Facsimile: 314-651-5660

or to such other address as such Party may have given to the other by notice pursuant to this

Section. Notice shall be deemed given on the date of delivery, in the case of personal delivery or fax, or on the delivery or refusal date, as specified on the return receipt, in the case of overnight courier or registered or certified mail.

**ARTICLE 12.**

**MISCELLANEOUS**

- 12.1 **Assignment.** This Agreement shall be binding on the Parties and all subsidiaries, successors, assigns and corporate parents or affiliates of Company and Cooperative. Neither Party shall make any assignment of any of its rights or interests under this Agreement without the written consent of the other Party, which consent shall not be unreasonably withheld, and approval of the Commission. Notwithstanding the foregoing, in the event of a merger, corporate reorganization, or corporate restructuring of a Party, said Party may assign this Agreement to the corporate entity responsible for providing distribution-level electric service in the area covered by this Agreement and the consent of the other Party shall be deemed to be given. The consenting Party or Party whose consent is deemed to be given shall cooperate in obtaining approval of the assignment by (a) participating in the joint application requesting Commission approval of the assignment and (b) providing an affidavit, stating that it consents to the Assignment, for inclusion in such application.
- 12.2 **Governing Law.** This Agreement shall be governed by, construed, and enforced in accordance with, and its validity shall be determined under, the laws of the State of Missouri.
- 12.3 **Amendments.** No modification, amendment, deletion, or other change in this Agreement or the boundaries described in the Agreement shall be effective for any purpose, unless specifically set forth, in writing, and signed by both Parties and approved by the Commission.
- 12.4 **Headings.** Headings and titles contained in this Agreement are included for convenience only and shall not be considered for purposes of interpretation of this Agreement.

- 12.5 **Impact of Commission or Court Orders.** If the Commission does not approve the provisions of this Agreement, then it shall be nullified and of no legal effect between the Parties. Further, if any part of this Agreement is declared invalid or void by a Court or agency of competent jurisdiction, then the whole Agreement shall be deemed invalid and void.
- 12.6 **Survival.** Obligations under this Agreement, which by their nature would continue beyond the termination, cancellation or expiration of this Agreement, shall survive termination, cancellation or expiration of this Agreement.
- 12.7 **No Waiver.** If a Party has waived a right under this Agreement on any one or more occasions, such action shall not operate as a waiver of any right under this Agreement on any other occasion. Likewise, if a Party has failed to require strict performance of an obligation under this Agreement, such action shall not release the other Party from any other obligation under this Agreement, or the same obligation on any other occasion.
- 12.8 **Further Assurances.** The Parties shall execute such other documents and perform such other acts as may reasonably be necessary in order to give full effect to this Agreement.
- 12.9 **Company's Service Territory Outside This Agreement.** Company has service territories outside of the areas covered by this Agreement. For service outside of the areas described by this Agreement, Company will continue to operate without regard to this Agreement. The principles of law, rules and regulations applicable to the business of retail sales of electricity shall apply without regard to this Agreement.
- 12.10 **Cooperative's Service Territory Outside This Agreement.** Cooperative has service territories outside of the areas covered by this Agreement. For service outside of the areas described by this Agreement, Cooperative will continue to operate without regard to this Agreement. The principles of law, rules and regulations applicable to the business of retail sales of electricity shall apply without regard to this Agreement.

- 12.11 **Expenses.** Except as otherwise expressly provided herein, all expenses incurred by the Parties hereto in connection with or related to the authorization, preparation and execution of this Agreement and the closing of the transactions contemplated hereby, including, without limitation, the fees and expenses of agents, representatives, counsel and accountants employed by any such Party, shall be borne solely and entirely by the Party which has incurred same.
- 12.12 **Other Products and Services Not Affected.** This Agreement is limited to the distribution of electricity and shall in no way affect either Party's right to offer other products and services, including, but not limited to, gas service and satellite television service, to customers located in the Exclusive Service Area of the other Party. Neither shall this Agreement limit in any way a Party's right to construct such non-electric distribution facilities within the designated Electric Service Area of the other, as that Party deems necessary, appropriate or convenient to provide other non-electric distribution service to its customers.
- 12.13 **Entire Agreement.** This contract constitutes the entire agreement between the Parties relating to the allocation of service rights in the territory described herein. If the Public Service Commission of Missouri does not approve this Agreement, or fails to approve or rejects any portion of this Agreement, then the entire Agreement shall be nullified and of no legal effect. Further, if any part of this Agreement is declared invalid or void by a Court or other agency with competent jurisdiction, then the whole Agreement shall be deemed invalid and void.

The Parties have entered into this Agreement as evidenced below by the signature of their duly authorized representatives as of the date set forth on the first page hereof.

**UNION ELECTRIC COMPANY**  
d/b/a AmerenUE

By *RC Keller*  
Name *Ron Keller*  
Title *Vice President - Energy Delivery*

Attest:

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

**PEMISCOT-DUNKLIN**  
**ELECTRIC COOPERATIVE**

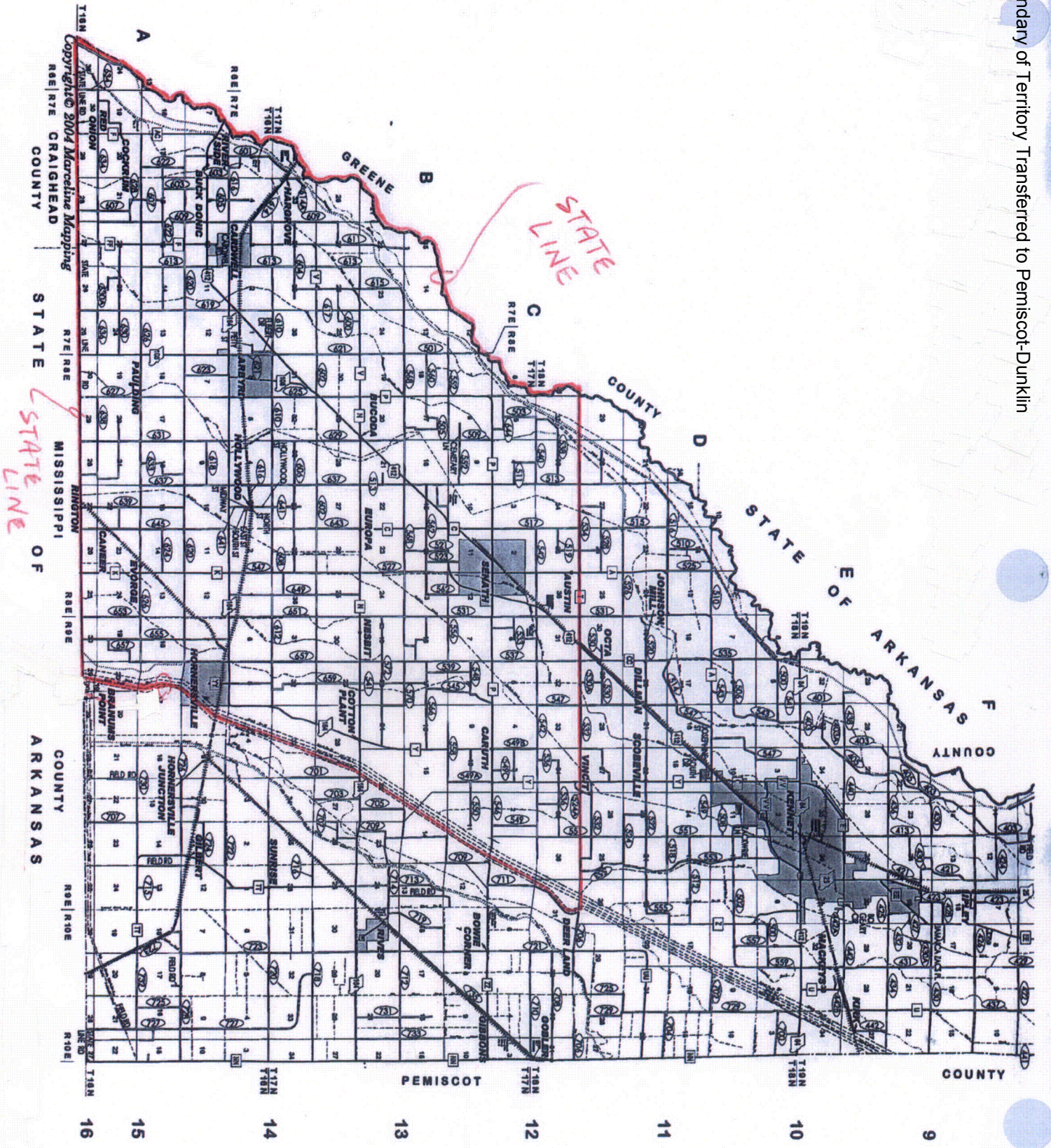
By *Thomas E. Fisher*  
Name Thomas E. Fisher  
Title President

Attest:

By: *Delbert DePrest*  
Secretary

**Exhibit A**

**Figures Depicting the  
Exclusive Service Territories  
of  
Pemiscot-Dunklin Electric Cooperative**



**Exhibit B**

**Metes and Bounds Description of the  
Exclusive Service Territory of  
Pemiscot-Dunklin Electric Cooperative**



**PEMISCOT-DUNKLIN COOP  
SERVICE TERRITORY  
DUNKLIN COUNTY, MISSOURI**

LAND LOCATED IN DUNKLIN COUNTY OF THE STATE OF MISSOURI, THE PERIMETER OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 10 EAST, AND THE CENTERLINE OF DITCH NUMBER 259, THE EASTERN MOST DITCH IN THE LITTLE RIVER DRAINAGE DISTRICT; THENCE IN A SOUTHWESTERLY DIRECTION ALONG AND WITH THE CENTERLINE OF SAID DITCH NUMBER 259, A DISTANCE OF 12 MILES, MORE OR LESS, TO THE SOUTH LINE OF SAID DUNKLIN COUNTY, SAID LINE ALSO BEING ON THE MISSOURI / ARKANSAS STATE LINE; THENCE WEST ALONG THE SOUTH LINE OF SAID DUNKILN COUNTY AND THE MISSOURI / ARKANSAS STATE LINE, A DISTANCE OF 14.5 MILES, MORE OR LESS, TO THE CENTER OF THE ST. FRANCIS RIVER; THENCE IN A NORTHEASTERLY DIRECTION ALONG AND WITH THE MEANDERINGS OF THE CENTERLINE OF THE SAID ST. FRANCIS RIVER, CONTINUING ALONG THE MISSOURI / ARKANSAS STATE LINE, A DISTANCE OF 16 MILES, MORE OR LESS, TO ITS INTERSECTION WITH THE NORTH LINE OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 8 EAST; THENCE EAST LEAVING THE CENTERLINE OF THE ST. FRANCIS RIVER AND THE MISSOURI / ARKANSAS STATE LINE, ALONG THE NORTH LINE OF SECTIONS 31, 32, 33, 34, 35 AND 36, TOWNSHIP 18 NORTH, RANGE 8 EAST, TO THE NORTHEAST CORNER OF SAID SECTION 36, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 9 EAST; THENCE CONTINUING EAST ALONG THE NORTH LINE OF SECTIONS 31, 32, 33, 34, 35, AND 36, TOWNHIP 18 NORTH, RANGE 9 EAST, TO THE NORTHEAST CORNER OF SAID SECTION 36, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 10 EAST; THENCE CONTINUING EAST ALONG THE NORTH LINE OF SAID SECTION 31, TO THE POINT OF BEGINNING.