

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

Noranda Aluminum, Inc., et al.,)	
)	
Complainants,)	
)	
vs.)	<u>Case No. EC-2014-0224</u>
)	
Union Electric Company doing business)	
As Ameren Missouri,)	
)	
Respondent.)	

MIEC's STATEMENT OF POSITION

COMES NOW the Missouri Industrial Energy Consumers (“MIEC”), by and through counsel, and provides its Statement of Position.

General Statement of Position

As stated in *Non-Unanimous Stipulation and Agreement and Request for Order Extending Time for Response*, filed by the MIEC and the Missouri Retailers Association on February 12, 2014, the MIEC agrees that the Commission should grant Noranda and Complainants’ request in this case and adopt the recommendations set forth in the Direct Testimony and Schedules of Maurice Brubaker.

I. Position on Issues

1. Is Noranda experiencing a liquidity crisis such that it is likely to cease operations at its New Madrid smelter if it cannot obtain relief of the sort sought here?

ANSWER: Yes.

a. If so, would the closure of the New Madrid smelter represent a significant detriment to the economy of Southeast Missouri, to local tax revenues, and to state tax revenues?

ANSWER: Yes.

b. If so, can the Commission lawfully grant the requested relief?

ANSWER: Yes.

c. If so, should the Commission grant the requested relief?

ANSWER: Yes.

2. Would rates for Ameren Missouri's ratepayers other than Noranda be lower if Noranda remains on Ameren Missouri's system at the reduced rate?

ANSWER: Yes.

3. Would it be more beneficial to Ameren Missouri's ratepayers other than Noranda for Noranda to remain on Ameren Missouri's system at the requested reduced rate than for Noranda to leave Ameren Missouri's system entirely?

ANSWER: Yes.

4. Is it appropriate to redesign Ameren Missouri's tariffs and rates on the basis of Noranda's proposal, as described in its Direct Testimony and updated in its Surrebuttal Testimony?

ANSWER: Yes.

a. If so, should Noranda be exempted from the FAC?

ANSWER: Yes.

b. If so, should Noranda's rate increases be capped in any manner?

ANSWER: Noranda's proposal to cap any rate increase at 2 percent should be adopted.

- c. If so, can the Commission change the terms of Noranda's service obligation to Ameren Missouri and of Ameren Missouri's service obligation to Noranda?

ANSWER: This issue is not correctly stated and is not an issue in this case. Subject to the foregoing, the MIEC takes no position on this issue.

- d. If so, should the resulting revenue deficiency be made up by other rate payers in whole or in part?

ANSWER: The other ratepayers should pick up any shortfall of revenue to which Ameren would otherwise be legally entitled.

- e. If so, how should the amount of the resulting revenue deficiency be calculated?

ANSWER: The amount of the revenue deficiency should be calculated pursuant to the testimony of Maurice Brubaker in this case.

- f. If so, can the resulting revenue deficiency lawfully be allocated between ratepayers and Ameren Missouri's shareholders?

ANSWER: The MIEC takes no position on this issue.

- i. How should the revenue deficiency allocated to other ratepayers be allocated on an interclass basis?

ANSWER: The revenue deficiency should be allocated to other ratepayers on an interclass basis pursuant to the testimony of Maurice Brubaker.

- ii. How should the revenue deficiency allocated to other ratepayers be allocated on an intra-class basis?

ANSWER: The revenue deficiency should be allocated to other ratepayers on an intra-class basis pursuant to the testimony of Maurice Brubaker.

- g. If so, what, if any, conditions or commitments should the Commission require of Noranda?

ANSWER: The MIEC takes no position regarding this issue.

- 5. What is Ameren Missouri's variable cost of service to Noranda?

ANSWER: Ameren Missouri's variable cost of service to Noranda is \$22.10/Mwh, as provided by Mr. Brubaker.

- a. Should this quantification of variable cost be offset by an allowance for Off-System Sales Margin Revenue?

ANSWER: No.

- b. What revenue benefit or detriment does the Ameren Missouri system receive from provision of service to Noranda at a rate of \$30/MWh?

ANSWER: The benefit is \$7.90/MWh, per Mr. Brubaker.

- 6. Should Noranda be served at rate materially different than Ameren Missouri's fully distributed cost to serve them? If so, at what rate?

ANSWER: Yes. \$30/Mwh.

Respectfully submitted,

BRYAN CAVE, LLP

By: /s/ Carole L. Iles

Diana M. Vuylsteke, # 42419
Mark B. Leadlove, #33205
211 N. Broadway, Suite 3600
St. Louis, Missouri 63102
Telephone: (314) 259-2543
Facsimile: (314) 259-2020
E-mail: dmvuylsteke@bryancave.com
mbleadlove@bryancave.com

Edward F. Downey, #28866
Carole L. Iles, #33821
221 Bolivar Street, Suite 101
Jefferson City, MO 65109
Telephone: (573) 556-6622
Facsimile: (573) 556-7442
E-mail: efdowney@bryancave.com
carole.iles@bryancave.com

Attorneys for Complainants

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 6th day of June, 2014, to all counsel of record.

/s/ Carole L. Iles