BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Noranda Aluminum, Inc.'s Request for Revisions to Union Electric Company d/b/a Ameren Missouri's Large Transmission Service, Tariff to Decrease its Rate For Electric Service	)))))	Case No. EC-2014-0224

AMENDED NON-UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW the Office of Public Counsel ("OPC" or "Public Counsel"), Noranda Aluminum, Inc. ("Noranda" or "Customer"), the Consumers Council of Missouri, the Missouri Industrial Energy Consumers and the Missouri Retailers Association (the "Signatories"), and pursuant to 4 CSR 240-2.115, offer the following amended non-unanimous stipulation and agreement ("Stipulation"). This Stipulation amends the Signatories' prior agreement to add the Missouri Retailers Association as a signatory, to clarify certain provisions and to add discrete provisions to reflect better the parties' agreement. The Signatories offer this Stipulation because the record before the Commission is sufficient to establish that Noranda, by virtue of the amount of power its New Madrid smelter requires and the steady rate at which it uses that power, is a unique and vital resource benefitting all the ratepayers of Union Electric Company d/b/a Ameren Missouri ("Ameren"). Further, the Signatories offer this Stipulation because closure of Noranda's New Madrid smelter would result in Ameren's ratepayers being worse off than if the Commission ordered this Stipulation to take effect, in that the remaining ratepayers are then at risk to pay materially more in their base electric rates and in their fuel adjustment charges, and the deleterious primary and secondary economic effects of Noranda's closure would be felt throughout the economy of the State, particularly in Southeast Missouri. The Signatories further state:

1. The Signatories stipulate that the record before the Commission is sufficient to establish that as a Large Transmission Service ("LTS") customer, Noranda currently pays a total effective rate of $41.03/MWh for electric service from Ameren.

2. The Signatories stipulate that Noranda's electric rate currently consists of an effective base rate charge of $37.94/MWh. The Signatories further stipulate that the record before the Commission is sufficient to establish that Noranda currently pays a Fuel Adjustment Charge ("FAC") of $3.09/MWh.

3. The Signatories stipulate that Noranda currently employs approximately 888 individuals at its New Madrid smelter.

4. The Signatories stipulate that Noranda's closure:

> would be a tragedy for the 888 families who are supported by the stable and dependable employment offered by Noranda, and also a tragedy for the families whose livelihoods depend on the business supported by Noranda. Thus, this result would cause significant economic harm to the State of Missouri and to Ameren Missouri's other customers.

5. The Signatories stipulate that the price for its product is largely set on the London Metals Exchange ("LME"), and the price for aluminum on the LME has been depressed. The Signatories further stipulate that the depressed LME price deleteriously and materially impacts Noranda's company-wide revenue and the revenue attributable to operations at the New Madrid smelter.

6. The Signatories stipulate that "If the New Madrid Smelter were unable to remain viable, there would be a significant impact on the State of Missouri, both in terms of the State's gross domestic product ("GDP"), and in terms of taxes collected and other economic measures."

7. The Signatories stipulate that the record before the Commission is sufficient to establish that Noranda presently confronts impaired liquidity.

8. The Signatories stipulate that the record before the Commission is sufficient to establish that Noranda will continue to confront impaired liquidity for the foreseeable future as a result of the current and reasonably expected future depressed price for aluminum on the LME.

9. The Signatories stipulate that given energy consumption patterns at the New Madrid smelter, a reduced rate for electric service for Noranda's operations at the facility would improve Noranda's liquidity in two ways:

   a. First, Noranda's expenses from operations would be reduced, thereby permitting Noranda to preserve existing liquidity for other uses, such as growth capital investment; and

   b. Second, an improved operational cost structure will facilitate adding to liquidity going forward through debt and/or equity finance opportunities that become available in the capital markets.

10. The Signatories stipulate that the record before the Commission is sufficient to establish that reasonable and prudent liquidity-improving debt or equity finance opportunities are currently unavailable to Noranda.

11. The Signatories stipulate that the record before the Commission is sufficient to establish that reasonable and prudent liquidity-improving debt or equity finance opportunities are currently unavailable to Noranda due to the combined effects of:

   a. a low LME price for Aluminum, even when factoring in the Midwest Premium;

b. an input cost for energy that exceeds that of all but one competitor nationally and is entirely non-competitive internationally; and

c. Noranda's existing level of corporate indebtedness when evaluated in the context of its operating costs and near-term revenue potential.

12. The Signatories stipulate that the record before the Commission is sufficient to establish that significant and material harm will result to Noranda as a going concern, to its suppliers and to its customers, should Noranda be required to cease operations at its New Madrid smelter in order for it to preserve the ability to continue operating its remaining businesses in other states and countries; the value-added proposition Noranda currently offers customers due to its integrated operation will diminish substantially with the closure of the New Madrid smelter.

13. The Signatories stipulate that the record before the Commission is sufficient to establish that Noranda's management believes that without a solution to its impaired liquidity position — a solution which starts, but does not end, with a reduced rate for energy — management will be required to seek Board approval to begin an orderly closure of its New Madrid smelter, end that portion of its operations entirely, terminate the employees working at the smelter and end the contracts supplying the smelter, in order to protect and enhance the remaining components of the company.

14. The Signatories stipulate that the record before the Commission is sufficient to establish that Noranda's wholesale cost for power at its meter is ** $________. **

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15. The Signatories stipulate that the record before the Commission is sufficient to establish that a rate of $34.44/MWh ensures a material and adequate contribution to Ameren's fixed costs.

16. The Signatories stipulate that the record before the Commission is sufficient to establish that the volatility inherent in the FAC, as currently implemented, exposes Noranda to a degree of energy price risk exceeding that which would allow Noranda reasonably and prudently to access the capital markets to serve its liquidity needs.

17. The Signatories stipulate that the record before the Commission is sufficient to establish that Noranda requires predictability in its New Madrid smelter energy costs for a sufficient period of time to provide capital markets certainty that Noranda can operate the smelter profitably when the LME price of aluminum rebounds.

Accordingly, the Signatories agree that the Commission should grant Noranda's request in this case as follows:

(a) Maintain the current tariff sheets and rates currently in effect for the LTS class and continue to set rates for the LTS class in future general rate proceedings, wherein the Customer shall continue to have legal standing regarding all rates, terms and conditions of service and all matters impacting this class;

(b) Authorize the creation of a new class of Ameren electric service ratepayer for Industrial Aluminum Smelters (IAS);

(c) Set an effective base rate of $34.44/MWh for the aforementioned new IAS class, representing a reduction of $3.50/MWh from Customer's current effective base rate;

(d) Eliminate the FAC applicable to the new IAS class from the date the new rate is applied to the Customer's electric usage through September 30, 2015 (the "First Year"), which represents a reduction of $3.09/MWh from Noranda's current FAC obligation;

(e) Through the combination of the agreements set forth in subparagraphs (c) and (d) above, set a just and reasonable effective overall non-seasonal rate for the new IAS class at $34.44/MWh for the First Year, which represents a reduction of $6.59/MWh from Customer's current overall rate;

(f) Fix the effective base rate applicable to the new IAS class for a period of five (5) years from the date the new rate is applied to the Customer's electric usage through September 30, 2019, which is the last year in which a majority of this Commission will remain in office (barring reappointment), and the year in which the record suggests Customer's debt obligations will begin to mature — subject to an automatic extension of eleven (11) months or the effective date of the tariff approved in any Ameren rate case which has been both noticed and filed as of September 30, 2019, whichever is earlier;

(g) Order that during the period set forth in subparagraph (f) above, the new IAS class shall be subject to a base rate adjustment of up to two percent (2%) at the time of each general rate adjustment granted to Ameren by the

Commission where the Commission orders a rate adjustment for the LTS class in excess of two percent (2%);

(h) Order that during the period set forth in subparagraph (f) above, the new IAS class shall be subject to a base rate adjustment no greater than the adjustment the Commission orders for the LTS class, except as provided in subparagraph (g) above; but in no event shall the effective base rate for the new IAS class fall below $34.44/MWh;

(i) Set a rate schedule increasing the percentage of the FAC paid by the new IAS class to twenty-five percent (25%) of that otherwise applicable to the LTS class from October 1, 2015 through September 30, 2016 (the "Second Year"), fifty percent (50%) from October 1, 2016 through September 30, 2017 (the "Third Year"), seventy-five percent (75%) from October 1, 2017 through September 30, 2018 (the "Fourth Year"), and one hundred percent (100%) after October 1, 2018;

(j) Apply the resulting deficiency in retail revenue among the remaining classes paying for Ameren's electric service in equal proportion to their current contribution to retail revenue less the LTS class;

(k) As a condition to access the reduced base rate available to the new IAS class, require the Customer to provide the Commission, the OPC and the Commission Staff, but to no other person or entity, the following information which shall be classified as Highly Confidential regarding employment at the New Madrid smelter:

   a. Annual certification of compliance and quarterly surveillance reports demonstrating that the Customer has fulfilled the requirement that employment at the smelter meets or exceeds a daily average of 850 full-time equivalent personnel, either direct employees or contract personnel, and specifically noting instances where the employee count goes below the required average because employees have voluntarily left Customer's employ and Customer is actively seeking to fill those positions, or due to *force majeure* or other events considered by the Commission to be outside the Customer's control;

b. Available to Customer beginning in the Third Year the reduced base rate is in effect, a demonstration of good cause why Customer should be permitted to reduce headcount below a daily average of 850 full-time equivalent personnel and continue to access the reduced base rate available to the new IAS class, but in no event shall Customer be permitted to retain the reduced base rate available to the new IAS class if direct, non-contract employee head count falls below a daily average of 800 full-time equivalent personnel. A demonstration of good cause may include, but shall not be limited to, the impact of the FAC on Customer's liquidity condition.

c. As a condition to access the reduced rate structure available to the new IAS class, require Customer to maintain the employment level as provided by the terms of subparagraphs (a) and (b) above at the New Madrid smelter for the entire period that the reduced base rate is in effect.

(l) As a condition to access the reduced rate structure available to the new IAS class, require Customer to expend $35 million in capital, as defined by accounting principles generally accepted in the United States (“USGAAP”), at the New Madrid smelter in the First Year, and to provide the Commission, OPC and the Commission Staff, but no other person or entity, an annual surveillance report which shall be designated as Highly Confidential detailing the nature and scope of work performed to meet the $35 million requirement with discrete expenditures accounted for by amount of capital expended;

(m) As a condition to access the reduced rate structure available to the new IAS class after the First Year and through September 30, 2019 require Customer to expend an annual inflation-adjusted $35 million in capital as defined by USGAAP at the New Madrid smelter, utilizing the general Consumer Price Index as published by the US Bureau of Labor Statistics, compounded annually, in the second through final years the reduced base rate is in effect, and a prorated inflation-adjusted monthly capital expenditure for each full month the reduced base rate is in effect after September 30, 2019, and to provide the Commission, OPC and the Commission Staff but no other party an annual surveillance report which shall be designated Highly Confidential detailing the nature and scope of work Customer performed to meet the required aggregate capital investment level with discrete expenditures accounted for by amount of capital expended; and

(n) Order that the Customer may elect to invest an amount greater than $35 million in capital per year (as defined above) through September 30, 2019 as set forth in subparagraphs (l) and (m), with a corresponding reduction in its capital spending obligation in the later years of this period, but in no event shall the customer's capital investment spending credited at the end of each year (as defined) be less than the compounded inflation-adjusted expenditure requirement for that same period as set forth in subparagraphs (l) and (m);

(o) As a term of the tariff sheet the Commission orders Ameren to offer, require that should Customer materially fail - as determined by the Commission - to comply with any term or condition required to access the reduced rate structure outlined herein, Customer shall no longer have access to the IAS class rate and its rate shall revert to the rate structure set for the LTS class at that time on a going forward basis, with the resulting difference in retail revenue to be allocated to the benefit of the remaining classes paying for Ameren's electric service in equal proportion to their then-current contribution to retail revenue less the LTS class;

(p) Order that the Commission will hold a hearing or make a determination based on verified pleadings within thirty (30) days of a request by Commission Staff, OPC or on its own motion, if:

a. The Commission issues an order finding good cause to believe the Customer has failed materially to comply with any term or condition required to access the reduced rate structure available to the new IAS class, AND

b. The Customer has reasonable notice and a reasonable opportunity to cure its material failure to comply with such term or condition;

(q) Order that during any hearing held pursuant to subparagraph (p) above, Customer shall bear the burden to show cause:

a. why it should continue to access the rate structure available to the new IAS class despite a material failure to meet any or all terms or conditions required to access the IAS class rate structure, OR

b. why its failure to meet any or all terms or conditions required to access the IAS class rate structure should be found to be immaterial.

(r) Determine that, in assessing whether a putative violation of any term or condition is material, the Commission shall weigh in its consideration all relevant factors, including among others, the following:

a. any evidence of *force majeure*;

b. with respect to the employment level conditions, whether the violation is the *de minimis* result of the quarterly-average calculation;

c. with respect to the employment level conditions, evidence tending to provide or disprove that the Customer has actively sought to fill those positions, or is actively seeking to fill those positions.

In offering this Stipulation, the Signatories shall not be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, to any other method of cost determination or cost allocation or revenue-related methodology.

Notwithstanding any provision of this Stipulation to the contrary, Noranda shall retain all rights and standing to seek redress from the Commission, including but not limited to rate relief, and shall retain all rights and standing with respect to any matter related to the LTS tariff, and nothing herein shall bar or prejudice Noranda from seeking additional rate relief from the Commission in any future proceedings or modification of the terms and conditions herein.

The terms of this Stipulation are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and the Signatories shall not be bound by any of the agreements or provisions hereof.

If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding the provision herein that it shall become void, neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights of the Signatories for a decision in accordance with Mo. Rev. Stat. § 536.080 (2000 & Cum. Supp.) or Mo. Const. Art. V, § 18, and the Signatories shall retain all procedural and due process rights as though this Stipulation had not been presented for approval, and any statements, suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

In the event the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive the following rights only as to the issues resolved herein: 1) the right to seek rehearing, pursuant to Mo. Rev. Stat. § 536.500; and 2) the right to judicial review pursuant to Mo. Rev. Stat. § 386.510. This waiver applies only to a final unappealed Commission order issued in this proceeding unconditionally approving this Stipulation and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation.

WHEREFORE, for the foregoing reasons, the Signatories respectfully request that the Commission issue its order approving all of the specific terms and conditions of this Stipulation.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed on this 1st day of August, 2014 to all parties on the Commission's service list in this case.

/s/ Diana Vuylsteke