

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

In the matter of Union Electric Company,)	
d/b/a AmerenUE's Tariffs to Increase Its)	Case No. ER-2010-0036
Annual Revenues for Electric Service)	

OBJECTION TO NON-UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW the Midwest Energy Users' Association ("MEUA") and for its objection to the non-unanimous Stipulation and Agreement filed on March 17, 2010, respectfully states as follows:

1. Commission Rule 4 CSR 240-2.115(2)(E) provides that a party "may indicate that it does not oppose **all or part of a non-unanimous stipulation** and agreement."

2. After reviewing the proposed non-unanimous stipulation, there are aspects with which the MEUA is not in opposition. For instance, MEUA does not oppose the establishment of an \$8 residential customer charge. Similarly, MEUA does not oppose the establishment of similar customer charges for the Small Primary, Large Primary and Large Transmission Service Classes. From this standpoint, then, MEUA does not oppose these portions of the stipulation.

Furthermore, MEUA does not oppose certain aspects of the class cost of service settlement. In basic terms, the stipulation would impose a revenue neutral shift of 1.5% on residential and small general service customers and a 1.25% shift on large power customers. While each of the cost studies suggests that residential customers should receive a greater shift, MEUA believes that this settlement is fair given the current economic situation. All told, these shifts to residential, small general service and large

power result in a revenue-neutral shift of approximately \$20.3 million which should be distributed to other classes currently challenged by rates that are well above costs.

3. While MEUA supports the imposition of rate increases on the residential, small general service and large power classes, it vehemently objects to the parties' proposal to allow Noranda to benefit almost entirely from these shifts. Under the Signatories' proposal, Noranda would receive approximately \$16M with the remaining \$4M being given to Large General Service. The inappropriateness of this aspect of the stipulation is apparent from reviewing the cost studies in this case. While all 4 cost studies show that the Large General Service is paying rates that are significantly above its cost of service, the Signatories only propose to give this class a miniscule reduction of \$4 million (equal to a 0.61% reduction). On the other hand, the Signatories propose to grant Noranda a \$16 million reduction. These parties make such concessions despite the fact that **3 out of 4 cost studies** show that Noranda is currently being charged rates that are below its cost of service. For instance, OPC's own evidence indicates that Noranda is currently paying rates that are 5.8% - 13.9% below its cost of service. Therefore, under OPC's own evidence, Noranda should be receiving a rate increase, not a reduction! It is fundamentally unfair to grant a rate reduction to Noranda when other customer classes are suffering from rates that are 10% above their cost of service.

WHEREFORE, pursuant to the terms of 4 CSR 240-2.115(2)(E), MEUA files this formal notice objecting to the Non-Unanimous Stipulation and Agreement.

Respectfully submitted,



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ATTORNEY FOR THE MIDWEST
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.



David L. Woodsmall

Dated: March 22, 2010