



MISSOURI SENATE

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Missouri Public Service Commissioners
200 Madison Street, PO Box 360
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RE: Case No. EC-2014-0224

Dear Commissioners,

As respective Chairmen of the Senate and House Standing Committees charged with considering utility policy in the State of Missouri, we would like to address the Public Service Commission's consideration of the request made by Noranda Aluminum, Inc., for the PSC to reduce the electric rates of Noranda Aluminum, Inc., and raise the rates of other residential, commercial and industrial classes through the filing of Case No. EC-2014-0224.

As stated in the complaint, Noranda is requesting a rate subsidy primarily as the result of depressed aluminum prices and other business conditions that are independent of the electric rates established by the PSC. This request is a direct subsidy of rates that would be provided at the detriment of all other ratepayers to the benefit of one single customer.

Accordingly, this is a request in the broad context of economic relief, not regulatory relief solely resulting from the reasonableness of electric rates. Such a request for economic relief is not under the statutory jurisdiction of the PSC.

The PSC is not granted the authority to determine rates based upon unreasonable economic conditions, nor is it given the authority to raise the rates of a class of customers due to potential unforeseen events based upon the argument that, "rates will not increase as much as they would increase if Noranda is forced to close the smelter". As with any business, the continued operation of Noranda in Missouri is not solely dependent on electric rates, nor can the continued operation of Noranda be indefinitely guaranteed through a rate subsidy provided by other ratepayers.

Therefore, we would encourage the Commission to summarily dismiss the complaint brought forth by Noranda in seeking a rate subsidy through raising electricity rates on commercial, industrial and residential ratepayers.

Sincerely,

A handwritten signature in blue ink that reads "Brad Lager".

Senator Brad Lager

Chairman – Senate Committee on Commerce, Consumer Protection, Energy and the Environment

A handwritten signature in blue ink that reads "Doug Funderburk".

Representative Doug Funderburk

Chairman- House Utilities Committee