

**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.)	

POSITION STATEMENT OF THE MISSOURI RETAILERS ASSOCIATION

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? 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? Yes.
 - b. If so, can the Commission lawfully grant the requested relief? Yes.
 - c. If so, should the Commission grant the requested relief? 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? Ceteris Paribus, 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? 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? Generally, yes.
 - a. If so, should Noranda be exempted from the FAC? Yes.
 - b. If so, should Noranda’s rate increases be capped in any manner? To the extent allowed by law, they should be capped at 2% per rate increase case.

- 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? Yes, the Commission can change the terms of service.
 - d. If so, should the resulting revenue deficiency be made up by other rate payers in whole or in part? The other ratepayers should pick up any revenue shortfall to which Ameren Missouri may be legally entitled.
 - e. If so, how should the amount of the resulting revenue deficiency be calculated? As shown by Mr. Brubaker.
 - f. If so, can the resulting revenue deficiency lawfully be allocated between ratepayers and Ameren Missouri's shareholders? The Commission has the legal authority to do so.
 - i. How should the revenue deficiency allocated to other ratepayers be allocated on an interclass basis? As provided by Mr. Brubaker.
 - ii. How should the revenue deficiency allocated to other ratepayers be allocated on an intra-class basis? Generally, as provided by Mr. Brubaker. MRA does not take a position at this time on the allocation to the LGS, SP and LP customers.
 - g. If so, what, if any, condition or commitments should the Commission require of Noranda? The Commission may impose reasonable conditions on Noranda, consistent with and in conjunction with granting the requested relief.
5. What is Ameren Missouri's variable cost of service to Noranda? Ameren's variable cost to serve Noranda is \$22.10, as provided by Mr. Brubaker.
- a. Should this quantification of variable cost be offset by an allowance for Off-System Sales Margin Revenue? 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? The benefit is \$7.90 per MWh, per Mr. Brubaker.
6. Should Noranda be served at rate materially different than Ameren Missouri's fully distributed cost to serve them? Yes. If so, at what rate? \$30 per MWh

Respectfully submitted,

Blitz, Bardgett & Deutsch, L.C.

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served electronically this 6th **day of June, 2014**, on the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

/s/ Thomas R. Schwarz, Jr.