## BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION STATE OF MISSOURI

In the Matter of Union Electric ) Company d/b/a AmerenUE for Authori- ) ty to File Tariffs Increasing Rates ) for Electric Service Provided to ) Customers in the Company's Missouri ) Service Area. )

ER-2007-0002

## APPLICATION FOR ORDER ALLOWING INTERVENTION OF NORANDA ALUMINUM, INC.

COMES NOW NORANDA ALUMINUM, INC. ("Noranda") and pursuant to 4 C.S.R. 240-2.075 applies to intervene in the above matter. In support thereof, Noranda respectfully states:

1. Noranda is a manufacturing corporation duly authorized to transact business in Missouri, operating an aluminum smelter and associated manufacturing and processing facilities at 391 St. Jude Industrial Park, New Madrid, MO 63869.

2. At its New Madrid smelter, Noranda employs roughly 1,100 employees and consumes electricity in the process of producing aluminum base metal and related products in substantial quantities and at an exceptionally high load factor. Noranda maintains a payroll of roughly \$57 million annually and its business activities provide significant and critically important economic support and stability to a 10-county region in Southeast Missouri. In addition to the payroll and electricity purchases, Noranda purchases some \$22 million of a variety of goods and services largely from regional suppliers. 3. Correspondence or communications regarding this application, including service of all notices and orders of this Commission, should be addressed to:

Stuart W. Conrad, Esq. FINNEGAN, CONRAD & PETERSON, L.C. 1209 Penntower Office Center 3100 Broadway Kansas City, Missouri 64111 Voice: (816) 753-1122 Fax: (816) 756-0373 E-mail: stucon@fcplaw.com

with a courtesy copy to:

George Swogger Manager--Energy Procurement Noranda Aluminum, Inc. 391 St. Jude Industrial Park New Madrid, MO 63869

4. Noranda and its employees also pay substantial local and state taxes that support various operations in the region, including schools, local and regional governments, and public safety operations. Noranda utilizes many Missouri suppliers and purchases substantial goods and services from Missouri businesses. With respect to Missouri, Noranda is an export business, shipping large amounts of product out of state and importing into Missouri substantial revenues from out-of-state customers.

5. Since June 1, 2005, Noranda is supplied with electricity at retail by AmerenUE. That supply is pursuant to tariffs and a contract approved by this Commission in Case No. EA-2005-0180. It is believed that Noranda is the largest retail customer on the AmerenUE system in Missouri. 6. Electricity is the largest cost incurred by Noranda to operate its plant. A safe, reliable, cost-based and adequate long term supply of electric power and energy is critical to Noranda's energy-intensive operations, including its ability to continue competitive and cost-effective operation of its plant. The operational characteristics of an aluminum smelting facility require highly reliable supplies of firm electrical power. Continued operations of that smelter demand electricity at cost-based rates that are neither unduly expensive because of unwarranted charges nor higher than the cost caused by service to Noranda because of subsidies to other classes of customers.

7. On July 7, 2006, AmerenUE (Ameren) filed a major electric rate case, requesting roughly \$361 million of additional annual revenue and proposing roughly a 17% aggregate increase in rates. Despite cost of service testimony to the contrary, Ameren proposed to "cap" one class of customers so as to hold their rates at levels that are below cost and proposed to recover the resulting revenue shortfall in part from Noranda by charging amounts that exceed cost. Both as a matter of principle and because of competitive business operations, Noranda must oppose rates that are purposely set above Noranda's cost of service.

8. Noranda and its Missouri operations will be directly affected by the outcome of this case. As the largest individual retail load served by Ameren, Noranda has a unique, direct and immediate interest in this proceeding that differs

66948.1

- 3 -

from the interest of any other party and from the general public. Therefore, it will aid the Commission and protect the public interest that Noranda be permitted to intervene in this proceeding so as to protect this unique interest.

9. At this time Noranda is unable to state whether it supports or opposes the aggregate relief sought herein by AmerenUE or other aspects of its July 7 proposals. Upon full review of the materials filed including those not presently available to Noranda's consultants and attorney, Noranda will formulate its position.

WHEREFORE, Noranda prays: (a) that Noranda be permitted to intervene herein and be made a party hereto with all rights to have notice of and participate in hearings to present evidence, cross-examine witnesses, file briefs and participate in argument, should any be had; and (b) for all other needful and proper relief.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

Stuart W. Conrad 23966 3100 Broadway, Suite 1209 Kansas City, Missouri 64111 (816) 753-1122 Facsimile (816)756-0373 Internet: stucon@fcplaw.com

ATTORNEY FOR NORANDA ALUMINUM, INC.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by electronic means or by U.S. mail, postage prepaid, addressed to all parties by their attorneys of record as disclosed by the pleadings and orders herein.

Stuart W. Conrad

Dated: July 10, 2006