

Exhibit No.:
Issue: Noranda Rate Request
Witness: Dale Boyles
Type of Exhibit: Direct Testimony
Sponsoring Party: Noranda Aluminum, Inc.
Case No.: ER-2014-0258
Date Testimony Prepared: December 19, 2014

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

**In the Matter of Union Electric
Company d/b/a Ameren
Missouri's Tariff to Increase its
Revenues for Electric Service**

)
)
) **Case No. ER-2014-0258**
)
)
)

Direct Testimony of

Dale W. Boyles
(NON-PROPRIETARY (NP) VERSION)

On behalf of

Noranda Aluminum, Inc.

December 19, 2014

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

_____)
In the Matter of Union Electric)
Company d/b/a Ameren)
Missouri's Tariff to Increase its)
Revenues for Electric Service)
_____)

Case No. ER-2014-0258

STATE OF TENNESSEE)

) SS

COUNTY OF WILLIAMSON)

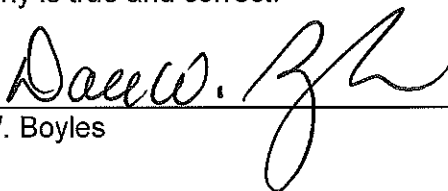
Affidavit of Dale W. Boyles

Dale W. Boyles, being first duly sworn, on his oath states:

1. My name is Dale W. Boyles. I am Chief Financial Officer and Vice President—Finance of Noranda Aluminum, Inc., having its principal place of business at Suite 600, 801 Crescent Centre Drive, Franklin, Tennessee, 37067.

2. Attached hereto, and made a part hereof for all purposes, is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. ER-2014-0258.

3. I hereby swear and affirm that the testimony is true and correct.



Dale W. Boyles

Subscribed and sworn to before me this 19th day of December, 2014.





Notary Public

my commission expires 12/6/16

1 **Q WHAT IS YOUR OCCUPATION?**

2 A As indicated above, I am the Chief Financial Officer of Noranda Aluminum.

3

4 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

5 A The purpose of my testimony is to explain why Commission approval of our
6 proposed rate structure is in the best interest of Ameren consumers and critical
7 to the viability of Noranda.

8

9 In summary, absent a sustainable power rate for the Smelter, Ameren
10 consumers face a substantial likelihood that their rates will increase without the
11 Smelter on the Ameren system. This substantial risk exists because, without the
12 proposed rate structure, the Smelter is not viable and is therefore at substantial
13 risk of imminent closure.

14 Specifically, I will show that:

- 15 • With current Ameren tariff rates, the Smelter is not viable and, therefore,
16 at substantial risk of imminent closure;
- 17 • The proposed rate structure is necessary to provide a sustainable rate for
18 the Smelter;
- 19 • Given the volatility of aluminum prices, without a sustainable power rate,
20 the Smelter will ultimately not be able to generate positive cash flow;
- 21 • Because of the inability to generate positive cash flow, without a
22 sustainable power rate, there is substantial risk that we will be unable to
23 refinance our debt;

- 1 • Because of the inability to generate positive cash flow and to refinance our
2 debt, without a sustainable power rate, we will exhaust our existing
3 sources of cash and our available borrowings, if any.

4
5 Noranda witness Brubaker demonstrates in his testimony that, absent a
6 sustainable power rate for the Smelter, Ameren consumers' rates will increase
7 without the Smelter on the Ameren system.

8
9 **Q WHAT IS NORANDA'S PROPOSED RATE STRUCTURE IN THIS CASE?**

10 **A** For electricity used at the Smelter and purchased from Ameren Missouri,
11 Noranda proposes an initial total rate of \$32.50/MWh with no seasonal
12 adjustments. Noranda further proposes to increase this rate by one percent
13 annually, and for this structure to remain in place for seven years. We believe
14 that this rate structure is essential to sustain the continued operation of the
15 Smelter through the volatile LME aluminum price cycle.

16
17 This proposed rate is a reduction from the current total rate of approximately
18 \$42.35.

19
20 Noranda also pays a wheeling charge of \$1.50/MWh that is not at issue in this
21 case, and which is therefore not included in the total rate referred to above.

1 **Q PLEASE DESCRIBE THE BUSINESS OF NORANDA.**

2 A Noranda's central business is the production of Primary Aluminum at an
3 aluminum smelter near New Madrid, Missouri ("the Smelter"). The Smelter has
4 operated in Southeast Missouri since February 1971. At the Smelter, Noranda
5 produces molten aluminum, which it converts to semi-finished aluminum products
6 sold commercially in the form of extrusion billet, re-draw rod, foundry ingot, and
7 commodity grade sow.

8
9 Primary Aluminum is a global commodity, the production of which is both energy-
10 intensive and capital-intensive. With an annual capacity of approximately
11 260,000 metric tonnes, the Smelter accounts for less than 0.5% of Primary
12 Aluminum produced globally. Noranda's Primary Aluminum output is sold largely
13 into the United States and represents approximately 5% of the Primary Aluminum
14 consumed in the United States.

15
16 Electricity and alumina are the principle inputs to any Primary Aluminum
17 production process, which electrolytically converts aluminum oxide (referred to as
18 alumina) into molten aluminum. This electrolytic conversion process requires a
19 significant amount of energy on a continuous basis.

20
21 The Smelter's alumina is sourced from an alumina refinery owned-and-operated
22 by Noranda in Gramercy, Louisiana. Noranda also owns and operates a mining
23 operation which supplies the aluminum ore (referred to as bauxite) from which

1 alumina is refined at Gramercy. Noranda also owns and operates rolling mills in
2 Arkansas, North Carolina and Tennessee.

3
4 Noranda is a publicly traded (NYSE ticker symbol “NOR”) company.

5
6 **Q PLEASE EXPLAIN WHAT YOU MEAN WHEN YOU REFER TO THE**
7 **VIABILITY OF THE SMELTER.**

8 A The viability of any business refers to its ability to survive over the course of the
9 business cycle—that is to meet its obligations as they come due while investing
10 the necessary capital to operate the business. This issue is particularly acute for
11 a Primary Aluminum producer because of the extreme volatility and the steep
12 troughs of an aluminum pricing cycle as discussed in the testimony of Colin Pratt.
13 If an aluminum smelter cannot generate sufficient cash and profits when prices
14 are above cycle average, it will not be able to survive during the periods when
15 prices are below cycle average.

16
17 Therefore, in terms of our viability, there are essentially three elements to
18 meeting our obligations as they come due—our cash flow, our ability to refinance
19 debt, and our liquidity. As the Exhibits discussed later in my testimony show:

- 20
- Given the volatility of aluminum prices, without a sustainable power rate,
21 the Smelter will ultimately not be able to generate positive cash flow to pay
22 our bills during the normal course of business operations, much less any

1 unusual or unexpected expenses that may arise due to circumstances out
2 of our control.

- 3 • Because of the inability to generate positive cash flow, without a
4 sustainable power rate, there is substantial risk that we will be unable to
5 refinance our existing debt obligations. If we are able to refinance our
6 debt obligations it is highly likely the terms will be much more restrictive,
7 including performance covenants which could accelerate debt maturities,
8 and at a higher cost. (This is discussed further in the testimony of
9 Thomas Harris and Dr. Steven Schwartz).

- 10 • Because of the inability to generate positive cash flow and to refinance our
11 debt, without a sustainable power rate, we will exhaust our existing
12 sources of cash and our available borrowings, if any.

13
14 **Q PLEASE EXPLAIN HOW CASH FLOW AND LIQUIDITY FACTOR INTO YOUR**
15 **EVALUATION OF THE SMELTER'S VIABILITY.**

16 **A** Every company, including Noranda, needs cash in order to run its business.
17 Therefore, both credit and equity investors look to free cash flow as the first
18 measure of a company's financial health. Free cash flow is defined as the cash
19 we generate from the business operations, minus capital expenditures.

20
21 Free cash flow is an important metric used by credit and equity investors
22 because it is a comprehensive measurement of a business's financial health and
23 stability to meet all of its obligations in the normal course of operations and make

1 the necessary investments to sustain the long term viability. There are many
2 other measures, but generally those measures are ratios built on free cash flow.

3
4 Absent cash being generated through the operation of the business, we look to
5 available liquidity as a measure of our financial health. Available liquidity is
6 defined as the cash we have on hand and the cash to which we have access
7 through our revolving credit agreement. Access to additional borrowings to cover
8 daily expenses of running the business and short term fluctuations in the
9 economic activity such as customer demand is necessary. However it is not a
10 sustainable action over the long term for a company due to the incremental cost
11 and higher debt leverage.

12
13 Because of seasonality across the year and the timing of cash receipts and
14 expenditures across any particular month, we believe **_____** is the
15 minimum liquidity necessary to have sufficient cash for uninterrupted operations.
16 Keep in mind that because of the definition of total liquidity (cash on hand, plus
17 available borrowings), at **_____**, it is more than likely we will have a
18 negative cash balance. Said another way, at that liquidity level, we are
19 borrowing on the revolver to meet our daily obligations such as Ameren's utility
20 bill, raw materials, and payroll.

1 Q EARLIER YOU DESCRIBED NORANDA AS AN ENERGY-INTENSIVE
2 BUSINESS. PLEASE EXPLAIN WHAT THAT MEANS, AND HOW
3 ELECTRICITY RATES FACTOR INTO YOUR EVALUATION OF THE
4 SMELTER'S VIABILITY?

5 A The price of power is the primary determining factor that differentiates between a
6 smelter that is viable and one that is not.

7
8 The viability of an aluminum smelter is largely dictated by its cost to produce
9 aluminum. Electricity is our leading single cost, representing approximately one-
10 third of the Smelter's cost to produce. If a smelter's cost of electricity is
11 uncompetitive, that is, if its cost of electricity is significantly higher than the cost
12 to other smelters, the Smelter will have a relatively disadvantaged cost position.
13 This disadvantaged cost position places the smelter at risk of not being able to
14 weather the inevitable troughs in the aluminum pricing cycle.

15
16 The Smelter uses approximately 4.2 million MegaWatt Hours of electricity per
17 year. That's 480 MW of power, 24 hours per day, 7 days per week, 52 weeks
18 per year, with a 98% load factor. Every \$1 per MWh change in Ameren's
19 electricity rate represents a \$4.2 million annual change in the pre-tax cash flow of
20 the Smelter.

21

1 Q YOU ALSO DESCRIBED NORANDA AS A CAPITAL-INTENSIVE BUSINESS.
 2 PLEASE EXPLAIN WHAT THAT MEANS, AND HOW CAPITAL SPENDING
 3 FACTORS INTO YOUR EVALUATION OF THE SMELTER'S VIABILITY.

4 A On a companywide basis, Noranda expects capital spending on average at
 5 approximately ** _____**.

6

Type of Capital	Expected Range
Sustaining capital—the investment required to support each business’s daily operations	\$70 to \$75 million
Growth capital—the investment to implement productivity and improvements and to support Noranda’s existing customers and maintain Noranda’s existing competitive position.	\$20 to \$25 million
Total Capital Spending	\$90 to \$100 million

7

8 The table above is consistent with our total expected spending in 2014, although
 9 in 2014 we have spent more on growth capital because of the rod mill, and less
 10 on sustaining capital because of the need to keep our total spending at the \$100
 11 million level, which we believe is an appropriate and affordable level for our
 12 operating assets. Our spending in years prior to 2014 has often been lower than
 13 the \$100 million total because we haven’t invested in growth projects, although
 14 the sustaining capital amounts have generally been consistent with these levels.

15 ** _____
 16 _____
 17 _____**.

1 The Smelter requires the largest portion of Noranda's sustaining capital budget,
2 and that trend is expected to continue. When we further consider that the
3 Alumina and Bauxite businesses exist to support the Smelter, it's clear that
4 Primary Aluminum production accounts for the substantial portion of the
5 Company's sustaining capital needs.

6
7 **
8 _____
9 _____
10 _____
11 _____ **.

12
13 **Q PLEASE EXPLAIN HOW ALUMINUM PRICES, EITHER CURRENT OR**
14 **PROJECTED, FACTOR INTO YOUR EVALUATION OF THE SMELTER'S**
15 **VIABILITY.**

16 **A** Primary Aluminum prices are established on global exchanges such as the
17 London Metal Exchange ("LME") and are certainly a critical element of any
18 Primary Aluminum producer's economics. But because the price is the same for
19 all producers, it is the cost of production, not the price of aluminum, that
20 differentiates smelters that have viable cost structures and ones that do not.

21
22 Because the product is largely undifferentiated and its price is outside of
23 Noranda's control, the Smelter's viability is driven by the competitiveness of its

1 production cost. As I've noted elsewhere, electricity is the largest single
2 component of production cost. And it is the cost of electricity that ultimately
3 determines the Smelter's long term viability and survival.

4
5 To determine where our cost structure, and specifically the cost of electricity,
6 must be to sustain the smelter through the LME aluminum price cycle, we must
7 not only have a view of long-term aluminum price trends, but also understand the
8 downside volatility within those trends. If I may use an analogy, a person can
9 drown in a lake having an average depth of 3 feet if he gets into trouble in the
10 portion of the lake that is 20 feet deep. Our job is to make sure we have the cost
11 structure to survive the 20 foot drop and find our way across the lake.

12
13 In the discussion of the models I've prepared (see Exhibits A1-A3), you'll see
14 how, consistent with expert testimony from Colin Pratt, we've approached
15 estimating the long-term average price over the Forecast Period. You'll also see
16 how we've approached modeling the volatility—the peaks and troughs—within
17 that Forecast Period by using historical periods and performing additional
18 sensitivity analysis.

19
20 **Q WHY IS IT IN THE PUBLIC INTEREST FOR THE SMELTER TO REMAIN**
21 **VIABLE?**

22 **A** First, the decision in this case is important to Ameren's other ratepayers. If the
23 Smelter is forced to close, the energy sold to the Smelter will be sold to other

1 customers on the grid at prices below what Noranda is now paying and,
2 importantly, at prices below the Rate Structure that Noranda is proposing in this
3 case. Please see the testimony of Maurice Brubaker and James Dauphinais in
4 that regard.

5
6 Second, as explained in the testimony of Dr. Joseph Haslag, the decision in this
7 case is also important to the economy of Missouri and to the local economy
8 because of the importance of the Smelter to those economies. The Smelter has
9 been an integral part of the economic landscape of Southeast Missouri for more
10 than 40 years.

11
12 The Smelter is the largest direct and indirect manufacturing employer in
13 Southeast Missouri. Hundreds of Southeast Missouri families would be placed in
14 financial peril if the Smelter is forced to shut its doors. Millions of dollars flow into
15 the homes and businesses of Southeast Missourians as a result of the revenues
16 from Noranda products, which are sold mostly outside of the state.

17
18 The Smelter's economic benefit to the state of Missouri is estimated to be well in
19 excess of \$350 million annually. Moreover, the Smelter provides hundreds of
20 skilled jobs that pay good, stable wages and provides its employees medical and
21 retirement benefits. The Smelter's 2013 annual payroll was \$95 million. In
22 addition, the Smelter pays a large share of the total taxes collected in New
23 Madrid County and of the taxes paid for the New Madrid County R-1 Schools.

1 Taxes paid by the Smelter help keep the school systems viable and help to
2 maintain the infrastructure and needed government institutions in Southeast
3 Missouri.

4
5 It is vital to our employees, to their families, to the community, to the merchants
6 that our employees frequent, to our vendors (including Ameren), and to their
7 families, that the Smelter remain viable. Noranda's proposed rate would allow
8 the Smelter to stay in business for the near term, ensure the continuing viability
9 of the Smelter and sustain its numerous benefits to the community and the state
10 of Missouri.

11
12 **Q HAVE YOU PREPARED EXHIBITS WHICH ILLUSTRATE THE SMELTER'S**
13 **VIABILITY UNDER THE CURRENT AMEREN POWER RATE? IF SO,**
14 **PLEASE DESCRIBE THE EXHIBITS AND EXPLAIN THE CONCLUSIONS THE**
15 **EXHIBITS SUPPORT.**

16 **A** Yes. Exhibits A1-A3 project the operating results, financial position and cash
17 flows of Noranda as an enterprise from 2015 to 2021, which is consistent with the
18 seven year term of the Proposed Rate Structure. These exhibits are prepared
19 assuming the current Ameren rate structure remains in place over the seven year
20 period, and that Ameren's rates continue to increase in a pattern consistent with
21 recent history, which is at a rate significantly higher than general inflation.

1 **Aluminum Price Assumptions**

2 We know from history that the price of aluminum is volatile. History also tells us
3 that rates are below their cycle average more often and for longer periods of time
4 than they are significantly higher. (Colin Pratt's testimony explains the reasons
5 for this.) Therefore, the risk is that the Smelter is unable to survive the low
6 periods of this volatility without an affordable power rate.

7
8 Capturing this volatility in a forecast is difficult because generally available
9 aluminum price forecasting mechanisms—including the LME forward curve and
10 CRU—project a smooth upwardly sloping price curve without any appreciable
11 volatility included in the projection. In our previous testimony to the Public
12 Service Commission, we have captured this trough risk by using more
13 conservative price curves such as the LME curve. This approach is limited, of
14 course because it does not capture volatility, and it places too much reliance on a
15 particular timing pattern.

16
17 For 2015, we have used the price forecast from CRU, which is not significantly
18 different from the LME forward curve. To forecast prices beyond 2015, where
19 volatility is more of an issue, we have taken a three-step approach to estimating
20 a volatility-adjusted aluminum price. Also, we have included multiple sensitivity
21 scenarios (Exhibits A1-A3) to reflect the variability inherent in predicting volatility.
22 In all sensitivity scenarios the results are the same – the Smelter is not viable
23 and cannot survive without an affordable power rate.

1 Step #1—Determine a Forecasted Average Price in Real Terms

2 History tells us that the aluminum pricing cycle follows the general
3 business cycle, which is commonly accepted to be approximately 10 years
4 in length.

5
6 We have assumed that for the ten year period that begins in 2016, the
7 average real price (e.g., adjusted for inflation) will be approximately ** __**
8 per pound. This amount comes from research performed by CRU in the
9 normal course of their business and used in published, copyrighted,
10 subscription-based materials.

11
12 Step #2—Determine observed annual variations from the average price in
13 real terms over previous ten-year periods and apply those annual
14 variations in sequence to the forecasted average price determined in Step
15 #1

16 For our models, we have utilized three different ten-year periods—periods
17 starting in 1998, starting in 1999, and starting in 2000. We selected these
18 periods because they are representative of average conditions, and
19 avoided assuming either near term occurrence of unusually positive or
20 negative events like the commodities boom of 2006, 2007, and 2008, or
21 the Global Financial Crisis of 2009.

1 By using the ten year period beginning in 1999 for example, to determine
2 projected price for 2016, we applied the variation of 1999 to the real ten
3 year average (16% below average) to the ** ____** per pound long-term
4 average, to determine a projected real price (in 2013 dollars) of ** ____**.
5 We repeated this step, applying the variation for 2000 as a basis for
6 forecasting the average price for 2017.

7
8 Step #3—Convert the real price for each year as calculated in Step #2 to a
9 nominal amount per year using an expected inflation rate

10 For this purpose, we assumed a long-term inflation average of ** ____**,
11 which is consistent with the long-term inflation rate used by CRU in its
12 research as described above.

13
14 (Note that for each Exhibit A1, A2, and A3, the “Nominal Price Calculator”
15 used to perform this work is included.)
16

17 **Other Key Assumptions**

18 Our models assume we will be able to renew our ABL when it expires in
19 February 2017 and that we are able to do so at the current structure. Similarly,
20 the models assume we will be able to refinance our term loan and senior fixed
21 rate before they are due February 2019.
22

1 Our models also assume capital spending totaling **_____** per year as
2 described above.

3

4 **Model Conclusion**

5 ** _____
6 _____
7 _____ ** .

8

9 ** _____
10 _____
11 _____ ** .

12

13 Quite simply, the Model, as demonstrated in Exhibits A1-A3, confirms what we
14 have said in many of our testimonies in this case. In the absence of the
15 Proposed Rate Structure, the Smelter is not viable.

16

17 **Q PLEASE DEFINE WHAT YOU MEAN WHEN YOU SAY “A SUSTAINABLE**
18 **POWER RATE.”**

19 **A** A sustainable power rate is one that provides a total production cost, including a
20 necessary level of capital investment, that can be covered by aluminum prices
21 across the aluminum pricing cycle. There are three elements to a sustainable
22 power rate:

23

- 1 1. The first element is the price of power at the beginning of the aluminum
2 pricing cycle.
- 3 2. The second element is the stability of the pricing structure. As noted in
4 the testimony of Colin Pratt, on an inflation adjusted basis, aluminum
5 prices have shown a slight decline historically and are expected to remain
6 flat at best over the long-term. Therefore, any rate structure that is
7 expected to increase over time at greater than the rate of inflation is not
8 sustainable.
- 9 3. The third element is the term that the power rate is in effect. As noted
10 previously, Primary Aluminum production is capital intensive, requiring
11 significant investments in long-lived assets. Accordingly, the financing of
12 such investments requires a long-term horizon, making a short-term power
13 contract unsustainable.

14 It is a well-established competitive practice within the U.S. aluminum
15 industry for power contracts to be long-term in nature. Power contracts in
16 the U.S. range from a few years to thirty years. Currently five of the
17 remaining eight smelters that purchase their power have power contracts
18 of ten years or longer. In this regard, please see the testimony of Henry
19 Fayne.

20 Noranda needs a contract term of seven years to be competitive and to
21 provide the stability to plan and attract investment.

1 **Q HAVE YOU PREPARED EXHIBITS WHICH ILLUSTRATE THE SMELTER'S**
2 **VIABILITY UNDER THE PROPOSED RATE STRUCTURE? IF SO, PLEASE**
3 **DESCRIBE THE EXHIBITS AND EXPLAIN THE CONCLUSIONS THAT THE**
4 **EXHIBITS SUPPORT.**

5 A Yes.

6 Exhibits B1-B3 correspond to Exhibits A1-A3 and adjust the Smelter's power rate
7 to reflect the Proposed Rate Structure. These Exhibits demonstrate that if
8 Noranda receives the requested power rate (\$32.50 plus a 1% annual escalator
9 for a term of seven years), we believe the Smelter would be viable.

10

11 **Q PLEASE EXPLAIN HOW NORANDA'S POWER RATE COMPARES WITHIN**
12 **THE U.S. ALUMINUM INDUSTRY AND WHY THAT IS RELEVANT.**

13 A The competitive landscape for electricity provided to aluminum smelters in the
14 U.S. has, and is, changing dramatically. As discussed in the testimony of
15 Noranda witness Henry Fayne, we expect that in 2015 Noranda's power rate, if
16 not lowered by this Commission, will be the second highest among the eight
17 remaining U.S. smelters that buy their power.

18

19 The relevance of this factor stems from the need to attract investment. Credit
20 and equity investors look to the current and expected cost structure of an
21 aluminum smelter in evaluating the likelihood they will earn a return on their
22 investment. If a smelter's cost of electricity is uncompetitive, that is, if its cost of
23 electricity is significantly higher than the cost to other smelters, the Smelter is

1 less likely to be able to provide a return to credit and equity investors. Please
2 see testimonies of Thomas Harris and Dr. Steven Schwartz on this topic.

3
4 **Q PLEASE DEFINE WHAT YOU CONSIDER A “SUBSTANTIAL LIKELIHOOD**
5 **OF IMMINENT CLOSURE.”**

6 A We cannot predict a specific time period for closure, but closure is inevitable in
7 the absence of a sustainable power rate. This is because at some point in the
8 aluminum pricing cycle, the Smelter is likely to exhaust its available cash
9 resources and will not be able to attract new investment.

10
11 This point is illustrated in Exhibits A1-A3.

12
13 **Q WHY DOES THE SMELTER NEED A RATE REDUCTION AT THIS TIME?**

14 A There are a number of reasons. They stem from the points I made earlier about
15 viability.

- 16 • Given the volatility of aluminum prices, without a sustainable power rate,
17 the Smelter will ultimately not be able to generate positive cash flow after
18 meeting day-to-day operating expenses, including the Smelter's electricity
19 bill.
- 20 • Because of the inability to generate positive cash flow, without a
21 sustainable power rate, there is substantial risk that we will be unable to
22 refinance our debt.

- 1 • Because of the inability to generate positive cash flow and to refinance our
2 debt, without a sustainable power rate, we will exhaust our existing
3 sources of cash and our available borrowings, if any.

4
5 ** _____
6 _____
7 _____
8 _____
9 _____
10 _____
11 _____
12 _____
13 _____
14 _____

15 _____ ** .

16
17 Noranda’s revolving asset based loan facility (“ABL”) is Noranda’s line of credit,
18 which works like a “credit card” in that the line allows Noranda to continue to fund
19 its business operations when its cash runs out. The ABL line of credit represents
20 a substantial portion of Noranda’s current and projected liquidity. The ABL line of
21 credit expires in February 2017 and must be renewed or replaced before that
22 time. If Noranda is unable to renew the ABL, or is only able to renew a portion of
23 the ABL, Noranda’s liquidity will immediately decline and the viability of the

1 Company will be immediately threatened and compromised. Although ABL
2 lenders rely heavily on the ability to liquidate collateral to cover a loan, based on
3 the testimonies of the financial experts and our advisors, many ABL lenders are
4 unwilling to refinance a facility, whether in the same size, on the same terms, or
5 at all, when they perceive a meaningful risk of default and a lack of viability of the
6 business.

7
8 Although the ABL is collateralized by certain liquid assets of the Company,
9 particularly receivables and inventory, a substantial portion of those assets are
10 associated with Primary Aluminum production. Further, there is substantial risk
11 that Noranda will be unable to find lenders willing to participate in any lending
12 arrangement secured by assets of a business whose viability is questionable. If
13 we are able to replace the ABL in a distressed environment, it is highly likely the
14 terms will be much more restrictive, including performance covenants which
15 could put the availability at risk, and at a higher cost.

16
17 Although the ABL doesn't expire until early 2017, Noranda will begin the process
18 of replacing the ABL facility at the beginning of 2016.

19
20 Moving beyond the near-term maturity of the ABL, Noranda has a large amount
21 of debt that comes due in 2019. Assuming that Noranda is viable and able to
22 refinance the ABL, we would expect to begin the work to replace the Company's
23 remaining debt in early 2018, with lenders and investors using their analysis not

1 only on Noranda's projected cash flow, but also on Noranda's actual historical
2 operating results produced in the years ended 2015-2017 and Noranda's
3 financial position at the end of 2017.

4
5 Because historical results factor heavily into lenders' and investors' decisions to
6 lend to Noranda and invest in Noranda's debt, it is critical that, when Noranda
7 undertakes the large refinancing effort in 2018, the Company has a viable power
8 rate for the Smelter and produces better cash flows during the 2015-2017 period,
9 as well as the forecasted 3-5 year period in the lenders' and investors' models.
10 The importance of historical results to lenders and debt investors can be seen
11 clearly in the analysis of the rating agencies, Moody's and Standard & Poors, in
12 their most recent downgrades of Noranda's credit rating to a "highly speculative"
13 grade of risk. Without significant rate relief now, Noranda's financial position is
14 unlikely to support a successful refinancing. Even if Noranda is able to refinance
15 its debt obligations, it is highly likely that the terms will be much more restrictive,
16 including performance covenants which could accelerate debt maturities, and at
17 a higher cost. Please also refer to the testimonies of Dr. Steven Schwartz and
18 Thomas Harris for a more detailed discussion of how prospective credit and
19 equity investors are likely to evaluate the financial problems facing Noranda and
20 the ramifications on the Company's ability to refinance its debt.

1 **Q WHAT HAS THE SMELTER ALREADY DONE TO ENHANCE ITS VIABILITY?**

2 A Every year, the Smelter invests the best efforts of its employees and significant
3 financial resources to reduce its costs to sustain its Missouri operations. If the
4 cost of electricity was held constant, the Smelter would now be able to make a
5 pound of aluminum more efficiently and for less cost than in 2008. However,
6 since 2008, our annual cost of electricity has gone up approximately \$42 million,
7 wiping out all of our other net savings combined.

8
9 The Smelter, and in fact the entire Noranda enterprise, has taken and continues
10 to take actions to reduce every operating cost and to preserve cash and our
11 financial health. Over the past two years, these actions include (i) a
12 companywide workforce reduction aimed at saving \$15 million per year, (ii)
13 accessing additional available borrowings where available, and permitted by the
14 agreements governing our senior secured credit facility and our notes, (iii)
15 suspended merit increases for salaried employees, (iv) paid half of the incentive
16 compensation payout for 2013 in company stock, and (v) recently announced the
17 suspension of the rod mill project in New Madrid. Unfortunately those efforts
18 have not been sufficient to offset the impact of power rates that have increased
19 at rates significantly higher than general inflation.

20
21
22

1 Q PLEASE COMPARE NORANDA'S EVALUATION OF ITS FINANCIAL
 2 POSITION AND LIQUIDITY TODAY TO THAT AS OF AUGUST 1, 2014, WHEN
 3 IT SUPPORTED A NON-UNANIMOUS STIPULATION AND AGREEMENT IN
 4 EC-2014-0224?

	July 31, 2014	November 30, 2014
Cash	\$ 20.6	\$ ** ____ **
Liquidity	168.4	** ____ **
Revolver balance	5.5	** ____ **
Trailing twelve month metrics:		
Free cash flow.	(55.4)	(** ____ **)
GAAP loss	(54.6)	(** ____ **)
Aluminum price (\$ per pound)	\$ 0.96	\$ 1.03
Power rate (per MWh)	\$ 42.61	\$ 42.42

5
 6 Since July 31, aluminum prices have improved slightly, by \$0.06 per pound, or
 7 about 5 percent. Although the timing of that improvement was not known, such
 8 an improvement was clearly contemplated in our previous testimony.

9
 10 **
 11 _____
 12 _____
 13 _____

14 _____ ** .

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

1. ** _____

_____ ** .

2. ** _____

_____ ** .

3. Our operating results have been negatively impacted by an unusually high concentration of failures in reduction cells, or pots, in which the electrolysis process occurs. Such failures are a normal course of business, and are a function of the average life of these pots (~ five years) and the vintage of when they were installed. The timing of this concentration was unfortunate given the improved aluminum prices, and we have devoted significant resources to address this operational issue. As part of this marshalling of resources, we have brought back employees laid off in September, deferred the completion of layoffs originally expected to occur by March 31, 2015, and brought in outside contractors.

1 **Q PLEASE RECONCILE NORANDA’S PROPOSED INITIAL \$32.50/MWh**
2 **REQUEST IN THIS CASE TO THE \$34.44/MWh NORANDA PREVIOUSLY**
3 **SUPPORTED AND THE \$30/MWh RATE NORANDA PREVIOUSLY SAID IT**
4 **REQUIRED.**

5 **A** As a general comment, as I’ve indicated above, the \$32.50/MWh rate does not
6 guarantee the Smelter’s viability. It does, however, improve the likelihood that
7 the Smelter will survive the levels of negative volatility that have been observed
8 in recent historical periods. However, we believe the \$32.50/MWh rate is
9 appropriate because it improves the likelihood that the Smelter will remain viable,
10 while also preserving the benefit that having Noranda on the Ameren system
11 provides to other consumers. See the testimony of Mr. Brubaker. Also, the
12 proposed \$32.50/MWh rate is far better than no rate relief and meaningfully
13 lessens the risk of smelter closure.

14
15 The stipulated rate of \$34.44/MWh was a rate that Noranda believed could
16 possibly work given the circumstances at that time. The level of risk of failure by
17 Noranda from the \$34.44/MWh rate is obviously higher, but the additional risk
18 was worth taking in order to avoid the risk of obtaining no relief at all, which
19 obviously was a possibility. In addition, a key provision of the stipulation was that
20 the rate would become effective much sooner than can be the case now. Having
21 this issue settled would have likely allowed us to obtain financing for the rod mill,
22 which would have preserved a significant amount of cash that we have
23 consumed since the conclusion of EC-2014-0224.

1 **Q IS YOUR VIEW THAT IT IS IN THE PUBLIC INTEREST FOR THE SMELTER**
2 **TO REMAIN VIABLE SHARED BY OTHERS WHO ARE FAMILIAR WITH THE**
3 **SMELTER'S OPERATIONS?**

4 A Yes. The importance of Noranda's continued operation of the Smelter to our
5 employees, our community and our region is recognized by many of our
6 community leaders.

7
8 Earlier this year, in Case No. EC-2014-0224, Noranda submitted testimony from
9 a Congressman, three state senators and four state representatives all of whom
10 represent districts in Southeast Missouri. All of these individuals stated in their
11 testimony that the continued operation of the Smelter is important to the people
12 of Southeast Missouri.

13
14 Noranda also submitted testimony in that case from the Executive Director of the
15 Kenny Roger's Children's Center, located in Sikeston, Missouri, and the
16 Campaign Director of the Sikeston / Bootheel Area United Way. These charities
17 receive significant support from Noranda and its employees.

18
19 The testimony of one of our employees and the District Director of the labor
20 union that represents many of our employees was also submitted by Noranda in
21 Case No. EC-2014-0224. As these individuals explained, the continued
22 operation of the Smelter is of vital importance to our employees and to our
23 community. The loss of the relatively high paying manufacturing jobs with

1 benefits provided by Noranda would be devastating to the community. These
2 jobs are unlikely to be replaced if the Smelter closes.

3
4 For the convenience of the Commission, I am attaching as appendices to this
5 testimony copies of this testimony. All of their bases for supporting Noranda
6 have not changed since that testimony was filed earlier this year.

7
8 **Q ARE OTHER WITNESSES TESTIFYING ON BEHALF OF NORANDA?**

9 **A** Yes. In addition to my testimony, Noranda is sponsoring testimony of other
10 witnesses. I have listed the other witnesses and provided a brief description of
11 their testimonies.

12
13 **Mr. Henry Fayne:** Mr. Fayne's testimony addresses the competitive
14 disadvantage Noranda faces as a result of the lower electric rates its competitors
15 have secured.

16
17 **Dr. Joseph H. Haslag:** Dr. Haslag's testimony addresses the financial impact to
18 the State of Missouri's economy and the local economy were the Noranda
19 Smelter to close.

20
21 **Mr. Maurice Brubaker:** Mr. Brubaker's testimony analyzes Ameren's rates with
22 and without the Noranda smelter as an Ameren customer. He states that all

1 Ameren consumers will ultimately benefit from keeping the Noranda Smelter in
2 operation, even at a lower electric rate.

3

4 Mr. James R. Dauphinais: Mr. Dauphinais' testimony addresses actual net
5 energy costs should the Noranda smelter close. Mr. Brubaker relies on this
6 testimony.

7

8 Mr. Colin Pratt: Mr. Pratt's testimony explains aluminum pricing and validates the
9 aluminum price assumptions shown in the financial model.

10

11 Dr. Steven Schwartz: Dr. Schwartz's testimony shows that without rate relief,
12 Noranda will be unable to obtain financing necessary to support the operations of
13 the Smelter.

14

15 Mr. Thomas Harris: Mr. Harris' testimony shows that without rate relief, Noranda
16 will be unable to obtain financing to sustain the operation of the Smelter.

17

18 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

19 **A** Yes, it does.

ALL EXHIBITS FOR
DIRECT TESTIMONY OF
DALE BOYLES
ARE
CONFIDENTIAL

Exhibit No.:
Issue:
Witness:
Type of Exhibit:
Sponsoring Party:
Case No.:
Date Testimony Prepared:

Noranda Impact
Neil Priggel
Direct Testimony
Noranda Aluminum, Inc.
EC-2014-0224
May 30, 2014

Filed
June 23, 2014
Data Center
Missouri Public
Service Commission

**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

Surrebuttal Testimony of
Neil Priggel

On behalf of
Noranda Aluminum, Inc.

May 30, 2014

Noranda Exhibit No. 18
Date 6-16-14 Reporter KF
File No. EC-2014-0224

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)	Case No. EC-2014-0224
Missouri's Large Transmission)	
Service Tariff to Decrease its)	
Rate for Electric Service)	

STATE OF MISSOURI)
)
COUNTY OF NEW MADRID) SS

Affidavit of Neil Priggel

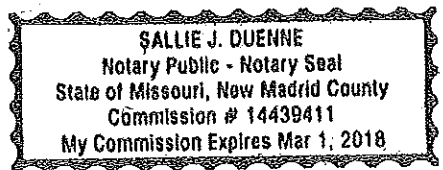
Neil Priggel, being first duly sworn, on his oath states:

1. My name is Neil Priggel. I am the Superintendent, Pot Line 3 at Noranda Aluminum, Inc., PO Box 70, St. Jude Industrial Park, New Madrid, MO 63869.
2. Attached hereto, and made a part hereof for all purposes, is my surrebuttal testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. EC-2014-0224.
3. I hereby swear and affirm that the testimony is true and correct.

Neil Priggel

NEIL PRIGGEL

Subscribed and sworn to before me this 6 day of May, 2014.



Sallie J. Duenne

Notary Public

1 But after graduating from high school in 1988, I felt that this goal was
2 unattainable due to the continued increase in farm size. I decided my best option
3 was to pursue engineering, and I obtained my degree in engineering from the
4 University of Missouri. After graduation, I returned to Southeast Missouri and
5 took a job as a Process Engineer at Noranda Aluminum.

6 **Q WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

7 A The purpose of my testimony is to address and respond to matters raised in the
8 rebuttal testimony of Mr. Chriss on behalf of Wal-Mart and Sam's Club, and the
9 rebuttal testimony of Mr. Davis and on behalf of Ameren Missouri. I will
10 explain what the New Madrid Smelter means to the economic well-being of the
11 regional economy, me and my family.

12 **Q MR. CHRISS DISCUSSES THE IMPORTANCE OF THE NEW MADRID**
13 **SMELETER TO THE LOCAL ECONOMY. WHY IS THE NEW MADRID**
14 **SMELETER SO IMPORTANT TO THIS REGION, AND WHAT EVENTS CAUSED**
15 **IT TO BECOME SO CRUCIAL TO THE ECONOMY?**

16 A To understand the importance of the New Madrid Smelter to the economy of
17 of the Bootheel region and my family, I think it is important to review our history.

18 In the late 1960s Sam Hunter, a local small town banker, realized that the
19 Southeast Missouri economy could not survive on agriculture alone. Mr. Hunter
20 understood that advancements in technology were gradually removing the need
21 for farm labor, and that some other type of occupation must be introduced if

1 Southeast Missouri was ever going to be able to improve its economy. Mr.
2 Hunter helped spear head the effort in the search for a large manufacturing
3 company to establish a facility in the Bootheel. He experienced many setbacks
4 in his endeavor, and spent many hours in prayer that somehow his vision would
5 be made a reality. Many residents of the Bootheel considered his endeavor a
6 "lost cause" that could never be achieved. In December of 1967, Noranda
7 Aluminum announced that they would establish an aluminum smelter in New
8 Madrid. In recognition of his answered prayers, the industrial park where
9 Noranda Aluminum is located is named "St. Jude Industrial Park", the patron
10 saint of "lost causes".

11 I personally feel that Noranda is the best thing that has ever happened to
12 Southeast Missouri.

13 **Q AMEREN'S WITNESS MR. DAVIS INDICATES THAT THE ECONOMIC**
14 **IMPACT OF THE NEW MADRID SMELTER IS NOT SUFFICIENT TO JUSTIFY**
15 **THE REQUESTED RATE RELIEF. WHAT IS YOUR VIEW OF THE**
16 **SMELTER'S SIGNIFICANCE?**

17 **A** Noranda is such a vital part of the Southeast Missouri area many local and state
18 citizens think that it is impossible for the plant to close. I once found myself in
19 this category, only to have my eyes opened after I graduated from college and
20 starting work at Noranda. My attitude drastically changed as I visited the
21 aluminum smelters that had been shut down in search of upgrading our cast
22 house equipment. As I visited these plants I was able to see firsthand that

1 aluminum smelters twice our size closed. I could not believe that something like
2 this could happen.

3 Since the New Madrid Smelter was built, most of the aluminum smelters in the
4 United States have shut down. Many employees of these closed smelters
5 have come to Noranda seeking jobs. As I have talked to these people, they
6 tell me that they also thought that their plant would never close, but then one
7 day they came to work and got a pink slip. These people are champions of
8 communicating to our employees that we cannot let this happen to the New
9 Madrid Smelter.

10 **Q WHAT ARE YOUR CONCERNS FOR THE NEW MADRID SMELTER'S**
11 **FUTURE, AND WHAT WILL BE THE IMPACT ON YOU AND YOUR FAMILY IF**
12 **IT CLOSES?**

13 **A** Despite our hard work to cut costs, innovate and make the New Madrid Smelter
14 more efficient, we have not been able to ensure that the that the smelter will be
15 here as a good place for my kids to work.

16 I currently have a son in high school who is interested in pursuing a mechanical
17 engineering degree from the University of Missouri and he would like to return to
18 Southeast Missouri to work as an engineer in our new rod mill. I would like to
19 see him make this career choice, but I am concerned for the New Madrid
20 Smelter's future.

1 I have discussed this situation with my father who has been a resident of
2 Portageville for 78 years. In our discussion we contemplated how the Southeast
3 Missouri area would survive the closure of the plant and what would life be like.
4 The removal of 900 jobs and a payroll of \$95 million would be devastating to the
5 local economy. We also discussed how the local farm economy could not
6 support this workforce reduction. Most of the land in Southeast Missouri is
7 owned by "absentee" landowners. Farming can't provide the income that the
8 New Madrid Smelter provides.

9 As we finished our conversation he made a profound statement that has kept me
10 awake many nights. He stated "Son – make sure that my grandkids get a good
11 college degree. If that plant closes, Southeast Missouri will not be a good place
12 to raise a family." It brings me great concern that a man whose family has been
13 deeply rooted in Southeast Missouri for over 100 years is concerned that it may
14 not be an acceptable place to raise a family in the future if the smelter should
15 close.

16 I would like to close with a request that you consider the impact on the New
17 Madrid Smelter's employees and their families when making your decision. The
18 New Madrid Smelter is not a "lost cause" and can continue to be a viable
19 manufacturing facility providing good jobs to the area.

20 I will pray to St. Jude that he may give the Public Service Commission guidance
21 to make a wise decision and give the citizens of Southeast Missouri hope.

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-2014-01__

STATE OF MISSOURI)

COUNTY OF Cole)

SS

Affidavit of Senator Doug Libla

Senator Doug Libla, being first duly sworn, on his oath states:

1. My name is Doug Libla. I am a Member of the Missouri Senate representing the 25th District. My address is 5287 Hwy 67 North, Poplar Bluff, MO 63901.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. _____.
3. I hereby swear and affirm that the testimony is true and correct.

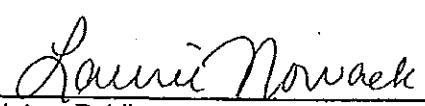


Doug Libla

Subscribed and sworn to before me this 2nd day of December, 2013.



LAURIE NOWACK
My Commission Expires
January 28, 2017
Cole County
Commission #13859152



Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A Doug Libla, 5287 Hwy 67N Poplar Bluff, Missouri 63901.

3

4 Q WHAT ELECTED POSITION DO YOU HOLD?

5 A I am a member of the Missouri Senate, and I represent the 25th District.

6

7 Q HOW LONG HAVE YOU BEEN A MISSOURI STATE SENATOR?

8 A I was first elected to the Missouri Senate in 2012.

9

10 Q WHERE IS THE 25th DISTRICT?

11 A My district includes eight (8) counties in Southeast Missouri.

12

13 Q DOES NORANDA ALUMINUM, INC. OPERATE A PLANT IN YOUR
14 DISTRICT?

15 A Yes, Noranda operates an aluminum smelter in New Madrid County, which is a
16 part of the district I represent in the Missouri Senate.

17

18 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

19 A To provide information concerning the impact of the Noranda smelter on my
20 constituents in Southeast Missouri.

21

22 Q ARE YOU FAMILIAR WITH THE OPERATIONS AT THE NORANDA PLANT IN
23 SOUTHEAST MISSOURI?

24 A Yes. I am familiar with the operations at the Noranda plant. The employees of
25 the plant live throughout Southeast Missouri. I have known employees of the

1 plant over the many years the plant has been in operation. These jobs have
2 transcended several generations of my constituents with good paying family
3 sustaining jobs.

4 **Q DO YOU HAVE ANY COMMENTS THAT YOU WOULD YOU LIKE TO SHARE**
5 **WITH THE MEMBERS OF THE PUBLIC SERVICE COMMISSION**
6 **REGARDING THE ECONOMIC IMPACT OF NORANDA'S OPERATIONS IN**
7 **SOUTHEAST MISSOURI?**

8 A Noranda employs 970 people, and its operations have a major impact on the
9 economy of Southeast Missouri. Noranda's employees are some of Southeast
10 Missouri's leading citizens, and enjoy a high rate of pay and benefits. This
11 enables them to make a positive impact on the communities where they live—
12 both economically, and as leaders contributing to the overall quality of life.
13 Noranda also provides almost 18 percent of the property taxes paid in New
14 Madrid County and just over 28 percent of the taxes paid for the New Madrid
15 County Central R-1 School District, so not only do they provide excellent paying
16 jobs, but the company also shoulders a large part of the tax burden in New
17 Madrid County which provides a benefit to everyone who lives there. Noranda is
18 very important to our region, and it is important that the company remain
19 profitable and continue to operate.

20

21 **Q HOW HAVE NORANDA'S CONTRIBUTIONS TO THE TAX BASE IN NEW**
22 **MADRID COUNTY BENEFITED THE COMMUNITY?**

23 A The property taxes paid by Noranda make a big impact. Because of these taxes,
24 we have an excellent public school district in New Madrid County, with some of
25 the best facilities and educators in the state. The quality of our schools has a far

1 reaching impact on our citizens and their ability to prepare for jobs and contribute
2 to society.

3
4 **Q HAVE YOU BEEN INVOLVED IN ECONOMIC DEVELOPMENT IN YOUR**
5 **ROLE AS A STATE SENATOR?**

6 Yes. I have worked on legislation designed to foster economic development. I
7 also have experience working with economic development professionals. I have
8 learned through these experiences that attracting manufacturing jobs to the state
9 of Missouri is challenging. Advances in technology have eliminated many
10 manufacturing jobs, and many manufacturers have moved their operations
11 overseas. Job creation and retaining the jobs are both essential to the quality of
12 life in Southeast Missouri. If the Noranda smelter were to close, it would be very
13 difficult to replace the lost jobs with similar high paying jobs. Losing these jobs
14 would have an huge impact on this region, and would be felt statewide.

15
16 **Q HOW IMPORTANT ARE MANUFACTURING JOBS SUCH AS THOSE THAT**
17 **EXIST AT THE NORANDA PLANT TO THE ECONOMY OF SOUTHEAST**
18 **MISSOURI?**

19 **A** Compared to the other jobs available in our area, Noranda's jobs are better
20 paying and provide more benefits. This is generally true of manufacturing jobs.
21 Manufacturing also contributes to job growth in related industries; those that
22 supply products and services needed for production. Over the past 20 years or
23 so, it has become increasingly difficult to attract and keep manufacturers in our
24 area. The jobs at Noranda are extremely important to the economy of Southeast
25 Missouri.

1

2 **Q ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE?**

3 A The 25th Senate District of Missouri faces a number of economic challenges, with
4 job creation and retention being at the top of the list. Being a part of the 8th
5 Congressional District we are currently the 11th poorest district in the United
6 States. New Madrid County and three other Southeast Missouri counties in my
7 district are consistently the poorest in Missouri. When I look out over our
8 community, and consider which companies are making an impact, Noranda
9 definitely stands out. Noranda contributes over 900 good paying jobs with health
10 benefits, including retirement plans. Noranda pumps millions of dollars into the
11 regional economy. Noranda's continued operations and profitability are of utmost
12 importance to all of the people of Southeast Missouri.

13

14 **Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

15 A Yes, it does. Thank you for the privilege of providing my views on this issue.

16

Exhibit No.:
Witness: Emil Ramirez
Type of Exhibit: Direct Testimony
Issue: Noranda Economic Impact
Sponsoring Party: Noranda Aluminum, Inc.
Case No.: EC-2014-_____

Filed
June 23, 2014
Data Center
Missouri Public
Service Commission

**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-_____

Direct Testimony of Emil Ramirez

On behalf of

Noranda Aluminum, Inc.

December 17, 2013

Noranda Exhibit No. 20
Date 6-16-14 Reporter KF
File No. EC-2014-0224

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of)
)
)
)
)

Case No. EC _____

STATE OF MISSOURI)

) SS

JACKSON COUNTY)

Affidavit of Emil Ramirez

Emil Ramirez being first duly sworn, on his oath states:

1. My name is Emil Ramirez. I am a Member of, and employed by, the United Steel Paper and Forestry Rubber Manufacturing, Energy, Allied Industrial and Service Workers International Union ("Union"). I am currently assistant to the Director of District 11 of the Union. Effective March 1, 2014 I will become the District Director, having been elected to this position in November 2013. My address is 3675 S. Noland Road, Suite 310, Independence, Missouri 64055.

2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. _____.

3. I hereby swear and affirm that the testimony is true and correct.

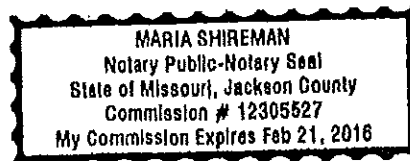
Emil Ramirez

Emil Ramirez

Subscribed and sworn to before me this 17th day of December, 2013.

Maria Shireman

Notary Public



1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A Independence, Missouri.

3

4 Q BY WHOM ARE YOU EMPLOYED AND WHAT POSITION DO YOU HOLD?

5 A The United Steelworkers Union. I am currently serving as assistant to the Director,
6 District 11 of the Union. Effective March 1, 2014, I will take over as District 11 Director,
7 having been elected to this position in November 2013.

8

9 Q PLEASE DESCRIBE YOUR EMPLOYMENT HISTORY AND YOUR INVOLVEMENT
10 WITH THE UNITED STEELWORKERS UNION.

11 A I have been a member of the Union since 1986 and have held numerous positions of
12 responsibility with the Union, including local union president and sub-district director. As
13 District Director, I have the responsibility of overseeing in excess of one hundred labor
14 agreements, covering 34,000 members in a nine state area. Having spent greater than
15 15 years in Missouri in District 11, I am very familiar with the Noranda operations and its
16 importance to our membership and to the Union.

17

18 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

19 A My testimony will explain the importance of the Union jobs at the Noranda smelter in
20 New Madrid County.

21

22 Q HOW MANY EMPLOYEES OF THE NEW MADRID SMELTER ARE REPRESENTED
23 BY THE UNION AND WHAT KIND OF JOBS DO THEY PERFORM?

24 A Noranda employs 800 individuals who are represented by the Union's Local 7686 at the
25 Company's New Madrid smelter. The jobs performed by Union employees at the New
26 Madrid smelter include the manufacture of primary aluminum products. The smelter
27 produces approximately 263,000 metric tons of primary aluminum annually, at full

1 capacity, accounting for approximately 15% of total 2009 United States primary
2 aluminum production. The smelter, which is located near the midpoint of the Mississippi
3 River, also includes a fabrication facility that converts molten aluminum into value added
4 products such as rod, extrusion billet and foundry ingot.

5
6 **Q WHY ARE THESE JOBS IMPORTANT?**

7 A The jobs we hold at the smelter are manufacturing jobs, and are the kind of jobs that are
8 becoming harder and harder to find in this country. This is because the United States is
9 losing manufacturing jobs to other countries. This is especially true with respect to the
10 manufacturing of primary aluminum (smelting). Due to the contract negotiated by our
11 Union, our members receive a level of pay and benefits that most non-union workers in
12 Southeast Missouri do not enjoy.

13
14 **Q WHAT KIND OF MANUFACTURING JOBS DOES THE NEW MADRID SMELTER
15 PROVIDE?**

16 The manufacturing jobs at the New Madrid smelter are stable and relatively high paying
17 jobs. Unlike some plants, that frequently shut down for various reasons, the smelter
18 operates 24 hours a day, seven days a week and 365 days a year. The smelter is in
19 continuous production, which provides steady employment for the Union workers
20 employed there.

21
22 **Q WHEN YOU SAY "RELATIVELY HIGH PAYING" WHAT DO YOU MEAN?**

23 A The jobs at the Noranda plant pay better and provide greater benefits than other jobs
24 that are generally available in Southeast Missouri and many other areas in District 11.
25 The contract that the Union has negotiated with Noranda provides for standard hourly
26 wage rates that range from \$20.85 to \$25.91 per hour. This is considerably greater than
27 the average wage in Southeast Missouri which is currently around \$17.48 per hour

1 based on the 2012 Missouri Economic Research and Information Center Survey. The
2 Union has also negotiated a competitive benefits package that includes excellent health
3 insurance, and both a defined benefit plan and defined contribution plan.

4

5 **Q WHAT KIND OF HEALTH INSURANCE BENEFITS DO THE UNION EMPLOYEES OF**
6 **NORANDA RECEIVE?**

7 A Members have the option of including their whole family on a plan. The members'
8 percentage contribution of the PPO medical rate is 10% of the total premium costs. The
9 employee's percentage contribution of the HSP rates are 6% of the premium.

10

11 **Q WHAT KIND OF RETIREMENT BENEFITS DO YOUR MEMBERS EMPLOYED BY**
12 **NORANDA RECEIVE?**

13 A As noted above, the retirement benefits include both a 401k plan and a defined benefit
14 pension plan.

15

16 **Q WHAT OTHER BENEFITS ARE PROVIDED TO THE UNION EMPLOYEES OF**
17 **NORANDA?**

18 A The labor contract provides for paid vacation time, beginning with 2 weeks per year for
19 employees who have worked between 1 and 5 years, up to 5 weeks of paid vacation for
20 workers who have been employed 20 years or more. Members are also eligible to
21 receive pay for 10 holidays. The contract also includes "Variable Compensation" which
22 rewards our members with extra pay based on the company's performance.

23

24 **Q WHAT ROLE DO THE WORKERS REPRESENTED BY THE UNITED**
25 **STEELWORKERS LOCAL 7686 PLAY IN THE COMMUNITY?**

26 A The Union plays an important role in our community. For example, our members
27 support local charities like the Kenny Rogers Center in Sikeston, Missouri. Local 7686

1 has been one of the top donors to the center for years. The Kenny Rogers Center
2 serves over 300 children in Southeast Missouri with therapy services at no cost to the
3 parents. Our members also contribute to the local United Way Campaign each year.
4 Without our jobs, the local economy would suffer. Our members live in this area, own
5 homes, pay taxes, shop at local stores, and support the local schools. The stable, high
6 paying jobs at the New Madrid smelter attract people to this area and allow our members
7 to remain there and provide for their families.

8

9 **Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

10 **A** Yes, it does. Thank you for giving me the opportunity to present this information.

11

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-2014-01__

STATE OF MISSOURI)

COUNTY OF Cole)

SS

Affidavit of Gary Romine

I, Gary Romine, being first duly sworn, on my oath state:

1. My name is Gary Romine. I am a Member of the Missouri Senate representing the 3rd District. My office address is 322 E. Karsch Blvd., Farmington, MO 63640.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. _____.
3. I hereby swear and affirm that the testimony is true and correct.

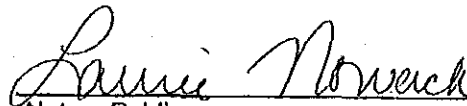


Gary Romine

Subscribed and sworn to before me this 2nd day of December, 2013.



LAURIE NOWACK
My Commission Expires
January 26, 2017
Cole County
Commission # 13659152



Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A A. Gary Romine, 322 E. Karsch Blvd., Farmington, MO 63640.

3

4 Q WHAT ELECTED POSITION DO YOU HOLD?

5 A I am a member of the Missouri Senate, and I represent the 3rd District.

6

7 Q WHERE IS THE 3rd DISTRICT?

8 A The 3rd District includes St. Francois, Ste. Genevieve, Iron, Washington,
9 Reynolds, and part of Jefferson County.

10

11 Q DOES NORANDA ALUMINUM, INC. OPERATE A PLANT IN YOUR
12 DISTRICT?

13 A While Noranda's aluminum smelter does not operate within my Senate district,
14 the plant employs several of my constituents and is an economic staple for
15 Southeast Missouri.

16

17 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

18 A To provide information and insight on the importance of the Noranda smelter to
19 my constituents and the people of Southeast Missouri.

20

21 Q ARE YOU FAMILIAR WITH THE OPERATIONS AT THE NORANDA PLANT IN
22 SOUTHEAST MISSOURI?

23 A Yes. I have a strong familiarity with the operations at the Noranda plant. Being
24 from the Southeast Missouri area, many of the hardworking plant employees are
25 people I call family and friends.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Q DO YOU HAVE ANY COMMENTS THAT YOU WOULD YOU LIKE TO SHARE WITH THE MEMBERS OF THE PUBLIC SERVICE COMMISSION REGARDING THE ECONOMIC IMPACT OF NORANDA'S OPERATIONS IN SOUTHEAST MISSOURI?

A With nearly 1,000 high quality jobs, Noranda offers the citizens of Southeast Missouri an exceptional opportunity to enjoy a high rate of pay and substantial benefits. These employees in turn serve as leading citizens for their communities and help foster economic development in the area.

Q HOW HAVE NORANDA'S CONTRIBUTIONS TO THE TAX BASE IN NEW MADRID COUNTY BENEFITED THE COMMUNITY?

A As I previously stated, Noranda is an economic staple, not only as a gainful employer, but as a community benefactor as well. Noranda levitates a considerable amount of tax burden from the citizens of the area, accounting for 18 percent of property taxes paid in New Madrid County and just over 28 percent of the taxes paid for the New Madrid County R-1 School District. Moreover, as a former teacher and a now small business owner, I know that an educated work force is key to a strong future work force. The property taxes paid by Noranda has transformed New Madrid County schools into a strong district consisting of excellent facilities and top tier educators with the ability to adequately prepare our next workforce generation.

1 Q **BASED ON YOUR EXPERIENCE WITH ECONOMIC DEVELOPMENT ISSUES,**
2 **HOW WOULD YOU DESCRIBE THE IMPORTANCE OF MANUFACTURING**
3 **JOBS SUCH AS THOSE THAT EXIST AT THE NORANDA PLANT?**

4 A I understand the difficulty of attracting jobs to our area. Not only are we
5 competing on a regional and national level, we are also competing on a global
6 level. Job creation and retention has become a rare circumstance, which is why
7 Noranda assumes a leading in role in the quality of life for Southeast Missouri
8 citizens. Noranda's leadership as an economic catalyst in this area will help
9 rebuild Missouri's economy by attracting investment and spawning growth in
10 related businesses.

11
12 Q **ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE?**

13 A Noranda is more than just an employer, it is an economic catalyst and the
14 lifeblood of the region, generating millions of dollars for some of the poorest
15 counties in the state and fostering growth in other industries their product
16 supplies. The absence of Noranda's nearly 1,000 jobs is certain to have a ripple
17 effect on the livelihoods of countless Missourians employed in a variety of
18 industries throughout the state – an outcome I am confident neither the members
19 of the Public Service Commission nor my constituents would want.

20
21 Q **DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

22 A Yes.

23

Exhibit No.:
Witness: Glenna Shy
Type of Exhibit: Direct Testimony
Issue: Noranda Economic Impact
Sponsoring Party: Noranda Aluminum, Inc.
Case No.: EC-2014-_____

Filed
June 23, 2014
Data Center
Missouri Public
Service Commission

**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-_____

Direct Testimony of Glenna Shy

On behalf of

Noranda Aluminum, Inc.

January 8, 2014

Noranda Exhibit No. 22
Date 6-16-14 Reporter KF
File No. EC-2014-0224

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-2014-01

STATE OF MISSOURI

COUNTY OF Scott

SH

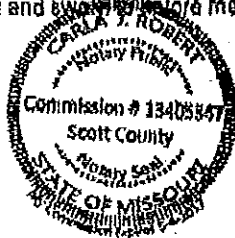
Affidavit of Glenn Shy

Glenn Shy, being first duly sworn, on her oath states:

1. My name is Glenn Shy. My address is 211 Summer, Sikeston, MO.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission.
3. I hereby swear and affirm that the testimony is true and correct to the best of my knowledge, information and belief.

Glenn Shy
Glenn Shy

Subscribed and sworn to before me this 8th day of January, 2014.



[Signature]
Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A Glenna Shy, 211 Summer, Sikeston, MO.

3

4 Q BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR JOB THERE?

5 A I am the Campaign Director of the Sikeston / Bootheel Area United Way.

6

7 Q WHAT IS THE PURPOSE OF THE SIKESTON / BOOTHEEL AREA UNITED
8 WAY?

9 A The United Way raises funds annually to benefit the 18 agencies we support this
10 year. Our service area includes Scott, New Madrid, Mississippi, Stoddard, Butler
11 and Wayne Counties. Some of the agencies we support depend solely upon us
12 for the funding.

13 We would not be able to meet our goal if it were not for the employees of
14 Noranda and for the Corporate gift, also.

15

16 Q WHAT ARE SOME OF THE ORGANIZATIONS SUPPORTED BY THE
17 SIKESTON / BOOTHEEL AREA UNITED WAY?

18 A Bootheel Counseling Services & Family Medical Clinic; Boy Scouts of America;
19 Girl Scouts of the Missouri Heartland; Delta Area Blind; Foster Grandparent
20 Program; Hands of Hope Partners; House of Refuge; Kenny Rogers Children's
21 Center; Scott County Transit; Beacon Health Center; YMCA of Southeast MO;
22 American Red Cross; Southeast Missouri Food Bank – Sikeston Backpacks for
23 Friday; and nutrition programs of Chaffee, East Prairie, Sikeston, New Madrid
24 and Portageville

25

1 Q HOW MUCH MONEY DOES THE SIKESTON / BOOTHEEL AREA UNITED
2 WAY RAISE EACH YEAR, AND HOW DOES YOUR ORGANIZATION RAISE
3 THESE FUNDS?

4 A We have raised the past 2 years \$103,000 and \$110,000, and hopefully
5 \$110,000 again this year – we receive about 30% of our budget from Noranda
6 employees

7
8 Q PLEASE DESCRIBE THE SUPPORT THAT THE SIKESTON / BOOTHEEL
9 AREA UNITED WAY HAS RECEIVED FROM NORANDA ALUMINUM, INC.

10 A Before the employees at Noranda adopted the United Way of Sikeston, we could
11 not help as many people as we do now. These employees helped the agency by
12 moving their business to another building with manpower and money to help with
13 the move (Hands of Hope). They also volunteered to help the House of Refuge –
14 they did so much for them (this is for women and their children) – they really
15 appreciated the manpower provided. These are only two things – Noranda
16 employees are known for their generosity for others.

17
18 Q IN ADDITION TO THE CONTRIBUTIONS MADE BY NORANDA ALUMINUM,
19 INC., WHAT SUPPORT HAS THE SIKESTON / BOOTHEEL AREA UNITED
20 WAY RECEIVED FROM NORANDA'S EMPLOYEES?

21 A I think I have touched on this a bit in the question before, but I would like to
22 stress that these people are always willing to go the last mile for someone who
23 needs help.

1 Q PLEASE EXPLAIN THE IMPORTANCE OF THE CONTRIBUTIONS OF
2 NORANDA ALUMINUM AND ITS EMPLOYEES TO THE SIKESTON /
3 BOOTHEEL AREA UNITED WAY.

4 A This area that we serve is certainly a better place because of the caring workers
5 at Noranda Aluminum. The Board of Directors of the United Way know first hand
6 how much the employees of Noranda help our agencies and even agencies who
7 are not a part of the United Way.

8
9 Q ARE THERE ANY ADDITIONAL COMMENTS YOU WOULD LIKE TO SHARE
10 ABOUT THE ROLE NORANDA AND ITS EMPLOYEES PLAY IN
11 SUPPORTING THE SIKESTON / BOOTHEEL AREA UNITED WAY?

12 A The Sikeston/Bootheel Area Board and member agencies certainly cannot say
13 enough about how good the workers at Noranda are to the people of our area. I
14 would hate to think something would happen and the plant at New Madrid would
15 move. We certainly cannot say enough about how they have helped the United
16 Way here in Sikeston.

17
18 Q DOES THIS CONCLUDE YOUR TESTIMONY?

19 A Yes.

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-2014-01__

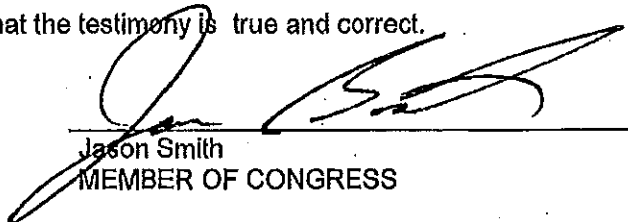
STATE OF MISSOURI)
)
COUNTY OF CAPE GIRARDEAU

SS

Affidavit of Congressman Jason Smith

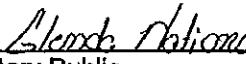
Jason Smith, being first duly sworn, on his oath states:

1. My name is Jason Smith. I am a Member of the United States House of Representatives, representing the 8th District of Missouri. My office address is 2502 Tanner Drive, Suite 205, Cape Girardeau, MO, 63703.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. EC-2014-01__.
3. I hereby swear and affirm that the testimony is true and correct.



 Jason Smith
 MEMBER OF CONGRESS

Subscribed and sworn to before me this 12 day of December, 2013.



 Notary Public



GLENDAS NATIONS
 My Commission Expires
 January 23, 2017
 Cape Girardeau County
 Commission #13504607

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A Jason Smith. My Cape Girardeau district office is located at 2502 Tanner Drive,
3 Suite 205, Cape Girardeau, MO, 63703.

4

5 Q WHAT ELECTED POSITION DO YOU HOLD?

6 A I am a member of the United States House of Representatives. I represent the
7 8th District of Missouri. Prior to serving in Congress, I was a member of the
8 Missouri House of Representatives, representing the 120th district for about a
9 year, and the 150th district for 7 years.

10

11 Q HOW LONG HAVE YOU SERVED IN THE UNITED STATES CONGRESS?

12 A I was elected to Congress in a special election held in June of 2013.

13

14 Q WHERE IS THE 8th CONGRESSIONAL DISTRICT OF MISSOURI?

15 A My district includes thirty counties in Southeast and Southern Missouri.

16

17 Q IS THE NORANDA ALUMINUM SMELTER LOCATED IN THE DISTRICT THAT
18 YOU REPRESENT?

19 A Yes, the Noranda smelter is in New Madrid County in Southeast Missouri and is
20 located in the district that I represent.

21

22 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

23 A My testimony will discuss the importance of the Noranda smelter to the
24 Southeast Missouri region that I represent in Congress.

25

1 Q ARE YOU FAMILIAR WITH THE OPERATIONS OF THE NORANDA
2 ALUMINUM SMELTER IN SOUTHEAST MISSOURI?

3 A Yes. I first became familiar with the Noranda plant when I served in the Missouri
4 legislature. I have toured the facilities, and understand that their business model
5 is predicated upon low cost, reliable electricity.

6
7 Q BASED ON YOUR FAMILIARITY WITH THE OPERATIONS OF THE
8 NORANDA PLANT, AND YOUR UNDERSTANDING OF THE ROLE IT PLAYS
9 IN THE ECONOMY OF SOUTHEAST MISSOURI, WHAT INFORMATION
10 WOULD YOU LIKE TO PROVIDE TO THE MEMBERS OF THE PUBLIC
11 SERVICE COMMISSION REGARDING THE ECONOMIC IMPACT OF
12 NORANDA'S OPERATIONS IN SOUTHEAST MISSOURI?

13 A Noranda is one of the few large employers left in Southeast Missouri that
14 provides good paying jobs to a large number of individuals, without preclusive
15 education requirements. Noranda employs 970 employees in our area, making it
16 one of Southeast Missouri's largest employers. These are high paying jobs with
17 good benefits. The company provides steady, stable employment operating 365
18 days a year, and 24 hours a day.

19
20 Noranda has a major impact on the economy of Southeast Missouri. The folks
21 who work at Noranda own homes, shop, and pay taxes. Its employees are
22 leaders in their communities, they support schools and contribute to charitable
23 organizations. Noranda alone pays 17.87 percent of the total property taxes
24 collected in New Madrid County and 28.66 percent of the taxes paid for the New

1 Madrid County Central R-1 School District (2013 figures from the New Madrid
2 County Collectors Office).

3
4 **Q HOW HAVE NORANDA'S CONTRIBUTIONS TO THE TAX BASE IN NEW
5 MADRID COUNTY BENEFITED THE COMMUNITY?**

6 **A** New Madrid County has excellent public schools, due in part to Noranda's
7 contributions to the local tax base. Good public schools benefit the community
8 as a whole.

9
10 **Q PLEASE DESCRIBE YOUR EXPERIENCE WITH ECONOMIC DEVELOPMENT
11 ISSUES.**

12 Specifically, in Missouri's 95th General Assembly I served on the "Committee on
13 Rural Community Development." Its purpose was to consider and report upon
14 bills and matters referred to it relating to policies to improve communities and the
15 quality of life of citizens located outside of metropolitan areas and larger cities of
16 the state. In the 94th General Assembly I served for a time as the Vice-Chairman
17 of the Special Committee on Job Creation and Economic Development. More
18 generally, as a state legislator, I have reviewed, discussed, and voted on various
19 pieces of economic development legislation for the last eight years in the
20 Missouri House of Representatives.

21
22 **Q BASED ON YOUR EXPERIENCE IN THE AREA OF ECONOMIC
23 DEVELOPMENT, WHAT CAN YOU TELL THE COMMISSION ABOUT THE
24 IMPORTANCE OF THE MANUFACTURING JOBS AT THE NORANDA PLANT
25 TO THE ECONOMY OF SOUTHEAST MISSOURI?**

1 A The manufacturing jobs at the Noranda plant are relatively better paying jobs with
2 more benefits than many other jobs that are generally available in our area.
3 Manufacturers like Noranda not only help the economy by hiring their own
4 workers, but they also cause job growth in among the companies that sell them
5 the products and services they need for production. With 970 good paying
6 manufacturing jobs, Noranda is obviously very important to the economy of
7 Southeast Missouri. Attracting manufacturing jobs to the state of Missouri is
8 challenging. During the time I have served in public office, it has become
9 increasingly difficult to attract manufacturers to this state and to retain the jobs
10 we already have here. There are a number of reasons for that. Technological
11 advances have made many manufacturing jobs obsolete. In addition, many U.S.
12 manufacturers have moved their operations to foreign countries. Creating and
13 retaining manufacturing jobs are both essential to the economy of Southeast
14 Missouri.

15
16 **Q ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE**
17 **CONCERNING THE IMPORTANCE OF CONTINUING THE OPERATIONS OF**
18 **THE NORANDA SMELTER?**

19 A There is no question that if the Noranda smelter were to close, it would have a
20 huge impact on the economy of Southeast Missouri, and it is unlikely under
21 current economic conditions we would be able to replace the lost jobs with similar
22 high paying jobs. There is also a concern that should the Noranda smelter close,
23 the U.S. would become even more dependent on imports from foreign
24 companies for the aluminum we need. Noranda is currently one of only nine
25 aluminum smelters remaining in the U.S. With a continued federal assault on

1 manufacturing through rules and regulations, it is important that Missouri remain
2 a state government that is committed to supporting manufacturing.

3

4 **Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

5 **A Yes.**

Exhibit No.:
Witness:
Type of Exhibit:
Issue:
Sponsoring Party:
Case No.:

Representative Kent Hampton
Direct Testimony
Noranda Economic Impact
Noranda Aluminum, Inc.
EC-2014-_____

Filed
June 23, 2014
Data Center
Missouri Public
Service Commission

**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-_____

Direct Testimony of Kent Hampton

On behalf of

Noranda Aluminum, Inc.

December 5, 2013

Noranda Exhibit No. 24
Date 6-16-14 Reporter KF
File No. EC-2014-0224

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-2014-01__

STATE OF MISSOURI)

COUNTY OF COLE)

SS

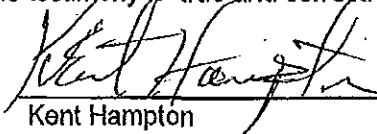
Affidavit of Kent Hampton

Kent Hampton, being first duly sworn, on his oath states:

1. My name is Kent Hampton. I am a Member of the Missouri House of Representatives, representing the 150th District. My address is 21561 County Rd. 122, Malden, MO 63863.

2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. _____.

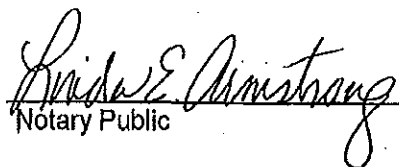
3. I hereby swear and affirm that the testimony is true and correct.


Kent Hampton

Subscribed and sworn to before me this 5th day of December, 2013.



LINDA E. ARMSTRONG
My Commission Expires
January 1, 2017
Cole County
Commission #12452811


Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A Kent Hampton - My address is 21561 County Rd. 122, Malden, MO 63863.

3

4 Q WHAT ELECTED POSITION DO YOU HOLD?

5 A I am a member of the Missouri House of Representatives, and I represent the
6 150th District.

7

8 Q HOW LONG HAVE YOU BEEN A MISSOURI STATE REPRESENTATIVE?

9 A I was first elected in 2010 and have served for 3 years.

10

11 Q WHERE IS THE 150th DISTRICT?

12 A The 150th district includes the center and southern parts of Dunklin County and
13 the southern portion of Pemiscot County in Southeast Missouri.

14

15 Q DOES NORANDA ALUMINUM, INC., OPERATE A SMELTER IN THE
16 DISTRICT THAT YOU REPRESENT?

17 A The Noranda Aluminum plant is located nearby in New Madrid County. The plant
18 is important to the entire southeast Missouri region, including my district.

19

20 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

21 A To provide information and stress the importance of the Noranda smelter to the
22 people of southeast Missouri.

23

24 Q ARE YOU FAMILIAR WITH THE OPERATIONS AT THE NORANDA PLANT IN
25 SOUTHEAST MISSOURI?

1 A Yes. I am familiar with the Noranda plant. I enjoyed the opportunity to work at
2 this facility for 38 years before retiring. The employees of this facility are
3 scattered throughout southeast Missouri. The folks that work at Noranda are my
4 friends and constituents.

5
6 Q DO YOU HAVE ANY COMMENTS THAT YOU WOULD YOU LIKE TO SHARE
7 WITH THE MEMBERS OF THE PUBLIC SERVICE COMMISSION
8 REGARDING THE ECONOMIC IMPACT OF NORANDA'S OPERATIONS IN
9 SOUTHEAST MISSOURI?

10 A The area where the plant is located is mainly row-crop farming and agricultural
11 land. Other plants and industry have left this area for one reason or another.
12 This facility serves folks and the economy in Southeast Missouri. There are over
13 900 families that are supported by jobs at Noranda, which provide a high rate of
14 wages along with benefits. This allows them to remain in an area they call home.
15 Noranda provides nearly 18 percent of the property taxes paid in New Madrid
16 County and around 28 percent of the taxes paid for New Madrid County R-1
17 School District. By doing this they provide not only good paying jobs, but a large
18 part of the taxes paid in New Madrid County. Noranda is an asset to our area and
19 must be able to remain profitable and continue to operate for many years to
20 come.

21
22 Q HAVE YOU BEEN INVOLVED IN ECONOMIC DEVELOPMENT IN YOUR
23 ROLE AS A STATE REPRESENTATIVE?

24 Yes I have worked on Economic Development issues with Bootheel Regional
25 Planning Commission, Ozark Regional Planning Commission, MoDot, along with

1 the State of Missouri. I understand that attracting jobs is very challenging as we
2 compete in a global economy. Technological factors have made many jobs
3 obsolete. I also understand that creating and especially retention of jobs are
4 mandatory in ensuring quality of life in southeast Missouri. If these Noranda jobs
5 were lost it is very doubtful anything would fill this void, and the economic impact
6 would not only be felt in the region but also the state.

7

8 **Q WITH THAT EXPERIENCE, DO YOU HAVE A SENSE AS TO THE RELATIVE**
9 **IMPORTANCE OF MANUFACTURING JOBS SUCH AS THOSE THAT EXIST**
10 **AT THE NORANDA PLANT?**

11 **A** The employment opportunities at Noranda provide better pay along with benefits
12 that are generally not available in southeast Missouri. Manufacturing spurs job
13 growth in industries that provide products and services needed for their
14 production activities. The past 20 years have proved that it is increasingly difficult
15 to attract and keep industry in our area. The fact that over 900 families feel the
16 benefits of Noranda underscores the importance of these jobs, and the
17 importance of the company's ability to remain profitable.

18

19 **Q ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE?**

20 **A** When I survey the southeast portion of the state and consider which companies
21 are making an impact, Noranda heads the list. With 970 good paying jobs, health
22 benefits and retirement plans, while pumping millions of dollars into the regional
23 economy, Noranda's ability to continue its operations and its profitability affect all
24 of southeast Missouri.

25

1 Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

2 A Yes, it does. Thank you for allowing me the opportunity to present my views on
3 this issue.

4

Exhibit No.:
Witness: Michelle Fayette
Type of Exhibit: Direct Testimony
Issue: Noranda Economic Impact
Sponsoring Party: Noranda Aluminum, Inc.
Case No.: EC-2014-_____

Filed
June 23, 2014
Data Center
Missouri Public
Service Commission

**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-_____

**Direct Testimony of
Michelle Fayette, Executive Director
Kenny Rogers Children's Center**

On behalf of

Noranda Aluminum, Inc.

January 8, 2014

Noranda Exhibit No. 25
Date 6-16-14 Reporter KF
File No. EC-2014-0224

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-2014-01__

STATE OF MISSOURI)

COUNTY OF SCOTT)

SS

Affidavit of Michelle Fayette

Michelle Fayette, being first duly sworn, on her oath states:

1. My name is Michelle Fayette. My address is 716 Moore Ave., Sikeston, Missouri.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission.
3. I hereby swear and affirm that the testimony is true and correct to the best of my knowledge, information and belief.

Michelle Fayette

Michelle Fayette

Subscribed and sworn to before me this 8th day of January, 2014.



CHRISTY K. O'NEAL
My Commission Expires
October 13, 2017
Scott County
Commission #13552878

Christy K. O'Neal

Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A Michelle Fayette, 716 Moore Ave., Sikeston, MO 63801

3

4 Q BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR JOB THERE?

5 A I am the Executive Director at the Kenny Rogers Children's Center in Sikeston,
6 Missouri.

7

8 Q WHAT IS THE MISSION OF THE KENNY ROGERS CHILDREN'S CENTER?

9 A The mission of the Kenny Rogers Children's Center is to improve the quality of
10 life for children with special needs and their families throughout the community
11 and region by providing a wide array of superior developmental and therapeutic
12 services. The Center serves children with all types of special needs and
13 developmental delays including Prematurity, Cerebral Palsy, Down Syndrome,
14 Spina Bifida, Muscular Dystrophy, Seizure Disorder, Autism, ADHD, Sensory
15 Processing Dysfunction and many other developmental delays. Currently we
16 serve more than 500 children with special needs from birth through 21 years of
17 age.

18

19 Q WHAT KIND OF SERVICES ARE PROVIDED BY THE KENNY ROGERS
20 CHILDREN'S CENTER?

21 A Occupational therapy, Physical therapy, and Speech therapy are all provided at
22 the Kenny Rogers Children's Center. The Center also provides these services in
23 many of the surrounding school districts. The therapists all use a team approach
24 to coordinate services for children and their families. The Center prides itself in

1 providing the children of Southeast Missouri with the highest quality and most
2 cutting-edge treatments available.

3
4 **Q ARE THE CHILDREN SERVED BY THE CENTER CHARGED FOR THESE**
5 **SERVICES?**

6 A No. As a result of the overwhelming generosity of this community, the Kenny
7 Rogers Children's Center provides superior therapy services to the children
8 throughout Southeast Missouri at no charge to the families served and has done
9 so for 40 years.

10
11 **Q WHAT IS KENNY ROGERS' CONNECTION TO THE CENTER?**

12 A The Center opened in the early 1970's primarily due to the efforts of the parents
13 of a child in our community with cerebral palsy who needed physical therapy. At
14 that time, there wasn't a facility that provided pediatric therapy locally. In 1977, a
15 few years after the Center was started, country music legend Kenny Rogers was
16 the featured performer at the 25th annual Jaycee Bootheel Rodeo. He was so
17 impressed with the Jaycees and what they were doing for the community that he
18 donated an Arabian stallion valued at \$25,000 to the Jaycees to benefit the
19 community as they saw fit. The stallion was ultimately auctioned for \$75,000 and
20 the Jaycees decided to donate the proceeds to building a new Center. Over the
21 years, Kenny Rogers has performed a number of benefit concerts that have
22 generated funds for the Center. Although Kenny Rogers has made many very
23 generous contributions to the center, his contributions are only a small part of the
24 funds that have been needed to build and operate the Center.

25

1 Q WHO PROVIDES THE REST OF THE FUNDS NEEDED FOR THE CENTER?

2 A The school-based services we provide are fee-for-service. However, that money
3 falls short of meeting our annual operating expenses. Our two main fundraisers
4 annually are our Telethon in March and our Charity Walk in October. We raise
5 over \$400,000 each year in these two events. We are well supported in the
6 community and many other groups and organizations do fundraisers for us
7 throughout the year.

8 Q PLEASE DESCRIBE THE SUPPORT THAT THE KENNY ROGERS
9 CHILDREN'S CENTER HAS RECEIVED FROM NORANDA ALUMINUM, INC.

10 A Noranda Aluminum has been a major supporter of the Kenny Rogers Children's
11 Center since the beginning. In the twelve years that I've been at the Center,
12 Noranda Aluminum has been the largest contributor at telethon time. Their
13 donation is usually around \$40,000 which consists of the Steelworkers making a
14 \$3,000 donation, approximately \$7,000 coming from payroll deduction and
15 Noranda Aluminum donating \$30,000.

16

17 Q IN ADDITION TO THE CONTRIBUTIONS MADE BY NORANDA ALUMINUM,
18 INC., WHAT SUPPORT HAS THE KENNY ROGERS CHILDREN'S CENTER
19 RECEIVED FROM NORANDA'S EMPLOYEES?

20 A Noranda Aluminum employees have been huge supporters of the Kenny Rogers
21 Children's Center almost since the beginning. The employees would do VIP
22 Panels at the telethon to raise money at telethon time. Roger Graham (now
23 retired) always made sure all new employees got the information for payroll
24 deduction. Gary Riley (now retired) was a steelworker who served on our board
25 and ultimately served as President of the Board and was very involved when I

1 started in 2002. He ultimately transitioned into management. Between payroll
2 deduction, the Steelworkers annual pledge, and Noranda Aluminum are probably
3 responsible for well over a million dollars in donations since the beginning.
4

5 **Q PLEASE DESCRIBE THE IMPORTANCE OF THE CONTRIBUTIONS OF**
6 **NORANDA ALUMINUM AND ITS EMPLOYEES TO THE CONTINUED**
7 **OPERATION OF THE KENNY ROGERS CHILDREN'S CENTER.**

8 A Southeast Missouri is a very rural area. The annual donation made by Noranda
9 and its employees is substantial. We currently treat nearly 500 children in the
10 area on a monthly basis. Without financial support, many of these children would
11 not be able to afford the therapy services needed to help them reach their goals
12 and ultimately make a difference not only in their own lives, but in the schools,
13 workplace environment and communities where they live.

14 **Q ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE**
15 **ABOUT THE ROLE NORANDA AND ITS EMPLOYEES HAVE PLAYED IN**
16 **SUPPORTING THE KENNY ROGERS CHILDREN'S CENTER?**

17 A Noranda Aluminum has huge impact in every county in Southeast Missouri. We
18 are very fortunate to have them in our community and need them as an
19 employer, a good neighbor and community supporter
20

21 **Q DOES THIS CONCLUDE YOUR TESTIMONY?**

22 A Yes.
23

Exhibit No.:
Witness: Representative Shelley Keeney
Type of Exhibit: Direct Testimony
Issue: Noranda Economic Impact
Sponsoring Party: Noranda Aluminum, Inc.
Case No.: EC-2014-_____

Filed
June 23, 2014
Data Center
Missouri Public
Service Commission

**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-_____

Direct Testimony of Shelley Keeney

On behalf of

Noranda Aluminum, Inc.

December 2, 2013

Noranda Exhibit No. 26
Date 6-16-14 Reporter KF
File No. EC-2014-0224

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-2014-01__

STATE OF MISSOURI)

COUNTY OF Cole)

SS

Affidavit of Shelley Keeney

I, Shelley Keeney, being first duly sworn, on my oath state:

1. My name is Shelley Keeney. I am a Member of the Missouri House of Representatives, representing the 145th District. My address is Rt. 2, Box 3140, Marble Hill, MO 63764.

2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. _____.

3. I hereby swear and affirm that the testimony is true and correct.

Shelley Keeney
Shelley Keeney

Subscribed and sworn to before me this 2nd day of December, 2013.



LAURIE NOWACK
My Commission Expires
January 28, 2017
Cole County
Commission #13659152

Laurie Nowack
Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A My name is Shelley Keeney. My address is Rt. 2 Box 3140, Marble Hill, MO
3 63764.

4
5 Q WHAT ELECTED POSITION DO YOU HOLD?

6 A I am a member of the Missouri House of Representatives, and I represent the
7 145th District.

8
9 Q HOW LONG HAVE YOU BEEN A MISSOURI STATE REPRESENTATIVE?

10 A I was first elected in 2008 and have served for 5 years.

11

12 Q WHERE IS THE 145th DISTRICT?

13 A The 145th district includes Bollinger, Madison and Perry Counties.

14

15 Q DOES NORANDA ALUMINUM, INC., OPERATE A SMELTER IN THE
16 DISTRICT THAT YOU REPRESENT?

17 A The Noranda Aluminum plant is located in New Madrid County in Southeast
18 Missouri. My district is also a part of Southeast Missouri, and the plant is
19 important to the entire region.

20

21 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

22 A To provide information about how important the Noranda smelter is to the people
23 of Southeast Missouri, including my constituents.

24

1 Q ARE YOU FAMILIAR WITH THE OPERATIONS AT THE NORANDA PLANT IN
2 SOUTHEAST MISSOURI?

3 A Yes. I am familiar with the Noranda plant. Although it is not located in my
4 district, it is nearby and I am acquainted with people who work at the plant.

5

6 Q DO YOU HAVE ANY COMMENTS THAT YOU WOULD YOU LIKE TO SHARE
7 WITH THE MEMBERS OF THE PUBLIC SERVICE COMMISSION
8 REGARDING THE ECONOMIC IMPACT OF NORANDA'S OPERATIONS IN
9 SOUTHEAST MISSOURI?

10 A Noranda provides 970 jobs that pay good wages and provide benefits such as
11 health insurance and a retirement plan. The people who work at the plant live
12 throughout the area. These jobs impact many communities in Southeast
13 Missouri, not just New Madrid County where the plant is located. These jobs
14 allow people to stay in this area and raise their families here. The jobs at
15 Noranda allow people to own homes, support local businesses, pay taxes, and
16 support charitable causes. In doing so, they support many other jobs in our
17 community. The loss of the Noranda plant would be a devastating blow to the
18 economy of Southeast Missouri.

19

20 Q HAVE YOU BEEN INVOLVED IN ECONOMIC DEVELOPMENT IN YOUR
21 ROLE AS A STATE REPRESENTATIVE?

22 Yes I have worked on economic development issues with many different people
23 from all across the state. From speaking with those in my own community and
24 district, as well as those who have been successful in maintaining and growing

1 industries over the past several years, I know that attracting manufacturing jobs
2 to our state is very challenging.

3
4 **Q WITH THAT EXPERIENCE, DO YOU HAVE A SENSE AS TO THE RELATIVE**
5 **IMPORTANCE OF MANUFACTURING JOBS SUCH AS THOSE THAT EXIST**
6 **AT THE NORANDA PLANT?**

7 **A** These jobs would be very difficult to replace in today's economy and are vital to
8 the economy of Southeast Missouri. Job creation and retaining the
9 manufacturing jobs we have now, like those at Noranda, are essential to
10 ensuring a good quality of life throughout Southeast Missouri. These jobs are
11 important to us because they provide relatively high wages and good benefits.

12
13 **Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

14 **A** Yes, it does. I appreciate the opportunity to present this testimony to the Public
15 Service Commission in this case.

Exhibit No.:
Witness: Representative Steve Hodges
Type of Exhibit: Direct Testimony
Issue: Noranda Economic Impact
Sponsoring Party: Noranda Aluminum, Inc.
Case No.: EC-2014-_____

Filed
June 23, 2014
Data Center
Missouri Public
Service Commission

**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-_____
)
)
)
)
)
)

Direct Testimony of Steve Hodges

On behalf of

Noranda Aluminum, Inc.

December 4, 2013

Noranda Exhibit No. 27
Date 6-16-14 Reporter KF
File No. EC-2014-0224

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-2014-01__

STATE OF MISSOURI)

COUNTY OF Cole)

SS.

Affidavit of Steve Hodges

Steve Hodges, being first duly sworn, on his oath states:

1. My name is Steve Hodges. I am a Member of the Missouri House of Representatives, representing the 149th District. My address is 51 West 428th Road, East Prairie, Missouri.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. _____.
3. I hereby swear and affirm that the testimony is true and correct.

Steve Hodges
Steve Hodges

Subscribed and sworn to before me this 4th day of December, 2013.



LAURIE NOWACK
My Commission Expires
January 26, 2017
Cole County
Commission #13859152

Laurie Nowack
Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A My name is Steve Hodges and my address is 51 West 428th Road, East Prairie,
3 Missouri.

4

5 Q WHAT ELECTED POSITION DO YOU HOLD?

6 A I am a member of the Missouri House of Representatives, and I represent the
7 149th District.

8

9 Q HOW LONG HAVE YOU BEEN A MISSOURI STATE REPRESENTATIVE?

10 A I was elected to the House of Representatives in 2006.

11

12 Q WHERE IS THE 149th DISTRICT?

13 A The 149th district is in Southeast Missouri, and includes New Madrid County and
14 parts of Mississippi and Pemiscot Counties.

15

16 Q DOES NORANDA ALUMINUM, INC., OPERATE A SMELTER IN THE IN THE
17 DISTRICT THAT YOU REPRESENT?

18 A Yes. The Noranda Aluminum plant is located in New Madrid County, which is
19 part of my district.

20

21 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

22 A To provide insight on the impact of the operation of the Noranda smelter on my
23 constituents and the people of Southeast Missouri.

24

25

1 Q HAVE YOU PROVIDED TESTIMONY ON THIS ISSUE IN THE PAST?

2 A Yes. I have provided testimony to the commission on this issue in the past, and
3 my observations and conclusions about the importance of the Noranda plant
4 have not changed because Noranda has consistently played a key role in the
5 economy of Southeast Missouri and continues to have a positive impact on my
6 constituents.

7

8 Q ARE YOU FAMILIAR WITH THE OPERATIONS AT THE NORANDA PLANT IN
9 SOUTHEAST MISSOURI?

10 A Yes, absolutely. Before being elected to the legislature, I was in the supermarket
11 business in East Prairie in Mississippi County, Missouri with my father beginning
12 in the early 1960's. I was living and running a business in the community at the
13 time Noranda built the smelter in the 60's. When construction of the facility
14 began, a number of my supermarket customers were involved in the construction
15 project and many residents became initial production employees when the plant
16 became operational. Through my interactions with these people in the
17 community, I have a long-standing familiarity with the plant and its operations, as
18 well as its impact on our community.

19

20 Q DO YOU HAVE ANY COMMENTS THAT YOU WOULD YOU LIKE TO SHARE
21 WITH THE MEMBERS OF THE PUBLIC SERVICE COMMISSION
22 REGARDING THE IMPACT OF NORANDA'S OPERATIONS IN SOUTHEAST
23 MISSOURI?

24 A Noranda is one of our area's largest employers with 970 employees and an
25 annual payroll of over \$95 million. When I was in the grocery business, I saw the

1 impact of Noranda firsthand, because the workers who resided in our town
2 traded at our store. Many were a part of our community, and others lived in the
3 surrounding towns including Charleston, Sikeston, Matthews, New Madrid,
4 Lilbourn, Malden, Portageville, Gideon and others. To say that Noranda has a
5 significant economic impact on my district and Southeast Missouri is an
6 understatement. The ripple effect of the commerce Noranda generates is
7 profound. Noranda and its employees support local merchants who, in turn,
8 support other merchants.

9
10 Noranda's contribution is important, not only as an employer, but also for what it
11 does for the County of New Madrid and the New Madrid County school district.
12 In 2013, Noranda Aluminum paid 17.87 percent of the total property taxes for
13 New Madrid County and 28.66 percent of the taxes for the New Madrid County
14 Central R-1 School District. This contribution is to the tax base of the county and
15 the school district is pays for facilities and services that benefit everyone in the
16 community.

17
18 I hold a master's degree in business administration, and when I was in graduate
19 school at the University of Missouri, I took a course in business ethics and
20 corporate responsibility. I have always had great respect for Noranda because I
21 felt that it adhered to the principles that I learned about in that course, and this is
22 something that is often overlooked. Noranda maintains a great relationship with
23 the workers and interacts in a very positive way with the local community and
24 area. Noranda has had few labor problems with the steelworkers' union and
25 operates in an atmosphere of mutual respect. In addition, Noranda supports

1 civic and charitable organizations in our area, provides scholarships to area
2 students, and supports local athletics.

3
4 **Q WHAT IMPACT DO THE NORANDA EMPLOYEES HAVE ON THE**
5 **SOUTHEAST MISSOURI AREA?**

6 Many of the Noranda employees, both hourly employees and management, are
7 involved in their communities as civic leaders. They serve as school board
8 members, county officials, and church members and leaders. I have interacted
9 with many of them through athletics and school programs. These are quality
10 people that increase the quality of life in Southeast Missouri. I applaud Noranda
11 for the company's support of the local school system. The company recognizes
12 that a crucial part of having satisfied workers lies with a strong school system for
13 the workers' families, and Noranda supports quality schools in our area.

14
15 **Q DO YOU HAVE A SENSE AS TO THE RELATIVE IMPORTANCE OF**
16 **MANUFACTURING JOBS, SUCH AS THOSE AT THE NORANDA PLANT?**

17 **A** I have learned through serving in the legislature that economic development is
18 very important in to the state. If we do not have jobs in Missouri, people will be
19 forced to leave. Manufacturing jobs are especially important, because they are
20 generally better paying jobs and they also create other related jobs among the
21 companies that act as suppliers to manufacturers. This is true of the
22 manufacturing jobs at the Noranda plant—these jobs are relatively high paying
23 and provide good benefits, which is rare in Southeast Missouri. It is also
24 noteworthy that Noranda has made a commitment to job training for employee
25 loyalty and longevity. In recent years, it has become increasingly difficult to

1 attract and keep manufacturers in our area. We are now in a worldwide
2 economy, and the competition for these jobs is sometimes not on a level playing
3 field. It would be devastating to my district, to Southeast Missouri and to the
4 state of Missouri if the manufacturing jobs at Noranda were lost, since it is not
5 likely they could be replaced by other similar high-paying jobs.

6
7 **Q ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE?**

8 A The Bootheel region of Southeast Missouri has serious economic challenges.
9 My district is located in New Madrid, Pemiscot and Mississippi Counties which
10 are the three poorest counties in Missouri. Noranda is one of our largest and
11 best employers, and it is crucial to the well-being of those living in our area.
12 Noranda represents the best in the manufacturing community. By providing over
13 900 good paying jobs with health benefits and retirement plans, the company
14 pumps millions of dollars into the regional economy. It is imperative that the
15 Noranda plant continue to remain viable.

16
17 **Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

18 A Yes, it does. Thank you for the privilege of addressing these issues.
19

Exhibit No.:
Witness: Representative Todd Richardson
Type of Exhibit: Direct Testimony
Issue: Noranda Economic Impact
Sponsoring Party: Noranda Aluminum, Inc.
Case No.: EC-2014-_____

Filed
June 23, 2014
Data Center
Missouri Public
Service Commission

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-_____

Direct Testimony of Representative Todd Richardson

On behalf of

Noranda Aluminum, Inc.

December 6, 2013

Noranda Exhibit No. 28
Date 6-16-14 Reporter KF
File No. EC-2014-0224

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-2014-01__

STATE OF MISSOURI)
) SS
COUNTY OF COLE)

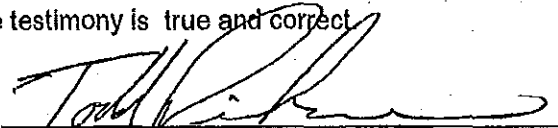
Affidavit of Todd Richardson

Todd Richardson, being first duly sworn, on his oath states:

1. My name is Todd Richardson. I am a Member of the Missouri House of Representatives, representing the 152nd District. My address is 2523 North Main Street, Poplar Bluff, MO 63901.

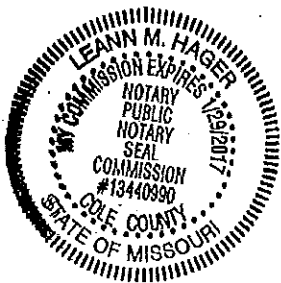
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. _____.

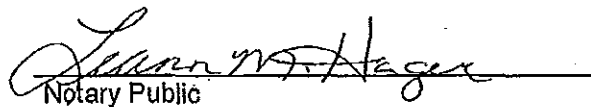
3. I hereby swear and affirm that the testimony is true and correct.



Todd Richardson

Subscribed and sworn to before me this 6 day of December, 2013.





Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A Todd Richardson, 2523 N. Main Street, Poplar Bluff, Missouri.

3

4 Q WHAT ELECTED POSITION DO YOU HOLD?

5 A I am a member of the Missouri House of Representatives, and I represent the
6 152nd District.

7

8 Q HOW LONG HAVE YOU BEEN A MISSOURI STATE REPRESENTATIVE?

9 A I was first elected in 2010 and have served for 3 years.

10

11 Q WHERE IS THE 152nd DISTRICT?

12 A My District includes portions of Butler and Dunklin Counties in Southeast
13 Missouri.

14

15 Q DOES NORANDA ALUMINUM, INC., OPERATE A SMELTER IN THE
16 DISTRICT THAT YOU REPRESENT?

17 A The Noranda Aluminum plant is located in New Madrid County. Although this is
18 not a part of my district, New Madrid County is near my district, in Southeast
19 Missouri and employees of the plant are my constituents.

20

21 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

22 A To provide information and insight on the importance of the Noranda smelter to
23 the people of Southeast Missouri.

24

1 Q ARE YOU FAMILIAR WITH THE OPERATIONS AT THE NORANDA PLANT IN
2 SOUTHEAST MISSOURI?

3 A Yes. I am familiar with the operations at the Noranda plant. The employees of
4 the plant live throughout Southeast Missouri, and many of my constituents work
5 at Noranda. In my capacity as State Representative, I have had the opportunity
6 to tour the plant numerous times. I have also had the opportunity to discuss the
7 importance of the plant to the economic stability of the region.

8

9 Q DO YOU HAVE ANY COMMENTS THAT YOU WOULD YOU LIKE TO SHARE
10 WITH THE MEMBERS OF THE PUBLIC SERVICE COMMISSION
11 REGARDING THE ECONOMIC IMPACT OF NORANDA'S OPERATIONS IN
12 SOUTHEAST MISSOURI?

13 A Noranda is one of the largest employers in Southeast Missouri. The 900 jobs at
14 the plant represent only a fraction of the company's impact to our region.
15 Noranda anchors a growing industrial complex in New Madrid County and that
16 employment base supports businesses both big and small throughout the region
17 including the two largest cities in my district – Poplar Bluff and Malden. If
18 Noranda cannot achieve a competitive power rate as compared to their domestic
19 competitors the impacts would be devastating.

20

21 Q HAVE YOU BEEN INVOLVED IN ECONOMIC DEVELOPMENT IN YOUR
22 ROLE AS A STATE REPRESENTATIVE?

23 Yes. I have worked on economic development issues since I came to the
24 General Assembly. From these experiences, I know that attracting
25 manufacturing jobs to our state is very challenging. We are competing for jobs in

1 a global economy. Job creation and retaining the jobs we have now are critical
2 to ensuring a good quality of life in Southeast Missouri. If the Noranda jobs were
3 lost, we could not count on replacing them with similar high paying jobs, and the
4 impact would be felt throughout this region, and statewide.

5
6 **Q WITH THAT EXPERIENCE, DO YOU HAVE A SENSE AS TO THE RELATIVE**
7 **IMPORTANCE OF MANUFACTURING JOBS SUCH AS THOSE THAT EXIST**
8 **AT THE NORANDA PLANT?**

9 **A** The manufacturing jobs at the Noranda plant are important to our regional
10 economy because, generally speaking, they provide better pay and more
11 benefits than other jobs. Further, manufacturing spurs job growth in the
12 industries that supply products and services needed for production. We are
13 seeing a decline in the number of manufacturing jobs in our area. With over 900
14 good paying manufacturing jobs, it is obvious why Noranda is so important to our
15 economy and why we want to keep them here and operating profitably.

16
17 **Q ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE?**

18 **A** Job creation and retention are of critical importance in Southeast Missouri.
19 Noranda is playing a key role in our region by contributing over 900 good paying
20 jobs, which include health and retirement benefits. Noranda's activities result in
21 millions of dollars of economic activity for our region. It is important to everyone
22 in Southeast Missouri that the Noranda plant continue to be operate profitably.

23
24 **Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

25 **A** Yes, it does. Thank you.

Exhibit No.:
Witness: Senator A. Wayne Wallingford
Type of Exhibit: Direct Testimony
Issue: Noranda Economic Impact
Sponsoring Party: Noranda Aluminum, Inc.
Case No.: EC-2014-_____

Filed
June 23, 2014
Data Center
Missouri Public
Service Commission

**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-_____

Direct Testimony of A. Wayne Wallingford

On behalf of

Noranda Aluminum, Inc.

December 2, 2013

Noranda Exhibit No. 29
Date 6-16-14 Reporter KF
File No. EC-2014-0221

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-2014-01__

STATE OF MISSOURI)
COUNTY OF Cole) SS

Affidavit of A. Wayne Wallingford

A. Wayne Wallingford, being first duly sworn, on his oath states:

1. My name is A. Wayne Wallingford. I am a Member of the Missouri Senate representing the 27th District. My address is 2405 Terrie Hill Rd., Cape Girardeau, MO.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. _____.
3. I hereby swear and affirm that the testimony is true and correct.

A. Wayne Wallingford
A. Wayne Wallingford

Subscribed and sworn to before me this 2nd day of December, 2013.



LAURIE NOWACK
My Commission Expires
January 26, 2017
Cole County
Commission #13659162

Laurie Nowack
Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A A. Wayne Wallingford, 2405 Terrie Hill Rd., Cape Girardeau, Missouri.

3

4 Q WHAT ELECTED POSITION DO YOU HOLD?

5 A I am a member of the Missouri Senate, and I represent the 27th District.

6

7 Q HOW LONG HAVE YOU BEEN A MISSOURI STATE SENATOR?

8 A I have served as a Missouri Senator for one year. Prior to being elected to the
9 Missouri Senate, I served in the Missouri House of Representatives for two
10 years.

11

12 Q WHERE IS THE 27th DISTRICT?

13 A My District includes Perry, Madison, Wayne, Bollinger, Cape Girardeau and Scott
14 Counties in Southeast Missouri.

15

16 Q DOES NORANDA ALUMINUM, INC. OPERATE A PLANT IN YOUR
17 DISTRICT?

18 A No, the Noranda Aluminum plant is located in New Madrid County which is not a
19 part of the district I represent. New Madrid County is near my district, located in
20 Southeast Missouri and employees of the plant live in my district and are my
21 constituents.

22

23 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

24 A To provide information and insight on the importance of the Noranda smelter to
25 the people of Southeast Missouri.

1 Q ARE YOU FAMILIAR WITH THE OPERATIONS AT THE NORANDA PLANT IN
2 SOUTHEAST MISSOURI?

3 A Yes. I am familiar with the operations at the Noranda plant and I have known
4 employees of the plant over the many years the plant has been in operation.

5
6 Q DO YOU HAVE ANY COMMENTS THAT YOU WOULD YOU LIKE TO SHARE
7 WITH THE MEMBERS OF THE PUBLIC SERVICE COMMISSION
8 REGARDING THE ECONOMIC IMPACT OF NORANDA'S OPERATIONS IN
9 SOUTHEAST MISSOURI?

10 A Noranda's 2012 payroll was \$95.411 million and the state economic impact is
11 approximately \$330 million. Noranda provides over 900 high quality jobs. These
12 numbers have demonstrate that Noranda has a major impact on the economy of
13 Southeast Missouri as well as the entire State of Missouri. Noranda is very
14 important to my constituents and our region, and it is important that the company
15 remain profitable and continue to operate.

16
17 Q HOW HAVE NORANDA'S CONTRIBUTIONS TO THE TAX BASE IN NEW
18 MADRID COUNTY BENEFITED THE COMMUNITY?

19 A According to the information provided to me, Noranda pays around 18 percent of
20 New Madrid County's property taxes and about 28 percent of the taxes that
21 support the New Madrid County Central R-1 School District. So Noranda not only
22 provides excellent paying jobs, but the company is also a major taxpayer in New
23 Madrid County and those taxes benefit the whole community. In particular,
24 because of these taxes, the citizens of New Madrid County enjoy excellent public
25 schools. Good schools, in turn, have a positive impact on the community by

1 preparing children and young people to become good employees and active
2 citizens who support themselves and contribute to the well-being of others.

3
4 **Q HAVE YOU BEEN INVOLVED IN ECONOMIC DEVELOPMENT IN YOUR**
5 **ROLE AS AN ELECTED OFFICIAL?**

6 A Yes. As a State Representative and as a State Senator, I have worked with local
7 government leaders and economic development professionals on economic
8 development issues.

9
10 **Q BASED ON THAT EXPERIENCE, HOW WOULD YOU DESCRIBE THE**
11 **IMPORTANCE OF MANUFACTURING JOBS SUCH AS THOSE THAT EXIST**
12 **AT THE NORANDA PLANT?**

13 A The existing jobs at the Noranda plant are very important and would be very
14 difficult to replace if they were lost. Noranda pays relatively high wages for our
15 area and provides good benefits. And like other manufacturers, Noranda also
16 contributes to the economy by purchasing products and services from other
17 companies. When we talk about job growth, it's important to remember that not
18 all jobs are the same. Manufacturing jobs like those at Noranda have a bigger
19 impact on our economy and our community than many other jobs.

20
21 **Q ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE?**

22 A It is not easy to bring manufacturing jobs to Missouri. Competition for these jobs
23 is strong. Southeast Missouri has benefited greatly from the presence of
24 Noranda's smelter, and the good jobs it provides. Retaining the 970 jobs at
25 Noranda is important to my constituents and all the people of this region.

1 Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

2 A Yes, it does. Thank you.

3