

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

Application of Union Electric Company)	
for a Certificate of Public Convenience and)	
Necessity authorizing it to construct, install,)	Case No. _____
own, operate, control, manage and maintain)	
electric plant, as defined in § 386.020(14), RSMo.)	
to provide electric service in a portion of)	
New Madrid, County, Missouri, as an)	
extension of its existing certificated area)	

APPLICATION AND MOTION FOR EXPEDITED TREATMENT

COMES NOW Union Electric Company, doing business as AmerenUE ("Applicant" or "AmerenUE"), and for its application pursuant to Section 393.170, RSMo. 2000 and 4 CSR 240-2.060(1) and 4 CSR 240-3.105 for a certificate of public convenience and necessity, and for its Motion for Expedited Treatment pursuant to 4 CSR 240-2.080(16), respectfully states as follows:

APPLICATION

1. Applicant is a Missouri corporation doing business under the fictitious name of AmerenUE, in good standing in all respects, with its principal office and place of business located at 1901 Chouteau Avenue, St. Louis, Missouri 63103. Applicant is engaged in providing electric and gas services in portions of Missouri as a public utility under the jurisdiction of the Commission. Applicant is also engaged in providing electric and gas service in portions of Illinois. There is already on file with the Commission a certified copy of Applicant's Articles of Incorporation and Certificate of Corporate Good Standing (*see MPSC Case No. EA-87-105*), and Applicant's Fictitious Name Registration as filed with the Missouri Secretary of State's Office (*see MPSC Case No. GO-98-486*), and said documents are incorporated herein by reference and made a part hereof for all purposes.

2. Communications with regard to this Application should be directed to:

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and

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3. Other than cases that have been docketed at the Commission, AmerenUE has no pending actions or final unsatisfied judgments or decisions against it from any state or federal court or agency within the past three (3) years which involve customer service or rates. AmerenUE has no annual report or assessment fees that are overdue.

4. Attached hereto and incorporated herein by this reference as **Exhibit A** is a plat of the proposed service area located in portions of Sections 29, 30, 31, and 32, Township 22 North, Range 14 East in New Madrid County, Missouri.

5. Attached hereto and incorporated herein by this reference as **Exhibit B** is a legal description of the proposed boundaries of the area sought to be certificated hereby, consisting of approximately 345 acres, more or less. Also attached hereto and incorporated herein by this

reference as **Exhibit C** is the form of tariff sheet, to be filed after approval of this Application, that will reflect the addition of the area sought to be certificated hereby to AmerenUE's service territory.

6. The area sought to be certificated by AmerenUE encompasses the aluminum smelting plant facility owned by Noranda Aluminum, Inc ("Noranda"). Noranda's current electric supply arrangements expire May 31, 2005. Noranda has requested that AmerenUE supply it with electrical service to meet Noranda's electric power and energy needs for a minimum term of fifteen (15) years commencing June 1, 2005. AmerenUE does not hold a certificate of public convenience and necessity for the area encompassing Noranda's premises. Therefore, it is necessary for AmerenUE to obtain a certificate of public convenience and necessity for this area.

7. Noranda would take service from AmerenUE under a new Missouri large transmission service ("LTS") tariff. The LTS tariff would have the same rates, terms and conditions as AmerenUE's existing Missouri large primary service ("LPS") tariff (*The LPS tariff on file with the Commission is referred to as Service Classification No. 11(M) – Large Primary Service, MPSC Tariff Sheet Nos. 67.1-67.3*), except as otherwise provided for in the proposed LTS tariff, the form of which is attached hereto and incorporated herein by this reference as **Exhibit D**. Specifically, the LTS tariff is designed to charge Noranda the same rates that currently apply to AmerenUE's LPS customers, except that the LTS tariff is designed to take into account the fact that there are no AmerenUE distribution facilities (and thus no distribution costs) needed to serve Noranda and is further designed to account for energy line losses on the third-party Associated Electric Cooperative, Inc. ("AECI") transmission system to be utilized to deliver the energy to be sold to Noranda, as discussed in more detail herein below. Further, the

LTS tariff provides that Noranda will be responsible for any transmission costs or charges that would not otherwise be borne by AmerenUE's bundled customers as also discussed herein below. The pre-filed direct testimonies of Mr. Craig D. Nelson and Mr. Wilbon L. Cooper filed concurrently with this Application explain further the design of the LTS tariff. The Company hereby requests that the Commission approve the LTS tariff in connection with granting the Company's request for a certificate of public convenience and necessity as requested herein.

8. Noranda's electric power and energy is currently taken by Noranda via a distribution system owned by Noranda and dedicated solely to Noranda as depicted on **Exhibit E** attached hereto and incorporated herein by this reference. Thus, no construction of any new distribution system is necessary to allow AmerenUE to serve Noranda, and the Company will require no financing in connection with this addition to its service area.

9. As depicted on Exhibit E, the electric power and energy to be sold to Noranda will be delivered to Noranda via existing interconnections between AmerenUE's transmission system and the transmission system of AECI pursuant to an existing Interchange Agreement between AECI and AmerenUE dated June 28, 1978, as amended. Because AmerenUE has not previously delivered power to Noranda, a new contractual delivery point will be established, as provided for in the above-referenced Interchange Agreement. Because the Interchange Agreement is subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"), the FERC will have to approve the establishment of the new delivery point. The Midwest Independent System Operator, Inc. ("MISO") has approved this arrangement, and AmerenUE expects FERC approval to be forthcoming prior to the date by which AmerenUE has requested Commission approval hereunder. Noranda, as a native load customer of AmerenUE, will take Network Integration Transmission Service from the MISO under the MISO's Open

Access Transmission Tariff, the same as for other AmerenUE native load customers, and Noranda's load will be a part of the MISO's markets.

10. AmerenUE will deliver the power and energy to be used and consumed by Noranda plus sufficient power and energy to cover all energy line losses on AECI's system, all of which will be paid for, or be the responsibility of Noranda under the LTS tariff. Noranda shall also arrange for any necessary transmission service on AECI's system and shall pay any charges therefore to AECI. Further, the LTS tariff provides that Noranda will be responsible for any and all charges from any Regional Transmission Organization that might now or hereafter be imposed because Noranda is not directly connected to AmerenUE's service area. There are no upgrades or modifications required to any transmission facilities of AmerenUE, AECI or otherwise insofar as the same Noranda load to be served by AmerenUE is currently served by the same existing transmission facilities. There is thus no adverse impact of any kind on the operation of AmerenUE's transmission system or any other transmission system in the area, and AmerenUE's service to the Noranda load does not adversely affect the power flows on the transmission systems of AmerenUE, AECI, or otherwise. The pre-filed direct testimony of Mr. Edward C. Pfeiffer filed concurrently herewith addresses any Noranda related transmission issues.

11. There are no residents or landowners, other than Noranda, within the area sought to be certificated. Noranda's address is as follows: Noranda Aluminum, Inc., 391 St. Jude Industrial Park, New Madrid, MO 63869.

12. As noted above, there is no construction involved with respect to the proposed service to Noranda; there is only one customer in the proposed service area, Noranda, and the rates and charges shall be set pursuant to the LTS tariff that would currently be applicable only

in the proposed service area for this one customer. AmerenUE therefore believes that 4 CSR 240-3.105(1)(A)5 (requiring a “feasibility study”) does not apply with respect to this Application insofar as the terms of that regulation indicate that it is designed to provide the Commission with information necessary to examine the construction specifications and details of new facilities that might be necessary to serve a new service territory, to understand the capital (and source of capital) necessary for that new construction, and to understand the relationship of the expected revenues and costs relating to the additional capital required to aid the Commission in evaluating whether the required capital is justified by those revenues and costs. Because none of those considerations exist with regard to this Application, AmerenUE believes that the “feasibility study” requirement does not apply. Alternatively, AmerenUE, pursuant to 4 CSR 240-2.060(4), hereby requests that the Commission, if it were to determine that the regulation applies in whole or in part, waive 4 CSR 240-3.105(1)(A)5 because there is no need for such a feasibility study for the reasons discussed above. In this regard, AmerenUE states that the pre-filed direct testimonies of Mr. Richard Voytas and Mr. Edward Pfeiffer, filed contemporaneously with the filing of this Application, include information and analyses relating to the feasibility of serving Noranda using existing generation and transmission facilities.

13. Applicant will not require any additional franchises or permits from municipalities, counties, or other authorities in connection with the proposed service area as no additional transmission or distribution facilities will need to be utilized or constructed.

14. Noranda is a major employer in Southeast Missouri, employing more than 1,100 with an annual payroll of approximately \$57 million. It provides major economic support and stability to a 10-county region in Southeast Missouri. It, and its employees, pay substantial local and state taxes that support various operations in the region, including schools, local and

regional governments, and public safety operations. Noranda utilizes many Missouri suppliers and purchases substantial goods and services from Missouri businesses. Noranda also generates substantial revenues which flow to Missouri from Noranda's out-of-state customers. A safe, reliable, and adequate long term supply of electric power and energy is critical to Noranda's energy-intensive operations, including its ability to continue competitive and cost-effective operation of its plant. Electricity is the largest cost incurred by Noranda to operate its plant. Moreover, the nature of operating an aluminum smelting facility means that Noranda in effect cannot afford to lose electric power; otherwise, the permanent, continued operation of its plant could be jeopardized because aluminum smelting plants cannot, as a practical matter, be started up, shut down, and then re-started without significant economic, and sometimes unalterable, impacts. Thus, Noranda requires assurance that it will have a proven, long term supplier of electric energy and power who is obligated to provide it safe and adequate service at just and reasonable rates. This long term assurance is critical to Noranda in order to allow Noranda to continue to make long term investments in its plant as necessary for its long term operations to continue. Continuation of Noranda's long term operations is critical to the region and indeed to the state of Missouri as a matter of public policy and interest, as evidenced by the Missouri Legislature's unanimous adoption of H.B. 208 (merged with S.B. 555 (codified as Section 91.026, RSMo.), which grants qualifying aluminum smelting operations (Noranda qualifies as such) the right to choose the supplier from whom it will obtain electric power and delivery services.

15. The facts set forth herein demonstrate that granting the certificate requested herein serves a genuine and reasonable public interest and that granting this Application is required by the public convenience and necessity. In summary, Noranda has requested and

needs long term public electric utility service at just and reasonable rates, AmerenUE is in the business of and is capable of providing such service, such service is essential to Noranda's continued viability, and Noranda's continued viability is critical to the economy of Southeast Missouri and the state of Missouri.

MOTION FOR EXPEDITED TREATMENT

16. As noted above, Noranda's current electric supply arrangements expire on May 31, 2005. In the event this Application were denied, Noranda requires some amount of time to secure some other source for its electricity needs. Given its size and unique characteristics, securing a power supply from some other entity would take several weeks, at least. Therefore, in order to allow the timely filing of the LTS tariff which would apply to the service to be provided in the area sought to be certificated herein, and to further ensure a smooth transition from Noranda's current provider to AmerenUE, AmerenUE respectfully requests that the Commission expedite this proceeding and that it grant AmerenUE the certificate of public convenience and necessity requested herein on or before March 21, 2005, to be effective no later than ten (10) days thereafter. AmerenUE further respectfully requests that the LTS tariff, and the tariff sheet necessary to include the legal description of the area sought to be certificated hereby into AmerenUE's tariffs, be approved on or before March 21, 2005, the same to be filed with the Secretary of the Commission without the need for further Commission approval and without suspension, to become effective June 1, 2005.

17. Expediting this proceeding as requested herein will avoid the harm to Noranda that will occur if it is unable to timely secure electric service from AmerenUE as requested herein. It will further allow the benefits to the public interest described herein. The Application was filed as soon as it reasonably could have been under the circumstances. AmerenUE has just

recently concluded the agreements with Noranda necessary to proceed with this Application, and AmerenUE has diligently been working with Staff, Public Counsel and others to both provide information and to obtain information necessary to properly prepare and file this Application. Indeed, several meetings have transpired between AmerenUE, Staff, Public Counsel and others, substantial information has been provided by AmerenUE to those parties, and additional analyses have been performed by AmerenUE at their request.

18. Filed concurrently herewith is AmerenUE's direct, pre-filed testimonies in support of the Application. AmerenUE also expects Noranda to file a request for intervention and concurrently therewith to file additional pre-filed testimonies in support of this Application. AmerenUE also understands that there may be additional public officials who may desire to file testimonies relating to the importance of Noranda to the region and the state and the importance of this electric service to Noranda, and such additional testimonies from such persons will be filed as soon as possible. AmerenUE has also previously provided all of its workpapers to Staff, Public Counsel and others in order to expedite their review of the analyses discussed in AmerenUE's testimonies, and has met with Staff, Public Counsel and others to answer questions regarding the analyses discussed in AmerenUE's testimony and about the underlying workpapers.

19. Also filed concurrently herewith is a Motion for Adoption of Expedited Procedural Schedule and a Motion for Protective Order. As provided for therein, Applicant requests that the Commission immediately issue its order giving notice of this case, that a Prehearing Conference be held on December 27, 2004, or on the first available date thereafter on which the Hearing Examiner assigned to this case is available, that a shortened deadline by which interventions must be made (December 30, 2004) be adopted, and for other relief.

20. As evidenced by the certificate of service appearing below, this Application has been served on the Commission's General Counsel, the Public Counsel and Noranda, via e-mail. This Application, AmerenUE's other pleadings, and AmerenUE's pre-filed testimonies have also been provided, via e-mail, to those persons who have expressed their interest in this matter to AmerenUE and with whom AmerenUE has had pre-filing communications, namely, the Missouri Energy Group, the Missouri Industrial Energy Consumers, and the Missouri Department of Natural Resources.

WHEREFORE, Applicant prays:

- a. that an order be issued on or before March 21, 2005, to be effective no later than ten (10) days thereafter, finding that extending Applicant's service territory to serve Noranda is in the public interest and granting Applicant a certificate of public convenience and necessity to construct, install, own, operate, control, manage, and maintain electric plant (as that term is defined in § 386.020(14), RSMo. (2000)), for the provision of electric service to Noranda in the area of New Madrid County, Missouri described in Exhibit B hereto, and finding further that the extended service territory and the service to Noranda to be provided pursuant to said certificate and the accompanying tariff is prudent for ratemaking purposes;
- b. that, to the extent necessary, Applicant be granted a waiver from the requirements of 4 CSR 240-3.105(1)(A)5 if the Commission believes it applies;
- c. that the LTS tariff, the form of which is attached hereto as Exhibit D, and the tariff sheet necessary to incorporate the legal description of the proposed service area into the Company's service territory, the form of which is attached hereto as Exhibit C, be approved and that the Commission authorize the filing of the LTS tariff and said tariff sheet without suspension and provide for an effective date thereof of June 1, 2005;
- d. that a Prehearing Conference be set in this matter on December 27, 2004, as requested in the Proposed Procedural Schedule and Request for Prehearing Conference filed concurrently herewith, and that the Proposed Procedural Schedule be adopted at said Prehearing Conference;
- e. That the Motion for Protective Order filed concurrently herewith be granted on or before the Prehearing Conference; and

- f. for such other order or orders as the Commission deems just and proper under the circumstances.

Dated: December 20, 2004

Respectfully Submitted:

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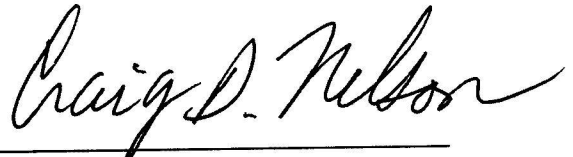
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**Attorneys for Union Electric Company d/b/a
AmerenUE**

VERIFICATION

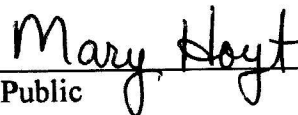
STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

Craig D. Nelson, of lawful age, being duly sworn, deposes and says that he is Vice President – Strategic Initiatives for Ameren Services Company, acting on behalf of Union Electric Company, that he is duly authorized to and did sign the foregoing Application on behalf of Union Electric Company, that he has knowledge of the facts stated in the foregoing Application, and that said facts are true to the best of his knowledge, information and belief.

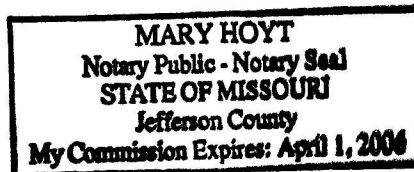


Craig D. Nelson

Subscribed and sworn to before me this 20th day of December, 2004.



Notary Public



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via e-mail, to the following parties on the 20th day of December, 2004.

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