

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

Noranda Aluminum, Inc., et al.,	)	
	)	
Complainants,	)	
	)	
vs.	)	<b><u>Case No. EC-2014-0223</u></b>
	)	
Union Electric Company doing business	)	
As Ameren Missouri,	)	
	)	
Respondent.	)	
Noranda Aluminum, Inc., et al.,	)	
	)	
Complainants,	)	
	)	
vs.	)	<b><u>Case No. EC-2014-0224</u></b>
	)	
Union Electric Company doing business	)	
As Ameren Missouri,	)	
	)	
Respondent.	)	

**Staff's Proposed Testimony Outlines**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through the Chief Staff Counsel, and hereby advises the Commission of its planned testimony in the above-styled dockets:

1. On February 12, 2014, Noranda Aluminum, Inc., and thirty-seven other customers of Ameren Missouri filed two complaints, thereby initiating Case No. EC-2014-0223, an overearnings complaint, and Case No. EC-2014-0224, a rate design complaint.

2. On April 16, 2014, the Commission denied Ameren Missouri's *Motion to*

*Dismiss* filed in each of these cases and, in each case, established a shortened procedural schedule designed to bring each case to a prompt resolution on the merits.

3. In its *Order Establishing Procedural Schedule* issued in Case No. EC-2014-0223, the overearnings complaint, the Commission gave this direction to the Staff:

Staff indicates it will not have enough time to undertake any audit, cost of service study, class cost of service study or other extended or exhaustive analysis to support or refute the complaint. The Commission directs Staff to perform an analysis and investigation, the parameters of which will be more fully defined by the Commission as the case progresses. In particular, Staff shall analyze and investigate the allegations in paragraph 12 of the complaint. The Commission expects Staff to comply with the procedural schedule.

The procedural schedule set in Case No. EC-2014-0223 requires rebuttal testimony on May 14, 2014, twenty-six days from today, and surrebuttal testimony on June 13, 2014, fifty-six days from today.

4. In its *Order Establishing Procedural Schedule* issued in Case No. EC-2014-0224, the rate design complaint, the Commission gave this direction to the Staff:

Staff indicates it will not have enough time to undertake any audit, cost of service study, class cost of service study or other extended or exhaustive analysis to support or refute the complaint. The Commission directs Staff to perform an analysis and investigation, the parameters of which will be more fully defined by the Commission as the case progresses. The Commission expects Staff to comply with the procedural schedule.

The procedural schedule set in Case No. EC-2014-0224 requires rebuttal testimony on May 2, 2014, fourteen days from today, and surrebuttal testimony on May 23, 2014, thirty-five days from today.

5. The Staff exists solely to serve the Commission by gathering and marshalling relevant facts and by providing expert analyses and recommendations to the Commission through testimony offered in formal proceedings. Staff did not intend

its frank discussion of the interval necessary to perform various traditional rate case tasks, provided in earlier pleadings in these cases, to express any reluctance on its part to do whatever the Commission may require of it to the best of its ability given the time constraints imposed by the procedural schedules.

6. As the first step in providing the Commission the desired input, Staff obtained the agreement of all parties to these cases to shortening the response time to data requests to five business days to respond and three business days to object, and secured corresponding orders in both cases. This step was necessary because the relevant data is in the possession of Ameren Missouri and, to a much lesser extent, Complainants. Staff's investigation will consist of obtaining the relevant data from these parties by way of data requests.

7. Attached as Attachment A is an outline of the topics that Staff plans to address in its testimony offered in Case No. EC-2014-0223, the overearnings complaint.

8. Attached as Attachment B is an outline of the topics that Staff plans to address in its testimony offered in Case No. EC-2014-0224, the rate design complaint.

9. These outlines are provided to enable the Commission to provide guidance to the Staff as to the work product desired in each case.

**WHEREFORE**, Staff prays that the Commission will review the attached outlines and advise Staff of any desired changes in focus or content; and such other and further relief as is just in the circumstances.

Respectfully submitted,

/s/ Kevin A. Thompson

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Missouri Public Service Commission

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **18<sup>th</sup> day of April, 2014**, on the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

**/s/ Kevin A. Thompson**

Attachment A

## **Noranda et al. v. Ameren Missouri Case No. EC-2014-0223 (Overearnings Complaint)**

Staff's analysis and investigation is intended to provide answers to the following questions:

### **A. RELEVANT CRITERIA**

What are the relevant criteria and standards to be applied for the determination of the appropriateness of Ameren Missouri's current rates in this proceeding?

### **B. SCOPE LIMITATIONS**

Are there scope limitations in this proceeding that would prevent the Staff from performing a complete analysis of Ameren Missouri's current cost of service as would be done in a traditional rate case audit?

### **C. DOCUMENTATION**

What types of documentation are available under the constraints of the procedural schedule established in this proceeding that Staff can use to analyze the appropriateness of Ameren Missouri's current rate levels?

### **D. RATE OF RETURN**

What is the appropriate rate of return that should be used to determine if Ameren Missouri's current rates are excessive?

### **E. COMPLAINANT'S ANALYSIS AND PROPOSAL**

What conclusions can be made regarding the Complainant's cost of service analysis and proposal to reduce Ameren Missouri's rates?

### **F. STAFF'S OPINION**

What is the Staff's opinion regarding the appropriateness of Ameren Missouri's current rates?

**Noranda et al. v. Ameren Missouri  
Case No. EC-2014-0224 (Rate Design Complaint)**

**Testimony Topics**

1. Overview of Noranda's Rate Design proposal.
2. The background of the Large Transmission Service (LTS) rate schedule 12(M).
3. Dollar and percent increases to customer classes from Ameren Missouri's last general rate proceeding, Case No. ER-2012-0166.
4. The Current rate design of the LTS rate schedule.
5. The Results of Staff's Class Cost of Service (CCOS) study in Ameren Missouri's last general rate proceeding, Case No. ER-2012-0166.
6. Noranda's proposed rate design for the Aluminum Smelter rate schedule.
7. Noranda's proposed terms and conditions for the Aluminum Smelter rate schedule.
8. Noranda's proposal to adjust certain other Ameren Missouri rate schedules to make its proposal revenue-neutral to Ameren Missouri.
9. Identification of the out-of-pocket cost to Ameren Missouri to provide service to Noranda on a per MW basis and on an annual basis.
10. Identification of the per-KWh rate for Noranda that would equalize the impact on existing customers of serving Noranda versus customer impact if Noranda left the system.
11. Conclusions