

Exhibit No.:
Witness: Steve Hodges
Type of Exhibit: Direct Testimony
Issue: Noranda Economic
Impact
Sponsoring Party: Noranda Aluminum
Inc.
Case No.: ER-2008-0318

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY DIVISION

AMERENUE

CASE NO. ER-2008-0318

PREPARED DIRECT TESTIMONY OF
STEVE HODGES

August 28, 2008

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

ER-2008-0318

AFFIDAVIT OF STEVE HODGES

STATE OF MISSOURI)
) ss
COUNTY OF Scott)

Steve Hodges, of lawful age, on his oath states: That he has reviewed the attached written testimony in question and answer form, all to be presented in the above case, that the answers in the attached written testimony were given by him; that he has knowledge of the matters set forth in such answers; that such matters are true to the best of his knowledge, information and belief.



Steve Hodges

Subscribed and sworn to before me this 25th day of August, 2008.

ELIZABETH A. LORENZ
Notary Public - Notary Seal
State of Missouri
Scott County
My Commission Expires: 10/28/08
Commission # 04617437



Notary Public

[SEAL]

My Commission expires: 10/28/08

PREPARED DIRECT TESTIMONY OF
STEVE HODGES

1 **Q: Please state you name and place of residence.**

2

3 A: My name is Steve Hodges. I live at 51 West 428th Road in East
4 Prairie, Missouri.

5

6 **Q: Am I correct that you are a member of the Missouri General**
7 **Assembly?**

8

9 A: Yes. I am a state representative from the 161st District
10 which includes New Madrid, Scott, Stoddard, Mississippi County
11 and a small portion of Cape Girardeau County.

12

13 **Q: Are you familiar with the operations of Noranda Aluminum?**

14

15 A: Absolutely. I was in the supermarket business in Mississippi
16 County with my father since the early '60's. I worked in the
17 store, and I became a partner in 1975 when I returned to the
18 area. Construction of Noranda began in the '60's. Our
19 communities served construction workers and production workers
20 as the plant started up in the 1970's. I am very familiar
21 with Noranda Aluminum.

22

1 **Q: Please comment on the significance of the Noranda operation to**
2 **the area that you represent and to your constituents?**

3
4 A: Noranda is the largest employer in southeast Missouri,
5 somewhat over 1,100 people with a \$60 million annual payroll.
6 Our grocery store felt tremendous impact because the workers
7 who resided in our town traded with our store. Many
8 participated in the community and also surrounding towns such
9 as Charleston, Sikeston, Matthews, New Madrid, Lilbourn,
10 Malden, Sikeston, Portageville, Gideon, and others. Some
11 workers came from Kentucky, Tennessee, and Arkansas. The
12 impact of Noranda for our area is unbelievable.

13
14 Noranda's contribution is important, not only as an employer,
15 but also, as to what it does for the County of New Madrid,
16 Missouri, and the New Madrid County School system. Noranda
17 Aluminum is the largest single contributor to the tax base of
18 the county and the school district.

19
20 This is many times overlooked. When I was in graduate school,
21 I took a course titled "Business Ethics and Corporate
22 Responsibility". I have always had great respect for Noranda
23 because I felt that it has adhered to the principles of that
24 course. It operates with great relationship with the workers

1 and interacts with the local community and area to a terrific
2 extent. Noranda has had few labor problems with the
3 steelworkers' union and operates in an atmosphere of mutual
4 respect.

5
6 Noranda has underwritten many programs. It has provided
7 scholarship assistance, summer internships, cooperative work
8 programs, job training and complimented civic groups and bond
9 issues for New Madrid County and the surrounding area.
10 Unselfishly, Noranda pays back to the community for what it
11 receives in support and worker output.

12
13 **Q: Does Noranda provide employment for a number of your**
14 **constituents?**

15
16 **A:** I was absent from the area in the early 1970's, after graduate
17 school, but I became very familiar with many Noranda workers
18 upon my return. Many of the hourly people and company people
19 are involved in southeast Missouri communities as civic
20 leaders, school board members, county officials, and church
21 members and leaders. I have had social interaction with many
22 through athletics and school programs. These are quality
23 people that increase the quality of life for the Bootheel. I
24 applaud Noranda for their support of the local school system.

1 **Q: If you would, please comment further regarding the tax support**
2 **that Noranda provides to the local school districts.**

3
4 A: Quite honestly, about three years ago, my father and I sold
5 our business prior to my becoming involved in politics. I
6 substitute taught for two years in the East Prairie and New
7 Madrid School Districts. Both had wonderful facilities, but I
8 quickly gained respect for the contribution of Noranda to the
9 New Madrid district. New Madrid recently passed a bond issue
10 for remodelling, updating, expanding, and improving its
11 district. This was totally supported by Noranda. This
12 company knows that a crucial point of job satisfaction lies
13 with a strong school system for the family of its workers, and
14 this is reflected in a positive manner.

15
16 **Q: Given your position as a State Representative, would think it**
17 **would be important for Missouri as a whole and certainly that**
18 **portion of Missouri to take reasonable steps to see that**
19 **Noranda remains viable?**

20
21 A: I have learned in my first two years in the Legislature that
22 economic development is very important to the state.

1 Recently, I have been involved in a project dealing with life
2 sciences and technology that can provide numerous job
3 opportunities for Missouri. If we do not have jobs in
4 Missouri, people will leave the state. Noranda is one of the
5 top Missouri employers, and I cannot imagine them being absent
6 from our economy and southeast Missouri.

7
8 **Q: In your experience, does this sort of economic activity ripple**
9 **throughout the community?**

10
11 **A:** I know of employees who have gone to work at Noranda and
12 established careers there over a lesser paying previous job.
13 Noranda employees participate in their communities. Their
14 families are involved in schools, civic clubs, churches, and
15 community action groups. The economic basis that they have
16 received from their employer has allowed them to become viable
17 citizens of their towns.

18
19 I can just say that people of Noranda are good people up and
20 down the line. From Keith Gregston to the lowest end of the
21 food chain, workers enjoy their jobs. I have a neighbor who
22 has been employed by Noranda for over 25 years. He left a job
23 driving a tractor for less than \$200 per week with no
24 benefits. He has had a number of health problems, but his

1 Noranda medical insurance has protected him. Employees of
2 Noranda have been provided for to a great extent, and I think
3 they appreciate that.
4

5 Noranda Aluminum has my full support as a job provider in
6 southeast Missouri and for Missouri.
7

8 **Q: Representative, I know you're busy and I do want to thank you**
9 **for your time this afternoon. Are there any other comments**
10 **that you would like the Public Service Commissioners to hear?**
11

12 **A:** Well, again I just tell you the people at Noranda Aluminum are
13 just good people up and down the line, from Keith Gregston,
14 you know, to some of these people who work maintenance. Very
15 few people I ever talk to are disgruntled. I have neighbors,
16 I have a neighbor right down the road who's been at Noranda
17 20-something years and, boy I tell you what, he was driving
18 the tractor, you know, for about \$5.00 an hour and now his,
19 his life has improved so much he has benefits and he's had
20 some health issues over the years, but anyway it has provided
21 a terrific quality of life for most of the workers down there
22 and, and some who would never have had the opportunity if
23 Noranda Aluminum wasn't here. So anything I can do to support
24 Noranda Aluminum, I will.

1 Q: Does that conclude your testimony at this time?

2

3 A: Yes it does.