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

In the Matter of the Cancellation of the	)
Certificate of Convenience and Necessity	) File No. ED-2019
Originally Approved in File No. EA-2005-0180	)
and the LTS Rate Schedule.	)

## APPLICATION AND REQUEST FOR WAIVER OF 4 CSR 240-4.017(1)

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Company," "Ameren Missouri," or "Applicant"), pursuant to 4 CSR 240-2.060 and 4 CSR 240-4.017(1), and hereby submits to the Missouri Public Service Commission ("Commission") its Application to cancel the Certificate of Convenience and Necessity ("CCN") granted by the Commission in 2005 and applicable to the property on which the Magnitude 7 Metals, LLC ("M7M") aluminum smelter is located (hereinafter referred to as the "Smelter") and requests a waiver of the 60-day notice requirement of 4 CSR 240-4.017(1). In support of its Application and waiver request, Ameren Missouri states as follows:

#### I. APPLICANT

1. Union Electric Company is a Missouri corporation doing business under the fictitious name of Ameren Missouri, in good standing in all respects, with its principal office and place of business located at One Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri 63103. Applicant is engaged in providing electric and gas utility services in portions of Missouri as a public utility under the jurisdiction of the Commission. There is already on file with the Commission a certified copy of Applicant's Articles of Incorporation (See Case No. EA-87-105), and Applicant's Fictitious Name Registrations as filed with the Missouri Secretary of State's Office (See Case Nos. GN-2011-0070 and EN-2011-0069). Said documents are incorporated herein by reference and

made a part hereof for all purposes. A Certificate of Corporate Good Standing for Applicant is attached as Schedule A.

2. Filings, notices, orders and other correspondence and communications concerning this Application should be addressed to undersigned counsel and to:

Thomas M. Byrne
Senior Director Regulatory Affairs
Ameren Missouri
1901 Chouteau Avenue
P.O. Box 66149
St. Louis, MO 63166-6149
314-554-2514
tbyrne@ameren.com

- 3. Ameren Missouri has no pending action or final unsatisfied judgment or decision against it from any state or federal agency or court which involves customer service or rates, which action, judgment, or decision has occurred within three years of the date of this Application.
  - 4. Applicant has no overdue annual report or assessment fees.

#### II. FACTS

- 5. In late 2004, Ameren Missouri entered into an agreement with Noranda Aluminum, Inc. ("Prior Customer") under which Ameren Missouri would provide regulated retail electric service to the Prior Customer for a term of 15 years, subject to obtaining the required CCN to expand Ameren Missouri's service territory to encompass the property that is now owned by M7M in New Madrid County, Missouri.
- 6. Ameren Missouri filed an application for a CCN and for approval of a new rate schedule, the Large Transmission Service ("LTS") rate schedule, which would allow service to be provided to the Prior Customer.

<sup>&</sup>lt;sup>1</sup> File No. EA-2005-0180.

- 7. The parties to File No. EA-2005-0180 thereafter filed a Unanimous Stipulation and Agreement which called for issuance of the requested CCN and approval of an LTS rate schedule, which by agreement had been modified in certain respects from the LTS rate schedule filed when the case was initiated.
- 8. Ameren Missouri began providing retail electric service to the Prior Customer on June 1, 2005.
- 9. The CCN for the property on which the Smelter is located is unique in several respects. First, it certificates a discrete tract of land owned by just one customer, which is described in a metes and bounds description developed by Prior Customer specifically for the CCN application. Second, the property on which the Smelter is located is not electrically connected to Ameren Missouri's transmission or distribution system. Instead, Ameren Missouri delivered power (including Prior Customer's demand and associated losses) to a delivery point where Ameren Missouri's system interconnects with Associated Electric Cooperative, Inc.'s ("AECI") transmission system. AECI then wheeled the power provided by Ameren Missouri to the Smelter under a separate transmission service agreement between Prior Customer and AECI to which Ameren Missouri was not a party. The power was metered at the Smelter and paid for by Prior Customer under the LTS rate schedule. Another unique aspect of the CCN for the property on which the Smelter is located is that because of the nature of the operations conducted there, its owner has rights no other electric customer in the state of Missouri has: to choose to cease taking electric service from its Commission-certificated provider (Ameren Missouri here) and to take electric service instead from another provider of its choice, all as provided for in Section 91.026, RSMo. (2016).

- 10. Except for a material curtailment caused when a severe ice storm downed AECI's transmission lines resulting in damage to the Smelter's operations, Prior Customer essentially took service from Ameren Missouri at or near full load from 2005 through early 2016. At that time, Prior Customer filed bankruptcy and ceased smelting operations.
- 11. Thereafter (in September 2016) and with the approval of the bankruptcy court, the assets constituting the Smelter were sold to M7M. After the Smelter closed, and continuing after its assets were sold to M7M, the property on which the Smelter is located continued to take a small amount of power (e.g., for lighting, heating/cooling of offices to the extent employees still worked at the Smelter) from Ameren Missouri, but smelting operations continued to be shuttered.
  - 12. In November 2017, M7M announced plans to re-start the Smelter.
- 13. At the request of M7M, M7M ceased taking electric service from Ameren Missouri effective March 19, 2018. See Exhibit A hereto.
- 14. As noted, in Ameren Missouri's letter confirming M7M's request to cease taking regulated service from Ameren Missouri (Exhibit B hereto), M7M had the right to make such a request and Ameren Missouri was obliged to comply with it under Section 91.026, which in effect gives aluminum smelters in Missouri a right to exercise retail choice in deciding upon the smelter's electric service provider.
- 15. It is the Company's understanding that effective March 19, 2018, M7M began taking service for the Smelter from AECI under a multi-year contract.
- 16. The Smelter's load is no longer part of Ameren Missouri's load for any purpose. It is no longer included as part of Ameren Missouri's Integrated Resource Planning and Ameren Missouri no longer has the permission of the Midcontinent Independent System Operator, Inc.

("MISO") to include the Smelter's load in Ameren Missouri's Network Integration Transmission ("NITS") agreement.

17. As the attached affidavit from M7M CEO Robert Prusak indicates, M7M has no objection to cancellation of the CCN and the related rate schedule. The Affidavit is attached as Exhibit C hereto.

## III. <u>DISCUSION OF RELIEF REQUESTED</u>

18. The certification of the land on which the Smelter is located and establishment of the LTS rate schedule in 2005 was a unique occurrence driven by the circumstances existing at the time, including the desire of Prior Customer to be served as a Company customer. The Commission, in reliance on the unanimous agreement of the parties, determined issuing the CCN and establishing the LTS rate schedule was necessary or convenient for the public service based on those circumstances and the long-term agreement between the Company and Prior Customer entered into at that time. As explained above, those circumstances and that agreement no longer exist.

While Ameren Missouri did not "abandon" the land on which the Smelter is located, it has been said that the "standard generally utilized by the Commission in abandonment [of service] cases is the converse of that applied in the grant of a certificate of public convenience and necessity: the public convenience and necessity no longer require the operation of the service in question." *In re: Kansas City Power & Light Co.*, 88 P.U.R.4<sup>th</sup> 390 (Mo. PSC 1987). Such a standard makes sense on these facts as well. There is no need for Ameren Missouri to serve the Smelter; indeed, it is being served by AECI today and, given Section 91.026, the Smelter's owner has the right to obtain power from whomever it wants regardless of the existence or lack of existence of a service territory.

19. The Commission has recognized that its power to cancel a CCN is necessarily implied by the powers granted it in Chapters 386 and 393, RSMo. *In re: Cancellation of CCN and* 

Tariff of Southwest Village Water Company, File No. WD-2007-0300 (Eff. Apr. 5, 2007). In that case, the Staff advised the Commission that it need not hold a hearing if, after proper notice and opportunity to intervene, a hearing is not requested (citing State ex rel. Deffenderfer Enterprises, Inc. v. Pub. Serv. Comm'n, 776 S.W.2d 494 (Mo. App. W.D. 1989).

### IV. REQUEST FOR WAIVER OF 60-DAY NOTICE REQUIREMENT

- 20. On July 23, 2018, Ameren Missouri filed a 60-day notice pursuant to 4 CSR 240-4.017(1) indicating that it expected to make a filing to cancel the CCN and LTS rate schedule discussed above. Due to unanticipated delays in completing all documentation needed to support the application, the filing was not made within the 180-day effective period of that notice (which ended on January 19 of this year). The docket in which that 60-day notice was filed was then closed. The documentation needed to file this application was recently completed and this filing followed.
- 21. Subsection (D) of the 60-day notice rule contemplates waivers of the 60-day notice for good cause and specifically indicates that "a verified declaration from the filing party that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case" constitutes good cause. The verification of Ameren Missouri Vice-President Warren Wood appearing at the end of this application so states. Consequently, the Company requests a waiver of the 60-day notice requirement.

WHEREFORE, Ameren Missouri respectfully requests the Commission issue its order waiving the above-referenced 60-day notice requirement, cancelling the CCN granted in File No. EA-2005-0180 and the Company's LTS rate schedule (Mo. PSC Schedule No. 6, 3<sup>rd</sup> Revised Sheet No. 62, 1<sup>st</sup> Revised Sheet Nos. 62.1 and 62.2 and Original Sheet Nos. 62.3 and 62.4), and authorizing it to make the other necessary conforming changes to its Schedule No. 6 (including

references in the table of contents and the listing of the area in question as part of its service territory).

Respectfully submitted,

Is James B. Lowery

James B. Lowery, #40503 SMITH LEWIS, LLP PO Box 918 Columbia, MO 65205-0918 (573) 443-3141 (phone) (573) 442-6686 (fax) lowery@smithlewis.com

Wendy K. Tatro, #60261 Director & Assistant General Counsel Ameren Services Company P.O. Box 66149, MC 1310 St. Louis, MO 63166-6149 (314) 554-3484 (phone) (314) 554-4014 (fax) AmerenMOService@ameren.com

### **VERIFICATION**

The undersigned, being first duly sworn and upon his oath, hereby states that the foregoing Application and Request for Waiver of 4 CSR 240-4.017(1) is true and correct to the best of his knowledge, information, and belief. The undersigned further states that neither the Company nor anyone on its behalf has had any communication with the Office of the Commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case.

Warren Wood, Vice President, Legislative & Regulatory Affairs

Union Electric Company d/b/a Ameren Missouri

Notary Public

CATHLEEN A DEHNE
Notary Public – Notary Seal
St. Louis City – State of Missouri
Commission Number 17119727
My Commission Expires Mar 7, 2021

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing was served on the Staff of the Commission and the Office of the Public Counsel via electronic mail (e-mail) on this 12th day of April, 2019.

Isl James B. Lowery

James B. Lowery

STATE OF MISSOURI



## John R. Ashcroft Secretary of State

## CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, JOHN R. ASHCROFT, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

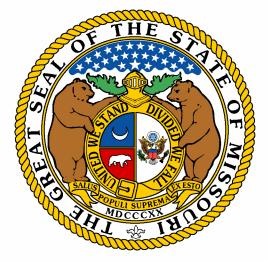
## UNION ELECTRIC COMPANY 00040441

was created under the laws of this State on the 21st day of November, 1922, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 31st day of January, 2018.

Secretary of Stale

Certification Number: CERT-01312018-0021





## Magnitude 7 Metals, LLC

Ameren Missouri

St. Louis, MO 63179-035

March 13, 2018

RE: Magnitude 7 Metals, LLC.

391 St. Jude Industrial Park New Madrid, MO 63869 Account: 0393069052

To Whom It May Concern:

Magnitude 7 Metals, LLC, requests at this time services be disconnected effective,

March 19, 2018. If you have any questions regarding this request, please contact the undersigned

Steve F Rusche at 573.521.9141

Thank you for your time and help with this disconnection.

I. f. Busche

Sincerely,

Steve F. Rusche

COO, Magnitude 7 Metals, LLC

steve.rusche@magnitude7metals.com

573.521.9141



March 16, 2018

Mr. Steve F. Rusche COO, Magnitude 7 Metals, LLC 391 St. Jude Park Marston, MO 63866 Via U.S. Mail and E-mail: steve.rusche@magnitude7metals.com

Re: Union Electric Company d/b/a Ameren Missouri Service

Dear Mr. Rusche:

I am in receipt of your March 13, 2018, letter addressed to Ameren Missouri, but which was provided to Associated Electric Cooperative, Inc. ("AECI") and subsequently provided to Ameren Missouri by AECI. In your letter you ask that Magnitude 7's electric service from Ameren Missouri be disconnected effective March 19, 2018. Your request is consistent with Magnitude 7's public announcement earlier this week that it had reached agreement with AECI for AECI to act as Magnitude 7's electric supplier instead of Ameren Missouri.

Under ordinary circumstances, since Magnitude 7's property is located within Ameren Missouri's Missouri Public Service Commission-certificated service territory, Magnitude 7 would have the obligation to take service from Ameren Missouri, and Ameren Missouri would have the obligation to provide that service. However, in response to your letter we have already contacted AECI so that Magnitude 7's service with Ameren Missouri can end on March 19 with AECI's beginning on that same date. We have agreed with AECI that this disconnection/connection will take place at 10:00 A.M. on March 19. We are accommodating your request to disconnect service with Ameren Missouri because of Magnitude 7's unique rights under Section 91.026 of the Revised Statutes of Missouri, which allow an "aluminum smelting facility" such as that located on Magnitude 7's property to contract with the electric service provider of its choice.

As noted, Ameren Missouri will disconnect its service at 10:00 A.M. on Monday, March 19, 2018. AECI has been notified, and has agreed, to commence its service at that time. A final bill for Ameren Missouri's service up to the time of disconnection will be forthcoming.

Sincerely,

Thomas M. Byrne

Sr. Director, Regulatory Affairs

Thomas M. tr

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In the Matter of the Cancellation of the Certificate of Convenience and Necessity Originally Approved in File No. EA-2005-0180 And the LTS Rate Schedule.	) ) File No. ED-2019 )	
<u>AFFIDAVIT</u>		
County of New Madrid )		
County of New Madrid )  State of Missouri )		
The undersigned, being first duly sworn and upon his oath, states as follows:		
1. I am the CEO of Magnitude 7 Meta	ls, LLC, which owns certain land and assets	
that were formerly operated by Noranda Aluminum, Inc. in New Madrid County, Missouri.		
2. Magnitude 7 Metals, LLC has no ol	bjection to issuance of an order by the	
Missouri Public Service Commission cancelling th	ne certificate of convenience and necessity	
covering property owned by Magnitude 7 Metals,	LLC that was issued to Union Electric	
Company d/b/a Ameren Missouri, and has no obje	ection to cancellation of the associated tariff.	
Further Affiant sayeth not.		
	Robert Prusak	
Subscribed and sworn to by Robert Prusak	before Linda K Thomason, a Notary	
Public in and for the County and State aforesaid, or	on this 26 day of March, 2019.	
LINDA K. THOMASON Notary Public - Notary Seal STATE OF MISSOURI New Medrid County Commission # 13404878 My Commission Expires: May 03, 2021	Notary Public	