

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) Case No. ER-2014-0258
for Electric Service)

**WAL-MART STORES EAST, LP, AND SAM'S EAST, INC.'S
OBJECTION TO NONUNANIMOUS STIPULATION AND AGREEMENT
REGARDING ECONOMIC DEVELOPMENT, CLASS COST OF SERVICE,
REVENUE ALLOCATION AND RATE DESIGN FILED MARCH 10, 2015**

Pursuant to 4 CSR 240-2.115(2), Wal-Mart Stores East, LP, and Sam's East, Inc., (collectively "Walmart") submit this objection to the Nonunanimous Stipulation And Agreement Regarding Economic Development, Class Cost Of Service, Revenue Allocation And Rate Design ("NUS") filed March 10, 2015. For its objection Walmart states as follows:

1) As stated in the prefiled testimony filed on its behalf in this docket and in response to Issue No. 31 of its Statement Of Position, Walmart advocates that rates be set based on the utility's cost of service. This produces equitable rates that reflect cost causation, send proper price signals, and minimize price distortions. Under normal circumstances, Noranda's requested rate relief in this docket would be both out of the ordinary and inappropriate. However, the specific and extraordinary circumstances of this docket warrant the Commission's consideration of whether movement away from cost-based rates for Noranda is in the public interest. Walmart does not oppose the Commission granting some rate relief for Noranda, subject to the conditions regarding the structure of the requested relief outlined in Walmart's testimony.

2) However, the terms of the NUS filed March 10, 2015, completely fail to diminish the longstanding and undisputed subsidies flowing from the LGS/SP customer class to other customer classes. In addition, the NUS would unfairly lock all other

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Ameren customers into providing huge subsidies to Noranda for 10 years, while allowing Noranda to come to the Commission at any time during that term to seek even more.

3) Specifically, the undisputed evidence in this case shows that rates for the LGS/SP class have been set well in excess of cost of service since at least 2007. See Direct Testimony And Schedules Of Steve W. Chriss, p. 7, Table 1 (Dec. 5, 2014). Further, it is undisputed that *all* of the cost of service studies filed in this case show that the LGS/SP customer class is paying rates above cost of service. See Rebuttal Testimony And Schedules Of Steve W. Chriss, p. 5, Table 1R (Jan. 16, 2015).

4) Despite this undisputed evidence, the NUS would allocate both Noranda's below cost rate, as well as any revenue requirement increase granted to Ameren in this case, to all customer classes on an equal percentage basis. (NUS ¶ 3). This allocation completely ignores the undisputed and compelling evidence in this case, and would perpetuate the longstanding subsidy of the LGS/SP class to other customer classes.

5) In addition to perpetuating interclass subsidies, the NUS would lock all customers into providing Noranda with below-cost rates for 10 years (NUS ¶ 6), while leaving Noranda free to seek additional subsidies from other customers during that term:

Notwithstanding any provision of this Stipulation to the contrary, [Noranda] shall retain all rights and standing to seek redress from the Commission, ***including but not limited to rate relief, ...and nothing herein shall bar or prejudice [Noranda] from seeking additional rate relief*** from the Commission in any future proceedings....

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(NUS p. 10, last unnumbered paragraph – p. 11, first unnumbered paragraph)

(emphasis added).

6) This lack of symmetry is unfair to Ameren's other customers and effectively shifts Noranda's business risk over the next 10 years to those customers. While the NUS would allow opposition to Noranda's requests for future relief (NUS p. 11, first unnumbered paragraph), this effectively saddles other customers with the risks and costs of monitoring and litigating Noranda's actions for the next 10 years, in addition to subsidizing Noranda's rates. Other customer classes should not be held hostage to the whims of Noranda's management nor the vagaries of the aluminum industry.

7) For all the above and foregoing reasons, the NUS should be rejected by this Commission.

WHEREFORE, Wal-Mart Stores East, LP, and Sam's East, Inc., respectfully request that the Commission reject the Nonunanimous Stipulation And Agreement Regarding Economic Development, Class Cost Of Service, Revenue Allocation And Rate Design filed herein March 10, 2015.

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Dated this 16th day of February, 2015.

Respectfully submitted,

By /s/ Rick D. Chamberlain

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ATTORNEYS FOR WAL-MART STORES
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CERTIFICATE OF SERVICE

The undersigned certifies that on March 16, 2015, a true and correct copy of the foregoing document was served by U.S. mail, postage prepaid, or by electronic mail addressed to all parties by their attorneys of record as provided by the Secretary of the Commission.

/s/ Rick D. Chamberlain