BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Noranda Aluminum, Inc., *et al.,* Complainants, v. Union Electric Company, d/b/a Ameren Missouri Respondent.	)))))))))	Case No. EC-2014-0224

STATEMENT OF POSITION OF
WAL-MART STORES EAST, LP, AND SAM'S EAST, INC.

Wal-Mart Stores East, LP, and Sam's East, Inc., (collectively "Walmart") submit this Statement Of Position. After the General Statement Of Position below, the issues and Walmart's positions are set forth is the same order as the List of Issues, List and Order of Witnesses, Order of Opening Statements, and Order of Cross-Examination previously filed herein.

GENERAL STATEMENT OF POSITION

Walmart operates 141 retail units and employs 40,374 associates in Missouri. In fiscal year ending 2013, Walmart purchased $5.4 billion worth of goods and services from Missouri-based suppliers, supporting 51,215 supplier jobs.

Walmart has approximately 48 stores and a distribution center serviced by Ameren, primarily on the Large General Service ("LGS") and Small Primary ("SP") rate schedules. In addition, there are 10 Walmart stores and one Sam's Club within 50 miles of Noranda's smelter in New Madrid, MO, that could be impacted by the outcome of this docket. Ameren only serves a portion of these facilities, while others receive electrical service from other utilities.

Walmart advocates that rates be set based on the utility's cost of service. This produces equitable rates that reflect cost causation, sends proper price signals, and minimizes price distortions. Under normal circumstances, Noranda's requested rate relief 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.

SPECIFIC STATEMENT OF POSITION

1. Is Noranda experiencing a liquidity crisis such that it is likely to cease operations at its New Madrid smelter if it cannot obtain relief of the sort sought here?

   Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

   a. If so, would the closure of the New Madrid smelter represent a significant detriment to the economy of Southeast Missouri, to local tax revenues, and to state tax revenues?

   Response - Noranda has estimated that the annual revenue requirement impact of the lost smelter load would be approximately $60 million, which exceeds the proposed impact to other rate classes of Noranda's requested rate relief.

   Noranda's load constitutes approximately 11.3 percent of Ameren's load on an energy basis, so the smelter closing or otherwise leaving Ameren's system would constitute a significant reduction to Ameren's load. Additionally, usage by all other customers on Ameren's system declined by 0.68 percent a year on average from 2004 to 2013, so there appears to be little to no new load to "pick up the slack" for cost recovery if the smelter were to be shut down.

   There are 10 Walmart stores and a Sam's Club within 50 miles of the smelter. While it is not possible to estimate the specific impact to the stores, the potential loss of $95 million of annual payroll from the local economy due to the shutdown of the smelter is a significant general concern.

b. If so, can the Commission lawfully grant the requested relief?

Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

c. If so, should the Commission grant the requested relief?

Response – Given the specific and extraordinary circumstances surrounding Noranda's request, Walmart does not oppose Noranda's request for a rate of $0.03/kWh subject to a two percent escalator or Noranda's proposed revenue requirement shortfall allocation methodology. Provided, however, for LGS, SP, and Large Primary ("LP"), the revenue requirement shortfall allocated to each class should be calculated and charged on a $/kW basis using the Commission-approved billing units from Ameren's most recent general rate case. In addition, the collection of the revenue requirement shortfall should be done through transparent and identifiable standalone rates located either on an appendix to Noranda's proposed Schedule 10(M) or as a separate rider. Finally, the structure of the escalator and two percent cap should be clearly identified in the tariff if the Commission approves a Schedule 10(M) tariff.

2. Would rates for Ameren Missouri's ratepayers other than Noranda be lower if Noranda remains on Ameren Missouri's system at the reduced rates?

Response - Noranda has estimated that the annual revenue requirement impact of the lost smelter load would be approximately $60 million, which exceeds the proposed impact to other rate classes of Noranda's requested rate relief.

3. Would it be more beneficial to Ameren Missouri's ratepayers other than Noranda for Noranda to remain on Ameren Missouri's system at the requested reduced rate than for Noranda to leave Ameren Missouri's system entirely?

Response - Noranda has estimated that the annual revenue requirement impact of the lost smelter load would be approximately $60 million, which exceeds the proposed impact to other rate classes of Noranda's requested rate relief.

4. Is it appropriate to redesign Ameren Missouri's tariffs and rates on the basis of Noranda's proposal, as described in its Direct Testimony and updated in its Surrebuttal Testimony?

Response - For LGS, SP, and LP, the revenue requirement shortfall allocated to each class should be calculated and charged on a $/kW basis using the Commission-approved billing units from Ameren's most recent general rate case. In addition, the collection of the revenue requirement shortfall should be done through transparent and identifiable standalone rates located either on an appendix to Noranda's proposed Schedule 10(M) or as a separate rider. Finally, the structure of the escalator and two percent cap should be clearly identified in the tariff if the Commission approves a Schedule 10(M) tariff.

a. If so, should Noranda be exempted from the FAC?

   Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

b. If so, should Noranda's rate increases be capped in any manner?

   Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

c. If so, can the Commission change the terms of Noranda's service obligation to Ameren Missouri and of Ameren Missouri's service obligation to Noranda?

   Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

d. If so, should the resulting revenue deficiency be made up by other rate payers in whole or in part?

   Response – Given the specific and extraordinary circumstances surrounding Noranda's request, Walmart does not oppose Noranda's proposed revenue requirement shortfall allocation methodology.

e. If so, how should the amount of the resulting revenue deficiency be calculated?

   Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

f. If so, can the resulting revenue deficiency lawfully be allocated between ratepayers and shareholders and, if so, should it be? If it can be and it should be, then:

Response – Given the specific and extraordinary circumstances surrounding Noranda's request, Walmart does not oppose Noranda's proposed revenue requirement shortfall allocation methodology.

i. How should the revenue deficiency allocated to other ratepayers be allocated on an interclass basis?

Response – Given the specific and extraordinary circumstances surrounding Noranda's request, Walmart does not oppose Noranda's proposed revenue requirement shortfall allocation methodology. For LGS, SP, and LP, the revenue requirement shortfall allocated to each class should be calculated and charged on a $/kW basis using the Commission-approved billing units from Ameren's most recent general rate case. The collection of the revenue requirement shortfall should be done through transparent and identifiable standalone rates located either on an appendix to Noranda's proposed Schedule 10(M) or as a separate rider. The structure of the escalator and two percent cap should be clearly identified in the tariff if the Commission approves a Schedule 10(M) tariff.

ii. How should the revenue deficiency allocated to other ratepayers be allocated on an intra-class basis?

Response – Given the specific and extraordinary circumstances surrounding Noranda's request, Walmart does not oppose Noranda's proposed revenue requirement shortfall allocation methodology. For LGS, SP, and Large Primary ("LP"), the revenue requirement shortfall allocated to each class should be calculated and charged on a $/kW basis using the Commission-approved billing units from Ameren's most recent general rate case. The collection of the revenue requirement shortfall should be done through transparent and identifiable standalone rates located either on an appendix to Noranda's proposed Schedule 10(M) or as a separate rider. The structure of the escalator and two percent cap should be clearly identified in the tariff if the Commission approves a Schedule 10(M) tariff.

g. If so, what, if any, conditions or commitments should the Commission require of Noranda?

Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

5. What is Ameren Missouri's variable cost of service to Noranda?

Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

a. Should this quantification of variable cost be offset by an allowance for Off-System Sales Margin Revenue?

Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

b. What revenue benefit or detriment does the Ameren Missouri system receive from provision of service to Noranda at a rate of $30/MWh?

Response – Walmart does not take a position on this issue at this time, but reserves the right to do so as additional evidence is presented to the Commission.

6. Should Noranda be served at rate materially different than Ameren Missouri's cost to serve them? If so, at what rate?

Response – Given the specific and extraordinary circumstances surrounding Noranda's request, Walmart does not oppose Noranda's request for a rate of $0.03/kWh subject to a two percent escalator.

Dated this 11th day of June, 2014.

Respectfully submitted,

By /s/ Rick D. Chamberlain

Rick D. Chamberlain
Oklahoma Bar Association No. 11255
State Bar of Texas No. 24081827
BEHRENS, WHEELER & CHAMBERLAIN
6 N.E. 63rd Street, Suite 400
Oklahoma City, OK 73105
Tel.: (405) 848-1014
Fax: (405) 848-3155
E-mail: rchamberlain@okenergylaw.com

ATTORNEYS FOR WAL-MART STORES EAST, LP, AND SAM'S EAST, INC.

CERTIFICATE OF SERVICE

The undersigned certifies that on June 11, 2014, a true and correct copy of the foregoing was served by U.S. mail, postage prepaid, or by electronic mail addressed to all parties by their attorneys of record.

/s/ Rick D. Chamberlain