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February 24, 2005

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65202

**FILED<sup>4</sup>**

**FEB 28 2005**

**Missouri Public  
Service Commission**

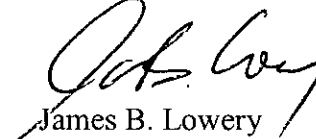
RE: In re: Application of Union Electric Company  
Case No. EA-2005-0180

Dear Mr. Roberts:

Enclosed please find an original and eight copies of a Stipulation of Uncontested Facts agreed upon by all of the parties to the above-referenced case. A copy of this Stipulation was already provided to the hearing examiner, as well as all of the commissioners, at the commencement of the hearings in this case on Tuesday, February 22, 2005.

Thank you for your assistance in causing this Stipulation to be properly filed.

Sincerely,

  
James B. Lowery

tai  
Enclosures  
c w/enc: All parties of record

FILED<sup>4</sup>

FEB 28 2005

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

**Missouri Public  
Service Commission**

Application of Union Electric Company )  
for a Certificate of Public Convenience and )  
Necessity authorizing it to construct, install, )  
own, operate, control, manage and maintain )  
electric plant, as defined in § 386.020(14), RSMo. )  
to provide electric service in a portion of )  
New Madrid, County, Missouri, as an )  
extension of its existing certificated area )

Case No. EA-2005-0180

**STIPULATION OF UNCONTESTED FACTS**

COME NOW the parties to this proceeding, Union Electric Company d/b/a AmerenUE, Noranda Aluminum, Inc. ("Noranda"), the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("OPC"), the Missouri Energy Group ("MEG"), and the Missouri Industrial Energy Consumers ("MIEC"), by and through counsel, and in compliance with the Commission's February 15, 2005 Order Setting Additional Hearing Days and Directing Filing, hereby submit the following Stipulation of Uncontested Facts.

1. Noranda owns and operates an aluminum smelter located in New Madrid County, Missouri (the "Smelter"). The Smelter has a peak demand for electric energy of 475 megawatts ("MW") and operates now and has historically operated at a 98-99% load factor.
2. Noranda currently receives its electric supply from Brascan Energy Marketing, Inc. ("BEMI") under a power contract that expires May 31, 2005. BEMI is a power marketer and owns no generation in the Ameren control area.
3. Prior to June 1, 2003, Noranda received its electric supply from plants operated by Associated Electric Cooperative, Inc. ("AECI"), a Missouri rural electric cooperative corporation under contracts with AECI and the City of New Madrid, a municipally owned utility.
4. An index-based contract based upon coal and natural gas prices was developed but was cancelled under its terms before service was taken. Thereafter, Noranda elected to contract with BEMI starting June 1, 2003 under the above-referenced Noranda/BEMI contract.

5. Noranda is not located in the certificated area of any Missouri public (electric) utility. AmerenUE's existing certificated electric service territory is adjacent to Noranda's property. There are no residents or landowners, other than Noranda, within the area sought to be certificated. AmerenUE requires no additional franchises or permits from municipalities, counties or other authorities with respect to the proposed certificate. AmerenUE owns generating facilities in its control area adjacent to Noranda.

6. AmerenUE's transmission system is not connected to Noranda. Rather, if AmerenUE provides service to Noranda, AmerenUE would provide it via a new delivery point to be established under AmerenUE's existing Interchange Agreement with AECI. AmerenUE would deliver the energy that Noranda would consume plus sufficient energy to cover losses on AECI's transmission system to AECI at the interconnection. AECI would wheel the power to its substation located near Noranda's property and in turn, Noranda would take (and pay for) the energy via Noranda's own 161 kilovolt ("kV") system into the smelter. No new facilities would need to be constructed to initiate service to Noranda. Noranda would take service at 161 kV. It is not expected that AmerenUE distribution facilities or AmerenUE metering equipment would be utilized in providing electric service to Noranda. AmerenUE currently serves other loads not connected to its service area in central and eastern Missouri via delivery points established under the Interchange Agreement. No new load would be added to the existing regional transmission system. No new generators would be added to the transmission system to initiate service to Noranda.

7. If the certificate is issued, Noranda's load would become part of AmerenUE's native bundled retail load, would be within the Midwest ISO's footprint, and would be served via network service under the Midwest ISO's OATT because AmerenUE is a Midwest ISO participant and its transmission system is under the functional control of the Midwest ISO. The Midwest ISO would

be Noranda's transmission provider with regard to all Noranda-related transmission on AmerenUE's transmission system and Noranda's load would thus be included in the Midwest ISO's Day 2 Markets when those markets commence (they are scheduled to commence on April 1, 2005). The Midwest ISO has agreed that it is permissible for AmerenUE to serve Noranda in this fashion under the Midwest ISO's OATT using delivery point service under the AmerenUE/AECI Interchange Agreement.

8. Approval of delivery point service under the Interchange Agreement is pending at the Federal Energy Regulatory Commission ("FERC"). If the FERC does not approve the delivery point and if Noranda were to take service absent that approval, Noranda may have to obtain point-to-point service from AECI and would be subject to any applicable Midwest ISO through and out charges. AmerenUE will incur additional Midwest ISO-related administrative charges (estimated at approximately 25 cents per megawatt hour ("MWh")) by serving Noranda. Though not known, AmerenUE might incur additional congestion charges if AmerenUE is unable to acquire sufficient additional financial transmission rights ("FTRs") relating to the addition of the Noranda load. It is unknown if additional FTRs can be acquired or if they are available if AmerenUE would elect to acquire them.

9. AmerenUE and Noranda entered into an Agreement dated December 14, 2004 whereunder Noranda agreed to take capacity and energy from AmerenUE under the Large Transmission Service ("LTS") proposed by AmerenUE and Noranda. Noranda has not agreed to take service from AmerenUE under AmerenUE's existing LPS tariff. Pursuant to the December 14, Agreement, AmerenUE has only agreed to serve Noranda if the Metro East transfer is completed and the Pinckneyville and Kimmunity combustion turbines are acquired to AmerenUE's satisfaction in its sole discretion. The Metro East transfer has now been approved by the Commission on terms

satisfactory to AmerenUE, and providing Securities and Exchange Commission (SEC) approval is obtained , the Pinckneyville and Kinmundy acquisitions may occur. The Commission's February 10, 2005 Report and Order on Rehearing approving the Metro East transfer is not final and unappealable. (Public Counsel filed an Application for Rehearing of that order on February 18, 2005.) However, no party intends to raise Metro East-related issues in this case.<sup>1</sup>

Pursuant to the December 14 Agreement, AmerenUE has only agreed to serve Noranda if it receives an order from the Commission satisfactory to AmerenUE in its sole discretion granting the certificate of public convenience and necessity sought in this case and approving the LTS tariff. The Agreement provides that Noranda has relinquished its right under Section 91.026, RSMo. to change suppliers during a 15 year period commencing when Noranda begins taking service under the LTS tariff. The Agreement, once service begins, thus has a minimum term of 15 years. It can only be terminated, whether after 15 years or thereafter, on five years prior written notice. Unless a notice of termination is given, the term continues in one year increments.

10. Noranda employs more than 1,100 people, more than 800 of whom are members of the United Steelworkers Union and all but about 20 of which are Missouri residents. Noranda's payroll is approximately \$57 million annually and it procures approximately \$22 million in goods and services in the region annually. Wages at Noranda range from approximately \$15.88 to \$19.61 per hour. Noranda pays 33% of the taxes for the New Madrid County Central R1 School District. Electricity is Noranda's number one cost of operation. A loss of electric supply could permanently damage Noranda's smelter. Most of Noranda's products are sold outside of Missouri and revenues from those out-of-state sales flow to Missouri.

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<sup>1</sup> Final approvals for the Metro East transfer still need to be obtained from the SEC, but the Company indicates that it expects no problems in obtaining those approvals.

11. AmerenUE is in a rate moratorium. AmerenUE's rates will not change until June 1, 2006 at the earliest. AmerenUE is required by the Commission's Order approving the Stipulation and Agreement in Case No. EC-2002-1 to provide to the other signatories to that Stipulation (which includes all parties to this case except Noranda and MJMEUC) a class cost of service study by January 1, 2006. If approved, the revenues from Noranda under the LTS tariff, including the annual contribution factor ("ACF") and Rider C, would be virtually the same as the revenues that would be produced under the Large Primary Service ("LPS") tariff so long as Noranda's load factor is 98% or higher and Riders B and C are applied. Neither AmerenUE nor Noranda have asked the Commission to approve the LTS tariff for any particular term.

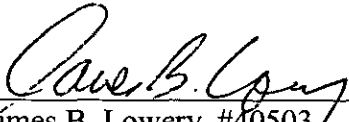
12. With the Metro East transfer and the Pinckneyville and Kimmunity acquisitions, AmerenUE would meet a 15% planning reserve margin for summer 2005 with service to Noranda. AmerenUE has submitted sworn surrebuttal testimony from Mr. Craig D. Nelson agreeing to the resource adequacy condition regarding the "Ameren system" recommended by Staff witness Dr. Michael S. Proctor. All other things being equal, AmerenUE would have to acquire or contract for an additional 560 to 600 MW of capacity in 2006-2007 as a result of serving Noranda. AmerenUE currently has sufficient energy to Noranda.

Respectfully submitted:

February 22, 2005

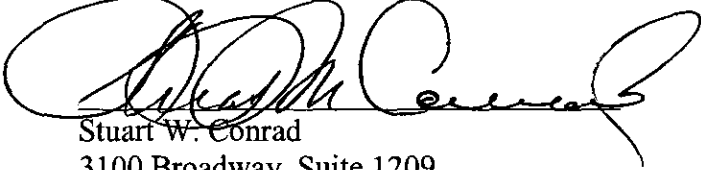
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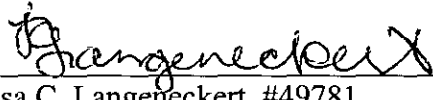
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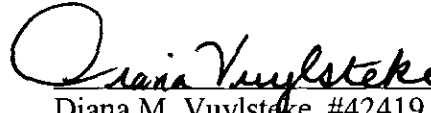
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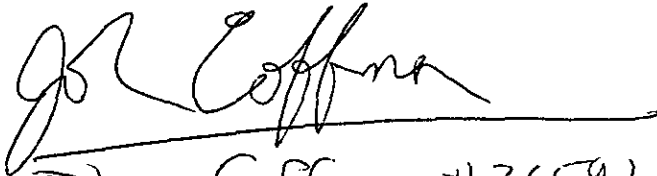
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