BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Noranda Aluminum, Inc., et al.,	)	
	)	
Complainants,	)	
	)	
vs.	)	**Case No. EC-2014-0224**
	)	
Union Electric Company doing business As Ameren Missouri,	)	
	)	
Respondent.	)	

COMPLAINANTS' STATEMENT OF POSITION

COME NOW Complainants, by and through counsel, and provide their Statement of Position. The Complainants' positions are set forth in the order of the issues in the *List of Issues, List and Order of Witnesses, Order of Opening Statements, and Order of Cross-Examination,* as follows:

General Statement of Position

Noranda is requesting a $30/MWh rate in order to continue to operate the New Madrid Smelter. Unless this relief is granted, the New Madrid Smelter faces the substantial likelihood of imminent closure. Ameren Missouri's other ratepayers would benefit from Noranda's proposal, because they will pay higher rates if the New Madrid Smelter shuts down. The closure of the New Madrid Smelter would harm Ameren customers, Southeastern Missouri and the entire state of Missouri due to the loss of approximately 900 manufacturing jobs and the loss of $300 million annually to Missouri's economy. Noranda's proposal will allow the New Madrid Smelter to be a viable operation and allow it to continue to serve as an economic engine benefitting Ameren ratepayers and the state of Missouri.

I. Position on Issues

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?

   ANSWER: Yes.

   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?

      ANSWER: Yes. Noranda provides economic benefits of over $300 million per year to the state.

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

      ANSWER: Yes.

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

      ANSWER: Yes.

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

   ANSWER: Yes.

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?

   ANSWER: Yes.

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?

ANSWER: Yes.

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

ANSWER: Yes.

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

ANSWER: Yes. Noranda's rate increases should be capped at 2 percent per rate case.

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?

ANSWER: The above issue is stated incorrectly and does not properly characterize any issue in this case. Noranda does not have a "service obligation" to Ameren Missouri. Ameren Missouri is obligated to serve Noranda at the rate set by the Commission. The issue in this case is the rate at which Ameren Missouri should serve Noranda.

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

ANSWER: Yes, the other ratepayers should make up any revenue deficiency to which Ameren Missouri would otherwise be legally entitled, and this "revenue deficiency" is less than the amount rates would increase for other ratepayers if the New Madrid Smelter shuts down.

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

ANSWER: The deficiency should be calculated from the difference in Noranda's current base rate versus the Noranda proposed rate of $30/MWh applied to the Noranda load.

f. If so, can the resulting revenue deficiency lawfully be allocated between ratepayers and Ameren Missouri's shareholders?

ANSWER: Complainants take no position on this issue at this time.

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

ANSWER: This amount should be allocated as an equal percent of base rate revenues of the other customer classes, excluding the lighting class.

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

ANSWER: This amount should be allocated as an equal percent on base rate tariff charges within each schedule.

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

ANSWER: Complainant Noranda is willing to agree to just and reasonable conditions or commitments.

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

ANSWER: Ameren Missouri's variable cost of service to Noranda is $22.10/Mwh as stated in Maurice Brubaker's surrebuttal testimony.

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

ANSWER: No adjustment is required. The $22.10/MWh already reflects an appropriate offset for off-system sales margin revenue.

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

ANSWER: At a rate of $30/MWh, Noranda covers Ameren Missouri's average variable cost of $22.10/MWh and provides a $32 million annual contribution toward fixed cost recovery. As compared to the incremental cost of $28/MWh, the benefit is $8 million per year.

6. Should Noranda be served at rate materially different than Ameren Missouri's fully distributed cost to serve [it]? If so, at what rate?

ANSWER: Yes. Noranda should be served at the requested $30/MWh rate to retain the Noranda load for the benefit of all ratepayers and the Missouri economy. As explained in detail by Complainants' testimonies, a rate less than the fully distributed cost to serve Noranda is preferable to a rate that compromises Noranda's viability and causes remaining ratepayers to pay even higher rates than they would pay if the relief requested herein is denied.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 6th day of June, 2014, to all counsel of record.

/s/ Carole L. Iles