

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

Noranda Aluminum, Inc., et al.,)	
)	
Complainants,)	
)	
v.)	Case No. EC-2014-0223
)	
Union Electric Company d/b/a)	
Ameren Missouri,)	
)	
Respondent.)	

**COMPLAINANTS' REPLY TO AMEREN MISSOURI'S RESPONSE TO
MOTION TO SET TEST YEAR AND TRUE-UP**

COME NOW Complainants, and for their Reply to Ameren Missouri's Response to Set Test Year and True-Up, state as follows:

1. By their motion filed on May 1, 2014, Complainants have requested that the Commission establish a twelve month test year ending September 30, 2013, with a true up for known and measurable changes as of March 31, 2014. As explained in reply to Staff's response to this motion, Complainants do not oppose using the period proposed by Staff, that is, the twelve months ended December 31, 2013, as the test year for this case.

2. Complainants know of no rate cases or over-earnings cases initiated by formal Complaint in which this Commission has *not* set a test year. Setting a test year in this case is consistent with the Commission's well-established procedure. A test year is necessary so that all parties will have the same starting point for their analysis, and is essential for the Commission and the parties to identify and quantify the issues presented in this case. For these reasons, Ameren Missouri's contention that a test year should *not* be set in this case is without merit.

3. By adopting a test year and true up date, not only will all parties have a common starting point to begin their investigation, but this will also allow all parties the opportunity to verify and audit all information within the test year and true up period. This will allow the Commission to establish rates based on actual results of operations and permits the proper quantification of issues. The establishment of a test year and true up date is not an attempt, as portrayed by Ameren, to restrict the parties ability to present information to the Commission for consideration. Indeed, there has always been a cutoff (known and measurable period or “true-up”) to propose adjustments in order to process the rate case in a timely manner.

4. Ameren Missouri’s response inappropriately re-argues points raised in its motion to dismiss, which this Commission has considered and denied. Specifically, Ameren Missouri asserts that Complainants analysis of its earnings is inaccurate, and that without a comprehensive cost of service study presented in the context of a full blown rate case, the Commission may not even consider granting the relief requested by Complainants. The Commission has denied Ameren Missouri’s motion to dismiss. In so doing, the Commission has found that Complainants’ pleadings are adequate, and this case should proceed. Re-argument of this point at this juncture is inappropriate. Nor is it appropriate for the Commission to consider Ameren Missouri’s arguments concerning the sufficiency of Complainants’ evidence, or the unsupported “facts” that Ameren Missouri’s counsel has included in its response. The Commission’s decisions on the merits of Complainants’ case must be based instead on the evidence properly admitted into the record of this case, not counsels’ unsupported testimony.

5. Ameren Missouri’s unsupported factual contentions include many adjustments which it asserts must be considered within the context of this earnings review.

Noranda will not discuss here the validity of those adjustments, but will point out that a significant portion of the investment projects Ameren Missouri has identified will be placed in service *after* the anticipated Commission order in this case. Historically, adjustments beyond the effective date of a rate case have not been proposed or allowed for recognition by this Commission. This explains why Ameren Missouri is urging the Commission not to adopt a test year in this case—Ameren Missouri apparently cannot disprove Noranda’s claim of excessive earnings with the test year and true up date suggested by the Staff and Noranda.

6. Contrary to Ameren Missouri’s assertions, setting a test year and true up will not preclude Ameren Missouri from presenting evidence that is relevant to the key issue in this case, namely, whether its current rates are unjust and unreasonable. Instead, establishing a test year and true up date will require the parties to focus their evidence on Ameren Missouri’s earnings during the time period that most appropriate for evaluating this issue.

WHEREFORE, Complainants request that the Commission (1) establish a test year consisting of the twelve months ended December 31, 2013 as suggested in Staff’s Response; and (2) establish a true up date for known and measurable changes for the period ending March 31, 2014.

Respectfully submitted,

BRYAN CAVE LLP

/s/ Diana M. Vuylsteke

Diana M. Vuylsteke, # 42419

Mark B. Leadlove, #33205

211 North Broadway, Suite 3600

St. Louis, MO 63102-2750

Telephone: (314) 259-2000

Facsimile: (314) 259-2020

E-Mail: dmvuylsteke@bryancave.com

mbleadlove@bryancave.com

Edward F. Downey, #28866
Carole L. Iles, #33821
221 Bolivar Street
Jefferson City, MO 65101-157
Telephone: (573) 556-6620
Facsimile: (573) 556-6630
E-Mail: efdowney@bryancave.com
carole.iles@bryancave.com

Attorneys for Complainants

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was sent by electronic mail this 12th day of May, 2014, to the parties on the Commission's service list in this case.

/s/ Diana M. Vuyksteke