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June 10, 2015

FILED³
JUN 1 0 2015

Missouri Public

Service Commission

HAND DELIVERED

Mr. Morris Woodruff Secretary/Chief Regulatory Law Judge Missouri Public Service Commission 200 Madison Street, Suite 100 Jefferson City, MO 65102

Re:

Case No. ER-2014-0258, Notice of Appeal

Dear Mr. Woodruff:

I enclose herewith an original and three (3) copies of a Notice of Appeal and a Civil Case Information Form filed with your office in accordance with §386.510, RSMo. I ask that you stamp one copy "filed" and return it to the person delivering this filing to you. I have also enclosed a check in the amount of \$70.00 payable to the Missouri Court of Appeals that represents the docket file required by Missouri Supreme Court Rule 81.04(d).

Thank you in advance for your assistance with this matter. If you have any questions regarding this filing, please feel free to give me a call.

RYDON SWEARENGEN & ENGLAND P.C.

By:

Paul A. Boudreau

c: All Counsel of Record Enclosures

2:51pm GT FILED³



Missouri Public Service Commission

Judge or Division: Regulatory Law Judge Morris Woodruff	Appellate 1	Number:		JUN 1 8 2015
Appellant:	Missouri P	ublic Service Commiss		1
Missouri Energy Development Associatio	Case No. I	ER-2014-0258	Se	Missouri Public . rvice Commissio
Respondent:				
Public Service Commission of Missouri				()
	Notice	of Appeal		(Date File Stamp)
Notice is given that Missouri Energy			appeals to the Miss	ouri Court of
	Southern District,		appears to the tenss	July Court of
Date Notice of Appeal Filed (to be filled in by Secretary of Commis		Signature of Atto	rney or Appellant	
The notice of appeal shall include the subsection 4 of section 386.420, a concise commission proceeding, and any other infand (2) two copies and pay the docket fee by law. Please make checks or money or serve a copy of the Notice of Appeal on a represented by an attorney.	e statement of the iss formation specified by required by court ru rders payable to the	ues being appealed, a f by the rules of the cour le to the Secretary of the Missouri Court of A	ull and complete list. The appellant(s) note Commission with ppeals. At the same	t of the parties to the nust file the original nin the time specified time, Appellant must
	CASE IN	FORMATION		
Appellant Name / Bar Number:		Respondent's Attorne	y / Bar Number:	
Paul A. Boudreau Mo B	33155 ar No.	Shelley Brueggema	nn	Mo Bar No. 52173
Address:		Address:		
Brydon, Swearengen & England, P.C. 312 E. Capitol Ave., P.O. Box 456 Jefferson City, MO 65102		Missouri Public Serv P.O Box 360 Jefferson City, MO 6		
Telephone: Fa (573) 635-7166 (573) 635	-0427	Telephone: (573) 526-7393	(573	Fax:) 751-9285
	Date of Application f lay 11, 2015	or Rehearing Filed:	Date Application June 2, 2015	for Rehearing Ruled On:
A copy of the notice of appeal and the ordered by the court of appeals, the commentee case to the court of appeals.	e docket fee shall be sission shall, within	thirty days of the filing		
		icate of Service		
I certify that on	ervice indicated.	copy of the notice of a	ppeal on the followi	ng parties, at the

)	
			6.5.	
		— / A	ppellant or Attorney for	or Appellant

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a)	
Ameren Missouri's Tariffs to Increase)	File No. ER-2014-0258
Its Annual Revenues for Electric Service.)	

APPLICATION FOR REHEARING OF THE MISSOURI ENERGY DEVELOPMENT ASSOCIATION

Comes now the Missouri Energy Development Association ('MEDA") and pursuant to §386.500 RSMo. (2000) respectfully submits its Application for Rehearing of the Report and Order issued by the Commission in the above-referenced case on April 29, 2015 (hereinafter "Order"). In support thereof, MEDA states as follows:

APPLICATION FOR REHEARING

- 1. MEDA is a trade association comprised of the largest investor-owned public utilities doing business in the State of Missouri. MEDA's members serve a combined total of over 3.8 million customers in Missouri and employ more than 11,500 people. MEDA's member companies all are regulated by the Missouri Public Service Commission ("PSC") as to rates and terms and conditions of service. MEDA itself is a customer of Ameren Missouri and, like a number of its members, is adversely affected by the Commission's Order in this case as discussed below. ¹
- 2. At pages 117 to 138 of its Order, the Commission determined that the rates paid by Noranda Aluminum ("Noranda") should be reduced to \$36 per MWh and that Noranda's

¹ This Application for Rehearing is filed on behalf of the following member companies: Ameren Missouri, The Empire District Electric Company, Kansas City Power & Light Company, The Laclede Group, and Summit Natural Gas.

exposure to increases in Ameren Missouri's ("Ameren") Fuel Adjustment Clause ("FAC') should be limited to \$2 per MWh. The effect of this decision is to shift at least \$26 million in cost responsibility to other customers of Ameren, including MEDA, and perhaps significantly more depending on any increases that may occur in Ameren's FAC over the next three years. These are all costs that would have otherwise been allocated to, and paid by, Noranda if its rates had been based on the actual costs of serving Noranda. In fact, as the Commission acknowledged in its Order, *every* cost of service study entered into evidence in this proceeding found that Noranda's rates were already below the cost of serving it. *Order*, pp. 71-72. Accordingly, it is undisputed on the record that the cost shift and additional rate reduction mandated by the Commission results in a pure and direct subsidy of Noranda's electricity costs by other customers.

- 3. The Commission's decision to effectuate this subsidy at the expense of other customers of Ameren is unjust, unreasonable, unlawful, arbitrary and capricious for the reasons discussed below.
- 4. The Commission's Order is unlawful and unreasonable because the Commission has exceeded the scope of its statutory powers by mandating a rate shift that is premised almost entirely on speculations regarding a particular customer's present and future financial condition. Such considerations, whether speculative or not, do not provide a reasonable or lawful basis for determining how rates should be allocated among a utility's customers and that such a subsidy therefore constitutes the kind of undue preference in setting rates that is prohibited by law. §393.130.3 RSMo (Cum. Supp. 2013), State ex rel. The Laundry, Inc. et al. v. Pub. Serv. Comm'n, 34 S.W.2d 37, 44-45 (Mo. 1931), citing Civic League of St. Louis et al v. City of St. Louis, 4 Mo. P.S.C. 412.1.

- 5. Because MEDA anticipates that other applicants for rehearing will address this issue in greater detail, MEDA will attempt to be brief in why it believes the Commission erred in approving this subsidy. In its Order, the Commission states that the purpose of the subsidy is to safeguard other customers from having to pay more for electricity should Noranda close its doors and cease taking service from Ameren, rather than to provide a large financial incentive to one specific business so that it will continue to operate and provide a certain level of jobs. Notably, the Commission itself only a little over 8 months ago recognized that providing a subsidy for this latter purpose is a policy determination that should be made by the Missouri General Assembly, and not the Commission. MEDA respectfully submits that the rationale given by the Commission to support the subsidy cannot be reconciled with the evidentiary record in this case or with its recent holdings in Case No. EC-2014-0224.
- 6. First, in terms of whether the subsidy for Noranda is reasonably designed to protect other customers from the financial consequences of losing Noranda's load, MEDA believes it is helpful to view the subsidy as a ratepayer-funded insurance policy against the financial losses resulting from such an occurrence. Viewed that way, other customers are paying an insurance premium of approximately \$26 million per year⁴ (and perhaps more if fuel costs rise) and are receiving only \$18 to \$32 million in financial protection, in excess of the premium

² The Commission's finding that without the special rate Noranda is in imminent danger or closing is contrary to the record evidence in a number of respects. Despite the fact that Noranda's electric rate is the second highest among all domestic aluminum smelters, there is uncontroverted evidence that its total costs - both under Ameren's current rates as well as under the full increase Ameren sought in its rate case - are the lowest of all domestic smelters. Since total costs, and not just energy costs, are what determine whether an enterprise will be profitable, the evidence does not support the finding of imminent closure.

³See, the Commission's Report and Order, File No. EC-2014-0224, p. 28, in which the Commission stated with regard to a similar proposal to provide a significant subsidy to Noranda: "Finally, and importantly, a request for an economic development subsidy of this magnitude is more properly directed to the Missouri General Assembly."

⁴ Noranda's total rate, including the FAC, is \$42.35/MWh. Order p. 119. Subtract from this \$36/MWh which is the base rate ordered for the new IAS rate class. Order p. 134. The annual impact is a function of the difference (\$6.35/MWh) multiplied by \$4.2 million which the Commission determined to be the change in pre-tax cash flow to Noranda for every change in the MWh rate. Order p. 119.

amount, should Noranda cease making a contribution to Ameren's fixed costs according to the Commission's own calculations. ⁵ Order, p. 132. Few would purchase an insurance policy where the premium is so large relative to the level of financial protection being provided from potential losses. ⁶

7. Second, the Order does not impose the kind of symmetrical terms and conditions that one would expect to see if the primary purpose of the subsidy was to protect other customers from the loss of fixed cost contributions. For example, Noranda's exposure to rising fuel costs is capped at \$2 per MWh, presumably to ensure that the overall rate charged to Noranda permits it to remain competitive. Even though this exposes other customers to Noranda's share of any fuel costs that escalate above the cap, there is no corresponding provision to offset the subsidy paid by customers in the event fuel costs decline below the \$2, even though such reduced charges would then be lower than what the Commission determined was necessary to make Noranda competitive.

⁵There is a significant amount of evidence on the record regarding whether the risk being insured against – namely a possible closure by Noranda – is a real one. MEDA believes that one of the most probative pieces of evidence on this score is that the party which would suffer the most significant and direct financial harm from such an event – namely Ameren – does not believe the risk is great enough to warrant the subsidy/insurance being mandated by the Commission.

⁶Assuming that it would take approximately a year for rates to be reset to reflect the loss of Noranda's load, the Commission's Order would effectively require other customers to pay more than \$78 million over the next three years for load loss protection that would have a cumulative value to them of no more than \$36 million (using Staff's wholesale price estimate) to \$64 million (using Noranda's wholesale price estimate). Moreover, the amounts paid by customers would, as previously noted, be even greater if Ameren's fuel costs escalate above current levels. Notably, the Commission fails to include any findings of fact in its Order sufficient to explain exactly how it factored in the actual risk of loss in calculating the amount that other customers should pay in subsidies to prevent that loss.

⁷By imposing conditions on Noranda that seek to regulate critical elements of its business operations such as how many jobs it must provide, what level of capital investments it must make, and what dividends it can pay to shareholders, the Commission has already strayed in its Order well beyond the limits of its statutory authority to regulate *public utilities*. Assuming, *arguendo*, however, that the act of granting and then threat of withdrawing a subsidy confers such powers on the Commission, then the Commission surely has a commensurate responsibility to exercise it in a way that fully and comprehensively protects the interests of those who are providing the subsidy. As discussed herein, the Commission's Order fails in that regard.

- 8. The same thing is true of the Commission's failure to impose any conditions that would offset the subsidy should there be a material change in any of the other assumptions made by the Commission in devising Noranda's rate. As a consequence, should Noranda's liquidity, the aluminum markets, or Noranda's competitive position in those markets, turn out to be more favorable than what was assumed by the Commission in calculating the subsidy, it is Noranda rather than other customers that will reap the benefit. Also absent are any safeguards requiring Noranda to return the subsidy to other customers for any period that it failed to comply with the conditions.
- 9. Another reason why the \$26 million subsidy is unreasonable is that it is not likely to protect customers from load loss, but instead to protect Apollo from business loss. If, as the Commission recites in the Order, Noranda's problems were caused or significantly exacerbated by Apollo's act of saddling Noranda with debt in order to pay itself a special dividend, then Noranda may ultimately fail. Order, p. 132. However, a relatively stable business that is made unstable by artificial debt is a classic candidate for a reorganization in bankruptcy. In such a proceeding, debt may be reorganized, or Noranda may be sold to new owners who see greater opportunities arising from better stewardship. In such event, Noranda will not close, nor will load be lost, nor will jobs be lost. The only party leaving the scene may be the same party who put themselves first and put Noranda and its employees last. Viewed from this business perspective, a \$26 million annual subsidy that benefits only the current owners and rewards their financially reckless behavior is clearly unreasonable.
- 10. Finally, if the primary purpose of the subsidy is to protect other customers rather than effectuate a legislative-like jobs incentive program, then there would seem to be no reason for the Order to explicitly condition Noranda's access to the subsidy on it continuing to employ

at least 850 full-time equivalent employees at its New Madrid plant. *See*, Condition #11, Order, pp. 11-12. Certainly, such a condition is not required to protect other customers from a potential loss of Noranda's load. In fact, it may even be counter-productive to that goal in that it burdens Noranda's operations with a specific level of payroll expense that may actually compromise, rather than promote, its ability to stay in business and thereby continue to contribute to Ameren's fixed costs.

11. MEDA understands the Commission's desire to preserve jobs and does not dispute that encouraging job creation is an appropriate governmental function. However, as the Commission itself has previously recognized it is a function that should be undertaken by the General Assembly, and not the ratepayers of a single utility, where direct subsidies of this magnitude are necessary to achieve that goal.⁸

CONCLUSION

For the reasons stated herein, the Missouri Energy Development Association respectfully requests that the Commission grant rehearing and upon rehearing issue an order that reverses the unlawful and unreasonable subsidy granted Noranda in this case.

⁸The Commission emphasizes in its Order how important Noranda is to the economic health and vibrancy of the State of Missouri and the Southeast Region of Missouri. (See Order page 119). Assuming this is true, it only underscores why the provision of subsidies, special credits or other forms of financial assistance to Noranda should be done through measures passed by the General Assembly rather than through rates established by the Commission. Ameren's ratepayers, the vast majority of whom are located in other regions of the state, are being forced to take on a disproportionate burden for sustaining Noranda in the State just because the utility they take service from also happens to be one of Noranda's suppliers. There is simply no principle of economics or equity that justifies such a result.

Respectfully submitted,

By: /s/ Paul A. Boudreau

Paul A. Boudreau - #33155

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ATTORNEY FOR MISSOURI ENERGY

DEVELOPMENT ASSOCIATION

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was sent via electronic mail on this 11th day of May, 2015, to all parties of record in Case No. ER-2014-0258.

/s/ Paul A. Boudreau

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Tariff Filings of Union)	
Electric Company d/b/a Ameren Missouri, to)	Case No. ER-2014-0258
Increase Its Revenues for Retail Electric Service.)	

REVISED MOTION TO APPROVE RECONCILIATION

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or the "Company"), by and through counsel and, pursuant to Section 386.420.4, RSMo. (Cum. Supp. 2013), hereby files this *Revised Motion to Approve Reconciliation*. In support thereof, Ameren Missouri states as follows:

- 1. On April 29, 2015, the Commission issued its *Report and Order* in this proceeding, and on May 1, 2015 the Commission issued its *Notice of Updated Calculation of Financial Effect of Report and Order* which authorizes Ameren Missouri to increase rates to permit it to collect an additional amount of approximately \$121.54 million annually from its Missouri electric customers.
- 2. Pursuant to certain provisions of Section 386.420.4 RSMo, the Commission is required as part of a rate case such as this one to approve a reconciliation "sufficient to permit a reviewing court and the commission on remand from a reviewing court to determine how the public utility's rates and charges, including the rates and charges for each customer class, would need to be temporarily and, if applicable, permanently adjusted to provide customers or the public utility with any monetary relief that may be due...." The Commission is required to afford the parties to the case a reasonable opportunity to provide written input prior to approving the reconciliation.
- 3. On May 21, 2015 Ameren Missouri filed its original *Motion to Approve*Reconciliation and included a reconciliation, which was attached to the original motion as

Exhibit A thereto. On that same date the Commission issued an order directing its Staff to respond by June 1, 2015, and setting a deadline of June 1, 2015 for any responses that any other party might desire to file.

- 4. Since its May 21 filing, the Company has been in communication with the Staff and as a result of those communications some minor errors were identified in the reconciliation filed on May 21. Those errors have been corrected, were shared with the Staff and the Staff has confirmed that it is in agreement with the corrected reconciliation.
- 5. Attached hereto as Exhibit A Revised is the corrected reconciliation in satisfaction of the requirements of Section 386.420.4 RSMo. The attached corrected reconciliation was prepared in the same manner (and contains the same (but updated) information) as were the reconciliations approved by the Commission in Ameren Missouri's last two electric rate cases, Case Nos. ER-2011-0028 and ER-2012-0166.

WHEREFORE, Ameren Missouri respectfully requests that after providing the other parties a reasonable opportunity to provide input, the Commission approve this corrected reconciliation.

Respectfully submitted:

/s/ James B. Lowery

James B. Lowery, Mo. Bar #40503 SMITH LEWIS, LLP P.O. Box 918 Columbia, MO 65205-0918 (T) 573-443-3141 (F) 573-442-6686 lowery@smithlewis.com

Wendy K. Tatro, Bar #60261 Dir. and Asst. General Counsel Union Electric Company d/b/a Ameren Missouri P.O. Box 66149 (MC 1310) 1901 Chouteau Avenue St. Louis, MO 63166-6149 (T) 314-554-3484 (F) 314-554-4014 AmerenMOService@ameren.com

Attorneys for Union Electric Company d/b/a Ameren Missouri

Dated: May 28, 2015

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on all parties of record via electronic mail (e-mail) on this 28th day of May, 2015.

/s/James B. Lowery
James B. Lowery

Ameren Missouri MPSC File No. ER-2014-0258 Reconciliation Of Issues Decided by the Commission Revenue Requirement Impact

	Revenue Requirement	Change In Revenue Requirement
ROE		
9.53% Per Order 9.25% Per Staff 9.30% Per MIEC	121,544,750 105,106,117 108,053,724	(16,438,633) (13,491,026)
9.01% Per OPC 10.4% Per Company	91,048,384 172,675,604	(30,496,366) 51,130,854
Energy Efficiency Regulatory Asset & Amortization		
MIEC	120,576,856	(967,894)
Income Tax NOLC & ADIT		
Staff/MIEC	116,117,064	(5,427,686)
Noranda Load		
Company	122,177,309	632,559
Vegetation Management Expense		
MIEC	121,039,481	(505,269)
OPC Company	120,152,922 123,090,343	(1,391,828) 1,545,593
	220,000,040	1,010,000
Infrastructure Inspection Expense		
MIEC Staff	121,195,254	(349,496)
Company	121,222,554 121,791,420	(322,196) 246,670
Vegetation Management/Infrastructure Inspection Amortization		
MIEC OPC	120,776,890 121,774,878	(767,860) 230,128
Lost Fixed Cost AAO Amortization		
Company	128,657,050	7,112,300
Solar Rebate Amortization		
MIEC	89,229,261	(32,315,489)
Fukushima Study Cost Amortization		
MIEC	121,452,093	(92,657)
Income Tax Current- IRC Section 199 Deduction		
Staff/MIEC	117,461,324	(4,083,426)
Labadie ESPs		
Sierra Club	98,198,012	(23,346,738)
Union Issues - Workforce Needs		
IBEW Local 1439	132,658,055	11,113,305

Ameren Missouri (ER-2014-0258)

ROE

ROE 9.25% per MPSC Staff

Value: (\$16,438,633)

(4 / 2, / 2 3, / 2 2 /	Impact	
	Amount	Percent
Residential	(\$7,901,225)	-0.61%
Small General Service	(\$1,928,983)	-0.61%
Large General Service	(\$3,625,400)	-0.61%
Small Primary Service	(\$1,429,373)	-0.61%
Large Primary Service	(\$1,303,883)	-0.61%
Large Transmission Service	\$ 0	0.00%
Lighting	(\$249,297)	-0.61%
MSD	(\$472)	-0.61%
Total	(\$16,438,633)	-0.58%

ROE

ROE 9.30% per MIEC Value: (\$13,491,026)

(4.0, 10.1,020)	Impact	
•	Amount	Percent
Residential .	(\$6,484,458)	-0.50%
Small General Service	(\$1,583,098)	-0.50%
Large General Service	(\$2,975,330)	-0.50%
Small Primary Service	(\$1,173,073)	-0.50%
Large Primary Service	(\$1,070,084)	-0.50%
Large Transmission Service	\$0	0.00%
Lighting	(\$204,596)	-0.50%
MSD	(\$388)	-0.50%
Total	(\$13,491,026)	-0.47%

ROE

ROE 9.01% per OPC Value: (\$30,496,366)

	Impact	
_	Amount	Percent
Residential	(\$14,658,071)	-1.13%
Small General Service	(\$3,578,581)	-1.14%
Large General Service	(\$6,725,712)	-1.13%
Small Primary Service	(\$2,651,722)	-1.13%
Large Primary Service	(\$2,418,916)	-1.14%
Large Transmission Service	\$0	0.00%
Lighting	(\$462,488)	-1.14%
MSD	(\$876)	-1.14%
Total	(\$30,496,366)	-1.07%

ROE

ROE 10.40% per Company Value: \$51,130,854

	Impact	
	Amount	Percent
Residential	\$24,576,033	1.90%
Small General Service	\$5,999,924	1.91%
Large General Service	\$11,276,472	1.90%
Small Primary Service	\$4,445,933	1.89%
Large Primary Service	\$4,055,606	1.91%
Large Transmission Service	\$0	0.00%
Lighting	\$775,417	1.91%
MSD	<u>\$1,469</u>	1.91%
Total	\$51,130,854	1.80%

Energy Efficiency Regulatory Asset and Amort.

MIEC

Value: (\$967,894)

	Impact	
	Amount	Percent
Residential	(\$465,218)	-0.04%
Small General Service	(\$113,577)	-0.04%
Large General Service	(\$213,461)	-0.04%
Small Primary Service	(\$84,160)	-0.04%
Large Primary Service	(\$76,772)	-0.04%
Large Transmission Service	\$0	0.00%
Lighting	(\$14,678)	-0.04%
MSD	(\$28)	-0.04%
Total	(\$967,894)	-0.03%

Income Tax NOLC & ADIT Staff/MIEC

Value: (\$5,427,686)

	Impact	
	Amount	Percent
Residential	(\$2,608,816)	-0.20%
Small General Service	(\$636,909)	-0.20%
Large General Service	(\$1,197,030)	-0.20%
Small Primary Service	(\$471,949)	-0.20%
Large Primary Service	(\$430,514)	-0.20%
Large Transmission Service	\$0	0.00%
Lighting	(\$82,313)	-0.20%
MSD	(\$156)	-0.20%
Total	(\$5,427,686)	-0.19%

Noranda Load Company Value: \$632,559

	Impact	
_	Amount	Percent
Residential	\$304,039	0.02%
Small General Service	\$74,227	0.02%
Large General Service	\$139,505	0.02%
Small Primary Service	\$55,002	0.02%
Large Primary Service	\$50,173	0.02%
Large Transmission Service	\$0	0.00%
Lighting	\$9,593	0.02%
MSD _	\$18_	0.02%
Total	\$632,559	0.02%

Vegetation Management Expense

MIĚC

Value: (\$505,269)

	Impact	
	Amount	Percent
Residential	(\$242,857)	-0.02%
Small General Service	(\$59,291)	-0.02%
Large General Service	(\$111,433)	-0.02%
Small Primary Service	(\$43,934)	-0.02%
Large Primary Service	(\$40,077)	-0.02%
Large Transmission Service	\$0	0.00%
Lighting	(\$7,663)	-0.02%
MSD	(\$15)	-0.02%
Total	(\$505,269)	-0.02%

Vegetation Management Expense

OPC

Value: (\$1,391,828)

	Impact	
	Amount	Percent
Residential	(\$668,982)	-0.05%
Small General Service	(\$163,323)	-0.05%
Large General Service	(\$306,956)	-0.05%
Small Primary Service	(\$121,022)	-0.05%
Large Primary Service	(\$110,397)	-0.05%
Large Transmission Service	\$ O	0.00%
Lighting	(\$21,108)	-0.05%
MSD _	(\$40)	-0.05%
Total	(\$1,391,828)	-0.05%

Vegetation Management Expense

Company Value: \$1,545,593

	Impact	
	Amount	Percent
Residential	\$742,889	0.06%
Small General Service	\$181,367	0.06%
Large General Service	\$340,867	0.06%
Small Primary Service	\$134,393	0.06%
Large Primary Service	\$122,594	0.06%
Large Transmission Service	\$ O	0.00%
Lighting	\$23,439	0.06%
MSD	\$44	0.06%
Total	\$1,545,593	0.05%

Infrastucture Inspection Expense

MIEC

Value: (\$349,496)

	Impact	
_	Amount	Percent
Residential	(\$167,985)	-0.01%
Small General Service	(\$41,011)	-0.01%
Large General Service	(\$77,078)	-0.01%
Small Primary Service	(\$30,389)	-0.01%
Large Primary Service	(\$27,721)	-0.01%
Large Transmission Service	\$0	0.00%
Lighting	(\$5,300)	-0.01%
MSD	(\$10)	-0.01%
Total	(\$349,496)	-0.01%

Infrastucture Inspection Expense

MIEC

Value: (\$322,196)

•	Impact	
_	Amount	Percent
Residential	(\$154,863)	-0.012%
Small General Service	(\$37,808)	-0.012%
Large General Service	(\$71,058)	-0.012%
Small Primary Service	(\$28,016)	-0.012%
Large Primary Service	(\$25,556)	-0.012%
Large Transmission Service	\$0	0.000%
Lighting	(\$4,886)	-0.012%
MSD	(\$9)	-0.012%
Total	(\$322,196)	-0.011%

Infrastucture Inspection Expense

Company Value: \$246,670

	Impact	
	Amount	Percent
Residential	\$118,562	0.01%
Small General Service	\$28,945	0.01%
Large General Service	\$54,401	0.01%
Small Primary Service	\$21,448	0.01%
Large Primary Service	\$19,565	0.01%
Large Transmission Service	\$0	0.00%
Lighting	\$3,741	0.01%
MSD	<u> </u>	0.01%
Total	\$246,670	0.01%

Vegetation Management/Infrastructure Inspection Amortization

MIEC

Value: (\$767,860)

	Impact	
-	Amount	Percent
Residential	(\$369,072)	-0.03%
Small General Service	(\$90,104)	-0.03%
Large General Service	(\$169,345)	-0.03%
Small Primary Service	(\$66,767)	-0.03%
Large Primary Service	(\$60,905)	-0.03%
Large Transmission Service	\$0	0.00%
Lighting	(\$11,645)	-0.03%
MSD _	(\$22)	-0.03%
Total	(\$767,860)	-0.03%

Vegetation Management/Infrastructure Inspection Amortization OPC

Value: \$230,128

	Impact	
_	Amount	Percent
Residential	\$110,611	0.01%
Small General Service	\$27,004	0.01%
Large General Service	\$50,753	0.01%
Small Primary Service	\$20,010	0.01%
Large Primary Service	\$18,253	0.01%
Large Transmission Service	\$0	0.00%
Lighting	\$3,490	0.01%
MSD _	<u> </u>	0.01%
Total	\$230,128	0.01%

Lost Fixed Cost AAO Amortization

Company Value: \$7,112,300

	Impact	
	Amount	Percent
Residential	\$3,418,525	0.26%
Small General Service	\$834,589	0.27%
Large General Service	\$1,568,557	0.26%
Small Primary Service	\$618,429	0.26%
Large Primary Service	\$564,135	0.27%
Large Transmission Service	\$0	0.00%
Lighting	\$107,860	0.27%
MSD _	\$204	0.27%
Total	\$7,112,300	0.25%

Solar Rebate Amortization

MIEC

Value: (\$32,315,489)

	Impact Impact	
	Amount	Percent
Residential	(\$15,532,432)	-1.20%
Small General Service	(\$3,792,045)	-1.20%
Large General Service	(\$7,126,904)	-1.20%
Small Primary Service	(\$2,809,898)	-1.20%
Large Primary Service	(\$2,563,206)	-1.21%
Large Transmission Service	\$ 0	0.00%
Lighting	(\$490,075)	-1.21%
MSD	(\$928)	-1.21%
Total	(\$32,315,489)	-1.14%

Fukushima Study Cost Amortization

MIEC

Value: (\$92,657)

	Impact	
_	Amount	Percent
Residential	(\$44,536)	0.00%
Small General Service	(\$10,873)	0.00%
Large General Service	(\$20,435)	0.00%
Small Primary Service	(\$8,057)	0.00%
Large Primary Service	(\$7,349)	0.00%
Large Transmission Service	\$ 0	0.00%
Lighting	(\$1,405)	0.00%
MSD _	(\$3)	0.00%
Total	(\$92,657)	0.00%

Income Tax Current-IRC Section 199 Deduction Staff/MIEC

Value: (\$4,083,426)

	Impact	
_	Amount	Percent
Residential	(\$1,962,698)	-0.15%
Small General Service	(\$479,168)	-0.15%
Large General Service	(\$900,565)	-0.15%
Small Primary Service	(\$355,062)	-0.15%
Large Primary Service	(\$323,890)	-0.15%
Large Transmission Service	\$ 0	0.00%
Lighting	(\$61,927)	-0.15%
MSD	(\$117)	-0.15%
Total	(\$4,083,426)	-0.14%

Labadie ESPs Sierra Club

Value: (\$23,346,738)

,	Impact	
_	Amount	Percent
Residential	(\$11,221,604)	-0.87%
Small General Service	(\$2,739,611)	-0.87%
Large General Service	(\$5,148,923)	-0.87%
Small Primary Service	(\$2,030,047)	-0.86%
Large Primary Service	(\$1,851,821)	-0.87%
Large Transmission Service	\$0	0.00%
Lighting	(\$354,061)	-0.87%
MSD	(\$671)	-0.87%
Total	(\$23,346,738)	-0.82%

Union Issues-Workforce Needs

IBEW Local 1439 Value: \$11,113,305

	Impact			
_	Amount	Percent		
Residential	\$5,341,607	0.41%		
Small General Service	\$1,304,085	0.41%		
Large General Service	\$2,450,944	0.41%		
Small Primary Service	\$966,325	0.41%		
Large Primary Service	\$881,487	0.41%		
Large Transmission Service	\$0	0.00%		
Lighting	\$168,537	0.42%		
MSD	\$319	0.42%		
Total	\$11,113,305	0.39%		

Amoron Missouri Case ER-2014-0258

[Revenue	Current Pro-MEEIA	Base Revenue	Rovenue Shift	Adjusted Rev	Pro-MEEIA	Increase	Increased Rev	LTS Discount	Target Revenue	Percent Increase
Residential	\$1,227,216,898	\$11,570,545	\$1,215,646,353	\$6,078,232	\$1,221,724,585	(\$1,371,890)	\$56,068,594	\$1,287,991,834	\$7,824,074	\$1,295,815,903	5.59%
Small General Service	\$301,316,805	\$1,149,882	\$300,166,923	-\$1,898,490	\$298,268,433	(\$145,240)	\$13,688,430	\$312,961,505	\$1,910,148	\$314,871,653	4.50%
Large General Service	\$568,939,338	\$4,794,903	\$564,144,435	-\$3,568,089	\$560,576,345	(\$491,568)	\$25,726,525	\$590,606,206	\$3,590,000	\$594,196,206	4.44%
Small Primary Service	\$224,819,544	\$2,396,378	\$222,423,166	-\$1,406,777	\$221,016,389	(\$255,496)	\$10,143,103	\$233,300,374	\$1,415,416	\$234,715,790	4.40%
Large Primary Service	\$202,231,544	\$619,097	\$201,612,447	\$0	\$201,612,447	(\$177,337)	\$9,252,598	\$211,306,805	\$1,291,151	\$212,597,956	5.13%
Large Transmission Sorvice	\$159,024,866	\$0	\$159,024,866	\$795,124	\$159,819,990	\$0	\$7,334,617	\$167,154,607	\$0	\$0	0.00%
Industrial Aluminum Smelter Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,876,488	-5.12%
Lighting	\$38,547,547	\$0	\$38,547,547	\$0	\$38,547,547	\$0	\$1,769,062	\$40,316,609	\$246,863	\$40,563,472	5.23%
MSD	\$73,018	\$0	\$73,018	\$0	\$73,018	\$0	\$3,351	\$76,369	\$468	\$76,836	5.23%
Total	\$2,722,169,560	\$20,530,805	\$2,701,638,755	\$0	\$2,701,638,755	(\$2,441,530)	\$123,986,280	\$2,843,714,310	\$16,278,119	\$2,843,714,310	4,46%

Total Increase

\$121,544,750

Residential Class				
	Billing Units			
Customer Charge				
Summer Bills	4,172,016			
Winter Bills	8,344,032			
TOD Bills	408			
Low income	12,516,456			
Surcharge				
Total Bills	12,516,456			
Energy Charge				
Summer kWh	4,565,669,206			
On-peak	38,378			
Off-peak	174,833			
Energy Eff Charge	4,565,876,802			
Winter kWh				
First 750 kWh	4,765,021,199			
Over 750 kWh	3,937,120,085			
On-peak	0			
Off-peak	0			
Energy Eff Charge	8,702,132,857			
Total kWh	13,268,023,700			

Small General Service Class				
	Billing Units			
Customer Charge				
Summer Bills				
One-phase	366,244			
Three-phase	151,016			
Winter Bills				
One-phase	732,488			
Three-phase	302,032			
TOD Bills				
One-phase	7,092			
Three-phase	1,452			
6M	68,496			
Low income Surcharge	1,560,324			
Total Bills	1,628,820			
Energy Charge				
Summer kWh	1,163,520,641			
On-peak	10,422,800			
Off-peak	18,513,900			
Energy Eff Charge	1,190,988,187			
Winter kWh	1 510 015 550			
Base	1,710,217,579			
Seasonal	485,390,789			
On-peak	18,651,329			
Off-peak	34,370,431			
Energy Eff Charge	2,244,955,752			
CD . 11 XXM	2 441 007 460			
Total kWh	3,441,087,469			

Large General Service			
	Billing Units		
Customer Charge			
Summer Bills	41,124		
Winter Bills	82,248		
TOD Bills	360		
Total Bills	123,732		
Demand Charge (kW)			
Summer	8,415,761.90		
Winter	15,855,959.81		
Energy Charge			
Summer kWh			
First 150HU	1,140,083,897		
Next 200HU	1,242,304,349		
Over 350HU	511,797,661		
On-peak	5,054,797		
Off-peak	11,084,437		
Energy Eff	2,829,079,627		
Winter kWh			
Base Energy Charge			
First 150HU	1,868,430,811		
Next 200HU	2,033,988,938		
Over 350HU	843,340,932		
Seasonal Energy	426,408,704		
On-peak	8,480,266		
Off-peak	18,917,565		
Energy Eff	5,063,278,652		
Total kWh	8,066,355,291		

Small Primary Service				
	Billing Units			
Customer Charge				
Summer Bills	2,548			
Winter Bills	5,096			
TOD Bills	240			
Total Bills	7,884			
Demand Charge				
(kW)	,			
Summer	2,870,165.04			
Winter	5,252,950.23			
Energy Charge				
Summer kWh				
First 150HU	418,646,201			
Next 200HU	511,096,977			
Over 350HU	368,414,544			
On-peak	13,920,363			
Off-peak	30,242,458			
Energy Eff	1,209,824,830			
Winter kWh				
First 150HU	697,135,073			
Next 200HU	858,483,268			
Over 350HU	617,854,176			
Seasonal Energy	168,549,662			
On-peak	24,741,000			
Off-peak	53,662,844			
Energy Eff	2,179,226,463			
	·			
Total kWh	3,640,179,900			
Reactive Charge	1,111,391			
Rider b				
115 kw	6,601.99			
69 kw	905,455.13			

Large Primary Service				
Billing Uni				
Customer Charge				
Bills	780			
TOD	48			
Low income Surcharge	828			
Demand Charge (kW)				
Summer	2,506,949.40			
Winter	4,547,498.35			
Energy Charge				
Summer kWh				
Energy	1,391,940,050			
On Peak	36,010,614			
Off-Peak	75,765,308			
Energy Eff Charge	672,953,214			
Winter kWh				
Energy	2,462,833,566			
On Peak	64,070,166			
Off-Peak	131,227,581			
Energy Eff Charge	1,166,385,481			
Total kWh	3,854,773,616			
Reactive Charge	533,066			
Rider b				
115 kw	600,215.50			
69 kw	1,976,071.70			

Large Transmission Service				
	Billing Units			
Customer Charge				
Summer Bills	4			
Winter Bills	8			
Low Income Surcharge	12			
Demand Charge (kW)				
Summer	1,936,921.1			
Winter	3,883,682.1			
Reactive Demand Charge				
Summer	0.0			
Winter	0.0			
Energy Charge				
Summer kWh				
Energy	1,397,501,011			
Line of Loss	48,912,535			
Winter kWh				
Energy	2,793,512,555			
Line of Loss	97,772,940			
Total kWh w/o Line Loss	4,191,013,566			
Line Losses	146,685,475			
Total kWh w/ Line Loss	4,337,699,041			
TOTAL K WILL LOSS	1,557,075,071			

ER-2014-0258 Rat Ordered Rates

Horizontal - enclosed on existing wood pole Open bottom on existing wood pole Open bottom on existing wood pole	HPS HPS MV MV MV MV HPS HPS	9500 25500 50000 6800 20000 54000 108000 5800 9500	***	12.41 17.93 31.97 12.41 17.93 31.97 63.95
Open bottom on existing wood pole Open bottom on existing wood pole	MV MV	3300 6800	\$ \$ \$ \$ \$	10.05 10.98
Post top including 17 foot post Post top including 17 foot post Post top including 17 foot post	HPS MV MV	9500 3300 6800	\$ \$ \$ \$	22.99 21.73 22.99
Directional Directional Directional Directional Directional Directional	HPS HPS MH MH MV MV	25500 50000 34000 100000 20000 54000	\$ \$ \$ \$ \$ \$ \$	22.76 36.00 22.76 71.96 22.76 36.00
Prior to April 9, 1986 11,000 Lumens, Mercury Vapor, Post-Top 11,000 Lumens, Mercury Vapor, Open Bottom 11,000 Lumens, Mercury Vapor, Horizontal Enclosed 42,000 Lumens, Mercury Vapor, Horizontal Enclosed 5,800 Lumens, H.P. Sodium, Open Bottom 16,000 Lumens, H.P. Sodium, Horizontal Enclosed 34,200 Lumens, H.P. Sodium, Directional (2) 140,000 Lumens, H.P. Sodium, Directional 20,000 Lumens, Metal Halide, Directional		11000 11000 11000 42000 5800 16000 34200 140000 20000	***	22.99 10.98 12.41 31.97 - 12.41 22.76 71.96 22.76
1000 INC Wood 2500 INC Wood 4000 INC Wood 6000 INC Wood 10000 INC Wood			(5) (5) (4) (4) (5) (6) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7	11.89 16.05 18.52 20.56 27.92
6M RATE Description Metered service (cust charge per meter) Energy charge (per kWh)	Туре	Lumens	\$ \$	6.71 0.0454
Customer charge per account			\$	6.71
Energy & Maintenance Energy & Maintenance Energy & Maintenance Energy & Maintenance	HPS HPS HPS MH	9500 25500 50000 5500	\$ \$ \$	3.61 6.28 9.07 5.22

Farm O. Malatanasa		A 41 1	40000	•	0.05
Energy & Maintenance		MH	12900	\$	6.25
Energy & Maintenance		MV	3300	\$	3.61
Energy & Maintenance		MV	6800	\$	4.70
Energy & Maintenance		MV	11000	\$	6.36
Energy & Maintenance		MV	20000	\$	8.43
Energy & Maintenance		MV	54000	\$	18.00
•					
Energy Only		HPS	9500	\$	1.75
Energy Only		HPS	16000		2.98
Energy Only		HPS	25500	\$ \$	4.47
Energy Only		HPS	50000	\$	7.03
Energy Only		MV	3300	\$ \$	1.85
Energy Only		MV	6800	\$	3.01
Energy Only		MV	11000	\$ \$ \$	4.29
Energy Only		MV	20000	\$	6.62
Energy Only		MV	42000	\$	11.03
Energy Only		MV	54000	\$	15.75
5_6M					
Customer Charge				\$	6.71
Metered kWh				\$	0.0454
	LED				
2500 Lumen				\$	0.60
5000 Lumen				\$	1.06
4,250 Lumen (Post Top)				\$	1.28
12,500 Lumen				\$ \$	2.73
19000 Lumen				\$	3.94
				•	

STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 2nd day of June, 2015.

in the Matter of Union Electric Company, d/b/a)	
Ameren Missouri's Tariff to Increase Its)	File No. ER-2014-0258
Revenues for Electric Service)	

ORDER APPROVING RECONCILIATION OF CONTESTED ISSUES

Issue Date: June 2, 2015 Effective Date: June 2, 2015

Section 386.420.4, RSMo (Cum. Supp. 2013), requires the Commission to prepare and approve a detailed reconciliation regarding the dollar value and rate or charge impact of the contested issues decided by the Commission in this rate case. The law requires the Commission to allow the parties an opportunity to provide written input regarding that reconciliation.

On May 21, 2015, Ameren Missouri filed a proposed reconciliation along with a motion asking the Commission to approve that reconciliation. The Commission directed its Staff to respond to Ameren Missouri's proposed reconciliation by June 1, and allowed other parties until that date to respond if they wished to do so.

On May 28, Ameren Missouri filed a motion asking the Commission to approve a corrected reconciliation it prepared based on discussions with Staff. Later that day, Staff filed a response, indicating that the corrected reconciliation filed by Ameren Missouri is correct and compliant with the statute. Staff advised the Commission to approve the reconciliation. No other party has responded to the reconciliation.

The Commission finds that the reconciliation submitted by Ameren Missouri on May 21, 2015, as corrected on May 28, is an accurate representation of the revenue requirement impact of the issues decided by the Commission in its report and order. The Commission further finds that the submitted reconciliation satisfies the requirements of Section 386.420.4, RSMo (Cum. Supp. 2013).

THE COMMISSION ORDERS THAT:

- 1. The Reconciliation of Issues Decided by the Commission filed by Union Electric Company d/b/a Ameren Missouri on May 21, 2015, and corrected on May 28, 2015, is approved.
 - 2. This order shall be effective when issued.

R. Kenney, Chm., Stoll, W. Kenney, Hall, and Rupp, CC., concur.

Woodruff, Chief Regulatory Law Judge

BY THE COMMISSION

Marris L Woodrup

Morris L. Woodruff Secretary STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 2nd day of June 2015.



Morris L. Woodruff

Secretary

MISSOURI PUBLIC SERVICE COMMISSION June 2, 2015

File/Case No. ER-2014-0258

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Missouri Industrial Energy Consumers (MIEC) Carole Iles 221 Bolivar St., Suite 101 Jefferson City, MO 65101 carole.iles@bryancave.com

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

Morris L. Woodruff

Secretary

APPELLANT'S STATEMENT OF ISSUES

Appellant asserts that the Report and Order ("Order") of the Missouri Public Service Commission ("Commission") is unjust, unreasonable, unlawful, arbitrary and capricious for all of the reasons set forth in its Application for Rehearing filed on May 11, 2015 and attached hereto. Without limiting the foregoing, Appellant asserts that the Order of the Commission:

- 1. Is unlawful in that the special rate that Ameren Missouri ("Ameren") is ordered to charge Noranda Aluminum ("Noranda") constitutes the grant of an undue preference in violation of §393.130.3 RSMo (Cum. Supp. 2013).
- 2. Is in excess of the Commission's statutory authority in that the special Noranda rate is a direct subsidy provided to an individual customer of Ameren which is a legislative, not regulatory function.
- 3. Is unreasonable in that the Commission's finding that Noranda is in imminent danger of closing is contrary to the record evidence.
- 4. Is arbitrary and capricious in that the Commission as recently as August 20, 2014 in a Report and Order in Case No. EC-2014-0224 concluded that Noranda's claims of financial distress were questionable and, even if true, were self-inflicted and, further, that whether Noranda should receive a direct subsidy was a question for the Missouri General Assembly and not for the Commission. The Commission's Order does not address what circumstances had changed in only 8 months to justify a complete reversal of its previous findings and conclusions.
- 5. Is unreasonable in that the subsidy the Commission has mandated for Noranda is excessively costly to the other Ameren ratepayers who must foot the bill, and lacks reasonable and adequate safeguards and conditions that will protect them if circumstances should change.

IN THE MISSOURI COURT OF APPEALS WESTERN DISTRICT

CIVIL CASE INFORMATION FORM

(This form must be filed with the Notice of Appeal)

List every party involved in the case, indicate the position of the party in the circuit court (e.g., plaintiff, defendant, intervenor) and in the Court of Appeals (e.g., appellant, respondent) and the name of the attorney of record, if any, for each party. Attach additional sheets to identify all parties and attorneys if necessary.

Party	

Attorney

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Shelley Brueggemann

Missouri Public Service Commission

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Kevin Thompson

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Division of Energy

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MIEC

(Intervenor)

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Wendy K. Tatro Union Electric Company P.O. Box 66149 St. Louis, MO 63166-6149

Date Notice filed with the Commission:	
The Record on Appeal will consist of:	
X Legal File Only	Legal File and Transcript

FACTUAL BACKGROUND: (Events Giving Rise to Cause of Action. Attach one additional page, if necessary).

The Missouri Public Service Commission issued a *Report and Order*, in Commission Case No. ER-2014-0258, on April 29, 2015. On May 11, 2015 Appellant timely filed its Application for Rehearing, which was denied by the Commission by Order dated May 20, 2015.

Among other things, the Commission directed Ameren Missouri to provide a special rate for electric service to Noranda Aluminum, Inc. ("Noranda").

ISSUES EXPECTED TO BE RAISED ON APPEAL: (Attach one additional page, if necessary. Appellant is not bound by this list. Attach one copy of the post-trial motion, if one was filed).

- 1. Whether the special rate that Ameren Missouri ("Ameren") is ordered by the Commission to charge Noranda Aluminum ("Noranda") constitutes the grant of an undue preference in violation of §393.130.3 RSMo (Cum. Supp. 2013)?
- 2. Whether granting Noranda a special rate as a direct subsidy is in excess of the Commission's statutory authority?
- 3. Whether the Commission's finding that Noranda is in imminent danger of closing is unreasonable in that it is contrary to the record evidence?
- 4. Whether the Order is arbitrary and capricious in that the Commission as recently as August 20, 2014 in a Report and Order in Case No. EC-2014-0224 concluded that Noranda's claims of financial distress were questionable and, even if true, were self-inflicted and, further, that whether Noranda should receive a direct subsidy was a question for the Missouri General Assembly and not for the Commission?
- 5. Whether the Commission's Order is unreasonable in that the subsidy the Commission has mandated for Noranda is excessively costly to the other Ameren ratepayers who must foot the bill and lacks reasonable and adequate safeguards and conditions that will protect them if circumstances should change?