

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

In the Matter of Noranda Aluminum's Possible)
Material Default in a Condition Necessary to)
Remain on the IAS Rate Schedule Established)
in Case No. ER-2014-0258.)

Case No. EO-2016-

STAFF'S PETITION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Petition*, states as follows:

1. In its *Report and Order* in Case No. ER-2014-0258, issued on April 29, 2015, the Commission established for a period of three years a new electric service rate class for Ameren Missouri customers, the IAS (Industrial Aluminum Smelters) Class.

2. The Commission expressly provided that Noranda Aluminum would be eligible to take service under the IAS Class so long, and only for so long, as it complied with certain conditions.

3. One of these conditions related to a particular specified level of full-time equivalent employees at the New Madrid smelter. That level was set at 850.

4. The Commission expressly provided that its Staff or any other party to Case No. ER-2014-0258 "may file a petition asking the Commission to determine whether the IAS customer has failed materially to comply with any term or condition required to access the reduced rate structure." The Commission further expressly provided that, "[u]pon the filing of such a petition, the Commission shall hold a hearing or make a determination based on verified pleading within 30 days of the filing of the petition."

5. Staff is in receipt of a newspaper article published in the *Southeast Missourian* on February 3, 2016, stating that Noranda has laid-off a total of 475 employees. If true, this report appears to show a material default by Noranda in the condition referred to above for service on the IAS rate, namely, the employment of 850 full-time equivalent employees. The newspaper article is attached hereto and incorporated herein by reference.

6. Staff has not filed a verified petition because its only knowledge is the attached newspaper article.

WHEREFORE, Staff prays that the Commission will open a docket to determine whether the IAS customer, Noranda Aluminum, has failed materially to comply with any term or condition required to access the reduced rate structure and, in that regard, convene a hearing within 30 days of the filing of this petition; and grant such other and further relief as the Commission deems just in the circumstances.

Respectfully submitted,

/s/ Kevin A. Thompson

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served, by hand delivery, electronic mail, or First Class United States Mail, postage prepaid, to all parties of record on the Service List maintained for Case No. ER-2014-0258 by the Data Center of the Missouri Public Service Commission, on this 3rd day of February, 2016.

/s/ Kevin A. Thompson

UNION REP: 51 MORE JOBS CUT AT NORANDA; SMELTER HAS LAID OFF 475 SO FAR

By Lindsay Jones
Southeast Missourian
February 3, 2016

NEW MADRID, Mo. -- Fifty-one mechanics and one machinist were laid off Tuesday at Noranda Aluminum in New Madrid, bringing the total layoffs there to 475 people so far.

Dallas Snider, president of United Steel Workers Local 7686, which represented 804 Noranda employees before the recent job cuts began, said the latest round of layoffs focused on the smelter's maintenance department.

The other 423 layoffs were in production.

John Parker, Noranda's vice president of communication and investor relations, would not comment on actions taken at the plant Tuesday, instead referring a reporter to a news release about the cuts issued Jan. 13.

"This really is the last portion of that," Parker said.

In mid-January, the Franklin, Tennessee-based company announced it planned to lay off about 490 workers by Thursday at the New Madrid plant that once employed 900 people from all over Southeast Missouri.

"The company is real tight-mouthed," Snider said Tuesday afternoon after a busy day of fielding calls connected with that day's layoffs. "They're not telling us nothing."

In addition to low aluminum prices and issues at other company plants, the New Madrid cuts followed two pot lines being idled after an electrical circuit failure Jan. 8.

A pot line is an electrolytic cell used in aluminum production.

Smelter employees also were informed in mid-January the site's remaining operations would be curtailed on or before March 12 unless a better electricity rate could be secured from Ameren Missouri or another power supplier. Ameren and Noranda, the utility's largest customer in the state, have been locked in a high-profile struggle over electrical rates since at least 2014.

Snider said the union has been asking Noranda officials each day what might be coming next, but no answers are forthcoming. Rumors of a company bankruptcy have been making the rounds, he said.

"I've been here 30 years, and I've never seen nothing like this," Snider said.

On Thursday, representatives from banks, the AFL-CIO and the state unemployment office will hold sessions at Local 7686's union headquarters in Marston, Missouri, to counsel laid-off workers about where and how to seek help.

Richard McGill, city administrator in New Madrid, is one of several key figures in the dual effort to keep Noranda viable while helping displaced workers find new jobs.

"We're trying to get a handle on not just what we can do as a city, but (also) to understand how this will affect the entire area," he said.

McGill did not have a figure on how many Noranda employees have been laid off or the towns where they live, but various sources said workers commute to the New Madrid facility from as far north as Perryville, Missouri, and even from Dyersburg, Tennessee, and Blytheville, Arkansas. McGill, like many of the people immediately affected by the layoffs, also could not say whether the situation at the plant is temporary or permanent.

If it is permanent, he said he thinks many affected workers will move out of the New Madrid area, and said Cape Girardeau would be a logical destination for as many as able to find comparable jobs.

This week, McGill said he hopes to get skilled-worker profiles the city can use to help market the Noranda workers to other businesses or industries. He and a group of officials also spent part of last week in Jefferson City talking to area lawmakers about what, if anything, can be done to improve the situation.

Chrisina McWaters, director of the New Madrid Chamber of Commerce, which has a little more than 100 member businesses including Noranda, acknowledged the local and regional ripple effects would be "devastating" if the plant closed permanently. Beyond that, she said she couldn't comment.

"I don't know," she said. "I wouldn't even dare to guess."

One eye doctor recently told McWaters most of his business comes from Noranda workers. If they went away, so would most of his clientele. The same is true for restaurants and other businesses that rely on people in proximity to the smelter spending money.

"I think a lot (of affected people) are holding out hope this will change," she said.

McWaters also did not have an official layoff total from the plant.

Don Lloyd, director of economic development for New Madrid County, said although no new industrial prospects are imminent in the area, steps have been taken in recent years to pave the way for them.

"We have improved infrastructure to accommodate industry to the highest degree we can," he said, and the marketing phase has begun.

A new wastewater treatment plant will be constructed soon and a 750,000-gallon water tower is nearing completion. In addition to the recent purchase of 300 acres for industrial use, an electrical substation also is planned.

"We're ready for any industry of any size (within reason) that wants to locate here," Lloyd said.

John Mehner, president and CEO of the Cape Girardeau Area Chamber of Commerce, did not have figures on how many Noranda workers live in the Cape Girardeau area, or how many live in surrounding communities.

He also did not have a solid idea of how the city might be affected by an influx of former Noranda employees.

"That's conjecture at this point," he said.

But he said several local employers will be represented at a Missouri Department of Economic Development Community Resource Job Fair to be held Friday at Three Rivers College in Sikeston, Missouri. The fair was organized by state Rep. Holly Rehder in response to the Noranda layoffs.

Several other local efforts also are underway to help displaced Noranda workers bounce back from unemployment.

Southeast Missouri State University will participate in the Three Rivers job fair, with representatives from the Office of Admissions, Extended and Continuing Education, Missouri Innovation Corporation and Office of Military Veterans Services there to offer advice.

After the fair ends, Missouri Innovation Corporation will offer entrepreneurship training and programs in the next few months to people in affected communities.

One example, according to a university news release, is a partnership with the Greater Poplar Bluff Area Chamber of Commerce to bring the training program LaunchU to that community. LaunchU educates aspiring entrepreneurs about business planning, pitching and tracking.

Anyone interested in learning more may call (573) 651-2929.

By the end of the month, Southeast's Small Business and Technology Development Center will expand its hours to meet with workers at satellite locations in Sikeston, Kennett, Dexter and Poplar Bluff. Sessions are planned for two days a week.

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