

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

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

ANSWER

COMES NOW Union Electric Company, d/b/a Ameren Missouri (the “Company” or “Ameren Missouri”), and for its answer Noranda et al.’s¹ Complaint filed in this case (the “Complaint”), states as follows:

With respect to that portion of the Complaint appearing before numbered paragraph 1, Ameren Missouri states that to the extent said portion of the Complaint contains legal conclusions rather than factual allegations, no answer is required, but to the extent an answer is required, Ameren Missouri denies the same.

With respect to the numbered paragraphs of the Complaint, Ameren Missouri answers the same by correspondingly numbered paragraphs, as follows:

1. Ameren Missouri admits the allegations of the second, third and fifth sentences of Paragraph 1, and admits the allegations in the fourth sentence up to the comma. Ameren Missouri is without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 1 and therefore denies the same.

2. With respect to the allegations in the first sentence of Paragraph 2, Ameren Missouri admits that the 37 individual complainants are Ameren Missouri customers, but is without

¹ Joining Noranda as complainants were 37 Ameren Missouri residential customers who, according to Noranda, can be “contacted through” Noranda’s attorneys. Complaint, ¶ 2. For simplicity we will collectively refer to complainants as “Noranda et al.”

knowledge or information sufficient to form a belief regarding whether they will benefit from the relief requested in the Complaint and therefore denies that allegation in the first sentence of Paragraph 2. Ameren Missouri is without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 2 and therefore denies the same.

3. Ameren Missouri admits the allegations of Paragraph 3.

4. Paragraph 4 states legal conclusions rather than factual allegations and, as such, no answer is required, but to the extent that an answer is required, Ameren Missouri denies the allegations of Paragraph 4.

5. Paragraph 5 consists of quotations of a statute, which speaks for itself.

6. Paragraph 6 consists of quotations of a statute, which speaks for itself.

7. Paragraph 7 consists of quotations of a statute, which speaks for itself.

8. Paragraph 8 consists of quotations of a rule, which speaks for itself.

9. To the extent Paragraph 9 states legal conclusions rather than factual allegations no answer thereto is required, but to the extent that an answer is required, Ameren Missouri denies the same.

10. Ameren Missouri admits that two days before the Complaint was filed counsel for Noranda contacted Ameren Missouri's counsel and a Noranda representative contacted an Ameren Missouri representative, but denies the remaining allegations of Paragraph 10.

11. Ameren Missouri admits the allegations in the first sentence of Paragraph 11. To the extent the second and third sentences of Paragraph 11 contain legal conclusions rather than factual allegations no answer is required, but to the extent that said sentences contain factual allegations or otherwise require an answer, Ameren Missouri denies the same. Ameren Missouri admits that the Complaint challenges Ameren Missouri's currently-authorized return on equity, as alleged in the

fourth sentence of Paragraph 11. Ameren Missouri denies all of the remaining allegations of Paragraph 11.

12. Ameren Missouri admits the allegations in part of the first sentence in Paragraph 12 up to the comma, admits that there exists a 95%/5% sharing mechanism in its fuel adjustment clause, but denies the remaining allegations in the first sentence of Paragraph 12. With respect to the second sentence of Paragraph 12, Ameren Missouri denies that it must submit a surveillance report pursuant to any condition imposed by the Commission, but states that the Commission's fuel adjustment clause rules require the submission of such a report if the utility has a fuel adjustment clause. Ameren Missouri admits the allegations of the third and fourth sentences in Paragraph 12, but states that surveillance report results are per-book, unadjusted figures that do not report the regulatory returns that are relevant to the rate-setting process. Ameren Missouri denies the allegations of the last sentence of Paragraph 12.

13. Ameren Missouri admits the allegations of Paragraph 13.

14. Ameren Missouri denies that it files "Investor Relations Earnings Reports" and otherwise denies the allegations of Paragraph 14.

15. Ameren Missouri admits the allegations of Paragraph 15, but states that the information in the schedules and workpapers referenced therein is for a period starting as far back as October 2010, and no later than July 2012.

16. Ameren Missouri denies the allegations of Paragraph 16, and each and every subpart thereof.

17. Ameren Missouri denies the allegations of Paragraph 17.

18. Ameren Missouri is without sufficient knowledge or information to form a belief regarding what Complainants "believe," and denies the allegations of Paragraph 18.

19. To the extent Paragraph 19 states legal conclusions rather than factual allegations no answer thereto is required, but to the extent that an answer is required, Ameren Missouri denies the allegations of Paragraph 19.

AFFIRMATIVE DEFENSES

FIRST DEFENSE

The Complaint fails to state a claim upon which relief can be granted.

SECOND DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the Complaint would be unjust and unreasonable.

THIRD DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the Complaint are unsupported by competent and substantial evidence.

FOURTH DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the Complaint would be based upon calculations and accounting adjustments manipulated to reduce Ameren Missouri's rates to levels that would be unjust and unreasonable, and so are the result of improper, arbitrary, and unlawful regulatory opportunism.

FIFTH DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the Complaint would not be based on any competent, fair, or rational evaluation of the results of a proper audit of Ameren Missouri's books and records and the calculation of an appropriate revenue requirement, and so such rates would be arbitrary, capricious, and unreasonable.

SIXTH DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the Complaint, which would deny Ameren Missouri the opportunity to earn a return of, and a fair return on, all of its prudently incurred investments and costs, are confiscatory, and so would effect a taking of Ameren Missouri's property without just compensation, in violation of the Fifth and Fourteenth Amendments to the United States Constitution.

SEVENTH DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the complaint, which would deny Ameren Missouri the opportunity to earn a return of, and a fair return on, all of its prudently incurred investments and costs, are confiscatory, and so would effect a taking of Ameren Missouri's property without just compensation, in violation of Article 1, Section 26, of the Missouri Constitution.

EIGHTH DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the Complaint would deny Ameren Missouri the opportunity to earn a return of, and a fair return on, all of its prudently incurred investments and costs undertaken to fulfill Ameren Missouri's obligations under its regulatory compact with the government, and so effect a taking of Ameren Missouri's property without just compensation, in violation of the Fifth and Fourteenth Amendments to the United States Constitution.

NINTH DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the Complaint would deny Ameren Missouri the opportunity to earn a return of, and a fair return on, all of its prudently incurred investments and costs undertaken to fulfill Ameren Missouri's obligations under its regulatory compact with the government, and so effect a taking of Ameren Missouri's

property without just compensation, in violation of Article 1, Section 26, of the Missouri Constitution.

TENTH DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the Complaint would result in an arbitrary and irrational denial of Ameren Missouri's right to a reasonable opportunity to earn a return of, and a fair return on, all of its prudently incurred investments and costs, and thereby deprive Ameren Missouri of its property without due process of law in violation of the Fifth and Fourteenth Amendment to the United States Constitution.

ELEVENTH DEFENSE

Rates based upon the change in the Company's revenue requirement proposed by the Complaint would result in an arbitrary and irrational denial of Ameren Missouri's right to a reasonable opportunity to earn a return of, and a fair return on, all of its prudently incurred investments and costs, and thereby deprive Ameren Missouri of its property without due process of law in violation of Article 1, Section 10, of the Missouri Constitution.

TWELFTH DEFENSE

The Complaint is an unlawful collateral attack on the Commission's order approving Ameren Missouri's current rates and on Ameren Missouri's current and lawfully in effect rate tariffs because it fails to allege a substantial change in circumstances and also fails to allege any violation of any existing order, rule, or tariff.

THIRTEENTH DEFENSE

The rates proposed by the Complaint would deprive Ameren Missouri of the rights, privileges and immunities secured by the Constitution and laws of the United States.

WHEREFORE, having fully answered, Ameren Missouri, as more fully set forth in its Motion to Dismiss filed in this case concurrently herewith, requests that the Commission dismiss the Complaint with prejudice.

UNION ELECTRIC COMPANY
d/b/a Ameren Missouri

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ATTORNEYS FOR UNION ELECTRIC COMPANY
d/b/a AMEREN MISSOURI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 17th day of March, 2014, served the foregoing either by electronic means, or by U. S. Mail, postage prepaid addressed to counsel for all parties of record.

James B. Lowery

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