



# Power Play: State to Give Special Electricity Deal to Favorite Business

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*By: Michael Rathbone*

Have you ever taken a look at something and thought to yourself, "Wait a minute, I don't think you're using that right"? Kinda like that scene in [Tin Cup](#) when Kevin Costner uses a shovel instead of a 3 wood when golfing. Well, [it appears](#) that the Public Service Commission (PSC) has decided to get in the economic development game.

The PSC [serves to](#) regulate utilities in the state so that Missourians receive safe and reliable services while the utility companies charge rates that allow them to earn a reasonable rate of return on their investments after they recoup project costs.

However, the PSC recently instructed its staff to prepare an order granting Noranda (an aluminum company in Southeast Missouri) a reduced rate on the electricity it consumes. The reasoning behind this decision is to allow Noranda to save on costs so that it can improve its financial position and avoid financial difficulties in the future.

This is yet another attempt by the state to help improve Noranda's bottom line. Noranda already pays the lowest electricity rates in Missouri. Since it is the largest consumer of electricity, I can understand why that would be the case (bulk discounts for large purchases aren't uncommon). However, the state also specifically passed legislation that [allows](#) Noranda to shop for its electricity provider. No other person or business in the state has such a privilege.

Now the state wants to lower Noranda's rates even further. Why? [That's simple](#) : to [save jobs](#) , which is a noble sentiment, but this is not the role of the PSC. This order amounts to the government picking winners and losers, just through a different means than what we're typically used to seeing.

I want Noranda to stay in business, but it's not the PSC's job in order to guarantee that. If we work to keep the [cost of doing business](#) low in Missouri, everybody, including Noranda, will benefit.

## About the Author



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[2] [https://www.youtube.com/watch?v=FTLxoSUot\\_0](https://www.youtube.com/watch?v=FTLxoSUot_0)

[3] <http://themissouritimes.com/17510/psc-indicates-support-for-lowering-norandas-rate/>

[4] <http://psc.mo.gov/CMSInternetData/ConsumerInformation/A%20Snapshot%20of%20What%20We%20Do.pdf>

[5] <http://news.stlpublicradio.org/post/stakes-high-missouri-electricity-customers-battle-between-ameren-and-noranda>

[6] <http://www.semissourian.com/story/2123484.html>

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