

From: Veldran, Katherine

To: Webb, Beth <BethWebb@gov.sc.gov>

Date: 12/2/2015 2:45:37 PM

Subject: FW: Our future is the reason to reconsider....

Attachments: 12191464_10207136718410458_183626667114981406_n.jpg
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From: Cutts, Mary Darby [mailto:Mary.Cutts@centuryaluminum.com]

Sent: Wednesday, December 02, 2015 2:42 PM

To: Incarter@santeecooper.com

Cc: Veldran, Katherine

Subject: Our future is the reason to reconsider....

Importance: High

Dear Lonnie Carter, I am sure my email finds you flooded with the others that are coming in – but wanted to reach out one last time to ask that the Plant and all the employees be considered in all of this too. I have been at this plant since 1997 as a corporate Alumax procurement person (later Alcoa Corporate) and now work directly for this plant. I have worked closely with Santee Cooper as part of the ISM (Purchasing Manager Assoc) over many years. I am a single parent to 2 girls who rely on me for medical benefits, etc. My grandson lost his dad a week after his first birthday, so he and my daughter moved back home with me. Thanks to my job at Mt Holly I am able to help support both my girls and 3yr old grandson! The closure of this plant will be directly related to the lack of a power contract and will leave us all without affordable medical coverage in 2016. I hope that both parties can work harder to find an option. I did the tour with Gov. Haley when she was here years ago and am disappointed that she has elected to stop fighting for us as promised.

<http://www.postandcourier.com/article/20151202/PC16/151209951/1177/santee-cooper-needs-to-remember-its-mission-and-it-x2019-s-not-pure-profit>



Thank you in advance for your time and consideration-

Mary Cutts

Senior Buyer

Santee Cooper needs to remember its mission, and it's not pure profit

Dec 2 2015 6:00 am

Brian Hicks Columnist

Brian Hicks  **mail**

Post and Courier

When Santee Cooper was set up during the Great Depression, it had a pretty simple mission: provide cheap power to rural areas of South Carolina.

That was a decidedly good thing, seeing as how some parts of the state hadn't changed much since the Civil War. Well, it worked. In the past 75 years, Santee Cooper has thrived and is now the second-largest publicly owned electrical utility in the country.

But that means it's not a private business, beholden to shareholders. Its purpose is supposed to be to the public good. Look at its website: one of the guiding principles of Santee Cooper is to "support economic development, job attraction and retention that benefits all of our customers."

So exactly how does shutting down a plant that employs 600 people at an average salary of \$92,634 — and has an annual economic impact of \$945 million that indirectly supports another 1,400 jobs — fit into that mission?

It doesn't.

On Monday, the Santee Cooper board unanimously rejected a deal from Century Aluminum's Mount Holly aluminum smelter plant in Goose Creek to provide power from out-of-state providers. For its trouble, Santee Cooper would get \$60 million in transfer fees over five years.

But apparently that isn't good enough. It must be chump change for them. Facing a waning demand for electricity, Santee Cooper wants Mount Holly to continue buying at least a quarter of its power from them or they are going to wreck a lot of people's Christmas — and the Lowcountry economy.

Way to promote the common welfare.

The bottom line

This is a very complicated issue, to be sure.

One thing it isn't, however, is just some company looking for a sweetheart deal — as some people might want you to believe.

And it's not about fluctuations in the price of aluminum on the open market, although Century agrees that cheap product from China has hurt them of late. Company officials say they can weather those roller coaster-price changes if they keep their costs in line.

And the main cost of smelting is electricity. Aluminum smelting is an expensive, dangerous process and it requires a lot of electricity. It's between one-third and one-half the cost of doing business. That's why the company has shopped around for significantly cheaper power from other providers.

Mike Bless, Century Aluminum's CEO, does not want to shut down Mount Holly.

It is, Bless says with obvious pride, one of the best, most productive, most technologically advanced and safest plants they own. The people there are great. It's the sort of place where generations of families work, and have for the past 35 years.

Back in the summer, when Century was having labor problems at one of its Kentucky plants, a bunch of folks from Goose Creek drove up there — on their own — to help keep the smelters running. You don't find that kind of loyalty in many companies these days. But the folks at Century are invested, with good reason.

Unfortunately the bottom line is that a business has to at least break even to make sense. And Santee Cooper's proposal to the company would not allow that to happen. Right now, Mount Holly buys 25 percent of its power from Santee Cooper and the other 75 percent from out-of-state providers. And it's still squeezing them.

So do the math: How much would it cost if the aluminum plant just bought all its power from the publicly owned utility?

"If we bought 100 percent from them, we'd be looking at double the costs," Bless says.

And that doesn't exactly sound like cheap power.

Guiding principles

Santee Cooper says cutting Mount Holly a break would force it to raise rates on other large users. Century says the \$60 million they offered to pay in transfer fees should prevent that.

It's a classic he said, he said.

The utility has told Century they won't have the capacity to transfer in the next few years, which Bless notes goes against public information provided to the Santee Cooper board that predicts demand has peaked and is expected to drop.

Century offered to pay the difference if Santee Cooper showed them the data that the deal would interfere with other businesses. That proposal has been ignored.

And that's where we stand. Century has to finalize its transfer deals with other electricity providers in the next 10 days or the whole deal falls apart. Then 600 people lose good-paying jobs and the rest of the economy suffers.

Bless says all that his company is asking is that the free market be allowed to work.

That's supposed to be a popular idea in South Carolina.

A few years back, Gov. Nikki Haley said no public utility was going to be the reason a company went out of business. Sounds like it's time to repeat that admonishment.

Santee Cooper is supposed to promote job creation and retention, not run good companies out of business.

Might be time to check those "guiding principles."