

[<< Back](#)

MEMBER CENTER: [Create Account](#) | [Log In](#)

[SITE SEARCH](#) [WEB SEARCH BY Google™](#)



## WVEUG lawyer: Century special rate proposal beyond pale of reason

Posted: Jul 30, 2012 11:13 AM EDT  
 Updated: Jul 30, 2012 2:36 PM EDT

By Pam Kasey - [email](#)

Century Aluminum's special electricity rate proposal is "beyond the pale of reason," say other large users.



That's according to Derrick Williamson in his opening statement at the three-day evidentiary hearing begun this morning by the Public Service Commission of West Virginia.

The commission is considering a special electric rate structure, proposed in May and revised earlier this month, that Century says it needs in order to re-start its Ravenswood smelter. That rate structure could result in shifting some of its costs to Appalachian Power Co. shareholders and its other ratepayers.

Williamson represents the West Virginia Energy Users Group of large energy users, which includes Air Products and Chemicals Inc., Bayer CropScience, Bayer MaterialScience LLC, E.I. du Pont de Nemours and Co., Huntington Alloys Corp., PPG Industries Inc. and West Virginia Manufacturing.

While the Legislature has in fact authorized the commission to consider these special electric rates, nothing in the statute authorizes the range of "myopic and self-serving features" of the special rate structure Century proposed, Williamson said.

"The commission should not countenance shifting the costs to ratepayers on the hope that Century will become economically viable in the future," Williamson said.

West Virginia Energy Users Group members have continuously provided thousands of jobs, millions of dollars in payroll and contributes to tax bases, borne 70 percent rate increases on the AEP system since Century idled the Ravenswood plant in 2009 and absorbed nearly \$20 million in Century's fixed costs on the system while continuing to struggle and fight to remain competitive in their own markets, he said — but haven't asked for a dime.

Regarding Century's proposal to add to its already approved tax credit and to what amounts to forgiveness of foregone costs a guaranteed subsidy from ratepayers, "I'm here to tell you it would be unjust, unreasonable and unduly burdensome to shift that cost and create that burden on other large manufacturing customers," he said. "The proposal ought to be rejected outright."

Century attorney James Kelsh, in his opening statement on Century's behalf, asserted that the idea is for Century rate deficits to be held in a "bank," to be offset by future surpluses, and not to affect rates.

"There is the potential for rate shift, depending on what happens to aluminum prices," Kelsh said. "But Century does not intend or anticipate that any rate shift will occur."

PSC staff proposed that Century simply make good on its "net neutral" claim by, at the end of the 10 years of the proposed special rate, being required to pay any deficit in the "bank."



 The State Journal PO Box 11848 Charleston, WV 25339 350 Quarrier Street Charleston, WV 25301	<b>Home</b> <ul style="list-style-type: none"> <li>• News</li> <li>• Opinion</li> <li>• Country Roads Journal</li> <li>• SJ Biz Lists</li> <li>• Decision Makers</li> <li>• Lifestyle</li> <li>• Contact Us</li> </ul>	<b>News</b> <ul style="list-style-type: none"> <li>• Business</li> <li>• Energy</li> <li>• Government</li> <li>• Law</li> <li>• Health Care</li> <li>• Finance</li> </ul>	<b>Opinion</b> <ul style="list-style-type: none"> <li>• Editorials</li> <li>• Columns</li> <li>• Letters to the Editor</li> <li>• Bray Cary's Commentaries</li> </ul>	<b>Country Roads Journal</b> <ul style="list-style-type: none"> <li>• Country Roads Journal</li> </ul>	<b>SJ Biz Lists</b> <ul style="list-style-type: none"> <li>• SJ Biz Lists</li> </ul>	<b>News Partners</b> <ul style="list-style-type: none"> <li>• WBOY</li> <li>• WOWK</li> <li>• WTRF</li> <li>• WVNS</li> </ul>
--	--	---	---	--	--	---