

Power Company, Smelter Reach Tentative Deal

The Associated Press

HAWESVILLE, Ky. (AP) — A regional utility has reached a tentative agreement with an aluminum smelter on electric rates that would keep the facility in western Kentucky open.

Media report that Henderson-based Big Rivers Electric Corp. and Hawesville-based Century Aluminum announced the agreement on Monday. The entities had been [trying for months to negotiate terms](#) [1] for a new power contract, and the aluminum plant had given notice that it could shut down if an agreement wasn't reached by August.

The proposal would allow Century to purchase power at the wholesale price on the open market.

If finalized, the agreement would save 650 jobs at the plant.

The plan would have to get legal approval from both agencies and the approval of the Public Service Commission.

"The contract allowing Century to go to the market will need PSC review/approval, and the current rate case will proceed as planned, taking into account whatever changes are introduced by virtue of the agreement," said PSC spokesman Andrew Melnykovych.

Because Century Aluminum will no longer be purchasing electric from Big Rivers, the company has asked the PSC to increase rates for its other customers. The utility serves about 112,000 rural customers in 22 counties in western Kentucky.

"We will still have that financial void of \$205 million per year when they leave the system," said Marty Littrel, Big Rivers' director of communications and community relations. "If Century closes, we lose their business. If Century buys from the open market, we lose their business."

Big Rivers is the wholesale power supplier for three distributive co-ops — Kenergy, Jackson Purchase Energy Corp. and Meade County Rural Electric Cooperative. Customers in all three would see an increase of about \$24 per month under the proposal.

Littrel said negotiations with Century have centered on how best to keep the smelter open while negating negative effects on others.

"We have been trying to keep the concessions from being higher," he said. "Our No. 1 goal and objective has been to help them without hurting other customers."

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