

Century Aluminum files antitrust lawsuit against Santee Cooper

Alleges unregulated electric utility violated antitrust and unfair trade practices laws

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Century Aluminum of South Carolina filed an antitrust lawsuit today in federal court against the South Carolina Public Service Authority (Santee Cooper), accusing the utility of violating state and federal antitrust laws governing monopolies and unfair trade practices during discussions regarding supplying power to the company's Mt. Holly aluminum smelter.

The suit comes after more than a year of discussions between the companies regarding a new contract, during which time Santee Cooper unlawfully forced Mt. Holly to purchase 25 percent of the plant's power from the utility at rates well above market prices, ultimately forcing the plant to lay off one-half of its employees in order to stay afloat.

"We have filed this antitrust lawsuit against Santee Cooper as a last resort to save 600 jobs and the nearly \$1 billion in economic contributions to the state of South Carolina made by the Mt. Holly plant," stated Michael Bless, Century Aluminum Company's President and Chief Executive Officer. "We reluctantly made the choice to proceed with the lawsuit only after all else failed, including a recent final face-to-face attempt to reach resolution with Santee Cooper."

"We are not challenging the idea of public utility monopolies" said Bless. "But it is clear to us that unlike other utilities in South Carolina and elsewhere, Santee has willfully violated the laws governing monopolies. That includes acting as an unregulated, unaccountable monopoly without meaningful oversight by the state."

The 23-page complaint details how the utility, without any meaningful state oversight, used its monopoly power over transmission of electric power in its service area to force the Mt. Holly smelter to accept the highest electricity prices paid by any aluminum smelter in the country even though cheaper power was readily available from third-party providers.

"Specifically, and with anticompetitive intent, Santee Cooper has refused to deal with Century and numerous third-party suppliers of electric power who have offered to sell power for Century at substantially lower prices, and unlawfully tied transmission services for third-party electric power to Century's purchase of Santee Cooper-generated electric power at monopoly rates," according to the complaint.

Bless added, "A competitive power contract is the life blood of an aluminum smelter. About 40 percent of the Mt. Holly smelter's operating costs are for electricity, far more than any other type of manufacturing. When forced to purchase 25 percent of its power requirement at Santee Cooper's rates, Mt. Holly is uncompetitive on the world market and consistently loses money. If able to purchase all its power from the free market, the plant, aided by a world class work force, relatively modern technology and a loyal customer base, would have a bright long-term future."

The lawsuit rejects Santee Cooper's frequently repeated claim that it simply doesn't have capacity to transmit third-party electricity through its facilities and that doing so might force Santee Cooper to forego future market purchases. "This claim is contradicted by Santee Cooper's own admission that there is sufficient existing, unreserved import capacity to serve Mt. Holly's entire load," according to the complaint. "This claim is further contradicted by Santee Cooper's own rate study for 2016-2018, and in longer-term forecasts presented by Santee Cooper management to its Board, acknowledging that Santee Cooper does not intend to increase its market purchases."

The suit also rejects Santee Cooper's public claims that a contract with all its power coming to Century from third-party generators would force price hikes on other Santee Cooper customers. Instead, it states if the plant is forced to close other customers would be harmed because of the "loss of significant transmission revenue from Century."

"Santee Cooper's anticompetitive behavior protects the utility from any outside power competition and imposes higher electric power costs on Century," the complaint states. "Santee Cooper's monopoly power over the sale and transmission of electric power and the anticompetitive exercise of that power is without any meaningful oversight or regulation by the state...no state agency actively supervises Santee Cooper or its rates...no agency conducts regular audits or investigations of Santee Cooper's conduct or its rates or, indeed, issues any regular reports about any aspect of Santee Cooper's business," the complaint concludes.

The lawsuit continues: "In practice, Santee Cooper operates as an unregulated public utility without any active state supervision, and there is no relevant difference between Santee Cooper's structure and governance and other private entities governed by a board of directors."

The lawsuit seeks an injunction preventing Santee Cooper from continuing to engage in anticompetitive behavior, thereby allowing Century to purchase its power on the open market and requiring Santee Cooper to deliver this power to the plant at its published transmission rates. In addition, the suit seeks unspecified monetary damages from Santee Cooper.

About Century Aluminum

Century Aluminum Company owns primary aluminum capacity in the United States and Iceland. Century's corporate offices are located in Chicago, IL. Visit www.centuryaluminum.com for more information.

Cautionary Statement

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements about future events and are based on our current expectations. These forward-looking statements may be identified by the words "believe," "expect," "hope," "target," "anticipate," "intend," "plan," "seek," "estimate," "potential," "project," "scheduled,"

"forecast" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," "might," or "may." Our forward-looking statements include, without limitation, statements with respect to: future global and local financial and economic conditions; our assessment of the aluminum market and aluminum prices (including premiums); the potential outcome and impact of the antitrust lawsuit; our assessment of power pricing and our ability to successfully obtain and/or implement long-term competitive power arrangements for our operations and projects; the future operation or potential curtailment of our U.S. assets; the future financial and operating performance of Century, its subsidiaries and its projects; and our future business objectives, strategies and initiatives.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements. Important factors that could cause actual results and events to differ from those described in such forward-looking statements can be found in the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K, quarterly reports on Form 10-Q and in other filings made with the Securities and Exchange Commission. Although we have attempted to identify those material factors that could cause actual results or events to differ from those described in such forward-looking statements, there may be other factors that could cause results or events to differ from those anticipated, estimated or intended. Many of these factors are beyond our ability to control or predict. Given these uncertainties, the reader is cautioned not to place undue reliance on our forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

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