



Legal Department

John C. Stephens, Esq.
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July 14, 2014

Mr. Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, Georgia 30334

Re: Georgia Power Company and Southwire Company, LLC v.
Carroll Electric Membership Corporation; Dkt. No. 38275

Dear Mr. McAlister:

Enclosed for filing with regard to the above-referenced proceeding are the original and 15 copies of the Pre-filed Testimony of Mr. Jeffrey D. Herrin. A CD containing the Pre-filed Testimony is also enclosed.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Stephens", written over a horizontal line. The signature is stylized and somewhat cursive.

John C. Stephens

Encl.

PRE-FILED DIRECT TESTIMONY OF
JEFFREY D. HERRIN
ON BEHALF OF SOUTHWIRE COMPANY, LLC
GPSC DOCKET NO. 38275

1 **Q. PLEASE STATE YOUR NAME.**

2

3 A. Jeffrey D. Herrin

4

5 **Q. ARE YOU EMPLOYED? IF SO WHERE?**

6

7 A. I am employed at Southwire Company, LLC.

8

9 **Q. WHAT IS YOUR JOB TITLE?**

10

11 A. Since April 1, 2014 I have been the president of the Industrial Division of Southwire.
12 Prior to that, I was the Executive Vice president of Operations for Southwire for 14 years.

13

14 **Q. PLEASE DESCRIBE YOUR GENERAL JOB FUNCTIONS AS EXECUTIVE**
15 **VICE PRESIDENT OF OPERATIONS.**

16

17 A I was responsible for Sourcing, Logistics and the operation of all manufacturing facilities
18 for Southwire. My direct reports included Directors, Vice Presidents and Senior Vice
19 Presidents of Sourcing, Logistics, Sustainability and Manufacturing. In consultation with
20 these direct reports, I was responsible for determining which of our plants made what
21 volume of each product, what total capacity each plant would have, how many employees
22 would work at each facility, and when equipment would be purchased for or moved

1 between the plants. I would also advise the Board of Directors on purchasing new plant
2 and closing existing plants.

3 **Q. WHAT IS SOUTHWIRE'S CURRENT PHILOSOPHY ON PLANT**
4 **PLACEMENT?**

5
6 A. Our philosophy is to own and operate focused manufacturing capacity in large
7 concentrations close to our customer base and/or close to needed major raw materials in
8 an effort to provide the lowest manufactured cost to our Divisions. When we acquire
9 new plants, we determine if the capacity is needed where it is located. If it is not, we
10 develop a plan to consolidate the newly acquired capacity into an existing facility. If that
11 is not possible, we relocate the capacity into a more strategic geographic location.

12
13 **Q. WHAT FACTORS DO YOU CONSIDER IN THE ECONOMICS OF A PLANT?**

14
15 A. The factors that impact the economics of a particular location includes the geographic
16 location with regards to: low cost raw material supply, customer location, interstate
17 access, rail access, the availability of skilled and unskilled workers, other Southwire
18 facilities, etc... Beyond geography, we study: the energy availability and cost, the local
19 and state business environment and the risks they might represent, local and state taxes.
20 We also consider the insurance costs associated with the location: property, workers'
21 compensation, flood zone, earthquake etc... The existing condition of the facility:
22 physical structure, environmental risks, availability of regulatory permits and the timeline
23 they can be secured or modified if needed. We determine the availability and structural
24 quality of the existing floor space and what is available for expansion or the feasibility
25 and cost of adding floor space as needed., The current and future demand for the product
26 lines the facility is equipped to manufacture, and what the costs to operate are in that
27 building. Our intent is to concentrate our production capacity into large, strategically
28 located and capable facilities to take advantages of economies of scale to lower our total
29 product costs.

1 **Q. ARE YOU FAMILIAR WITH THE OLD SONY MUSIC FACILITY ON**
2 **COLUMBIA DRIVE IN CARROLLTON, GEORGIA?**

3
4 A. Yes.

5
6 **Q. IN WHAT CAPACITY ARE YOU FAMILIAR WITH THE OLD SONY MUSIC**
7 **FACILITY?**

8
9 A. As I said, one of my jobs was advising the Board of Directors on acquisitions. The Old
10 Sony Music Facility was used as a warehouse for Sony Music in its later years until it
11 was closed in 2011. Once it closed, Southwire was interested in purchasing the facility
12 but Sony DADC was not immediately interested in selling. In Mid-2013 I got a call from
13 Mike Mitchel at Sony DADC asking if Southwire was still interested in the building. I
14 told him that we were still interested and discussions began for the purchase, which was
15 ultimately closed on December 17, 2013. Southwire currently calls it the Southwire
16 Company North Campus location.

17
18 **Q. WHAT WAS THE ATTRACTION OF THE OLD SONY MUSIC FACILITY?**

19
20 A. Several factors made the facility attractive. First, it is in Carrollton, where our largest
21 concentration of manufacturing capacity and expertise is located. We have a copper rod
22 mill in Carrollton and Copper rod makes up the largest raw material input to Southwire's
23 manufacturing process. Our Carrollton rod mill makes the majority of copper rod used by
24 our plants nation-wide and being located in Carrollton, would substantially reduce the
25 delivered cost of Copper rod vs. our facilities located outside the Carrollton area. Second,
26 it is a large facility which, when appropriately modified, allows us to put significant
27 manufacturing capacity in one building, taking advantage of economies of scale and
28 providing available space for our consolidation plan. Lastly, it was a large campus which
29 would provide additional space for on-site expansion.

1 Q. **WHEN YOU FIRST BEGAN DISCUSSIONS ABOUT PURCHASING THE OLD**
2 **SONY MUSIC FACILITY, DID YOU HAVE SPECIFIC PLANS FOR THE**
3 **SPACE?**

4
5 A. Yes, we had several plants that were acquired through acquisition that had higher cost
6 due to their geographic location. We were developing a plan to consolidate them into a
7 low cost manufacturing location. The majority of the equipment intended to be used in
8 the Old Sony Facility would be relocated from our Coffeyville, Kansas facility. We were
9 also in discussions to purchase Coleman Cable at the time. The possibility existed that we
10 would relocate equipment from some of the Coleman facilities.

11
12 Q. **HOW MUCH IS BEING INVESTED IN THIS PHASE OF THE NORTH**
13 **CAMPUS CONSTRUCTION?**

14
15 A. Aside from the \$11 million to purchase the site, Southwire is investing \$47.6 million in
16 equipment, modification, and installation costs for this phase.

17
18 Q. **I SHOW YOU WHAT HAS BEEN MARKED AS SOUTHWIRE EXHIBIT 1. DO**
19 **YOU RECOGNIZE THIS DOCUMENT?**

20
21 A. Yes. This chart is a compilation of the various projects involved in bringing the North
22 Campus on-line. It shows the name of the project and the approved budget for that
23 project.

24 Q. **DO YOU KNOW WHAT THE NAICS CODE FOR THE NORTH CAMPUS IS?**

25
26 A. Yes, it is 335292 – Other Communication and Energy Wire.

27
28 Q. **DOES THIS PHASE USE ALL OF THE AVAILABLE SPACE IN THE**
29 **BUILDING?**

30

1 A. No. The equipment being installed under the current plan will not maximize the building
2 capacity. This is just the first phase. More equipment can be and, ultimately will be,
3 installed in and around that existing structure. Also, as I said, one of the attractions of this
4 site is that there is room on the property for expansion.
5

6 **Q. I SHOW YOU WHAT HAS BEEN MARKED AS SOUTHWIRE EXHIBIT 2. DO**
7 **YOU RECOGNIZE THIS DOCUMENT?**
8

9 A. Yes. I asked my engineering group to prepare a plan to maximize the use of the property.
10 Exhibit 1 shows our most likely expansion opportunities at the North Campus.
11

12 **Q. DURING THE DISCUSSIONS WITH SONY DADC, DID SOUTHWIRE**
13 **PERSONNEL HAVE AN OPPORTUNITY TO INVESTIGATE THE OLD SONY**
14 **FACILITY?**
15

16 A. Yes, a number of people from Southwire examined the building to determine the integrity
17 of the structure and the infrastructure, as well as what machine layouts the existing
18 configuration would accommodate. Tom Stephens, Director of my Corporate
19 Engineering staff, was deeply involved in the structural evaluations and Hugh Butler,
20 Senior Electrical Engineer on my Corporate Engineering staff was deeply involved in
21 evaluating the electrical infrastructure. As soon as it became clear that Southwire was
22 going to be able to purchase the Sony Building, Southwire began putting together a plan
23 to utilize available resources to dismantle the distribution facility and convert it into a low
24 cost manufacturing plant.
25

26 **Q. DID YOUR EVALUATION INCLUDE THE ELECTRICAL SERVICE TO THE**
27 **FACILITY?**
28

29 A. Yes. We learned that Carroll EMC served as the electrical provider to the Facility. I was
30 not pleased to hear that.

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Q. WHY WAS THAT A PROBLEM?

A. Southwire has several facilities in Carrollton which are served by Georgia Power and some that are served by Carroll EMC. The service offered by Carroll EMC is an interruptible rate which requires us to shut down the plant at certain times during heavy power demand. Georgia Power, on the other hand, uses real-time pricing which raises the cost of electricity during the heavy power demand. That gives us the choice of shutting down or continuing to run at a higher power cost. We control the decision to shut down and avoid the higher power cost or pay the cost and continue to operate. Because of the size of the North Campus load, we can qualify for an uninterruptible service from Carroll EMC but at a much higher rate than the real time market based power offer from Georgia Power. That would not make the North Campus a low cost facility.

Q. WHAT IS THE ADVANTAGE TO THE CONTROL OVER SHUTTING DOWN?

A. Besides the obvious loss of production during the interruption, shutting down and restarting the machines causes waste and additional loss of production due to the time and inefficiency of the startup process. Our machines are designed to run continuously. During the shutdown process, insulating compound in the extruders is ruined and subsequently scrapped and additional compound is wasted, and later scrapped, during the restart process. Also, the timing of the shutdown often creates lengths of cable that are shorter than what our customer is willing to purchase. These products are either redirected to other orders or are scrapped. After the power resumes, the restarting of the factory is an extensive and complicated process. There is sort of a tiered restarting process where certain machines must be started first, others have to reach operating temperature before production can resume. The restart process and times vary by process, but it takes a minimum of two additional hours to get back to full production. The necessary re-start time increases the longer the facility is out of power and the processes remain idle. In addition to the loss of production during the restart efforts, there is also

1 another stream of waste created while machines are restarted. All things considered, it
2 would be cheaper to pay the higher real-time rate and continue to operate than to opt for a
3 cheaper interruptible rate.

4
5 **Q. DID SOUTHWIRE HAVE DISCUSSIONS WITH CARROLL EMC ABOUT**
6 **ELECTRIC SERVICE TO THE OLD SONY MUSIC FACILITY?**

7
8 A. Yes. During the late summer of 2013, members of my staff, Tom Stephens and Hugh
9 Butler, had several meetings with Carroll EMC regarding the electric service at the Old
10 Sony Plant. They conveyed my sentiments to Carroll EMC that we needed real-time
11 pricing for the facility. Carroll EMC responded that it did not offer real-time pricing.

12
13 **Q. WHAT HAPPENED, IF ANYTHING AS A RESULT OF THE MEETINGS WITH**
14 **CARROLL EMC?**

15
16 A. On October 10, 2013, Tom Stephens and Hugh Butler met with me to discuss the
17 possibility of Georgia Power supplying power to the Old Sony Plant under a “Customer
18 Choice” facility exception to the Territorial Act so that we could get real-time pricing and
19 a more reliable supply structure. I communicated Southwire’s desire to purchase power
20 for the Old Sony Music Plant from Georgia Power to its Northwest Region Vice-
21 president, Anne Kaiser in several phone conversations in fall of 2013. From the
22 discussions on what Southwire was planning to do with the property Ms. Kaiser believed
23 the Old Sony Plant may qualify the site as a “Customer Choice” facility.

24
25 **Q. WAS THERE ANY FOLLOW-UP TO YOUR CONVERSATIONS WITH MS.**
26 **KAISER?**

27
28 A. On November 11, 2013, prior to the report of the acquisition of Coleman Cable,
29 representatives from Southwire met with a team of people from Georgia Power at the Old
30 Sony Music Plant to tour the existing facility and review the modifications Southwire

1 was planning to make to the Old Sony Plant. The group toured the facility so the Georgia
2 Power team could familiarize themselves with the site and the some of the modifications
3 planned for the project and make an early determination on whether or not they believed
4 the site would qualify as a “Customer Choice facility. After that meeting I received a
5 letter from Stephen Kennedy, who is responsible for Territorial Affairs for Georgia
6 Power outlining the standards that would need to be met in order to qualify as a
7 “Customer Choice” facility.

8
9 **Q. I SHOW YOU WHAT HAS BEEN MARKED AS SOUTHWIRE EXHIBIT 3. IS**
10 **THAT THE LETTER THAT YOU RECEIVED FROM MR. KENNEDY?**

11
12 A. Yes.

13
14 **Q. WAS THERE ANY FURTHER DISCUSSION WITH GEORGIA POWER**
15 **REPRESENTATIVES AFTER YOU RECEIVED THE LETTER?**

16
17 A. Yes. On Thursday December 19, 2013, Anne Kaiser and Mike Hazelton, representatives
18 from Georgia Power met with me, Tom Stephens and Hugh Butler at the Southwire
19 offices. They communicated to us that based on the tour and initial discussions of the
20 required building modifications, they believed it was fairly close, but Georgia Power did
21 not believe the renovations that had been described at that time would justify the facility
22 gaining the benefit of the “Customer Choice” facility status Southwire was seeking.

23
24 **Q. YOU HAVE PREVIOUSLY TESTIFIED THAT SOUTHWIRE ULTIMATELY**
25 **PURCHASED THE OLD SONY MUSIC PLANT. WHEN WAS THAT?**

26
27 A. The closing took place on December 19, 2013. That afternoon we received a call from
28 Carroll EMC saying that Sony Music had requested that their name be removed from the
29 electric service to the Old Sony Music Plant. Carroll EMC offered to continue to provide
30 electric service on a temporary basis until we could negotiate a contract.

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Q. DID YOU SUBSEQUENTLY MEET WITH REPRESENTATIVES OF CARROLL EMC TO NEGOTIATE A CONTRACT?

A. On December 23, 2013 Tom Stephens, Hugh Butler, Jeff Turner and I met with Chip Jakins, Norman Deese, and Jerome Johnston from Carroll EMC to discuss electrical service at the newly acquired Southwire North Campus, (formerly the Old Sony Music Plant). I told Mr. Jakins up front that I wanted Georgia Power to supply North Campus because their pricing structure fit our business needs and asked if Carroll EMC would waive its rights to serve the North Campus. Mr. Jakins said that he doubted that his Board of Directors would agree to that but he would ask.

Q. WAS THERE ANY MORE DISCUSSION ABOUT THE CARROLL EMC CONTRACT?

A. We continued the discussion of possible rate structures in case the Board did not agree to waive any right to serve. We discussed the need for consistent power to the Carrollton North Campus. We also discussed the fact that the Carrollton North Campus was projected to require a much higher load than the Old Sony Music Plant. On-site generation is a possibility for some interruptible customers but the ultimate load projected for the Carrollton North campus is so large that self-generation was impractical. I asked the Carroll EMC team 1) could they provide real-time pricing instead of interruptible power, and 2) was there an option to supplement power to the Carrollton North Campus by generating it at another location.

Q. DID YOU SIGN A CONTRACT AT THAT MEETING?

A. In my mind, there were no agreed terms that could form a contract. I had asked Carroll EMC to waive any right that they may have had to serve the Carrollton North Campus and, if they did not waive the rights, they were considering various options that I had

1 requested. They told us that we had to sign a membership application in order for them to
2 continue supplying power so I authorized Hugh Butler to sign the membership
3 application. Since so much was up in the air, I did not consider the membership
4 application a contract.

5
6 **Q. I SHOW YOU WHAT IS MARKED EXHIBIT SOUTHWIRE EXHIBIT 4. IS**
7 **THAT THE FORM OF APPLICATION THAT WAS SIGNED?**

8
9 A. Yes.

10
11 **Q AFTER THE DECEMBER 23 MEETING DID YOU RECEIVE ANSWERS TO**
12 **THE REQUESTS THAT YOU MADE AT THE MEETING?**

13
14 A. I asked Tom Stephens several times to find out the status of my requests. He was not
15 able to do so. Chip Jakins and I tried several times to set up a meeting to discuss the
16 issues. We finally were able to meet at 8:00 am on February 10, 2014 at a local diner.
17 Mr. Jakins told me that his board had rejected the idea of waiving any right to serve the
18 North Campus that it may have. I told him that we had not given up working with
19 Georgia Power as a "Customer Choice" facility. Our plans for the North Campus had
20 been refined after the acquisition of Coleman Cable. Also, I asked him again about off-
21 site generation and real time pricing, as opposed to interruptible rates. He said the he
22 would have Norman Deese of Carroll EMC work with Tom Stephens and Hugh Butler on
23 those issues. I got a letter from Mr. Jakins dated February 18 outlining what he agreed to
24 follow up on from our February 10 meeting.

25
26 **Q. I SHOW YOU WHAT IS MARKED AS SOUTHWIRE EXHIBIT 5. IS THAT THE**
27 **LETTER THAT YOU RECEIVED FROM MR. JAKINS?**

28
29 A. Yes.

1 **Q. IN THE LETTER, MR. JAKINS STATES THAT UNTIL THEY DETERMINE**
2 **WHETHER THEY CAN OFFER SOUTHWIRE REAL TIME PRICING OR**
3 **ALTERNATIVES TO PEAK SHAVING “...THE FAVORABLE STRUCTURE OF**
4 **OUR LP3 RATE (NO DEMAND CHARGES IN YEAR ONE) WILL BE THE**
5 **BEST OPTION FOR THE NEW LOAD.” DO YOU KNOW WHAT THE**
6 **CARROLL EMC LP3 RATE IS?**

7
8 A. Yes, I do. The LP3 rate sets a specific price per kilowatt-hour and that rate is charged in
9 addition to a demand charge. The demand charge is a fee for “reserving” the typical
10 amount of power that a facility uses. That is why there is not demand charge in the first
11 year. You have to operate for that period to determine what the typical demand will be.
12

13 **Q. TO YOUR UNDERSTANDING, DOES THE LP3 RATE INCLUDE ANY**
14 **CURTAILMENT REQUIREMENTS?**

15
16 A. Under our current contract for other Carrollton Facilities it does. There are a specific
17 number of hours of curtailment required under that rate. They have offered us a non-
18 interruptible service under LP3 but at a higher rate. Hugh Butler is more knowledgeable
19 about the specifics than I am.
20

21 **Q. YOU TESTIFIED THAT SOUTHWIRE WAS STILL TALKING TO GEORGIA**
22 **POWER IN FEBRUARY, 2014. WHAT WAS THE SUBSTANCE OF THOSE**
23 **DISCUSSIONS?**

24
25 A. After our December 19, 2013 meeting, Anne Kaiser with Georgia Power e-mailed me to
26 say that, she thought that we were close to qualifying as a “Customer Choice” facility and
27 if anything changed to let her know. Things did change and I got back in touch with her.
28 As Southwire engineers developed the plans for the Carrollton North Campus, following
29 the decision to move forward with the Coleman Cable acquisition, I became aware of the
30 extensive modifications and retro fitting which would be required to consolidate all the

1 redeployed equipment from the plant consolidations and the new capital investments we
2 planned to make at the site. In exploring the scope of modifications I came to believe that
3 the work was enough to qualify as a "Customer Choice" facility under the Territorial Act,
4 so on February 19, 2014 I had a meeting with Tom Stephens about EMC servicing the
5 North Campus. We agreed to go back to Georgia Power one more time now that we had
6 better information on the total scope of work that was going to take place at the North
7 Campus.

8 I contacted Anne Kaiser and covered the scope of work we were planning at the Sony
9 Site and she believed it was extensive enough that it would make the site qualify as a
10 "Customer Choice" facility. Ms. Kaiser agreed to discuss Southwire's plans with her
11 team and get back to me. On February 28, 2014, Ms. Kaiser contacted me to report that
12 the Georgia Power team believed the building and infrastructure modifications sounded
13 extensive enough that the North Campus would qualify for a "Customer Choice" facility
14 and wanted to get copies of the drawings. I agreed to have the Southwire team put
15 together a plant layout drawing indicating all the modifications that were planned for the
16 building and send it to Georgia Power. Ms. Kaiser agreed to have the Georgia Power
17 team contact Tom Stephens so he that could send them the information.

18 Mr. Stephens sent Georgia Power the construction information and after Georgia Power
19 reviewed it they contacted Southwire and confirmed that Georgia Power was satisfied
20 that the facility was undergoing enough change to qualify as a "Customer Choice"
21 facility under the Territorial Act and asked if they could be considered as an electric
22 power provider.

23
24 **Q. I SHOW YOU WHAT HAS BEEN MARKED AS SOUTHWIRE EXHIBIT 6,**
25 **CONSISTING OF TWO PAGES. IS IT YOUR UNDERSTANDING THAT THIS**
26 **IS THE INFORMATION SENT TO GEORGIA POWER?**

27
28 **A. Yes, Tom discussed with me what would be sent and that is it.**
29

1 **Q. DID SOUTHWIRE RESPOND TO GEORGIA POWER'S REQUEST TO**
2 **PROVIDE SERVICE TO THE NORTH CAMPUS?**

3 A. Yes. At my request, Tom Stephens sent a request for Proposal to both Georgia Power and
4 Carroll EMC.

5 **Q. HAS SOUTHWIRE ENTERED INTO A CONTRACT WITH GEORGIA POWER**
6 **FOR ELECTRICAL SERVICE TO THE NORTH CAMPUS?**

7 A. No we have not. Representatives of Southwire and Georgia Power met on July 9, 2014 to
8 discuss the terms of service but no contract has been signed.

Southwire North Campus Projects

Project Title	Project Number	Capital Funds
Nylon Production Line	302083	\$3,208,721
Rubber Compounding Project	302120/21/22/23/24/25/26/27	\$13,218,000
Rod Breakdown for Feeder/MCM THHN	302308	\$373,000
6" Extrusion Line for Feeder/MCM THHN	302307	\$348,000
Cortinovis Strander for Feeder/MCM THHN	302306	\$380,000
SCNC - Building Modification	302288	\$56,000
Electrical Infrastructure North Campus		\$3,596,000
Coffeyville Plant Rationalization		\$15,698,875
North Campus Fencing		\$193,100
North Campus Parking Lot Work Lots A, C, and D along with Road.		\$218,339
Value of Equipment Installed from other plants		\$10,300,000
Total		\$47,590,035

Future Expansion



SWC568

Southwire Exhibit 2

241 Ralph McGill Blvd
Atlanta, GA 30308



November 14, 2013

Mr. Jeff Herrin
Executive Vice President of Operations
Southwire Company
One Southwire Drive
Carrollton, GA 30119

Re: Electrical Service to Sony facility

Dear Jeff,

Thank you for allowing Bob and I to come visit the Sony facility Monday to see the work that is going on as you prepare to take over the location. You have expressed an interest to several of us in having this facility considered as a "customer choice" opportunity and therefore eligible to choose a new electric supplier in accordance with the Georgia Territorial Electric Service Act of 1973 (the Act). I wanted give you some background information and share with you our observations.

Section 46-3-8(b) of the Territorial Electric Service Act says:

"Notwithstanding any other provision of this part, but subject to subsections (c) and (h) of this Code section, every electric supplier shall have the exclusive right to continue serving any premises lawfully served by it on March 29, 1973, or thereafter lawfully served by it pursuant to this part, including any premises last and previously served by it pursuant to this part, including any premises last and previously served by it which before or after March 29, 1973, have become disconnected from service for any reason, and including premises, which before or after March 29, 1973, have been destroyed or dismantled and which are reconstructed after March 29, 1973, in substantial kind on approximately the same site."

To be considered a new premises under the Act, three things must happen to a premises. First electrical service to the premises must be disconnected from its current supplier. Second, either destruction or dismantling of the facility must occur. Finally, the purpose for the facility going forward must be significantly different from previous uses. We observed the Sony facility, which is a substantial facility undergoing some significant changes in its electrical infrastructure, and in cleaning out the remnants of the Sony equipment used to produce and distribute CDs and cassette tapes. We understand that some changes to the ventilation systems and strengthening of sections of the floor are likely as work goes forward. These are certainly facts that support the outcome you desire. However, there are other facts

SWC006

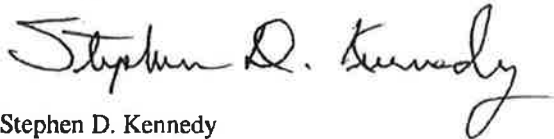
Mr. Jeff Herrin
Southwire Company
November 14, 2013

such as the continued service by Carroll EMC and the portions of the premises (such as the exterior shell and the office area) that will not undergo heavy renovation that may support a different outcome. Finally, while the manufacture of wire is different from the manufacture of CDs and cassette tapes, others may attempt to describe the processes and facilities in ways that emphasize any similarity or continuity of facilities or processes. In other words, this may not be as clear-cut a case of a substantially different premises going forward as you and we would prefer.

We do think it would be beneficial for you to discuss your situation with your current electrical provider and bring to bear all the facts and information you have that weigh in favor of the opportunity to choose a new electrical provider. Should that opportunity then come to pass, we would look forward to competing for the right to serve the facility and would provide you with the level of service that you have come to expect from Georgia Power Company.

Please let me know if you have any other questions.

Sincerely,

A handwritten signature in cursive script that reads "Stephen D. Kennedy". The signature is written in black ink and is positioned above the typed name.

Stephen D. Kennedy
Territorial Affairs Manager

C: Mike Hazelton
Anne Kaiser
Robert P. Edwards, Jr. Esq.



Carroll Electric Membership Corporation

155 N Hwy 113 | Carrollton, GA | 30117 | (770) 832-3552 | Fax: (770) 830-5735 | www.carrollemc.com

CARROLL ELECTRIC MEMBERSHIP CORPORATION

Commercial/Industrial Application for Membership

Customer Account Name: Southwire Corporation

Customer Account Number: _____ Fed. Tax ID# 582020515
(Assigned by Carroll EMC) (If not applicable, use SSA)

Customer Email Address: cynthia.shontz@southwire.com

Please attach a copy of Company's Articles of Incorporation to application.

LOCAL CUSTOMER CONTACT

Name: Shontz Cynthia
Last First MI
Title: Director, Strategic Sourcing
Telephone: 770-832-5361
Fax: 770-838-6361
Service Address: 1 Southwire Drive
Carrollton, GA 30119

HOME OFFICE CONTACT

Name: _____
Last First MI
Title: _____
Telephone: _____
Fax: _____
Billing Address: PO Box 1000
Carrollton, Ga 30119

Person(s) Authorized to Transact On Account: Cynthia Shontz, Hugh Butler, Vonda Fennell

Application For Membership And Easement

1. The Applicant will pay to the Cooperative with the Application a membership fee and an initial account service charge. The membership fee shall be refunded if the Applicant's membership is not accepted by the Cooperative, and any portion of said membership fee not applied to the payment of bills due the Cooperative shall be refunded to the applicant after termination of service. The account service charge shall be non-refundable. A Security Deposit (a surety bond or a CD is also acceptable) is required in the amount of \$ _____, which shall be held and distributed in accordance with the Service Rules and Regulations.
2. The Applicant will comply with and be bound by the provisions of the Articles of Incorporation, Bylaws and Rules and Regulations now in effect and as may from time to time be adopted by the Cooperative. The Bylaws and the Rules and Regulations provide for but are not limited to Paragraphs 3, 4, and 5 below. These paragraphs are included for emphasis. The applicant acknowledges receipt of a copy of the Bylaws.
3. Applicant shall, when electric energy becomes available and the meter installed, purchase from the Cooperative all central station electric energy used on the premises described above (or such other premises for which Applicant may apply for service) and will pay there for monthly at such rates as may be fixed from time to time by the Board of the Cooperative. Applicant will pay at least the minimum monthly charge specified in the applicable rate for Applicant's service.
4. Applicant agrees to allow the Cooperative to perform right-of-way clearing and to grant the Cooperative such easements as are necessary or convenient to serve the Cooperative's members.
5. The Cooperative's identified employees shall have the right of access to consumer's premises at all reasonable times for the purpose of meter reading, testing, repairing, removing, maintaining or exchanging any or all equipment or facilities of the Cooperative. Cooperative personnel will read electric meters each month.

Signature of Member: Hugh Butler Round Up: Date: 20 Dec 2013
Witness: _____ Green Power: Date Service Needed: _____

S.O. #: _____
Acct. #: _____
Map #: _____
Meter #: _____
Rate: _____ Class: _____ S/L: _____
Near Map #: _____
Near Seq #: _____
Bd Dist.: _____ By Laws: _____
Acct. Name: _____
Heat: _____ Air: _____
Round Up: _____ Green Power: _____

Fee Information

Membership Fee: _____
Acct. Service Charge: _____
Security Deposit: _____
Temporary Service Fee: _____
Miscellaneous: _____
Total: _____
Deposit: _____
Surety Bond: _____

CCR: _____ Date: _____ Office: _____ Faxed: _____ Mailed: _____ Date Returned: _____



Carroll EMC

Carroll Electric Membership Corporation • 155 North Hwy. 113 • Carrollton, GA 30117-7501

Phone: 770-832-3552

Web: www.cemc.com

Fax: 770-832-0240

February 18, 2014

Mr. Jeff Herrin
Executive Vice President of Operations
Southwire Company
One Southwire Dr.
Carrollton, Georgia 30119

Jeff:

Just following up (after an extended storm delay) on the items we discussed last week. Here's my list of follow-up items:

RTP Rate – develop a rate proposal for consideration.

Load Management/Peak Shaving – investigate and present options for alternative arrangements to meet these needs including off-site, consolidated, and third-party arrangements.

Gas Hedging – present options for gas hedging

I understand that you prefer the price signals that are sent via an RTP rate versus the load control arrangement available through our LP3 rate. As such, we will endeavor to create a rate that allows for similar price signals to be sent. Jerome Johnston and Norman Deese, both of which you met at our December meeting, will be putting together these proposals. Jerome and Norman have been working with Tom Stephens and Hugh Butler on site work and service arrangements as well. I'll have them present the proposals for each of the follow-up items to Tom and Hugh. Any rate changes will require board approval and must be filed with the Public Service Commission. This process, along with the investigative work required for the other follow-up items, will take some time. We will make these a priority and do our best to move these items forward in an expedient manner. In the mean time, the favorable structure of our LP3 rate (no demand charges in year one) will be the best option for the new load.

As always, we appreciate your business. We also thank you for being such an outstanding corporate citizen and community partner.

Sincerely,

E.A. Jenkins III
Chip Jenkins
President/CEO

cc: Jerome Johnston, Vice-President, Engineering & Operations

From: TOM STEPHENS
Sent: Thursday, March 06, 2014 11:36 AM
To: Kennedy, Steve D.; Jeff Herrin; Hans Meiring
Cc: RICHARD MILLER; Alex THOMAS
Subject: Kennedy contact info
Attachments: North Campus Modifications.pdf

Steve,

Attached is a layout for the various changes to be made at Southwire's North Campus facility (old Sony building). Note the color-coded legend will assist in understanding the various changes which include--

- a) Roof elevation changes
- b) Wall demolitions
- c) Roof penetrations
- d) Office renovations
- e) Building additions
- f) Concrete floor demolition and foundation additions
- g) HVAC duct and unit removals
- h) Conversion of electrical system from Delta-delta to Delta-Wye

If you have questions or comments---please contact me at 770-832-5032.

-----Original Message-----

From: Kennedy, Steve D. [<mailto:SDKENNED@southernco.com>]
Sent: Tuesday, March 04, 2014 5:25 PM
To: Jeff Herrin
Cc: TOM STEPHENS; Hans Meiring
Subject: Re: Kennedy contact info

Thank you very much. And if there is any doubt about sending us something please send it. We will need all we can get.

Thanks.

Stew Kennedy

Sent from my iPhone

> On Mar 4, 2014, at 5:16 PM, "Jeff Herrin" <Jeff.Herrin@southwire.com> wrote:

>

> Thanks

> Steve,

> I just met with my team. We will provide you with a marked up drawing to show the areas of the building we will totally overhaul.

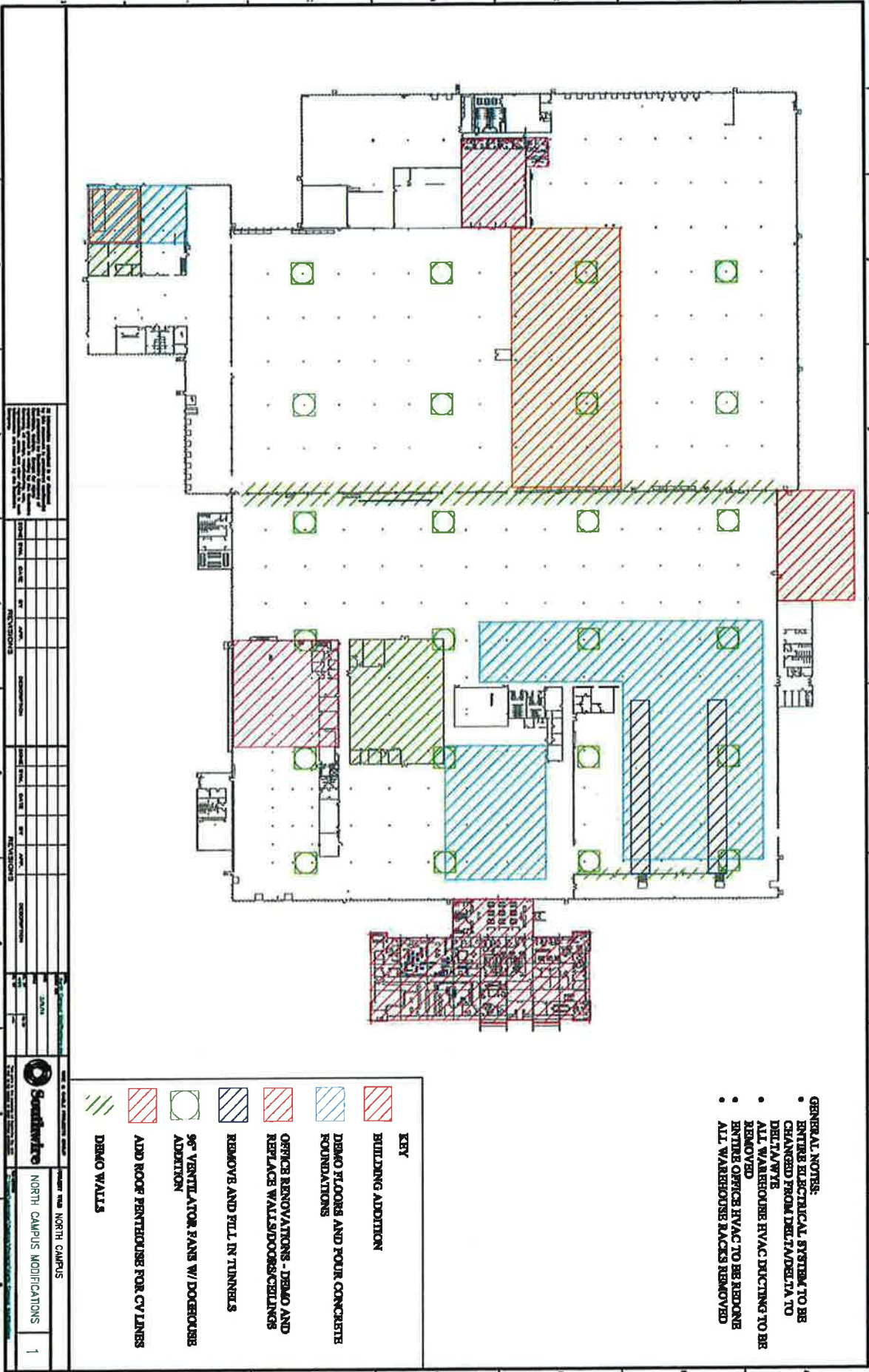
> When I say overhaul, I mean activities like:

> Removal of floors, Roof Penetrations to make room for New Structures that will house production equipment.

> Removal of interior walls, and bricking over of exterior doors and the addition of new entry ways in other areas
> completer demolition of the Electrical distribution system, roof penetrations for the purpose of ventilation, etc...

> Ideally we will provide you with this drawing by the end of the week.

> Thanks
> Jeff
>
>
>
> -----Original Message-----
> From: Kennedy, Steve D. [<mailto:SDKENNED@southernco.com>]
> Sent: Tuesday, March 04, 2014 1:27 PM
> To: Jeff Herrin
> Subject: Kennedy contact info
>
> Steve Kennedy
> Georgia Power Company
> Sdkenned@southernco.com
>
> 770-387-6690 cell
> 404-506-6724 office
>
>
>
> Thanks.
>
> Sent from my iPhone
>
> It's always greener on the other side with Southwire, Reduce, Reuse, Recycle!
> Please click on this hyperlink to read our e-mail security disclaimer:
> http://www.southwire.com/legal/email_disclaimer.html
>
>



- GENERAL NOTES:**
- ENTIRE ELECTRICAL SYSTEM TO BE CHANGED FROM DELTA/DELTA TO DELTA/WYE
 - ALL WAREHOUSE HVAC DUCTING TO BE REMOVED
 - ENTIRE OFFICE HVAC TO BE REMOVED
 - ALL WAREHOUSE RACKS REMOVED

KEY

	BUILDING ADDITION
	DEMO FLOORS AND POUR CONCRETE FOUNDATIONS
	OFFICE RENOVATIONS - DEMO AND REPLACE WALLS/DOORS/CeilINGS
	REMOVE AND FILL IN TUNNELS
	90° VENTILATOR FANS W/ DOORHOUSE ADDITION
	ADD ROOF PENTHOUSE FOR CV LINES
	DEMO WALLS

NORTH CAMPUS MODIFICATIONS	
1	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the within and foregoing **PRE-FILED TESTIMONY OF JEFFREY D. HERRIN ON BEHALF OF SOUTHWIRE COMPANY, LLC** in Docket No. 38275 upon all parties listed below via electronic service or by hand delivery and addressed as follows:

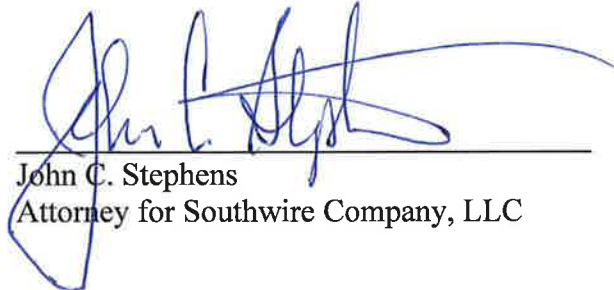
Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, GA 30334
reecem@psc.state.ga.us

Philip J. Smith
Hearing Officer
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, GA 30334
psmith@psc.state.ga.us

Robert P. Edwards, Jr.
Troutman Sanders, LLP
Bank of America Plaza, Suite 5200
Atlanta, GA 30308-2216
bob.edwards@troutmansanders.com

G. Mark Cole
Autry, Cole, Hanrahan, Hall & Cook, LLP
2100 East Exchange Place, Suite 210
Tucker, GA 30084
cole@ahclaw.com

This 14th day of July 2014.



John C. Stephens
Attorney for Southwire Company, LLC

SOUTHWIRE COMPANY, LLC
One Southwire Drive
Carrolton, GA 30119
(770) 832-5702