

Exhibit No.:
Witness: Representative Steve Hodges
Type of Exhibit: Direct Testimony
Issue: Noranda Economic Impact
Sponsoring Party: Noranda Aluminum, Inc.
Case No.: EC-2014-_____

Filed
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Missouri Public
Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Noranda
Aluminum, Inc.'s Request for
Revisions to Union Electric
Company d/b/a Ameren
Missouri's Large Transmission
Service Tariff to Decrease its
Rate for Electric Service

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) Case No. EC-2014-_____
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Direct Testimony of Steve Hodges

On behalf of

Noranda Aluminum, Inc.

December 4, 2013

Noranda Exhibit No. 27
Date 6-16-14 Reporter KF
File No. EC-2014-0224

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Noranda
Aluminum, Inc.'s Request for
Revisions to Union Electric
Company d/b/a Ameren
Missouri's Large Transmission
Service Tariff to Decrease its
Rate for Electric Service

Case No. EC-2014-01__

STATE OF MISSOURI)

COUNTY OF Cole)

SS.

Affidavit of Steve Hodges

Steve Hodges, being first duly sworn, on his oath states:

1. My name is Steve Hodges. I am a Member of the Missouri House of Representatives, representing the 149th District. My address is 51 West 428th Road, East Prairie, Missouri.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. _____.
3. I hereby swear and affirm that the testimony is true and correct.

Steve Hodges
Steve Hodges

Subscribed and sworn to before me this 4th day of December, 2013.



LAURIE NOWACK
My Commission Expires
January 26, 2017
Cole County
Commission #13859152

Laurie Nowack
Notary Public

1 Q PLEASE STATE YOUR NAME AND ADDRESS.

2 A My name is Steve Hodges and my address is 51 West 428th Road, East Prairie,
3 Missouri.

4

5 Q WHAT ELECTED POSITION DO YOU HOLD?

6 A I am a member of the Missouri House of Representatives, and I represent the
7 149th District.

8

9 Q HOW LONG HAVE YOU BEEN A MISSOURI STATE REPRESENTATIVE?

10 A I was elected to the House of Representatives in 2006.

11

12 Q WHERE IS THE 149th DISTRICT?

13 A The 149th district is in Southeast Missouri, and includes New Madrid County and
14 parts of Mississippi and Pemiscot Counties.

15

16 Q DOES NORANDA ALUMINUM, INC., OPERATE A SMELTER IN THE IN THE
17 DISTRICT THAT YOU REPRESENT?

18 A Yes. The Noranda Aluminum plant is located in New Madrid County, which is
19 part of my district.

20

21 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

22 A To provide insight on the impact of the operation of the Noranda smelter on my
23 constituents and the people of Southeast Missouri.

24

25

1 Q HAVE YOU PROVIDED TESTIMONY ON THIS ISSUE IN THE PAST?

2 A Yes. I have provided testimony to the commission on this issue in the past, and
3 my observations and conclusions about the importance of the Noranda plant
4 have not changed because Noranda has consistently played a key role in the
5 economy of Southeast Missouri and continues to have a positive impact on my
6 constituents.

7

8 Q ARE YOU FAMILIAR WITH THE OPERATIONS AT THE NORANDA PLANT IN
9 SOUTHEAST MISSOURI?

10 A Yes, absolutely. Before being elected to the legislature, I was in the supermarket
11 business in East Prairie in Mississippi County, Missouri with my father beginning
12 in the early 1960's. I was living and running a business in the community at the
13 time Noranda built the smelter in the 60's. When construction of the facility
14 began, a number of my supermarket customers were involved in the construction
15 project and many residents became initial production employees when the plant
16 became operational. Through my interactions with these people in the
17 community, I have a long-standing familiarity with the plant and its operations, as
18 well as its impact on our community.

19

20 Q DO YOU HAVE ANY COMMENTS THAT YOU WOULD YOU LIKE TO SHARE
21 WITH THE MEMBERS OF THE PUBLIC SERVICE COMMISSION
22 REGARDING THE IMPACT OF NORANDA'S OPERATIONS IN SOUTHEAST
23 MISSOURI?

24 A Noranda is one of our area's largest employers with 970 employees and an
25 annual payroll of over \$95 million. When I was in the grocery business, I saw the

1 impact of Noranda firsthand, because the workers who resided in our town
2 traded at our store. Many were a part of our community, and others lived in the
3 surrounding towns including Charleston, Sikeston, Matthews, New Madrid,
4 Lilbourn, Malden, Portageville, Gideon and others. To say that Noranda has a
5 significant economic impact on my district and Southeast Missouri is an
6 understatement. The ripple effect of the commerce Noranda generates is
7 profound. Noranda and its employees support local merchants who, in turn,
8 support other merchants.

9
10 Noranda's contribution is important, not only as an employer, but also for what it
11 does for the County of New Madrid and the New Madrid County school district.
12 In 2013, Noranda Aluminum paid 17.87 percent of the total property taxes for
13 New Madrid County and 28.66 percent of the taxes for the New Madrid County
14 Central R-1 School District. This contribution is to the tax base of the county and
15 the school district is pays for facilities and services that benefit everyone in the
16 community.

17
18 I hold a master's degree in business administration, and when I was in graduate
19 school at the University of Missouri, I took a course in business ethics and
20 corporate responsibility. I have always had great respect for Noranda because I
21 felt that it adhered to the principles that I learned about in that course, and this is
22 something that is often overlooked. Noranda maintains a great relationship with
23 the workers and interacts in a very positive way with the local community and
24 area. Noranda has had few labor problems with the steelworkers' union and
25 operates in an atmosphere of mutual respect. In addition, Noranda supports

1 civic and charitable organizations in our area, provides scholarships to area
2 students, and supports local athletics.

3
4 **Q WHAT IMPACT DO THE NORANDA EMPLOYEES HAVE ON THE**
5 **SOUTHEAST MISSOURI AREA?**

6 Many of the Noranda employees, both hourly employees and management, are
7 involved in their communities as civic leaders. They serve as school board
8 members, county officials, and church members and leaders. I have interacted
9 with many of them through athletics and school programs. These are quality
10 people that increase the quality of life in Southeast Missouri. I applaud Noranda
11 for the company's support of the local school system. The company recognizes
12 that a crucial part of having satisfied workers lies with a strong school system for
13 the workers' families, and Noranda supports quality schools in our area.

14
15 **Q DO YOU HAVE A SENSE AS TO THE RELATIVE IMPORTANCE OF**
16 **MANUFACTURING JOBS, SUCH AS THOSE AT THE NORANDA PLANT?**

17 **A** I have learned through serving in the legislature that economic development is
18 very important in to the state. If we do not have jobs in Missouri, people will be
19 forced to leave. Manufacturing jobs are especially important, because they are
20 generally better paying jobs and they also create other related jobs among the
21 companies that act as suppliers to manufacturers. This is true of the
22 manufacturing jobs at the Noranda plant—these jobs are relatively high paying
23 and provide good benefits, which is rare in Southeast Missouri. It is also
24 noteworthy that Noranda has made a commitment to job training for employee
25 loyalty and longevity. In recent years, it has become increasingly difficult to

1 attract and keep manufacturers in our area. We are now in a worldwide
2 economy, and the competition for these jobs is sometimes not on a level playing
3 field. It would be devastating to my district, to Southeast Missouri and to the
4 state of Missouri if the manufacturing jobs at Noranda were lost, since it is not
5 likely they could be replaced by other similar high-paying jobs.

6
7 **Q ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE?**

8 A The Bootheel region of Southeast Missouri has serious economic challenges.
9 My district is located in New Madrid, Pemiscot and Mississippi Counties which
10 are the three poorest counties in Missouri. Noranda is one of our largest and
11 best employers, and it is crucial to the well-being of those living in our area.
12 Noranda represents the best in the manufacturing community. By providing over
13 900 good paying jobs with health benefits and retirement plans, the company
14 pumps millions of dollars into the regional economy. It is imperative that the
15 Noranda plant continue to remain viable.

16
17 **Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

18 A Yes, it does. Thank you for the privilege of addressing these issues.

19