

ORIGINAL



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Tammy Russ

From: Wichers, Ben BK [Ben.K.Wichers@BHPBilliton.com]
Sent: Thursday, January 10, 2008 3:08 PM
To: Gleason-WebEmail
Subject: Support for San Manuel Sewage Rate Case

SW-04305A-05-0086
SW-04305A-05-0087

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Mr. Gleason:

I just received some informal minutes of the San Manuel Sewage Rate Case hearing that occurred on January 8, 2008.

I very much appreciate your support for the rates as currently in place for the residents of San Manuel and your suggestion that further rate hearings are not necessary. Our contention is that continued rate hearings just keep stirring the pot and will not lead to any positive outcome for the residents of San Manuel. As you mentioned, the rates were fairly determined.

We believe that BHP Copper has been more than fair in its treatment of the residents of San Manuel. We subsidized the sewer rates for a transition period to allow a more gradual increase in rates, we took an equity position in the new plant with lower than market interest to help reduce rates, we continue to furnish water to Arizona Water Company for distribution to the residents at below cost and we have drilled new, deep wells at our cost to ensure that the water supply remains reliable. This is by no means a complete list of our efforts to reduce the impact of our plant closure on the town's residents, our former employees or our retirees.

Our reclamation work at San Manuel is very nearly complete. We have spent over \$200 million on this project. At the present time, BHP retains an office in San Manuel but we only have about 10 employees in the area.

Thank-you again for your support.



Ben Wichers
President

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