

EXHIBIT A

SWEPCO STATEMENT OF BASIS AND PURPOSE

**BEFORE THE ARKANSAS POLLUTION CONTROL
AND ECOLOGY COMMISSION**

**IN RE: REQUEST BY THE SOUTHWESTERN)
ELECTRIC POWER COMPANY)
TO INITIATE RULEMAKING TO) DOCKET NO. 14-007-R
AMEND REGULATION NO. 2)**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S
STATEMENT OF BASIS AND PURPOSE**

Southwestern Electric Power Company ("SWEPCO") for its Statement of Basis and Purpose, states:

1. The Arkansas Pollution Control and Ecology Commission ("APCEC" or "the Commission") is given the power and duty to promulgate rules and regulations implementing the powers and duties of the Arkansas Department of Environmental Quality ("ADEQ" or "the Department") and APCEC, including regulations prescribing water quality standards (WQS). ARK. CODE ANN. § 8-4-202(a) and (b).

2. ARK. CODE ANN. § 8-4-202(c) provides that any person has the right to petition the APCEC for an amendment of any rule or regulation. On September 11, 2014, SWEPCO filed its Petition to Initiate Third-Party Rulemaking to Amend APCEC Regulation No. 2. SWEPCO's Petition was submitted pursuant to, and in compliance with APCEC Regulation No. 2, §§ 2.303 and 2.308, APCEC Regulation No. 8, § 8.809, and the ADEQ's Continuing Planning Process. On September 26, 2014, the APCEC entered Minute Order No. 14-33 granting SWEPCO's Petition and initiated rulemaking on the changes proposed to Regulation No. 2 by SWEPCO.

3. SWEPCO's Petition sought a change in total dissolved solids (TDS) water quality criterion and removal of the designated, but not existing, drinking water use for a portion of the Red River and a change in the TDS and temperature water quality criteria for a portion of the Little River.

4. Through its Petition SWEPCO requested that the Commission amend APCEC Regulation No. 2 for the Red River from the mouth of the Little River to the Arkansas/Louisiana state line to change the TDS water quality criterion from 500 mg/L to 860 mg/L and remove the designated, but not existing, drinking water use. SWEPCO also requested modification of the TDS water quality criterion from 100 mg/L to 138 mg/L and the temperature water quality criterion from 30° C (86° F) to 32° C (89.6° F) for the Little River from Millwood Lake to the mouth of the Little River.

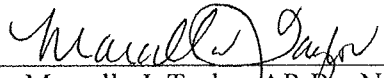
5. SWEPCO's Petition is supported by the following:

- SWEPCO seeks site-specific TDS and temperature criteria which reflect current conditions, bring consistency to the criteria on the Red and Little Rivers, and allow the Turk facility to operate as designed while protecting the attainment of the aquatic life, primary and secondary contact recreation, and industrial and agriculture water designated uses for Little River and Red River;
- TDS concentrations in the Little River upstream of the facility exceed the current site-specific criterion of 100 mg/L which is below the Ecoregion Reference Stream Value;
- Temperature in the Little River upstream of the facility exceeds the current site-specific standard of 30° C (86° F);
- Temperature criterion for Millwood Lake, immediately upstream of the affected segment of the Little River, and for the Red River into which the Little River flows are both set at 32° C (89.6° F).
- Adjusting the temperature criterion for the Little River downstream of Millwood Lake to reflect current ambient conditions will prevent the Little River from being inappropriately listed as impaired.

- TDS concentrations in the Red River historically exceed the current TDS criterion of 500 mg/L due to elevated levels of dissolved solids caused primarily by input from natural salt springs and seeps in Oklahoma and Texas.
- TDS criterion in the Red River downstream of the mouth of the Little River is spatially inconsistent with the TDS criterion in the river upstream of the mouth of the Little River.
- UAA data established that the requested changes should have no adverse effect on the aquatic life communities;
- The toxicity threshold based on tests of *Ceriodaphnia dubia* using the facility's effluent indicates that toxicity due to minerals is well above the anticipated mineral concentration in the effluent at the critical dilution;
- Setting the TDS and temperature criteria at the site-specific levels requested in paragraph 17, above in these segments of the Little River and the Red River should not cause acute or chronic toxicity;
- There is no current economically feasible treatment technology for the removal of the minerals to meet the current criteria. Reverse osmosis treatment technology does exist; however, this technology is not cost effective and generates a concentrated brine which is environmentally difficult to dispose of. The technology is not required to meet the designated uses and would produce no significant additional environmental protection.
- 40 CFR 131.11(b)(1)(ii) provides states with the opportunity to adopt water quality standards that are "modified to reflect site-specific conditions."
- The basis for site-specific standards is set forth in 40 CFR 131.10(g)(6) which provides that the state may establish less stringent criteria if naturally occurring pollutant concentrations, dams or other types of hydrologic modifications limit the use or if controls more stringent than those required by section 301(b) and 306 of the Clean Water Act would result in substantial and widespread economic and social impact.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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