

Kelly M. McQueen serves as outside counsel to Southwestern Electric Power Co. in its effort to build a new \$1.4 billion, 600-megawatt coal-fired power plant in Hempstead County, Arkansas.

Southwestern Electric Power Co. Receives Nod of Public Service Commission on Hempstead Plant

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Kelly M. McQueen is lead environmental counsel on a 3-member outside legal team that recently shepherded plans for a new \$1.4 billion, 600-megawatt coal-fired power plant in Hempstead County to approval by the Arkansas Public Service Commission (PSC). In its 2 to 1 decision, the PSC gave its consent to Shreveport-based Southwestern Electric Power Co.'s (SWEPCO) plans to build the facility. Supporters have hailed the plant for its economic benefits – 2,600 new jobs, 111 of which will be permanent, and \$887 million injected into the local economy during its three year construction. Area school districts will benefit by about \$4 million annually from the plant's property taxes.

In response to concerns raised by opponents, SWEPCO satisfactorily addressed a host of environmental issues during the recent 18-day proceedings before the PSC, including steps the company will take to avoid causing harm to the surrounding air, waterbodies, animal species and pristine wilderness through the use of a cleaner burning ultra-supercritical pulverized coal technology and other mitigating approaches.

The PSC's order permits construction, contingent upon SWEPCO meeting several requirements, some of which pertain to the use of local rail lines, costs to customers, avoidance of wildlife management areas, cooperation with the Arkansas Department of Heritage and the hiring of a monitor that will provide regular updates to the PSC. The plant's construction is also subject to environmental permits that SWEPCO must obtain from the Arkansas Department of Environmental Quality and United States Army Corps of Engineers.

Venita McCellon-Allen, president of SWEPCO, is positive that the conditions will not be difficult to meet.

PSC Chairman Paul Suskie cited three reasons for his vote of approval – 1) he is confident that the PSC's conditions on the project will satisfy the concerns identified by opponents of the plant. 2) the PSC's conditions will provide adequate protection to SWEPCO's Arkansas customers. 3) the type of technology SWEPCO will use at the plant is acceptable.

SWEPCO expects to have the plant completed and operational in 2011.