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May 17, 2013

Steven A. Thompson
Executive Director
Oklahoma Department of Environmental Quality
707 North Robinson
P.O. Box 1677
Oklahoma City, OK 73101-1677

Re: Revised BART Determination and Amended Regional Haze Agreement
Public Service Company of Oklahoma – Northeastern Units 3 and 4

Dear Mr. Thompson:

Public Service Company of Oklahoma (“PSO”) appreciates the opportunity to submit comments on the proposed adoption of a Revised BART Determination and First Amended Regional Haze Agreement. These actions will revise Oklahoma’s Regional Haze State Implementation Plan (“RH-SIP”) by incorporating the provisions of the recent settlement between PSO, the U.S. Environmental Protection Agency (“EPA”), the Oklahoma Department of Environmental Quality (“ODEQ”) and others, and is intended to replace the Federal Implementation Plan (“FIP”) adopted by EPA for these units on January 27, 2012 (76 Fed. Reg. 81,727). PSO appreciates ODEQ’s diligence in completing the RH-SIP revisions within the time frame outlined in the settlement agreement, and the careful analysis performed by the Department to confirm that the revised RH-SIP satisfies the requirements contained in the Clean Air Act and 40 CFR Part 51, Subpart P, Protection of Visibility.

PSO specifically would like to respond to a recent request by Attorney General Pruitt’s office to delay the hearing scheduled for Monday, May 20, 2013. That request urges ODEQ to re-evaluate the revised RH-SIP based on changes in PSO’s load profile and the cost of replacement power necessary to offset the retirement of one Northeastern coal-fired unit in 2016. However, the BART analysis ODEQ is required to undertake is a narrowly focused analysis that looks only at the relative cost of environmental controls on the BART-eligible units, and ODEQ’s selection of the alternative that represents the “best available retrofit technology” for those units, as defined in the Clean Air Act. While ODEQ has the discretion to consider costs associated with the energy demands of the control equipment, and other non-air environmental

impacts associated with the operation of particular control devices in its analysis of the most cost-effective option to address the visibility concerns that are the focus of the regional haze program, ODEQ does not have the authority or the expertise to evaluate replacement resources or the adequacy of PSO's full complement of resources to meet customer demand.

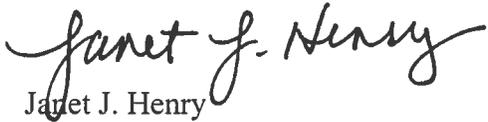
PSO regularly evaluates and reports to the Oklahoma Corporation Commission on its resource plans, and, as noted in the letter, has announced its intention to submit a revised resource plan to the Commission in the near future. That revised resource plan will not provide any other relevant information to ODEQ that is necessary in order to complete its evaluation of the revised RH-SIP. Nothing in that plan will alter the relative costs of the various emission control options studied in the BART analysis submitted by PSO, or ODEQ's evaluation of the costs, energy impacts, and visibility improvements associated with the various alternatives studied. Accordingly, there is no reason to delay the public hearing or to defer any decision on the adequacy of the revised RH-SIP developed by ODEQ.

The letter also claims that it is "arguable" that the revised RH-SIP is more stringent than the previously issued EPA FIP. However, there is no evidence that the revised SIP would impose more stringent emission reduction requirements than the current FIP. The primary focus of the revised RH-SIP for Northeastern Unit 3 and Northeastern Unit 4 is the choice of BART controls for SO₂ emissions. Under the FIP, each Northeastern Unit would be required to meet a 0.06 #/mmBtu emission rate. EPA's basis for meeting this limit is the installation of high-efficiency dry scrubbers on both units by January 2017. Under the SIP, one Northeastern Unit will retire and the other will be equipped with a dry sorbent injection system that is capable of achieving a 0.4 #/mmBtu emission rate. This rate is clearly a compromise between the 0.65 #/mmBtu rate that was included in the prior RH-SIP and the rate approved in the FIP. As demonstrated in the Revised BART Determination (at page 11) the revised RH-SIP reduces SO₂ emissions by approximately 24,888 tons per year while the FIP would reduce emissions by approximately 29,119 tons per year. However, the cost per ton of SO₂ reductions under the RH-SIP is \$1,005 per ton, while the cost per ton of SO₂ reductions under the FIP is \$1,544 per ton. The incremental cost to achieve the additional 4,231 tons of reductions under the FIP is \$4,718 per ton, and would not result in any perceptible improvement in visibility. As demonstrated in the Revised BART Determination, the revised RH-SIP is an effective, but more moderate and cost-effective approach to visibility improvement than the currently approved FIP.

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PSO appreciates the opportunity to comment on the revised RH-SIP, and urges ODEQ to carefully evaluate the comments submitted during the public comment period, and finalize the revised RH-SIP promptly.

Respectfully submitted,



Janet J. Henry
Deputy General Counsel
American Electric Power Service Corporation

cc: The Honorable E. Scott Pruitt, Attorney General
Cheryl E. Bradley (via electronic mail)
Robert Singletary, Esq. (via electronic mail)
Stephanie Talbert, Esq. (via electronic mail)