



Control Number: 51415



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Addendum StartPage: 0

SOAH DOCKET NO. 423-21-0538

PUC DOCKET NO. 51415

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APPLICATION OF SOUTHWESTERN §  
ELECTRIC POWER COMPANY FOR §  
AUTHORITY TO CHANGE RATES §

PUBLIC UTILITY COMMISSION  
BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO SIERRA CLUB'S FIRST SET OF REQUEST FOR INFORMATION**

**JANUARY 20, 2021**

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**SOAH DOCKET NO. 473-21-0538  
PUC DOCKET NO. 51415**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO SIERRA  
CLUB'S FIRST SET OF REQUESTS FOR INFORMATION**

**Question No. Sierra Club 1-13:**

Please refer to the Direct Testimony of Thomas Brice at page 6. Please provide all analyses, studies, reports, and presentations regarding the "force majeure" events in 2017 and 2018, as well as SWEPCO's decision to cease mining activities at the Oxbow mine and retire Dolet Hills by the end of 2021.

**Response No. Sierra Club 1-13:**

Please refer to Sierra Club 1-13 Attachments 1,2,3,4, and 5 for analyses, studies, reports, and presentations regarding the "force majeure" events. Please refer to the response provided for TIEC 1-17 for information relating to SWEPCO's decision to cease mining activities by the end of 2021.

**Supplemental Response No. Sierra Club 1-13:**

Please see Sierra Club 1-13 Supplemental Attachments 6 and 7.

Prepared By: Christopher N. Martel

Title: Regulatory Consultant Sr

Sponsored By: Thomas P. Brice

Title: VP Regulatory & Finance



Executive Committee Members  
of Lignite Ownership and Mining  
Joint Operating Agreement

Cleco Power LLC  
63 Power Plant Rd.  
Mansfield, LA 71052  
Attn: Director – Lignite Fuels  
Facsimile: 318-872-4778

Calvin Johnson  
Manager-Fuel Supply & Strategy  
Cleco Power LLC  
P. O. Box 5000  
Pineville, LA 71361-5000  
Facsimile: 318-484-4935 and 318-484-7397

Sent Via Facsimile and U.S Postal Service Express Mail

August 18, 2017

Re: Notice of Miner Force Majeure under Amended and Restated Lignite Mining Agreement dated December 29, 2009 by Dolet Hills Lignite Company, LLC (“Miner”).

To Executive Committee Members and Cleco Power LLC

Miner is declaring a Miner Force Majeure under our Agreement.

This notice is being sent pursuant to the Miner Force Majeure provisions to both the Executive Committee and the Plant Operator (Cleco) as required by the terms of the Agreement.

Miner is not currently able to mine, produce and/or deliver lignite to the Dolet Hills Power Station as contemplated by the Agreement. The Miner Force Majeure conditions are primarily related to storms (excessive rainfall) and adverse geologic conditions which are outside of and not within the control of Miner or due to any fault or negligence on the part of Miner.

Miner experienced adverse geologic conditions in the T-West pit that resulted in the loss of various pieces of equipment, along with a loss of coal that was at the time of the T-West pit collapse, coal that had been uncovered and prepared for removal. Mining operations in the T West area was suspended by MHSa for a period of time and is now under a revised mining plan.

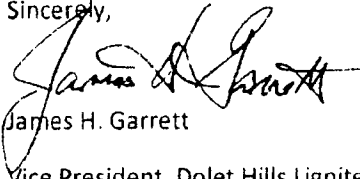
Tropical Storm Cindy, which resulted in a State of Emergency being declared by the Louisiana Governor also delayed the movement of dragline equipment to the new mining area at the mine.

Executive Committee Members & Cleco Power LLC  
August 18, 2017  
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Further, aside from tropical storm Cindy, the Miner has experienced significant rainfall events, for example, we have had over eight (8) inches falling in early August. These rainfall events have limited our ability to establish a new mining area for the draglines, the dragline bench, the digging of new haul ramps, and the safe development and control of spoil areas. We have also encountered adverse geologic conditions in the preparation of new haul ramps and dragline bench preparation related to a particular type of clay that, once exposed, has made it difficult to complete the new haul ramps and establish an adequate bench for the draglines to safely maneuver and uncover lignite.

Miner is taking all appropriate steps and using diligent best efforts to get the mine back into production, consistent with our Agreement. As referenced in Section 14 of the Agreement, after a Miner Force Majeure, the Miner is to diligently use best efforts to eliminate the cause and effect of such event of Miner Force Majeure insofar as possible with all reasonable dispatch. We will continue to use diligent efforts to minimize costs and expenses incurred during the Miner Force Majeure, and deficiencies in production are to be made up as soon as practicable within the provisions of the Agreement.

Sincerely,



James H. Garrett

Vice President, Dolet Hills Lignite Company, LLC

cc: Cleco Corp.  
P.O. Box 5000  
Pineville, LA 71361-5000  
Attn: Associate General Counsel  
Facsimile: 318-484-7685

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Sent Via Facsimile and U.S Postal Service Express Mail

Executive Committee Members  
of Lignite Ownership and Mining  
Joint Operating Agreement

Cleco Power LLC  
63 Power Plant Rd.  
Mansfield, LA 71052  
Attn: Director – Lignite Fuels  
Facsimile: 318-872-4778

Calvin Johnson  
Manager-Fuel Supply & Strategy  
Cleco Power LLC  
P. O. Box 5000  
Pineville, LA 71361-5000  
Facsimile: 318-484-4935 or 484-7397

September 8, 2017

Re: Notice of Miner Force Majeure under Amended and Restated Lignite Mining Agreement  
dated December 29, 2009 by Dolet Hills Lignite Company, LLC (“Miner”).

To Executive Committee Members and Cleco Power LLC:

Miner is declaring a Miner Force Majeure under our Agreement

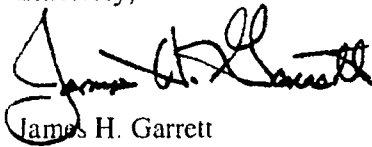
This notice is being sent pursuant to the Miner Force Majeure provisions to both the Executive Committee and the Plant Operator (Cleco) as required by the terms of the Agreement. Miner is currently unable to mine, produce and/or deliver lignite to the Dolet Hills Power Station as contemplated by the Agreement. Aside from the matters raised in the August 18, 2017 Force Majeure letter, the Miner Force Majeure conditions associated with this notice are related to Hurricane Harvey. Unfortunately, late on August 29<sup>th</sup> and continuing through the morning hours of August 31<sup>st</sup> substantial rainfall occurred as a result of a Hurricane Harvey moving through the primary two parishes (DeSoto and Red River) the mine is located within. The rain in some areas of the mine exceeded 10 inches over this period and was particularly concentrated during August 30<sup>th</sup> daylight and evening hours.

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The results caused the surrounding bayous to rise to a level above the mine pond discharge elevation. This creates a situation where the normal pond discharge is interrupted and water accumulations from the mining areas (pits) cannot be pumped to the mine ponds. This is further complicated by the mine diversion ditches, established to control and manage surface water away from the pits, actually overflowing or backing up into the active mining areas. This ultimately causes active mining areas (pits) to be inundated with water until the water levels recede and pumping and water management controls are reestablished. Both mining areas (T West and U Areas) have incurred like kind flooding conditions. Due to this storm event (i.e. Hurricane Harvey) and subsequent flooding, as well as, the lack of access to all of the mine properties using access or mine roads, all active mining operations were suspended at the end of August and continue to be suspended at this time.

Miner will take all appropriate steps and use diligent best efforts to get the mine back into production, consistent with our Agreement. As referenced in Section 14 of the Agreement, after a Miner Force Majeure, the Miner is diligently to use best efforts to eliminate the cause and effect of such event of Miner Force Majeure insofar as possible with all reasonable dispatch. We will continue to use diligent efforts to minimize costs and expenses incurred during the Miner Force Majeure, and deficiencies in production are to be made up as soon as practicable within the provisions of the Agreement.

Sincerely,



James H. Garrett  
Vice President  
Dolet Hills Lignite Company, LLC

cc: Cleco Corp.  
P.O. Box 5000  
Pineville, LA 71361-5000  
Attn: Associate General Counsel  
Facsimile: 318-484-7685

James A. Stuckey, Esq.  
Phelps Dunbar, L.L.P.  
365 Canal Street, Suite 2000  
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Facsimile: 504-568-9130 & 504-568-9007