

Mississippi Power's Kemper County energy facility achieves major milestones toward completion

• Effluent begins filling reservoir • Largest components delivered • Main electrical building energized

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Gulfport, Miss. – Now more than 70 percent complete, Mississippi Power's Kemper County energy facility has achieved several major milestones in recent weeks.

The reservoir that will hold the plant's cooling water is now being filled with treated effluent from the City of Meridian, Miss. In a move hailed as a win-win, Mississippi Power and the City of Meridian have entered into a long-term contractual agreement to supply cooling water for the plant while creating new revenue for the city.

In addition to the environmental benefit of using treated effluent, the plant is designed as a zero liquid-discharge facility. None of the water used in the process of generating electricity will be discharged, protecting local streams and waterways.

This past week, the plant's two largest pieces of equipment were delivered to the site. The components will aid in reducing emissions, and the byproduct produced will be sold to lower the plant's overall cost to customers once it is in service.

The delivery was a skilled, coordinated effort between the Mississippi Department of Transportation, the Kemper County Sheriff's Department, the City of DeKalb, Tennessee Valley Authority, 4-County Electric Power Association, East Mississippi Electric Power Association and Burkhalter Rigging.

Also last week, energy began flowing for the first time from the Mississippi Power grid and the plant's switchyard to the main electrical building.

"These milestones are indicators of the tremendous progress being made every day to deliver 21st century coal technology to our customers," said Tommy Anderson, vice president of generation development at Mississippi Power. "And with more than 3,000 workers on-site today, the project is helping to fuel the Mississippi economy."

In addition to these construction milestones, the Mississippi Public Service Commission's independent monitor recently completed a thorough review and filed a report in which they agreed that the Kemper County energy facility is the most economic option when compared to converting this facility to natural gas or building a new natural gas plant at one of the company's existing facilities.

"The independent monitor's findings lend further confirmation the project is the best solution for meeting Mississippi Power customers' long-term energy needs," said Anderson.

Mississippi Power, a Southern Company subsidiary, serves approximately 186,000 customers in 23 southeast Mississippi counties with rates well below the national average.

Cautionary Note Regarding Forward-Looking Statements:

Certain information contained in this release is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, statements concerning completion of the Kemper integrated coal gasification combined cycle facility ("Kemper IGCC"), costs of construction of the Kemper IGCC facility and related customer price impacts. Mississippi Power cautions that there are certain factors that can cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue

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