

# Kemper filing includes revised cost estimate

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*Mississippi Power's Kemper County energy facility*

Mississippi Power has revised the Kemper County energy facility cost estimate by an additional \$70 million pre-tax estimated probable loss for the fourth quarter of 2014.

The revised estimate was included in the December 2014 monthly status report filed with the state Public Service Commission and a Form 8-K filed with the U.S. Securities and Exchange Commission.

The revised estimate is due to costs related to operational readiness, start-up activities, fuel, completion of construction and construction support costs during start-up and the price of fuel.

“Mississippi Power is committed to the success of Kemper for the long-term benefit of its customers as well as for the benefit of the communities where we will operate,” Mississippi Power President and CEO Ed Holland said, adding that there are already more than 300 permanent employees located in the Kemper area, directly impacting the local economy, jobs growth and community efforts.

Customers will not pay anything above the limit agreed to by regulators.

The next major milestone for the facility is expected to be the first gasifier heat-up, currently scheduled for the spring of this year.

*Cautionary Note Regarding Forward-Looking Statements*

*Certain information contained herein is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, statements concerning the estimated cost and schedule for project milestones and the completion of construction and start-up of the Kemper County integrated gasification combined cycle project (the "Kemper IGCC") and impacts on customer rates. Mississippi Power Company cautions that there are certain factors that could cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of Mississippi Power Company; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in Mississippi Power Company's Annual Report on Form 10-K for the year ended December 31, 2013, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: changes in tax and other laws and regulations to which Mississippi Power Company is subject as well as changes in application of existing laws and regulations; ability to control costs and avoid cost overruns during the development and construction of facilities, which include the development and construction of generating facilities with designs that have not been finalized or previously constructed, including changes in labor costs and productivity factors, adverse weather conditions, shortages and inconsistent quality of equipment, materials, and labor, contractor or supplier delay, non-performance under construction or other agreements, operational readiness, including specialized operator training and required site safety programs, unforeseen engineering or design problems, delays associated with start-up activities (including major equipment failure and system integration), and/or operational performance (including additional costs to satisfy any operational parameters ultimately adopted by the Mississippi Public Service Commission ("PSC")); ability to construct facilities in accordance with the requirements of permits and licenses, to satisfy any environmental performance standards, and the requirements of tax credits and other incentives, and to integrate facilities into the Southern Company system upon completion of construction; advances in technology; actions related to cost recovery for the Kemper IGCC, including*

*actions relating to proposed securitization, Mississippi PSC approval of Mississippi Power Company's proposed rate recovery plan, as ultimately amended, which currently includes the ability to complete the proposed sale of an interest in the Kemper IGCC to South Mississippi Electric Power Association, the ability to utilize bonus depreciation, which currently requires that assets be placed in service in 2015, and satisfaction of requirements to utilize investment tax credits and grants; Mississippi PSC review of the prudence of Kemper IGCC costs; the outcome of any legal or regulatory proceedings regarding any settlement agreement between Mississippi Power Company and the Mississippi PSC, the March 2013 rate order approving retail rate increases consistent with the terms of the settlement agreement, or the State of Mississippi legislation designed to enhance the Mississippi PSC's authority to facilitate development and construction of baseload generation in the State of Mississippi; and the ability of counterparties of Mississippi Power Company to make payments as and when due and to perform as required. Mississippi Power Company expressly disclaims any obligation to update any forward-looking information.*