

Mississippi Power issues statement regarding Kemper County energy facility schedule



Mississippi
Power

GULFPORT, Miss., Nov. 4, 2016 /PRNewswire/ -- Mississippi Power continues making progress on the completion of the Kemper County energy facility. Last month, the project reached its most significant milestone to date when it generated electricity using syngas from Mississippi lignite.

As the company continues start-up and commissioning activities at Kemper, Mississippi Power today announced it is revising the facility's scheduled in-service date to Dec. 31, 2016.

The one-month extension is needed because on Wednesday, Nov. 2, Mississippi Power determined a maintenance outage on gasifier A, one of the facility's two gasifiers, was needed to make improvements to the ash removal systems. This maintenance to gasifier A follows six weeks of successful syngas production including generation of the plant's first electricity with syngas. During the outage for gasifier A, the company plans to bring gasifier B online in order to implement the necessary testing ahead of the production of electricity with syngas.

The remaining schedule reflects the time expected to achieve production of electricity using gasifier B, complete outage activities on gasifier A and resume electricity production on gasifier A, as well as to complete the integration of all systems necessary for both combustion turbines to simultaneously generate electricity with syngas.

The company also revised its cost estimate subject to the cost cap for the Kemper project – since the last monthly report to the Mississippi Public Service Commission – to include an additional \$25 million related to the schedule extension. All of those costs will be paid by Southern Company and Mississippi Power – not by Mississippi Power customers.

Mississippi Power, a subsidiary of Southern Company (NYSE: [SO](#)), produces safe, reliable and environmentally responsible energy for more than 186,000 customers in 23 southeast Mississippi counties. Mississippi Power earned the 2015 ReliabilityOne™ Award for outstanding midsize utility for excellence in storm restoration and recovery efforts as well as being a leader in reliability, customer service and safety. Visit our websites at mississippipower.com and mississippipowernews.com, like us on [Facebook](#), and follow us on [Twitter](#), [LinkedIn](#), [Google+](#) and [YouTube](#).

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this communication 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 projected cost and schedule for completing construction and start-up of the integrated coal gasification combined cycle project in Kemper County, Mississippi (the Kemper IGCC). Mississippi Power 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; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in Mississippi Power's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, 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 is subject as well as changes in application of existing laws and regulations; the 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, adverse weather conditions, shortages and inconsistent quality of equipment, materials, and labor, sustaining nitrogen supply, contractor or supplier delay, non-performance under operating or other agreements, operational readiness, including specialized operator training and required site safety programs, unforeseen engineering or design problems, 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)); the 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 the ultimate impact of the 2015 decision of the Mississippi Supreme Court, the Mississippi PSC's December 2015 rate order, and related legal or regulatory proceedings, Mississippi PSC review of the prudence of Kemper IGCC costs and approval of further permanent rate recovery plans, actions relating to proposed securitization, satisfaction

of requirements to utilize grants, and the ultimate impact of the termination of the proposed sale of an interest in the Kemper IGCC to South Mississippi Electric Power Association; and the ability of counterparties of Mississippi Power to make payments as and when due and to perform as required. Mississippi Power expressly disclaims any obligation to update any forward-looking information.

Logo - <http://photos.prnewswire.com/prnh/20141211/163911LOGO>

SOURCE Mississippi Power