

APPENDIX S

LETTER OF UNDERSTANDING AND DISCLOSURE STATEMENT

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U.S. Department of Energy

National Energy Technology Laboratory



August 22, 2008

Ms. Kimberly D. Flowers
Vice President and Senior Production Officer
Mississippi Power Company
2992 West Beach Blvd
Gulfport, Mississippi 39501-1907

Mr. Jack D. Doolittle
Chief Executive Officer
Environmental Consulting & Technology, Inc.
3701 NW 98th Street
Gainesville, FL 32606

Re: Letter of Understanding

Dear Ms. Flowers and Mr. Doolittle:

The purpose of this letter is to memorialize the understandings among Mississippi Power Company ("MPC"), Environmental Consulting & Technology, Inc. ("ECT"), and the United States Department of Energy ("DOE"), with respect to the responsibilities and relationships of each party in preparing, pursuant to the National Environmental Policy Act of 1969 ("NEPA"), an Environmental Impact Statement ("EIS"). The EIS is necessary to evaluate the potential environmental impacts associated with a project proposed by MPC known as the Kemper County IGCC Project.

The EIS prepared pursuant to this agreement will be used by DOE to decide whether to provide cost-shared funding for, and certain loan guarantees for, project activities beyond preliminary design, including detailed design, construction, and operation of the proposed facility.

Pursuant to 10 C.F.R. § 1021.215(d) and 40 C.F.R. § 1506.5(c), MPC has recommended and DOE has approved ECT to prepare the Draft and Final EIS at MPC's expense. In accordance with 40 C.F.R. § 1506.2(a) and (c), and to reduce duplication to the fullest extent possible, other federal, state and local agencies having jurisdiction by law or special expertise will be informed and invited to provide input or cooperate with the parties to this Letter of Understanding during the preparation of the Draft and Final EIS.

The parties agree that neither ECT's business relationships, as disclosed by ECT to DOE, with Southern Power Company (an affiliate of MPC) on other power development projects, nor ECT's involvement of the preparation of the EIV for the Orlando Gasification Project for Southern Company, raises a conflict of interest for work on this project.

DOE's Responsibilities

DOE is responsible for preparing and issuing the EIS under NEPA, and has full and final authority to direct preparation by ECT of all draft and final documents related to its preparation, as well as full and final authority to approve or modify any statement, analysis or conclusion made in the EIS. In accordance with 40 C.F.R. § 1506.5(c), DOE will "independently evaluate the statement prior to

its approval and take responsibility for its scope and contents." DOE has given approval for ECT to assist DOE in preparing the EIS, and ECT has agreed to abide by all of DOE's instructions in the preparation of the NEPA documents. ECT has stated that it has no conflict of interest in the outcome of MPC's project.

ECT's Responsibilities

ECT is responsible for assisting DOE in performing all of the tasks necessary to prepare an EIS in a prompt and efficient manner. Additionally, in accordance with 10 C.F.R. § 1021.310, ECT is responsible for executing a disclosure statement, prepared by DOE stating that it has no financial or other interest in the outcome of this project.

MPC's Responsibilities

MPC is responsible for providing ECT with the information ECT requires to prepare the EIS in a timely manner and will ensure that the information concerning MPC that ECT and DOE rely upon is, to the best of its knowledge, true and correct. MPC has agreed by separate contract to compensate ECT directly for all of the work ECT performs in preparing the EIS and agrees that it, and not DOE, is responsible for resolving all claims, demands, or other causes of action that might arise between ECT and MPC connected to those two parties' work on the EIS.



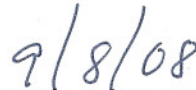
Carl O. Bauer, Director
National Energy Technology Laboratory
U.S. Department of Energy



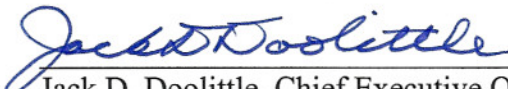
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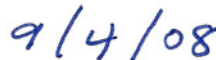
Kimberly D. Flowers, Vice President and Senior
Production Officer, Mississippi Power Company



Date



Jack D. Doolittle, Chief Executive Officer,
Environmental Consulting & Technology, Inc.



Date

**DISCLOSURE STATEMENT
ENVIRONMENTAL CONSULTING & TECHNOLOGY, INC.
ENVIRONMENTAL IMPACT STATEMENT
KEMPER COUNTY IGCC PROJECT**

Regulatory Requirement

Council on Environmental Quality (CEQ) Regulations at 40 CFR 1506.5(c), which have been adopted by the Department of Energy (DOE) at 10 CFR 1021, require contractors who will prepare an Environmental Impact Statement (EIS) to execute a disclosure specifying that they have no financial or other interest in the outcome of the project. The term “financial interest or other interest in the outcome of the project” for the purposes of this disclosure is discussed in the March 23, 1981, guidance “Forty Most Asked Questions Concerning CEQ’s National Environmental Policy Act Regulations,” 46 FR 18026-18038 at question 17a and b.

“Financial interest or other interest in the outcome of the project” includes “any financial benefits such as a promise of future construction or design work in the project, as well as indirect benefits the contractor is aware of (e.g. if the project would aid proposals sponsored by the firm’s other clients).” 46 FR 18026-18031.

Disclosure Statement

In accordance with the requirements set forth above, Environmental Consulting & Technology, Inc, (ECT) hereby makes this disclosure statement and certifies that ECT has no past, present, or currently planned financial, or other interest in the outcome of the Kemper County, IGCC Project (the Project). ECT agrees that should it become aware of any facts giving rise to a potential future conflict of interest, it will promptly notify the DOE NEPA Document Manager and take any steps necessary to mitigate the conflict.

For the purposes of complete disclosure, ECT makes the following representations:

1. ECT has no interest in the Project other than NEPA related work. The Project proponent, Southern Company Services, (SCS) has advised that SCS may conduct a competition for a subcontractor to develop NEPA related environmental monitoring plans and perform post-ROD monitoring. ECT may have an interest in submitting a proposal against the subcontract competition.
2. ECT is currently performing environmental work for Southern Power Company, a subsidiary of Southern Company. SCS and Mississippi Power Company (the host site for the Project) are also both subsidiaries of Southern Company under a different

branch of the organization from Southern Power Company. Historically, ECT's work for Southern Power Company has comprised a small portion of ECT's total business base. The Project is ECT's first involvement with Mississippi Power Company.

3. In February 2008, SCS contracted with ECT in anticipation of supporting the NEPA process including the preparation of an Environmental Information Volume (EIV) which would be used to assist DOE in preparation of the Draft EIS. ECT has recently begun environmental field studies and baseline data collections to be included in the NEPA documentation. SCS also contracted with ECT for preparation of an EIV used to support DOE's EIS for the Project when it was planned for Orlando, Florida.

4. ECT anticipates that future work for subsidiaries of Southern Company will be similar in nature to that done in the recent past, such as due diligence studies, site feasibility assessments, and permitting work.

Certified by:

Jack D. Doolittle 8/26/08
SIGNATURE DATE

Jack D. Doolittle, Chief Executive Officer
NAME & TITLE (PRINTED)

Environmental Consulting & Technology, Inc.
COMPANY