



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.



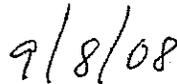
\_\_\_\_\_  
Carl O. Bauer, Director  
National Energy Technology Laboratory  
U.S. Department of Energy



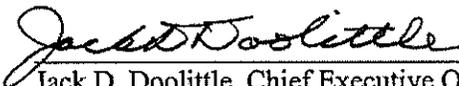
\_\_\_\_\_  
Date



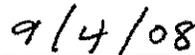
\_\_\_\_\_  
Kimberly D. Flowers, Vice President and Senior  
Production Officer, Mississippi Power Company



\_\_\_\_\_  
Date



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



\_\_\_\_\_  
Date