



Mississippi Power Company
State-Jurisdictional Qualifying Facility
Transmission Generator Interconnection Procedures

*(For QF Generator Interconnections to Mississippi Power's Transmission System
not required to interconnect through Southern Companies' Open Access Transmission Tariff)*

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State-Jurisdictional Qualifying Facility

Transmission Generator Interconnection Annual Cluster Study Process

This **State-Jurisdictional Qualifying Facility Transmission Generator Interconnection Annual Cluster Study Process** (“**Process**”) outlines the annual Process to evaluate proposed Generator interconnections to the Company’s Transmission System that will be in accordance with PURPA and that are not required to interconnect under Southern Companies’ OATT.

PART 1 DEFINITIONS

1.1 Defined Terms. Capitalized terms used in this Process have the meanings identified in this Part 1 or in the body of this Process. Defined terms: may be singular or plural, as the context requires. In this Process: (i) “**include(ing)**” means include, but are not limited to” or “including, without limitation”; (ii) “**or**” means “either or both” (e.g., “A or B” means “A or B or both A and B”); (iii) “**written**” or “**writing**” includes email communication, absent express statement otherwise; and (iv) captions are for convenience only and do not affect interpretation. Additionally, reference to: (a) an agreement or document includes any exhibit, attachment, appendix, or schedule; and (b) an applicable law, agreement, document, policy, procedure, standard, or provision is to the law, agreement, document, policy, procedure, standard, or provision as modified, amended, supplemented, or restated, and then-effective or current.

Access Route: The suitable, all-weather access route from the nearest public roadway to the POI that is acceptable to MPC and is available to MPC at all times (24/7/365(366)) throughout the QFIA Term to facilitate MPC’s provision of QF Interconnection Service.

Affected System: An Electric System, other than MPC, or an electric facility owner that is impacted by Generator’s proposed QF interconnection.

Affected System Utility – A utility or electric facility owner located on an Affected System whose facilities require additions, modifications, or upgrades that are necessary for safe and reliable operation of the Electric System during parallel operation of the QF as referenced in the QF Interconnection Study Report.

Business Day: Monday through Friday, excluding State of Mississippi or federal holidays.

Calendar Day: Any day, including Saturday, Sunday, or a federal holiday.

Company: Means Mississippi Power Company, a Mississippi corporation, which is a subsidiary of Southern Company; also referred to herein as “Mississippi Power” or “MPC”.

Confidential Information: Any confidential or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated “Confidential.” For purposes of this Process, all design, operating specifications, and metering data provided to Company by Generator is Confidential Information, whether or not so marked or designated. Confidential Information does not include information previously in the public domain.

Contingent Facilities: Unbuilt Electric System facilities, including upgrades associated with prior-queued requests and future upgrades that are part of Mississippi Power’s transmission expansion plan, upon which the subject Interconnection Request’s costs, timing, and study findings are dependent, and which, if delayed or not built, could require re-study of the Interconnection Request or reassessment of the Interconnection Upgrades, costs, or timing necessary for the subject Interconnection Request.

Electric System: The network of electric generation, transmission, or distribution facilities owned or operated by MPC or other electric utilities in Mississippi or a surrounding state, specifically including Interconnection Upgrades.

Facility: Generator’s Qualifying Facility; interchangeable with “Qualifying Facility” or “QF.”

FERC: The Federal Energy Regulatory Commission.

Generator: The entity that proposes to develop the Qualifying Facility that it seeks to interconnect, or that owns the Qualifying Facility for which it seeks to modify its existing interconnection, with Company's Transmission System pursuant to this Process.

Good Utility Practice: Any practice, method, or act engaged in or approved by a significant portion of the electric industry during the relevant time period, or any practice, method, or act that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region.

ICF Site: The real property, acceptable to MPC, where designated MPC-owned Interconnection Upgrades are or will be located, and specifically including the Access Route

Interconnection Costs: The costs of Interconnection Upgrades, including any associated administrative costs.

Interconnection Queue Position: The order of a valid QF Interconnection Request, relative to all other pending valid interconnection requests, which order is established based upon MPC's receipt of a valid QF Interconnection Request. MPC determines the validity of a QF Interconnection Request in accordance with Study Process Section 3.2 (*Interconnection Request Deficiencies*).

Interconnection Request: Generator's request to: (i) interconnect a new QF to MPC's Transmission System; or (ii) increase the capacity of, or to make a change to the electrical, technical, or operating characteristics of: (a) a pending interconnection request; or (b) a QF that is interconnected with MPC's Transmission System.

Interconnection Service Amount: Net MW for a single Interconnection Request at POI.

Interconnection Upgrades: Additions, modifications, or upgrades to MPC's Transmission System, an affiliate system, or an Affected System, as applicable, that are required to physically and electrically connect the Qualifying Facility to MPC's Transmission System, to provide for the safe and reliable operation of the Electric System during parallel operation of the Qualifying Facility, and that are required for delivery of the Qualifying Facility's output to Company's native load and that are additional to the physical facilities that would otherwise have been installed or modified absent Generator's QF Interconnection Request (i.e., are not included in the Ten-Year Plan).

LGIA: Large Generator Interconnection Agreement.

MPC: Mississippi Power Company, a Mississippi corporation, which is a subsidiary of Southern Company

Material Modification: Modifications that have a material impact on the cost or timing of another Interconnection Request with equal or higher Queue Priority.

Native Load: The demand imposed on MPC by the electric requirements of wholesale and retail customers located within MPC's service territory that MPC is obligated by statute or contract to serve.

NERC: North American Electric Reliability Corporation.

Net MW: Maximum output that the Qualifying Facility can export to the Electric System at the POI.

OATT: Southern Companies' Open Access Transmission Tariff, under which MPC and other Southern Company affiliates provide transmission service in accordance with FERC requirements, found at <http://www.oasis.oati.com/SOCO>.

Party: MPC or Generator; together, the "Parties."

Point of Interconnection (POI): The point where the Facility is interconnected with MPC's Transmission System, which is not necessarily the same as the point where the change of ownership occurs.

Power Contract: [Mississippi Power Company's Contract for Purchased Energy \(Rate CPE\)](#) which is applicable to any Qualifying Facility (QF), as defined under the Public Utility Regulatory Policies Act of 1978, as amended (PURPA).

Process: The *State-Jurisdictional Qualifying Facility Transmission Generator Interconnection Annual Cluster Study Process* described in this document, which evaluates proposed Generator interconnections to Company's Transmission System that will be in accordance with PURPA and that are not required to interconnect under Southern Companies' OATT.

PURPA: The Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 796 and 824a-3) and Part 292 of Title 18 of the United States Code of Federal Regulations,

Qualifying Facility (QF): Generator's proposed or, if applicable, existing equipment for the production of electricity and Generator's equipment necessary to physically and electrically connect to MPC's Transmission System, which equipment is the subject of Generator's QF Interconnection Request and which is a qualifying cogeneration facility or qualifying small power production facility within the meaning of PURPA; interchangeable with "Facility."

QF Interconnection Agreement (QFIA): The state-jurisdictional interconnection agreement governing the interconnection of the QF to MPC's Transmission System that would be executed by MPC and Generator in connection with Generator's QF Interconnection Request under these MPC Procedures or previously executed and existing between the Parties.

QF Interconnection Service: MPC's service to Generator for interconnection of the Facility to MPC's Transmission System, and for MPC's receipt of electric energy from the Facility, in accordance with the QFIA and PURPA.

QF Interconnection Study: Study conducted by MPC to evaluate the impact of the proposed QF interconnection on the safety and reliability of the Electric System and firm delivery of the QF's output to MPC's Native Load.

QF Interconnection Study Agreement (Study Agreement): Agreement between the Parties for MPC to conduct a QF Interconnection Study pursuant to a QF Interconnection Request under these MPC Procedures.

QF Interconnection Study Fee: The fee paid by Generator according to terms of the QF Interconnection Study Agreement for performance of the QF Interconnection Study. The term "study deposit" as used in the Study Process means the QF Interconnection Study Fee.

QF Interconnection Study Report : The Study Report issued by MPC in response to Generator's QF Interconnection Request.

Queue Priority: The order a group of Interconnection Requests (i.e., a cluster) holds relative to all other clusters.

Readiness Deposit: The deposit a Generator must submit to Company for an Interconnection Request to enter Phase II of the Process.

Reasonable Efforts: Efforts that are timely, consistent with Good Utility Practice, and otherwise substantially equivalent to those a Party would take to protect its own interests.

SCS: Southern Company Services, Inc., an affiliate of MPC that performs services as agent for MPC.

SGIA: Small Generator Interconnection Agreement.

Site: Real property where Generator's Qualifying Facility, interconnection substation, and generation tie line will be or is located.

Site Control: The exclusive land right to develop, construct, operate, and maintain the Generating Facility, Generator's Interconnection Facilities, Generator tie-line, Mississippi Power's Interconnection Facilities (including substation collector bus unless it is an existing substation owned by Mississippi Power), the ICF site, and the substation upgrades (for purposes of the use of this definition in this document, these facilities are collectively referred to as the "Improvements") over the term of expected operation of these facilities.

Southern Companies' Open Access Transmission Tariff (Southern Companies' OATT): The tariff under which Southern Company affiliates Alabama Power Company, Georgia Power Company, and Mississippi Power Company provide transmission service in accordance with Federal Energy Regulatory Commission (FERC) requirements, found at <https://www.oasis.oati.com/SOCO>.

Study Agreement: See *QF Interconnection Study Agreement* above.

Term: The time period during which the relevant QFIA is effective, as stated in the QFIA.

Transmission System: Electric System facilities owned by MPC and operated at greater than 40 kV.

PART 2 SCOPE AND APPLICABILITY

2.1 Scope. Any Generator intending to sell its QF output solely to MPC and interconnect at transmission voltage (>40 kV) shall do so in accordance with these procedures.

2.2 MPC Transmission Interconnections Contact Information. Initial or general inquiries regarding these MPC Procedures should be made to MPC's Power Delivery Interconnections Engineer as provided below. MPC's Power Delivery Interconnections Engineer is MPC's "designated interconnection contact employee or office" as referenced in the Study Process.

Guy Evans, Power Delivery Interconnections Engineer chaevans@southernco.com 228-539-7549 2992 W. Beach Boulevard Gulfport, MS 39501
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2.3 Payment Procedures. The process for making payment under these MPC Procedures, including payment of the QF interconnection application fee or the QF Interconnection Study Fee, is listed below.

Payment Method.

A. Payment will be by wire transfer (See "MPCQF Deposit Form" for instructions which may be accessed at <https://simpl.southernco.com/mpc>).

W-9.

B. The Generator entity that pays the fee deposit must provide its Form W-9 for internal MPC accounting purposes. If the entity making the payment is not the same entity as the entity submitting the application, the relationship between the two entities must be disclosed.

2.4 QF Interconnection Request Cluster Study. This document describes the annual cluster study process through which SCS as agent for Mississippi Power will conduct the state-jurisdictional Qualifying Facility interconnection cluster study. The Process will follow the structure, timelines (as generally depicted in Figure 1 below), and milestones described in this document.

2.5 Process Timeline. The Process consists of (i) a 30-day period during which Interconnection Requests may be submitted ("Request Window"); (ii) a 45-day Generator Engagement Window; (iii) Cluster Study – Phase I; (iv) Cluster Refresh Study – Phase II; and (v) execution of a QF Interconnection agreement (QFIA). An Interconnection Request submitted under this Process will receive a Queue Priority for the current year's Process. Further, a generation project may only have one executed interconnection agreement (i.e., either an LGIA/SGIA or a QFIA). If a project has entered or is currently in the OATT Cluster then the project cannot enter in the Process.

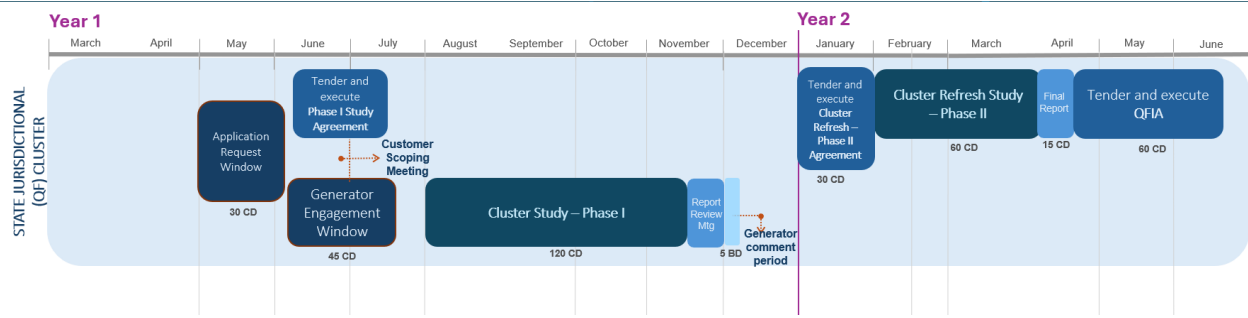


Figure 1. Timeline and Steps of the Process.

PART 3 QF INTERCONNECTION REQUEST

3.1 QF Interconnection Request. Generator may initiate a QF Interconnection Request under these MPC Procedures by completing and submitting an application form, which may be accessed at <https://simpl.southernco.com/mpc>, prior to the commencement of the next Annual QF Cluster Study. The 30-day Request Window will commence on May 1st each year or first Business Day after May 1st if May 1st is not a Business Day. During the Request Window Generators may submit a completed Interconnection Request application in the online application portal found on OASIS (application portal). The Interconnection Request must be submitted, validated, and have all deficiencies rectified within the Request Window. If a Generator fails to rectify all deficiencies by the close of the Request Window (i.e., close of business on the last Business Day of the Request Window) the Interconnection Request will be deemed withdrawn. Generator must include sufficient information for Mississippi Power to evaluate and validate the proposed QF interconnection.

A. Interconnection Request Requirements. To initiate an Interconnection Request, Generator must submit, at a minimum, all of the following:

- i. A completed application in the application portal including the associated technical data;
- ii. Demonstration of Site Control - Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Improvements (2) an option to purchase or acquire a leasehold site of a sufficient size to construct and operate the Improvements; or (3) any other documentation that clearly demonstrates the right of Generator to exclusively occupy a site of sufficient size to construct and operate the Improvements. Generator must have 100% of Generating Facility Site Control at application. Prior to the start of Phase II of the Process, Company must have permission to access the POI location. At execution of QFIA, Generator must have 100% Site Control of the interconnecting substation, generator tie line right of way ("ROW"), and any other ICF site requirements (as necessary based on facility layout). Generator must obtain prior to the time required, necessary real property rights from all fee owners of the Site and Other Real Property, including the access road, as well as any other person or entity with rights to the Site or any Other Real Property whose consent is necessary, to permit Company to perform its obligations. MPC and MPC's representatives, agents, and contractors, shall be granted a nonexclusive right of access and license to the Interconnection Site, the Site, and the Facility. Generator must also be able to deed the property to the Company with a free and clear title (with no restriction). Additional site control guidelines are provided here.

Because the interconnection process involves engineering and analysis regarding the specific location where the Facility is or will be located, Generator must provide sufficient evidence of Site Control as outlined in this section.

Generator and Company Owned Interconnection Facilities Site Control Guidelines

The Company's interconnecting substation is separate from the Generator's substation (Ref. Figure 1). The Company's interconnecting substation could be an existing substation or, in the case where a transmission line is submitted as the POI, may be a new Company interconnecting substation. The Company interconnecting substation site will be deeded over to Company prior to construction. The configuration is determined by the following:

- Company's Interconnecting Substation is generally parallel and adjacent to the transmission line ROW and on the side of the line determined by Company. Generally, no additional structures will be installed outside of the ROW.
- Company's Interconnecting substation property shall be located on a suitable site as deemed acceptable by Company.
- Generator will build the generator tie line.
- The Company interconnecting substation needs to be expandable. Maintain a minimum of sixty-five-foot (65') buffer from the property line on all sides.
- Generator will build the access roads and Company interconnecting substation lot to Company specifications.
- For the Generator to meet the land transfer deadline, the Generator must deed the property to Company with a free and clear title (with no clauses) and complete the rough grading for the Company interconnecting substation lot.

Company requires demonstration of Site Control for Generator's Facility and Company's Interconnecting Substation site, excluding the proposed Generating Facility tie line route as follows:

Facility Type		Minimum Acceptable Site Control
Interconnection Customer's Interconnection Facilities		Appropriate mileage to connect the Interconnection Customer's substation to Southern Companies' interconnecting substation
Company's Interconnection Facilities		New Company interconnecting substation with access road ownership/permanent easement
Single Breaker (46kV or 115kV)		Approximately 2 acres
115kV Ring Bus		Approximately 6 acres
230kV Ring Bus		Approximately 7 acres
500kV Ring Bus		Approximately 60 acres

(Modified graphics)

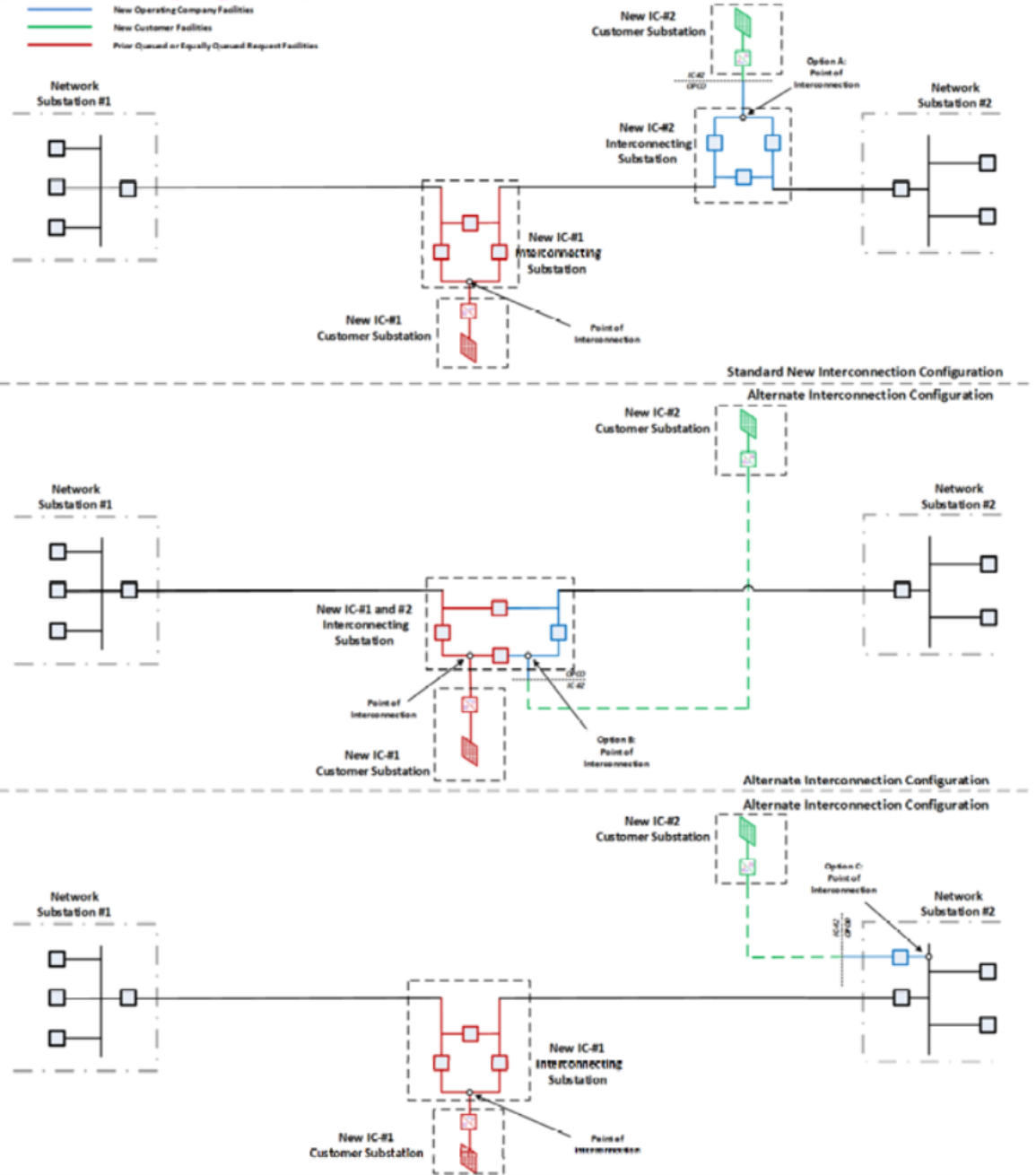


Figure 1: Example of alternate interconnection configurations due to multiple Interconnection Requests on a network line.

Additionally, MPC’s QFIA provides an overview of the site control requirements that would be Generator’s responsibility. Upon request from the Generator, MPC will provide a template of MPC’s QFIA. Generator is encouraged to review the site control requirements as early as possible in the project planning process to ensure compliance with the requirements.

- iii. Demonstration of Qualifying Facility certification (FERC Form 556)
- iv. Associated deposits/fees (see Appendix 2 – Application fee \$10,000)

B. Qualifying Facility Capacity. Company will evaluate the Interconnection Request using the Interconnection Service Amount that the Qualifying Facility is capable of injecting into Company's Transmission System.

C. Existing Qualifying Facility Increase. If the Interconnection Request is for an increase in capacity for an existing Qualifying Facility, Company will evaluate the Interconnection Request on the basis of the new Interconnection Service Amount of the Qualifying Facility.

D. Multiple Production Devices. If the Interconnection Request includes multiple energy production devices at the Site for which Generator seeks a single Point of Interconnection, the Interconnection Request will be evaluated on the basis of the aggregate injection capacity of the multiple devices.

3.2 Interconnection Request Deficiencies. Company will not consider an Interconnection Request to be a valid request until Company has received and verified all Interconnection Request Requirements. If Company determines that an Interconnection Request is deficient, Company will notify Generator within 10 Business Days after receipt of the initial Interconnection Request (or after the provision of information in response to a deficiency notice) and will indicate the deficiencies. Generator must provide Company the necessary information within five Business Days after deficiency notice. Generator must cure all deficiencies within the Request Window or the Interconnection Request will be deemed withdrawn. Once Company has validated a complete Interconnection Request and Generator has rectified any deficiencies; Company will send Generator an Interconnection Queue Position.

3.3 QF Interconnection Request Identification. To better differentiate between Interconnection Requests, Company uses the following nomenclature:

<u>Process</u>	<u>Nomenclature</u>
Annual Cluster Process	YY-XXCQF-####

3.4 Multiple Interconnections on a Single Transmission Line. Company may study Interconnection Requests for multiple Interconnection Requests with POIs on the same transmission line. Multiple interconnecting substations on a single transmission line add operational complexity and exposure impacting the reliability of the Transmission System (e.g., excess segmentation). In the event of excess segmentation, Company may determine in the Generator Engagement Window that alternate interconnection configurations are required for some Interconnection Requests. Such alternate configurations may include combining multiple interconnections into a single, larger substation. This may require some Generators to arrange for and build a generator tie line to a different substation than their initial POI. Company will notify impacted Generators regarding the need to relocate to a common POI. All affected Generators are expected to work together to find a common POI. If Generators cannot agree to a common POI by the Phase I Report Review meeting, Company will decide the location of the new common POI. See the examples in Figure 2.

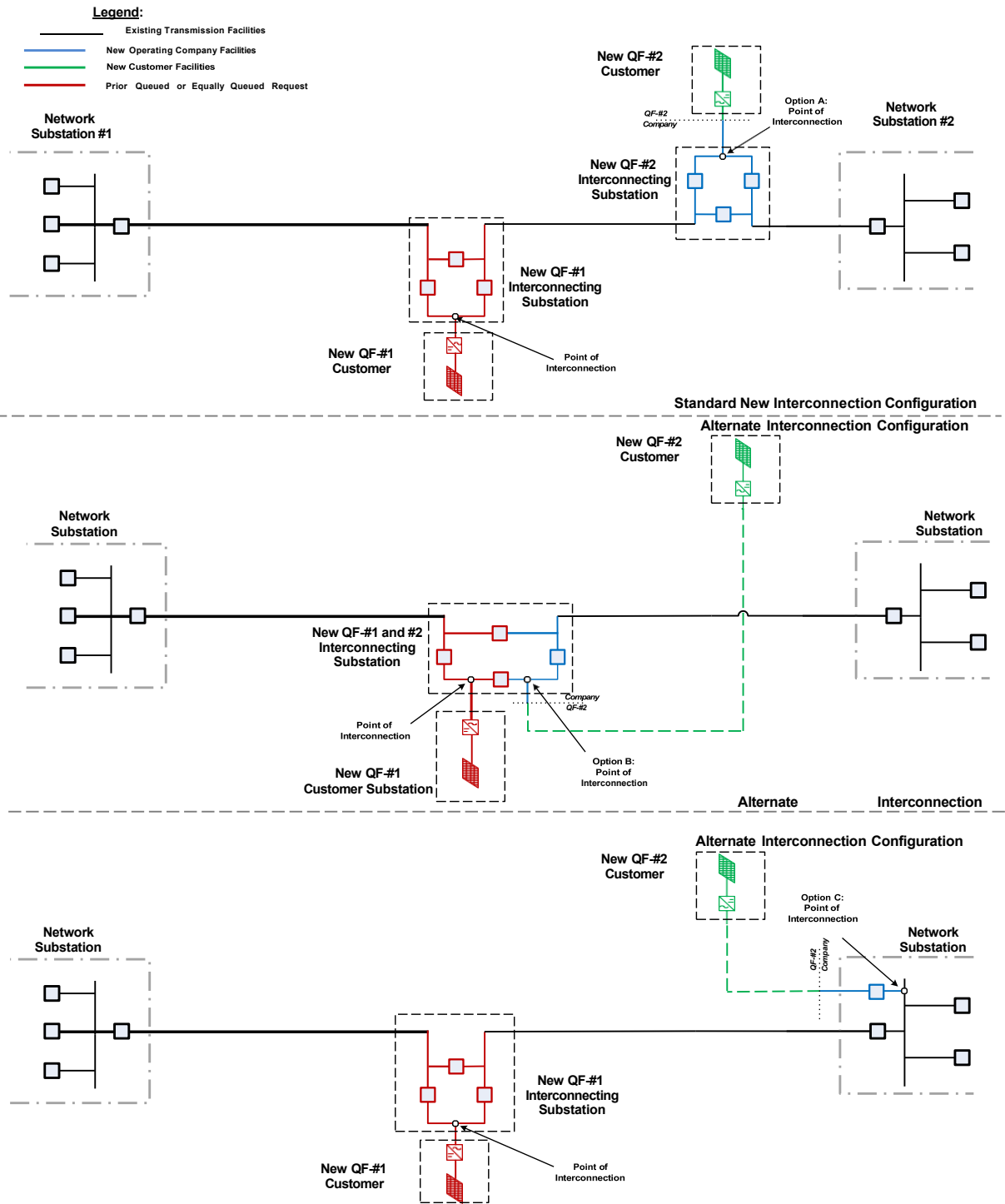


Figure 2. Examples of alternate interconnection configurations due to multiple Interconnection Requests on a network line.

PART 4 GENERATOR ENGAGEMENT WINDOW

4.1 Generator Scoping Meeting. Following the closing of the Request Window, Company will have 15 Business Days to review any remaining information to determine if all Interconnection Requests have been validated and all deficiencies have been resolved. Next, the 45-day Generator Engagement Window will open. During this period, the Interconnection Request scoping meeting will take place and Company will Tender and Generator will execute the

Phase I Study Agreement. Company will schedule a scoping meeting for each Interconnection Request. The scoping meeting may be omitted by mutual agreement. The scoping meeting will include discussion of the Interconnection Request, information about the Transmission System near the requested POI, any potential alternative POI, and review of existing studies potentially relevant to the Interconnection Request. The scoping meeting requires participation by Generator and Company personnel, including system engineers and other resources as necessary to these discussions.

A. Affected System Identification. During the scoping meeting, or in conjunction with agreement to forego a scoping meeting, Company will identify potential Affected Systems and will provide contact information for Affected Systems. Coordination with the Affected System is described in Section 5.2.A.

4.2 Phase I Study Agreement. Within five Business Days after the scoping meeting, or concurrent with a decision to forego the scoping meeting, Generator must provide written confirmation of the Point of Interconnection to be studied. If Generator does not provide written confirmation within five Business Days, the Interconnection Request will be deemed withdrawn. Company will provide Generator a Phase I Study Agreement, including an outline of the scope of the Process Study and timeline for completing the Process. In addition, the study agreement will include any Company specific instructions for coordinating with Affected Systems. Company will also notify Generator if any additional data is required for the Process. Generator must execute the Phase I Study Agreement and deliver it to Company, along with the appropriate study deposit (see Appendix 2 – Study Deposit \$150,000) and any additional data required, prior to close of the Generator Engagement Window. If Generator fails to execute the Phase I Study Agreement within the Generator Engagement Window and pay the appropriate study deposit to Company as outlined in Appendix 2, the Interconnection Request will be deemed withdrawn. Upon receipt of the executed Phase I Study Agreement, study deposit, and any requested data, Company will confirm with Generator inclusion in the annual Process.

PART 5 PROCESS PHASE I INTERCONNECTION STUDY AND REVIEW

5.1 Phase I Interconnection Study. Following completion of the Generator Engagement Window, on the first Business Day of August, Phase I of the study will begin and conclude after a maximum of 120 Calendar Days. Company will evaluate: (i) the impact of the proposed Interconnection Request on the safety and reliability of the Transmission System; (ii) firm delivery of the proposed QF's output to Company's native load; and (iii) Generator's planned generator tie-line route and proposed site for construction of Company's new interconnecting substation. The Phase I evaluation will determine necessary Interconnection Upgrades and Contingent Facilities, the estimated cost of such Interconnection Upgrades, and the estimated time required to implement such Interconnection Upgrades and Contingent Facilities. The Phase I evaluation will also confirm any potential Affected Systems that require separate evaluation.

A. Study Parameters. The Phase I evaluation will consider: (i) the base case power flow, short circuit, and stability data bases on the date the Process is commenced, including an Interconnection Request that is not connected to the Transmission System and confirmed transmission service requests in Company's transmission service queue; (ii) any previously executed QFIA from the previous Process and any identified Interconnection Upgrades associated with such previously executed QFIA; (iii) any confirmed or pending transmission service requests in Company's transmission service queue that are not included in the current base case data bases; and (iv) all existing Interconnection Requests that are interconnected to potential Affected Systems and that may have an impact on the Interconnection Request and any confirmed or pending requests in a potential Affected System's queue that may have an impact on the Interconnection Request.

B. Phase I Results. Company will use Reasonable Efforts to complete the Phase I evaluation within 120 Calendar Days. If Company is unable to complete the Phase I evaluation within that time frame, Company will notify Generator and provide an explanation and estimated completion date. Upon request, Company will provide Generator supporting documentation, workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Phase I evaluation, subject to confidentiality requirements.

C. Identification of Contingent Facilities. The Phase I evaluation report will list Contingent Facilities identified during the Process, including: (i) upgrades associated with prior-queued requests; and (ii) future upgrades that are part of Company's transmission expansion plan that are also needed

to accommodate the proposed QF. Generator may become responsible for Contingent Facilities costs if certain prior-queued requests are delayed, withdrawn, or terminated. Generator may become responsible for Contingent Facilities advancement costs if advancement of a Contingent Facility is needed to maintain Generator's requested project dates.

5.2 Phase I Interconnection Study Review. No later than the third Monday in November, the Phase I evaluation study report will be issued to each Generator. The Parties will have a report review meeting within seven Business Days after report issuance. The purpose of the Phase I review meeting is to discuss: (i) preliminary scope of Interconnection Upgrades; (ii) planning grade construction cost and schedule estimates for that scope of work; (iii) any discrepancy identified with the Qualifying Facility design or models; (iv) any concern with meeting the requested project schedule; (v) related questions from Generator or Company. In addition, during the Phase I review meeting, the Parties will discuss the status of any potential Affected System review or evaluation. Generator will have five Business Days after the report review meeting to submit comments and/or modifications.

A. Coordination with Affected Systems. Company will confirm Affected Systems during the Phase I evaluation review meeting. The impact of the proposed interconnection on potential Affected Systems must be evaluated by the respective potential Affected System. Generator is responsible for notifying each potential Affected Systems identified by Company. Company will cooperate with any potential Affected System and Generator must cooperate with Company and/or Affected System regarding the studies and determination of modifications to Affected Systems. Any Affected System must provide written verification to Company that appropriate mitigation (including any required Affected System upgrade(s)) has been completed prior to the Qualifying Facility being allowed to synchronize or being declared ready for Commercial Operation, as applicable.

B. Post Phase I Review Activity. Following the Phase I evaluation review meeting, Generator must provide written notice to Company with five Business Days as to whether Generator intends to: (i) continue the Process with the Interconnection Request as submitted; (ii) make modifications to the Interconnection Request or Qualifying Facility data to remedy identified deficiencies with the QF electrical design or models or project schedule concerns; or (iii) withdraw the Interconnection Request. If Company identified any deficiencies and Generator fails timely to provide acceptable revised Interconnection Request or Qualifying Facility data, the Interconnection Request will be deemed withdrawn. If Company did not identify any deficiency, and Generator seeks no Interconnection Request modification, the Process will continue to Phase II with the Interconnection Request as submitted.

5.3 Site Visit. Following Process start, the Parties will schedule a Site visit. The Site visit should occur no later than 15 Business Days after the Phase I evaluation review meeting, unless mutually agreed otherwise. Before the Site visit, Generator must provide to Company a Site map of sufficient detail to indicate: (i) Site property boundaries; (ii) location of Qualifying Facility equipment; (iii) planned location for the Qualifying Facility substation; (iv) planned generator tie-line route; and (v) proposed location for Company's new interconnecting substation. Generator is responsible for ensuring access for Company to the Site, POI, and the proposed location of Company's interconnecting substation; otherwise, this may constitute a deficiency. The Site visit will include preliminary evaluation of Generator's proposed location for Company's new interconnecting substation, tie-line, discussion of any potential issues with the proposed Site, identification of any potential impacts to existing Company or Affected System facilities, and discussion of any alternatives.

The Site visit requires participation by knowledgeable Generator and Company personnel and resources as necessary to accomplish the meeting purpose in the time allotted. If it is determined from the Site visit that the planned generator tie line route or proposed location for Company's new interconnecting substation should be altered, Generator must submit an updated Site map and acceptable revised QF data within 10 Business Days following the Site visit. If Generator fails to provide an updated Site map and acceptable revised Qualifying Facility data, Company may either (at Company's discretion): (i) extend the time for Generator to submit data; or (ii) deem the Interconnection Request withdrawn. Based on determinations and agreements reached during the Site visit, Company will complete the Interconnection Request study scope of work and refine the Interconnection Upgrades cost and schedule estimates and present them in the Phase II Study report.

5.4 Modification of Interconnection Request.

A. Modification of Interconnection Request. Generator may only submit Interconnection Request modifications within five Business Days following the close of Phase I evaluation review or

immediately following the Site visit. Proposed modifications will be evaluated to ensure that data is complete, validated and then determine if the proposed modification is a Material Modification.

B. Modifications. Generator may make the following modifications to an active Interconnection Request: electrical and physical design diagrams, specifications, modeling data, site layout, project schedule or up to 15% reduction of the Interconnection Service Amount. Any modification, in Company's determination, would be expected to: (i) not materially impact the timeline of the Process (e.g., no re-study or study extension); and (ii) not impact the cost or timing of any Interconnection Request. Generator must notify Company of any proposed modification to the Interconnection Request by providing a revised Interconnection Request application. Company will review any proposed modifications and respond within 10 Business Days of receipt of a complete and valid revised Interconnection Request. If Company determines that the proposed modification is not material, Company and Generator may acknowledge in writing the Interconnection Request modification and the study will proceed using the modified information. If Company determines that the proposed modification is material, either: (a) Generator may withdraw the proposed modifications and continue with the original request or (b) Generator may submit proposed modifications as a new Interconnection Request in the next annual Process and withdraw the current Interconnection Request. If Generator makes a modification without providing notice to Company, the Interconnection Request will be deemed withdrawn. In any case, evaluation of the Interconnection Request will continue without the proposed modification according to the Process until Company and Generator acknowledge in writing any acceptable Interconnection Request modification.

PART 6 PROCESS PHASE II INTERCONNECTION STUDY AND REVIEW

6.1 Process Phase II. After Generator has satisfied all requirements following the Phase I evaluation, Generator must return the executed Process Phase II Study Agreement and Readiness Deposit, as outline in Appendix 2, by the 1st business day of February. If the executed Process Phase II Study Agreement is not returned and the Readiness Deposit not paid to Company by the 1st business day of February, the Interconnection Request will be deemed withdrawn. Next, the Phase II Interconnection Study begins and concludes after a maximum of 60 Calendar Days. After the completion of the Phase II Interconnection Study, the Process Final report will be issued to Generator.

6.2 Process Final Report. Upon completion of the Phase II Interconnection study, Company will provide a Process Final Report to Generator. The Process Final Report will state the assumptions upon which it is based, the results of the analysis, and the requirements for, or potential impediments to, providing the requested interconnection. The Process Final Report will provide a list of Interconnection Upgrades and Contingent Facilities that are required as a result of the Interconnection Request, a non-binding, good faith cost estimate, and a non-binding, good faith estimated time to construct. Within five Business Days after providing the Process Final Report to Generator, the Parties will meet to discuss the results. As part of the meeting, on the Parties will discuss the status of any review or evaluation by potential Affected Systems will be discussed. After the meeting, Generator must accept the Process Final Report or withdraw within 15 Calendar Days. If Generator does not provide written notice to proceed within the 15 Calendar Days, the Interconnection Request will be deemed withdrawn. If Generator does provide written notice to proceed within the 15 Calendar Day window, Generator and Company will work together to tender and execute the QFIA within 60 Calendar Days.

6.3 Payment for Interconnection Upgrades. Each QFIA will address the financial terms of the interconnection. Interconnection Costs include three components: (i) Interconnection Upgrade costs; (ii) operations and maintenance (O&M) / administrative / metering; and (iii) tax impact amount. MPC will determine the final Interconnection Upgrade costs and associated O&M and tax impact amounts as part of a final reconciliation after the Facility reaches commercial operation under the QFIA, resulting in refund/invoice in accordance with the QFIA.

6.4 Security for Upgrades Identified for Future years. The QF Interconnection Study Report may identify Interconnection Upgrades that: (i) will be necessary for delivery of the QF's output to MPC's Native Load in compliance with PURPA during the Term and during the ten-year planning horizon, but (ii) are not necessary for continued firm delivery until after the QF's projected commercial operation date. If applicable, the QF Interconnection Study Report will describe the required upgrade and need date; the QFIA will address the **payment** or financial security that Generator must provide and further details about the future project.

6.5 Re-Study. A re-study of the Phase II evaluation will be considered at Company's discretion based upon withdrawal or Material Modification of an equally queued Interconnection Request. Company will notify Generator(s) in writing if a re-study is necessary. If re-study is required, Company will use Reasonable Efforts to complete the re-study within 30 Calendar Days after written notice of re-study. After re-study completion, Company will issue a revised Process Final Report and meet with Generator(s) to discuss results and next steps.

PART 7 WITHDRAWAL

7.1 Interconnection Request Withdrawal. Generator may withdraw its Interconnection Request at any time by written notice to Mississippi Power's designated representative or office. In addition, if Generator fails to comply with all requirements of the Process, Company will provide written notice to Generator with an explanation of the basis of the pending withdrawal. Upon receipt of such written notice, Generator will have five Business Days to cure the deficiency to avoid having its Interconnection Request deemed withdrawn. If withdrawal is confirmed prior to the start of Phase II, Company will true-up the costs incurred for the Interconnection Request against the study deposit, and Generator will be responsible for any outstanding balance or will receive a refund of any excess, as applicable. If withdrawal is confirmed after the start of Phase II but before the execution of the QFIA, at Company's discretion the Readiness Deposit will be refunded only if it is determined by Company the withdrawal does not negatively affect any other equally queued Interconnection Request financially; otherwise the Readiness Deposit will be reallocated to Interconnection Upgrades of the remaining equally queued Interconnection Requests that are affected by Generator's withdrawal.

Withdrawal will result in the loss of Interconnection Queue Position and Queue Priority. Generator must pay all amounts due to Company before Company will provide any Process study data or results to Generator.

PART 8 CONSTRUCTION OF INTERCONNECTION UPGRADES

8.1 Completion of Interconnection Upgrades on MPC's Electric System. If Generator provides timely notice to proceed and fulfills all payment/security obligations in accordance with the QFIA, and is otherwise in compliance with the QFIA, MPC will proceed with the necessary engineering, procurement, construction, and testing of all Interconnection Upgrades that will be owned by MPC.

8.2 Completion of Affected System Utility Upgrades. If MPC identifies any potential Affected System Utility, MPC will provide contact information to enable Generator to engage directly with the Affected System to determine the need for an Affected System Utility study; Generator will be responsible for paying the Affected System Utility for any study deemed necessary by that utility. The Affected System Utility will identify any Affected System Utility upgrades necessary for safe and reliable interconnection and operation of its Electric System during parallel operation of the QF.

It is Generator's responsibility to ensure that any potential Affected System Utility has sufficient time to evaluate impacts to its Electric System and provide results to Generator prior to QFIA execution. MPC will not extend the time required for QFIA execution due to delay with an Affected System Utility's evaluation. Generator must inform MPC immediately, and keep MPC updated, if there is any expectation or indication of delay by the Affected System Utility in completing its obligations.

Any upgrade identified for an Affected System Utility must be facilitated under a separate agreement between Generator and the Affected System Utility, which agreement will address the scope of the Affected System Utility upgrades, costs to be paid by Generator, and anticipated schedule for the upgrades. Any question regarding scope, cost, or schedule for the Affected System Utility upgrades must be resolved between Generator and the Affected System Utility.

Generator and the Affected System Utility will be responsible for managing all engineering, procurement, construction, and testing necessary for completion of all Affected System Utility upgrades work. Before the Facility can be allowed to synchronize, any Affected System Utility must provide written verification to MPC that all necessary project work and appropriate mitigation has been completed.

PART 9 MODIFICATION OF AN EXISTING MPC QF INTERCONNECITON AGREEMENT

9.1 Procedure for Existing Facility with MPC QFIA If Generator has an existing MPC QFIA and wishes to modify its existing Facility, Generator must follow the QFIA terms and conditions regarding a proposed modification of the Facility. A corresponding modification to the Power Contract may also be necessary.

PART 10 PROSPECTIVE USE OF THESE PROCEDURES; TRANSITIONING TO THESE PROCEDURES

10.1 Requirement to Use these MPC Procedures. Any Generator desiring to sell the total output of the Facility to MPC, and seeking state-jurisdictional interconnection service from MPC, at transmission voltage must request interconnection service pursuant to these MPC Procedures.

10.2 Transitioning from Other Procedures/Interconnection Agreements to these MPC Procedures. If any Generator intends to sell the total output to MPC, and be eligible for state-jurisdictional interconnection service from MPC, including any Generator with a Facility that: (i) has an LGIA or an SGIA under the Southern Companies' OATT that has not yet reached commercial operation; or (ii) is being studied for interconnection service under the Southern Companies' OATT or any different procedure, must submit a new QF Interconnection Request under these MPC Procedures and will be subject to a new Interconnection Queue Position.

PART 11 CONVERSION FROM QFIA TO LGIA/SGIA

11.1 Conversion at End of QFIA Term. If a QFIA is nearing expiration, the Facility has achieved commercial operation, the Facility and its output will remain substantially the same, and Generator desires to convert the QFIA to an LGIA/SGIA so that Generator can commence selling Facility output in the wholesale market, Generator must do so in accordance with Southern Companies' OATT. Generator is responsible for procuring interconnection service under Southern Companies' OATT in advance of QFIA (and Power Contract) termination, so that the LGIA/SGIA could be filed with FERC (if applicable) when Generator transitions to a FERC-jurisdictional interconnection.

So long as Facility and its output remains substantially the same (e.g., there will be no Facility modification that would alter the Facility's steady-state model or dynamic model, such as replacing equipment or modifying equipment programming or settings), Generator would not be required to submit a new interconnection request for study, but MPC/SCS would require at least 120 Calendar Days' written notice prior to the QFIA termination. However, either Generator or the new off-taker must arrange for or procure transmission service to deliver the output to the new off-taker, which could potentially require a delivery study under Southern Companies' OATT (which study would be at the expense of either Generator or the new off-taker).

Any change to the Facility must be reviewed and approved by MPC/SCS. If the Facility will substantially change or its output will increase, or if Southern Companies' OATT otherwise requires, Generator must submit a new request under the Southern Companies' OATT for the incremental output above the output previously approved for commercial operation.

11.2 Conversion During QFIA Term. If, during the Term, the Facility has achieved commercial operation, Generator desires to terminate its QFIA (and the corresponding Power Contract, in accordance with the Power Contract's notice requirements) and to convert the QFIA to an LGIA/SGIA to sell output in the wholesale market, the procedures described above would apply as to the QFIA. At the same time Generator provides notice of termination under the Power Contract, Generator also must provide notice under the QFIA of the Power Contract termination, as well as Generator's intent for any continued interconnection service. If Generator intends to convert to an LGIA/SGIA at the QFIA termination, so long as the Facility and its output will remain substantially the same, MPC/SCS would require at least 120 Calendar Days' written notice prior to the requested QFIA termination and LGIA/SGIA conversion.

If there will be a substantial change to the output of the Facility or there will be a substantial change to the Facility (e.g., any modification to the Facility that would alter the Facility's steady-state model or dynamic model, such as replacing equipment or modifying equipment programming or settings), Generator must submit a new request under Southern Companies' OATT for the incremental output above the output previously approved for commercial operation and additional time would be necessary for the required studies. LGIA/SGIA execution could

proceed in accordance with Southern Companies' OATT. Any change to the Facility must be reviewed and approved by MPC/SCS.

PART 12 GENERAL PROVISIONS

12.1 Confidentiality.

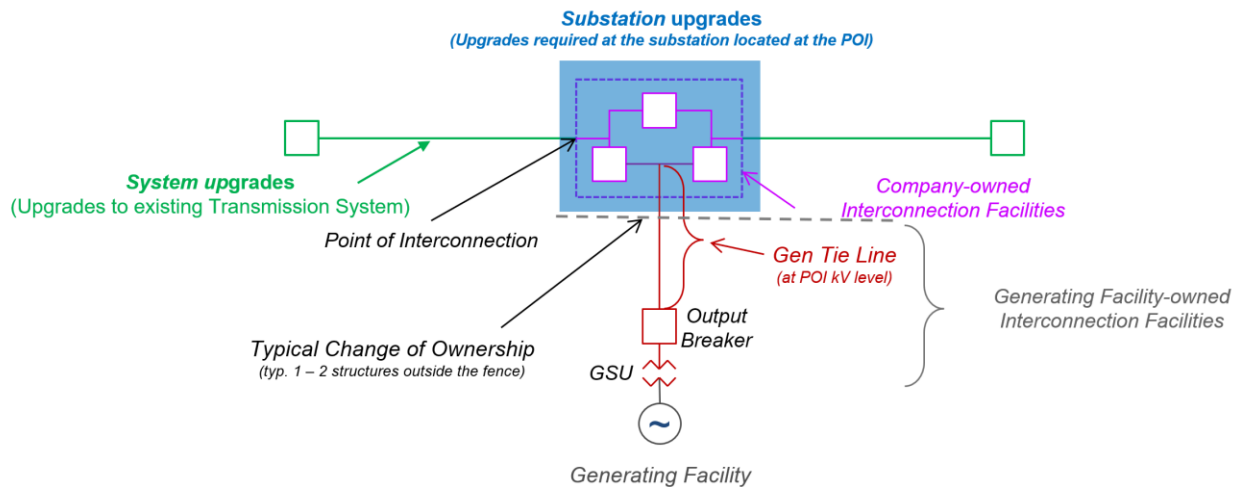
A. Use of Confidential Information. Each Party receiving Confidential Information must hold such information in confidence and must not disclose it to any third party nor to the public without the prior written authorization from the Party providing the information, except as necessary to fulfill obligations under this Process or to fulfill legal, regulatory, or reliability requirements. Each Party must employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

B. Regulatory Requirements. Despite anything in this Section to the contrary, if a state or federal regulatory body, during the course of an investigation or otherwise, requests information from one Party that is otherwise required to be maintained in confidence pursuant to this Process, the Party will timely provide the requested Confidential Information to the state or federal regulatory body. In so providing the Confidential Information, the Party may request that the information be treated as confidential and non-public by the state or federal regulatory body and that the information be withheld from public disclosure. The Party from whom Confidential Information is requested will notify the other Party when it has been notified by a state or federal regulatory body that a request to release Confidential Information has been received by the state or federal regulatory body, at which time either of the Parties may respond before such information would be made public.

APPENDIX 1 – INTERCONNECTION UPGRADE IDENTIFICATION AND COST ALLOCATION

Interconnection upgrades are differentiated between substation upgrades and system upgrades. Substation upgrades are allocated on a per capita basis where the cost divided per the number of Interconnection Request(s) interconnecting at the same substation (POI).¹ If there are co-located Interconnection Requests interconnecting at the substation (POI), the allocated cost for that generator tie line portion will be allocated again on a per capita basis among the Interconnection Requests sharing the generator tie line.

System upgrades are allocated using a proportional impact method to identify the impact of each individual Interconnection Request in the Process driving the need for a specific upgrade(s). Shared system upgrade costs are shared between those Interconnection Requests evaluated in the Process. System upgrades are not allocated or shared between requests in a prior-queued annual Process.



1.1. Substation Upgrades Identification and Cost Allocation

Substation upgrades, including all switching stations, will be allocated per capita to each Interconnection Request interconnecting at the same substation. Substation upgrades, including all switching stations, for the new substation equipment on the Company's side of the POI are allocated on a per capita basis. These are facilities beyond the POI, but within the POI substation, and include breakers for the new (or existing) Company interconnecting substation, protection equipment, anti-islanding equipment, disturbance monitoring equipment, AGC equipment, digital fault recorder, and other applicable substation items. The costs are allocated evenly (per capita) to all Interconnection Requests interconnecting at the interconnecting substation. For example, if three Interconnection Requests are interconnecting at the same interconnection substation, each Generator is responsible for one-third of the total substation upgrade costs. If one of these Interconnection Requests is co-located with one additional Interconnection Request owned by another Interconnection Request, then each Generator will be responsible for one-sixth (half of the third) of the total substation upgrade costs.

1.2. System Upgrades Identification and Cost Allocation

1.2.1. System Protection Facilities

The costs of system protection facilities identified in the Process beyond the POI substation will be directly assigned to the Interconnection Request using such system protection facilities. Where Interconnection Requests share system protection facilities, the costs of such system protection facilities will be allocated based on the number of Co-located Interconnection Requests sharing use of such interconnection facilities on a per capita basis

¹ If multiple Interconnection Requests are connecting to Company's Transmission System through shared Interconnection Facility(ies), those Interconnection Requests will be considered one Interconnection Request for purposes of the per capita calculation.

(i.e., on a per Interconnection Request basis), unless Parties mutually agree to a different cost sharing arrangement.

1.2.2. Lines and Transformers (Thermal Upgrades)

System upgrades associated with lines and transformers (e.g., thermal upgrades) will be proportionally allocated using Dfax analysis. The costs for these system upgrades will be allocated based on the megawatt (MW) impact from each Interconnection Request on the constrained Transmission System facilities in the evaluation. Interconnection Requests with a thermal impact of 1% or greater of the facility rating (MVA) of the constrained facility will be screened in to evaluate inclusion in the upgrade cost allocation calculation.

For each identified system upgrade, the allocated share is proportional to the amount of flow each Interconnection Request contributes (“MW Impact”) to the constrained Transmission System facility. The highest MW Impact from each Interconnection Requests by year on the constrained Transmission System facilities will be used in the calculation. For each Interconnection Request, a Dfax is determined through DC transfer analysis and used to calculate MW Impact. Interconnection Requests with a Dfax of 5% or greater will be used in the cost allocation.

$$MW\ Impact = Dfax * Requested\ Interconnection\ Service\ Amount\ (MW)$$

The Cost Allocation Factor (%) of a system upgrade allocated to each Interconnection Request is proportional to the incremental MW Impact of each Interconnection Request on the constrained facility divided by the incremental MW Impact of the sum of all contributing (1% or greater Dfax) Interconnection Requests included in the Process.

$$Cost\ Allocation\ Factor = \frac{MW\ Impact\ of\ Each\ Generating\ Facility}{\sum MW\ Impact\ of\ Contributing\ Cluster\ Generating\ Facilities}$$

The cost allocated for each needed upgrade is then proportional to the Cost Allocation Factor.

$$Allocated\ Cost_{Gen\ Facility} = Cost\ Allocation\ Factor * Cost\ of\ Network\ Upgrade$$

Distribution Factor Analysis Example: Six generators drive the need of ~ 20 Miles of 230 kV transmission line rebuild in existing ROW totaling \$50M.

	Gen 1	Gen 2	Gen 3	Gen 4	Gen 5	Gen 6	Total
Requested Interconnection Service Amount (MW)	80	80	80	80	80	80	480
Dfax (%)	5	5	3.75	2.5	10	36.25	
MW Impact (MW)	4	4	3	2	8	29	50
Cost Allocation Factor (%)	8%	8%	6%	4%	16%	58%	100%
Allocated Cost _{Gen} (\$M)	\$4	\$4	\$3	\$2	\$8	\$29	\$50

1.2.3. Voltage Support

Voltage support related system upgrades will be allocated using a voltage impact analysis that will identify each Interconnection Request’s contribution to the voltage violation.

Cost allocation of voltage constraint driven system upgrades will be determined by the pro rata share of the voltage impact each Interconnection Request has on the most constrained bus under the most constraining contingency. Costs for these new voltage support upgrades are allocated by removing an Interconnection Request from the model (each in turn) and evaluating the impact (delta V) of that Interconnection Request on the voltage. If the voltage stays constant or decreases when the Interconnection Request is removed, it is considered a “Helper”. If the removal of an Interconnection Request from the model elevates the contingent voltage, then such Interconnection Request is called a “Harmer”. Analysis will include compliance verification with SCS Transmission Planning’s acceptable voltage range and voltage deviation criteria.

The Percent Cost Allocation of a system upgrade allocated to each Generator Interconnection Request is then proportional to the incremental impact of each new Interconnection Request on the constrained facility divided by the incremental impact of the sum of all Harmers identified in the Cluster.

$$\text{Cost Allocation Factor} = \frac{\text{Delta Voltage Removing Generating Facility}}{\sum \text{Delta Voltage from all Harmers}}$$

The cost allocated for each upgrade is then proportional to the cost allocation factor.

$$\text{Allocated Cost}_{\text{Gen Facility}} = \text{Cost Allocation Factor} * \text{Cost of Network Upgrade}$$

Voltage Impact Analysis Example: Steady state low voltage issue observed with the addition of 6 Interconnection Requests. Studies indicate the need to add a static VAR device (capacitor bank) totaling \$6M. Each Interconnection Request is removed (each in turn) to identify Helper and Harmer Interconnection Requests. Removal of Generator Facilities 4, 5, and 6 contribute to increasing the voltage (i.e., voltage goes up with the removal of the Interconnection Request; therefore, having the Interconnection Request online decreases voltage) and the mitigation costs are allocated in proportion to the voltage impact as shown in the table below.

<u>Interconnection Request</u>	<u>Contingent Voltage</u>	<u>Delta Voltage Removing Interconnection Request</u>	<u>New Contingent Voltage</u>	<u>Helper / Harmer</u>	<u>Cost Allocation Factor</u>	<u>Cost Allocation \$6M</u>
QF-1	0.87	-0.07	0.80	Helper	0	0
QF -2		-0.07	0.80	Helper	0	0
QF -3		-0.06	0.81	Helper	0	0
QF -4		0.03	0.90	Harmer	25%	\$1.5M
QF -5		0.06	0.93	Harmer	50%	\$3M
QF -6		0.03	0.90	Harmer	25%	\$1.5M
Total			0.12	-	-	100%

1.2.4. Short Circuit

System upgrades associated with upgrading existing breakers or grounding due to short circuit current contribution will be allocated proportionally based on the short circuit current contribution of each Interconnection Request.

Short circuit analysis will include determining the fault current contribution from the proposed Interconnection Request(s) and necessary System upgrades (e.g., breaker replacement) under three-phase fault and single line to ground fault conditions. The Process will identify any circuit breaker(s) that would need to be upgraded as well as any required grounding improvements needs to accommodate fault currents from the proposed Interconnection Request. For the short circuit analysis, queued Interconnection Requests will be added only in the area close to where the proposed Interconnection Request is being interconnected. Since the fault current contribution from a generating facility decays quickly the deeper one goes into the system, the network changes electrically remote from the POI may be ignored for the purpose of short circuit analysis.

All breakers that are found to be underrated and all substations found to need upgraded grounding after the addition of the proposed Interconnection Request will be assigned a system upgrade. A list of Interconnection Requests that drive the need for each system upgrade (e.g., breaker replacement or grounding upgrade) will be provided by Company's Protection and Controls Applications and Substation Engineering departments. The system upgrade costs will be allocated proportionately to the short circuit current contribution of each Interconnection Request in respect to the total short circuit contribution of all contributing Interconnection Requests driving the upgrade.

1.2.5. Stability Analysis

A stability study will include evaluation of the impact of the proposed Interconnection Request on transient stability performance of the Transmission System. System upgrades associated with stability will be proportionally allocated based on the size of each Interconnection Request that is determined to contribute to a stability performance violation (e.g., angular instability, voltage instability, inadequate damping of oscillations, etc.).

APPENDIX 2 – PROCESS COST

Phase	Study Deposit	Readiness Deposit to Enter Phase II¹
Cluster Study ²	\$150,000 ³	-
Cluster Phase II	-	\$3,000,000

- 1. Applied towards interconnection upgrades.
- 2. Additional \$10,000 application fee. Non-refundable.
- 3. Cash deposit only.

APPENDIX 3 – MISSISSIPPI POWER COMPANY QF INTERCONNECTION STUDY AGREEMENT

This QF transmission interconnection study agreement (“**Study Agreement**”) is made and entered into this ___ day of _____, 20___, by and between **Mississippi Power Company**, a corporation existing under the laws of the State of Mississippi (“**Mississippi Power**”), and **Generator’s Name**, a limited liability company organized and existing under the laws of the State of _____ (“**Generator**”). Mississippi Power and Generator each may be referred to as a “Party”, or collectively as the “Parties”.

WITNESSETH

WHEREAS, Mississippi Power is an electric service provider that owns and operates electric generation, transmission, and distribution facilities (collectively, the “**Electric System**”); and

WHEREAS, Generator proposes to develop a generating facility located at **Generator’s Address**, (the “**Facility**”); and

WHEREAS, the Facility is or will be a “**Qualifying Facility**” under PURPA and the Generator will certify the Facility as a Qualifying Facility.

WHEREAS, Generator, on _____, 20___, submitted to Mississippi Power a “**QF Interconnection Request**” which Mississippi Power designated as QF Interconnection Request **MPCQF-XXX**, seeking to interconnect its Facility to the Mississippi Power Electric System and to conduct parallel operation of its Facility with the Electric System; and

WHEREAS, Mississippi Power has agreed to study the proposed interconnection of the Generator’s Facility to the Electric System for the sole purpose of the Generator selling the output of the Facility to Mississippi Power consistent with the Public Utility Regulatory Policies Act of 1978 (“PURPA”); and

WHEREAS, Mississippi Power will perform this QF Interconnection Study to assess requirements for Mississippi Power to interconnect the Facility to the Electric System and for Mississippi Power’s receipt and delivery of electric energy from the Facility (“**Interconnection Service**”) and to specify and estimate the cost of the engineering, equipment, procurement, and construction work needed to physically and electrically connect the Facility with Mississippi Power’s Electric System, including the delivery of electric energy, in accordance with good utility practice; and

NOW, THEREFORE, in consideration of the mutual promises described here, the adequacy and sufficiency of which each Party acknowledges, the Parties agree as follows:

ARTICLE ONE QF INTERCONNECTION STUDY

1.1 Scope. Pursuant to Generator’s request, Mississippi Power will perform the QF Interconnection Study based on the data provided in the QF Interconnection Request. The QF Interconnection Study will include a series of interconnection evaluations (such as short circuit analysis, reactive power analysis, stability analysis, voltage drop and flicker studies, harmonic analysis, breaker duty study, protection and set point coordination studies, and grounding reviews) and a power flow analysis to determine the impacts of delivering the Facility’s energy to Mississippi Power’s native load. The QF Interconnection Study will identify any additions or changes to the Electric System necessary to provide Interconnection Service and the estimated cost and schedule for equipment, engineering, procurement and construction work for those additions or changes.

1.2 Affected Systems. In the event any other electric system is impacted (“Affected System”) by this QF Interconnection Request, Generator shall be responsible for contacting and working with such Affected System to resolve such impacts. Mississippi Power will cooperate with any potential Affected System and Generator must cooperate with Mississippi Power and/or Affected System regarding the studies and

determination of modifications to Affected Systems and, if possible, include those results (if available) in the QF Interconnection Study.

1.3 QF Interconnection Study Cost. Generator will be responsible for payment of Mississippi Power's actual costs incurred in conducting the QF Interconnection Study. The deposit for the QF Interconnection Study is **One Hundred Fifty Thousand Dollars (\$150,000)**.

Upon completion of the QF Interconnection Study, Mississippi Power will determine the actual QF Interconnection Study costs and will invoice Generator for any costs (without interest) that exceed the deposit. Generator must pay the balance for any costs that exceed the deposit within thirty (30) calendar days of such invoice. If the deposit exceeds the actual cost, Mississippi Power will refund (without interest) the excess within thirty (30) calendar days after reconciliation.

If Generator withdraws the request prior to completion of the QF Interconnection Study, MPC will reconcile the actual study costs with the fee deposit paid and will refund any excess funds; if actual costs exceed the amount previously paid, MPC will invoice Generator for the difference.

1.4 Study Report. Upon completion of the QF Interconnection Study, Mississippi Power will prepare and provide to Generator a Study Report providing the information described in Section 1.1 as well as the assumptions upon which it is based and any potential impediments to providing the requested Interconnection Service. Barring unusual circumstances, Mississippi Power will endeavor to complete the QF Interconnection Study and deliver the Study Report by no later than the 3rd Monday in November.

1.5 Modifications of QF Interconnection Request. QF Interconnection Request modifications will be handled in accordance with Section 5.4 of the **State-Jurisdictional Qualifying Facility Transmission Generator Interconnection Annual Cluster Study Process** which may be found in the Generator Interconnection folder on Southern Companies' OASIS website at <http://www.oasis.oati.com/SOCO>.

1.6 QF Interconnection Agreement Following the final report meeting as detailed in the State-Jurisdictional Qualifying Facility Transmission Generator Interconnection Annual Cluster Study Process, Generator must accept or withdraw within 15 Calendar Days. If Generator provides written notice to proceed within the 15 Calendar Day window, Generator and Company will work together to tender and execute the QFIA within 60 Calendar Days.

If Generator does not execute and return the QFIA within the time frame described above, the QF Interconnection Request will be deemed withdrawn and the QF's Interconnection Queue Position will be terminated.

ARTICLE TWO MISCELLANEOUS

2.1 Notices and Contacts. A written notice under this Study Agreement is effective: (i) on the date of personal delivery; (ii) the next business day, if sent via prepaid commercial overnight courier; or (iii) the fourth business day after being sent registered or certified U.S. mail (with proper postage). Each Party will provide notices to the other as provided below or as a Party otherwise designates by written notice to the other.

Mississippi Power Primary Contact:

Guy Evans
Power Delivery Interconnections Engineer
Mississippi Power Company
2992 West Beach Blvd.
Gulfport, MS 39501
Phone – 228-539-7549
Email – chaevans@southernco.com

Generator Primary Contact:

Name
Title
Company
Address
City, State, Zip
Phone
Fax
Email

2.2 Governing Law and Interpretation. The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of Mississippi, without regard to choice of law principles. The Parties will resolve any claim or dispute in a state or federal court sitting in the State of Mississippi. Generator consents to exclusive jurisdiction and venue in these courts and, to the fullest extent allowed by applicable law, waives any objection to this jurisdiction or venue. The invalidity or unenforceability of one or more provisions will not affect validity or enforceability of any other provision or of this Study Agreement as a whole.

2.3 Study Agreement Scope. Mississippi Power enters into this Study Agreement in its capacity as an owner of the Electric System and as a regulated electric utility; neither Party is an agent, partner, joint venturer, services contractor, or representative of the other by reason of this Study Agreement. Each attachment, exhibit, appendix, schedule, or other document attached to or referenced in this Study Agreement is incorporated into, and is integral to, this Study Agreement as if included in the main body. This Study Agreement does not benefit any third party or give rise to liability to any third party. No affiliate of Mississippi Power is liable for Mississippi Power's performance or nonperformance.

2.4 Publicity and Confidentiality. Absent written notice to Mississippi Power in accordance with Section 2.1 (Notices and Contacts) and Mississippi Power's prior written consent in response, Generator may not publish or release a public statement, press release, Internet/website/social media posting, or other publication that includes Mississippi Power's name, logo, trademark, or other identification, mentions or refers to Mississippi Power, or references the QF Interconnection Study. Generator will keep this Study Agreement and the Study Report, and all written and oral communications regarding the QF Interconnection Study and the Study Report, confidential and will not disclose any confidential information, including pricing information, to any other electric utility provider or Mississippi Power customer or to anyone other than those persons who have a need to know for purposes of evaluating, approving, or administering this Study Agreement on behalf of: (i) Generator or a Generator affiliate; or (ii) any financial or regulatory entity involved with the Facility project.

2.5 Study Agreement Modification. A modification of this Study Agreement must be in writing and signed by an authorized representative of each Party.

2.6 Assignment. Generator will not assign, in whole or in part, this Study Agreement or its Study Agreement rights or obligations without Mississippi Power's prior written consent.

2.7 Waiver. The failure of a Party to this Study Agreement to insist, on any occasion, upon strict performance of any provision of this Study Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Study Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Study Agreement. Any waiver of this Study Agreement shall, if requested, be provided in writing.

2.8 Subcontractors. Nothing in this Study Agreement shall prevent Mississippi Power from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Study Agreement.

2.9 Counterparts. This Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Study Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

MISSISSIPPI POWER COMPANY

Generator's Name

By:

Title:

Dated:

By:

Title:

Dated: