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March 25, 2009



Mr. Richard Kinch
U.S. Environmental Protection Agency
Two Potomac Yard
2733 South Crystal Drive
Fifth Floor; N-5783
Arlington, Virginia 22202-2733

Re: Responses to Requests to Mississippi Power Company Plant Manager and Chief Executive Officer for Information Under Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9604(e), dated March 9, 2009

Dear Mr. Kinch:

On behalf of Mississippi Power Company ("Mississippi Power"), this letter responds to the request of the Environmental Protection Agency ("EPA"), dated March 9, 2009, to provide certain information regarding the management of coal combustion by-products ("CCPs") at its Plant Jack Watson. This letter also responds to the letter dated March 9, 2009, to the Chief Executive Officer of Mississippi Power. Mississippi Power appreciates the purpose of EPA's review of current management practices at CCP impoundments across the electric utility industry, and we trust this response will assist EPA in that regard.

EPA has requested some information which Mississippi Power does not ordinarily report or maintain for the use of any state or federal agency. Some of EPA's requests have required Mississippi Power to gather, compile, and confirm information in a manner which is beyond its usual business practices. To provide complete and accurate responses, Mississippi Power has relied on personnel and information located at the plant, at corporate headquarters, and at Southern Company Services, an affiliated company. Mississippi Power has made a reasonable effort to ensure the accuracy and completeness of its responses within the short time demanded by EPA. Mississippi Power reserves the right to supplement this response should the company determine it is appropriate to do so based on additional information or for other reasons.

Enclosed is our response to EPA's letter to the Jack Watson Plant in Gulfport, Mississippi. Certain information included in Mississippi Power's response would raise homeland security concerns if publicly disclosed, and some of that information is also confidential commercial information. Accordingly, some of Mississippi Power's response is confidential or not otherwise subject to public disclosure for purposes of 5 U.S.C. § 552(b)(2), (4) and (7) and 18 U.S.C. § 1905. Mississippi Power has provided the responses which include confidential information in a separate appendix. Mississippi Power asserts a claim of confidentiality for the information provided in the appendix and has marked it confidential. Mississippi Power provides the information marked as confidential on the condition that EPA not disclose the information publicly pursuant to the Freedom of Information Act or any other authority. Should EPA dispute Mississippi Power's claim of confidentiality or consider disclosing the confidential information to any other party, please contact me immediately.

EPA's letter to the Chief Executive Officer requests a list of facilities which have one or more surface impoundments or similar diked or bermed units for the management of various coal combustion by-products, but which did not receive an information request from EPA. Mississippi Power owns one such facility: the Victor Daniel Plant in Jackson County, Mississippi.

Mississippi Power has gathered information to respond to EPA's request in consultation with legal counsel. Providing this information does not constitute any waiver of the attorney-client privilege or any other applicable claim of confidentiality with respect to communications, documents, or any other information of Mississippi Power. Mississippi Power provides this response on a voluntary basis. Mississippi Power does not concede the authority of EPA to compel disclosure of the information provided or to require a certification pursuant to CERCLA Section 104(e), nor does Mississippi Power waive any other right or privilege it may possess.

Please direct all future correspondence regarding this and related matters to Charles Rick Berry, Environmental Quality Manager, Mississippi Power Company, P.O. Box 4079, Gulfport, Mississippi 39502.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Rick Berry', with a long horizontal flourish extending to the right.

Charles Rick Berry
Environmental Quality Manager

Enclosures

**MISSISSIPPI POWER COMPANY RESPONSES TO EPA QUESTIONS
REGARDING MANAGEMENT OF COAL COMBUSTION BY-PRODUCTS AT
JACK WATSON ELECTRIC GENERATING PLANT**

Plant Jack Watson
Mississippi Power Company
10406 Lorraine Road
Gulfport, Mississippi 39503

Enclosure

NOTE: The text of EPA's questions is included below in *italics*. Mississippi Power Company's responses are provided in plain text.

Please provide the information requested below for each surface impoundment or similar diked or bermed management unit(s) or management units designated as landfills which receive liquid-borne material for the storage or disposal of residuals or by-products from the combustion of coal, including, but not limited to, fly ash, bottom ash, boiler slag, or flue gas emission control residuals. This includes units that no longer receive coal combustion residues or by-products, but still contain free liquids.

1. Relative to the National Inventory of Dams criteria for High, Significant, Low, or Less-than-Low, please provide the potential hazard rating for each management unit and indicate who established the rating, what the basis of the rating is, and what federal or state agency regulates the unit(s). If the unit(s) does not have a rating, please note that fact.

Response to Question 1:

The Plant Jack Watson Ash Pond is not listed in the National Inventory of Dams database, and is therefore not rated.

2. What year(s) was each management unit(s) commissioned and expanded?

Response to Question 2:

The unit was commissioned in 1968 and was expanded in 1974 for use as an NPDES facility. The most recent expansion of the unit was completed in 1999.

3. What materials are temporarily or permanently contained in the unit? Use the following categories to respond to this question: (1) fly ash; (2) bottom ash; (3) boiler slag; (4) flue gas emission control residuals; (5) other. If the management unit contains more than one type of material, please identify all that apply. Also, if you identify "other," please specify the other types of materials that are temporarily or permanently contained in the unit(s).

Response to Question 3:

Fly ash, bottom ash, boiler slag, segregated pyrites, and other (regulatory permitted low-volume wastes, i.e., waste that is not hazardous for purposes of RCRA Subtitle C and is otherwise permitted under applicable regulations, such as, 40 CFR 423.11).

4. Was the management unit(s) designed by a Professional Engineer? Is or was the construction of the waste management unit(s) under the supervision of a Professional Engineer? Is inspection and monitoring of the safety of the waste management unit(s) under the supervision of a Professional Engineer?

Response to Question 4:

Mississippi Power's review does not indicate the professional qualifications and credentials of those associated with the original design and construction of the Watson ash pond in 1968. The Watson ash pond has an operational history of forty-one years without incident. Mississippi Power has added the unit to a comprehensive dam safety program, administered by its affiliate, Southern Company Services. This program includes regular safety inspections by Professional Engineers employed by Southern Company Services and licensed in Mississippi and/or Alabama.

5. When did the company last assess or evaluate the safety (i.e., structural integrity) of the management unit(s)? Briefly describe the credentials of those conducting the structural integrity assessments/evaluations. Identify actions taken or planned by facility personnel as a result of these assessments or evaluations. If corrective actions were taken, briefly describe the credentials of those performing the corrective actions, whether they were company employees or contractors. If the company plans an assessment or evaluation in the future, when is it expected to occur?

Response to Question 5 Provided in an Appendix:

6. When did a State or a Federal regulatory official last inspect or evaluate the safety (structural integrity) of the management unit(s)? If you are aware of a planned state or federal inspection or evaluation in the future, when is it expected to occur? Please identify the Federal or State regulatory agency or department which conducted or is planning the inspection or evaluation. Please provide a copy of the most recent official inspection report or evaluation.

Response to Question 6 Provided in an Appendix:

7. Have assessments or evaluations, or inspections conducted by State or Federal regulatory officials conducted within the past year uncovered a safety issue(s) with the management unit(s), and, if so, describe the actions that have been or are being taken to deal with the issue or issues.

Please provide any documentation that you have for these actions.

Response to Question 7 Provided in an Appendix:

8. What is the surface area (acres) and total storage capacity of each of the management units? What is the volume of materials currently stored in each of the management units? Please provide the date that the volume measurement(s) was taken. Please provide the maximum height of the management unit(s). The basis for determining maximum height is explained later in this Enclosure.

Response to Question 8 Provided in an Appendix:

9. Please provide a brief history of known spills or unpermitted releases from the unit within the last ten years, whether or not these were reported to State or federal regulatory agencies. For purposes of this question, please include only releases to surface water or to the land (do not include releases to groundwater).

Response to Question 9:

To the best of our knowledge, no spills or unpermitted releases have occurred within the last ten years.

10. Please identify all current legal owner(s) and operator(s) at the facility.

Response to Question 10:

Mississippi Power Company

DO NOT DISCLOSE
CONFIDENTIAL BUSINESS INFORMATION
NOT SUBJECT TO DISCLOSURE UNDER THE FREEDOM OF
INFORMATION ACT

CONFIDENTIAL APPENDIX

NOTE: The text of EPA's questions is included below in *italics*. Mississippi Power Company's responses are provided in plain text.

Please provide the information requested below for each surface impoundment or similar diked or bermed management unit(s) or management units designated as landfills which receive liquid-borne material for the storage or disposal of residuals or by-products from the combustion of coal, including, but not limited to, fly ash, bottom ash, boiler slag, or flue gas emission control residuals. This includes units that no longer receive coal combustion residues or by-products, but still contain free liquids.

5. When did the company last assess or evaluate the safety (i.e., structural integrity) of the management unit(s)? Briefly describe the credentials of those conducting the structural integrity assessments/evaluations. Identify actions taken or planned by facility personnel as a result of these assessments or evaluations. If corrective actions were taken, briefly describe the credentials of those performing the corrective actions, whether they were company employees or contractors. If the company plans an assessment or evaluation in the future, when is it expected to occur?

Response to Question 5:

The last inspection was performed on January 21, 2009.

The inspection was conducted by a team of three engineers from Mississippi Power Company's affiliate, Southern Company Services. The inspectors are all licensed Professional Engineers in Alabama and/or Mississippi, have multiple years of experience, and two specialize in dam safety. Annual inspections will be performed. During the January 21, 2009, inspection the dam safety team noted tall grasses along the dam face with some localized areas of dense brush along the toe. It was recommended that the plant staff perform vegetation mowing/clearing of the overgrown areas. The actions taken in response to the recommendations required no engineering and no corrective action related to dam safety or structural integrity. The referenced vegetation has been removed by facility personnel. A supplemental inspection by the dam safety team has been recommended, and this inspection is scheduled to take place on March 31, 2009.

**6. When did a State or a Federal regulatory official last inspect or evaluate the safety (structural integrity) of the management unit(s)? If you are aware of a planned state or federal inspection or evaluation in the future, when is it expected to occur? Please identify the Federal or State regulatory agency or department which conducted or is planning the inspection or evaluation.
Please provide a copy of the most recent official inspection report or evaluation.**

Response to Question 6:

Personnel from Mississippi Department of Environmental Quality (MDEQ) performed a site visit and observed the unit on February 3, 2009.

Personnel from MDEQ's Dam Safety Division, Land and Water Resources Division, and Office of Pollution Control participated in the site visit.

A copy of the MDEQ inspection report dated February 12, 2009, is enclosed.

**7. Have assessments or evaluations, or inspections conducted by State or Federal regulatory officials conducted within the past year uncovered a safety issue(s) with the management unit(s), and, if so, describe the actions that have been or are being taken to deal with the issue or issues.
Please provide any documentation that you have for these actions.**

Response to Question 7:

No, please see #6 above for details.

Inspection of the dam by MDEQ did not identify any safety issues with the unit.

8. What is the surface area (acres) and total storage capacity of each of the management units? What is the volume of materials currently stored in each of the management units? Please provide the date that the volume measurement(s) was taken. Please provide the maximum height of the management unit(s). The basis for determining maximum height is explained later in this Enclosure.

Response to Question 8:

- 1) Approximate surface area: 102 acres.**
- 2) Approximate storage capacity: 511,111 cubic yards.**
- 3) Approximate current volume of material stored: 403,704 cubic yards.**
- 4) Date of last topographic and hydrographic survey: September 10, 2001.
Date of annual volume measurement (calculation): December 8, 2008.**
- 5) Approximate maximum height: 30 feet.**