

**Mercury:**

Mercury in the environment comes from a multitude of sources, both natural and manmade. U.S. electric utilities account for about 1% of all airborne mercury emissions worldwide, and about one-third of the man-made emissions in the U.S. We believe that any approach to reducing mercury emissions from power plants should take into account mercury reductions that will happen over the next decade as plants are required to install environmental controls for reducing other emissions — such as SO<sub>2</sub> and NO<sub>x</sub>. As these reductions are being achieved, mercury-specific controls should be developed and tested to ensure that any new technologies will be effective in making further reductions. We currently anticipate that, by early next decade, we will reduce our current levels of mercury emissions significantly.

We also recognize the value of the same kind of cap and trade approach that has been successful in reducing SO<sub>2</sub> emissions from power plants while balancing the cost to the American public.

As policy and regulations continue to evolve, Southern Company is taking action. We are evaluating the effectiveness of various pollution control systems in reducing mercury emissions, as well as supporting additional research on health effects. For example, we are partnering with DOE in research to study the latest technology for the removal of mercury emissions. Short-term tests at Plant Gaston in Alabama were completed in 2001. Results showed as much as 70 percent or more of the mercury could be removed from emissions. Additional testing is underway.