

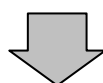
## Power supply and demand Outlook in this summer and Measures

### 1 Power supply and demand outlook in this summer

Power supply shortage is expected from July to the beginning of September even if power saving as in 2011 is expected in case of extremely hot summer as in 2010 and continuing the shutdown of our nuclear power stations.

【Power supply and demand balance in case of extremely hot summer as in 2010 and expecting power savings as in 2011】 (Generation End) (Unit: MW)

	July	August	The beginning of September
Maximum power demand	16,340	16,340	15,830
Power supply	15,600	15,740	15,100
Reserved power supply (Reserved rate %)	- 750 ( - 4.6%)	- 600 ( - 3.7%)	- 740 ( - 4.6%)



( In case of expecting demand decrease (effective amount of 240MW) due to the invoke of occasional adjustment contracts in addition to the above. )

Reserved power supply (Reserved rate %)	- 510 ( - 3.1%)	- 360 ( - 2.2%)	- 500 ( - 3.2%)
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### 2 Measures of power supply

#### (1) Incorporated measures at the present moment

All measures of power supply that is possible to correspond at a plan stage are incorporated.

- Adjustment of a shutdown time for repair of the thermal power stations
  - Postponement of the renewal construction of gas turbine at Shin-Oita Power Station Unit1-1(100MW),etc.
- Resuming operation of thermal power under long-term shutdown
  - Resumption of operations at Karita Power Station Shin-Unit2 which intended to be decommissioned at the end of 2011. (375MW / Aging 40 years)

[ Resumption of operations: June 8 ,2012 ]

- Urgent installation of generation facilities
  - Installing a diesel generator at Buzen Power Station(4MW)
 

[ Installation schedule: July,2012 ]
  - Utilization of movable generation facilities of a remote island(3MW)
 

[ Installation schedule: July,2012 ]
- Received power from other companies, etc
  - Received power of the planned power supply from other electric power companies
 

: 450MW at daytime / 1,010MW at nighttime
  - Received power from in-house generating facilities
 

: 150MW at daytime / 130MW at nighttime

## **(2) Further measures**

The company will work on further measures of power supply until just before power is supplied in case of expecting that demand is outstripping supply.

- Received extra power from other electric power companies
- Power supply from electric power exchange
- Conclusion of received power contract with Tobata Co-operative Thermal Power Company, Inc , Oita Co-operative Thermal Power Co; Inc and Nippon Steel Corporation.
 

[ The end of May,2012 ]

  - We have concluded a contract with the three companies above stating that if Kyushu Electric Power is experiencing a supply shortage and they have surplus power within the Nippon Steel Corporation received power quota, Nippon Steel Corporation will supply that surplus power to Kyushu Electric Power.

A joint venture of Nippon Steel Corporation and Kyushu Electric Power

- We continue to ask customers and others with in-house generating facilities to increase output and sell it to Kyushu Electric Power.

## **3 Demand measures**

### **(1) Demand measures this summer**

- Request for efforts to save power
  - We are asking customers in the Kyushu Electric Power service area to help reduce system peak load use by 10% or more as compared to 2010 during the hours of 9:00 AM - 8:00 PM on weekdays from July 2 - September 7, the period when we forecast supply shortages (except during Obon, August 13 - 15).

We are particularly asking customers to save power during peak demand hours when the temperature is high (1:00 PM - 5:00 PM in Kyushu).

○ Fee menu options to further curb demand

- Expanding summer planned adjustment contracts, etc.

[Regulating ability (as of June 4): 450 MW]

- Customers of 500 kW and up: We are providing consultations to new customers and asking customers to increase their regulating ability.

- Customers of less than 500 kW: We are expanding summer planned adjustment contracts to include customers of 300 kW and up.

- Peak demand power adjustment discounts (new)

[Regulating ability equivalent: 100 MW]

(Applications as of June 12: 30,000/70,000)

- Test of new menu options for residential customers

- We will be testing “virtual peak fees” on residential customers from July through September to verify how effectively they curb their loads. Based on test results and customer needs, we will study menu options for curbing peak demand.

[Subjects: 1000]

**(2) Responding to supply shortages**

○ Load adjustment with fee menu options

- Spot load adjustment contracts (new)

[Regulating ability equivalent: 20 MW]

(Currently providing consulting)

- Occasional adjustment contracts

[330 MW (effective value 240 MW)]

○ Emails asking for urgent power saving (new)

- We will send emails to customers’ mobile phone email addresses, asking for urgent power saving. We ask customers who are willing to help power saving to register in advance. Emails will be sent about one hour before supply shortages are expected (when our reserved rate is less than 3%). They will ask customers to curb any unnecessary electricity use.

- Kyushu Electric Power will donate 100 yen to areas affected by the Great East Japan Earthquake for every customer registered.

End