

# Overview of Operating Objectives for FY2012

-Corporate group that satisfies all energy-related needs and maintains growth-

To enable us to fulfill our mission as an electric utility company - to provide our customers with a stable supply of safe and low-cost energy – it is essential that we achieve a good balance among a diverse range of energy sources. In particular, we believe that the continued use of nuclear power as an important energy source, after instituting even more thorough safety measures, will be indispensable to ensuring a stable supply of energy in the future.

Given this, we will spare no effort in working to further increase the safety of the Hamaoka Nuclear Power Station. The suspension of operation of Hamaoka Nuclear Power Station continues to place the company in a very difficult position, necessitating increased efforts to ensure a stable supply of power, in addition to increasing fuel costs.

Taking this operating environment into consideration, we have established “Three Important Initiatives” for implementation by the entire Group in our Operating Objectives for FY2012, and we will spare no effort in their implementation.

## Three Important Initiatives

### 1 Initiatives to further increase the safety of Hamaoka Nuclear Power Station

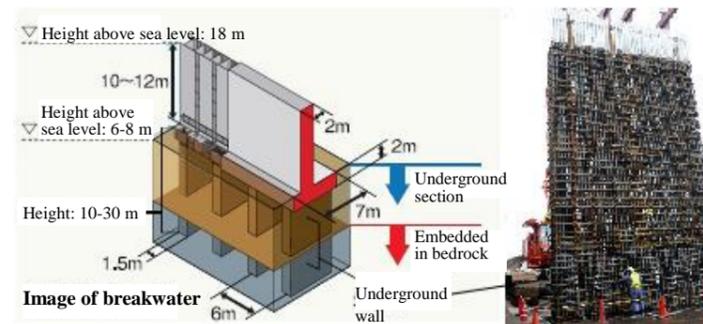
Steady implementation of tsunami countermeasures to prevent water infiltrating facility grounds or buildings and to guarantee cooling functions during emergencies, etc., as well as the formulation of new measures as appropriate in response to new findings in order to further increase safety

In addition to these equipment- and facility-based measures, enhancement of system-based disaster prevention measures

#### ○ Tsunami Countermeasures

- Flooding prevention measure 1 -Prevention of infiltration of water into facility grounds- (Construction of breakwaters to 18 m above sea level, etc.)
- Flooding prevention measure 2 -Prevention of infiltration of water into buildings- (Install emergency water intake system, etc.)
- Strengthen emergency countermeasures - Ensure cooling function -

(such as ensuring the three functions of water injection, heat removal, and power supply)



\*An evaluation of seismic safety based on new government seismic safety guidelines is presently under consideration

#### ○ Earthquake Countermeasures

- Completion of work by March 2008 in order to ensure seismic safety in the case of seismic events such as the occurrence of three linked earthquakes,\* while increasing earthquake resistance

⇒ Appropriate implementation of necessary measures based on new findings produced by surveys of subterranean structures, studies of the Fukushima Daiichi incident, studies by the government’s Central Disaster Management Council, etc., in order to continuously increase safety measures against tsunami and earthquakes

#### ○ Disaster Prevention Countermeasures

- Reexamination and enhancement of systems for prevention of nuclear disasters (enhancement of disaster prevention systems, including those of Group companies, improvement of ability to respond through training, etc.)
- Upgrading and enhancement of disaster prevention and response equipment (procurement of sufficient communications equipment, radiation measurement devices, etc. and upgrading of means of transportation)
- Enhancement of cooperation with national and local governments, etc. (cooperation in revision of regional disaster prevention plans by local governments, participation in disaster prevention training organized by local governments)

### 2 Initiatives to ensure a stable supply of power

#### ○ Measures in response to FY2012 summer supply and demand

- The maximum power supply cannot be stated at this time, as a careful examination is required of the energy conservation results based on actual conservation achievements through the end of March.
- With the commencement of operation of Joetsu Thermal Power Station Unit 1-1, we have increased our supply capacity to around 28.1 GW.
- This represents a supply capacity offering a reserve margin of around 7% against maximum supply in FY2010 (26.36 GW\*) and around 12% against maximum supply in FY2011 (around 25.14 GW\*), when energy conservation measures were in effect (accounting for around 1 GW). \*Figures at generation end,



Joetsu Thermal Power Station

after correction for air temperature

- This will make it possible to avoid blanket calls for energy conservation, which have a significant social impact, or calls for large-scale operational adjustments at the level of industries, as was the case in FY2011.

#### ○ Initiatives to ensure stable supply of power in the future

- Absolute commitment to implementation of efforts to further increase the safety of Hamaoka Nuclear Power Station
- In addition to development of Tokuyama Hydroelectric Power Station, introduction of renewable energies through mega solar and wind power developments, small- and medium-scale hydroelectric projects, etc.
- Because of delays in the construction schedules of other companies’ nuclear power stations, advancement of schedule for commencement of operation of Nishi-Nagoya Thermal Power Station Group No. 7 in order to ensure supply capacity and reduction of fuel costs and volume of CO2 emissions (FY2019→FY2017)

#### ○ Enhancement of mutual support by electric utilities

- Looking toward the realization of stable supply in the Chubu region at the same time as ensuring stable supply throughout the nation, advancement of the schedule for fully fledged operation of the Higashi-Shimizu FC with 300 MW conversion capacity (FY2014→FY2012), power interchanges, etc.

### 3 Initiatives for the realization of greater operating efficiency

We have worked up to now to reduce capital investment and thoroughly increase operating efficiency, but the significant increase in fuel costs occasioned by the suspension of operation of the Hamaoka Nuclear Power Station will see us striving to the limit to achieve further increases in management efficiency.

#### ○ Increased efficiency in form of facilities, operation, procurement

- Increased efficiency in the form of facilities (introduction of high-efficiency combined cycle generation, reduction of transmission loss, etc.)
- Increased efficiency in facility operation and maintenance (increased total thermal efficiency through efficient operation, rationalization of inspection and maintenance procedures)
- Increased economy in fuel procurement
- Increased efficiency of business operations (efforts to restructure operations, establishment of efficient business systems throughout the Group as a whole)

## Chubu Electric Group Management Vision 2030: Vision for Our Company

### Vision for our company: Corporate group that satisfies all energy-related needs and maintains growth

We formulated the Chubu Electric Group Management Vision 2030 in February 2011 to provide a vision for the company that we would like to be in 2030. We will work steadily towards the realization of this vision of our company, while always remaining aware of changes in the business environment.

### Initiatives towards becoming the company we strive to be

#### 1 Promoting renewable energy

##### ○ Active development of renewable energy as a Group

- Mega-solar electricity generation (Mega Solar Taketoyo, Mega Solar Shimizu, etc.)
- Wind power generation (expansion of Aoyama Kogen Wind Farm, Wind Park Minami Ibuki (tentative name), etc.)
- Hydropower generation (Tokuyama Hydroelectric Power Station, two standard hydroelectric locations, five locations for generating power from residual flow discharge, etc.)
- Biomass power generation (woody biomass mixed combustion, sewage sludge fuel mixed combustion, etc.)
- Measures to stabilize system with introduction of renewable energy



Mega Solar Taketoyo

#### 2 Enhancing stability, economy and flexibility in fuel procurement

- Upgrading and use of fuel-related infrastructure (installation of LNG tanks, laying of pipelines, etc.)
- Acquisition of upstream interests (participation in “Cordoba Project,” shale gas development project, etc.)

- Enhancement of ability to procure coal through trading (transfer of coal trading functions to Singapore, etc.)
- Diversification of LNG sourcing (purchase from Ichthys Project in Australia, purchases of unspecified origin, etc.)

### 3 Creating next-generation network

- Initiatives towards the spread of smart houses and smart communities (participation in government proving trials, etc.)
- Introduction of smart meters (introduction with target of 80% of total demand in next five years, etc.)

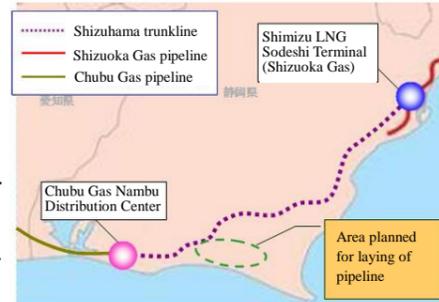
### 4 Becoming the “top corporate group in energy services”

#### ○ Proposals for household customers

- Proposals offering households the versatility available with electricity, including solar power, electric vehicles, etc., in addition to heat pump equipment such as the EcoCute, which offers a high level of energy savings

#### ○ Proposals for business customers

- Proposal of energy solutions services exploiting the respective strengths of electricity and gas, for example provision of optimal combinations of energy sources, optimal operating methods, etc., in response to demand for diversification and realization of increased sophistication
- As a Group, provision of optimal energy services combining gas and LNG, onsite energy, etc., making use of pipelines laid jointly with regional gas companies and new LNG shipping facilities



Laying of Minami Enshu pipeline

### 5 Implementing initiatives to enable continuation of business in the event of a large-scale disaster

- With awareness of Chubu Electric’s role as a company that represents a lifeline for the Chubu region, further advancement of measures implemented to date to respond to a large-scale disaster, including the triple-interlocked Tokai/Tonankai/Nankai earthquake, and established a crisis management system. Promotion of implementation of measures from the perspectives of equipment and work operations, with appropriate reflection of new findings, etc., in order to ensure safe and stable supply of power