Seminole Electric
COOPERATIVE, INC.
IN PARTNERSHIP WITH THOSE WE SERVE

January 12, 2009

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

090047-EM

Dear Ms. Cole:

In accordance with Rule 25-6.0185, Florida Administrative Code, Seminole Electric Cooperative, Inc., hereby submits both a clean and a type-and-strike copy of our revised Long-Term Fuel Emergency Plan. Other than some formatting revisions, the only changes from our last Emergency Plan filing in 2006 are 1) to revise Seminole's gas fired generating station name to the Midulla Generating Station, 2) to revise some of the position titles, 3) to indicate revisions to fuel inventory level targets, 4) to reflect addition of firm natural gas storage capacity, and 5) to reflect changes in Seminole's Member's General Managers.

Please do not hesitate to call me if you have any questions or comments. I can be contacted at (813) 739-1234 or by e-mail at jreid@seminole-electric.com .

Sincerely,

Wm. Jack Reid
Director of Fuel Supply

Enclosure

cc: T. Woodbury
M. Opalinski
J. Welborn
D. White
S. Wallace
C. Wubbena

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SEMINOLE ELECTRIC COOPERATIVE, INC.

AND

MEMBER COOPERATIVES

LONG-TERM FUEL EMERGENCY PLAN

REVISED

January 2009

SEMINOLE ELECTRIC COOPERATIVE, INC.
AND
MEMBER COOPERATIVES
LONG-TERM FUEL EMERGENCY PLAN

INTRODUCTION

Fuel shortages caused by factors beyond those recognized as prudent planning and operating practices may result in a long-term electrical energy deficiency. The following plan was developed to provide a procedure for responding to a fuel supply shortage on the Seminole Electric Cooperative, Inc. (Seminole) system or in the event of a Florida Fuel Supply Emergency.

To this end, the procedures described herein will establish steps to be taken by Seminole and its member cooperatives (listed in Appendix A) to ascertain the existence of a fuel emergency and to respond to it. Furthermore, this procedure establishes steps to be taken by Seminole and its member cooperatives in an effort to cooperate fully with the Florida Reliability Coordinating Council (FRCC) Fuel Supply Shortage Element dated November 1998 and the FRCC Generating Capacity Shortage Plan (currently as adopted) in the event of a Florida Fuel Supply Emergency.

Seminole and its member cooperatives have a unique relationship that must be recognized in the development and implementation of this emergency plan. As the power supplier, Seminole has the responsibility of fuel supply, power generation, and wholesale purchases, while the member cooperatives have all responsibility for serving retail customers. In subscribing to this plan, Seminole and its member cooperatives are committed to a joint coordinated implementation program. A list of the persons responsible for individual participant action under this plan is attached as Appendix A.

PLAN REQUIREMENT

Pursuant to Rule 25-6.0185, Florida Administrative Code, each Florida electric utility must have a Long-Term Energy Emergency Plan on file with the Florida Public Service Commission (FPSC),. This plan is to establish a systematic and effective means of anticipating, assessing, and responding to a long-term emergency caused by a fuel supply shortage.

This plan was first required on January 31, 1999 and is to be reviewed every three (3) years. If the plan does not need revising, Seminole must file a letter stating that the required review has been conducted and that the plan continues to be adequate. If a revised plan is necessary, such a plan shall be submitted to the FPSC for approval and to the FRCC for information purposes.

SEMINOLE ELECTRIC COOPERATIVE, INC.
AND
MEMBER COOPERATIVES

LONG-TERM FUEL EMERGENCY PLAN

I. PURPOSE

The purpose of this plan is to provide an effective procedure for responding to a fuel supply shortage on the Seminole System or in the event of a Florida Fuel Supply Emergency. Fossil fuels that are covered by this plan are coal, petroleum coke, natural gas, and diesel fuel oil.

II FACILITIES

Coal is the primary fuel presently utilized by Seminole and its member cooperatives at the Seminole Generating station at Palatka, Florida. Petroleum coke is also used at times at this facility. In addition to coal and petroleum coke, Seminole uses natural gas as a fuel source for its Midulla Generating Station in Hardee County, as well as for several facilities under purchase power agreements. Most of these facilities also use fuel oil as a backup fuel when natural gas is not available. All four fuels will be addressed in this plan. Nuclear fuel is utilized in Crystal River Unit No. 3, where Seminole owns a 1.6994 percent (15 megawatt) share. However, nuclear fuel supply is the responsibility of Progress Energy Florida and, therefore, is not included in this plan.

III. DEFINITION

A fuel supply shortage is deemed an energy emergency whenever anticipated fuel stocks are not judged sufficient to provide for existing energy obligations over an extended period of time.

IV. FUEL INVENTORY PLAN - COAL and PETROLEUM COKE

Coal is the primary fuel presently utilized by Seminole and its member cooperatives at the Seminole Generating Station. Coal is sourced from various coal regions in Illinois, Indiana, Kentucky, Virginia, West Virginia, and Pennsylvania. The facility is permitted to utilize up to 30%

of its feed stock in the form of petroleum coke. The following plan references the total coal and petroleum coke inventory located at the plant. The facilities transportation of coal and petroleum coke is currently served by the CSX Railroad.

For the purpose of this plan, the available fuel inventory will be considered as the fuel on hand. However, fuel in transit which is known to be unaffected by causes related to the fuel shortage will be considered in the assessment of any particular situation. The equivalent of an additional 3-6 days burn is normally in transit.

Normal Operating Inventory

To mitigate risks due to supply, transportation, and unloading interruptions, the plan is to maintain an annual average of 50 days or more of solid fuel in inventory.

Alternative Action Level

The fuel inventory level at which alternative actions must be considered is 30 days burn and declining. At this level, measures must be taken first to assess the situation duration and, secondly, to facilitate existing transportation of fuel, locate alternate fuel or energy sources, and/or implement utility and customer conservation.

Emergency Inventory Level

The fuel inventory level at which an emergency condition is considered to exist is between 25 and 20 days burn and declining. At this level, more substantial steps must be taken to significantly reduce fuel consumption in order that fuel supply to the generating plant site may be continuous.

Critical Inventory Level

Below the 20 day level of inventory, all available methods must be used to reduce fuel consumption, including curtailment of firm load.

V. FUEL INVENTORY PLAN - FUEL OIL

Fuel oil is used for several reasons by Seminole and its member cooperatives. No.2 diesel fuel oil is a flame stabilizing fuel and startup fuel presently utilized at the Seminole Generating Station. For the Midulla Generating Station and several facilities under purchase power agreements, fuel oil is a backup fuel that can be utilized in an emergency

when the primary fuel, natural gas, is interrupted.

For the purpose of this plan, the available fuel oil inventory will be considered as the fuel on hand. However, fuel in transit which is known to be unaffected by causes related to the fuel shortage will be considered in the assessment of any particular situation.

Normal Operating Inventory

The normal operating fuel inventory range for the Midulla Generating Station will be 50 to 100 hours burn for full load operation For purchase power facilities that have only one pipeline access and no firm natural gas transportation capacity, the fuel oil inventory range will be 48 to 72 hours burn for full load operation. No fuel oil is available at the Calpine Osprey facility, but the facility has firm natural gas transportation capacity.

Alternative Action Level

The fuel oil inventory level at which alternative actions must be considered is 24 hour burn level and declining. At this level, measures must be taken first to assess the situation duration and, secondly, to facilitate existing transportation of fuel, locate alternate fuel or energy sources, and/or implement utility and customer conservation.

Emergency Inventory Level

The fuel inventory level at which an emergency condition is considered to exist is between 24 and 18 hour burn level and declining. At this level, more substantial steps must be taken to significantly reduce fuel consumption in order to preserve the available fuel oil supply at the generating plant site for further emergency operation.

Critical Inventory Level

Below the 18 hour burn level of inventory, all available methods must be used to reduce fuel consumption, including curtailment of firm load.

VI. NATURAL GAS STORAGE PLAN

Natural gas is the primary fuel type utilized by Seminole and its member cooperatives for the Midulla Generating Station and several facilities under purchase power agreements. While fuel oil is provided at several sites as a backup fuel, certain situations can be protected by temporarily storing natural gas in existing pipelines if storage capacity is available.

Seminole has 570,000 Dth of natural gas storage available for May through October. This storage will facilitate re-supply of natural gas interrupted due to hurricanes in the Gulf of Mexico.

VII. FORECASTING EXTENT OF FUEL SHORTAGE

In the event of a slowdown or interruption in the fuel supply (coal, petroleum coke, fuel oil or natural gas), the Director of Fuel Supply will forecast the extent of the shortage. If, as a result of this determination, the fuel inventory situation meets the definition of an energy emergency as described in Section III, the Director of Fuel Supply will report such findings to the Director of System Operations and Seminole's senior management for further action.

VIII. ALTERNATE FUEL SOURCES

Seminole's Executive Vice President & General Manager or his designee shall authorize the Director of Fuel Supply to investigate potential alternate sources of similar fuels. The Director of Fuel Supply will communicate directly with the Director of System Operations to coordinate his findings with any alternate sources of purchased power.

In the event of the necessity to affect physical transfers of fuel stocks from Seminole to other utilities or vice versa, it is the intent of Seminole and its member cooperatives that the supplying party will be made whole in terms of all of the supplying utility's costs of replacing such fuel. These replacement costs will include, but are not limited to, the following components.

1. Fuel Market
2. Direct transportation
3. Indirect transportation
4. Sampling
5. Insurance
6. Applicable internal overhead

IX. PURCHASED POWER

The Director of System Operations shall authorize the Manager of Control Center Operations to investigate potential sources of supplemental purchased power. The Operations Department will communicate directly

with the Fuel Supply Department to compare the alternative energy sources and perform an economic evaluation of those alternatives. The Operations Department will determine which, if any, energy source is feasible and proceed to carry out that alternative. If the alternative fuel and energy sources are not sufficient to alleviate the energy emergency, the Director of System Operations will so notify the Executive Vice President & General Manager. Accompanying this notification will be an evaluation of the potential cumulative effect of all conservation measures described herein and a recommendation as to which measures should be carried out immediately to aid in alleviating the energy emergency.

In the event of the necessity to affect the purchase of energy from other utilities or the sale of energy to other utilities during a fuel shortage situation, it is the intent of Seminole and its member cooperatives that the supplier of such energy shall be made whole in terms of all costs associated with the transaction.

X. EXTERNAL NOTIFICATION

In the event that alternative fuel and energy sources and recommended conservation measures are judged insufficient to alleviate the energy emergency, and after consultation with the Sr. Vice President of Operations, the Executive Vice President & General Manager and the Member System Managers, the Director of System Operations will notify the State Capacity Emergency Coordinator and the Chairman of the FRCC Operating Subcommittee as required. Such notification will be in accordance with Section V of the FRCC Generating Capacity Shortage and/or Florida Electrical Emergency Contingency Plan's, Fuel Supply Shortage Element for the purpose of requesting initiation of a Fuel Supply Alert.

In addition, the Director of System Operations will immediately initiate actions as described in the following section.

XI. CHRONOLOGY OF CONSERVATION MEASURES

The Director of System Operations, after consultation with the Sr. Vice President of Operations and the Executive Vice President & General Manager, will work with the Member System Managers to affect the necessary steps to implement the following conservation measures to the extent that they are feasible, productive, and do not subject Seminole or its Member Cooperatives to significant liability.

Reduction of Power Usage at Utility-Owned Facilities
Public Appeals to Conserve Energy
Optimization of Fuel in Short Supply
Direct Customer Appeals
Voltage Reductions
Load Management
Notice to Local Governments by Member Cooperatives
Relaxation of Environmental Constraints

The chronology and trigger points for each of these conservation measures are described as follows:

Step A Normal Operating Level

If the Director of Fuel Supply determines that the fuel inventory levels are projected to decline to below normal burn levels and are anticipated to continue an uncontrolled decline, he shall immediately inform the Director of System Operations and, upon consultation with the Sr. Vice President of Operations and Sr. Vice President of Strategic Services, it will be the responsibility of the Director of System Operations to work with the Member System Managers to effect the following steps:

1. Reduction of Power Usage at Utility-Owned Facilities (Seminole and Member Cooperatives).

   Energy use, which is not necessary for production or minimum safety standards, will be reduced to minimum practical levels. These reductions shall include, but not be limited to, indoor lighting, outdoor lighting, air conditioning set no lower than 80°F, and heating set no higher than 65°F.

2. Public Appeals (Member Cooperatives)

   All ongoing advertising by Member Cooperatives, including billing stuffers and member meeting programs, through the local media will encourage conservation.

   All Member Cooperatives will make public appeals through the local media for a general conservation effort.

   NOTE: In the event of a statewide energy emergency, which has been officially

designated as such by the Governor of the State of Florida, all public appeals may be made uniformly under the direction of the Florida Reliability Coordinating Council.

3. Optimization of Fuel in Short Supply (Seminole)

The Director of Operations will authorize the Manager of Control Center Operations or his designee to take necessary actions to optimize the fuel in short supply. It is understood that this may require operation of the generation system at less than optimum conditions with regard to cost. This measure may require suspension of normal economic dispatch, utilization of off-specification fuel, supplemental firing of igniter fuels, variations in normal unit commitments, and energy purchases not normally considered prudent for reasons of cost.

4. Direct Customer Appeals (Member Cooperatives)

Direct appeals will be made by Member Cooperatives to large industrial and commercial customers to reduce consumption and fully utilize all customer-owned generation equipment that uses fuels not in short supply. Such appeals shall be disseminated by each individual member cooperative.

5. Voltage Reductions (Member Cooperatives)

No action required at this time.

6. Load Management (Member Cooperatives)

No action required at this time.

7. Notice to Local Government (Member Cooperatives)

Member cooperatives will inform local government officials of the energy emergency situation and request that steps be taken to reduce energy consumption used for street lighting, outdoor

sporting events, advertising, and other general and specific functions.

8. Relaxation of Environmental Constraints (Seminole)

   The Director of System Operations will request that Environmental Affairs begin investigations into possible emergency permit revisions that would significantly increase the efficiency of operation of any generating unit and/or permit the utilization of available off-specification fuel.

Step B Alternative Action Level

If the Director of Fuel Supply determines that the fuel inventory levels are projected to decline to alternative action level and are anticipated to continue an uncontrolled decline, he shall immediately inform the Director of System Operations and, upon consultation with the Sr. Vice President of Operations, Sr. Vice President of Strategic Services and the Executive Vice President & General Manager, it will be the responsibility of the Director of System Operations to work with the member systems to effect the following steps:

1. Continue all previous steps (Seminole and Member Cooperatives).

2. Conservation at Utility-Owned Facilities (Seminole and Member Cooperatives).

   Request further reductions in energy use. Air conditioning will be set no lower than 85°F. Heating will be set no higher than 60°F. Non-essential hot water heating will be discontinued.

3. Public Appeals (Member Cooperatives)

   The public shall be apprised of the energy emergency through the local media. Requests for conservation will ask for a 25% reduction in energy consumption. These appeals should include information on the possibility of load curtailment if conservation measures do not alleviate the energy emergency. Request that all thermostats be set according to guidelines established in Item 2 above.

NOTE: In the event of a statewide emergency, which has been officially designated as such by the Governor of the State of Florida, all public appeals may be made uniformly under the direction of the Florida Reliability Coordinating Council.

4. Optimization of Fuel in Short Supply (Seminole)

The Director of Operations will direct the Manager of Control Center Operations or his designee to take any further action toward optimization of the fuel in short supply. At the discretion of the Director of Operations, the Manager of Control Center Operations or his designee may discontinue any consideration of cost in system dispatch actions.

5. Direct Customer Appeals (Member Cooperatives)

Further and stronger appeals to large industrial and commercial customers for conservation and full utilization of customer-owned generation will be made. These appeals should include information on the possibility of load curtailment if conservation measures do not alleviate the energy emergency. Ask for a 25% reduction in energy consumption.

6. Voltage Reductions (Member Cooperatives)

To the extent practical, distribution voltage will be reduced in an effort to reduce demand and energy by customers. The following criteria shall be considered by the Member Cooperative Manager in the implementation of this measure:

A. A suitable means of controlling voltage is available to the cooperative.

B. The extent of the voltage reduction does not, in the opinion of the Cooperative Manager, subject customer or cooperative equipment to damage or present a significant

safety hazard.

C. The voltage reduction is not counter-productive in reducing energy and/or demand.

D. The acceptable percent voltage reduction will be left to the judgment of the Member Manager.

7. Load Management (Member Cooperatives)

The use of Load Management will be maximized to reduce customer demand during peak periods.

8. Notice to Local Government (Member Cooperatives)

Member Cooperatives will appeal to local government officials for action that would mandate restrictions on energy consumption for street lighting, outdoor sporting events, and other outdoor events, advertising, and other general and specific functions.

9. Relaxation of Environmental Constraints (Seminole)

Based upon the results of the Environmental Section's investigation into relaxed environmental constraints, the Director of System Operations will recommend a plan of action to the Vice President or his designee, who will initiate action to notify appropriate agencies and/or obtain necessary variances.

Step C Emergency Inventory Level

If the Director of Fuel Supply determines that the fuel inventory levels are projected to decline to emergency levels and are anticipated to continue an uncontrolled decline, he will immediately inform the Director of System Operations and, upon consultation with the Sr. Vice President of Operations, Sr. Vice President of Strategic Services and Executive Vice President & General Manager, it will be the responsibility of the Director of System Operations to work with the Member System Managers to effect

the following steps:

1. Continue all previous steps (Seminole and Member Cooperatives)

2. Conservation at Utility-Owned Facilities (Seminole and Member Cooperatives)

   Reduce energy consumption to minimum possible levels. Set air conditioning to highest manageable levels and heating to lower manageable levels. Reduce lighting levels to minimum. Reduce office hours and occupied work space.

3. Public Appeals (Member Cooperatives)

   Warn public of possibility of upcoming power curtailments. Explain procedures to be used during rotating blackouts. Appeal to all customers for 50% reduction of energy consumption. Ask that air conditioning and heating use be curtailed to minimum levels.

   NOTE: In the event of a statewide energy emergency, which has been designated as such by the Governor of the State of Florida, all public appeals may be made under the direction of the Florida Reliability Coordinating Council.

4. Optimization of Fuel in Short Supply (Seminole)

   Suspend all economic dispatch considerations and fully utilize available alternatives fuels.

5. Direct Customer Appeals (Member Cooperatives)

   Appeal for a 50% reduction in energy consumption by all large industrial and commercial customers. Warn customers of possibility of upcoming power curtailments and explain procedures to be used during rotating blackouts.

6. Voltage Reductions (Member Cooperatives)

Continue efforts.

7. Load Management (Member Cooperatives)

   Continue efforts.

8. Notice to Local Government (Member Cooperatives)

   Continue efforts to reduce non-essential energy usage through government mandate. Appeals should encourage partial shutdown of public institutions and other large facilities as judged feasible.

9. Relax Environmental Constraints (Seminole)

   Continue efforts.

   NOTE: In addition to the above measures, the Director of System Operations will take the appropriate steps to request the initiation of a Fuel Supply Alert as prescribed in Section V of the FRCC Florida Electrical Emergency Contingency Plan, Fuel Supply Shortage Element, if such an alert is not already in effect.

Step D Critical Inventory Level

If the Director of Fuel Supply determines that the fuel inventory levels have dropped below critical level and are anticipated to continue an uncontrolled decline, he will immediately inform the Director of System Operations, and upon consultation with the Sr. Vice President of Operations, Sr. Vice President of Strategic Services, General Manager & Executive Vice President, and all Member System Managers, it will be the responsibility of the Director of System Operations to work with the Member Systems to effect the following steps:

1. Continue all previous steps (Seminole and Member Cooperatives)

2. Determine Required Extent of Curtailment (Seminole)

The Director of Operations will consult with the Director of Fuel Supply, Manager of Operations Control Center, and others, as required, to determine the most prudent level of continued service.

3. Begin manually initiated rotating blackouts of feeders to achieve the desired energy reduction. Exclude, if possible, only those facilities considered as essential services. A guideline for determination of which facilities should be considered as essential services is attached at Appendix B.

APPENDIX A

It is the intent of Seminole and its member cooperatives to cooperate fully with the FRCC Florida Electrical Emergency Contingency Plan, Fuel Supply Shortage Element, in the event that activities under this plan are triggered by an energy emergency on the system of any participating utility. In such cases, the individual steps outlined in this will be implemented under the direction of the FRCC through Seminole's Director of Operations. The persons responsible for the actions of individual participants in this plan are listed below:

Mr. Mike Campbell	Central Florida Electric Cooperative, Inc.
Mr. Wm. C. Phillips	Clay Electric Cooperative, Inc.
Mr. Tommy Todd	Glades Electric Cooperative, Inc.
Ms. Pam May Mr. Dennie Hamilton	Lee County Electric Cooperative, Inc.
Mr. Wm. T. Mulcay, Jr.	Peace River Electric Cooperative, Inc.
Mr. James P. Duncan	Sumter Electric Cooperative, Inc.
Mr. John Martz	Suwannee Valley Electric Cooperative, Inc.
Mr. John D. Hewa	Talquin Electric Cooperative, Inc.
Mr. Julius Hackett	Tri-County Electric Cooperative, Inc.
Mr. Billy E. Brown	Withlacoochee River Electric Cooperative, Inc.

APPENDIX B

GUIDELINE FOR DEFINING ESSENTIAL SERVICES

Energy usage by certain consumers that is essential to the health, safety, or welfare of the community should be considered and, insofar as the situation makes it practical, their special requirements should be allowed to continue. Such continuation applies only to energy requirements for essential services and not to the entire customer service.

Although not an exhaustive list, the following types of services may be included in this category:

A. Hospitals and similar medical services.

B. Police and fire protection.

C. Operation, guidance control, and navigation services for public transportation and shipping, including rail, mass transit, licensed commercial air transportation, and other forms of transportation.

D. Communication services, including telephone and telegraph systems, television, and radio broadcasts.

E. Water supply and sanitation services, including waterworks, pumping, and sewage disposal activities, which cannot be reduced without seriously affecting public health.

F. Central cold storage and mass distribution services required for the preservation of medical and/or food supplies essential to the community.

G. Federal activities essential for national defense and state and local activities essential for providing emergency services.

H. Operations essential for the production, refining, transmission, or distribution of fuel required to provide essential services to the community.

I. Essential construction, operation, and maintenance activities for production and supply of energy required to provide essential services to the community.

Although customers providing these types of services may be given special

SEMINOLE ELECTRIC COOPERATIVE, INC.

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LONG-TERM FUEL EMERGENCY PLAN

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LONG-TERM FUEL EMERGENCY PLAN

INTRODUCTION

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Fuel shortages caused by factors beyond those recognized as prudent planning and operating practices may result in a long-term electrical energy deficiency. The following plan was developed to provide a procedure for responding to a fuel supply shortage on the Seminole Electric Cooperative, Inc. (Seminole) system or in the event of a Florida Fuel Supply Emergency.

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To this end, the procedures described herein will establish steps to be taken by Seminole and its member cooperatives (listed in Appendix A) to ascertain the existence of a fuel emergency and to respond to it. Furthermore, this procedure establishes steps to be taken by Seminole and its member cooperatives in an effort to cooperate fully with the Florida Reliability Coordinating Council (FRCC) Fuel Supply Shortage Element dated November 1998 and the FRCC Generating Capacity Shortage Plan (currently as adopted) in the event of a Florida Fuel Supply Emergency.

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PLAN REQUIREMENT

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This plan was first required on January 31, 1999 and is to be reviewed every three (3) years. If the plan does not need revising, Seminole must file a letter stating that the required review has been conducted and that the plan continues to be adequate. If a revised plan is necessary, such a plan shall be submitted to the FPSC for approval and to the FRCC for information purposes.

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SEMINOLE ELECTRIC COOPERATIVE, INC.
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LONG-TERM FUEL EMERGENCY PLAN

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The purpose of this plan is to provide an effective procedure for responding to a fuel supply shortage on the Seminole System or in the event of a Florida Fuel Supply Emergency. Fossil fuels that are covered by this plan are coal, petroleum coke, natural gas, and diesel fuel oil.

II FACILITIES

Coal is the primary fuel presently utilized by Seminole and its member cooperatives at the Seminole Generating station at Palatka, Florida. Petroleum coke is also used at times at this facility. In addition to coal and petroleum coke, Seminole uses natural gas as a fuel source for its Midulla Generating Station in Hardee County, as well as for several facilities under purchase power agreements. Most of these facilities also use fuel oil as a backup fuel when natural gas is not available. All four fuels will be addressed in this plan. Nuclear fuel is utilized in Crystal River Unit No. 3, where Seminole owns a 1.6994 percent (15 megawatt) share. However, nuclear fuel supply is the responsibility of Progress Energy Florida and, therefore, is not included in this plan.

III. DEFINITION

A fuel supply shortage is deemed an energy emergency whenever anticipated fuel stocks are not judged sufficient to provide for existing energy obligations over an extended period of time.

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Natural gas is the primary fuel type utilized by Seminole and its member cooperatives for the Midulla Generating Station and several facilities under purchase power agreements. While fuel oil is provided at several sites as a backup fuel, certain situations can be protected by temporarily storing natural gas in existing pipelines if storage capacity is available.

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Seminole has 570,000 Dth of natural gas storage available for May through October. This storage will facilitate re-supply of natural gas interrupted due to hurricanes in the Gulf of Mexico.

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VII. FORECASTING EXTENT OF FUEL SHORTAGE

In the event of a slowdown or interruption in the fuel supply (coal, petroleum coke, fuel oil or natural gas), the Director of Fuel Supply will forecast the extent of the shortage. If, as a result of this determination, the fuel inventory situation meets the definition of an energy emergency as described in Section III, the Director of Fuel Supply will report such findings to the Director of System Operations and Seminole's senior management for further action.

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VIII. ALTERNATE FUEL SOURCES

Seminole's Executive Vice President & General Manager or his designee shall authorize the Director of Fuel Supply to investigate potential alternate sources of similar fuels. The Director of Fuel Supply will communicate directly with the Director of System Operations to coordinate his findings with any alternate sources of purchased power.

In the event of the necessity to affect physical transfers of fuel stocks from Seminole to other utilities or vice versa, it is the intent of Seminole and its member cooperatives that the supplying party will be made whole in terms of all of the supplying utility's costs of replacing such fuel. These replacement costs will include, but are not limited to, the following components.

1. Fuel Market
2. Direct transportation
3. Indirect transportation
4. Sampling
5. Insurance
6. Applicable internal overhead

IX. PURCHASED POWER

The Director of System Operations shall authorize the Manager of Control Center Operations to investigate potential sources of supplemental purchased power. The Operations Department will communicate directly

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with the Fuel Supply Department to compare the alternative energy sources and perform an economic evaluation of those alternatives. The Operations Department will determine which, if any, energy source is feasible and proceed to carry out that alternative. If the alternative fuel and energy sources are not sufficient to alleviate the energy emergency, the Director of System Operations will so notify the Executive Vice President & General Manager. Accompanying this notification will be an evaluation of the potential cumulative effect of all conservation measures described herein and a recommendation as to which measures should be carried out immediately to aid in alleviating the energy emergency.

In the event of the necessity to affect the purchase of energy from other utilities or the sale of energy to other utilities during a fuel shortage situation, it is the intent of Seminole and its member cooperatives that the supplier of such energy shall be made whole in terms of all costs associated with the transaction.

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X. EXTERNAL NOTIFICATION

In the event that alternative fuel and energy sources and recommended conservation measures are judged insufficient to alleviate the energy emergency, and after consultation with the Sr. Vice President of Operations, the Executive Vice President & General Manager and the Member System Managers, the Director of System Operations will notify the State Capacity Emergency Coordinator and the Chairman of the FRCC Operating Subcommittee as required. Such notification will be in accordance with Section V of the FRCC Generating Capacity Shortage and/or Florida Electrical Emergency Contingency Plan's, Fuel Supply Shortage Element for the purpose of requesting initiation of a Fuel Supply Alert.

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In addition, the Director of System Operations will immediately initiate actions as described in the following section.

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XI. CHRONOLOGY OF CONSERVATION MEASURES

The Director of System Operations, after consultation with the Sr. Vice President of Operations and the Executive Vice President & General Manager, will work with the Member System Managers to affect the necessary steps to implement the following conservation measures to the extent that they are feasible, productive, and do not subject Seminole or its Member Cooperatives to significant liability.

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Reduction of Power Usage at Utility-Owned Facilities
Public Appeals to Conserve Energy
Optimization of Fuel in Short Supply
Direct Customer Appeals
Voltage Reductions
Load Management
Notice to Local Governments by Member Cooperatives
Relaxation of Environmental Constraints

The chronology and trigger points for each of these conservation measures are described as follows:

Step A Normal Operating Level

If the Director of Fuel Supply determines that the fuel inventory levels are projected to decline to below normal burn levels and are anticipated to continue an uncontrolled decline, he shall immediately inform the Director of System Operations and, upon consultation with the Sr. Vice President of Operations and Sr. Vice President of Strategic Services, it will be the responsibility of the Director of System Operations to work with the Member System Managers to effect the following steps:

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1. Reduction of Power Usage at Utility-Owned Facilities (Seminole and Member Cooperatives).

   Energy use, which is not necessary for production or minimum safety standards, will be reduced to minimum practical levels. These reductions shall include, but not be limited to, indoor lighting, outdoor lighting, air conditioning set no lower than 80°F, and heating set no higher than 65°F.

2. Public Appeals (Member Cooperatives)

   All ongoing advertising by Member Cooperatives, including billing stuffers and member meeting programs, through the local media will encourage conservation.

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   All Member Cooperatives will make public appeals through the local media for a general conservation effort.

   NOTE: In the event of a statewide energy emergency, which has been officially

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designated as such by the Governor of the State of Florida, all public appeals may be made uniformly under the direction of the Florida Reliability Coordinating Council.

3. Optimization of Fuel in Short Supply (Seminole)

The Director of Operations will authorize the Manager of Control Center Operations or his designee to take necessary actions to optimize the fuel in short supply. It is understood that this may require operation of the generation system at less than optimum conditions with regard to cost. This measure may require suspension of normal economic dispatch, utilization of off-specification fuel, supplemental firing of igniter fuels, variations in normal unit commitments, and energy purchases not normally considered prudent for reasons of cost.

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4. Direct Customer Appeals (Member Cooperatives)

Direct appeals will be made by Member Cooperatives to large industrial and commercial customers to reduce consumption and fully utilize all customer-owned generation equipment that uses fuels not in short supply. Such appeals shall be disseminated by each individual member cooperative.

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5. Voltage Reductions (Member Cooperatives)

No action required at this time.

6. Load Management (Member Cooperatives)

No action required at this time.

7. Notice to Local Government (Member Cooperatives)

Member cooperatives will inform local government officials of the energy emergency situation and request that steps be taken to reduce energy consumption used for street lighting, outdoor

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sporting events, advertising, and other general and specific functions.

8. Relaxation of Environmental Constraints (Seminole)

The Director of System Operations will request that Environmental Affairs begin investigations into possible emergency permit revisions that would significantly increase the efficiency of operation of any generating unit and/or permit the utilization of available off-specification fuel.

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Step B Alternative Action Level

If the Director of Fuel Supply determines that the fuel inventory levels are projected to decline to alternative action level and are anticipated to continue an uncontrolled decline, he shall immediately inform the Director of System Operations and, upon consultation with the Sr. Vice President of Operations, Sr. Vice President of Strategic Services and the Executive Vice President & General Manager, it will be the responsibility of the Director of System Operations to work with the member systems to effect the following steps:

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1. Continue all previous steps (Seminole and Member Cooperatives).

2. Conservation at Utility-Owned Facilities (Seminole and Member Cooperatives).

   Request further reductions in energy use. Air conditioning will be set no lower than 85°F. Heating will be set no higher than 60°F. Non-essential hot water heating will be discontinued.

3. Public Appeals (Member Cooperatives)

   The public shall be apprised of the energy emergency through the local media. Requests for conservation will ask for a 25% reduction in energy consumption. These appeals should include information on the possibility of load curtailment if conservation measures do not alleviate the energy emergency. Request that all thermostats be set according to guidelines established in Item 2 above.

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NOTE: In the event of a statewide emergency, which has been officially designated as such by the Governor of the State of Florida, all public appeals may be made uniformly under the direction of the Florida Reliability Coordinating Council.

4. Optimization of Fuel in Short Supply (Seminole)

The Director of Operations will direct the Manager of Control Center Operations or his designee to take any further action toward optimization of the fuel in short supply. At the discretion of the Director of Operations, the Manager of Control Center Operations or his designee may discontinue any consideration of cost in system dispatch actions.

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5. Direct Customer Appeals (Member Cooperatives)

Further and stronger appeals to large industrial and commercial customers for conservation and full utilization of customer-owned generation will be made. These appeals should include information on the possibility of load curtailment if conservation measures do not alleviate the energy emergency. Ask for a 25% reduction in energy consumption.

6. Voltage Reductions (Member Cooperatives)

To the extent practical, distribution voltage will be reduced in an effort to reduce demand and energy by customers. The following criteria shall be considered by the Member Cooperative Manager in the implementation of this measure:

A. A suitable means of controlling voltage is available to the cooperative.

B. The extent of the voltage reduction does not, in the opinion of the Cooperative Manager, subject customer or cooperative equipment to damage or present a significant

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safety hazard.

C. The voltage reduction is not counter-productive in reducing energy and/or demand.

D. The acceptable percent voltage reduction will be left to the judgment of the Member Manager.

7. Load Management (Member Cooperatives)

The use of Load Management will be maximized to reduce customer demand during peak periods.

8. Notice to Local Government (Member Cooperatives)

Member Cooperatives will appeal to local government officials for action that would mandate restrictions on energy consumption for street lighting, outdoor sporting events, and other outdoor events, advertising, and other general and specific functions.

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9. Relaxation of Environmental Constraints (Seminole)

Based upon the results of the Environmental Section's investigation into relaxed environmental constraints, the Director of System Operations will recommend a plan of action to the Vice President or his designee, who will initiate action to notify appropriate agencies and/or obtain necessary variances.

Step C Emergency Inventory Level

If the Director of Fuel Supply determines that the fuel inventory levels are projected to decline to emergency levels and are anticipated to continue an uncontrolled decline, he will immediately inform the Director of System Operations and, upon consultation with the Sr. Vice President of Operations, Sr. Vice President of Strategic Services and Executive Vice President & General Manager, it will be the responsibility of the Director of System Operations to work with the Member System Managers to effect

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the following steps:

1. Continue all previous steps (Seminole and Member Cooperatives)

2. Conservation at Utility-Owned Facilities (Seminole and Member Cooperatives)

   Reduce energy consumption to minimum possible levels. Set air conditioning to highest manageable levels and heating to lower manageable levels. Reduce lighting levels to minimum. Reduce office hours and occupied work space.

3. Public Appeals (Member Cooperatives)

   Warn public of possibility of upcoming power curtailments. Explain procedures to be used during rotating blackouts. Appeal to all customers for 50% reduction of energy consumption. Ask that air conditioning and heating use be curtailed to minimum levels.

   NOTE: In the event of a statewide energy emergency, which has been designated as such by the Governor of the State of Florida, all public appeals may be made under the direction of the Florida Reliability Coordinating Council.

4. Optimization of Fuel in Short Supply (Seminole)

   Suspend all economic dispatch considerations and fully utilize available alternatives fuels.

5. Direct Customer Appeals (Member Cooperatives)

   Appeal for a 50% reduction in energy consumption by all large industrial and commercial customers. Warn customers of possibility of upcoming power curtailments and explain procedures to be used during rotating blackouts.

6. Voltage Reductions (Member Cooperatives)

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Continue efforts.

7. Load Management (Member Cooperatives)

   Continue efforts.

8. Notice to Local Government (Member Cooperatives)

   Continue efforts to reduce non-essential energy usage through government mandate. Appeals should encourage partial shutdown of public institutions and other large facilities as judged feasible.

9. Relax Environmental Constraints (Seminole)

   Continue efforts.

   NOTE: In addition to the above measures, the Director of System Operations will take the appropriate steps to request the initiation of a Fuel Supply Alert as prescribed in Section V of the FRCC Florida Electrical Emergency Contingency Plan, Fuel Supply Shortage Element, if such an alert is not already in effect.

Step D Critical Inventory Level

If the Director of Fuel Supply determines that the fuel inventory levels have dropped below critical level and are anticipated to continue an uncontrolled decline, he will immediately inform the Director of System Operations, and upon consultation with the Sr. Vice President of Operations, Sr. Vice President of Strategic Services, General Manager & Executive Vice President, and all Member System Managers, it will be the responsibility of the Director of System Operations to work with the Member Systems to effect the following steps:

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1. Continue all previous steps (Seminole and Member Cooperatives)

2. Determine Required Extent of Curtailment (Seminole)

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The Director of Operations will consult with the Director of Fuel Supply, Manager of Operations Control Center, and others, as required, to determine the most prudent level of continued service.

3. Begin manually initiated rotating blackouts of feeders to achieve the desired energy reduction. Exclude, if possible, only those facilities considered as essential services. A guideline for determination of which facilities should be considered as essential services is attached at Appendix B.

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APPENDIX A

It is the intent of Seminole and its member cooperatives to cooperate fully with the FRCC Florida Electrical Emergency Contingency Plan, Fuel Supply Shortage Element, in the event that activities under this plan are triggered by an energy emergency on the system of any participating utility. In such cases, the individual steps outlined in this will be implemented under the direction of the FRCC through Seminole's Director of Operations. The persons responsible for the actions of individual participants in this plan are listed below:

Mr. Mike Campbell	Central Florida Electric Cooperative, Inc.
Mr. Wm. C. Phillips	Clay Electric Cooperative, Inc.
Mr. Tommy Todd	Glades Electric Cooperative, Inc.
Ms. Pam May Mr. Dennie Hamilton	Lee County Electric Cooperative, Inc.
Mr. Wm. T. Mulcay, Jr.	Peace River Electric Cooperative, Inc.
Mr. James P. Duncan	Sumter Electric Cooperative, Inc.
Mr. John Martz	Suwannee Valley Electric Cooperative, Inc.
Mr. John D. Hewa	Talquin Electric Cooperative, Inc.
Mr. Julius Hackett	Tri-County Electric Cooperative, Inc.
Mr. Billy E. Brown	Withlacoochee River Electric Cooperative, Inc.

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APPENDIX B

GUIDELINE FOR DEFINING ESSENTIAL SERVICES

Energy usage by certain consumers that is essential to the health, safety, or welfare of the community should be considered and, insofar as the situation makes it practical, their special requirements should be allowed to continue. Such continuation applies only to energy requirements for essential services and not to the entire customer service.

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Although not an exhaustive list, the following types of services may be included in this category:

A. Hospitals and similar medical services.

B. Police and fire protection.

C. Operation, guidance control, and navigation services for public transportation and shipping, including rail, mass transit, licensed commercial air transportation, and other forms of transportation.

D. Communication services, including telephone and telegraph systems, television, and radio broadcasts.

E. Water supply and sanitation services, including waterworks, pumping, and sewage disposal activities, which cannot be reduced without seriously affecting public health.

F. Central cold storage and mass distribution services required for the preservation of medical and/or food supplies essential to the community.

G. Federal activities essential for national defense and state and local activities essential for providing emergency services.

H. Operations essential for the production, refining, transmission, or distribution of fuel required to provide essential services to the community.

I. Essential construction, operation, and maintenance activities for production and supply of energy required to provide essential services to the community.

Although customers providing these types of services may be given special

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consideration from the curtailment provisions of this plan, they should participate in all energy reductions involving non-essential services and should be encouraged to install emergency generation equipment, if continuity of service is essential. In case of customers supplied from multiple sources, only one source will typically be given special consideration.

Although not within the definition of essential services, the special situation of life sustaining medical equipment may be considered. Life sustaining medical equipment is defined as equipment:

- which is necessary to sustain the life of the user,
- which has been prescribed by the user's physician, and
- where any interruption of electricity to such equipment poses an immediate threat to the user.

Customers in this category should fully understand the need for sufficient and proper backup power sources. In addition, during emergency conditions, cooperation and coordination should be provided to community service agencies and other governmental units that make special provisions for the needs of those with life-sustaining medical equipment.

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