

GULF STATES UTILITIES CO.  
Electric Service  
Louisiana

POWER SUPPLY CURTAILMENT PROGRAM  
Supplement to Terms & Conditions

SECTION NO.: IV  
SECTION TITLE: Rules and Regulations  
SHEET NO.: 6  
EFFECTIVE DATE: 6-28-78  
REVISION: 0  
APPLICABLE: Entire La. Service  
PAGE: 1 of 8

I. GENERAL

Shortages of fuel or other necessary material or of generation, transmission, or other facilities, or other conditions may make it necessary for the Company to effect a reduction in load and energy generated. Whenever the Company in its discretion, which shall not be exercised unreasonably, deems that such shortages or conditions render the Company unable to provide for the total demands for power and energy of all of the Company's Customers, or that such power and energy shortage situations are anticipated or imminent, the Company will implement this program.

The major objectives of this program are (i) to provide for the human needs of the Company's Customers and the health and/or safety of the community, also recognizing the industrialized character of the area and the need to preserve jobs and minimize damage to industrial and commercial equipment to the extent possible, and (ii) to provide a fair and reasonable apportionment of power that is available to all Customers of the Company.

II. PROGRAM

This program, as it may be supplemented or amended from time to time, shall be treated for all purposes as an additional part of, and not in lieu of any provisions of, the terms and conditions applicable to electric service supplied by the Company. To the extent time and circumstances reasonably permit, Company will attempt to follow a sequence of curtailment substantially as described in this program. However, the Company shall have the right to activate procedures out of sequence or omit such procedures as are in its judgment, which shall not be exercised unreasonably, necessary or appropriate to achieve immediate or more rapid curtailment or to meet the particular shortage being experienced or anticipated.

The Company's implementation of this program and its load shedding during emergencies shall not constitute defaults or breaches of any of its obligations under any contracts for electric service or violation of any other legal duty to provide service, and the Company shall not be liable for any penalties, damages or losses, direct or consequential, resulting therefrom.

### III. CURTAILMENT PROCEDURES

When the Company is experiencing or about to experience a shortage of capacity or energy resulting from any cause, the Company will take the following actions:

#### LEVEL A

1. Reduce lighting within the Company to minimum required level in work areas, and minimum safe level in hallways and stairways, and turn out any lights which are not required.
2. Set air-conditioning thermostats within the Company to 78 degrees or higher for cooling and 70 degrees or lower for heating.
3. Shutdown or curtail any power plant loads within the Company not needed to permit plant auxiliaries to be operated in the most efficient mode.
4. Shutdown all substation loads of the Company not needed.
5. Review the status of distribution substation and feeder capacitors of the Company so they may be utilized to minimize losses.

#### LEVEL B

1. Interrupt any Customer loads contracted for as interruptible service.
2. Purchase available quantities of power from other electric systems.
3. Commence issuance of periodic bulletins to public media advising the public of the situation and possible need for curtailment or interruption.
4. Apply to proper governmental agencies for variances to burn fuels not then meeting applicable pollution or license standards.
5. Apply to proper governmental agencies for emergency fuel allocations.

#### LEVEL C

1. Reduce the Company's distribution voltage level three percent where applicable by changing LTC and regulator compensators.
2. Utilize the Company's transmission capacitors and reactors to minimize losses.
3. Request all retail and wholesale Customers which own emergency, standby, or other generation to operate their capacity.
4. Request all Customers to curtail as much load as possible.

GULF STATES UTILITIES CO.  
Electric Service  
Louisiana

POWER SUPPLY CURTAILMENT PROGRAM  
Supplement to Terms & Conditions

SECTION NO.: IV  
SECTION TITLE: Rules and Regulations  
SHEET NO.: 7  
EFFECTIVE DATE: 6-28-78  
REVISION: 0  
APPLICABLE: Entire La. Service  
PAGE: 3 of 8

5. If applicable, apply to the Federal Power Commission for designation of an emergency supplier of electric energy under FPC Order No. 520.

LEVEL D

1. Proration of available power among Customers.

LEVEL E

1. Instruct large industrial Customers to reduce or remove load as required. Records shall be kept so that such requests may be apportioned in a reasonably equitable manner among the Customers.
2. Manually reduce load by interrupting feeders on a rotational basis. The lowest priority feeders shall be interrupted first, and records of interruptions shall be kept so that the outage time required may be reasonably equalized among the feeders. The length of an interruption of a feeder should not exceed two hours if reasonably possible under the circumstances.

IV. PRORATION DURING EXTENDED CURTAILMENT OF SERVICE

In the event of a prolonged shortage of capacity or fuel, it may be necessary to ration the available electric service among the Customers. The ration of service available to Customers will depend upon the severity of the emergency. Determination of the ration available to Customers shall be made by the Company in its judgment, and Customers will be notified of their electric bill or by other communication of the amount of electric service they will be allowed during the next billing period. Priorities will be taken into account by the Company in rationing the available electric service. Special human needs, health and safety conditions and material changes in conditions existing during any base period used which are brought to the attention of the Company may, if appropriate in the discretion of the Company, be given recognition on a non-discriminatory basis within priority categories.

V. PRIORITIES

Priority 1. Essential or Protected Customers or Uses

- A. Governmental Agencies. Service for essential use, to fire stations, state and local police agencies, prison facilities, military installations, civil defense installations, and minimal lighting for streets and highways.

- B. Health Care Facilities. Service to critical facilities in hospitals and convalescent homes, such as operating rooms, emergency rooms, life support machines, diagnostic machines, refrigeration for medicines, communications, and minimal lighting.
- C. Residential. Service necessary for life support equipment such as an iron lung or a kidney machine.
- D. Utilities. Service necessary to provide electric, gas, water, communication, and sewage disposal services to the extent that those services cannot be reduced without seriously affecting public health and safety.
- E. Public Transportation. Service for essential use to air, bus, rail, ship and trucking facilities in operation of conveyances, guidance control, communication and navigation, and for maintenance of essential lighting at passenger or freight gathering or dispersing areas.
- F. Fuel Supply. Service necessary for the production, transportation, and distribution of fossil fuel, nuclear fuel or steam.
- G. Communications. Service necessary for radio and television broadcasting stations for the transmittal of emergency messages and public information broadcasts.

#### Priority 2. Customers Susceptible to Exceptional or Irreparable Loss

Customers and their usage, other than those listed in Priority 1, susceptible to exceptional or irreparable loss in the event of curtailment or interruption of electric service shall not be curtailed or interrupted under this Priority 2 except to prevent curtailment or interruption of Customers listed under Priority 1. Customers and usage in this category include the following:

- A. Service directly necessary for the commercial production, processing, and storage of food products.
- B. Commercial or industrial Customers' usage where curtailment or interruption of electricity would cause an employment crisis in the locality, or where a shutdown of equipment using electricity would cause major irreparable damage to that equipment or its product.

#### Priority 3. Minimum Customer Usage

- A. Residential. Service necessary to provide minimum heating, lighting, water heating and cooking.
- B. Commercial and Industrial. Minimum service necessary to maintain efficient and safe operation.

GULF STATES UTILITIES CO.  
Electric Service  
Louisiana

POWER SUPPLY CURTAILMENT PROGRAM  
Supplement to Terms & Conditions

SECTION NO.: IV  
SECTION TITLE: Rules and Regulations  
SHEET NO.: 8  
EFFECTIVE DATE: 6-28-78  
REVISION: 0  
APPLICABLE: Entire La. Service  
PAGE: 5 of 8

Priority 4. Normal Customer Use

Normal Customer usage is defined as any usage which does not qualify under Priority 1, 2, or 3, and which is not excluded under Priority 5. This definition applies to all Customers. If part of a Customer's usage qualifies under Priority 1, 2, or 3, that usage which does not qualify is considered to be normal usage.

Priority 5. Luxurious or Wasteful Usage

The first service which is to be curtailed is that which is wasteful such as heating or circulating water in a swimming pool unless prescribed by physician for therapy, heating or cooling unused or poorly insulated space, use of grossly inefficient appliances, ornamental lighting, or display lighting when use does not contribute to essential use.

VI. GUIDE TO THE APPLICATION OF PRIORITIES

The following policies are to be applied in determining the priority of individual usages.

If a priority use is served from two feeders, only one feeder may be considered to be "protected" at such priority level. The priority of the other feeder would be determined by other usages.

Nonessential usage by essential usage Customers shall be curtailed at the appropriate lower priority level. As examples:

Priority 1. Essential or Protected Customers or Uses

A. Governmental Agencies.

1. Fire stations and police stations provide essential service but a remote station which does not depend on electricity for communications or computer facilities may not qualify for Priority 1.
2. Many civil defense facilities are used only during emergencies such as hurricanes or floods. Any civil defense facility not currently providing essential service would not qualify as Priority 1.
3. The function of each military installation will have to be determined. A reserve training center, would normally be Priority 3.

4. Street lighting will be reduced to minimum when curtailment proceedings are in effect, and will be interrupted only as feeders are opened during load interruption proceedings.

B. Health Care Facilities.

All health care facilities may be curtailed to minimum essential load. A convalescent home without life support machines would be Priority 3.

C. Residential.

An iron lung patient which can tolerate a two-hour interruption, or which can be hospitalized without undue hardship is a Priority 3 Customer.

D. Utilities.

Any facility which can tolerate a two-hour interruption is a Priority 3 facility.

E. Public Transportation.

Any facility, such as a maintenance or storage facility, which can tolerate a two-hour outage is a Priority 3 facility.

F. Fuel Supply.

Production, transportation, and distribution of fuel is Priority 1. A fuel handling facility may be curtailed to minimum essential load necessary to accomplish its fuel-related purpose.

G. Communications.

If there is only one radio or TV station serving an area, then that station is Priority 1. If more than one radio or TV station serves an area, then only one (selected on a reasonably equitable rotation basis) shall be Priority 1.

Priority 2. Customers Susceptible to Exceptional or Irreparable Loss

Seasonal food production or processing facilities can be Priority 2 only in season. A commercial production, processing, or storage facility which can tolerate a two-hour outage is a Priority 3 facility.

Priority 3. Minimum Customer Usage

Any service which does not qualify as Priority 1 or Priority 2 will be classified as Priority 3. This category will include any Customer or service which can tolerate a two-hour outage.

GULF STATES UTILITIES CO.  
Electric Service  
Louisiana

POWER SUPPLY CURTAILMENT PROGRAM  
Supplement to Terms & Conditions

SECTION NO.: IV  
SECTION TITLE: Rules and Regulations  
SHEET NO.: 9  
EFFECTIVE DATE: 6-28-78  
REVISION: 1  
APPLICABLE: Entire La. Service  
PAGE: 7 of 8

#### Priority 4. Normal Customer Usage

All Customers will be classified as Priority 1, Priority 2, or Priority 3. Any usage by any Customer which is over and above the minimum requirements of that Customer will be classified as Priority 4 or Priority 5. Any usage classified as Priority 4 will be subject to curtailment under a program of rationing.

#### Priority 5. Luxurious or Wasteful Usage

In the event a curtailment of service becomes necessary, Customer will be requested to curtail any usage which is luxurious or wasteful.

### VII. WHOLESALE CUSTOMERS

Whenever the Company implements any portion of this program, the Company will request all bulk power Customers (including municipally-owned electric systems and rural electric cooperatives) to which the Company is supplying power on a wholesale basis or transmission service, if appropriate, to implement its curtailment plan to achieve the same level of curtailment as sought by the Company with respect to its direct Customers. In the event any such bulk power or transmission service Customer does not have a curtailment plan, it shall be called upon to reduce in time and amount the use of electric power by its Customers or its use of transmission service by a procedure substantially the same as Company's implementation of this Program.

### VIII. ADDITIONAL LOADS

The Company's present policy is to accept loads of new Customers (both contract and non-contract) and additional loads of existing Customers (both contract and non-contract) upon such terms and conditions as it may require from time to time, and the Company shall not be liable to any existing or future Customers, whether under contract or otherwise, for any damages or loss, direct or consequential, for doing so even though it may affect such Customers by increasing the amount, frequency or duration of curtailment of service to them unless the Company acts in bad faith. The Company will not accept new or additional loads during any period that electric service is actually being curtailed or interrupted under this program.

### IX. LOAD SHEDDING

Independent of this program, in certain emergency situations the sequence of curtailment provided above will not be feasible and shall not apply. The Company has in effect a procedure whereby certain circuits will be automatically disconnected in the event of a critical drop in frequency. Load will be automatically removed from the system at the distribution level in proportion to the frequency deviation, in accordance with the recommendation of the Southwest Power Pool of North American Power Systems Interconnection Committee. This procedure is in effect and will be implemented automatically in case of sudden emergency situation develops and is designed to protect

service continuity to the maximum extent possible and guard against a total area outage. In addition, the Company may manually curtail or interrupt service to all or any of its Customers when, in its sole judgment, such curtailment or interruption will tend to prevent or alleviate a threat to Company's power supply or to preserve the integrity of the Company's system or interconnected systems. In such event, the judgment of the Company and its selection of Customers to be curtailed or interrupted shall be conclusive on all parties Involved.

X. CHARGES AND SERVICE INTERRUPTION FOR EXCESS USAGE

In the event a Customer uses more than the electric service which the Customer was requested to use during a period of curtailment or more than was rationed to such Customer during periods of extended curtailment, and Customer cannot justify the overusage as priority usage under Sections V and VI, the following schedule of charges and interruptions shall apply:

1. First occurrence - Customer will be given a warning about excessive electric use, and the excess usage will be billed at an amount to be the highest incremental energy cost experienced by Company during the billing period in which the excess usage occurred. Such charge shall be in addition to the regular rates chargeable for the service to such Customer.
2. Second occurrence - Customer will be charged the amount described in 1, above, and service to the Customer may be interrupted for two days.
3. Third occurrence - Customer will be charged the amount described in 1, above, and service to the Customer may be interrupted for five days.
4. Fourth and successive occurrences - Customers will be charged the amount described in 1, above, and service to the Customer may be interrupted for a period of from five to thirty days, as determined by the Company in its discretion, taking into account the number and severity of the current and previous occurrences.
5. Any charges for connection or reconnection of service provided for in the Company's general rates may also be made in the event of interruption of service. (Note: The Customer's bill will not be prorated because of an interruption of service under this plan).