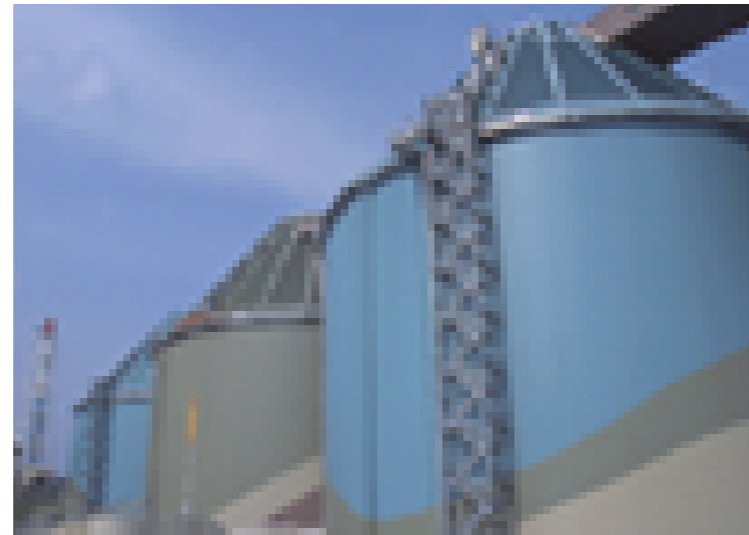
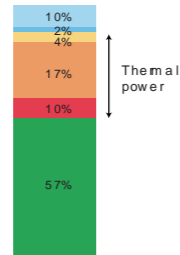


## Thermal & Hydroelectric Power

### Thermal power enables elastic response to fluctuating demand.

#### Balanced Dependency on Diversified Fuels

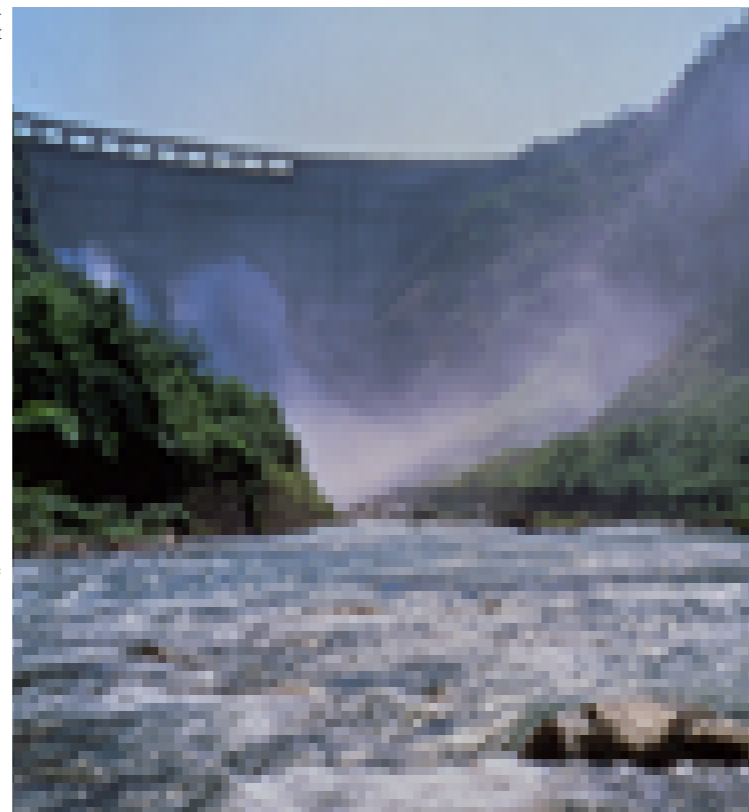
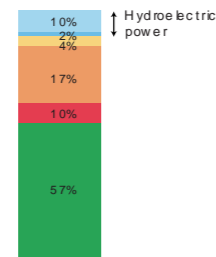
Thermal power plays a key role as a middle-load energy source that offers supreme elasticity to cope with ceaselessly fluctuating demand. Presently 31% of Kansai EP's total electricity output is generated from fossil fuels. Going forward we aim to continue diversifying our thermal fuel options through greater reliance on coal, available at relatively stable prices, and liquefied natural gas (LNG), which is environmentally compatible.



Maizuru Thermal Power Plant (operation to commence in August 2004)

#### Using Domestic Water Resources to Advantage

Today a comparably modest 12% of the electricity generated by Kansai EP derives from hydroelectric power, but because this energy source offers environmental benefits and domestic water resources are readily available, its importance cannot be underestimated. Also playing a major role is pumped-storage hydro power, a method where by water is pumped from one reservoir to another at a higher elevation at night when demand is relatively low and capacity is available; the energy created is allocated to meet peak day time demand or emergency needs.



Kurobegawa No.4 Hydro Power Plant

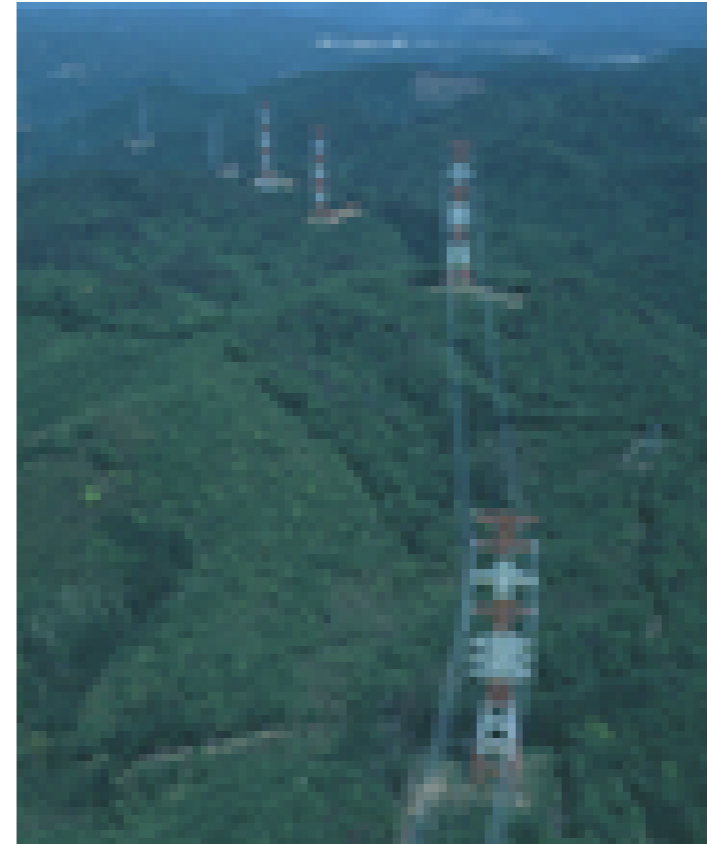
### Hydro power is naturally available and environmentally friendly.

## Transmission & Distribution

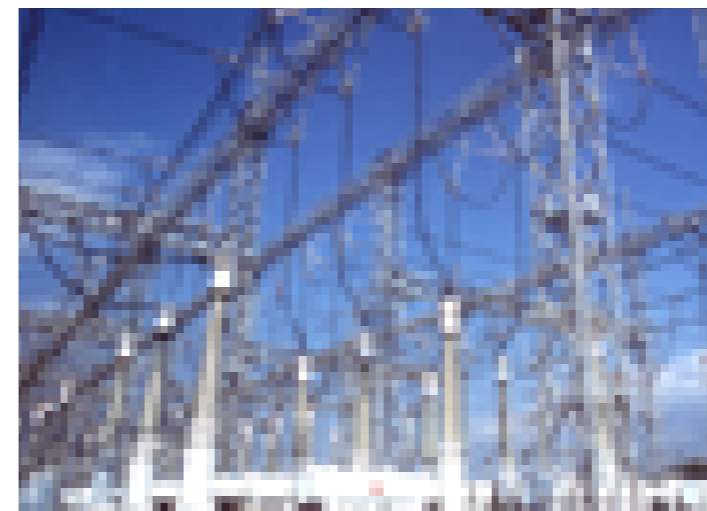
### We work around the clock to ensure stable, efficient power provision.

#### Power Delivery Network at the Forefront of Technology and Efficiency

The function of Kansai EP's transmission, transformation and distribution facilities is to deliver electricity efficiently and stably from the power station to the customer; and to achieve that objective we are continuously reinforcing our physical plant while simultaneously pursuing ever greater economy. Together these initiatives have enabled the achievement of a sophisticated operating system, integrating advanced information technologies, that monitors and controls our vast network around the clock, automatically. In addition we carry out training and drills to prepare for natural calamities of every kind. These efforts have been rewarded by significant decreases in the incidence and length of power outages per customer, enabling Kansai EP to achieve one of the world's highest levels in power supply stability. Going forward, while maintaining our uncompromising quality standards, we will continue to adopt new technologies and engineering methods and further reduce our system costs in order to realize a comprehensive network of ever greater efficiency.



Harima West Transmission lines



Shin-Ikoma Substation