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Dianne B. Kuhnell  
Senior Paralegal

**VIA OVERNIGHT MAIL DELIVERY**

March 1, 2010

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

Re: Case No. 09-974-EL-FAC  
09-975-EL-RDR

Dear Docketing Division:

Enclosed please find for filing an original and twelve copies of the *Application to Approve the Fuel Economy Purchased Power Component and the System Reliability Tracker Component; Duke Energy Ohio, Inc.'s Motion for Protective Order; Direct testimony of Timothy J. Thieman and the Direct Testimony of William Don Wathen.*

We are also enclosing an envelope containing the Confidential material to be filed under seal as referenced in the Motion filed concurrently.

Please file-stamp and return two copies in the envelope provided.

Should you have any questions, please contact me at (513) 419-1837.

Very truly yours,

Dianne Kuhnell  
Senior Paralegal

Enclosure

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business

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## BEFORE

## THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke )  
Energy Ohio, Inc. to Establish its Fuel and ) Case No. 09-974-EL-FAC  
Economy Purchased Power Component of its )  
Market-Based Standard Service Office for )  
2009. )

In the Matter of the Application of Duke )  
Energy Ohio, Inc. to Establish its System )  
Reliability Tracker of its Market-Based ) Case No. 09-975-EL-RDR  
Standard Service Offer for 2009. )

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DIRECT TESTIMONY OF

TIMOTHY J. THIEMANN

ON BEHALF OF

DUKE ENERGY OHIO, INC.

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March 2, 2010

REC'D - COCKETING DIV  
2009 MAR -2 AM 11:23  
PUCO

## **TABLE OF CONTENTS**

<b>DESCRIPTION OF TESTIMONY</b>	<b>TESTIMONY <u>PAGES</u></b>
<b>I. INTRODUCTION.....</b>	<b>1</b>
<b>II. PURPOSE OF TESTIMONY.....</b>	<b>3</b>
<b>III. DISCUSSION OF STIPULATION COMMITMENTS.....</b>	<b>3</b>
<b>IV. CONCLUSION .....</b>	<b>12</b>

### **ATTACHMENTS:**

TJT-1 Confidential Zimmer Inventory Spreadsheet

TJT-2 Wet Coal Handling Procedure

TJT-3 Beckjord Policy

## **I. INTRODUCTION**

1   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.   My name is Timothy J. Thiemann. My business address is 139 East Fourth  
3       Street, Cincinnati, Ohio 45202.

4   **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5   A.   I am employed by Duke Energy Business Services, Inc. as General Manager,  
6       Generation Services, Non-Regulated.

7   **Q.   PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL  
8       BACKGROUND.**

9   A.   I received a B.S. in Mechanical Engineering Technology from the University of  
10       Cincinnati. In addition, during the past twenty-three years, I have attended  
11       many seminars, workshops and forums on subject matters such as power plant  
12       maintenance and generation-specific technical training as well as other utility  
13       related topics. I began my career as a co-operative education student at The  
14       Cincinnati Gas and Electric Company (CG&E) - Miami Fort Station in 1986. In  
15       1987, I became a full-time employee in the capacity of a Cadet Engineer at East  
16       Bend Station. Over the next several years, I was promoted through several of  
17       the staff engineering classifications. I worked at East Bend Station for  
18       approximately nine years. During that time, I performed various functions  
19       including Work Management Coordinator, Boiler and Turbine Maintenance  
20       Liaison, Outage Coordinator, Maintenance and Operations Engineer. I also  
21       worked at W. H. Zimmer Station in a staff engineering capacity during the unit  
22       start up for about one year.

1           In 1995, I was promoted to Superintendent of Production Projects at our  
2           Gibson Generating Station. In this position, I was responsible for all  
3           maintenance and outage projects in the plant as well as managing the contractor  
4           maintenance work force. Toward the end of 1996, I was in the temporary  
5           position of an Investment Engineer working on a new capital allocation and  
6           justification system for the generation plants within Cinergy Corp., the parent  
7           company of CG&E. During this time, I also held the position of Production  
8           Coordinator at East Bend Station.

9           In 1997, I left Cinergy Corp. and took a position at Enerfab Corporation  
10          where I managed an Industrial Maintenance Division. In this position, I was  
11          responsible for the profitability of the division as well as providing technical  
12          direction and support at various industrial sites where we performed contractor  
13          work.

14          In 1999, I returned to Cinergy Corp. as a project engineer responsible for  
15          rebuilding gas turbines. I was promoted to Engineering Manager in 2000, with  
16          responsibility for all capital projects at the East Bend Generating Station, Miami  
17          Fort Station and the Combustion Turbine Fleet. In 2001, I became the  
18          Production Manager at Miami Fort Station. I was responsible for the safe and  
19          efficient operations of all the units at the plant. In 2004, I was promoted to  
20          General Manager II at Miami Fort Station. In this position, I had responsibility  
21          for the safety, financial, environmental and efficient operations of the plant. In  
22          October of 2008, I became General Manager, Duke Energy Business Services,  
23          Non-Regulated.

1 Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS GENERAL  
2 MANAGER GENERATION SERVICES, NON-REGULATED.

3 A. I am responsible for managing services that support Duke Energy Ohio, Inc.'s  
4 (Duke Energy Ohio or the Company) generation operations including:  
5 responsibility for long-term maintenance outage scheduling, fleet measures  
6 development and support, work management practices, generating station  
7 financial management and business planning, management of long-term service  
8 contracts and responsibility for the Joint Owned Units.

**II. PURPOSE OF TESTIMONY**

9 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
10 PROCEEDING?

11 A. The purpose of my testimony is to discuss the Company's compliance with  
12 certain audit recommendations contained in the Stipulation reached by  
13 participants in Duke Energy Ohio's last Rider FPP audit in Case No 07-974-EL-  
14 UNC.

**III. DISCUSSION OF STIPULATION COMMITMENTS**

15 Q. PLEASE LIST THE STIPULATION COMMITMENTS YOU ARE  
16 ADDRESSING.

17 A. I address the Company's compliance with the Stipulation provisions that affect  
18 Duke Energy Ohio's plant operations. More specifically, I respond to  
19 Stipulation Paragraphs 10, 12, 13, 14, 15, 17, 18, and 19.

1    **Q.    PLEASE DESCRIBE STIPULATION PARAGRAPH 10.**

2    A.    Paragraph 10 states that "Duke Energy Ohio shall "form a multi-disciplined task  
3           force to evaluate the consistent variation in coal inventory at the Zimmer Station  
4           where book inventory has been greater than measured physical inventory since  
5           1995." Duke Energy Ohio committed to report the results of this investigation  
6           as part of its 2010 Rider PTC-FPP annual filing.

7    **Q.    HAS DUKE ENERGY OHIO FORMED THE MULTI-DISCIPLINED**  
8           **TASK FORCE TO EVALUATE THE ZIMMER COAL SUPPLY**  
9           **VARIATION?**

10   A.    Yes. Duke Energy Ohio organized a multi-disciplined task force to examine the  
11           issue. The task force included expertise in Station Operation, Material Handling,  
12           Corporate Engineering that supports the physical inventory adjustments Coal  
13           Origination, Fuel Supply Management and Coal Settlement and Accounting  
14           Management. The team assembled included personnel spanning the beginning  
15           of the coal handling process to the end (*i.e.*, barge to bunker).

16   **Q.    WHAT WAS THE RESULT OF THE TASK FORCE'S EVALUATION?**

17   A.    In reviewing the physical inventory calculations for 2008, an error was  
18           discovered. The volume on the low sulfur pile at Zimmer Station was not  
19           updated from 2007. After correcting that volume number, the physical  
20           inventory for Zimmer was determined to be within 1.63% of the book value.  
21           More importantly, the physical inventory was greater than the book inventory  
22           for 2008. This reverses the trend that prior auditors have noted. Therefore, after  
23           taking the actions responding to the audit recommendations, the 2006 and 2008

1 physical inventories were within a 3% tolerance. The 2007 result was slightly  
2 outside of that range at 4.42%.

3 Also noted was another factor that tended to skew the data. The  
4 methodology Duke Energy Ohio uses allows for an adjustment of 50% of the  
5 variance between physical inventory and book inventory. Consequently, a large  
6 variance in one year can skew the results for several years to come. A  
7 spreadsheet was prepared showing the variance between book and physical  
8 inventory assuming 100% of the difference was adjusted. That spreadsheet  
9 analysis shows that there is not a consistent bias reporting book inventory  
10 greater than physical inventory when a 100% correction is made. A copy of the  
11 spreadsheet is included as Confidential Attachment TJT-1. Duke Energy Ohio's  
12 engineering group is working on developing a Company-wide policy that is  
13 consistent on performing the physical inventory and making adjustments.

14 The variance between physical and book inventory at Zimmer Station  
15 has decreased over time and has now reversed the trend falling below the 3%  
16 tolerance. Forward yearly trends will be reviewed and documented as part of  
17 the inventory adjustment procedure.

18 **Q. PLEASE DESCRIBE STIPULATION PARAGRAPH 12.**

19 A. Paragraph 12 states that Duke Energy Ohio will institute an aggressive  
20 housekeeping program at the Zimmer Station's coal handling areas and will  
21 report for each of the audit periods provided for in the existing Electric Security  
22 Plan (ESP) on actions taken and results of regular inspections by station



1 management to Parties as part of the testimony in its annual Rider PTC-FPP  
2 audit.

3 **Q. PLEASE DESCRIBE THE COMPANY'S ACTIONS PURSUANT TO**  
4 **THIS COMMITMENT.**

5 A. As a result of the concern on coal yard housekeeping, station management has  
6 implemented a strategy that focuses on cleaning up the coal yard and  
7 maintaining a high standard of cleanliness. As a result of the commitment, the  
8 Company has dedicated resources to support the cleanliness strategy. Sunbelt, a  
9 company that provides labor for cleaning, is utilized throughout the coal yard as  
10 directed by coal yard supervision to clean problem areas. Zachry Maintenance  
11 has been hired to assist in performing routine and preventative maintenance to  
12 decrease coal spillage and identify equipment system problems before they  
13 become a housekeeping concern.

14 The addition of these resources has resulted in a notable improvement in  
15 coal yard housekeeping. These resources are used during the day shift through  
16 the week. The Company is also considering additional resources to assist coal  
17 yard operating teams. These resources are expected to further improve the  
18 cleanliness of the coal yard. As this strategy implementation develops, I expect  
19 that the housekeeping at the Zimmer Station will improve to a point that it is no  
20 longer a concern.

21 **Q. PLEASE DESCRIBE STIPULATION PARAGRAPH 13.**

22 A. Paragraph 13 requires Duke Energy Ohio to file a multi-year boiler recovery  
23 plan with the Public Utilities Commission of Ohio. The prioritized plan shall

1 address boiler related problems that are the major contributor to outages at Duke  
2 Energy Ohio's generating units.

3 **Q. DID DUKE ENERGY OHIO FILE THIS PLAN AS DIRECTED?**

4 A. Yes. The Company filed its plan in this proceeding on or about January 28,  
5 2010. I hereby incorporate this filing by reference. The recovery plan lists the  
6 various projects by year through 2019. It includes projected costs and outage  
7 dates. Given that the plan includes multiple projects at different generating  
8 units, and extends over several years, the Company recognizes that factors may  
9 arise that could cause a change in the priority of the projects listed or new  
10 projects being created. Therefore, Duke Energy Ohio reserves the right to  
11 amend the plan and if there is a material change, the Company proposes to  
12 update its boiler plan filing in future Rider PTC-FPP proceedings.

13 **Q. PLEASE DESCRIBE STIPULATION PARAGRAPH 14.**

14 A. In Paragraph 14, Duke Energy Ohio committed to work with co-owners of  
15 generating units not operated by Duke Energy Ohio and use its best efforts to  
16 achieve consistent generation availability data system (GADS) reporting for  
17 both Duke Energy Ohio operated and non-operated units as well as understand  
18 and document the differences between them.

19 **Q. HAS DUKE ENERGY OHIO COMPLIED WITH THIS COMMITMENT?**

20 A. Yes. The Company initiated discussions with the co-owners of the joint  
21 operating units (Columbus Southern Power and Dayton Power and Light)  
22 (collectively, the Joint Owners) of the co-owned units. The purpose of the  
23 discussion was to review the North American Electric Reliability Corporation

1 (NERC) GADS definitions to ensure there is consistent interpretation of the  
2 NERC event types and to develop and implement a plan that promotes  
3 consistency among the three companies with respect to GADS reporting. The  
4 call resulted in a plan to reduce/eliminate the inconsistencies, as well as paving  
5 the way for the three companies to timely resolve the inconsistencies real time  
6 instead of after the fact. Each company has their own business reasons for  
7 reporting and classifying an outage. However, the three companies agree that  
8 there is a need to hold true to the NERC GADS definitions for planned outages,  
9 maintenance, and forced outages/derates whenever possible and to instill  
10 consistency when deviation from NERC GADS guidelines is necessary.

11 The Joint Owners identified some of the possible reasons for deviation from  
12 the NERC GADS definitions including:

- 13 o The PJM eDART system does not have all of the event types listed that  
14 are included with the NERC GADS event types – specifically planned  
15 outage extensions that will cause many inconsistencies;
- 16 o In the PJM eDART system, a new outage must be created, or the original  
17 date of the outage must be extended manually instead of creating a  
18 planned outage extension. The old outage end date is lost; and
- 19 o Some outages may be marginal by nature as to whether they are deemed  
20 forced or maintenance outages. In cases like this, maintenance outage  
21 may be selected over forced outage as part of an economic decision. The  
22 rules for this vary between regional transmission organizations and in  
23 some cases lead to inconsistencies.

1       Going forward, the Joint Owners agree that all three companies need to be  
2 consistent in their method for reporting NERC GADS. Although maintenance and  
3 forced outages have a subjective aspect to them, each Joint Owner will strive to be  
4 consistent in the coding of events including outages and derates. To provide insight  
5 when a deviation is necessary, the Joint owners agree:

- 6       ○ Planned outages shall be those listed in the official CD/CCD outage  
7       schedule;
- 8       ○ All three Joint Owners will review all maintenance outage requests and  
9       agree to the outage type beforehand;
- 10      ○ Maintenance derates may be declared for any derate planned for next day  
11      (mill tests, valve checks, etc.); and
- 12      ○ The unit status reports distributed daily between the Joint Owners (via e-  
13      mail) will include derate and outage types.

14   **Q.   PLEASE DESCRIBE STIPULATION PARAGRAPH 15.**

15   A.   In Paragraph 15, Duke Energy Ohio agreed to perform a survey of peer  
16   generating stations and develop an action plan to help address the situation  
17   where wet coal conditions exist at each Duke Energy Ohio plant. Duke Energy  
18   Ohio agreed to report on the progress of the survey and action plan development  
19   as part of this 2009 Rider PTC-FPP audit with the final plan available to the  
20   auditor selected for review during the 2010 Rider PTC-FPP audit period.

21   **Q.   WHAT IS THE STATUS OF THIS COMMITMENT?**

22   A.   Duke Energy Ohio did perform the survey as agreed. The Company examined  
23   the procedures at its Beckjord, Miami Fort and Zimmer Stations. The peer

1 companies and generating units that were surveyed included Duke Energy  
2 Indiana's Gallagher Station, American Electric Power's Rockport and Tanners  
3 Creek Stations and Dayton Power and Light's Stuart and Killen Stations. From  
4 this survey, the Company has developed and implemented coal handling  
5 procedures for both the coal yard and the generating station. Attachment TJT-2  
6 is a copy of Duke Energy Ohio's new wet coal handling procedure.

7 **Q. PLEASE DESCRIBE STIPULATION PARAGRAPH 17.**

8 A. Stipulation paragraph 17 involves improving certain conditions the previous  
9 auditor found unsatisfactory at the Beckjord Generating Station. In response to  
10 the audit concerns, Duke Energy Ohio committed to maintain high expectations  
11 for safety consciousness, cleanliness, and employee attitude at the Beckjord  
12 Station. Duke Energy Ohio agreed to identify and post all smoking areas for its  
13 employees at the Beckjord Station and to send written communication of the  
14 smoking and non-smoking designations to all Beckjord employees, further  
15 identifying the designated smoking areas. The Company also agreed to enforce  
16 the ban on smoking in non-smoking areas to rectify the concerns stated in the  
17 prior audit report. Duke Energy Ohio also committed to issue hard hats at the  
18 administration building of the Beckjord Station to persons not so equipped and  
19 to enforce the hard hat designation in required areas at its Beckjord Station.

20 **Q. HAS DUKE ENERGY OHIO COMPLIED WITH THIS**  
21 **REQUIREMENT?**

22 A. Yes. Duke Energy Ohio developed and implemented a smoking policy for the  
23 Beckjord Station and has marked the designated location at the Beckjord

1 Station. Attachment TJT-3 is a copy of this policy. The policy was  
2 communicated to all Beckjord employees and is now used as part of new hire  
3 education. Duke Energy Ohio also issues hard hats, and other personal  
4 protective equipment (ear plugs, goggles, etc.) at its administration buildings for  
5 each of its generating stations. This is done at the time station visitors sign in.  
6 The Company has also modified the painting on the station asphalt to better  
7 designate the areas where employees and visitors can walk without hardhats.

8 **Q. PLEASE DESCRIBE STIPULATION PARAGRAPH 18.**

9 A. In Paragraph 18, Duke Energy Ohio agreed to provide further capital and  
10 operating and maintenance expense budget support beyond 2008 for Beckjord  
11 Station performance. The Company has complied with this requirement with  
12 and spent \$7 million over the \$50 million deferral authorized in the ESP  
13 Stipulation for an approximate total of \$57 million dollars at the Beckjord  
14 Station in 2009.

15 **Q. PLEASE DESCRIBE STIPULATION PARAGRAPH 19.**

16 A. Paragraph 19 requires Duke Energy Ohio to perform an economic market  
17 analysis to determine the appropriate level of spare parts at each unit at Duke  
18 Energy Ohio generating stations and the use of on-line maintenance/redundant  
19 equipment at its generating stations.

20 **Q. WHAT IS THE STATUS OF THIS RECOMMENDATION?**

21 A. In December 2009, Duke Energy Ohio hired GAI Consultants to perform the  
22 analysis at the Company's generating stations. The project is underway and the  
23 Company expects the analysis to be completed by mid-2010.

**IV. CONCLUSION**

1   **Q.     WERE ATTACHMENTS TJT-1, TJT-2, and TJT-3 PREPARED BY YOU**  
2           **OR UNDER YOUR DIRECTION?**

3   **A.     Yes.**

4   **Q.     DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

5   **A.     Yes.**

CONFIDENTIAL PROPRIETARY TRADE SECRET

Physical Inventory	Fuel Ledger	Variance	Adjustment	Expected Difference Due to only adjusting a portion of the variance	Variance from 100% Adjustment
--------------------	-------------	----------	------------	---	-------------------------------

1995					
1996					
1997					
1998					
1999					
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008					
2009					





## DUKE ENERGY MIDWEST GENERATION OPERATIONS (MGO) PROCEDURE

MGO-XXX

Wet Coal Handling Procedure

Process/Program Owner: Duke Energy MGO Production Manager

<u>REVISION NUMBER</u>	<u>ISSUE DATE</u>
000	02/01/2010

**Approved By/Date**

Mike Hofmann/01-XX-2010

VP Midwest Generation Operations

**Issued By:**

Bill J. Marshall/01-XX-2010

Technical Manager

**Effective Date:**

02/01/2010

# Wet Coal Handling Procedure

Case No. 09-974-EL-FAC  
TJT-2  
Page 2 of 3

## 1. Purpose

The purpose of this procedure is to make sure the necessary action steps are taken during the handling of wet coal at Duke Energy Midwest Generated Operations generating facilities. Compliance with this procedure will help to ensure an adequate supply of coal to the boilers in order to avoid a derate condition at each of the generating facilities.

## 2. Scope

This program applies to Duke Energy Midwest Generated Operations coal fired generation facilities.

## 3. Roles and Responsibilities

1. **Production Manager** is responsible for:
  - Implementing this procedure.
  - Creating site-specific procedures/guidelines and training to address wet coal conditions.
  - Ensuring compliance with the procedure.
  - Approving any operations outside this procedure
2. **The Main Plant Coordinator and Production Team Supervisors** are responsible for:
  - Ensuring action steps are taken by operations personnel to address wet coal conditions.
3. **The Production Team Members** are responsible for:
  - Ongoing monitoring of coal firing conditions.
  - Coordinate action steps concerning wet coal with the Material Handling Coordinator.
4. **The Material Handling Coordinator** is responsible for:
  - Ensuring action steps are taken by harbor vendor and coal yard personnel to address wet coal conditions.
5. **The Production Team Members Material Handling** are responsible for:
  - Daily monitoring of coal conditions and equipment in the Harbor and the Coal Yard.

## **4. Wet Coal Handling**

### **1. Coal Yard**

- a. The following action steps should be considered and appropriate steps taken to mitigate wet coal conditions.
  - i. Operations will not accept barges from the Harbor vendor with standing water greater than station specifications
  - ii. Rearrange our harbor to unload dryer barges first, use reclaim pile for coal supply, or remove excess water from barges to accelerate drying
  - iii. Utilize barge coal instead of reclaim coal if there are not any issues with the barge unloading system or barges in the harbor
  - iv. If the coal can be conveyed but may be too wet to fire, sending the wet coal out on our reclaim pile to drain and dry
  - v. Pack and slope coal reclaim pile to help drainage to minimize wet coal condition
  - vi. Place Coal Yard air cannon systems in service and verify their operation
  - vii. Operate Coal Yard bunker vibrators
  - viii. Add chemical to the coal as it is unloaded that keeps the coal from sticking together and plugging chutes, feeders, pipes, etc.
  - ix. Utilize more frequent inspections of conveyor systems and clean coal chutes as needed
  - x. Utilize additional help to clean out areas that are "plugging" due to the wet coal in order to keep the coal moving

### **2. Main Plant**

- a. The following action steps should be considered and appropriate steps taken to mitigate wet coal conditions.
  - i. Place Main Plant air cannon systems in service and verify their operation
  - ii. Operate Main Plant bunker vibrators
  - iii. Change over the FD fans to 100% inside air on applicable units
  - iv. Place the air preheat coil system in service on applicable units
  - v. Increase mill outlet temperature set point if possible to help dry the coal
  - vi. Utilize the air heater gas recirculation dampers to increase the air heater air outlet temperatures on applicable units
  - vii. Close down on the SOFA dampers to force more air to the pulverizers
  - viii. Increase hot air temperature to the mills if capable to help dry coal
  - ix. Run additional mill(s) if the unit was designed with a spare mill(s) to decrease the throughput per mill and minimize handling/plugging issues
  - x. Reduce coal feed rates to the mills to decrease the throughput and minimize handling/plugging issues
  - xi. Utilize igniters and/or oil guns if needed to stabilize the fire in the furnace and to help with unit output
  - xii. Utilize additional help to clean out areas that are "plugging" due to the wet coal in order to keep the coal moving

**Duke Energy  
Beckjord Station**

Page 1 of 2  
OPERATIONS AND  
MAINTENANCE SITE PROCEDURES

SUBJECT: SMOKING POLICY

Revision #	Date	Summary	Issued by:
1	10/11/09	Initial issue.	WCB

**1 Purpose**

This policy is established in order to reduce human exposure to environmental tobacco smoke.

**2 Scope**

This policy regulates smoking at Duke Energy Beckjord Station facilities and applies to all plant occupants.

**3 References**

None

**4 Responsibilities**

**4.1 Plant Management**

Management has the responsibility to ensure that this policy is communicating to all plant visitors, contractors and employees.

**4.2 All Plant Personnel**

Plant personnel are responsible to follow all practices as required by the policy.

**5 SMOKING POLICY**

Smoking is not permitted in any building on company property except in designated areas. Smoking is not permitted in company vehicles.

Smoking is not permitted on any plant roofs.

Outside smoking areas should not be located near doorways or ventilation intakes where smoke could be drawn inside the building.

There shall be no smoking in proximity to flammable liquids, explosives, or flammable gases. There shall be no smoking within 50 feet of gasoline, diesel and/or other fuel storage or dispensing equipment; hydrogen trailers; natural gas regulators; gas turbines; or hydrogen cooled generators.

## **Duke Energy Beckjord Station**

## **Page 2 of 2 OPERATIONS AND MAINTENANCE SITE PROCEDURES**

### **6 General Information**

- Duke Energy is not required to provide accommodations to smokers or to provide break-rooms for smokers or nonsmokers. However, if designated smoking areas are available, then they shall be clearly marked and non-combustible ashtrays shall be conveniently located.
  - Beckjord Station has designated smoking areas in the Coal Yard near the break area, outside of the Main Building on the east side between Units 3 and 4, outside of the Main Building on the east side of Unit 5, and outside of the Main Building near the storeroom dock.
- Dispose of all smoking materials properly, ensuring that they are fully extinguished and always use approved smoking receptacles when available.
- "No Smoking" signs will not be required to enforce this policy, but may be posted solely as a reminder. This policy is in force regardless of whether or not signs are posted.
- Failure of any employee to comply with this policy may result in disciplinary action as deemed appropriate by plant management.

### **7 Training**

This policy shall be communicated to all new hires and as frequently as necessary to assure overall employee awareness of the policy.

This policy shall be included in the safety orientation given to all visitor and contractor personnel.

### **8 Record Keeping**

The *Company Representative (or instructor)* will ensure that this policy has been explained to all new hires and visitors/contractors during the orientation process. All orientation sign-in sheets shall be maintained in the plant's central filing system.

### **9 Exhibits**

None