

ENERGY MARKETING GLOSSARY

Acre-Feet: The amount of water it takes to cover one acre to a depth of one foot. This measure is used to describe the quantity of storage in a hydrosystem reservoir. An average household of four will use approximately one-acre foot of water per year.

Actual Peak Load Reductions: The actual reduction in annual peak load (measured in kilowatts) achieved by consumers that participate in a utility DSM program. It reflects the real changes in the demand for electricity resulting from a utility DSM program that is in effect at the same time the utility experiences its annual peak load, as opposed to the installed peak load reduction capability (i.e., Potential Peak Load Reduction). It should account for the regular cycling of energy efficient units during the period of annual peak load.

Adequate Regulating Margin: The minimum on-line capacity that can be increased or decreased to allow the system to respond to all reasonable demand changes in order to be in-compliance with the NERC Control Performance Criteria.

Aggregator: A company that consolidates a number of individual users and/or supplies into a group.

Alternating Current (AC): A periodic current, the average value of which over a period is zero. Unless distinctly specified otherwise, the term refers to a current that reverses its direction at regularly recurring intervals of time and that has alternately positive and negative values. Almost all energy utilities generate AC electricity because it can easily be transformed to higher or lower voltages.

Ampere: The unit of measurement of electrical current produced in a circuit by 1 volt acting through a resistance of 1 ohm. The measure of the rate of the flow of electrons past a given point in an electric conductor such as a power line.

Ancillary Services: Ancillary services are those services necessary to support the transmission of

energy from resources to loads while maintaining reliable operation of the Transmission Provider's transmission system in accordance with Good Utility Practice.

Annual Effects: The total effects in energy use (measured in megawatthours) and peak load (measured in kilowatts) caused by all participants in the DSM programs that are in effect during a given year. It includes new and existing participants in existing programs (those implemented in prior years that are in place during the given year) and all participants in new programs (those implemented during the given year). The effects of new participants in existing programs and all participants in new programs should be based on their start-up dates (i.e., if participants enter a program in July, only the effects from July to December should be reported). If start-up dates are unknown and cannot be reasonably estimated, the effects can be annualized (i.e., assume the participants were initiated into the program on January 1 of the given year). The Annual Effects should consider the useful life of efficiency measures, by accounting for building demolition, equipment degradation and attrition.

Annual Transmission Costs: The total annual cost of the Transmission System shall be the amount specified in Schedule 1 until amended by the Transmission Provider or modified by the Commission.

APPA: American Public Power Association. The trade association of publicly held power entities.

Arbitrage: The simultaneous purchase and sale of different financial instruments that have identical risk profiles.

Asset: An economic resource, tangible or intangible, which is expected to provide benefits to a business.

Asynchronous: Not in sync – usually applied to rotating equipment which generates power at a different frequency than the power grid.

Synchronization with the grid is obtained through solid state inverters.

Automatic Generation Control (AGC):

Equipment which automatically adjusts an electric power control area's generation from a central location.

Availability: Unit of measure for the actual time a transmission line or generating unit is capable of providing service, if called upon.

Available but not Needed Capability: Net capability of main generating units that are operable but not considered necessary to carry load, and cannot be connected to load within 30 minutes.

Available Transfer Capacity (ATC): Unit of measure for the transfer capability remaining in the physical transmission network for further commercial activity, over and above committed uses.

Average Annual Megawatt or Average

Megawatt (aMW): A unit of energy output over a year that is equal to the energy produced by the continuous operation of one megawatt of capacity over a period of time (Equal to 8,760 megawatt-hours.)

Average Revenue per Kilowatt-hour: The average revenue per kilowatt-hour of electricity sold by sector (residential, commercial, industrial, or other) and geographic area (State, Census division, and National), is calculated by dividing the total monthly revenue by the corresponding total monthly sales for each sector and geographic area.

Backwardation: In the context of futures trading, a market condition in which futures prices are gradually lowered in the future months of delivery.

Barrel: A volumetric unit of measure for crude oil and petroleum products equivalent to 42 U.S. gallons.

Base Bill: A charge calculated through multiplication of the rate from the appropriate electric rate schedule by the level of consumption.

Baseload: The minimum amount of electric power delivered or required over a given period of time at a steady rate.

Baseload Capacity: The generating equipment normally operated to serve loads on an around-the-clock basis.

Baseload Plant: A plant, usually housing high efficiency steam-electric units, which is normally operated to take all or part of the minimum load of a system, and which consequently produces electricity at an essentially constant rate and runs continuously. These units are operated to maximize system mechanical and thermal efficiency and minimize system operating costs.

Basis: The difference between the spot or cash price of a financial instrument or commodity and the price of the futures contract or a related derivative instrument. A seller is "short of the basis" if selling spot goods hedged by the purchases of futures. Someone who is "long of the basis" has bought spot goods and hedged them by the sale of futures. A basis point is one percent of one percent.

Basis: In the context of futures trading, the difference between the futures price for a given commodity and the comparable cash or spot price for the commodity.

Bbl: The abbreviation for barrel.

Bcf: The abbreviation for 1 billion cubic feet.

Bituminous Coal: The most common coal. It is dense and black (often with well-defined bands of bright and full material). Its moisture content usually is less than 20 percent. It is used for generating electricity, making coke, and space heating. Comprises five groups classified according to the following ASTM Specification D388-84, on a dry mineral-matter-free (mmf) basis for fixed-carbon and volatile matter and a moist mmf basis for calorific value.

LV = Low volatile bituminous coal

MV = Medium volatile bituminous coal

HVA = High volatile A bituminous coal

HVB = High volatile B bituminous coal

HVC = High volatile C bituminous coal

Boiler: A device for generating steam for power, processing, or heating purposes or for producing hot water for heating purposes or hot water supply. Heat from an external combustion source is transmitted to a fluid contained within the tubes in the boiler shell. This fluid is delivered to an end-use at a desired pressure, temperature, and quality.

Btu (British Thermal Unit): A standard unit for measuring the quantity of heat energy equal to the quantity of heat required to raise the temperature of 1 pound of water by 1 degree Fahrenheit.

Capability: The maximum load that a generating unit, generating station, or other electrical apparatus can carry under specified conditions for a given period of time without exceeding approved limits of temperature and stress.

Capacity: The amount of electric power delivered or required for which a generator, turbine, transformer, transmission circuit, station, or system is rated by the manufacturer.

Capacity (Purchased): The amount of energy and capacity available for purchase from outside the system.

Capacity Charge: An element in a two-part pricing method used in capacity transactions (energy charge is the other element). The capacity charge, sometimes called Demand Charge, is assessed on the amount of capacity being purchased.

Capital (Financial): The line items on the right side of a balance sheet that include debt, preferred stock, and common equity. A net increase in assets must be financed by an increase in one or more forms of capital.

Circuit: A conductor or a system of conductors through which electric current flows.

Coal: A black or brownish-black solid combustible substance formed by the partial decomposition of vegetable matter without access

to air. The rank of coal, which includes anthracite, bituminous coal, subbituminous coal, and lignite, is based on fixed carbon, volatile matter, and heating value. Coal rank indicates the progressive alteration from lignite to anthracite. Lignite contains approximately 9 to 17 million Btu per ton. The contents of subbituminous and bituminous coal range from 16 to 24 million Btu per ton and from 19 to 30 million Btu per ton, respectively. Anthracite contains approximately 22 to 28 million Btu per ton.

Cogenerator: A generating facility that produces electricity and another form of useful thermal energy (such as heat or steam) used for industrial, commercial, heating, or cooling purposes. To receive status as a qualifying facility (QF) under the Public Utility Regulatory Policies Act (PURPA), the facility must produce electric energy and "another form of useful thermal energy through the sequential use of energy," and meet certain ownership, operating, and efficiency criteria established by the Federal Energy Regulatory Commission (FERC). (See the code of Federal Regulations, Title 18, Part 292.)

Coincidental Demand: The sum of two or more demands that occur in the same time interval.

Coincidental Peak Load: The sum of two or more peak loads that occur in the same time interval.

Combined Cycle: An electric generating technology in which electricity is produced from otherwise lost waste heat exiting from one more gas (combustion) turbines. The exiting heat is routed to a conventional boiler or to a heat recovery steam generator for utilization by a steam turbine in the production of electricity. This process increases the efficiency of the electric generating unit.

Combined Cycle Unit: An electric generating unit that consists of one or more combustion turbines and one or more boilers with a portion of the required energy input to the boiler(s) provided by the exhaust gas of the combustion turbine(s).

Combined Pumped-Storage Plant: A pumped-storage hydroelectric power plant that uses both pumped water and natural streamflow to produce electricity.

Commercial: The commercial sector is generally defined as nonmanufacturing business establishments, including hotels, motels, restaurants, wholesale businesses, retail stores, and health, social, and educational institutions. The utility may classify commercial service as all consumers whose demand or annual use exceeds some specified limit. The limit may be set by the utility based on the rate schedule of the utility.

Commercial Operation: Commercial operation begins when control of the loading of the generator is turned over to the system dispatcher.

Commission: The Federal Energy Regulatory Commission.

Connection: The physical connection (e.g. transmission lines, transformers, switch gear, etc.) between two electric systems permitting the transfer of electric energy in one or both directions.

Conservation and Other DSIVI: This Demand-Side Management category represents the amount of consumer peak load reduction at the time of system peak due to utility programs that reduce consumer load during many hours of the year. Examples include utility rebate and shared savings activities for the installation of energy efficient appliances, lighting and electrical machinery, and weatherization materials. In addition, this category includes all other Demand-Side Management activities, such as thermal storage, time-of-use rates, fuel substitutions, measurement and evaluation, and any other utility-administered Demand-Side Management activity designed to reduce demand and/or electricity use.

Consumption (Fuel): The amount of fuel used for gross generation, providing standby service, start-up and/or flame stabilization.

Contract Price: Price of fuels marketed on a contract basis covering a period of 1 or more years. Contract prices reflect market conditions at the time the contract was negotiated and therefore remain constant throughout the life of the contract or are adjusted through escalation clauses. Generally, contract prices do not fluctuate widely.

Contract Receipts: Purchases based on a negotiated agreement that generally covers a period of 1 or more years.

Control Area: An electric power system or combination of electric power systems to which a common automatic control scheme is applied in order to: (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load in the electric power system(s); (2) maintain, within the limits of Good Utility Practice, scheduled interchange with other Control Areas; (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Cooling System: Energy Efficiency program promotion aimed at improving the efficiency of the cooling delivery system, including replacement, in the residential, commercial, or industrial sectors.

Cooperative Electric Utility: An electric utility legally established to be owned by and operated for the benefit of those using its service. The utility company will generate, transmit, and/or distribute supplies of electric energy to a specified area not being serviced by another utility. Such ventures are generally exempt from Federal income tax laws. Most electric cooperatives have been initially financed by the Rural Electrification Administration, U.S. Department of Agriculture.

Cost: The amount paid to acquire resources, such as plant and equipment, fuel, or labor services.

Current (Electric): A flow of electrons in an electrical conductor. The strength or rate of movement of the electricity is measured in amperes.

Delivering Party: The entity supplying the capacity and/or energy to be transmitted at Point(s) of Receipt.

Demand (Electric): The rate at which electric energy is delivered to or by a system, part of a

system or piece of equipment, at a given instant or averaged over any designated period of time.

Demand-Side Management: The planning, implementation, and monitoring of utility activities designed to encourage consumers to modify patterns of electricity usage, including the timing and level of electricity demand. It refers only to energy and load-shape modifying activities that are undertaken in response to utility-administered programs. It does not refer to energy and load-shape changes arising from the normal operation of the marketplace or from government-mandated energy efficiency standards. Demand-Side Management (DSM) covers the complete range of load-shape objectives, including strategic conservation and load management, as well as strategic load growth.

Demand-Side Management Costs: The costs incurred by the utility to achieve the capacity and energy savings from the Demand-Side Management Program. Costs (expenditures) incurred by consumers or third parties are to be excluded. The costs are to be reported in nominal dollars in the year in which they are incurred, regardless of when the savings occur. Program costs include expensed items incurred to implement the program, incentive payments provided to consumers to install Demand-Side Management measures, and annual operation and maintenance expenses incurred during the year. Utility costs that are general, administrative, or not specific to a particular Demand-Side Management category are to be included in "other" costs.

Designated Agent: Any entity that performs actions or functions on behalf of the Transmission Provider, an eligible Customer or the Transmission Customer required under the Tariff.

Direct Load Control: Refers to program activities that can interrupt consumer load at the time of annual peak load by direct control of the utility system operator by interrupting power supply to individual appliances or equipment on consumer premises. This type of control usually involves residential consumers. Direct Load Control excludes Interruptible Load and Other Load Management effects. (Direct Load Control, as defined here, is synonymous with Direct Load Control Management reported to the North

American Electric Reliability Council on the voluntary Office of Energy Emergency Operations Form OE-41 1, "Coordinated Regional Bulk Power Supply Program Report," with the exception that annual peak load effects are reported here and seasonal (i.e., summer and winter) peak load effects are reported on the OE-41 1.)

Direct Utility Cost: A utility cost that is identified with one of the DSM program categories (i.e., Energy Efficiency, Direct Load Control, Interruptible Load, Other Load Management, Other DSM Programs, Load Building).

Distillate Fuel Oil: A general classification for one of the petroleum fractions produced in conventional distillation operations. It is used primarily for space heating, on-and-off -highway diesel engine fuel (including railroad engine fuel and fuel for agriculture machinery), and electric power generation. Included are Fuel Oils No. 1, No. 2, and No. 4; and Diesel Fuels No. 1, No. 2, and No. 4.

Distribution System: The portion of an electric system that is dedicated to delivering electric energy to an end user.

Diversity Exchange: An exchange of capacity or energy, or both, between systems whose peak loads occur at different times.

Electric Plant (Physical): A facility containing prime movers, electric generators, and auxiliary equipment for converting mechanical, chemical, and/or fission energy into electric energy.

Electric Rate Schedule: A statement of the electric rate and the terms and conditions governing its application, including attendant contract terms and conditions that have been accepted by a regulatory body with appropriate oversight authority.

Electric Utility: A corporation, person, agency, authority, or other legal entity or instrumentality that owns and/or operates facilities within the United States, its territories, or Puerto Rico for the generation, transmission, distribution, or sale of electric energy primarily for use by the public and files forms listed in the Code of Federal Regulations, Title 18, Part 141. Facilities that

qualify as cogenerators or small power producers under the Public Utility Regulatory Policies Act (PURPA) are not considered electric utilities.

Energy: The capacity for doing work as measured by the capability of doing work (potential energy) or the conversion of this capability to motion (kinetic energy). Energy has several forms, some of which are easily convertible and can be changed to another form useful for work. Most of the world's convertible energy comes from fossil fuels that are burned to produce heat that is then used as a transfer medium to mechanical or other means in order to accomplish tasks. Electrical energy is usually measured in kilowatt-hours, while heat energy is usually measured in British thermal units.

Energy Charge: That portion of the charge for electric service based upon the electric energy (kWh) consumed or billed.

Energy Deliveries: Energy generated by one electric utility system and delivered to another system through one or more transmission lines.

Energy Effects: The changes in aggregate electricity use (measured in megawatthours) for customers that participate in a utility DSM program. Energy Effects should represent changes at the consumer meter (i.e., exclude transmission and distribution effects) and reflect only activities that are undertaken specifically in response to utility-administered programs, including those activities implemented by third parties under contract to the utility. To the extent possible, Energy Effects should exclude non-program related effects such as changes in energy usage attributable to nonparticipants, government-mandated energy efficiency standards that legislate improvements in building and appliance energy usage, changes in consumer behavior that result in greater energy use after initiation in a DSM program, the natural operations of the marketplace, and weather and business cycle adjustments.

Energy Efficiency: Refers to programs that are aimed at reducing the energy used by specific end-use devices and systems, typically without affecting the services provided. These programs reduce overall electricity consumption (reported in megawatthours), often without explicit consideration for the timing of program-induced

savings. Such savings are generally achieved by substituting technically more advanced equipment to produce the same level of end-use services (e.g., lighting, heating, motor drive) with less electricity. Examples include high-efficiency appliances, efficient lighting programs, high-efficiency heating, ventilating and air conditioning (HVAC) systems or control modifications, efficient building design, advanced electric motor drives, and heat recovery systems.

Energy Receipts: Energy generated by one electric utility system and received by another system through one or more transmission lines.

Energy Source: The primary source that provides the power that is converted to electricity through chemical, mechanical, or other means. Energy sources include coal, petroleum and petroleum products, gas, water, uranium, wind, sunlight, geothermal, and other sources.

Equity Capital: The sum of capital from retained earnings and the issuance of stocks.

Expenditure: The incurrence of a liability to obtain an asset or service.

Facility: An existing or planned location or site at which prime movers, electric generators, and/or equipment for converting mechanical, chemical, and/or nuclear energy into electric energy are situated, or will be situated. A facility may contain more than one generator of either the same or different prime mover type. For a cogenerator, the facility includes the industrial or commercial process.

Federal Energy Regulatory Commission (FERC): A quasi-independent regulatory agency within the Department of Energy having jurisdiction over interstate electricity sales, wholesale electric rates, hydroelectric licensing, natural gas pricing, oil pipeline rates, and gas pipeline certification.

Federal Power Act: Enacted in 1920 and amended in 1935, the Act consists of three parts. The first part incorporated the Federal Water Power Act administered by the former Federal Power Commission, whose activities were confined almost entirely to licensing non-Federal hydroelectric projects. Parts 11 and III were

added with the passage of the Public Utility Act. These parts extended the Act's jurisdiction to include regulating the interstate transmission of electrical energy and rates for its sale as wholesale in interstate commerce. The Federal Energy Regulatory Commission is now charged with the administration of this law.

Federal Power Commission: The predecessor agency of the Federal Energy Regulatory Commission. The Federal Power Commission (FPC) was created by an Act of Congress under the Federal Water Power Act on June 10, 1920. It was charged originally with regulating the electric power and natural gas industries. The FPC was abolished on September 20, 1977, when the Department of Energy was created. The functions of the FPC were divided between the Department of Energy and the Federal Energy Regulatory Commission.

FERC: The Federal Energy Regulatory Commission.

Firm Gas: Gas sold on a continuous and generally long-term contract.

Firm Power: Power or power producing capacity intended to be available at all times during the period covered by a guaranteed commitment to deliver, even under adverse conditions.

Firm Transmission Service: Point-to-point transmission service that is reserved and/or scheduled for a term of one year or more and that is of the same priority as that of the Transmission Provider's firm use of the transmission system. Firm Transmission service that is reserved and/or scheduled for a term of less than one year shall be considered Short-Term Firm Transmission Service for the purposes of service liability.

Fossil Fuel: Any naturally occurring organic fuel, such as petroleum, coal, and natural gas.

Fossil-Fuel Plant: A plant using coal, petroleum, or gas as its source of energy.

Fuel: Any substance that can be burned to produce heat; also, materials that can be fissioned in a chain reaction to produce heat.

Fuel Expenses: These costs include the fuel used in the production of steam or driving another prime mover for the generation of electricity. Other associated expenses include unloading the shipped fuel and all handling of the fuel up to the point where it enters the first bunker, hopper, bucket, tank, or holder in the boiler house structure.

Full-Forced Outage: The net capability of main generating units that are unavailable for load for emergency reasons.

Gas: A fuel burned under boilers and by internal combustion engines for electric generation. These include natural, manufactured, and waste gas.

Gas Turbine Plant: A plant in which the prime mover is a gas turbine. A gas turbine consists typically of an axial-flow air compressor, one or more combustion chambers, where liquid or gaseous fuel is burned and the hot gases are passed to the turbine and where the hot gases expand to drive the generator and are then used to run the compressor.

Generating Unit: Any combination of physically connected generator(s), reactor(s), boiler(s), combustion turbine(s), or other prime mover(s) operated together to produce electric power.

Generation (Electricity): The process of producing electric energy by transforming other forms of energy; also, the amount of electric energy produced, expressed in watt-hours (Wh).

Gross Generation: The total amount of electric energy produced by the generating units at a generating station or stations, measured at the generator terminals.

Net Generation: Gross generation less the electric energy consumed at the generating station for station use.

Generator: A machine that converts mechanical energy into electrical energy.

Geothermal Plant: A plant in which the prime mover is a steam turbine. The turbine is driven either by steam produced from hot water or by natural steam that derives its energy from heat

found in rocks or fluids at various depths beneath the surface of the earth. The energy is extracted by drilling and/or pumping.

Gigawatt (GW): One billion watts.

Gigawatthour (GWh): One billion watthours.

Grid: The layout of an electrical distribution system.

Heating System: Energy Efficiency program promotion aimed at improving the efficiency of the heating delivery system, including replacement, in the residential, commercial, or industrial sectors.

Heavy Oil: The fuel oils remaining after the lighter oils have been distilled off during the refining process. Except for start-up and flame stabilization, virtually all petroleum used in steam plants is heavy oil.

Hourly Non-Firm Transmission Service: Point-to-point transmission that is scheduled and paid for on an as-available basis and is subject to interruption.

Hydroelectric Plant: A plant in which the turbine generators are driven by falling water.

Incremental Effects: The annual effects in energy use (measured in megawatthours) and peak load (measured in kilowatts) caused by new participants in existing DSM programs and all participants in new DSM programs during a given year. Reported Incremental Effects should be annualized to indicate the program effects that would have occurred had these participants been initiated into the program on January 1 of the given year. Incremental effects are not simply the Annual Effects of a given year minus the Annual Effects of the prior year, since these net effects would fail to account for program attrition, degradation, demolition, and participant dropouts.

Indirect Utility Cost: A utility cost that may not be meaningfully identified with any particular DSM program category. Indirect costs could be attributable to one of several accounting cost categories (i.e., Administrative, Marketing, Monitoring & Evaluation, Utility-Earned Incentives, Other). Accounting costs that are

known DSM program costs should not be reported under Indirect Utility Cost, rather those costs should be reported as Direct Utility Costs under the appropriate DSM program category.

Industrial: The industrial sector is generally defined as manufacturing, construction, mining, agriculture, fishing, and forestry establishments (Standard Industrial Classification [SIC] codes 01-39). The utility may classify industrial service using the SIC codes, or based on demand or annual usage exceeding some specified limit. The limit may be set by the utility based on the rate schedule of the utility.

Intermediate Load (Electric System): The range from base load to a point between base load and peak. This point may be the midpoint, a percent of the peakload, or the load over a specified time period.

Internal Combustion Plant: A plant in which the prime mover is an internal combustion engine. An internal combustion engine has one or more cylinders in which the process of combustion takes place, converting energy released from the rapid burning of a fuel-air mixture into mechanical energy. Diesel or gas fired engines are the principal types used in electric plants. The plant is usually operated during periods of high demand for electricity.

Interruptible Gas: Gas sold to customers with a provision that permits curtailment or cessation of service at the discretion of the distributing company under certain circumstances, as specified in the service contract.

Interruptible Load: Refers to program activities that, in accordance with contractual arrangements, can interrupt consumer load at times of seasonal peak load by direct control of the utility system operator or by action of the consumer at the direct request of the system operator. It usually involves commercial and industrial consumers. In some instances the load reduction may be affected by direct action of the system operator (remote tripping) after notice to the consumer in accordance with contractual provisions. For example, loads that can be interrupted to fulfill planning or operation reserve requirements should be reported as Interruptible Load. Interruptible Load as defined here excludes Direct Load Control and Other Load

Management. (Interruptible Load, as reported here, is synonymous with Interruptible Demand reported to the North American Electric Reliability Council on the voluntary Office of Energy Emergency Operations Form OE-4 1, "Coordinated Regional Bulk Power Supply Program Report," with the exception that annual peak load effects are reported on the Form EIA-861 and seasonal (i.e., summer and winter) peak load effects are reported on the OE-411).

Kilowatt (kW): One thousand watts.

Kilowatt-hour (kWh): One thousand watt-hours.

Leverage Ratio: A measure that indicates the financial ability to meet debt service requirements and increase the value of the investment to the stockholders (i.e., the ratio of total debt to total assets).

Liability: An amount payable in dollars or by future services to be rendered.

Light Oil: Lighter fuel oils distilled off during the refining process. Virtually all petroleum used in internal combustion and gas turbine engines is light oil.

Load (Electric): The amount of electric power delivered or required at any specific point or points on a system. The requirement originates at the energy consuming equipment of the consumers.

Load Building: Refers to programs that are aimed at increasing the usage of existing electric equipment or the addition of electric equipment. Examples include industrial technologies such as induction heating and melting, direct arc furnaces and infrared drying; cooking for commercial establishments; and heat pumps for residences. Load Building should include programs that promote electric fuel substitution. Load Building effects should be reported as a negative number, shown with a minus sign.

Load Ratio Share: Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 11.2 and 11.3 and calculated on a rolling 12-month basis.

Mark-To-Market: The method whereby an open position's current value is calculated based on the latest market price. The amount calculated is the difference between the established traded price of the transaction and the current market price at a specific point in time.

Marketing Cost: Expenses directly associated with the preparation and implementation of the strategies designed to encourage participation in a DSM program. The category excludes general market and load research costs.

Maximum Demand: The greatest of all demands of the load that has occurred within a specified period of time.

Mcf: One thousand cubic feet.

Megawatt (MW): One million watts.

Megawatthour (MWh): One million watt-hours.

Member System: An Eligible Customer operating as a part of a lawful combination, partnership, association, or joint action agency composed exclusively of Eligible Customers.

MMcf: One million cubic feet.

Monitoring & Evaluation Cost: Expenditures associated with the planning, collection, and analysis of data used to assess program operation and effects. It includes activities such as load metering, customer surveys, new technology testing, and program evaluations that are intended to establish or improve the ability to monitor and evaluate the impacts of DSM programs, collectively or individually.

Native Load Customers: The wholesale and retail customers on whose behalf the Transmission Provider, by statute, franchise, regulatory requirements, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

Natural Gas: A naturally occurring mixture of hydrocarbon and nonhydrocarbon gases found in porous geological formations beneath the earth's surface, often in association with petroleum. The principal constituent is methane.

Net Capability: The maximum load carrying ability of the equipment, exclusive of station use, under specified conditions for a given time interval, independent of the characteristics of the load. (Capability is determined by design characteristics, physical conditions, adequacy of prime mover, energy supply, and operating limitations as cooling and circulating water supply and temperature, headwater and tailwater elevations, and electrical use.)

Net Generation: Gross generation minus plant use from all electric utility owned plants. The energy required for pumping at a pumped storage plant is regarded as plant use and must be deducted from the gross generation.

Net Summer Capability: The steady hourly output, which generating equipment is expected to supply to system load exclusive of auxiliary power, as demonstrated by tests at the time of summer peak load.

Net Winter Capability: The steady hourly output which generating equipment is expected to supply to system load exclusive of auxiliary power, as demonstrated by tests at the time of winter peak load.

Network Customers: Entities receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Tariff.

Network Integration Transmission Service: Network Integration Transmission Service allows a Transmission Customer to integrate, plan, economically dispatch, and regulate its Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load customers. Network Integration Transmission Service also may be used by the Transmission Customer to deliver non-firm energy purchases to its Network Load without additional charge.

Network Load: The designated load of a Transmission Customer, including the entire load of all Member Systems designated pursuant to Section 6.0. A Transmission Customer's Network Load shall not be reduced to reflect any portion of such load served by the output of any generating

facilities owned, or generation purchased, by the Transmission Customer or its Member Systems.

New Construction: Energy efficiency program promotion to encourage the building of new homes, buildings, and plants to exceed standard government-mandated energy efficiency codes; it may include major renovations of existing facilities.

Noncoincidental Peak Load: The sum of two or more peak loads on individual systems that do not occur in the same time interval. Meaningful only when considering loads within a limited period of time, such as a day, week, month, a heating or cooling season, and usually for not more than one year.

Non-Firm Power: Power or power producing capacity supplied or available under a commitment having limited or no assured availability.

Non-Firm Transmission Service: Point-to-point transmission service that is reserved and/or scheduled on an as-available basis and is subject to interruption. Non-firm Transmission Service is available on a stand-alone basis as either Hourly Non-firm Transmission Service or Short-Term Non-firm Transmission Service.

Nonutility Power Producer: A corporation, person, agency, authority, or other legal entity or instrumentality that owns electric generating capacity and is not an electric utility. Nonutility power producers include qualifying cogenerators, qualifying small power producers, and other nonutility generators (including independent power producers) without a designated franchised service area, and which do not file forms listed in the Code of Federal Regulations, Title 18, Part 141.

North American Electric Reliability Council (NERC): A council formed in 1968 by the electric utility industry to promote the reliability and adequacy of bulk power supply in the electric utility systems of North America. NERC consists of ten regional reliability councils and encompasses essentially all the power regions of the contiguous United States, Canada, and Mexico. The NERC Regions are:

ASCC - Alaskan System Coordination Council

ECAR - East Central Area Reliability Coordination Agreement

ERCOT - Electric Reliability Council of Texas

MAIN - Mid-America Interconnected Network

MAAC - Mid-Atlantic Area Council

MAPP - Mid-Continent Area Power Pool

NPCC - Northeast Power Coordinating Council

SERC - Southeastern Electric Reliability Council

SPP - Southwest Power Pool

WSCC - Western Systems Coordinating Council

Nuclear Fuel: Fissionable materials that have been enriched to such a composition that, when placed in a nuclear reactor, will support a self-sustaining fission chain reaction, producing heat in a controlled manner for process use.

Nuclear Power Plant: A facility in which heat produced in a reactor by the fissioning of nuclear fuel is used to drive a steam turbine.

NYMEX: The New York Mercantile Exchange located in New York where petroleum futures and options are traded under strict regulations.

Off-Peak Gas: Gas that is to be delivered and taken on demand when demand is not at its peak.

Other Load Management: Refers to programs other than Direct Load Control and Interruptible Load that limit or shift peak load from on-peak to off-peak time periods. It includes technologies that primarily shift all or part of a load from one time-of-day to another and secondarily may have an impact on energy consumption. Examples include space heating and water heating storage systems, cool storage systems, and load limiting devices in energy management systems. This category also includes programs that aggressively promote time-of-use (TOU) rates and other innovative rates such as real time pricing. These rates are intended to reduce consumer bills and shift hours of operation of equipment from

on-peak to off-peak periods through the application of time differentiated rates.

Outage: The period during which a generating unit, transmission line, or other facility is out of service.

Parties: The Transmission Provider and the Transmission Customer receiving service.

Peak Demand: The maximum load during a specified period of time.

Peak Load Plant: A plant usually housing old, low-efficiency steam units, gas turbines, diesels, or pumped storage hydroelectric equipment normally used during the peak-load periods.

Peaking Capacity: Capacity of generating equipment normally reserved for operation during the hours of highest daily, weekly, or seasonal loads. Some generating equipment may be operated at certain times as peaking capacity and at other times to serve loads on an around-the-clock basis.

Percent Difference: The relative change in a quantity over a specified time period. It is calculated as follows: the current value has the previous value subtracted from it; this new number is divided by the absolute value of the previous value; then this new number is multiplied by 100.

Petroleum: A mixture of hydrocarbons existing in the liquid state found in natural underground reservoirs often associated with gas. Petroleum includes fuel oil No. 2, No. 4, No. 5, No. 6; topped crude; kerosene; and jet fuel.

Petroleum (Crude Oil): A naturally occurring, oily, flammable liquid composed principally of hydrocarbons. Crude oil is occasionally found in springs or pools but usually is drilled from wells beneath the earth's surface.

Planned Generator: A proposal by a company to install electric generating equipment at an existing or planned facility or site. The proposal is based on the owner having obtained (1) all environmental and regulatory approvals, (2) a signed contract for the electric energy, or (3) financial closure for the facility.

Plant: A facility at which are located prime movers, electric generators, and auxiliary equipment for converting mechanical, chemical, and/or nuclear energy into electric energy. A plant may contain more than one type of prime mover. Electric utility plants exclude facilities that satisfy the definition of a qualifying facility under the Public Utility Regulatory Policies Act of 1978.

Plant Use: The electric energy used in the operation of a plant. Included in this definition is the energy required for pumping at pumped storage plants.

Plant-Use Electricity: The electric energy used in the operation of a plant. This energy total is subtracted from the gross energy production of the plant; for reporting purposes the plant energy production is then reported as a net figure. The energy required for pumping at pumped storage plants is, by definition, subtracted, and the energy production for these plants is then reported as a net figure.

Point(s) of Delivery: Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and/or energy transmitted by the Transmission Provider will be made available to the Receiving Party. The Point(s) of Delivery shall be specified in the Service Agreement.

Point-to-Point Transmission Service: The reservation and/or transmission of energy on either a firm basis and/or a non-firm basis from Point(s) of Receipt to Point(s) of Delivery, including any Ancillary Services that are provided by the Transmission Provider in conjunction with such service.

Point-to-Point Transmission Service Tariff: The Transmission Provider's Point-to-Point Transmission Service Tariff as such tariff may be amended and/or superseded from time to time.

Point(s) of Receipt: Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and/or energy will be made available to the Transmission Provider by the Delivering Party. The Point(s) of Delivery shall be specified in the Service Agreement.

Potential Peak Load Reduction: The amount of annual peak load reduction capability (measured in kilowatts) that can be deployed from Direct Load Control, Interruptible Load, Other Load Management, and Other DSM Program activities. It represents the load that can be reduced either by the direct control of the utility system operator or by the consumer in response to a utility request to curtail load. It reflects the installed load reduction capability, as opposed to the Actual Peak Reduction achieved by participants, during the time of annual system peak load.

Power: The rate at which energy is transferred. Electrical energy is usually measured in watts. Also used for a measurement of capacity.

Power Marketers: Power marketers are business entities engaged in buying and selling electricity, but do not own generating or transmission facilities. Power marketers, as opposed to brokers, take ownership of the electricity and are involved in interstate trade. These entities file with FERC for status as a power marketer.

Power Pool: An association of two or more interconnected electric systems having an agreement to coordinate operations and planning for improved reliability and efficiencies.

Price: The amount of money or consideration-in-kind for which a service is bought, sold, or offered for sale.

Prime Mover: The engine, turbine, water wheel, or similar machine that drives an electric generator; or, for reporting purposes, a device that converts energy to electricity directly (e.g., photovoltaic solar and fuel cells).

Profit: The income remaining after all business expenses are paid.

Public Authority Service to Public Authorities: Public authority service includes electricity supplied and services rendered to municipalities or divisions or agencies of State or Federal governments, under special contracts or agreements or service classifications applicable only to public authorities.

Pumped Storage Hydroelectric Plant: A plant that usually generates electric energy during peak-load periods by using water previously pumped into an elevated storage reservoir during off-peak periods when excess generating capacity is available to do so. When additional generating capacity is needed, the water can be released from the reservoir through a conduit to turbine generators located in a power plant at a lower level.

Purchased Power Adjustment: A clause in a rate schedule that provides for adjustments to the bill when energy from another electric system is acquired and it varies from a specified unit base amount.

Pure Pumped Storage Hydroelectric Plant: A plant that produces power only from water that has previously been pumped to an upper reservoir.

Qualifying Facility (QF): A cogeneration or small power production facility that meets certain ownership, operating, and efficiency criteria established by the Federal Energy Regulatory Commission (FERC) pursuant to the Public Utility Regulatory Policies Act (PURPA). (See the Code of Federal Regulations, Title 18, Part 292.)

Rate Base: The value of property upon which a utility is permitted to earn a specified rate of return as established by a regulatory authority. The rate base generally represents the value of property used by the utility in providing service and may be calculated by any one or a combination of the following accounting methods: fair value, prudent investment, reproduction cost, or original cost. Depending on which method is used, the rate base includes cash, working capital, materials and supplies, and deductions for accumulated provisions for depreciation, contributions in aid of construction, customer advances for construction, accumulated deferred income taxes, and accumulated deferred investment tax credits.

Ratemaking Authority: A utility commission's legal authority to fix, modify, approve, or disapprove rates, as determined by the powers given the commission by a State or Federal legislature.

Receipts: Purchases of fuel.

Receiving Party: The entity receiving the capacity and/or energy transmitted by the Transmission Provider to the Point(s) of Delivery.

Regional Transmission Group: A voluntary organization of transmission owners, transmission users, and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation, and use on a regional (and interregional) basis.

Regulation: The government function of controlling or directing economic entities through the process of rulemaking and adjudication.

Reserve Margin (Operating): The amount of unused available capability of an electric power system at peak load for a utility system as a percentage of total capability.

Residential: The residential sector is defined as private household establishments which consume energy primarily for space heating, water heating, air conditioning, lighting, refrigeration, cooking, and clothes drying. The classification of an individual consumer's account, where the use is both residential and commercial, is based on principal use.

Retail: Sales covering electrical energy supplied for residential, commercial, and industrial end-use purposes. Other small classes, such as agriculture and street lighting, also are included in this category.

Revenue: The total amount of money received by a firm from sales of its products and/or services, gains from the sales or exchange of assets, interest and dividends earned on investments, and other increases in the owner's equity except those arising from capital adjustments.

Running and Quick-Start Capability: The net capability of generating units that carry load or have quick-start capability. In general, quick-start capability refers to generating units that can be available for load within a 30-minute period.

Sales: The amount of kilowatt-hours sold in a given period of time; usually grouped by classes of service, such as residential, commercial, industrial, and other. Other sales include public

street and highway lighting, other sales to public authorities and railways, and interdepartmental sales.

Sales for Resale: Energy supplied to other electric utilities, cooperatives, municipalities, and Federal and State electric agencies for resale to ultimate consumers.

Scheduled Outage: The shutdown of a generating unit, transmission line, or other facility, for inspection or maintenance, in accordance with an advance schedule.

Service Agreement: The initial agreement and any supplements thereto entered into by the Transmission Customer and the Transmission Provider for service.

Short Ton: A unit of weight equal to 2,000 pounds.

Small Power Producer (SPP): Under the Public Utility Regulatory Policies Act (PURPA), a small power production facility (or small power producer) generates electricity using waste, renewable (water, wind, and solar), or geothermal energy as a primary energy source. Fossil fuels can be used, but renewable resource must provide at least 75 percent of the total energy input. (See Code of Federal Regulations, Title 18, Part 292.)

Spinning Reserve: That reserve generating capacity running at a zero load and synchronized to the electric system.

Spot Purchases: A single shipment of fuel or volumes of fuel, purchased for delivery within 1 year. Spot purchases are often made by a user to fulfill a certain portion of energy requirements, to meet unanticipated energy needs, or to take advantage of low fuel prices.

Stability: The property of a system or element by virtue of which its output will ultimately attain a steady state. The amount of power that can be transferred from one machine to another following a disturbance. The stability of a power system is its ability to develop restoring forces equal to or greater than the disturbing forces so as to maintain a state of equilibrium.

Standby Facility: A facility that supports a utility system and is generally running under no load. It is available to replace or supplement a facility normally in service.

Standby Service: Support service that is available, as needed, to supplement a consumer, a utility system, or to another utility if a schedule or an agreement authorizes the transaction. The service is not regularly used.

Steam Electric Plant (Conventional): A plant in which the prime mover is a steam turbine. The steam used to drive the turbine is produced in a boiler where fossil fuels are burned.

Stocks: A supply of fuel accumulated for future use. This includes coal and fuel oil stocks at the plant site, in coal cars, tanks, or barges at the plant site, or at separate storage sites.

Substation: Facility equipment that switches, changes, or regulates electric voltage.

System (Electric): Physically connected generation, transmission, and distribution facilities operated as an integrated unit under one central management, or operating supervision.

Total DSM Cost: Refers to the sum of total utility cost and nonutility cost.

Total DSM Programs: Refers to the total net effects of all the utility's DSM programs. For the purpose of this survey, it is the sum of the effects for Energy Efficiency, Direct Load Control, Interruptible Load, Other Load Management, Other DSM Programs, and Load Building. Net growth in energy or load effects should be reported as a negative number, shown with a minus sign.

Total Nonutility Costs: Refers to total cash expenditures incurred by consumers and trade allies that are associated with participation in a DSM program, but that are not reimbursed by the utility. The nonutility expenditures should include only those additional costs necessary to purchase or install an efficient measure relative to a less efficient one. Costs are to be reported in nominal dollars in the year in which they are incurred, regardless of when the actual effects occur. To the extent possible, respondents are asked to

provide the best estimate of non-utility costs if actual costs are unavailable.

Total Utility Costs: Refers to the sum of the total Direct and Indirect Utility Costs for the year. Utility costs should reflect the total cash expenditures for the year, reported in nominal dollars, that flowed out to support DSM programs. They should be reported in the year they are incurred, regardless of when the actual effects occur.

Transformer: An electrical device for changing the voltage of alternating current.

Transmission: The movement or transfer of electric energy over an interconnected group of lines and associated equipment between points of supply and points at which it is transformed for delivery to consumers, or is delivered to other electric systems. Transmission is considered to end when the energy is transformed for distribution to the consumer.

Transmission System (Electric): An interconnected group of electric transmission lines and associated equipment for moving or transferring electric energy in bulk between points of supply and points at which it is transformed for delivery over the distribution system lines to consumers, or is delivered to other electric systems.

Turbine: A machine for generating rotary mechanical power from the energy of a stream of fluid (such as water, steam, or hot gas). Turbines convert the kinetic energy of fluids to mechanical energy through the principles of impulse and reaction, or a mixture of the two.

Uniform System of Accounts: Prescribed financial rules and regulations established by the Federal Energy Regulatory Commission for utilities subject to its jurisdiction under the authority granted by the Federal Power Act.

Useful Thermal Output: The thermal energy made available for use in any industrial or commercial process, or used in any heating or cooling application, i.e., total thermal energy made available for processes and applications other than electrical generation.

Utility-Earned Incentives: Costs in the form of incentives paid to the utility for achievement in consumer participation in DSM programs. These financial incentives are intended to influence the utility's consideration of DSM as a resource option by addressing cost recovery, lost revenue, and profitability.

Watt: The electrical unit of power. The rate of energy transfer equivalent to 1 ampere flowing under a pressure of 1 volt at unity power factor.

Watt-hour (Wh): An electrical energy unit of measure equal to 1 watt of power supplied to, or taken from, an electric circuit steadily for 1 hour.

Wheeling Service: The movement of electricity from one system to another over transmission facilities of intervening systems. Wheeling service contracts can be established between two or more systems facilities of intervening systems. Wheeling service contracts can be established between two or more systems.

Wholesale Sales: Energy supplied to other electric utilities, cooperatives, municipals, and Federal and State electric agencies for resale to ultimate consumer.

Voltage Reduction: Any intentional reduction of system voltage by 3 percent or greater for reasons of maintaining the continuity of service of the bulk electric power supply system.

Water Heating: Energy Efficiency program promotion to increase efficiency in water heating, including low-flow showerheads and water heater insulation wraps. Could be applicable to residential, commercial, or industrial consumer sectors.