

**GLOSSARY OF TERMS**  
**Dockets UE-060266 and UG-060267**  
**(consolidated)**

TERM	DESCRIPTION
aMW (average megawatt)	Energy measurement equal to 1 MW applied over all the hours in a year ( <i>i.e.</i> , 8,760 MWh).
CCCT (combined cycle combustion turbine)	An electric generating technology in which electricity is produced from otherwise lost waste heat exiting from one or 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.
CDD (cooling degree day)	A measure of how warm a location is over a period of time relative to a base temperature, most commonly specified as 65 degrees Fahrenheit. The measure is computed for each day by subtracting the base temperature (65 degrees) from the average of the day's high and low temperatures, with negative values set equal to zero. Each day's cooling degree-days are summed to create a cooling degree-day measure for a specified reference period. Cooling degree-days are used in energy analysis as an indicator of air conditioning energy requirements or use.  <i>See infra</i> HDD (heating degree day)
COS (cost of service)	The cost to a utility to provide service to its customers. A utility's cost of service is defined as the sum of operating expenses, depreciation expenses, taxes, and a reasonable return on the net valuation of the property devoted to public service.
CRAG (Conservation Resource Advisory Group)	A group established to fulfill conservation-related terms in the comprehensive settlement of PSE's general rate proceeding in Docket Nos. UE-011570 and UG-011571. <i>WUTC v. Puget Sound Energy, Inc.</i> , Docket Nos. UE-011570 & UG-011571, Twelfth Supp. Order (2002). Participants, who advise PSE on its conservation programs include Commission Staff, Public Counsel, ICNU, NWECA, Energy Project, Natural Resources Defense Council, NPPC, NWIGU, Washington State office of Community Trade and Economic Development Energy Policy Group and others.
CUA (Citizens Utility Alliance)	Citizens Utility Alliance is a non-profit group working to organize, educate and advocate for residential natural gas, electric, water, and telecommunications customers.
D&O (directors and officers) liability insurance	Insurance that covers directors and officers of a company for negligent acts or omissions, and for misleading statements that result in suits against the company, often by shareholders. Directors and officers insurance policies usually contain two coverages: personal

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	<p>coverage for individual directors and officers who are not indemnified by the corporation for their legal expenses or judgments against them – some corporations are not required by their corporate or state charters to provide indemnification; and corporate reimbursement coverage for indemnifying directors and officers. Entity coverage for claims made specifically against the company may also be available.</p>
FEA (Federal Executive Agencies)	<p>The Federal Executive Agencies are federal government customers, such as the Department of the Navy, that receive service under PSE’s electric rate schedules.</p>
GRNA (Gas Revenue Normalization Adjustment)	<p>Name coined by PSE to identify its proposal in this proceeding to decouple the recovery of fixed costs incurred in connection with providing natural gas service from the amount of natural gas actually used by customers.</p>
HDD (heating degree day)	<p>A measure of how cold a location is over a period of time relative to a base temperature, most commonly specified as 65 degrees Fahrenheit. The measure is computed for each day by subtracting the average of the day's high and low temperatures from the base temperature (65 degrees), with negative values set equal to zero. Each day's heating degree-days are summed to create a heating degree-day measure for a specified reference period. Heating degree-days are used in energy analysis as an indicator of space heating energy requirements or use.</p> <p><i>See supra</i> CDD (cooling degree day)</p>
ICNU (Industrial Customers of Northwest Utilities)	<p>The Industrial Customers of Northwest Utilities is a regional organization whose members are large industrial customers of various utilities, including PSE.</p>
Margin revenue	<p>The revenue necessary for a utility to recover its total cost of service net of purchased gas expenses and other expenses treated as “flow-through” items in rates (<i>e.g.</i>, revenue taxes, conservation program riders). A utility’s per customer margin revenue is simply its total cost of service, as determined in the most recent general rate case, divided by the number of customers.</p>
Mid-C	<p>Mid-Columbia trading hub at which gas futures contract prices are reported on a continuing basis. Mid-C is a more-or-less hypothetical location, based on four substations that serve as receipt and delivery points north of the Columbia River system in Washington state.</p>

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MMBtu	One million British thermal units. A British thermal unit (Btu) is the quantity of heat required to raise the temperature of 1 pound of liquid water by 1 degree Fahrenheit at the temperature at which water has its greatest density (approximately 39 degrees Fahrenheit).
MWh (Megawatt hour)	One thousand kilowatt-hours. A kilowatt-hour (kWh) is a measure of electricity defined as a unit of work or energy, measured as 1 kilowatt (1,000 watts) of power expended for 1 hour. One kWh is equivalent to 3,412.8 Btu. A Watt is the unit of electrical power equal to one ampere under a pressure of one volt. A Watt is equal to 1/746 horsepower.
NEEA (Northwest Energy Efficiencies Alliance)	A non-profit corporation supported by electric utilities, public benefits administrators, state governments, public interest groups and energy efficiency industry representatives. These entities work together to promote affordable, energy-efficient products and services available in the marketplace.
NWECA (Northwest Energy Coalition)	An alliance of environmental, civic, and human service organizations, utilities, and businesses in Oregon, Washington, Idaho, Montana, Alaska and British Columbia that promotes development of renewable energy and energy conservation, consumer protection, low-income energy assistance, and fish and wildlife restoration on the Columbia and Snake rivers.
NWIUGU (Northwest Industrial Gas Users)	An organization whose members are large industrial natural gas customers taking service from various utilities, including PSE.
PCORC (power cost only rate case)	Procedural option that allows for expedited consideration between general rate proceedings of the prudence and rate treatment of costs associated with major generation acquisitions by PSE. The Commission adopted the PCORC process as part of a comprehensive settlement of the Company's general rate proceeding in Docket Nos. UE-011570 and UG-011571. <i>WUTC v. Puget Sound Energy, Inc.</i> , Docket Nos. UE-011570 & UG-011571, Twelfth Supp. Order (2002).
PCA (power cost adjustment)	An accounting mechanism that tracks the difference between actual annual power costs and approved baseline annual power costs and that determines a rate surcharge or credit depending on the magnitude and direction of the difference. The Commission authorized PSE to implement a power cost adjustment (PCA) mechanism during 2002 as part of a comprehensive settlement of the Company's general rate proceeding in Docket Nos. UE-011570 and UG-011571. <i>WUTC v. Puget Sound Energy, Inc.</i> , Docket Nos. UE-011570 & UG-011571, Twelfth Supp. Order (2002).

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PGA (purchased gas adjustment)	An accounting mechanism that tracks the difference between actual annual gas commodity costs and approved baseline for gas costs and that determines a rate surcharge or credit depending on the magnitude and direction of the difference.
ROE (return on equity)	The rate of earnings realized by a utility on its shareholders' assets, calculated by dividing the earnings available for dividends by the equity portion of the rate base. The Commission establishes an authorized rate of return for recovery in rates.
WECC (Western Electricity Coordinating Council)	WECC is responsible for coordinating and promoting electric system reliability in the region identified as the Western Interconnection. The WECC region encompasses nearly 1.8 million square miles. It is the largest and most diverse of the ten regional councils of the North American Electric Reliability Council (NERC). WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and British Columbia, the northern portion of Baja California, Mexico, and all or portions of the 14 western states in between. Transmission lines span long distances connecting the Pacific Northwest with its abundant hydroelectric resources to the Southwest with its large coal-fired and nuclear resources. WECC and the nine other regional reliability councils were formed due to national concern regarding the reliability of the interconnected bulk power systems, the ability to operate these systems without widespread failures in electric service, and the need to foster the preservation of reliability through a formal organization.