Glossary of Terms

Aggregator – Any marketer, broker, public agency, city, county, or special district that combines the loads of multiple end-use customers in facilitating the sale and purchase of electricity, transmissions and other services on behalf of these customers.

Alternative Electric Generation Supplier – An energy-only service company , providing energy sales to customers with delivery service provided by a utility. Also referred to as alternative energy provider, and energy service provider.

Commercial – An energy-consuming sector that consists of service-providing facilities and equipment of non-manufacturing businesses, such as restaurants, retail stores and hotels; and other private organizations, such as religious, social and fraternal groups. The commercial sector includes institutional living quarters. Common uses of energy associated with this sector include space heating, water heating, air conditioning, lighting, refrigeration, cooking, and running a wide variety of other equipment.

Cooperative, Rural Electric (Co-op) – 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 electricity 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 Utilities Service (prior Rural Electrification Administration), U.S. Department of Agriculture.

Customer Charge – An amount to be paid periodically by a customer for electric service often based upon costs incurred for metering, meter reading, billings, etc. (exclusive of demand or energy consumption).

Customer Choice – Allowing certain customers to purchase electricity from alternative competitive suppliers.

Default Service or Provider of Last Resort – A legal obligation, traditionally assigned to utilities, to provide service to any customer who requests it at any time.

Demand – The rate at which electricity is being used at any one given time (or averaged over any designated interval of time). Demand differs from energy use, which reflects the total amount of electricity consumed over a period of time. Demand is often measured in Kilowatts (kW = 1 Kilowatt =1000 watts), while energy use is usually measured in Kilowatt hours (kWh = Kilowatts x hours of use = Kilowatt hours). The term load is considered synonymous with demand. (Load also may be defined as an end-use energy-consuming piece of equipment, or a customer that receives power from the electric system. Using this definition of load, demand is the measure of power that a load receives or requires).

Deregulation – The elimination of regulation from a previously regulated industry or sector of an industry.

Distribution – The process of delivering electricity from convenient points on the transmission system to consumers.

Electric Distribution Company – The utilities that continue to provide regulated services for the distribution of electricity to customers and serve customers who do not choose direct access.

Electric Supplier – An entity (including an electric aggregator or participating municipal electric utility) licensed to provide electric generation services to customers. With electric choice, customers can choose their electric supplier. The customer's electric distribution company then delivers the power.

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

Fixed Costs – Costs that do not change or vary with usage, output or production.

Generation – The act or process of transforming other forms of energy into electric energy, or the amount of electric energy so produced, expressed in kilowatt hours.

Industrial – An energy-consuming sector that consists of all manufacturing facilities and equipment used for producing, processing or assembling goods. The industrial sector encompasses the following types of activity: manufacturing; agriculture, forestry, and fisheries; mining; and construction. Overall energy use in this sector is largely for process heat and cooling and powering machinery, with lesser amounts used for facility heating, air conditioning and lighting.

Investor-Owned Electric Utility (IOU) – A privately owned electric utility whose stock is publicly traded. It is rate-regulated and authorized to achieve an allowed rate of return.

Kilowatt (kW) – One kilowatt equals 1,000 watts.

Kilowatt-Hour (kWh) – The basic unit of electricity equal to one kilowatt of power supplied to or taken from an electric circuit steadily for one hour. One kilowatt-hour equals 1,000 watt-hours.

Megawatt (MW) – One megawatt equals one million-watts.

Megawatt-hour (MWh) – One megawatt-hour equals one million watt hours.

Municipally-Owned Electric System – An electric utility system owned and operated by a city, county, irrigation district, drainage district, or a political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting or distributing power. This entity usually, but not always, provides service within the boundaries of the municipality.

Price to Compare – The portion of your bill associated with electricity generation and transmission. This is the amount you will be charged if you continue to receive generation and transmission service from your utility

Public Utilities Commission (PUC) – A name commonly used for the state regulatory agency that governs retail utility rates and practices and, in many cases, issues approvals for the construction of new facilities. There are regulatory commissions in all 50 states, as well as the District of Columbia, Puerto Rico and the Virgin Islands.

Residential – An energy-consuming sector that consists of living quarters for private households. Common uses of energy associated with this sector include space heating, water heating, air conditioning, lighting, refrigeration, cooking, and running a variety of other appliances. The residential sector excludes institutional living quarters. This sector may exclude deliveries or sales to apartment buildings or homes on military bases (these buildings or homes may be included in the commercial sector).

Retail Customer Choice – Allowing certain customers to purchase electricity from alternative competitive suppliers.

Tariff (Tariff Schedule) – A document filed with the regulatory authority(s) specifying lawful rates, charges, rules and conditions under which the utility provides service to the public.

Transmission – The act or process of transporting electricity in bulk from a source or sources of supply to other principal parts of the system or to other utility systems.