

Glossary

General terms

ACE	Association for the Conservation of Energy.
Authorized electricity operator or operator	A person authorized to generate, transmit or supply electricity by licence or (in the case of generation or supply) by an exemption granted under the Electricity Act 1989.
Authorized supply area	The geographical area within which a PES has been authorized by its PES Licence to supply electricity.
Authorized transmission area	The geographical area within which the holder of a Transmission Licence has been authorized to transmit electricity.
BNFL	British Nuclear Fuels plc.
CAPM	Capital asset pricing model.
CCA	Current cost accounting.
CCGT	Combined cycle gas turbine.
CEGB	Central Electricity Generating Board.
CHP	Combined heat and power.
CML	Customer minutes lost per customer.
Coal Agreement	The agreement dated 1 June 1990 (as amended) for the provision by ScottishPower to HE of electricity generated from a proportion of ScottishPower's coal-fired generating capacity at Longannet and Cnockenzie generating stations.
Customer	An end-user supplied with electricity by a company.
DGES	The Director General of Electricity Supply.
Distribution system	A system of electric circuits with a nominal voltage of less than 132 kV (in Scotland) and of 132 kV or less (in England and Wales) and associated electrical plant and meters.
EDF	Electricité de France.
EHV premises	Premises receiving extra high voltage supplies being, in relation to existing connections at 31 March 1990, those premises notified by a PES to the DGES and, in relation to subsequent connections, being premises connected to a distribution system at 22 kV or more or at a substation with a primary voltage of 66 kV or more.
Emissions Allocation Agreement	The agreement dated 3 May 1991 relating to the allocation between HE and ScottishPower of the limits on the emission of sulphur dioxide and oxides of nitrogen from certain fossil-fuelled generating stations in Scotland and the effect of such limit on the Peterhead Agreement and the Coal Agreement .

End-user	Any single premises which receives electricity from a transmission system or distribution system for use at those premises (but, for the avoidance of doubt, excluding any single premises which forms part of a distribution system or transmission system) or, as the context so requires, any person who is billed for such electricity supply at such premises.
EPS	Earnings per share.
Fossil fuel	Coal, coal products, lignite, natural gases, crude liquid petroleum or petroleum products.
Fossil fuel levy	A levy imposed on licensed suppliers in England and Wales under regulations made pursuant to section 33 of the Electricity Act 1989 to compensate PESs in England and Wales for the additional costs which they incur as a result of satisfying the non-fossil fuel obligation which has been imposed on them (and which levy is also capable of being imposed on licensed suppliers in Scotland for any additional cost which PESs in Scotland incur as a result of satisfying any non-fossil fuel obligation which is imposed on them).
Franchise customer	A customer with a relevant maximum demand which does not exceed the franchise limit .
Franchise limit	During the period from 31 March 1990 to 30 March 1994, 1 MW; and during the period from 31 March 1994 to 30 March 1998, 100 kW.
Franchise market	The market comprising franchise customers within a PES's authorized supply area; the non-franchise market is construed accordingly.
Franchise period	The period from 31 March 1990 to 30 March 1998.
GBY	The Great Britain yardstick.
Generating set	Any plant or apparatus for the production of electricity.
Generation licence	A licence granted under the Electricity Act 1989 to generate electricity for the purpose of giving a supply or enabling a supply to be given to any premises.
GWh	Gigawatt hour.
HCA	Historical cost accounting.
HE	Scottish Hydro-Electric plc.
HV	High voltage.
Hydro Agreement	The agreement dated 1 June 1990 for the provision by HE to ScottishPower of electricity generated from a proportion of HE's hydro generating capacity.
IMV	Initial market value.
Interconnector	The NGC interconnector together with the Scottish interconnector .
IP	Indexed purchase price.
JGA	The working arrangements established between the NSHEB and the

kWh	SSEB , known as the Joint Generating Agreement, which provided, amongst other things, for the sharing of certain of their costs. Kilowatt hour. The rate of consumption of energy, 1 kWh being one hour's consumption at a constant rate of 1 kW.
Licensed supplier	A PES or a second-tier supplier .
LV	Low voltage.
MAR	Market to asset ratio.
MEA	Modern equivalent asset.
Miller Field	The oil and gas field located in blocks 16/7b and 16/8b of the UK continental shelf commonly known as the Miller Field.
Miller Gas	Natural gas produced from the Miller Field .
Miller Gas Agreements	Four separate and identical agreements dated 7 October 1988, the parties to which now are HE and each of the four companies which have participating interests in the Miller Field , namely: Britoil plc, Santa Fe Exploration (UK) Limited, Conoco (UK) Limited and Saxon Oil Limited.
Miller Plateau Period	A period beginning at the time when HE is required to take delivery under the Miller Gas Agreements of Miller Gas at a rate in excess of 115,000 Gj (net) per day and ending at the expiry of a deemed continuous period of 90 days during which delivery has reduced to an average daily rate of less than that amount (but subject to provisions for recommencement if subsequent deliveries reach that amount over a 90-day period).
Must-take obligation	A contractual obligation which requires a company to take and pay for electricity or fuel, or a contractual obligation which requires a company to make a payment in the event that the company does not take electricity or fuel (or a minimum quantity of electricity or fuel).
MVA	Megavolt amps, a measure of power.
MWh	A megawatt hour, being 1,000 kWh .
National grid in England	The transmission system in England and Wales and the NGC and Wales interconnector owned by the NGC and operating principally at voltages of 275 kV and 400 kV.
NEA	Nuclear Energy Agreement. The agreement dated 1 June 1990 for the provision by SNL to HE and ScottishPower of the electricity from SNL 's Hunterston B and Torness nuclear generating stations.
NGC	The National Grid Company plc.
NGC interconnector	The circuits (and associated switchgear and other plant) which are owned and operated by the NGC and connect the transmission system of ScottishPower with the NGC transmission system .
NIE	Northern Ireland Electricity.
Non-fossil fuel obligation	Any requirement pursuant to a non-fossil fuel obligation Order for PESs in England and Wales or in Scotland to make arrangements to have available during specified periods specified amounts of generating capacity from non-fossil fuelled generating stations.

Non-fossil fuel obligation Order	An order made pursuant to section 32 of the Electricity Act 1989.
Non-franchise customer	A customer with a relevant maximum demand in excess of the franchise limit .
Non-trading rechargeables	Charges for moving mains, services or meters forming part of the licensee's distribution system to accommodate extension, redesign or redevelopment of any premises on which the same are located or to which they are connected.
NSHEB	North of Scotland Hydro-Electric Board.
NSHEB Transfer Scheme	The scheme made by the NSHEB as modified and approved by the Secretary of State pursuant to the Electricity Act, in terms of which all of the property, rights and liabilities of the NSHEB extant immediately before 31 March 1990 were allocated and transferred to its successor companies with effect from 31 March 1990.
OFFER	The Office of Electricity Regulation.
Over 1 MW customer or over 1 MW premises	A non-domestic customer having as at 31 March 1990 a maximum demand of over 1 MW, other than a franchise customer .
P₀	The price for each of the generation, transmission, distribution and supply components of the price control in the first year of the control.
Pass-through	Resale at the price bought.
PE	Price earnings.
PEC	Pool Executive Committee.
PES	Public electricity supplier. A holder of a PES Licence .
PES Licence	A licence granted under the Electricity Act 1989 to supply electricity as a PES to any premises within the authorized supply area specified in that licence.
Peterhead Agreement	The agreement dated 1 June 1990 (as amended) for the provision by HE to ScottishPower of a proportion of the electricity generated by HE 's dual oil- and gas-fired generating station at Peterhead.
Pool or pool in England and Wales	The electricity trading market in England and Wales, the rules and procedures of which are contained in the Pooling and Settlement Agreement (as modified and suspended by the Initial Settlement Agreement).
Pool purchase price	The price at which the major part of generator revenues under the pool trading arrangements are derived.
Pool selling price	The price which forms the basis of payments for electricity purchased by suppliers under the pool trading arrangements.
Pooling and Settlement Agreement	The agreement dated 30 March 1990 (as amended) among HE , ScottishPower, National Power, PowerGen, the RECs , NGC and others, which sets out, amongst other things, the rules and procedures for the operation of the pool and for the operation of a settlement system.
PV	Present value.

RECs	The 12 regional electricity companies which are the PESs for England and Wales.
Regulated customer	Any person supplied by a company at premises within its authorized supply area at which the average maximum monthly demand is 10 MW or less (but excluding that person in respect of supplies made to him at other premises).
Restructuring contracts	The agreements dated 1 June 1990 entered into between HE and ScottishPower (and, in the case of the NEA , among HE , ScottishPower and SNL).
RP	Reference price.
RPI	Retail price index. The general index of retail prices published by the Central Statistical Office each month.
Scottish interconnector	The transmission circuits (and associated switchgear and other plant) which are owned and operated by, and form part of the transmission system of, ScottishPower and connect that transmission system to the NGC interconnector .
Scottish Interconnector Agreements	The agreement for the provision by ScottishPower to HE of a share of the capacity of the Scottish interconnector .
Second-tier customer	A person who purchases electricity from a second-tier supplier .
Second-tier licence	A licence granted under the Electricity Act 1989 to supply electricity to specified premises or premises of a specified description.
Second-tier supplier	A holder of a second-tier licence .
Separate Business or Separate Businesses	In relation to HE , its generation business, transmission business, distribution business, public electricity supply business, second-tier supply business and wholesale business (being generally the supply of electricity to authorized electricity operators other than to the ScottishPower pursuant to the restructuring contracts) taken separately from one another and from any other business.
SMP	System marginal price.
SNL	Scottish Nuclear Limited.
SSEB	South of Scotland Electricity Board.
Successor company or companies	HE , ScottishPower and SNL , being the companies to which the property, rights and liabilities of the SSEB and/or the NSHEB were transferred on 31 March 1990, pursuant to the Transfer Schemes.
Tariff customer	A customer of HE who is not a contract customer.
Transmission licence	A licence granted under the Electricity Act 1989 to transmit electricity for the purpose of giving a supply or enabling a supply to be given to any premises.
Transmission system	A system of electrical circuits with a nominal voltage of not less than 132 kV (in Scotland) and above 132 kV (in England and Wales) and associated electrical plant and meters.

TWh	A terawatt hour, being 1,000 GWh .
UKAEA	The United Kingdom Atomic Energy Authority, a body established by Act of Parliament.
Use of Interconnector Agreement (Scotland)	The agreement dated 30 April 1991 among the NGC , HE and ScottishPower, which, amongst other things, provides for a proposed increase in the capacity of the interconnector and gives HE and ScottishPower rights to use the NGC interconnector for the purposes of transferring electricity between Scotland and England and Wales.
Vesting	The transfer, on 31 March 1990, of the property, rights and liabilities of the NSHEB and the SSEB to their respective successor companies .
WACC	Weighted average cost of capital.

Technical terms

Availability	In respect of a generating station, the ratio (usually expressed as a percentage) of the net amount of electricity which a generating station is capable of producing in any given period (usually one year) to the net amount of electricity it could produce in that period if it were operating at its net output capacity. The availability of generating stations is affected by a number of factors including the incidence and duration of breakdowns and the need for overhaul and maintenance. In respect of a transmission system , availability is the ratio (also usually expressed as a percentage) of the time, in hours, for which the relevant equipment was available to perform its normal function in a given year to the total number of hours in that year.
Base load	The lowest load continuously supplied by an electrical power system over a period of time. A base load generating set is one which under normal operating conditions would run continuously.
Circuit	That part of an electrical transmission or distribution system connecting two or more points on that system.
Current	The rate of flow of electricity in an electrical circuit is described as electrical current. Current is expressed and measured in terms of amperes.
Energy	The total amount of energy consumed or generated within a given period is the simple product of power and the time over which that power is used or produced. Electrical energy is normally expressed in terms of kWh or units, where 1 kWh or unit represents one hour's consumption at a constant rate of 1 kW. An MWh is 1,000 kWh ; a GWh is 1,000 MWh ; and a TWh is 1,000 GWh .
Installed capacity	The highest level of output, measured at the main alternator terminals, which a generating station or generating set is designed to be able to maintain indefinitely without causing damage to the plant.
Load factor	The ratio (expressed as a percentage) of the net amount of electricity generated by a generating station to the net amount which the generating station could have generated if it were operating at its net output capacity. The load factor of a generating station is dependent on a number of factors, including availability, the marginal cost of generation from other

sources and the level of demand and, in the case of hydro generation, the design of the hydro generating station and the availability of water.

Net output capacity	In relation to a generating station or generating set , the installed capacity of the generating station or generating set less the power which is consumed by the plant associated with the generating station or generating set .
Outage	The withdrawal from service or non-availability of a generating set , or any part of a transmission or distribution system , for a period of time.
Power	A measure of the rate at which energy is either used or produced. Electrical power is expressed in terms of watts and is the product of voltage and current. A kilowatt (kW) is 1,000 watts; a megawatt (MW) is 1,000 kW; a gigawatt (GW) is 1,000 MW; and a terawatt is 1,000 GW.
Renewable energy	Energy which is produced otherwise than from a fossil fuel or nuclear source.
Spinning reserve	The status of generating sets in which the turbines are spinning and able to generate more electricity in response to system needs.
Substation	A site or structure containing or comprising one or more transformers and/or switchgear .
Switchgear	Equipment installed on a transmission system or distribution system to connect components of that system and which can be arranged to disconnect parts of the system automatically if overload or a fault occurs.
System security	The ability of a system to continue to meet demand, following an abnormal occurrence, without overloading any component part of that system.
System stability	The stability of a power system is characterized principally by the maintenance of frequency, voltage and power transfer within limits. It is also dependent on the design and operation of the transmission system , the response of generating sets to disturbances and the availability of reactive power.
Thermal efficiency	The efficiency with which heat energy contained in a primary fuel is converted into electrical energy. The thermal efficiency of a generating station is the ratio (usually expressed as a percentage) of the electrical energy supplied by the generating station (net of electricity consumed by the generating station) to the total heat energy contained in the primary fuel consumed.
Transformer	Plant used to alter the level of voltage and current .
Voltage	The potential difference or 'electrical pressure' which forces an electrical current to flow within a circuit is measured and expressed in volts (V). A kilovolt (kV) is 1,000 V. As the load on an electrical circuit fluctuates so the voltage can fluctuate.