

Glossary

Grand Valley Power



5/16/2012

GLOSSARY

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ACRE	Action Committee for Rural Electrification: a nonpartisan political action committee that gives financial support to national candidates friendly to rural electric cooperatives.
Active Solar Energy	Energy from the sun's radiation, collected and transferred, then distributed or stored for use as needed.
Administrative Expenses	Expenses chargeable to the managerial and policy-making phases of a business. They include general accounting expense, member relations, and other incurred costs.
Administrator (RUS)	In the rural electric industry, the Administrator is the chief executive officer of the Rural Utilities Services. The RUS is part of the United States Department of Agriculture (USDA) (Formerly REA).
AFUDC	See "Allowance for Funds Used During Construction."
Aggregator	An entity that puts customers together in a buying group and that brings the group to the power market, taking advantage of economies of scale and load diversity.
Air-to-Air Heat Pump	A heating and cooling device that uses electricity to move heat from the outside air into a building in winter, then reversing the process for air conditioning in the summer. Also referred to as Air-source heat pump.
All-Requirements Customer	An electric utility that purchases all of its wholesale power from a single supplier.
All-Requirements Power Contract	A contract entered into by a power supply system and its customers. In this contract, the customers agree to purchase all their wholesale power needs from the power supply system at rates prescribed in the agreement and adjusted periodically to meet the power supply system's cost of providing the power.
Allowance for Funds Used During Construction (AFUDC)	Listed in the income account as a subdivision of other income representing amounts concurrently credited for interest charged to the cost of constructing new plant, based generally on the amount expended to date on particular projects. The rate used may represent the net cost for the period of funds borrowed for construction purposes with a reasonable rate upon other funds when so used, or a predetermined rate representing the average cost of capital may be used.
Alternating Current (AC)	An electric current that reverses its direction at regular recurring intervals of time (60 times per second in the US, 50 times per second in Europe) and that has alternately positive and negative values. Almost all electric utilities generate AC electricity because it can easily be transformed to higher and lower voltages.
American Public Power Association (APPA)	A national service organization representing publicly owned electric utilities (primarily co-ops and municipally owned systems).
Amortization	The gradual elimination of an amount in an account by prorating such amount over a pre-determined period, such as the life of the asset or liability to which it applies, or the period during which it is anticipated the benefit will be realized.

Ampere (Amp)	The unit of measurement of electric current produced in a circuit by one volt acting through a resistance of one ohm. The measure of the rate of flow of electrons past a given point in an electric conductor such as a power line. Amps=Watts/Volts.
AMI	Advanced Metering Infrastructure. The process and technology that allows information to be gathered and disseminated at a utility meter.
AMR	Automated Meter Reading. A process that allows electric meters to be read remotely, by power line carrier (PLC), by telephone line, or by wireless radio signal.
Ancillary Services	Includes the provision of reactive power, frequency control and load following.
Area Coverage	The provision of electric service to everyone within a designated area. Cooperatives agree to provide area coverage in return for fixed-interest financing from RUS.
Arrestor	A device that limits surge voltages on equipment by discharging or diverting surge current, thereby preventing the build-up of excessive voltage on the equipment.
Assets	Items of value owned by or owed to a business. Utility assets include utility plant, other property and investments, current and accrued assets and deferred debits.
Audit	Periodic or continuous verification of an organization's assets or liabilities. This function is performed by an "auditor". The auditor may be appointed or hired by the Board of Directors and is responsible for carrying out this verification. Among the assets and liabilities more regularly verified are cash, loans, collateral for loans, savings, and checking accounts.
Average Cost	The revenue requirement of a utility divided by the utility's sales. Average cost typically includes the costs of existing power plants, transmission, and distribution lines, and other facilities used by a utility to serve its customers. It also includes operating and maintenance, tax, and fuel expenses.
Avoided Costs	Costs a utility would have to pay to generate electricity it purchased from another source. A guideline for comparing the value of conservation and renewable resources with other resources.
<u>B</u>	
Backup Power	Electricity that is supplied when regularly used generating units are not in service because of emergencies, outages or periods of scheduled maintenance.
Balance Sheet	An itemized account which lists the total assets and the total liabilities of a given business to portray its net worth at a given moment in time. When statements of this nature are prepared by financial institutions they are termed a "Statement of Condition."
Barrel	A term used in the oil industry for a unit of measure equaling 42 gallons.
Base Load	The minimum load over a given period of time, usually measured in MW.
Base Load Plant	A generating plant that provides the basic power that is needed year-round. A base load plant is designed to run most of the hours of the year.
Basis Points	A basis point is one one-hundredth of one percent, (.01 of one percent). For example, if CFC's long-term loan rate were 8 3/4% (8.75%) and the Board reduced the rate to 8 1/2% (8.50%), the CFC loan rate would have been reduced by 25 basis points (8.75% minus 8.50% equals .25%, or 25 basis points).

Bilateral Contract	A direct contract between the power producer and user or broker outside of a centralized power pool or POOLCO.
Bilateral Trades (Agreement)	A written statement signed by two parties that specifies the terms for exchanging energy.
Biomass	Organic non-fossil material of biological origin constituting a renewable energy source. This includes wood, agricultural waste, and other living-cell material that can be burned to produce heat energy.
Broadband over Power Line (BPL)	The delivery of high speed Internet service over electric lines.
Broker	A retail agent who buys and sells power. The agent may also aggregate customers and arrange for transmission, firming, and other ancillary services as needed.
Brownout	A voltage reduction during an electrical shortage that causes conditions such as dim lights and the slowing of motor-driven devices.
British Thermal Unit (BTU)	The standard unit for measuring quantity of heat energy, such as the heat content of fuel. It is the amount of heat energy necessary to raise the temperature of one pound of water one degree Fahrenheit.
Bus	An electrical conductor that serves as a common connection for two or more electrical circuits.
Business Judgment Rule	The rule states that if a director makes a business decision in good faith with due care, then the court will not second guess the decision if there are any adverse consequences.
Bylaws	Rules for operating a cooperative approved by the membership.
C	
Capacitor	A device that stores electrical charges and can be used to maintain voltage levels in power lines and improve electrical system efficiency.
Capacity	The potential for generating power, measured in kilowatts, of a power plant. Also the electric load, measured in watts or kilowatts, of a piece of electrical equipment or system.
Capital	The funds available to an organization to conduct its business. Debt and equity (either members' or stockholders' ownership) combine to equal an organization's capitalization.
Capital Assets	A collective term which includes all fixed assets, consisting of furniture and fixtures, land, buildings, machinery, etc.
Capital Credits	The amount of a cooperative's net margins allocated to individual members (patrons). The allocation is usually based upon the member's use of the cooperative's service. Capital Credits are used by the co-op as working capital for a period of time, and then retired, or paid back to the members. Also called Patronage Capital.

Capital Liabilities	A comprehensive term which includes all long-term indebtedness of a corporation and which is represented by the outstanding capital stock (liability to outside creditors). Generally, a long-term indebtedness is considered one which, during the normal course of the business, will not fall due or be liquidated during the ensuing fiscal period.
Capital Term Certificate (CTCs)	CTC's represent debt of CFC which is subordinated to all other indebtedness, including that incurred in the capital markets through the sale of CFC bonds and commercial paper and through bank loans; unsecured, subordinated investments in CFC to provide equity for loans or for other equity requirements.
Captive Customer	A customer who does not have a realistic alternative to buying power from more than one source
CARE	Colorado Advocates for Rural Electrification. Political action committee created to support legislators and candidates who support the principles of rural electrification.
Certificate of Convenience and Necessity (CCN)	A special permit, commonly issued by a state commission, which authorizes a utility to engage in business, construct facilities, or perform some other service.
Circuit	The path of electric current from the power source, through the conductors, through the device using power, back through the conductors, and back to the source of power. The two types of circuits are: Series circuit – A circuit in which electricity has only one possible path through the circuit; Parallel circuit – A circuit in which electricity has multiple paths through the circuit.
Circuit Breaker	A switch that opens an electric circuit when a short occurs.
Circuit Recloser	A device that protects electric equipment by momentarily interrupting service when a fault occurs, then restoring power automatically when the fault is cleared. This keeps outages from occurring when temporary or intermittent problems happen, like tree branches touching a line, snow unloading, wind, or lightning strikes.
Clean Air Act	A national law passed in 1963 and amended several times since, giving the U.S. government broad powers to limit air pollution.
Clean Air / Clean Jobs Act	Colorado legislation passed in 2010 in anticipation of future EPA environmental regulations to mitigate particulate matter in the Denver-Metro area air shed. The act called for reducing emissions by closing some coal fired generation plants and converting others to natural gas generation in the Denver-Metro area.
Clean Coal Technology	A broad term covering any type of new technology for reducing emissions from coal-fired power plants. It is being developed as an alternative to scrubbers.
Clean Renewable Energy Bonds (CREBs)	Created in the federal Energy Policy Act of 2005, these bonds act as low-interest loans and provide not-for-profit electric cooperatives with a way to invest in renewable generation. CREBs level the “green power financing playing field” with investor-owned utilities, which can qualify for investment tax credits to support solar installation and production tax credits to “sprout” other renewable electricity sources involving wind, geothermal, closed-loop biomass (trees or crops grown expressly for electricity production), open-loop biomass (sawdust, tree trimmings, timber slash, wood waste, farm byproducts, animal waste, and landfill gas), small hydro (less than 25 MW), and hydrokinetic (ocean wave and tidal) power. At the end of 2009, \$900.2 million in CREBs had helped electric cooperatives develop 107 renewable generation projects nationwide.

Cogeneration	The simultaneous production of both usable heat or steam and electricity from a common fuel source. Usually refers to consumers who have the capability of producing their own power and energy requirements and can sell their excess electricity back to the local electric company.
Coincident Peak Demand	Demand that occurs simultaneously with any other demand. One component of Grand Valley Power's power bill from Xcel is based on a coincident peak simultaneous with Xcel Energy's system-wide peak.
Colorado Public Utilities Commission (CPUC)	The Colorado Public Utilities Commission serves the public interest by effectively regulating utilities and facilities so that the people of Colorado receive safe, reliable, and reasonably-priced services consistent with the economic, environmental and social values of our state.
Colorado Rural Electric Association (CREA)	The statewide association of electric cooperatives. Headquartered in Denver, CREA provides government relations services, loss control training, and marketing assistance (including the Colorado Country Life magazine).
Conductor	A material that allows the free passage of an electric current through its structure. Generally, it is made of metal in the form of wire.
Conservation	Efforts made to reduce energy consumption. Conservation can be achieved through increased efficient energy use, in conjunction with decreased energy consumption and/or reduced consumption from conventional energy sources.
Construction Work in Progress (CWIP)	A sub-account in the utility plant section of the company's balance sheet representing the sum of the balances of work orders for utility plants in the process of construction, but not yet placed in service.
Contract Demand	The maximum level of power a generating utility agrees to have available for delivery, measured in kilowatts.
Co-op (Cooperative)	An enterprise or organization owned by and operated for the benefit of those using its services. Rural electric cooperatives generate and/or purchase wholesale power, arrange for the transmission of that power, and then distribute the power to serve the demand of rural customers. Electric cooperatives typically become involved in ancillary services, such as energy conservation, load management, and other demand-side management programs in order to serve their members at the lowest possible cost.
Cooperative Benefit Administrator (CBA)	The group insurance administrator retained by NRECA to handle claims. CBA is based in Omaha.
Cooperative Finance Corporation - CFC (Also known as NRUCFC)	National Rural Utilities Cooperative Finance Corporation. Established in 1969 by rural electric cooperatives, CFC provides financing from the private money market for expansion and improvements by the cooperatives. Many times CFC loans are used along with RUS loans.
Cooperative Research Network (CRN)	NRECA's research arm, designed to focus on research considered important to co-op's competitive future.
Cooperative.com	A private Internet site designed for the exclusive use of electric co-ops and their affiliates. Employees and directors can share information and knowledge of broad-ranging issues – from legislation and industry trends to upcoming conferences. The website is a joint effort of NRECA, NRTC, CFC and Federated Insurance.

Cost-Based Rates	Each rate classification (residential, commercial, large power, industrial, etc.) pays its fair share of the cooperative's costs and there is no subsidization between rate classifications. The total costs are divided into rate components based on the costs each class imposes on the cooperative.
Cost-of-Service Study	Determines how much it costs an electric utility to serve various classes of consumers; provides the basis for cost-based rates.
Current	The flow of electrons through a conductor. An electric current can be compared to water flow in a pipe.
Customer Access Charge	That portion of an electric bill based upon the costs of making electric service available to the consumer. This charge is independent of the amount of energy used. If a customer used zero energy in a given month, this charge permits recovery of those costs of having service available.
Customer Average Interruption Duration Index (CAIDI)	A reliability index commonly used by electric utilities. Measured in units of time, usually over the course of a year, CAIDI is the average outage duration time that any given customer would experience. It is calculated by dividing the sum of all customer interruption durations by the total number of customer interruptions.
CWIP	Construction Work In Progress.
<u>D</u>ebt Service	Interest payment requirements plus the stipulated payment of principal on outstanding debt, usually reported on an annual basis.
Debt Service Coverage	A financial measurement relating to the borrower's ability to generate sufficient funds to cover the cash requirements of its total indebtedness (principal and interest) on an annual basis using margins and depreciation as the source of cash.
Debt Service Coverage Ratio	A ratio determined by adding interest on long-term debt plus net margins plus depreciation expenses and dividing the sum by principal and interest payments made during the period. The ratio generally is used to determine whether a cooperative is generating enough cash through its operations to satisfy its principal and interest obligations. (TIER doesn't necessarily do this. RUS borrowers are required to meet both a DSC and a TIER test.) Distribution cooperatives generally are required to have a DSC of 1.25.
Decoupling Rates	A regulatory term used in rate setting where revenues are "decoupled" (separated) from sales. It is an approach to rates that ensures that a reduction in kWh sales will not adversely affect the recovery of fixed costs. It allows a cooperative to promote conservation and energy efficiency without financially harming itself or its members.
Delivery Point	Term given to the physical location at which point electric energy is delivered for use by a Distribution Cooperative which then delivers energy to its consumers.
Demand	The amount of electricity drawn from an electric system at a given time. Every electric system that serves the public is subject to a demand, or load, that varies from hour to hour, day to day, and season to season. The demand, which is expressed in kilowatts (not in kilowatt hours), is a measure of the rate of electric usage. Seasonal demands are affected by the number of hours of daylight, temperature extremes and activities such as agricultural processes.
Demand Charge	A charge for electricity based on the maximum amount of a system's electricity a customer uses.

Demand-side Management (DSM)	A utility program aimed at reducing consumer use of energy through conservation or efficiency measures.
Density	A measure of the number of customers per mile of electric line.
Department of Energy (DOE)	The federal agency responsible for planning and allocating the nation's energy needs.
Depreciation	Defined in the RUS Uniform Systems of Accounts as "the loss in service value of depreciable plant not restored by current maintenance resulting from causes against which no insurance is carried, such as wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities."
Deregulation	The elimination of regulation from a previously regulated industry or sector of an industry. The electric utility industry is better described as "restructuring" since significant sections of the industry will remain heavily regulated.
Derivatives	A specialized security or contract that has no intrinsic overall value, but whose value is based on an underlying security or factor as an index. A generic term that, in the energy field, may include options, futures, forwards, etc.
Disaggregation	The functional separation of the vertically integrated utility into smaller, individually owned business units (i.e., generation, dispatch/control, transmission, distribution). The terms "deintegration", "disintegration", and delamination" are sometimes used to mean the same thing (see also "Divestiture").
Distributed Generation	A decentralized generation source usually located at or near the point of use. Usually located on the consumer side of the service. (solar, wind, hydro, etc.)
Distribution	The act or process of distributing electric energy from convenient points on the transmission or bulk power system to the consumers.
Distribution Utility	The electric utility entity that constructs and maintains the distribution wires connecting the transmission grid to the final customer.
Distribution Line	One or more circuits of a distribution system on the same line of poles or supporting structures, operating at relatively low voltage as compared with transmission lines.
Divestiture	The stripping off of one utility function from the others by selling (spinning off) or in some other way changing the ownership of the assets related to that function. Most commonly associated with spinning off generation assets so they are no longer owned by the shareholders that own the transmission and distribution assets. (See also "Disaggregation").
Duty of Diligence	The requirement that a director of a corporation must perform his/her duties in good faith, in a manner he/she reasonably believes to be in the best interests of the corporation, and with such care an ordinarily prudent person in a like position would use under similar circumstances.
Duty of Loyalty	This duty requires directors to refrain from engaging in personal activities which would injure or take advantage of the system.
Duty of Obedience	The requirement that a director must be aware of any specific obligations or requirements in the law, the charter, the bylaws, or other contractual relationships that govern the corporation's activities, and to obey those obligations and requirements.

E

Easement	A right from property owners (purchased or granted) that allows utility companies to construct, operate, maintain, and control facilities, such as power lines, on the property.
ECBA	Electric Co-op Bar Association.
Edison Electric Institute (EEI)	A national trade, lobbying, and training association of U.S. investor-owned electric companies.
Elasticity of Demand	The degree to which consumer demand for a product responds to changes in price, availability or other factors.
Electric Magnetic Field (EMF)	Magnetic field around conductors created when current flows through the conductor.
Electric Power Research Institute (EPRI)	An organization financed by electric utilities for the purpose of research and development of energy resources.
Electric Thermal Storage (ETS)	Piece of equipment usually filled with ceramic bricks and electric elements used to heat the bricks up during off-peak hours when rates are low (this assumes the utility offers a time-of-use rate). During on-peak times a fan blows air over the bricks and discharges the heat into the area to be heated.
Electric Utility	Any company or state agency with a monopoly franchise (including any cooperative), which sells electric energy to end-use customers.
Embedded Cost	The fixed cost of all facilities in the power supply system, including generating plants, substations, and distribution lines.
Energy	Average power production over a stated interval of time, expressed in kilowatt-hours, megawatt-hours, average kilowatts or average megawatts.
Energy Charge	That portion of an electric bill based on kilowatt-hours consumed over a designated period of time.
Energy Conservation	The effort made to reduce energy consumption. Conservation can be achieved through increased efficiency, but is commonly achieved through “doing without.”
Energy Diversion	Theft of electric power in which current is diverted to bypass the meter. More generally, any type of tampering to obtain un-metered service.
Energy Efficiency	Using less energy/electricity to perform the same function.
Energy Information Administration (EIA)	Created by Congress in 1977, a statistical agency of the U.S. Department of Energy (DOE). EIA provides policy-independent data, forecasts, and analyses to promote sound policy making, efficient markets, and public understanding regarding energy and its interaction with the economy and the environment.
Environmental Protection Agency (EPA)	A federal agency charged with protecting the environment.

F**Fault**

A point of defect in an electric circuit that prevents the current from following the intended course.

Federal Energy Regulatory Commission (FERC)

The agency that sets and enforces the wholesale electric rates that investor-owned power companies charge each other, rural electric cooperatives, and other wholesale customers. The agency also licenses hydroelectric projects. It is a five member board that is part of DOE.

Federal Financing Bank (FFB)

A government lender that makes loans to power supply and distribution cooperatives.

Federal Power Act of 1935 (FPA)

Established guidelines for federal regulation of interstate energy sales. It is the primary statute governing FERC regulation of the electric sector.

Federated

Federated Rural Electric Insurance Exchange. A steady presence in the market, committed to offering superior insurance programs by providing the best value in products and services for our members.

FIFO

First in, first out: a method of retiring capital credits where the earliest credits are retired first.

Financial Accounting Standards Board (FASB)

The private sector's designated organization for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports. They are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. FASB rules and interpretations can have significant impact on Co-ops' financial reporting.

Firm Energy

The amount of electric energy that is contractually guaranteed to be available at all times from any given plant or system, or under any given contract -- even under adverse conditions such as when a given plant is out of service.

Fixed Costs

Expenses that stay the same regardless of other expenses or the volume of sales.

Formula-Based Rates

Performance-based-formula rates allow a utility to earn a rate of return that falls within a percentage band above or below its approved rate of return, with a sharing mechanism at the top and bottom ends of the band that splits revenue variations outside the band between the shareholders and ratepayers.

Fossil Fuel

Materials such as coal, oil, or natural gas used to produce heat or power; also called conventional fuels. These materials were formed in the ground millions of years ago from plant and animal remains.

Franchise

The right or license granted to a utility to market its services and products in a particular territory.

Franchise Tax

Tax that is collected by the utility from the consumer based on sales and then passed on to the town or city in which the utility has a franchise agreement.

Frequency

The oscillatory rate in Hertz (cycles per second) of the alternating current electric service. Usually 60 Hertz (Hz) in the United States and 50 Hz in Europe.

Fuel Cell

A device that generates direct current to electricity by means of an electrochemical process.

Fuel Cost Adjustment (FCA)	A utility company's rates are set to recover various costs; administrative expenses, cost of plant, fuel costs and others. Of these, fuel costs are the most variable and can change markedly from month to month. To avoid having a new rate case every time fuel costs fluctuate, regulatory commissions grant to the utilities fuel clauses that track fuel costs in addition to their regular (base) rates. The regular rates contain a certain amount for basic fuel expenses. The fuel clause, on the other hand, rises or falls from the basic fuel expense level depending on increases or decreases in the price of fuel burned.
Full-requirements Contract	A wholesale consumer without other generating resources whose electric energy seller is the sole source of long-term power for the consumer's service area.
Fuse	A protective device for electric circuits containing a wire designed to melt and open the circuit under abnormally high electric loads (see also circuit breaker).
<u>G</u> G & T	Generating and transmission cooperative organizations. A cooperative supplier of wholesale power to distribution systems, other G & Ts, or other utilities.
Generation	The act or process of producing electricity from other forms of energy, such as steam, heat or falling water. The term also refers to the amount of electric energy produced.
Generator	A machine that transforms mechanical energy into electric energy.
Geothermal Energy	Natural heat contained in the rocks, hot water and steam of Earth's subsurface; it can be used to generate electricity and/or heat homes and businesses.
Geothermal System (Ground-source heat pump)	An efficient electrical device used for heating and cooling a home or other building by moving heat into or out of the structure. It uses an antifreeze solution or refrigerant in a pipe buried in the ground to collect or disperse heat.
Governor's Energy Office (GEO)	The Governor's Energy Office (GEO) was created in 1977 with the purpose of promoting energy conservation in Colorado under the original name "Office of Energy Management and Conservation." Their current mission is to promote sustainable economic development in Colorado through advancing the State's energy market and industry to create jobs, increase energy security, lower long-term consumers costs and protect our environment.
Grid	A system of high-voltage transmission and power-generating facilities that is interconnected with a number of other bulk power supply agencies on a regional basis. A grid enables power to be transmitted from areas having a surplus to areas experiencing a shortage.
Ground-fault Circuit Interrupter (GFCI)	A device that instantly breaks the circuit when a short develops. Required for outlets that are used in bathrooms, kitchens, outdoor spaces, or wherever electrical equipment might come into contact with water.
Guaranteed Loan	A loan from a lender to a borrower where a third party provides the lender with its guarantee of repayment should there be a failure to pay on the part of the borrower. Under the current RUS loan program, RUS is the party providing the guarantee, usually in the case of a power supply system borrower that generally gets its long-term funds from the Federal Financing Bank (FFB).
<u>H</u> Heat Pump	See - Geothermal System.
Hertz (Hz)	Unit of frequency equal to one cycle per second. Frequency is standardized in the United States at 60 cycles per second (60 Hz).

High Voltage	Voltage in a power line higher than 600 volts.
Horsepower (hp)	A measure of power equal to 746 watts.
Hydroelectric Plant (Hydro)	A facility that produces electric energy by releasing water through a pipe system creating force that spins the fins attached to a generator.
I	
Independent Power Producer (IPP)	A non-utility power generating entity that generates electricity as a byproduct of another manufacturing process. For example, a company that generates large amounts of heat may use the heat to convert steam into electricity.
Independent System Operator (ISO)	With regard to the national electric grid, the entity responsible for planning, monitoring, and administering a control area's generation and transmission load, reserve, and interchange.
Insulation	Non-conducting material used to prevent the escape of electricity, heat, or sound.
Insulator	Material that supports electric wires and prevents the undesired flow of electricity. Insulators are usually made of glass, porcelain, or epoxy.
Integrated Resource Planning (IRP)	Also known as Integrated Resource Management, a planning process for new energy resources that evaluates the full range of alternatives, in order to provide adequate and reliable service to its customers at the lowest system cost. The alternatives can include new generation capacity, power purchases, energy conservation and efficiency, cogeneration and renewable energy resources. In a restructured electric industry there may be no mechanism to continue this process.
Interconnection	A tie permitting the flow of electricity between the facilities of two electric systems.
International Brotherhood of Electrical Workers (IBEW)	IBEW Local 969 is the union that represents Grand Valley Power's workers at the cooperative on labor issues and union negotiations.
Internet Service Provider (ISP)	An entity that provides Internet service.
Investor-Owned Electric Utilities (IOUs)	Those electric utilities organized as tax-paying businesses usually financed by the sale of securities in the free market, and whose properties are managed by representatives regularly elected by their shareholders. Investor-owned electric utilities, which may be owned by an individual proprietor or a small group of people, are usually corporations owned by the general public.
J	
Joule	A measure of electrical energy equal to the work done when a current of one ampere is passed through a resistance of one ohm for one second.
K	
Key Ratio Trend Analysis (KRTA)	A tool to help distribution electric cooperative managers and boards comprehend a complete picture of their system's performance. Developed by CFC using data from the Form 7, the KRTA analyzes distribution system operations, highlights strengths and weaknesses, helps gauge past and present performance, and supports predictions of future performance. The KRTA shows individual system trends for the most recent five years, and shows each system's ratios relative to five peer groups.

Kilovolt-Amp (kVa) A measure of capacity. It is usually used in referring to the size of a transformer or a transformer bank. The typical house requires a 10 kVa transformer, but an all-electric house requires a 25 kVa transformer.

Kilowatt (kW) The basic measure of electric power demand, kilowatt stands for 1,000 watts.

Kilowatt Hour (kWh) The basic measure of the use of electric energy. One kilowatt hour (1 kWh) is the amount of electric energy required to operate a 100 watt light bulb for 10 hours.

L

Line Loss Electric energy lost in the process of transmitting it over power lines.

Line of Credit In a line of credit agreement between a bank (CFC) and a customer (a member), CFC agrees to lend the member funds up to a previously agreed upon maximum amount. The member may borrow as much of the "line" as is required and pays interest on the borrowed portion only and only for the period during which this portion is outstanding. A line of credit is widely used by large organizations to fund future commitments and purchases of inventory. CFC requires periodic financial reports from the borrower systems so as to be constantly informed on their credit status.

Load The amount of electric power delivered or required at any specified point or points on a system. Load originates primarily at the power consuming equipment of the customers.

Load Control The process of managing demand requirements in order to achieve a desired load pattern. Load control devices are installed on customers' appliances or services to reduce the electric system's demand when a peak situation is about to occur.

Load Curve The variation in the magnitude of the power load over a daily, weekly, monthly, or annual period. Also known as Load Shape.

Load Factor The ratio of the average load in kilowatts supplied during a designated period to the peak or maximum load in kilowatts occurring in that period. Load factor, in percent, also may be derived by multiplying the kilowatt-hours (kWh) in the period by 100 and dividing by the product of the maximum demand in kilowatts and the number of hours in the period. Example: Load Factor Calculation - Load Factor = kilowatt-hours/hours in period/kilowatts. Assume a 30-day billing period or 30 times 24 hours for a total of 720 hours. Assume a customer used 10,000 kWh and had a maximum demand of 21 kW. The customer's load factor would be 66 percent $((10,000 \text{ kWh}/720 \text{ hours}/21 \text{ kW}) \times 100)$.

Load Management Program A program by which an electric system seeks to control its customers' use of electricity (or loads) in order to reduce the system's total demand at a time of maximum (peak) usage. Load management can involve such techniques as voltage reduction, cutting off air conditioners, and/or other appliances, such as water heaters, for short periods of time by remote control, controlling the time irrigation pumps run, rotating blackouts, rate structures encouraging voluntary customer control, and the like.

Load Shape The variation in the magnitude of the power load over a daily, weekly, monthly, or annual period. Also known as Load Curve.

Load Shifting Demand Side Management (DSM) programs designed to shift the load from on-peak times to off-peak times.

Loop System System in which alternate transmission and distribution lines can deliver power to an area in the event that a line fails.

Loss Control	Program for preventing or limiting personnel and financial loss from accidents.
Low income Energy Assistance Program (LEAP)	Low income Energy Assistance Program is a Federally-funded program that provides for a one-time vendor payment to help eligible households pay their heating bills. Administered by Mesa County Department of Human Services.
<u>M</u> Margin	In financing, margin is the difference between the market value of collateral pledged to secure a loan and the face value of the loan itself. Margin requirements are set by each financial organization. This ratio must be maintained by the borrower to keep adequate security pledged to the financial organization for the life of the loan. In cooperative operations, the operating margin is the amount by which net operating revenues exceed net expenditures. Margins in this case are usually assigned to members and then allocated back to those members in the form of capital credits.
Marginal Cost	In the utility context, the cost to the utility of providing the next (marginal) kilowatt-hour of electricity, irrespective of sunk costs.
Market Based Rates	Rates at wholesale and/or retail which are based on the purchase price of short term power in a workably competitive market.
Maximum Demand	The maximum metered kilowatts experienced during the billing period.
Megawatt (MW)	One million watts, or 1,000 kilowatts.
Megawatt-Hour (MWh)	One thousand times more than a kilowatt-hour, or 1,000 kWhs.
Meter	A device that measures the amount of electricity used. Where these meters used to be solely mechanical devices with moving parts to mechanically measure the flow of electricity, they are now available as mechanical, mechanical/solid state, and solid state with no moving parts. They are very reliable and have been time-tested.
Meter Tampering	The unlawful and dangerous practice of interfering with the operation of a meter, generally to avoid paying for electricity used.
Mill	One-tenth of a cent or one-one thousandth of a dollar; \$0.001.
Municipally-owned Utility (MOU)	An entity owned by the city government which usually, but not always, sells utility services to the citizens within the boundaries of that city.
<u>N</u> Nameplate Capacity (or Installed Capacity)	A measurement indicating the approximate generating capability of a project or unit, as designated by the manufacturer. In many cases, the unit is capable of generating substantially more than the nameplate capacity since most generators installed in newer plants have a continuous overload capacity of 115 percent of the nameplate capacity.
National Electric Code (NEC)	Electrical safety code followed by electricians.
National Electric Reliability Council (NERC)	An organization formed in 1968 and incorporated in 1975 to address issues related to the reliability and adequacy of bulk power supply of the electric utility systems in North America.

National Electrical Safety Code (NESC)	Electrical safety code followed by utilities.
National Information Solutions Cooperative (NISC)	A cooperatively owned information technology business formed from the merger of CADP and NCDC (North Central Data Cooperative).
National Rural Electric Cooperative Association (NRECA)	A national service organization which represents about 1,000 rural electric cooperatives in the United States. Headquarters are in Washington, DC.
National Rural Telecommunications Cooperative (NRTC)	A cooperative established to foster the development of telecommunications for rural America.
Net-Metering	Service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.
Node	A point on the transmission system for which prices for the sale or delivery of electric power are calculated.
Non-firm	A sale of power to a consumer that can be stopped at any time, for any reason, with no further commitment of service.
Non-utility Generator (NUG)	A generation facility owned and operated by an entity that is not defined as a utility in the jurisdictional area.
North American Electric Reliability Council (NERC)	NERC's mission is to ensure that the bulk electric system in North America is reliable, adequate and secure. Since its formation in 1968, NERC has operated successfully as a voluntary organization, relying on reciprocity, peer pressure and the mutual self-interest of all those involved. Through this voluntary approach, NERC has helped to make the North American bulk electric system the most reliable in the world. The Regional Reliability Councils that make up NERC are: East Central Area Reliability Coordination Agreement (ECAR) Electric Reliability Council of Texas, Inc. (ERCOT) Florida Reliability Coordinating Council (FRCC) Mid-Atlantic Area Council (MAAC) Mid-America Interconnected Network, Inc. (MAIN) Mid-Continent Area Power Pool (MAPP) Northeast Power Coordinating Council (NPCC) Southeastern Electric Reliability Council (SERC) Southwest Power Pool, Inc. (SPP) Western Electricity Coordinating Council (WECC)
Nuclear Energy	Energy generated using heat produced by an atomic reaction. (See nuclear fission and nuclear fusion). Also referred to as Nuclear Power.
Nuclear Fission	The splitting of an atomic nucleus resulting in the release of large amounts of energy.
Nuclear Fusion	The union of atomic nuclei to form heavier nuclei resulting in the release of enormous quantities of energy when certain light elements unite.
Nuclear Radiation	Invisible particles or waves given off by radioactive materials such as uranium.

O

Obligation to Serve	Obligation by a utility to provide planning services for all customers indefinitely, to assure adequate supply of electricity into the future.
Off Peak	A period of relatively low demand for electrical energy, such as the middle of the night.
Off Peak Power	Electricity supplied during periods of low system demand, such as the middle of the night.
Off Peak Rates	Special lower rates for electricity used at times of low system demand.
Ohm	The unit of measurement of electrical resistance. The resistance of a circuit in which a potential difference of one volt produces a current of one ampere.
On Peak	A period of high demand for electrical energy, such as the middle of the day.
On Peak Power	Electricity supplied during periods of relatively high system demands.
On Peak Rates	Special higher rates for electricity used at times of high system demand.
Operating Income	Operating Revenues less Operating Expenses.
Operation Round-up	Operation Round-up is a non-profit charitable trust established for accumulating and disbursing funds for charitable purposes to deserving individuals, families, or organizations within the service boundaries of the cooperative.
Outage	Interruption of service to an electric consumer because a power plant, transmission line or other facility is not operating.

P

Padmount	Reference to a transformer mounted on a pad on the ground.
Partial-Requirements Customer	An electric cooperative or other electric system that purchases only part of its electric power from a single utility. The customer gets the additional power it needs by generating electricity itself, or by purchasing it from a separate supplier.
Passive Solar Energy	Energy from the sun's radiation that can be used to heat and to light without requiring complicated machinery. Usually controlled by building design and location.
Patronage Capital	Revenue remaining after expenses have been paid. The bylaws treat it as an advance of capital from the co-ops members. This money is in effect a zero interest loan to the co-op. It is credited to their individual capital credit account on the basis of their patronage (contributions to revenues). It is returned (also referred to as "retired") after a period of time as a capital credit refund provided the financial condition of the cooperative will not be impaired thereby. See also Capital Credits.
PCB's (polychlorinated biphenyls)	Synthetic chemicals manufactured from 1929 to 1977, found in electrical equipment, such as voltage regulators and switches, and used to cool electrical capacitors and transformers. The manufacture of PCBs was banned in 1979, but there is still a great deal of PCB-contaminated equipment requiring disposal by utilities.
Peak Demand	The maximum amount of electricity used by a utility customer during any given period of time, usually a year. The peak is used to measure the amount of electric transmission, distribution, and generating capacity required to meet that maximum demand.

Peak Load	The highest total load on a generating plant or a system during a particular period of time (same as maximum demand).
Peaking Power	Capacity and energy normally designed for use during the maximum load period of a designated time interval.
Peaking Unit	Generating equipment normally operated only during the hours of highest daily or weekly loads. The generating equipment is usually of the kind that can be started up and synchronized to a system in less than 1 hour.
Photovoltaic	The process of converting the sun's light energy directly into electric energy, through the use of photovoltaic cells. A common application is solar-powered pocket calculators.
Postage Stamp Rate	A rate for electric power service that does not vary according to distance from the source of the power supply.
Power Broker	An entity which facilitates the buying and selling of wholesale energy between two or more parties but does not take possession of the energy.
Power Factor	The ratio of real power (kilowatts) to apparent power (kilovolt-amperes) for any given load and time, usually expressed as a percentage. Power factor indicates how far a customer's electrical equipment causes the electric current delivered at the customer's site to be out of phase with the voltage. This enables a power supplier to calculate a power factor adjustment for customers with large loads.
Power Grid	A network of generation, transmission and distribution systems that are interconnected.
Power Marketing Administration (PMA)	A U.S. federal agency within the Department of Energy with the responsibility for marketing hydropower, primarily from multiple-purpose dams operated by the Bureau of Reclamation, Army Corps of Engineers, and International Boundary and Water Commission. There are four PMAs – Bonneville Power Administration, Southeastern Power Administration, Southwestern Power Administration, and the Western Area Power Administration.
Power Quality	The assessment of and improvement to the integrity of electricity on both utility and consumer facilities.
Public Power District (PPD)	State-created political entity, similar to a school district, formed to provide power to a service area.
Public Service Company of Colorado (PSCO)	A subsidiary of Xcel Energy.
Public Utility Regulatory Policy Act (PURPA)	One of five parts of the National Energy Act passed by Congress on October 15, 1978. It is concerned with voluntary rate standards, cogeneration, small hydro loans, interconnections and wheeling, and other regulatory policies.

Public Utility Commission (PUC)

A 3 member statutory commission charged with oversight of Colorado's electric and telecommunication utilities. With regard to the electric side, the PUC is responsible for: (1) regulating rates and terms for intra-state transmission service and for distribution service in areas where customer choice has been introduced; (2) adopting and enforcing rules relating to retail competition, including customer protection, the price to beat, and the renewable energy goal; (3) licensing of retail electric providers and registration of power generation companies; (4) reviewing proposals for the construction of new transmission facilities; (5) regulation of rates and service for integrated utilities.

Q

Qualifying Facilities (QFs)

A designation created by the Public Utility Regulatory Policies Act of 1978 for non-profit power producers that meet certain operating, efficiency and fuel use standards set by the Federal Energy Regulatory Commission. QFs are small plants, generally 50 MW or less, which usually rely on renewable energy sources or cogeneration.

R

R-Value

A way of expressing numerically the resistance to the flow of heat through a certain thickness of material. The higher the number, the better the value for use as insulation.

Radiant Energy

Energy traveling outward from a source with a wave motion, such as the energy of electromagnetic waves.

Ratchet

A method of establishing a minimum billing demand based on all or some portion of a maximum demand experienced prior to the current billing month.

Rate Base

A utility's rate base is the total value of its various properties—power plants, transmission lines, buildings, fuel, stocks, and so on. The utility is allowed, through its rates, to collect a percentage of profit or margin, called rate of return, varies from rate case to rate case, but generally averages 5 to 13 percent with the higher returns allowed for investor owned companies.

Rate Case

The formal procedure in which a power supplier applies to change in its electric rate in a regulated market.

Rate Class

A group of consumers sharing common characteristics who are subject to the same rate schedule or tariff.

Rate of Return

The percentage of margin that an electric supplier is allowed to earn on its rate base through its electric rates.

Rate Schedule or Tariff

An explanation of a utility's charges to consumers related to the consumption and demand for electric energy.

Reactor

A complex machine that heats water to boiling, producing steam to turn a turbine that generates electricity. The heat for boiling the water is produced by the fission, or splitting, of uranium atoms. (See Nuclear Fission).

Real-time Price

The instantaneous pricing of electricity based on the cost of the electricity available for use at the time the electricity is demanded by the customer.

Regulated Monopoly

Utility with service area protection.

Regulation

A rule or order issued by an executive authority of a government, having the force of law.

Regulatory Commission	A state or federal agency responsible for the activities of an industry or segment of an industry. In the electric utility industry, most states have regulatory commissions that must approve service area, construction permits, financing and rates. A majority of electric cooperatives are not regulated by their respective state commissions.
Regulatory Compact	An underlying assumption of a regulatory structure in the early 1900s that made utilities into regulated monopolies, the assumption being that, in exchange for a monopoly in a defined service area, the utility assumed the obligation to meet all reasonable service requests at a regulated rate.
Renewable Energy	Energy which comes from natural resources (solar, wind, hydro, etc.) which are naturally replenished.
Renewable Energy Credit (REC)	Renewable Energy Credit (or Certificate) is a marketing mechanism that represents the property rights to the environmental, social, and other non-power qualities of renewable electricity generation.
Renewable Energy Portfolio Standard (RPS)	A state policy that requires electricity providers to obtain a minimum percentage of their power from renewable energy resources by a certain date. Currently there are 24 states plus the District of Columbia that have RPS policies in place. Colorado cooperatives and small municipalities are currently required to generate 10% of their power supply with renewable energy by the year 2020.
Renewable Resource	A power source that is continuously or cyclically renewed by nature. In the Northwest Power Act, a resource that uses solar, wind, hydro, geothermal, biomass or similar sources of energy.
Required System Reserve	The system reserve needed as standby to insure a reasonable standard of service.
Reserve	The electric power needed to provide service to customers in the event of generation or transmission system outages, adverse stream flows, delays in the completion of new resources or other factors which may restrict generating capability or increase loads. Reserves normally are provided from additional resources acquired for that purpose, or from contractual rights to interrupt, curtail or otherwise withdraw portions of the electric power supplied to customers.
Reserve Capacity	Extra generating capacity available to meet unanticipated demands for power or to generate power in the event of loss of generation.
Retail Delivery Costs	That portion of a Grand Valley Power consumer's bill that is associated with the expenses incurred by the cooperative to deliver energy from the wholesale power provider's point of delivery to the end consumer.
Retail Wheeling	The transfer of electric power and energy to the retail customer by the distribution company of power and energy purchased from a third party provider.
Return on Equity (ROE)	A measure of how well a company used reinvested earnings to generate additional earnings. It is used as a general indication of the company's efficiency.
Revolving Fund	A fund that used repayments on loans plus existing assets to make new loans, thus establishing its "revolving" nature. RUS's revolving fund, established in the early 1970's, was created through an \$8 billion appropriation by Congress of loans and other assets. The fund uses these loans and assets to make future RUS loans.
Right of Way	Use of property covered by an agreement that allows utilities to construct and operate their facilities there.

Rocky Mountain Electric League (RMEL)	RMEL is a not-for-profit energy trade association that has served the electric utility industry with a variety of education and networking services since 1903.
Rural Electrification Administration (REA)	A Department of Agriculture agency established to lend money to rural electric co-ops; in 1994 became the Rural Utilities Service (RUS).
Rural Utilities Service (RUS)	The federal agency in the U.S. Department of Agriculture that deals generally with rural electric co-ops. Among other functions, the RUS approves and guarantees loans to electric cooperatives for generation, transmission, and distribution facilities. (Originally known as the Rural Electrification Administration or REA).
RUS Guarantee	Credit support from the RUS which provides a guarantee to the Federal Financing Bank stating that the RUS will pay, from the revolving fund, for loans to the FFB that are in default.
<u>S</u> SCADA	Supervisory Control And Data Acquisition. Software architecture used to monitor performance of electric distribution (substation) equipment.
Service Area	Territory in which a utility system is required or has the right to supply electric service to ultimate customers.
Single-phase Power	An electric circuit that consists of one alternating current. One phase and one neutral conductor.
Solar Power	Energy from the sun's radiation converted into heat or electricity. See also Photovoltaic.
Spinning Reserve	The unloaded (not in use) generating capacity of a system's firm resources that is available on five minutes' notice to take up load on a sustained basis.
Steam Generation Plant	A thermal electric generating plant which creates steam to drive a turbine.
Stranded Costs	Costs that a utility prudently incurred to serve customers that it was obligated to serve, but, are now unrecoverable from those customers due to their choice of another provider.
Substation	An assemblage of equipment for the purpose of switching and/or changing or regulating the voltage of electricity.
Superconductors	Materials that offer only slight resistance to the flow of electricity.
Surge Suppressor	An electronic device that protects electric equipment from short-term, high-voltage flows of electricity, such as lightning strikes. Also called a spike suppressor.
System Average Interruption Duration (SAIDI)	A commonly used reliability indicator. Measured in units of time, usually over the course of a year, SAIDI is the average outage duration for each customer served. It is calculated by dividing the sum of all customer interruption durations by the total number of customers served.
System Demand	The total amount of energy required to supply all consumers.

T

Tariff

A document, approved by the responsible regulatory agency, listing the terms and conditions, including a schedule of prices, under which utility services will be provided.

Therm

A measure of heat equal to 100,000 British thermal units (BTU).

Thermal Generation

Producing electric power by utilizing the energy in heat to generate electricity.

Tiered Rates

A rate design which divides customer use into different tiers, or blocks, with different prices charged for each.

Time of Use (TOU) Metering

A metering system that measures a customer's power usage at various intervals during each 24-hour period. By this means, a utility can determine which of its customers are using the most power at the time of the system's maximum demand and are, thereby, making the heaviest contributions to the system's peak.

Time of Use (TOU) Rates

Rate schedules which provide for lower charges for consumption during specified periods of time including seasonal rates and on-peak/off-peak rates.

Times-Interest Earned Ratio (TIER)

An earnings requirement of some mortgages calculated by adding for one year and the total interest expense on long-term debt to net margins and dividing the sum by the total interest expense on long-term debt. The ratio generally is used to determine whether a cooperative is generating enough margins thorough its operations to cover its interest obligations. A 1.5 TIER is considered a minimum indicator of financial health for distribution cooperatives.

Touchstone Energy

Touchstone is the national brand identity program for rural electric cooperatives. The long-range strategy of Touchstone is to be like FTD is to florists, or ACE is to hardware stores, etc. A nationally recognizable symbol of quality, reliability, and other attributes that is synonymous with local cooperatives.

Transformer

Used by electric power systems to transform power from one voltage level to another by electromagnetic induction between circuits, usually with changed values of voltage and current. A step-down transformer would have less secondary voltage than primary voltage. A step-up transformer would have higher secondary voltage than primary voltage.

Transmission

The act or process of transporting electric energy in bulk from a source or sources of supply to other principal parts of the system or to other utility systems. Also a functional classification relating to that portion of utility plant used for the purpose of transmitting electric energy in bulk to other principal parts of the system or to other utility systems.

Tri-State

Tri-State Generation and Transmission Association. A wholesale electric power supplier owned by the 44 electric cooperatives that it serves. Tri-State generates and transmits electricity to its member systems throughout a 200,000 square-mile service territory across Colorado, Nebraska, New Mexico and Wyoming.

Turbine

A rotary engine driven by the pressure of steam, water or gas against the curved vanes of a wheel fastened to a driving shaft.

U

Unbundled Rates	Separate line-item charges for generation, transmission, distribution and other services.
Unbundling (Unbundled Services)	Disaggregating electric utility service into its basic components and offering each component separately for sale with separate rates for each one. For example, generation, transmission and distribution of electricity could be unbundled and offered as separate services.
Utility	A regulated entity that exhibits the characteristics of a natural monopoly. For the purposes of electric industry restructuring, “utility” refers to the regulated, vertically integrated electric company. “Transmission utility” refers to the regulated owner/operator of the transmission system only. “Distribution utility” refers to the regulated owner/operator of the distribution system that serves retail customers.
Utility Plant	All equipment used for the generation, transmission, and distribution of electricity, or an account in which record is kept of this equipment. Includes Plant in service, purchased or sold, in process of reclassification, leased to others, held for future use, completed construction not classified, construction work in progress, plant acquisition adjustments, other electric plant adjustments, and other utility plant.
Utility Plant in Service	That portion of a utility's plant which is devoted to the operations of the company. Excludes plant purchased or sold, in process of reclassification, leased to others, held for future use, under construction, and acquisition adjustments and adjustment accounts, and without deduction of accumulated provision for depreciation and amortization.

V

Variable Cost	The total costs incurred to produce energy, excluding fixed costs which are incurred regardless of whether the resource is operating. Variable costs usually include fuel, maintenance and labor.
Volt	The basic unit of measure of the electrical force for any circuit or piece of equipment. Standard secondary voltages are 120 volts, 240 volts, and 480 volts.
Voltage	The “pressure” that causes electrons to flow. A measure of the potential for current flow and may exist between objects without a flow of current. Can be compared to water pressure that causes water to flow in a pipe.

W

Watt	The electrical unit of power or rate of doing work. It is analogous to horsepower or foot-pounds per minute of mechanical power. One horsepower is equivalent to approximately 746 watts.
Watt-hour (Wh)	An electrical energy unit of measure equal to one watt of power supplied to or taken from an electric circuit steadily for one hour.
Western Area Power Administration (WAPA)	Markets and delivers reliable, renewable, cost-based hydroelectric power and related services within a 15-state region of the central and western U.S.
Western Electricity Coordinating Council (WECC)	Western Electricity Coordinating Council is the Regional Entity responsible for coordinating and promoting bulk electric system reliability in the Western Interconnection.

Western Renewable Energy Generation Information System (WREGIS)

Western Renewable Energy Generation Information System is an independent, renewable energy tracking system for the region covered by the Western Electricity Coordinating Council (WECC).

Western United (WUESC)

Western United Electric Supply Corporation. An avenue for the Rural Electric Cooperatives, in the Rocky Mountain region, to combine their annual material needs, and create the buying power necessary to obtain the best available material costs, and prompt shipments, from stock and the manufacturer.

Wheeling

A transaction allowing wholesale customer of one utility to contract for power and energy generated by another utility to use third party transmission and distribution lines to provide a path for delivery of the power and energy.

Wholesale Customer

A power purchaser that buys for resale to retail customers.

Wholesale Power Cost

That portion of a Grand Valley Power consumer's bill that is associated with the expenses incurred by the cooperative from our wholesale power provider. These expenses include energy charges, demand charges, and delivery charges.

Wholesale Power Cost Adjustment (WPCA)

Wholesale Power Cost Adjustment reflects increases or decreases in the cost of electricity Grand Valley Power purchases from its wholesale power supplier for distribution to its members. See also Fuel Cost Adjustment.

Wholesale Power Market

The purchase and sale of electricity from generators to resellers (who sell to retail customers) along with the ancillary services needed to maintain reliability and power quality at the transmission level.

**Xcel Energy**

The wholesale power provider for Grand Valley Power.