APPENDIX A

DEFINITIONS AND ACRONYMS

Appendix A

Definitions and Acronyms

A

Above Market Payments to Power Suppliers -- All payments by FG&E under Long-Term Power Supply Contracts in place as of December 31, 1995 until termination date of each contract, less the market value of those contracts. The Long-Term Supply Contracts include: PSNH System Slice, Pinetree, Linweave and Hydro-Quebec.

Accum. -- Accumulated

Act -- Stat. 1997, ch. 164, the Massachusetts Electric Restructuring Act

AFUDC -- Allowance for Funds Used During Construction

B

Bad Debt Costs -- Bad debt expense, recovery allowed in SOS and DS pursuant to DTE Order on 02-24/25 dated December 2, 2002.

C

CIAC -- Contributions in Aid of Construction

Congestion Purchases -- Costs associated with congestion of the transmission system. Congestion Purchases occur when any generator in New England is dispatched out of economic order to relieve congestion anywhere in New England. FG&E is allocated a portion of these costs.

Congestion Sales -- Costs associated with congestion of the transmission system. Congestion Sales occur when Pinetree Power is dispatched out of economic order to relieve congestion in FG&E's service territory.

Constellation -- FG&E's Standard Offer Service provider

COSS -- Cost of Service Study

Appendix A – Definitions and Acronyms (Continued)

Cost of Generation Unit Purchases -- Generation kWh output multiplied by Market Proxy Transfer Price. Recovered in Standard Offer Service and Default Service.

Cost of Long-Term Purchased Power -- Long-Term Purchased Power kWh output multiplied by Market Proxy Transfer Price. Recovered in Standard Offer Service and Default Service

D

Department -- Department of Telecommunications and Energy

Depr. -- Depreciation

DS -- Default Service

DSA -- Default Service Adjustment

DTE -- Department of Telecommunications and Energy

E

ETC -- External Transmission Charge

F

FAS 109 -- Financial Accounting Standard 109, deferred income taxes

FERC -- Federal Energy Regulatory Commission

FERC OA Revenue Requirements -- Federal Regulatory Commission Open Access Tariff revenue requirements; costs associated with FG&E's Non-Pool Transmission Facilities

FG&E -- Fitchburg Gas and Electric Light Company

Appendix A – Definitions and Acronyms (Continued)

FG&E PTF Revenue Requirements -- costs included under NEPOOL's Open Access Transmission Tariff, approved by the FERC

G

Generation Cost of Service -- Generation Cost of Service Rate as determined by FG&E's Cost of Service Study as filed in DPU 84-145 multiplied by total kWh deliveries

GD -- General Delivery

H

HQ -- Hydro-Quebec

I

ITC -- Investment Tax Credits

K

KEYSOP -- Key Employee Stock Option Plan

L

LERS/LOGICA – Load Estimating and Reporting System: costs resulting from FG&E's contract with Logica for load estimating and reconciliation services and frame relay charges. Logica is the vendor used in the implementation of LERS.

Lost Revenue -- Generation Cost of Service plus generation fuel cost less base fixed component of Transition Charge and cost of Generation Unit Purchases.

Appendix A – Definitions and Acronyms (Continued)

I

ISO -- Independent System Operator, which is currently ISO New England Inc.

ISO Administrative Costs -- Costs charged by the ISO related to the dispatch of the bulk power grid and the administration of the wholesale power markets. Charged/credited to the ETC effective October 2001.

ISO-EFC -- Costs in excess of amounts attributable to FG&E Distribution Rates that are incurred in the administration of the New England Independent System Operator. Prior to March 1998, these costs were approved for recovery in the Electric Fuel Charge (EFC)

ITSCA -- Internal Transmission Service Cost Adjustment

J

JO -- Joint-owned

L

LT PP -- Long-Term Purchased Power

Long-Term Purchased Power Contract Costs -- Payments by FG&E under Long-Term Power Supply Contracts between FG&E and a third-party supplier. The Long-Term Power Supply Contracts include: PSNH System Slice, Pinetree, Linweave and Hydro-Quebec

M

March 1, 1998 -- Commencement of Retail Competition per the Act

Appendix A – Definitions and Acronyms (Continued)

Market Proxy Transfer Price -- Assumed market proxy rate for transfer of costs of Generation Unit Purchases and Long-Term Purchased Power to Standard Offer Service and Default Service

N

NEP -- New England Power Company

NEPOOL -- New England Power Pool

NEP PTF Credit -- Annual costs of Pool Transmission Facilities credited against NEP's comprehensive Transmission Service

NEPOOL RN/Trans -- Transmission costs associated with operation and investment in the NEPOOL Open Access Transmission Grid

NEP Trans Credit -- New England Power Transmission Credit

NHH -- New Haven Harbor Station

Non-PTF -- All Transmission facilities not Pool Transmission Facilities

O

OA -- Open Access

OATT-- Open Access Transmission Tariff

Overdesignation Purchases -- Overdesignation occurs when the sum of a generator's energy and reserve entitlement exceeds the capability of the unit. An overdesignated generator received revenue for reserve products, which it was not capable of producing. Overdesignation purchases represent charges to Pinetree for the purpose of returning this revenue.

Overdesignation Sales -- Overdesignation occurs when the sum of a generator's energy and reserve entitlement exceeds the capability of the unit. Overdesignation Sales represent the distribution of all Overdesignation Purchases to those entities with obligations to purchase reserve products.

Appendix A – Definitions and Acronyms (Continued)

P

Power Contract Buyouts – Select Retained Entitlement Obligation: All reasonable payments by FG&E associated with the early termination of Long-term Power Supply Contracts or costs incurred to reduce payments under those contracts. FG&E has an agreement with Select Energy, Inc. for the sale of entitlements, approved December 28, 1999 in D.T.E. 99-58

PTF -- Pool Transmission Facilities

R

RD -- Residential Delivery

Retained Entitlement Obligation -- Payments of FG&E to Select for buyout of purchased power agreements, approved by Department in D.T.E. 99-58 (1999)

Renewable Energy Certificates -- the title to or claim for the generation attributes associated with a Renewable Generator that is compliant with the definition of a New Renewable Generation Source as found in 225 CMR 14.00 – Renewable Energy Portfolio Standard.

RVC -- Residual Value Credit

S

SAS -- Seabrook Amortization Surcharge

SD -- Outdoor Lighting Delivery Service

Select -- Select Energy, L.L.C.

SOS -- Standard Offer Service

SOSFA -- Standard Offer Service Fuel Adjustment

Appendix A – Definitions and Acronyms (Continued)

SOSRRA -- Standard Offer Service Revenue Reconciliation Adjustment

S/T -- Short term

T

TC -- Transition Charge

TCA -- Transition Cost Adjustment

TOU -- Time of Use

U

USC -- Unitil Service Corp.

US:CPI -- United States Consumer Price Index

UTC -- Uniform Transition Charge

W

Working Capital -- Costs associated with the use of internal funds to finance day to day operations. Working capital costs are included in ETC, SOS and DS as allowed in DTE Order in 02-24/25.