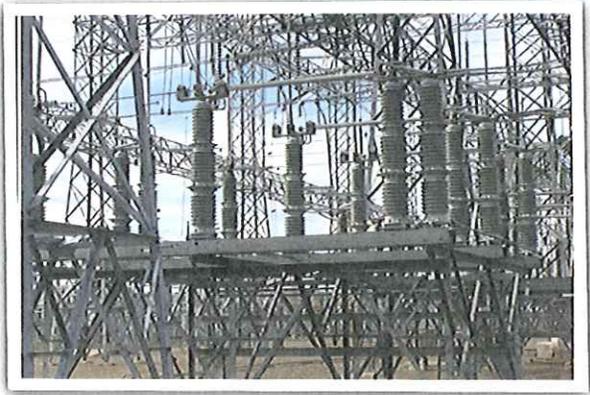
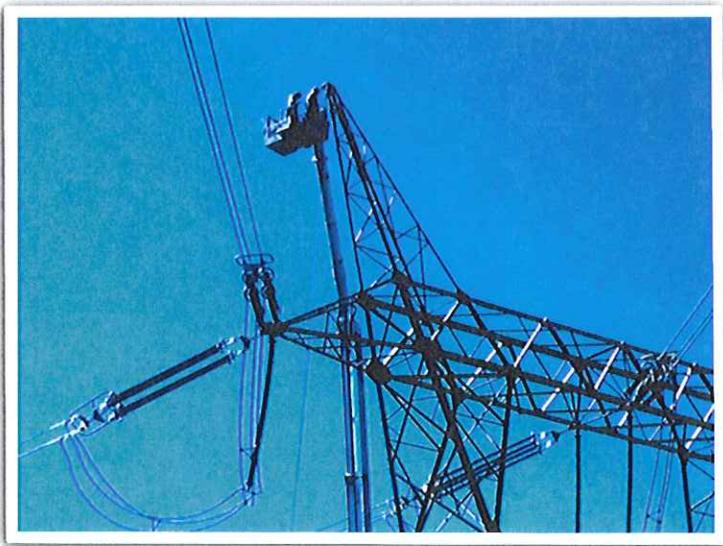


APPENDIX G

Definitions



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2004 Power Marketing Plan is the 2004 CVP Power Marketing Plan (64 FR 34417) effective January 1, 2005. The final marketing program for the Sierra Nevada Region power after 2004 established through a public process and published in the Federal Register at 64 FR 34417.

Administrator means the Administrator of the Western Area Power Administration.

Ancillary Services (A/S) is those services necessary to support the transfer of electricity while maintaining reliable operation of the transmission provider's transmission system in accordance with standard utility practice. Ancillary services are generally described in FERC Order 888, and include: spinning reserve, supplemental reserve, and regulation.

Automatic Generation Control (AGC) means generation equipment that automatically provides power regulation by adjusting generator output.

Balancing Authority (BA) is the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a balancing authority area, and supports interconnection frequency in real time.

Base Resource (BR) is the Central Valley and Washoe Project power output and existing power purchase contracts extending beyond 2004, as determined by Western to be available for marketing, after meeting the requirements of Project Use and First Preference Customers, and any adjustments for maintenance, reserves, transformation losses, and certain ancillary services. The Base Resource, as defined above, will include CVP and Washoe Project generation supported by certain power purchases.

Calaveras Public Power Agency (CPPA) is a First Preference Customer located in Calaveras County, California.

California Independent System Operator (CAISO) is the FERC-regulated, state-chartered, non-profit corporation balancing authority operator of most of California's transmission grid. Its responsibilities include providing non-discriminatory access to the grid, managing congestion, maintaining the reliability and security of the grid, and providing billing and settlement services. The ISO has no affiliation with any market participant.

California-Oregon Intertie (COI) consists of three 500-kilovolt lines linking California and Oregon, the California-Oregon Transmission Project, and the Pacific Alternating Current Intertie. The Western Electricity Coordinating Council establishes the seasonal transfer capability for the California-Oregon Intertie.

California-Oregon Transmission Project (COTP) consists of a 500-kilovolt transmission project in which Western has part ownership.

Capacity is the electric capability of a generator, transformer, transmission circuit, or other equipment expressed in kilowatts.

Capacity Rate is the rate which sets forth the charges for capacity. It is expressed in dollars per kWmonth.

Central Valley Project (CVP) is a multipurpose Federal water development project extending from the Cascade Range in northern California to the plains along the Kern River south of the city of Bakersfield, California.

COI Rating Seasons are: summer, June through October; winter, November through March; and spring, April through May.

Component 1 is part of a formula rate which is used to recover the costs for a specific service or product.

Component 2 means any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by the FERC or other regulatory body will be passed on to each appropriate Customer. The FERC's or other regulatory body's accepted or approved charges or credits apply to the service to which this rate methodology applies. When possible, Western will pass through directly to the appropriate Customer, the FERC's or other regulatory body's accepted or approved charges or credits in the same manner Western is charged or credited. If the FERC's or other regulatory body's accepted or approved charges or credits cannot be passed through directly to the appropriate Customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the applicable formula rate.

Component 3 means any charges or credits from the Host Balancing Authority (BA) applied to Western for providing this service will be passed through directly to the appropriate customer in the same manner Western is charged or credited, to the extent possible. If the BA's costs or credits cannot be passed through to the appropriate customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the applicable formula rate.

Composite Rate is the rate for firm power that is the total annual revenue requirement for capacity and energy divided by the total annual energy sales. It is expressed in mills/kWh and used for comparison purposes.

Contract 2948A (2948A) means the Contract No. 14-06-200-2948A is the Integration Contract between PG&E and Western, which expired December 31, 2004. The contract provides for integrating Western's resources with PG&E's and requires PG&E to serve the combined PG&E/Western load with the integrated resource. The contract also requires PG&E to provide wheeling of the power to Western Customers on PG&E's system.

Custom Product Power (CPP) refers to power purchased by Western to meet a Customer's load.

Customer is an entity with a contract that receives service from the Western's Sierra Nevada Customer Service Region (SNR).

DOE means the United States Department of Energy.

DOE Order RA 6120.2 means a DOE order outlining power marketing administration financial reporting and ratemaking procedures.

Energy Rate is the rate which sets forth the charges for energy. It is expressed in mills/kWh and applied to each kWh delivered to each Customer.

Escrow account is an account established by the customer with a financial institution.

Existing Transmission Contracts (ETC) are long-term contracts for CVP transmission between Western and other parties, including contracts that predate the Open Access Transmission Tariff (OATT) and point-to-point transmission service under the OATT.

Federal Energy Regulatory Commission (FERC) is referred to as the FERC or Commission. FERC is an independent agency that regulates the interstate transmission of electricity.

Federal Register notice (FRN) is published by the Office of the Federal Register, National Archives and Records Administration (NARA), the Federal Register is the official daily publication for rules, proposed rules, and notices of Federal agencies and organizations, as well as executive orders.

First Preference (FP) refers to an entity qualified to use Preference power within a County of origin (Trinity, Calaveras, and Tuolumne) as specified under the Trinity River Division Act of August 12, 1955 (69 Stat. 719) and the Flood Control Act of 1962 (76 Stat. 1173, 1191-1192).

Full Load Service (FLS) means the BR customer that will have its entire load at the delivery point(s) met with Western power and Third-Party Power, and whose Portfolio Management functions for said delivery will be performed by Western.

Fiscal Year (FY) refers to the October 1 through September 30.

Host Balancing Authority (HBA) confirms and implements transactions that operate generation or serves customers directly within the Balancing Authority's metered boundaries. The Balancing Authority within whose metered boundaries a jointly owned unit is physically located. Western operates as a sub-balancing authority (SBA), under Sacramento Municipal Utility District, who operates the HBA.

Kilovolt (kV) is the electrical unit of measure of electric potential that equals 1,000 volts.

Kilowatt (kW) is the electrical unit of capacity that equals 1,000 watts.

Kilowatthour (kWh) is the electrical unit of energy that equals 1,000 watts in 1 hour.

Kilowattmonth (kWmonth) is the electrical unit of the monthly amount of capacity.

Load is the amount of electric power or energy delivered or required at any specified point(s) on a transmission or distribution system.

Megawatt (MW) is the electrical unit of capacity that equals 1 million watts or 1,000 kilowatts.

Mill is the monetary denomination of the United States that equals one-tenth of a cent or one-thousandth of a dollar.

Mills per kilowatthour (Mills/kWh) is the unit of charge for energy.

Network Integrated Transmission Service (NITS) allows customers to dispatch their designated resources to loads (their customers) over Western's system. Network customers using this service must obtain certain ancillary services from the control area operator or the transmission provider.

Open Access Same Time Information Service (OASIS) is an electronic posting system that the Transmission Service Provider maintains for transmission access data and that allows all transmission customers to view the data simultaneously.

Open Access Transmission Tariff (OATT) is an electronic transmission tariff accepted by the FERC requiring the Transmission Service Provider to furnish to all shippers with non-discriminating service comparable to that provided by Transmission Owners to themselves.

Operation and Maintenance (O&M) of attend/service transmission lines and facilities.

Pacific Alternating Current Intertie (PACI) is a 500-kV transmission project of which Western owns a portion of the facilities.

Path 15 Transmission Upgrade is a transmission project consisting of approximately 84 miles of new 500-kV transmission line in California's western San Joaquin Valley, starting at the existing Los Banos Substation near Los Banos in Merced County and extending generally south southeastward to the existing Gates Substation near Coalinga in Fresno County.

Power is capacity and energy, and it is measured in watts and often expressed in kilowatts or megawatts.

Preference refers to the provisions of Reclamation Law which require Western to first make Federal power available to certain entities. For example, section 9(c) of the Reclamation Project Act of 1939 states that preference in the sale of Federal power shall be given to municipalities and other public corporations or agencies and also to cooperatives and other non-profit organizations financed in whole or in part by loans made under the Rural Electrification Act of 1936 (43 U.S.C. 485h(c)).

Project Use (PU) means power designated by Reclamation Law to be used to operate CVP and Washoe Project facilities.

Provisional Rate is rate which has been confirmed, approved, and placed into effect on an interim basis by the Deputy Secretary.

Power Repayment Study (PRS) is a tool used to determine if the projected power revenue for each project is adequate to meet the annual requirements. The PRS is used to calculate how much revenue is needed to meet annual investment obligations, O&M expenses, and repayment requirements (including repayment periods).

Rate Brochure is a document dated May 2004 explaining the rationale and background for the rates contained in the Rate Order.

Reclamation Law is a series of Federal laws. Viewed as a whole, these laws create the originating framework under which Western markets power.

Regulation means that portion of a generating unit's unloaded capability which can be loaded or loaded capability which can be unloaded, in response to automatic generation control signals.

Revenue Adjustment Clause (RAC) is a provision in the existing CVP firm power rate schedule that compares actual net revenue to projected net revenue from the rate-setting PRS on an FY basis.

Sierra Conservation Center (SCC) is a First Preference Customer located in Tuolumne County, California.

Sub-Balancing Authority (SBA) means Western's contract-based area within the Sacramento Municipal Utility District's BA.

Supplemental Power (SP) is the firm capacity and energy, provided by Western, which a customer(s) needs in addition to its BR for use in meeting its load.

Transmission is an interconnected group of lines and associated equipment for the movement or transfer of electric energy between points of supply and points at which it is transformed for delivery to customers or is delivered to other electric systems.

Transmission Service is provided to the transmission customer by the Transmission Service Provider to move energy from a Point of Receipt to a Point of Delivery.

Transmission Service Provider is the entity that administers the transmission tariff and provides transmission service to transmission customers under applicable transmission service agreements.

Trinity Public Utilities District (TPUD) is a First Preference Customer located in Trinity County, California.

Tuolumne Public Power Agency (TPPA) is a First Preference Customer located in Tuolumne County, California.

Washoe Project is a Reclamation project located in the Lahontan Basin in west-central Nevada and east-central California.