

# GLOSSARY

## UTILITY TERMS

**Demand:** The size of any load, expressed in kilowatts (kW), averaged over a specified period of time.

**Distribution system:** The wood poles, conductors, and transformers that deliver electricity to customers. The distribution system transforms high voltages to lower, more usable levels. Electricity is distributed at 120/240 volts (V) for most residential customers and 120 to 600 V for the majority of industrial and commercial customers.

**Energy:** The ability to do work. Electrical utilities sell electrical energy to their customers who, in turn, convert this energy into a desirable form—such as work, heat, light, or sound. Electrical energy is measured in kilowatt-hours.

**Generator:** A machine that converts mechanical energy—such as a rotating turbine driven by water, steam, or wind—into electrical energy.

**Natural gas:** A fossil fuel made from hydrocarbons stored millions of years ago when plants and other materials were buried in the earth's crust. Composed mostly of methane—a colourless and non-toxic substance—natural gas creates virtually no unburned particles or smoke to pollute the atmosphere. The products of combustion are chiefly carbon dioxide and water—the same products exhaled by the human body.

**NCN:** The Nisichawayasihk Cree Nation from northern Manitoba, one of the five native communities identified in the Northern Flood Agreement.

**PDA:** Project Development Agreement between the Nisichawayasihk Cree Nation and Manitoba Hydro for the Wuskwatim Generating Station.

**PUB:** The Public Utilities Board. The provincial government's regulatory body through which all of Manitoba Hydro's electricity and natural gas rate applications must be approved before rate increases or decreases can become effective.

**Peak load:** Record of maximum amount of electricity for the fiscal year measured at a specific moment in time.

**Power grid:** A number of interconnecting electrical power systems linking together electrical utilities and covering a large geographical area.

**Transmission system:** The towers and conductors that transport electricity in bulk form from a source of supply to local areas for distribution or to the power systems of out-of-province electrical utilities. Electricity is usually transported via transmission lines in amounts ranging from 66 kV to 500 kV.

## ACCOUNTING TERMS

**Blended Forward Interest Rate Swap:** An agreement between two parties to exchange predetermined fixed and floating interest rates on a specified notional amount of a principal debt or investment for a specified term. The fixed interest rate is a bond yield calculation based on the fixed interest rate of the existing debt or investment and the fixed interest rate of the forward interest rate swap.

**Exposure Management Program:** U.S. dollar hedging program used by the Corporation to offset U.S. dollar cash flows from debt, investments, and net exports to eliminate the impact of fluctuations in the U.S. dollar exchange rate.

**Financial instrument:** Bonds, provincial advances, short-term promissory notes, temporary and long-term investments, and swap option and foreign exchange contracts.

**Foreign exchange contract:** An agreement to exchange a predetermined amount of currency on a specified future date at a specified price.

**Retained earnings:** Net accumulated earnings that a business has not distributed to shareholders.

**Sinking fund:** A fund of cash and securities set up to provide for the orderly retirement of a debt.

**Swap:** An agreement between two parties to exchange cash flows at predetermined rates on specified notional amounts at specified future dates.

**Yield:** The average return of a debt or investment using a bond yield convention which recognizes the future interest payments, capital gains or losses, commissions, discounts, and premiums.

**Weighted Average Yield Rate:** The average return of debt or investment using the bond yield convention, weighted by the remaining term to maturity.

## UNITS OF MEASURE

**BTU:** British Thermal Unit. The amount of energy required to raise the temperature of one pound of water one degree Fahrenheit, equaling roughly 1 000 joules.

**Gigajoule:** A measure of energy for natural gas equaling one billion joules. One gigajoule of energy is equivalent to that provided by approximately 278 kWh of electricity or 30 litres of gasoline.

**Gigawatt (GW):** The unit of electrical power equivalent to one billion watts or one million kW.

**Kilovolt (kV):** The unit of electrical pressure, or force, equivalent to 1 000 volts (V).

**Kilowatt-hour (kWh):** The basic unit of electrical energy by which electricity is measured. For example, 10-100 W light bulbs switched on for one hour equals one kilowatt-hour (1 000 W for one hour).

**Megawatt (MW):** The unit of electrical power equivalent to one million watts, or 1 000 kilowatts (kW).

## PHOTO CREDITS

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