



## Abbreviations/Acronyms & Glossary



### Multi-Year Price Determination (MYPD) 6 Revenue Application for FY2026 – FY2028

Submission to NERSA



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## List of Abbreviations/Acronyms

<b>AAGR</b>	Average Annual Growth Rate
<b>ABOM</b>	Agreement Between Operating Members
<b>ACI</b>	Actual Cost Index
<b>A&amp;F</b>	Assurance and Forensic
<b>AFS</b>	Audited Financial Statements
<b>AI</b>	Abrasiveness Index
<b>AM</b>	Asset Management
<b>App</b>	Application
<b>AR</b>	Allowable Revenue
<b>AS</b>	Ancillary Services
<b>AS-SO</b>	Ancillary Services Standard Offer
<b>ASSOPP</b>	Ancillary Services Standard Offer Pilot Programme
<b>ATKSS</b>	Ankerlig Transmission Koeberg Second Supply Project
<b>AUC</b>	Asset Under Construction
<b>Aux</b>	Auxiliary
<b>BA</b>	Basic Assessment
<b>BBBEE</b>	Broad-based Black Economic Empowerment
<b>BCM</b>	Business Continuity Management
<b>BEE</b>	Black Economic Empowerment
<b>BESF</b>	Battery Energy Storage Facility
<b>BESS</b>	Battery Energy Storage System
<b>BI</b>	Business Intelligence
<b>BOOT</b>	Build Own Operate and Transfer
<b>BW</b>	Bid window
<b>c/kvarh</b>	Cents per reactive kilovolt-ampere-hour
<b>CAGR</b>	Compounded Annual Growth Rate
<b>Capex</b>	Capital Expenditure
<b>CAP COST</b>	Capital Cost
<b>CCI</b>	Coal Cost Index
<b>CC&amp;B</b>	Customer Care and Billing
<b>CCGT</b>	Combined Cycle Gas Turbines
<b>CCTV</b>	Closed-circuit Television
<b>CEES</b>	Cause, Effect, Entitlement, and Substantiation
<b>CFB</b>	Circulating Fluidised Bed
<b>CFL</b>	Compact Fluorescent Lamp

<b>CFO</b>	Cash Flow from Operations
<b>CFR</b>	Corporate Family Rating
<b>CLM</b>	Customer Load Management
<b>CGAS</b>	Constrained Generation Ancillary Service
<b>CGE</b>	Computable General Equilibrium
<b>CLN</b>	Customer Load Network
<b>CM</b>	Corrective Maintenance
<b>CMF</b>	Catchment Management Fee
<b>CMMS</b>	Computerized Maintenance Management System
<b>CNC</b>	Customer Network Centre
<b>CO</b>	Commercial Operation
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>CO<sub>2eq</sub></b>	Carbon Dioxide Equivalents
<b>COC</b>	Cost of Cover
<b>CoLS</b>	Cost of Load Shedding
<b>CorrISA</b>	Corrosion Institute of Southern Africa
<b>COUE</b>	Cost of Unserved Energy
<b>COVID-19</b>	Corona Virus Disease - 2019
<b>CPA</b>	Contract Price Adjustments
<b>CPI</b>	Consumer Price Index
<b>CPPM</b>	Capital Project Portfolio Management
<b>CRIEPE</b>	Central Research Institute for the Electric Power Industry in Japan
<b>CSA</b>	Coal Supply Agreement
<b>CSI</b>	Corporate Social Investment
<b>CSIR</b>	Council for Scientific and Industrial Research
<b>CSP</b>	Concentrated Solar Power
<b>CT</b>	Current Transformer
<b>CUC</b>	Capital Unit Charge
<b>CV</b>	Calorific value
<b>CVT</b>	Capacitor Voltage Transformer
<b>D</b>	Depreciation
<b>DAB</b>	Dispute Adjudication Board
<b>DAM</b>	Day-ahead Market
<b>DDP</b>	Due Date Performance
<b>DER</b>	Distribution Energy Resources
<b>DET</b>	Distribution Energy Trader
<b>DFFE</b>	Department of Forestry, Fisheries and Environment
<b>DFI</b>	Development Financial Institution

<b>DG</b>	Distributed Generation
<b>DLF</b>	Distribution Loss Factor
<b>DLSI</b>	Distribution Supply Loss Index
<b>DMP</b>	Demand Market Participation
<b>DMRE</b>	Department of Mineral Resources and Energy
<b>DMS</b>	Distribution Management System
<b>DPE</b>	Department of Public Enterprises
<b>DPP-TC</b>	Deliver Projects Processes Technical Committee
<b>DR</b>	Demand Response/Reduction
<b>DRC</b>	Depreciated Replacement Cost
<b>DSM</b>	Demand-Side Management
<b>DSO</b>	Distribution System Operations
<b>DTC</b>	Design to Cost
<b>DUOS</b>	Distribution use-of-system
<b>DWS</b>	Department of Water and Sanitation
<b>Dx</b>	Distribution
<b>E</b>	Expenses
<b>EA</b>	Environmental Authorisation
<b>EAF</b>	Energy Availability Factor
<b>EAL</b>	Eskom Academy of Learning
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortisation
<b>ECA</b>	Export Credit Agency
<b>ECM</b>	Enterprise Content Management
<b>ECS</b>	Energy Conservation Scheme
<b>EDI</b>	Electricity Distribution Industry
<b>EE</b>	Energy Efficiency
<b>EEDSM</b>	Energy Efficiency and Demand-side Management
<b>EHV</b>	Extra High Voltage
<b>EIA</b>	Environmental Impact Assessment
<b>EIMP</b>	Environmental Impact Management Plan
<b>EIMS</b>	Eskom Insurance Management Services
<b>EIPMO</b>	Eskom Intellectual Property Management Office
<b>EIUG</b>	Energy Intensive User Group
<b>EL1</b>	Emergency Level 1
<b>ELINI</b>	European Liability Insurance for the Nuclear Industry
<b>EMANI</b>	European Mutual Association for Nuclear Insurance
<b>EMS</b>	Energy Management System
<b>EPC</b>	Engineering, Procurement and Construction

<b>EPC</b>	Energy Performance Certification
<b>EPCM</b>	Engineering, Procurement and Construction Management
<b>EPMO</b>	Eskom Project Management Office
<b>EPP</b>	Electricity Pricing Policy
<b>EPRI</b>	Electricity Power Research Institute
<b>ERA</b>	Electricity Regulation Act
<b>ERAP</b>	Emergency Response Action Plan
<b>ERE</b>	Eskom Real Estate
<b>ERI</b>	Eskom Rotek Industries
<b>ERIC</b>	Eskom Research and Innovation Center
<b>ERTSA</b>	Eskom Retail Tariff Structural Adjustment
<b>ESA</b>	Electricity Storage Association
<b>ESO</b>	Energy Sent Out
<b>ESR</b>	Electrification and Rural Subsidy
<b>ESCO</b>	Energy Services Company
<b>ESG</b>	Environmental, Social, and Corporate Governance
<b>ESI</b>	Electricity Supply Industry
<b>ESP</b>	Electrostatic Precipitators
<b>EU</b>	European Union
<b>EUF</b>	Energy Utilisation Factor
<b>EUTC</b>	European Utility Telecommunication Committee
<b>EWSETA</b>	Energy and Water Sector Education and Training Authority
<b>Exco</b>	Executive Management Committee
<b>FA</b>	Fuel Assembles
<b>FAN</b>	Field Area Network
<b>FAR</b>	Fixed Asset Register
<b>FAT</b>	Factory Acceptance Test
<b>FBE</b>	Free Basic Electricity
<b>FCA</b>	Free Carrier Agreement
<b>FFF</b>	Fossil Fuel Foundation
<b>FFP</b>	Fabric Filter Plant
<b>FGD</b>	Flue Gas Desulphurisation
<b>FIDIC</b>	Fédération Internationale Des Ingénieurs – Conseils
<b>FMS</b>	Fleet Management Services
<b>FOB/FOT</b>	Free on board/free on truck
<b>FOSS</b>	Free and Open Source Software
<b>FP</b>	Fixed Price
<b>FPM</b>	Forward Physical Market

<b>FY</b>	Financial Year
<b>GCAC</b>	Grid Code Advisory Committee
<b>GCD</b>	Group Capital Division
<b>GCEO</b>	Group Chief Executive Officer
<b>GCS</b>	Grid Code Secretariat ( <i>Transmission</i> )
<b>GCS</b>	Group Customer Services ( <i>Distribution</i> )
<b>GDP</b>	Gross Domestic Product
<b>GFC</b>	Group Financial Controller
<b>GG</b>	Government Gazette
<b>GHG</b>	Greenhouse Gas
<b>GIS</b>	Geographic Information System
<b>GJ</b>	Gigajoule (1 billion joules)
<b>GLF</b>	Gross Load Factor
<b>GO</b>	General Overhaul
<b>GCIC</b>	Generation Capital Investment Committee
<b>GPSS</b>	General Purpose Simulation System
<b>GSFA</b>	Government Support Framework Agreement
<b>GSP</b>	Government Support Package
<b>GVA</b>	Gross Value Added
<b>GW</b>	Gigawatt (1 billion watts)
<b>GWh</b>	Gigawatt-hour (1 000MWh)
<b>Gx</b>	Generation Division
<b>HCB</b>	Hydro Cohara Bassa
<b>HPUM</b>	High Performance Utility Model
<b>HR</b>	Human Resources
<b>HRM</b>	Human Resource Management
<b>HV</b>	High Voltage
<b>HVAC</b>	High-voltage alternating current or heating, ventilation and air-conditioning (depending on context)
<b>HVDC</b>	High-voltage Direct Current
<b>IBT</b>	Inclining Block Tariff
<b>ICASA</b>	Independent Communications Authority of South Africa
<b>ICT</b>	Information and Communication Technology
<b>IDC</b>	Interest During Construction
<b>IDM</b>	Integrated Demand Management
<b>IDM</b>	Intra-Day Market
<b>IDR</b>	Issuer Default Rating
<b>IEA</b>	International Energy Agency

<b>IEC</b>	International Electro-technical Commission
<b>IEP</b>	Integrated Energy Plan
<b>IERE</b>	International Energy Research Exchange
<b>IESO</b>	Independent Electricity System Operator
<b>IFC</b>	Investment Finance Committee
<b>IFRS</b>	International Financial Reporting Standards
<b>IGMOU</b>	Inter-Governmental Memorandum of Understanding
<b>ILS</b>	Interruptible Load Shedding
<b>IM</b>	Information management
<b>IMF</b>	International Monetary Fund
<b>IN</b>	Boiler Inspection
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IPP</b>	Independent Power Producer
<b>IPS</b>	Interconnected Power System
<b>IR</b>	Interim Repair
<b>IR</b>	Instantaneous Reserves
<b>IRFRA</b>	Intergovernmental Relations Framework Act
<b>IRP</b>	Integrated Resource Plan
<b>ISEP</b>	Integrated Strategic Electricity Plan
<b>IT</b>	Information Technology
<b>ITP</b>	Independent Transmission Project
<b>ITOMS</b>	International Transmission Operations and Maintenance Study
<b>IUMOU</b>	Intra-Utility Memorandum of Understanding
<b>IWBS</b>	Integrated Work Breakdown Structure
<b>JET</b>	Just Energy Transition
<b>JMPD</b>	Johannesburg Metropolitan Police Department
<b>JV</b>	Joint Venture
<b>KIC</b>	Key Industrial Customers
<b>KLO</b>	Keep the Lights On
<b>KM</b>	Kilometres
<b>KOD</b>	Knowledge Optimisation and delivery/knowledge on Demand
<b>KPI</b>	Key Performance Indicator
<b>KRN</b>	Key Revision Number
<b>KSACS</b>	Key Sales and Customer Services
<b>kt</b>	Kilotons (1 000 tons)
<b>kV</b>	Kilovolt
<b>kW</b>	Kilowatt (1000 watts)
<b>kWh</b>	Kilowatt-hour



<b>KWS</b>	Komati Water Scheme
<b>KWSAP</b>	Komati Water Scheme Argumentation Project
<b>LCM</b>	Life Cycle Model/Management
<b>LCMP</b>	Life-Cycle Management Plan
<b>LDO</b>	Long Duration Outage
<b>LED</b>	Light-emitting Diode
<b>LF</b>	Load Factor
<b>LHWP</b>	Lesotho Highlands Water Project
<b>LMC</b>	Limited Multi Contract
<b>LOM</b>	Life of Mine
<b>LOPP</b>	Life of Plant Plan
<b>LPG</b>	Liquefied Petroleum Gas
<b>LPU</b>	Large Power Users
<b>LRMC</b>	Long Run Marginal Cost
<b>LSM</b>	Living Standards Measure
<b>L&amp;T</b>	Government imposed levies or taxes (not direct income taxes)
<b>LTAM</b>	Long Term Asset Management
<b>LTIR</b>	Lost-time Incident Rate
<b>LTO</b>	Long-term Outages
<b>I/USO</b>	Litres per units sent out
<b>MC</b>	Marginal Cost
<b>MCWAP</b>	Mokolo Crocodile West Augmentation Project
<b>MDMS</b>	Meter Data Management System
<b>MdRC</b>	Multi-disciplinary Revenue Committee
<b>MEA</b>	Modern Equivalent Asset
<b>MEAV</b>	Modern Equivalent Asset Value
<b>MES</b>	Minimum Emission Standards
<b>MFMA</b>	Municipal Finance Management Act
<b>Min-Gen</b>	Minimum Generation
<b>MIRTA</b>	Minimum Information Required for Tariff Application (Guideline)
<b>MKI</b>	Medupi, Kusile & Ingula
<b>MI/ML</b>	Megalitre/1 million litres
<b>MM</b>	Minor Maintenance
<b>Mm<sup>3</sup></b>	Cubic meters
<b>MMS</b>	Middelburg Mine Services
<b>MO</b>	Mini-General Overhaul
<b>MPRDA</b>	Mineral and Petroleum Resources Development Act
<b>mSv</b>	Millisievert

<b>Mt</b>	Million tons
<b>MT</b>	Medium Term
<b>MTO</b>	Medium Term Outlook
<b>Mtpa</b>	Million tons per annum
<b>MTPPP</b>	Medium-term Power Purchase Programme
<b>MTS</b>	Main Transmission Substation
<b>Munics</b>	Municipalities
<b>M&amp;V</b>	Measurement and Verification
<b>MVA</b>	Megavolt Ampere
<b>MW</b>	Megawatt (1 million watts)
<b>MWh</b>	Megawatt-hour (1 000kWh or 1 million watt-hours)
<b>MWP</b>	Megawatt Park
<b>MYPD</b>	Multi-Year Price Determination
<b>NBV</b>	Net Book Value
<b>NDM</b>	Network Demand Management
<b>NEA</b>	National Environmental Act
<b>NEC</b>	National Engineering Contract
<b>NEMA</b>	National Environmental Management Act
<b>NEMWA</b>	National Environmental Management Waste Act
<b>NER</b>	National Energy Regulator
<b>NERSA</b>	National Energy Regulator of South Africa
<b>NGO</b>	Non-Governmental Organisation
<b>NIRP</b>	National Integrated Resource Plan
<b>NOx</b>	Nitrogen Oxide
<b>NPA</b>	Negotiated Pricing Agreement
<b>NPA</b>	National Prosecuting Authority
<b>NPV</b>	Net Present Value
<b>NRS</b>	National Regulatory Standards
<b>NSR</b>	National Scale Rating
<b>NTC</b>	National Transmission Company
<b>NWPS</b>	National Water Pricing Strategy
<b>O/C</b>	Opencast
<b>OCGT</b>	Open-cycle Gas Turbine
<b>OCLF</b>	Other Capability Loss Factor
<b>OCS</b>	Office of the Company Secretary
<b>ODC</b>	Owners Development Cost
<b>OEM</b>	Original Equipment Manufacturer
<b>OHSAS</b>	Occupational Health and Safety Standards

<b>O&amp;M</b>	Operations and Maintenance
<b>OPEX</b>	Operating Expenditure
<b>OT</b>	Operating/Operational Technology
<b>OU</b>	Operating Unit
<b>OVS</b>	Online Vending System
<b>PA</b>	Partnership Agreement
<b>PAJA</b>	Promotion of Administrative Justice Act
<b>PCLF</b>	Planned capability loss factor
<b>PDD</b>	Project Development and Design
<b>PDR</b>	Probability of Default Rating
<b>PE</b>	Primary Energy
<b>PED</b>	Primary Energy Division
<b>PEIC</b>	Production Engineering Integration Coal
<b>PFMA</b>	Public Finance Management Act
<b>PIRM</b>	Project Integrated Resource Management
<b>PLCM</b>	Project Life Cycle Model
<b>PLCP</b>	Project life cycle process
<b>PMO</b>	Project Management Office
<b>POD</b>	Points of Delivery
<b>POPS</b>	Public Order Policing
<b>PPA</b>	Power-Purchase Agreement
<b>PPI</b>	Producer Price Index
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PQI</b>	Power Quality Index
<b>Proj</b>	Projection
<b>P&amp;SCM</b>	Procurement and Supply Chain Management
<b>PSIM</b>	Physical Security Information Management
<b>PSP</b>	Private Strategic Partnerships
<b>PSS</b>	Project Support Services
<b>PTM&amp;C</b>	Protection, Telecommunications, Metering & Control
<b>PTT</b>	Political Task Team
<b>PUC</b>	Public Utility Commission
<b>PV</b>	Photo Voltaic
<b>QOS</b>	Quality of Supply
<b>RAB</b>	Regulatory Asset Base
<b>RADAR</b>	Research Direction Report
<b>RAV</b>	Replacement Asset Value
<b>RB3</b>	Generation quality for coal

<b>RBCT</b>	Richards Bay Coal Terminal
<b>RBM</b>	Richards Bay Minerals
<b>RCA</b>	Regulatory Clearing Account
<b>RCN</b>	Replacement Cost New
<b>RE</b>	Renewable Energy
<b>REIPP</b>	Renewable Energy Independent Power Producer
<b>RETEC</b>	Renewable Energy Technical Evaluation Committee
<b>R&amp;D</b>	Research and Development
<b>R&amp;E</b>	Revenue and Expenses
<b>RFD</b>	Reasons For Decisions
<b>RFI</b>	Request for Information
<b>RFP</b>	Request for Proposal
<b>RLM</b>	Residential Load Management
<b>RMB</b>	Rand Merchant Bank
<b>RMIPPP</b>	Risk Mitigation Independent Power Producer Programme
<b>R/MWh</b>	Rand per Megawatt Hour
<b>RMR</b>	Residential Mass Roll-out
<b>ROA</b>	Return on Assets
<b>ROI</b>	Return on Investment
<b>ROM</b>	Run of Mine
<b>ROR</b>	Rate of Return methodology
<b>RPP</b>	Renewable Power Plant
<b>RR</b>	Regulating Reserves
<b>RSA</b>	Republic of South Africa
<b>R/t</b>	Rand per ton
<b>RT&amp;D</b>	Research, Testing and Development
<b>RTC</b>	Research Technical Committees
<b>RTP</b>	Retail Tariff Plan
<b>RTS</b>	Return to Service
<b>RTU</b>	Remote Terminal Unit
<b>STERF</b>	Short-term Energy Review Forum
<b>R&amp;S</b>	Risk and Sustainability
<b>SADC</b>	Southern African Development Community
<b>SAE</b>	Southern African Energy
<b>SAGC</b>	South African Grid Code
<b>SAIDI</b>	System Average Interruption Duration Index
<b>SAIFI</b>	System Average Interruption Frequency Index
<b>SAIRI</b>	System Average Interruption Restoration Index

<b>SALGA</b>	South African Local Government Association
<b>SALTO</b>	Safety Assessments for Long-term Outage
<b>SAMP</b>	Strategic Asset Management Plan
<b>SANEDI</b>	South African National Energy Development Institute
<b>SAPP</b>	Southern African Power Pool
<b>SAPS</b>	South African Police Service
<b>SARS</b>	South African Revenue Services
<b>SBO</b>	Single Buyer Office
<b>SCA</b>	Supreme Court of Appeal
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SCO</b>	Synchronous Condenser Operation
<b>SCOA</b>	Select Committee on Appropriations
<b>SD&amp;L</b>	Supplier Development and Localisation
<b>SDL&amp;I</b>	Supplier Development, Localisation and Innovation
<b>SDR</b>	Scheduling and Dispatch Rules
<b>SEMA</b>	Strategic Environmental Management Act
<b>SETA</b>	Sector Education and Training Sector
<b>SGC</b>	Supplier Grouping Code
<b>SHEQ</b>	Safety, Health, Environmental and Quality
<b>SIC</b>	Standard Industrial Classification
<b>S-IG</b>	Sub-Investment Grade
<b>SIRP</b>	Strategic Integrated Resource Plan
<b>SIU</b>	Special Investigations Unit
<b>SLA</b>	Service Level Agreement
<b>SM</b>	System Minutes
<b>SMS</b>	Sandton Midrand Soweto
<b>SMT</b>	Short and Medium Term
<b>SO</b>	System Operator
<b>SOC</b>	State Owned Company
<b>SOE</b>	State Owned Entity
<b>SPA</b>	Special Pricing Agreement
<b>SPU</b>	Small Power Users
<b>SPV</b>	Special Purpose Vehicle
<b>S&amp;P</b>	Standard and Poor's
<b>SQI</b>	Service Quality Incentive
<b>SSEG</b>	Small-scale Embedded Generation
<b>ST</b>	Short Term
<b>STA</b>	Source Testing Association

<b>StatsSA</b>	Statistics South Africa
<b>STPPP</b>	Short Term Power Producer Programme
<b>STS</b>	Standard Transfer Specification
<b>SWEO</b>	Small World Enterprise Office
<b>TCO</b>	Total-cost-of-ownership
<b>TCTA</b>	Trans Caledon Tunnel Authority
<b>TDP</b>	Transmission Development Plan
<b>TechPlan</b>	Technical Plan
<b>TID</b>	Token Identifier
<b>TIPPS</b>	Transmission Integrated Plant Performance System
<b>TNSP</b>	Transmission Network Service Provider
<b>ToU</b>	Time-of-Use
<b>TS</b>	Transmission System
<b>TSP</b>	Transmission System Planner
<b>TRP</b>	Transmission Renewal Plan
<b>TUOS</b>	Transmission use-of-system
<b>TWh</b>	Terawatt Hour
<b>TWI</b>	The Welding Institute
<b>Tx</b>	Transmission
<b>UAP</b>	Universal Access Programme
<b>UCG</b>	Underground Coal Gasification
<b>UCLF</b>	Unplanned Capability Loss Factor
<b>UG</b>	Underground
<b>UNDP</b>	United Nations Development Programme
<b>UPGEM</b>	University of Pretoria General Equilibrium Model
<b>UoS</b>	Use-of-system
<b>URS</b>	User Requirement Framework
<b>US</b>	United States
<b>USD</b>	United States Dollar
<b>VAT</b>	Value Added Tax
<b>VGB</b>	VGB PowerTech
<b>VPS</b>	Virtual Power Station
<b>VRESS</b>	Vaal River Eastern Sub-System
<b>VRESAP</b>	Vaal River Eastern Sub-system Augmentation Project
<b>VRT</b>	Vaal River Tariff
<b>VT</b>	Voltage Transformer
<b>W</b>	Watt
<b>WACC</b>	Weighted Average Cost of Capital

<b>WAN</b>	Wide Area Network
<b>WBS</b>	Work Breakdown Structure
<b>WC</b>	Working Capital
<b>WDC</b>	Waste Discharge Charge
<b>WISP</b>	Wholesale Integrated Selling Price
<b>WML</b>	Waste Management License
<b>WRC</b>	Water Research Commission
<b>WRCL</b>	Water Research Commission Levy
<b>WUC</b>	Work Under Construction
<b>Y-o-Y</b>	Year on year
<b>YES</b>	Youth Employment Services
<b>ZAR</b>	South African Rand

## Glossary

<b>A</b>
<p><b>Abrasive Index</b>, refers to the composition of the coal, which impacts the extent to which the coal will cause abrasion and wear to the power plant mechanical components (e.g. mills) and materials handling plants. Good quality coal has a low AI.</p>
<p><b>Arrear debt as percentage of revenue</b>, Total arrear debt/Total revenue multiplied by 100.</p>
<p><b>Ash content</b>, a measure of the quantity of ash and other non-combustible material in the coal. Good quality coal has a low ash content.</p>
<p><b>Actual Cost Index</b>, an index used in some of Eskom's coal supply contracts to escalate the price each year. The exact definition of the CCI differs slightly between contracts, but generally measures the average actual cost increases experienced by Eskom in all its coal supplies.</p>
<b>B</b>
<p><b>Base-load plant</b>, Power stations that are designed to operate continuously (usually coal-fired and nuclear stations).</p>
<b>C</b>
<p><b>Calorific value</b>, a measure of coal's heat value, expressed in MJ/kg.</p>
<p><b>Coal imports</b>, a term used within Eskom to denote coal supplied to a power station from a mine other than the stations tied colliery.</p>
<p><b>Combined cycle</b>, Technology for producing electricity from otherwise lost waste heat as it exits from one or more gas (combustion) turbines.</p>
<p><b>Cost Plus coal contract</b>, a historically used form of contract whereby Eskom pays the coal miner the actual costs of production plus a fee that provides the miner with a return on its invested capital and a management fee.</p>
<b>D</b>
<p><b>Daily peak</b>, maximum amount of energy demanded in one day by consumers.</p>



**Decommission**, to remove a facility (for instance, a reactor) from service and store it safely.

**Dedicated mine**, a mine established to supply only one customer (for example, Eskom).

**Debt: equity including long-term provisions**, Net financial assets and liabilities plus non-current retirement benefit obligations and non-current provisions divided by total equity.

**Debt service cover ratio**, Cash generated from operations/(Net interest paid plus debt repaid excluding repayments on commercial paper).

**De facto**, Existing or holding a specified position in fact but not necessarily by legal right

**Demand-side management**, Activities to encourage consumers to use electricity more efficiently, regarding both when they use it and how much they use.

## E

**Electricity revenue per kWh**, Electricity revenue including environmental levy/kWh sales total.

**Electricity operating costs per kWh**, Electricity related costs: Primary energy costs, net transfer pricing, employee benefit cost, depreciation and amortisation plus impairment loss and other operating expenses) / external sales in kWh.

**Embedded derivative**, financial instrument that causes cash flows that would otherwise be required by a contract to be modified according to a specified variable such as currency.

**Energy availability factor**, Measure of a power station's availability, taking into account energy losses not under the control of plant management and internal non-engineering constraints.

**Energy efficiency**, Refers to measures to reduce energy without affecting the service provided/output by, for instance, installing more energy-efficient technologies.

## F

**Fixed base/indexed contracts**, a commonly used form of coal contract in which the base price is fixed, but is escalated each year by means of an agreed index. Primarily used by Eskom for buying coal from multiproduct mines.

**Flashover**, Electrical insulation breakdown.

**Forced outage**, an unanticipated emergency shutdown or breakdown of a generating unit, transmission line or other electrical facility.

**Free basic electricity**, Electricity deemed sufficient to provide basic electricity services to a poor household (currently set at 50kWh/month).

**Free on board/truck/rail**, the free on board price is the price paid for exported coal at the point before it is loaded onto a ship at the port of export. It excludes shipping and insurance costs required to transport the coal to the importing country. Free on truck and free on rail prices are similar terms, being the price of coal before it is uploaded at the source. With specific reference to coal purchased by Eskom, FOT refers to the point at which risk is transferred to Eskom. This is usually the point after the supplier's weighbridge. This FOT price excludes the cost of transporting the coal to an Eskom site.

**Funds from operations**, Cash generated from operations adjusted for working capital (excluding provisions) and net interest paid / received and non-current assets held for risk management.

**Funds from operations as a percentage of gross debt**, Funds from operations / gross debt multiplied by 100.

## G

**Gross debt**, Debt securities issued, borrowings, finance lease liabilities and financial trading liabilities plus the after tax effect of retirement benefit obligations and provisions for power station-related environmental restoration and mine-related closures.

**Gross debt/EBITDA**, Gross debt/earnings before interest, tax, depreciation and amortisation.

## I

**International financial reporting standards**, Global accounting standards issued by the International Accounting Standards Board that require transparent and comparable information.

**Independent power producer**, any entity other than Eskom that owns or operates, in whole or in part, one or more independent power production facilities.

**Interest cover**, Operating profit before net finance cost / (net finance cost but before unwinding of discount on provisions, change in discount rate and borrowing cost capitalised).

**Interruptible load**, Load that can be interrupted in the event of capacity or energy deficiencies.

**Interruptible power**, a power supply that can be curtailed by the supplier, usually in agreement between Eskom and the customer.

## J

**Junior miner**, a generic term for a small-scale miner. Junior miners are often focused on exploration and early-stage development of mineral resources, but are mostly focused on mining of small deposits of reserves.

## K

**Kilowatt-hour**, Basic unit of electric energy equal to one kilowatt of power supplied to, or taken from, an electric circuit steadily for one hour. One kilowatt hour is 1 000 watt-hours.

## L

**Life of mine**, the design period over which a mine will extract coal.

**Load**, Amount of electric power delivered or required at any specific point on a system.

**Load management**, Activities to influence the level and shape of demand for electricity so that demand conforms to Eskom's supply capabilities, long-term objectives and constraints.

**Load profile**, Customer's electricity use over time, sometimes shown as a graph.

**Load shifting**, Transfer of loads from peak to off-peak periods.

**Load-shedding**, Scheduled rotation of available electricity capacity between customers to avoid blackouts when demand is greater than supply.

**Long Term Fixed price contracts**, a commonly used form of coal contract in which the base price is fixed, but is escalated each year by means of an agreed index. Primarily used by Eskom for buying coal from multi-product mines.

<b>Lost-time incident rate</b> , Proportional representation of injuries that cause lost working time over a 12-month period.
<b>M</b>
<b>Maximum demand</b> , highest demand of load within a specified period.
<b>Mid-merit power generation</b> , Installations that generate electricity when electricity demand is higher than average.
<b>Mining Charter</b> , An agreement reached between the state and mining companies that covers various business and technical principles under which coal and other mineral are mined.
<b>Minerals and Petroleum Resources Development Act (MPRDA)</b> , the Act that governs the ownership and mining of minerals in South Africa.
<b>Multi-product mine</b> , a mine that produces more than one coal product. In many instances multi-product mines beneficiate the coal to meet export quality requirements and supply the local market and Eskom with a by-product (middling's) from the coal beneficiation process.
<b>O</b>
<b>Outage</b> , Period during which a generating unit, transmission line or other facility is out of service.
<b>Off-peak</b> , Period of relatively low system demand
<b>Opencast mining</b> , a mining method whereby the coal seam is accessed from the surface by means of large pit. Also known as Open Pit mining.
<b>P</b>
<b>Peak demand</b> , Maximum power used in a given period, traditionally between 7am–10am and 6pm–9pm.
<b>Peaking capacity</b> , Generating equipment normally operated only during hours of highest daily, weekly or seasonal loads.
<b>Peak-load plant</b> , Power stations that are only used during peak-load periods. Eskom uses its gas turbines and current pumped-storage scheme as peak-load plants.

**Power pool**, two or more interconnected electricity supply systems that agree to coordinate operations and seek improved reliability and efficiencies.

**Primary energy**, Natural resources used in the production of electrical energy (for instance coal, liquid fuel, sunlight, wind, uranium).

**Producer price index**, an index published by Statistics South Africa that measures the year-on-year price inflation of producer goods and services in South Africa.

**Pumped-storage scheme**, a water-based electricity-generation system where a lower and an upper reservoir are linked by a power station/pumping plant. During off-peak periods the pump uses electricity to transport water from the lower to the upper reservoir. During peak demand, water runs back into the lower reservoir through turbines, generating electricity.

## R

**Reserve margin**, the difference between an electricity system's net generating capability and its maximum load requirements (during peak load or peak demand).

**Return on average equity**, Profit/loss for the year after tax / average total equity.

**Return on average total assets**, Profit/loss for the year after tax / average total assets.

**Run of mine**, Refers to coal that has been mined and transported to the surface, but has not been beneficiated.

## S

**Short/medium term coal**, a term used within Eskom to denote coal supplied to a power station from a mine other than the stations tied colliery.

**Spent fuel**, Irradiated nuclear fuel that has permanently been removed from a nuclear reactor. Spent fuel is stored on site in spent-fuel pools or storage casks.

**Stripping ratio**, a measure of the amount of earth (m<sup>3</sup>) that must be moved to extract each ton of coal. Deep coal and thin seam coal will have higher stripping ratios than shallow coal and thick seam coal.

**Sulphur**, an undesirable impurity found in some coals. When burned, the sulphur forms the pollutant sulphur dioxide, which in turn can form the highly corrosive sulphuric acid.

## T

**Technical losses**, naturally occurring losses that depend on the power systems used.

## U

**Underground coal gasification**, a technique to extract energy from coal in gaseous form without physically mining the coal. Eskom and Sasol are piloting this technology in South Africa. If successful, underground coal gasification could be used to access coal reserves that are too deep or too faulted to be economically mined using other methods.

**Underground mining**, a mining method used to access coal seams that are too deep for opencast mining. It involves sinking vertical and incline shafts down to the coal seam for ventilation and the movement of people, machinery and coal. Mined coal is transported to the surface by means of an incline shaft conveyor. Underground mines are usually more expensive to operate.

**Unplanned automatic grid separations**, a measure of the reliability of the service provided to the electrical grid that logs the number of supply interruptions per operating period.

**Unit capability factor**, a measure of a power station's availability indicating how well plant is operated and maintained.

**Unplanned capability loss factor**, all occasions when a power station unit has to be shut down and taken out of service. Energy losses due to outages are considered unplanned if they are not scheduled at least four weeks in advance.

## V

**Value created per employee**, Value created divided by number of employees.

## W

**Working capital ratio**, (Total current assets less financial instruments with group companies less investments in securities less embedded derivative assets less derivatives held for risk management less financial trading assets less cash and cash equivalents) / (Total current liabilities less financial instruments with group companies less debt securities issued less borrowings less embedded derivative liabilities less derivatives held for risk management less financial trading liabilities).