

Words Our Industry Uses

Coke and Coke Battery

Raw coal is heated to high temperatures in ovens to drive off impurities, leaving a carbon residue called coke. Coke is combined with iron ore to create a high metallic iron that is used to produce steel. A series of coke ovens configured in a module is referred to as a battery.

Customer Choice

The customer choice programs are statewide initiatives giving customers in Michigan the option to choose alternative suppliers for electricity and gas.

Distributed Generation (DG)

Electric energy produced at or close to the point of use, in contrast to central station generation which generally produces electricity at large power plants and transmits and distributes power over long distances. DG includes fuel cells, small gas turbine engines called micro- and mini-turbines, and other devices capable of producing up to two megawatts of power.

Gas Cost Recovery (GCR) Mechanism

A gas cost recovery mechanism authorized by the MPSC that was reinstated by MichCon in January 2002, permitting MichCon to pass the cost of natural gas to its customers.

Power Supply Cost Recovery (PSCR) Mechanism

A power supply cost recovery mechanism authorized by the MPSC that allowed Detroit Edison to recover through rates its fuel, fuel-related and purchased power expenses. The clause was suspended under Michigan's restructuring legislation signed into law June 5, 2000, which lowered and froze electric customer rates. The clause was reinstated by the MPSC effective January 1, 2004.

Section 29 Tax Credits

Tax credits as authorized under Section 29 of the Internal Revenue Code that are designed to stimulate investment in and development of alternate fuel sources.

Securitization

Detroit Edison financed specific stranded costs at lower interest rates through the sale of rate reduction bonds by a wholly owned special purpose entity, the Detroit Edison Securitization Funding LLC.

Stranded Costs

Costs incurred by utilities in order to serve customers in a regulated environment that are not expected to be recoverable if customers switch to alternative suppliers of electricity and gas.

Synfuels

The fuel produced through a process involving chemically modifying and binding particles of coal. Synfuels are used for power generation and coke production.