

Glossary

ABI	Association of British Insurers, a body which, inter alia, sets standards of corporate governance on behalf of Insurance companies.
ANP	American National Power.
Availability	A measure giving the proportion of electrical energy that was available during the year, after taking account of both planned and unplanned plant outages.
Bond	Security that obligates the issuer (International Power) to make specified payments to the bondholder (financial Institutions).
Brownfield	Building a plant on a previously operational site.
CO	Carbon monoxide.
CO₂	Carbon dioxide.
CSR	Corporate social responsibility.
CCGT	Combined cycle gas turbine – turbines, that are typically fuelled by natural gas, are used to drive generators and use exhaust gases to produce steam that in turn drives an additional turbine coupled to a generator.
Cogeneration	The simultaneous generation of heat and electricity, typically where the need for both arises for industrial or commercial purposes.
Corridor approach	Under this approach to pension plans, actuarial gains and losses are not recognised immediately. Only when the cumulative gains or losses fall outside the corridor is a specified portion recognised in the income statement from the following year onwards. The corridor is 10% of the present value of the pension rights accrued or of the fund assets at market value, if greater.
Debt capitalisation	Net debt divided by the sum of the net debt and total equity.
HSE	Health, safety and environment.
EPS	Earnings per share, calculated by dividing the profit after interest, tax and minority interests by the weighted average number of shares in issue.
Gearing	Net debt divided by total equity.
Generator nameplate capacity (installed)	The maximum output of a generator, under specific conditions designated by the manufacturer. Installed generator capacity is commonly expressed in megawatts (MW) and is usually indicated on a nameplate physically attached to the generator.
Greenfield	Building a plant on a new site.
Hedge contracts	A contract that gives protection against risks of future commodity price movements.
HUBCO	The Hub Power Company.
IFRS	International Financial Reporting Standards.
ISO 14001	The international standard of environment management systems.
LNG	Liquefied natural gas
LTIP	Long-term incentive plan
Load factor	The proportion of electricity actually sold, compared with the maximum possible sales of electricity at maximum net capacity.
KAPCO	The Kot Addu Power Company.
Merchant market	A merchant market is a deregulated market.
Merchant plant	Our merchant plants operate in deregulated markets selling power into the traded market without long-term power purchase agreements (PPAs).
MIGD	Millions of imperial gallons per day.
MW	Megawatt: one MW equals 1,000 kilowatts.

MWth	One megawatt of thermal power.
National Allocation Plan	The Plan issued under the EU Emissions Trading Scheme that sets out how greenhouse gas emission allowances will be allocated to affected industry sectors.
NO_x	Oxides of nitrogen.
Non-recourse debt	Debt secured on an asset.
OCGT	Open cycle gas turbine – turbines, typically fuelled by gas or diesel oil, are used to drive the generators to produce electricity.
OHSAS 18011	Occupational Health and Safety Assessment Series 18011. A management system specification, developed by British Standards Institute, for health and safety which is compatible with ISO 9001:1994 (Quality) and ISO 14001:1996 (Environmental) management.
O&M	Operations and maintenance, usually used in the context of operating and maintaining a power station.
Offtake agreement	Power purchase agreement between International Power and its customer (the offtaker) whereby the customer takes the electricity generated by a power station.
PBIT	Profit before interest and tax.
Peak load	The maximum demand during a specified high demand period. This may require use of plant (for example pumped storage) that is kept in reserve for peak periods.
Put	To sell a security back to the issuer at a pre-determined price.
RPI	Retail Price Index.
Recourse debt	Debt secured by the Company.
Reserve margin	The amount of plant reserve capacity above the system's peak electricity requirements.
Rights Issue	The offer of new shares to shareholders pro-rata to their current holding, usually at a discounted price.
SO₂	Sulphur dioxide.
Spark spread	The difference between the power price and fuel costs.
Tolling contract	A form of long-term electricity contract where the buyer of the electricity also supplies the fuel and the generator provides the energy conversion services in the form of the plant and operational services required to change the energy in the fuel into electricity.
Trade investment	A business entity over which the investor does not exercise significant influence.
UK GAAP	Generally Accepted Accounting Principles in the UK.
US Sarbanes-Oxley Act	The Sarbanes-Oxley Act of 2002 was enacted in reaction to the highly publicised bankruptcies of Enron and WorldCom and is concerned with strictly enforcing the latest "generally accepted" accounting principles (GAAP).