

Glossary

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A

Term	Definition
Abstraction	The removal of water from any source, either permanently or temporarily.
Acceptability testing	Research undertaken to measure customer support for the business plan.
Active leakage control ALC	The process of active leakage control involves teams of leakage detection staff sweeping an area to find leaks generally using sounding techniques or similar.
Affordability	The extent that customers are able to pay for water and sewerage services.
AI Asset inventory	A standardised summary of our asset base. It divides assets into classifications (for example, by type and size band) and records physical attributes for each group (for example, condition and appropriate replacement cost).
AIM Abstraction incentive mechanism	Is an incentive introduced by Ofwat to ensure that water trading does not negatively impact on the environment, and encourage environmental improvements in abstraction policies at reasonable cost.
AMP Asset management period	Is the term given to the five-year period covered by a water company's business plan. AMP1 refers to the first planning period after the water industry was privatised, this covers the period 1990 to 1995. AMP6, covers the period 2015 to 2020. AMP7 covers the period 2020 to 2025.
AMP adjustment	The revision in the real value of fixed assets arising periodically from improved information in the five year asset management plan process.
AD Anaerobic digestion	Anaerobic digestion is a collection of processes by which microorganisms break down biodegradable material in the absence of oxygen. The process is used for domestic purposes to manage waste or to produce fuels
Appointed business	The appointed business comprises of the regulated activities of Yorkshire Water. These are the activities necessary in order for us to fulfil the function and duties of a water and sewerage undertaker under the Water Industry Act 1991.
APR Annual performance report	Our annual report that we publish to demonstrate compliance with our separate price controls, and our performance against the promises that we make to our customers
Arm's length trading	Trading in which Yorkshire Water treats the other party, usually an associate company on the same basis as an external party.

Arup	Is a company which provides engineering, design, planning, project management and consulting services.
Assurance	Provides confidence and a level of certainty that a piece of information or data is correct.
Assurance plan	A plan of the activities that we will carry out to provide assurance on the data, the information and the publications that we provide.
ATC Advanced thermal conversion	A process which gasifies sewage sludge and screenings to generate biogas, which is used to generate electricity, and an organic biochar product, which can be recycled to land.

B

Term	Definition
Bad debt costs	Costs associated with the non-payment of water and sewerage bills. These include the costs of debt recovery and revenue written off, and the financing costs associated with unrecovered revenue.
Base expenditure	The expenditure needed to continue delivering current levels of service, before taking account of planned or required improvements. It is made up of operating and capital maintenance expenditure.
Benchmark	
Borehole	A narrow shaft bored in the ground, either vertically or horizontally, for the extraction of water.
BIC Board investment committee	A committee made up of senior managers who approve projects and spending.
BioWin	Is a wastewater treatment process simulator that ties together biological, chemical, and physical process models.
BAS Biosolids assurance scheme accreditation.	A non legislative obligation, providing evidence of conformance with all aspects associated with the treatment and recycling to agricultural land of biosolids (i.e. treated sewage sludge).
Board	The Board of Yorkshire Water Services Limited is accountable and responsible for the control of the business, its strategy and its decisions. The Board is accountable for the quality of our information and our publications.

Board audit committee	A committee that reviews the process and controls in place and the level of assurance in place. It reports its views of audit quality to the Board.
British Standard 65000:2014 Organisational Resilience.	This standard defines organisational resilience as the ability to anticipate, prepare for, respond and adapt to events, both sudden shocks and gradual change. That means being adaptable, competitive, agile and robust.
Business customers	Non-household customers.
BP Business plan	Each appointed water company’s business plan sets out its overall strategy and the implications for price limits and average bills; its strategic objectives in terms of service performance, quality, environmental and other outputs; the activities necessary in the period to meet these objectives; and the scope for improvements in efficiency. See also AMP.
BPM Business process management	Is the process of analysing and improving business processes to create a more efficient and effective organization
Business rates	Business rates are taxes to help pay for local services. They are charged on most non-domestic properties (including commercial).
BWD Bathing water directive	A European Directive aimed at improving and protecting water quality at designated bathing beaches. The European Union's revised Bathing Water Directive came into force in March 2006. The directive sets out stringent water quality standards and places emphasis on providing information to the public.

C

Term	Definition
CAB Citizens advice bureau	Is a network of 316 independent charities throughout the United Kingdom that give free, confidential information and advice to assist people with money, legal, consumer and other problems.
CAP Competitively appointed provider	Relates to direct procurement. A third party bids to provide services on behalf of our customers.
Capex capital expenditure	Capital expenditure (capex) is expenditure to acquire or upgrade physical assets such as property, pipes and treatment works.
Capital efficiency	The efficiency of using capital expenditure to deliver outputs.

Capital maintenance	Planned work by appointed water companies to replace and renovate water and sewerage assets to provide continuing services to consumers.
Capital maintenance planning – a common framework	This is a framework for assessing how much capital maintenance expenditure is needed by appointed water companies in the future. It considers both historical expenditure and forward-looking risk-based estimates. The details are published by UK Water Industry Research (UKWIR). Also known as the 'common framework'.
Carbon accounting	Measuring and monitoring the amount of carbon dioxide or other greenhouse gases that are either released to the atmosphere or which have avoided being released e.g. through energy efficiency projects.
Catchment	An area with several, usually interconnected, water bodies such as rivers, lakes and streams.
Catchment management	Investigations or intervention work in upstream catchments to address deteriorating raw water quality (or risk of failure of a drinking water quality requirement) at its source.
CBA Cost benefit analysis	An analysis of the cost effectiveness of different alternatives to see if the benefits outweigh the costs.
CCG Customer challenge group	In Yorkshire, the CCG is known as the Yorkshire Forum for Water Customers.
CCW Consumer council for water	Represents the interests of water and sewerage consumers in England and Wales.
C-MeX	The customer measure of experience.
Charging year	The year that water companies bill customers starting on 1 st April each year.
CHP Combined heat and power	Technology used to generate both heat and power in a single process e.g. burning of biogas produced during sludge treatment.
CMA Competition and markets authority	Competition and markets authority. Is a non-ministerial government department in the United Kingdom, responsible for strengthening business competition and preventing and reducing anti-competitive activities.
CMF Company monitoring framework	Ofwat's framework that sets out the way in which companies provide performance information to their customers and stakeholders.

CO₂e	To take into account the emission of other greenhouse gases when calculating the level of greenhouse gas emissions, an equivalent measure has been devised, CO ₂ e , which means carbon dioxide equivalent.
Code	The UK Corporate Governance Code. This sets out good standards in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.
Communication pipes	The pipes that carry water between the water mains and the boundary of private property. If a company stop-tap has been fitted, this will normally mark the end of pipework that is the responsibility of the company and pipework that is the responsibility of the property owner. Not all properties will have their own stop-tap in the footpath but where one has been fitted, this is normally the responsibility of the company to maintain.
Confidence grades	Confidence grades combine elements of reliability and accuracy to provide a clear base for companies to qualify their data.
Consumers	Consumers refers to individuals or households that purchase and use goods and services generated within the economy. In this case we are referring to those who use water and sewerage services.
Controlled waters	Inland and coastal waters (to the territorial limit) and ground water, to which pollution control legislation in England and Wales applies.
CPI Consumer prices index	The consumer prices Index is a measure of economic inflation based on a set series of goods and services set by the Office for National Statistics. This is the headline measure of inflation used in the Government's target for inflation.
CPIH Consumer prices index including housing	Consumer prices index including housing costs
CRM Customer relationship management	An approach to manage a company's interaction with current and potential customers. It uses data analysis about our customers' history to improve our relationships with customers.
Cost allocation	Cost allocation is the means by which all costs are allocated to appointed and non-appointed businesses, price control units, or specific supplies, works and services, ensuring a fair share of overheads, even where costs cannot be directly attributed to specific activities and associated services.

Cost of capital	The minimum return that providers of capital require to prompt them to invest in or lend to the appointed water companies given their risk.
Cost of debt	The rate required by a company to service its debt.
Cost driver	A cost driver is the factor or factors which cause the cost to occur. This can be further divided between the driver that causes an activity to occur, and a driver that determines how often it occurs. Costs may vary in relation to the cost driver over the short or longer-term, depending on the nature of cost concerned.
Credit quality (credit rating)	The probability that an issuer of debt will make the promised payments to lenders. Credit rating agencies such as Standard and Poor's, Moody's and Fitch Ratings issue credit quality ratings as a service to investors. They take into account investors' demand for a higher return on bonds from issuers with lower credit quality as compensation for the greater risk of default.
Cross-subsidy	Cross-subsidy in this context is monetary aid or contributions from the appointee to the associate, or between price control units, which does not reflect the value of the services received. It also relates to services provided by the appointee to associate companies where there has been an under-recovery of costs incurred by the appointee.
CRA Credit ratings agency	Is a company that assigns credit ratings, which rate a debtor's ability to pay back debt by making timely interest payments and the likelihood of default. A credit rating facilitates the trading of securities on a secondary market.
CRSA Controls and Risk Self-Assessment	A process requires all senior managers to assess their team's level of compliance against all obligations.
CRI Compliance risk assessment	Is a measure designed to illustrate the risk arising from treated water compliance failures, it aligns with the current risk based approach to regulation of water supplies used by the Drinking Water Inspectorate (DWI).
CSO Combined sewer overflow	Combined sewer overflows are structures that allow a combined sewer to spill flows when its capacity is exceeded (usually when there are heavy storms). They prevent the sewerage system from backing up and flooding properties by discharging untreated but dilute sewage into the receiving river or stream.

CTS Cost to serve	Is a process driven accountancy tool to calculate the profitability of a customer account, based on the actual business activities and overhead costs incurred to service that customer.
Customer side leakage	Leakage from customer side pipes that form part of our treated water distribution network.
Future customers	People who are not bill payers, but are expected to be within the next ten years.

D

Term	Definition
Data assurance	Processes that ensure that the data we produce is accurate.
Data provider and data manager	Data providers have specific responsibilities as part of our data assurance process. They will document the steps we follow to capture, analyse, process and report on our performance. They will then provide this information for inclusion within the publication. The data provider is supported by a data manager. The data manager will ensure that the data produced and any supporting explanations align with reporting requirements.
Day to day controls	These are the activities that we complete every day as part of our front line operations. Everything that we do supports the information that we eventually report. These controls provide the first level of assurance that the information we publish is accurate.
DAZ Drainage area zone	The area drained by a network of sewers and associated assets for example pumps, CSOs.
Dead bands	Our financial Outcome Delivery Incentives have 'dead bands' or buffers around our targets (which are known as performance commitments). Performance within these dead bands will not result in a reward or penalty.
Defra	Defra is the Department for Environment, Food and Rural Affairs. It is a UK government department responsible for safeguarding our natural environment, supporting the food and farming industry, and sustaining a thriving rural economy.
Delivery assurance groups	These are teams made up of managers and operational colleagues. They are responsible for monitoring our performance

	as we deliver the performance commitments that we agreed with you.
DG2	No longer a formal measure however, we continue to use this to measure the number of properties at risk of experiencing water pressure below the standard.
D-MeX	The developer services measure of experience.
Depreciation	A measure of the consumption, use or wearing out of an asset over the period of its useful economic life.
Deteriorating	We have four performance commitments that are titled Stability and Reliability Factors (S&R factor). These are given an overall assessment of stable, improving or deteriorating. An overall assessment of performance is made based on the performance of several sub-measures. If these fail to meet the levels agreed with Ofwat over a continued period of time, the overall S&R Factor will be assessed as deteriorating.
Determinations	Some of our decisions are known as determinations, the biggest of which is the outcome of a price review setting out appointed water companies' price limits that will operate for a five-year period and the specific outputs that they will have to deliver.
DBP Disinfectant byproducts	Chlorine is a commonly used disinfectant, sometimes used in combination with other disinfectants, such as ozone, chloramine, chlorine dioxide, and ultraviolet light. Disinfection byproducts are a family of chemicals formed when these disinfectants react with naturally occurring organic matter and other substances in the source water.
DMA Distribution management area	A defined area of the distribution system that can be isolated by valves and for which the quantities of water entering and leaving can be metered.
DMF Decision making framework.	An innovative set of processes and tools, aimed at making the most efficient expenditure decisions to ensure excellent service and benefit to customers
DMO Domestic meter optant (see meter optants)	A customer who has chosen to have a water meter installed.
DPB's Disinfection by products compounds	Compounds produced in water as a result of the water being treated.

DPC Direct procurement for customers	Where we competitively tender for services for projects in excess of £100 million (whole life costs). We are the buyer of the services on behalf of the customer.
Drainage strategy framework	The best practice guidelines for developing drainage strategies, commissioned by the Environment Agency and Ofwat.
DWF Dry weather flow	This is defined by the Environment Agency as the total daily flow that is exceeded by 80% of the total daily flow values in any period of twelve months. It is used to measure compliance with our discharge consents at our waste water treatment works.
DWI Drinking water inspectorate	The body responsible for assessing the quality for drinking water in England and Wales.
DWQ Drinking water quality	The quality of public drinking water supply.
dWRMP Draft water resources management plan	A draft version of our statutory water resource management plan.

E

Term	Definition
EA Environment agency	A non-departmental public body tasked by the UK government with protecting and enhancing the natural environment. The EA are the environmental regulators responsible for rivers, flooding and pollution.
EDA Enterprise decision analytics	Software that supports our decisions making process.
Economic Insight	An economics consultancy.
Embedded debt	Debt, due in more than one year, in appointed water company balance sheets which attracts a fixed rate of interest rather than a floating one.
ERI Environmental risk index	Is a measure designed to illustrate the risk arising from water quality events, and it aligns with the current risk based approach to regulation of water supplies used by the Drinking Water Inspectorate (DWI).
ESOS Energy saving opportunity scheme	Is a mandatory energy assessment scheme for organisations in the UK that meet the qualification criteria.
Enhancement	A level of service delivered better than previously defined. Examples of enhancements include fewer supply interruptions for

	consumers; fewer disruptions for the public in general; and less pollution for the environment.
EDD Enhanced direct delivery	Involves acting as an intelligent client, working with experts to create solutions to be delivered by companies with lower operating costs.
EPA Environmental performance assessment.	Was introduced by the Environment Agency (EA) in 2011 as a non-statutory tool for comparing performance between water and sewerage companies (WaSCs).
EPC Emergency planning college	Delivers Cabinet Office approved emergency planning and crisis management training.
EPR Environmental permitting regulations, 2010	These regulations provide a consolidated system of environmental permitting in England and Wales.
Experian mosaic	Mosaic UK is Experian's system for classification of UK households. It is one of a number of commercially available geodemographic segmentation systems, applying the principles of geodemography to consumer household and individual data collated from a number of governmental and commercial sources
External audit: financial	Deloitte, our external auditors and assurers, provide an opinion on the accuracy of our financial statements.
External audit: other	The independent assurance providers that we procure to review the information that we publish. We work with Halcrow as our operational performance assurance providers. We also worked with other independent assurance providers as required. This can include interviews with colleagues, tracing information back to source data and assessing the quality of our processes.

F

Term	Definition
Fast money	The proportion of Totex (total expenditure) which is received through customer bills in the year of expense.
Final determination	The outcome of a price review setting out water companies' price limits that will operate for a five-year period and the specific outputs that they will have to deliver. The last final determination was made in 2014 for 2015-2020.
Financeability	The ability of appointed water companies to finance their functions through debt, equity or retained earnings. Ofwat's duty to ensure

	that companies can finance the proper carrying out of their functions is interpreted to mean not only that they should receive a return on investment at least equal to the cost of capital but, in addition, their revenues, profits and cash flows are such that they can borrow as necessary in the debt markets and provide shareholders with sufficient incentives to provide additional funds through equity injections or retained earnings.
Financial incentives / out and under performance	In our business plan, we consulted with customers to set stretching performance commitments. We agreed with them that some of our performance commitments would carry a financial as well as a reputational incentive. The incentives are set to reward performance that beats stretching commitments and penalise performance that falls short.
FRS Financial reporting standards	Authoritative statements of how particular types of transaction and other events should be reflected in financial statements. Compliance with accounting standards is usually necessary for financial statements to give a true and fair view. The Accounting Standards Board issue or adopt financial reporting standards.
Financing adjustment	The impact of RPI on the real value of net finance for the business.
FFO Funds from operations	Refers to the figure used to define the cash flow from a company's operations.
FOG	Fats, oils and greases

G

Term	Definition
Gap site	A gap site is a property where water and/or wastewater services are being received, but the property is not on our billing system.
G and C's Grants and Contributions	Application of grants have to be made to a third party (usually government funded) and are awarded for specific areas of work. The grant income is shown against expenses related to the costs for which the grants are intended to compensate. Contributions are made by a third party (usually a developer) towards a request of work to be carried out on their behalf. Depending on the type of request will determine the level of contribution required, this

	income is shown against the expense in which the contribution is made for.
GDPR General data protection regulation	The General Data Protection Regulation is a regulation in European law on data protection and privacy for all individuals within the European Union (EU) and the European Economic Area (EEA). It includes the export of personal data outside the EU and EEA areas. The regulation aims primarily to give control to people over their personal data and to simplify the regulatory environment for international business by unifying the regulation within the EU.
Gearing	A company's net debt expressed as a percentage of its regulated capital value.
GIS Geographical information system	An IT system for plotting data spatially.
GMEAV Gross modern equivalent asset value	The notional value of assets as at today's prices.
GPSX	Is a dynamic wastewater treatment simulator.
Green book	The Green Book is an HM Treasury publication which provides guidance on the economic assessment of spending and investment and to related guidance, including the preparation of business cases, for the public sector. It describes how the economic, financial, social and environmental assessments of a policy, programme or project should be combined.
GVA Gross value added	Is the measure of the value of goods and services produced in an area, industry or sector of an economy.
GWD Ground water directive	Ground Water Directive. One of the daughter directives to the Water Framework Directive. The Ground Water Directive seeks to protect ground water sources from pollution.

H

Term	Definition
Hard to reach customers	For example, customers who may have numeracy or literacy issues; may have disabilities or have a partner with disabilities; may not have English as a first language; or are on very low incomes, in receipt of benefits or tax credits.

HMT Her Majesty’s Treasury	This is the United Kingdom government department responsible for developing and executing the British government's public finance policy and economic policy.
HMWB Heavily modified water bodies	An existing body of water that has had its original appearance significantly changed to suit a specific purpose. For example, a river water body that has undergone extensive re-alignment for navigation, or a reservoir.
Household customers.	These are properties used as single domestic dwellings (normally occupied), receiving water for domestic purposes which are not factories, offices or commercial premises. These include cases where a single aggregate bill is issued to cover separate dwellings having individual standing charges. (In some instances, the standing charge may be zero.) The number of dwellings attracting an individual standing charge and not the number of bills should be counted. Mixed/commercial properties and multiple household properties – for example, blocks of flats having only one standing charge – should be excluded.

I

Term	Definition
ICR Infrastructure carbon review	Sets out a series of actions to reduce carbon from the construction and operation of the UK’s infrastructure assets, in line with the UK’s climate change commitments.
IMS Integrated management system	Integrates all of our organisation's systems and processes in to one complete framework, enabling our organization to work as a single unit with unified objectives.
Infrastructure assets	Mainly underground assets, such as water mains and sewers, also dams and reservoirs that last a long time. A distinction is drawn between the infrastructure and non-infrastructure assets because of the way in which they are managed, operated and maintained by appointed water companies.
Infrastructure charges	Developers pay infrastructure charges to appointed water companies when a new property is connected to either a public water supply or a public sewer. The Infrastructure charge provides

	a contribution to the investment required as a result of the demand that new developments generally place on the local distribution or sewerage network.
Instrument of appointment	Water companies operating the public water networks hold appointments as water undertakers, and those operating the public waste water networks hold appointments as sewerage undertakers, for the purposes of the Water Industry Act 1991. They also supply water and waste water services direct to household and non-household customers who are connected to their networks.
Internal audit	Internal Audit is an independent team, governed by international standards, focussing on higher risk areas across the business. They review second line activity and test the design and operation of the controls to ensure accurate information.
International standards organisation (ISO) 9001 quality standard	ISO 9001 is the internationally recognised Quality Management System (QMS) standard. It is the quality management standard that our regulatory reporting process has been externally judged to meet. By being ISO 9001 accredited our regulatory reporting process is considered to consistently provide information that meets customer and applicable statutory and regulatory requirements.
INNS Invasive non native species	Non-native species are animals or plants that have been introduced deliberately or accidentally by human activity to an area in which they do not naturally occur.
Investment grade credit quality	An appointed water company with investment grade credit quality has a credit rating of BBB or above (Standard and Poor's/Fitch Ratings) or BAA3 or above (Moody's). A company with a credit rating below investment grade will find it expensive to raise new finance, as investors will perceive it as high risk.
Investment programme risk modelling	Each scheme in our investment programme has the potential to cost more, or less, than initially estimated. This presents a financial risk to the company.
IRC Infrastructure renewals charge	An annual accounting provision for the medium- to long-term maintenance needs of the infrastructure assets network (underground pipes) charged to the profit and loss account.

IRE Infrastructure renewal expenditure	The actual expenditure incurred in the financial year in maintaining the operating capability of infrastructure assets through renewal or renovation of those assets.
ISO 22301 for business continuity	Provides a framework to plan, establish, implement, operate, monitor, review, maintain and continually improve a business continuity management system.
ISO 27001 for information security	Is the international standard that describes best practice for an information security management system.
ISO55001 Asset management	A standard developed for the use of people or organisations involved in asset management.

J

Term	Definition
Jacobs	Yorkshire Waters external assurance providers for non-financial information between 2015-2020.

L

Term	Definition
LEADA+ Leading edge asset decision assessment plus	An enhanced suite of models which ensures a more sustainable approach to investment by incorporating the whole life cost of solutions.
LEP Local enterprise partnerships	Are local business led partnerships between local authorities and businesses and play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.
Licence	Our licence is also known as the Instrument of Appointment. The Secretary of State for the Environment appoints companies as water and sewerage undertakers. We have been issued with a licence to allow us to deliver the services we do. We need to comply with the requirements of the licence.
Living with water	A single integrated drainage model working with the Environment Agency and our local authority partners to develop the long-term solution to protect areas of Hull from the risk of flooding.
Loop	Yorkshire Waters retail customer call centre.
LTVS	Long-term financial viability statements

M

Term	Definition
Measured	These are properties where some or all of the charges for supplies are based on measured quantities of volumes
MEAV Modern equivalent asset value	The cost of an asset of equivalent productive capability to satisfy the remaining service potential of the asset being valued if the asset would be worth replacing or the recoverable amount if it would not. The gross MEAV is what it would cost to replace an old asset with a technically up to date new asset with the same service capability allowing for any difference both in the quality of output and in operating costs. The net MEAV is the depreciated value taking into account the remaining service potential of an old asset compared with a new asset, and is stated gross of third-party contributions.
MCPD Medium combustion plant directive	An EU directive limiting emissions of certain pollutants into the air from medium combustion plants. It regulates pollutant emissions from the combustion of fuels in plants with a rated thermal input equal to or greater than 1 megawatt (MWth) and less than 50 MWth.
Meter optants	Consumers who opt voluntarily to have a meter installed in their property. The Water Industry Act 1999 placed a duty on the appointed water companies to provide free meter for domestic consumers who wanted one, where it is practicable and not reasonably expensive to do so.
MI/d	Mega litres per day.
MEA Modern equivalent asset	The cost of an asset of equivalent productive capability to satisfy the remaining service potential of the asset being valued if the asset would be worth replacing or the recoverable amount if it would not. The gross MEA value is what it would cost to replace an old asset with a technically up to date new asset with the same service capability allowing for any difference both in the quality of output and in operating costs. The net MEA value is the depreciated value taking into account the remaining service potential of an old asset compared with a new asset, and is stated gross of third-party contributions.
Monte Carlo simulation model	Models the probability of different outcomes in a process that cannot easily be predicted due to the intervention of random

	variables. It is a technique used to understand the impact of risk and uncertainty in prediction and forecasting models.
Monopoly	A monopoly is defined as a persistent market situation where there is only one provider of a product or service, in other words a company that has no competitors in its industry

N

Term	Definition
NAVs New appointments and variations	A new appointment is made where a limited company is appointed by Ofwat to provide water and/or sewerage services for a specific geographic area. A variation is where an existing appointed company (an “appointee”) asks Ofwat to vary its appointment so it can extend the areas it provides services to. A new appointee has the same duties and responsibilities as the previous statutory water company. A NAV involves one company replacing another as the appointee for a specific geographic area.
NEP National environmental programme	This is compiled by the Environment Agency every five years and lists the schemes which water companies must deliver to reduce or remove adverse impacts on the environment.
NERA National economic research associates	Economic consultants.
NERC Natural environment and rural communities act 2006	Ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.
NGO Non governmental organisation	A non-profit organisation that operates independently of any government, typically one whose purpose is to address a social or political issue.
NFU National farmers union	Is a member organisation/industry association for farmers in England and Wales.
NITRO Non-infrastructure totex risk model	A model that takes the current age, condition and performance data of the asset and deteriorates them through a series of life cycle curves. These life cycle curves have key indicators in them such as typical expected asset life and shape. The model triggers capital solutions in the form of asset replacement and refurbishment and opex solutions in the form of reactive and proactive repairs.

Non-household customers	Also known as business or commercial customers.
Non-infrastructure assets	Mainly surface assets, such as water and sewerage treatment works, pumping stations, company laboratories, depots and workshops.
NRR Natural Rate of Rise in Leakage	The natural rate of rise in leakage relates to the underlying rate at which leakage increases within a system. NRR is essential for determining the intensity of active leakage control that is required to maintain leakage at a specific level.

O

Term	Definition
ODI Outcome Delivery Incentive	Incentivises companies behaviour to deliver outcomes and the services that customers care about. It is a collective term for the financial incentives; positive and negative, that Ofwat has applied to the delivery of our five-year plan. Some of these ODIs measure performance in each of the five years of our plan, while others apply only to the whole five years.
ODI Risk and Reward Scenario Model	A financial model which allows us to calibrate our ODI risk.
Offsite Construction Framework	Working in collaboration with other water companies to revitalise the way we procure capital solutions, reducing our overall costs.
Ofwat Office of Water Services	The economic regulator of water services in England and Wales.
Opex Operating expenditure	Appointed water companies' day-to-day spending on running the services, for examples, staff costs and energy bills.
Oxera	An economics consultancy.

P

Term	Definition
PAYG	Pay as you go
PC Performance commitment	These are our commitments that we make to our customers and the targets that we are working towards between 2020 and 2025.

PCC Per capita consumption	The measure of average use per person in an appointed water company's area. Companies are required to report estimates for both metered and non-metered consumers.
PE Population Equivalent	The amount of oxygen-demanding materials discharged by one person each day.
Penalty value	The penalty we are required to pay for not meeting our stability and reliability factors.
PSR Priority services register	We have used a Priority Services Register (PSR) to record customer needs, which has given us an insight into the needs of some of our customers.
PR14 Periodic Review 2014	The Ofwat periodic review of price limits to be completed in 2014 to set prices for 2015-2020.
PR19 Periodic Review 2019	The Ofwat periodic review of price limits to be completed in 2019 to set prices for 2020-2025.
PR24 Periodic Review 2024	The Ofwat periodic review of price limits to be completed in 2024 to set prices for 2025-2030.
Pumping Stations Transfer	In 2016 the government introduced regulations which will transfer the ownership of private pumping stations to water and sewerage companies.

Q

Term	Definition
QA Quality Assurance	The maintenance of a desired level of quality in a service of product.
QMS Quality Management System	Is a collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction. It is aligned with our organisation's purpose and strategic direction (ISO9001:2015). It is expressed as the organisational goals and aspirations, policies, processes, documented information and resources needed to implement and maintain it.
Quality regulators	A collective term for the Drinking Water Inspectorate, the Environment Agency, Natural England and the Countryside Council for Wales.

R

Term	Definition
RCV Regulatory Capital Value	The capital base used in setting price limits. The value of the regulated business which earns a return on investment. It represents the initial market value (200 day average), including debt, plus subsequent net new capital expenditure as assumed at the time of initial price setting. Also known as the 'regulatory asset base' and the 'regulatory asset value'.
R&D Research and development	Innovative activities undertaken to develop new services or products, or improving existing services or products.
Retail competition	Allows all non-household customers to have the option to choose who supplies their retail services.
Retail separation	In order to comply with the legislation enabling retail competition our retail non household business must separate from the rest of our regulated business.
Retail services	These are the direct interactions between a customer and the provider of water and sewerage services and include billing, payment handling, metering, non-network calls and debt management. In 2017 all non-household customers were able to choose who supplies their retail services.
Revenue requirement	The amount of money that a water company must receive from its customers to cover its costs, operating expenses, taxes, interest paid on debts owed to investors and, if applicable, a reasonable return (profit).
Risk and Compliance Statement	Ofwat requires each company to produce a yearly risk and compliance statement which should set out how they have complied with their relevant statutory, license and regulatory obligations.
RMA Risk Management Authorities	These are designated under the Flood and Water Act, 2010 as organisations which carry out flood and coastal erosion risk management activities. Water companies are designated RMA's for the purposes of managing flooding from sewers and reservoirs.
ROI Return of investment	Is a performance measure, used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments.

RoRE Return on Regulated Equity	The financial return achieved by shareholders in a licensee during a price control period from its out-turn performance under the price control. The return is measured using income and cost definitions contained in the price control regime (as opposed to accounting conventions) and is expressed as a percentage of (share) equity in the business. Importantly, in the calculation the gearing and cost of debt figures used are those given as the 'assumed' levels in the relevant price control final proposals. The aim of the RoRE measure is to provide an indication of the return achieved by the owners of a licensee which can be compared to the cost of equity originally allowed in the price control settlement and to the return achieved by other licensees on an equivalent basis.
RPI Retail Price Index	An index of changes in retail prices.
Run off rate (hydrology definition)	Run off starts when the amount of rainfall exceeds the amount of water that can be absorbed by the land surface. The run off rate is the volume and speed that precipitation flows over a land surface.
Run-off rate (financial definition)	Reduction of a loan portfolio as loans are paid off at scheduled maturity dates, or when borrowers prepay their loans. Loan portfolio runoffs accelerate when interest rates are declining, and borrowers refinance at lower rates.
RV Rateable Value	Official value given to premises (household or commercial) in the valuation list (published under part V of the General Rate Act 1967) on 31 March 1990. Premises built before 1990 should have a rateable value. Appointed water companies use this to determine how much unmetered customers should pay.

S

Terms	Definition
Safeguarding	Safeguarding is a term used to denote measures to protect the health, well-being and human rights of individuals, which allow people to live free from abuse, harm and neglect.
SAP S/4 HANA	Is an enterprise resource planning software package covering all day-to-day processes of an enterprise for example, order-to-cash, procure-to-pay, plan-to-product, and request-to-service and core capabilities.
SD Service Delivery Centre	Yorkshire Water's central control and command centre.

SDB	Supply demand balance
Shortfall	The non-delivery or late delivery of a required output. Shortfalls are taken into account at the next price setting, when an appropriate financial adjustment will be made.
SIM Service Incentive Mechanism	Designed to improve the level of service that water companies provide. It is based on two consumer experience measures, a quantitative measure based on the number of complaints and unwanted contacts a company receives and a qualitative measure (one based on the quality of the experience) derived from a consumer experience survey. These two measures aim to capture both the number of times a company fails to meet the expectations of its consumers, as well as the experience of those consumers.
SLA	Service Level Agreement.
Slow money	The proportion of totex which is added to the Regulatory Capital Value.
SMART	Collecting, analysing and representing asset data in a way that enables more complex modelling, smarter strategic decisions and more refined customer engagement.
STEM Science, Technology, Engineering, and Mathematics	A term used to group together academic disciplines. It is used to improve competitiveness in science and technology development. It supports workforce development.
Social Tariffs	The provision for water and sewerage undertakers to include social tariffs, which are schemes that help individuals who would otherwise have difficulty paying their bill in full, It explicitly allows undertakers to introduce cross-subsidy between customers.
SPS Sewage Pumping Station	An asset that pumps untreated sewage for example, to a treatment works.
SRE Service Reservoir	A tank containing drinking water that is usually sited within or near to a water distribution system. It is usually used as a reserve (for example, in cases where the supply from a water treatment works to the distribution system fails). It evens out distribution system demand on the supply.
SSSI Sites of Special Scientific Interest	A conservation designation denoting a protected area in the UK. SSSIs are the basic building block of site-based nature conservation legislation and most other legal nature/geological conservation designations in the UK are based upon them,

	including National Nature Reserves, Special Protection Areas, and Special Areas of Conservation.
Stantec	Professional services consultancy.
STF Sludge Treatment Facility	An asset that treats sewage sludge, usually by anaerobic digestion.
STT Source to Tap	From the source of water (for example a reservoir in a catchment) to the customers tap.
SuDS Sustainable Drainage Systems	A range of techniques for sustainably managing the flow of water run-off from a site e.g. by storing it in water butts, ponds, or swales, and so reducing the loading on conventional piped drainage systems.
Supply demand balance	The balance between the amount of an appointed water company’s available water resources and the demand for water by customers. Any imbalance between supply and demand can be met through resource enhancement or demand management strategies.
SWMP Surface Water Management Plan	Local authorities have a duty under the Flood and Water Management Act, 2010 to produce Surface Water Management Plans. Water companies have a duty to share information and work with relevant organisations to develop a shared understanding of the most suitable solutions to surface water flooding problems.

T

Term	Definition
TDS	tonne of dry solid
THM Trihalomethanes	Compounds formed as a byproduct of chlorinating water.
THP Thermal Hydrolysis Plant	A facility which uses thermal hydrolysis (TH). THP is a process which is used to pre-treat sewage sludge by the application of high temperature and pressure (i.e. 165°C and 6 bar) for a period of 30 minutes, prior to feeding to an anaerobic digestion plant.
TIVA Total Impact and Valuation Assessment	Total Impact and Valuation Assessment enhances our understanding of our impact on customers and the environment, both positively and negatively.
TMA Traffic Management Act	The aim of the TMA is to reduce congestion and disruption on the road network. The TMA sets out certain responsibilities to help and encourage local traffic authorities to achieve its traffic aims, including more effective co-ordination of the utility street works.

Totex Total expenditure	Totex is the mechanism for planning and reporting capital and operational spend. The object is to achieve the optimum combination to deliver the required business plan outcomes. It applies to both water and waste but not to retail.
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U

Term	Definition
UAV Unmanned aerial vehicle	Commonly known as a drone, is an aircraft without a human pilot aboard, they have a ground-based controller, and a system of communications between the two. They may operate with various degrees of autonomy: either under remote control by a human operator or autonomously by onboard computers.
UKCSI	UK customer satisfaction index.
UKWIR United Kingdom Water Industry Research	An organisation set up by the UK water industry in 1993 to provide a framework for the procurement of a common research programme for UK water operators on 'one voice' issues. UKWIR comprises 24 appointed water and sewerage companies in England and Wales, Scotland and Northern Ireland.
Urban Waste Water Treatment Directive UWWTD	This concerns the collection, treatment and discharge of urban waste water and the treatment and discharge of waste water from certain industrial sectors. The objective of the Directive is to protect the environment from the adverse effects of the above mentioned waste water discharges.
Utility Week	Utility Week is a business media brand for the UK's utilities industries.

V

Term	Definition
Void	A void is a property that is vacant or uninhabited.

W

Term	Definition
WACC Weighted average cost of capital	For an appointed water company, the average costs of its debts and cost of equity capital, weighted according to the balance of debt and equity which finances the company's assets.

WaSC Water and Sewerage Company	A company that provides water and sewerage services.
Water 2020	An Ofwat work programme, which aims to establish what will be required of water and sewerage companies in the 2019 Price Review.
Water and wastewater services	Water and sewerage services provided to consumers by the water and sewerage and water companies.
Water Industry Act 1991	This act, as principally amended by the Water Industry Act, 1999 and 2003, sets out the law relating to water companies.
WFD Water Framework Directive	A European Directive to provide a coordinated approach to water management with the European Union (EU) by bringing together strands of water policy under one piece of framework legislation. Member States must produce plans for river basin management districts that set out a programme of measures aimed at protecting bodies of surface and groundwater.
Water resources North	A consortium of northern water companies and regulators charged with coordinating water resources in the North of England and beyond.
WaterworCX	Replaces Service Incentive Mechanism (SIM) in household retail, it comprises two mechanisms to incentivise an improved experience for residential customers and developer services customers: the Customer Measure of Experience (C-MeX) and the Developer services Measure of Experience (D-MeX), respectively.
Wholesale business	Provides services which are the physical delivery of water via networks of pipes to and from customers' property boundaries, including abstracting, treating and transporting water, as well as collecting, treating and disposing of wastewater.
WINEP Water Industry National Environment Programme.	The is a list of the water industry environmental improvement schemes that ensure that water companies meet European and national targets related to water.
WLC Whole Life Cost	Refers to the net present cost of a project and uses the 'cost of ownership' both prior to investment and following investment for the period of analysis to produce a cost optimal point of capital investment. In addition, WLC includes for the 'cost of failure', 'cost of carbon' and a penalty for early write off of assets.
WPS	Water (Distribution) Pumping Station. An asset that pumps clean, treated water.

WRAP Water Resource Allocation Plan	A model that we use on a weekly basis to allocate water resources that takes account of expected demands, reservoir and groundwater operating rules, control curves and licensing constraints. Temporary constraints such as outages for maintenance work or water quality problems are also taken into account.
WRMP Water Resource Management Plan	The plans conform to UK legislation and Environment Agency guidelines to ensure companies have sufficient water to supply the public and maintain adequate water in the environment
WRZ Water resource zone	The largest possible zone in which all water resources, excluding external transfers, can be shared. It is the zone in which all consumers experience the same risk of supply failure from a resource shortfall.
WSS Water Supply System	The infrastructure required to collect, transmit, treat store and distribute water.
WSZ Water Supply Zone	Principally for the purpose of managing the sampling and analysis of water samples and associated results to comply with the Water Supply (Water Quality) Regulations. They are geographic areas containing up to 100,000 customers, to which the water supply is from a single water treatment works or group of similar nature. They are built from aggregations of DMAs.
WtP Willingness to Pay	To assess a customer's willingness to pay for improvements in service provision in exchange for a bill increase
WTR Water Tower	An elevated structure supporting a water tank constructed at a height sufficient to pressurize a water supply system for the distribution of potable water.
WTW Water Treatment Works	A plant used to treat raw water to make it fit for human consumption.
WwTW Wastewater Treatment Works	A plant used to treat human waste and other effluents (e.g. from trade) by filtering, clarifying and cleaning waste water from start to finish.

Y

Term	Definition
YorBill	Yorkshire Water billing system.

Yorkshire Forum for Water Customers	Independent group of domestic customer, business customer and environmental representatives, including quality regulators, to ensure customer priorities are reflected in the business plan.
Yorkshire Water Business Services YWBS.	Since April 2016, Business Retail price control activities have been undertaken independently from the Wholesale and Residential Retail price control activities by a discrete division of our appointed business, YWBS.

Z

Term	Definition
Z₃S	Our Z ₃ S initiative challenges colleagues and partners working across water distribution to deliver zero interruptions to customer supplies.

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