

## Appendix 1 Abbreviation List and Glossary

ABC Model	Activity Based Model. A specific operational accounting tool to facilitate a transparent access price for our operational zones from DMA level upwards
ACO	Improvements in models of asset health and increased analytical capabilities
ACTS	Average Cost to Serve
ADO	Average Deployable Output – the average output of a source
AI	Artificial Intelligence - The development of computerised systems with the capability to perform tasks normally requiring human intelligence
AIM	Abstraction Incentive Mechanism – A mechanism created by Ofwat aiming to encourage water companies to reduce their environmental impact of abstracting water at environmentally sensitive sites
AMIS	Asset Management Information System – AMIS was implemented in 2002 and is the key system for the management and maintenance of Affinity Water’s operational assets
ALF	Alleviation of Low Flow Scheme
AMP	Asset Management Period – five-year investment period
AMR	Automated Meter Reading – An automated technology used to collect data from water meters and transfer it to a central database to allow for analysing and billing
ANOB	Area of Outstanding Natural Beauty – Countryside areas within England, Wales and Northern Ireland designated for conservation of valuable landscape
AP	Alternative Plan
AWPP	Affinity Water Pension Plan – Company pension plan consisting of defined benefits and contributions
BAF	Bid Assessment Framework – Frameworks designed by water companies to support bids, encourage innovation and provide assurance to third party providers in the water bidding industry
BMA	Bulk Metered Area – A large area of a water network where meters are installed
BME	Black and Minority Ethnic
Botex	Base Totex
BPS	Basis Point – Unit of measure for interest rates or a percentage change in value
BSI	British Standard Institution – National standards body of the UK
Caps	An upper financial limit

Capex	Capital Expenditure
CCG	Customer Challenge Group – Independent local groups of customer representatives and other stakeholders
CCW	Consumer Council for Water – Non-departmental public body representing water and sewage customers in England and Wales
CIS	Capital Incentive Scheme
C-MeX	Customer Measure of Experience
Collars	A lower financial limit
COPI	Construction Prices Index – A measure of changes in price level with respect to the construction industry
CPI	Consumer Price Index - A measure of the changes in price level of consumer goods and services purchased by households
CPIH	A new measure of consumer price inflation including a measure of owner occupiers' housing costs
C-sat	Customer Satisfaction – A measure of customer satisfaction within an organisations service
CRI	Compliance Risk Index – A measure used to illustrate the risks associated with treated water complains failures.
Deadbands	A range of performances where financial outcome delivery incentives do not apply
Defra	Department for Environment, Food and Rural Affairs – UK Government department responsible for safeguarding our natural environment
DI	Distribution Input – the amount of water entering the distribution system at the point of production
DO	Deployable Output – the output of a commissioned source or group of sources assessed under drought conditions
DOMS	Distribution Operation Maintenance Strategy – A strategy used by water companies to safeguard the quality of customers water supply
Drought Order	An authorisation granted by the Secretary of State under drought conditions which imposes restrictions upon the use of water and/or allows for abstraction/impoundment outside the schedule of existing licences on a temporary basis
Drought Permit	An authorisation granted by the Environment Agency under drought conditions which allows for abstraction/impoundment outside the schedule of existing licences on a temporary basis
DMA	District Metered Area – a discrete area of a water network where the distribution system can be isolated by valves and water both entering and leaving can be metered
D-MeX	Developer Measure of Experience

DMG	Drought Management Group
DMP	Drought Management Plan – Operational plan which sets out how the company will deal with a drought situation
DPC	Direct Procurement Customers
DrWPA	Drinking Water Protection Area
DTZ	Drought Trigger Zone – a trigger line for groundwater levels at specific points which indicate stages at which different drought actions need to be carried out
DWI	Drinking Water Inspectorate – one of our regulators that sets the standards for the quality of the water we produce
DYAA	Dry Year Annual Average – The average period of low rainfall across a year
DYCP	Dry Year Critical Period – The period during which water resource supply demand balances are at its lowest
EA	Environment Agency – A UK non-departmental public body responsible for environmental protection and enhancement
EBSA	Economics of Balancing Supply and Demand – a model used by water resource planners to produce a supply and demand balance for water resources
EMT	Executive Management Team
ERI	Event Reporting Index
ERT	Emergency Response Team – A group of people who prepare for and respond to emergency situations or interruptions within business operations
FFO	Funds from Operation – Figures used by real estate investment trusts to define the cash flow from their operations
FRS	Financial Reporting Standard- Standards issued to provide common global language for business affairs so that company accounts are understandable and comparable across international boundaries
FTEs	Full Time Equivalent – The ratio of the total number of paid hours during a period by one employee
GAC	Granular Activated Carbon - A filter media used in one of the water treatment processes
GARD	Group Against Reservoir Development
GDHI	Gross Disposable Household Income
GIS	Geographic Information System - The programme used to gather, manage and analyse our asset data

GLA	Greater London Authority – The regional government of Greater London
Gamification	The process of taking something that already exists – a website, an enterprise application, an online community – and integrating game mechanics into it to motivate participation, engagement, and loyalty
Guaranteed Standards of Service	– Agreed standards of service levels that must be met by distribution companies.
HDZ	Hydraulic Demand Zone – zone characterised by having discrete supply and storage arrangements with strategic inter zone transfers
HMWB	Heavily Modified Water Body – Alteration of the natural conditions of water bodies by irrigation, drinking water supply, power generation or navigation
HMWT	Herts and Middlesex Wildlife Trust
HRA	Habitats Regulations Assessment – Identifies any aspects of the emerging Local Plan with the potential to cause significant effect on Special Areas of Conservation, Special Protection Areas and any mitigation strategies
HS2	High Speed 2 – Planned high speed railway linking London to Birmingham, Manchester and Leeds
HWEC	Home Water Efficiency Check – Customer assistance offered by water companies to ensure homes are water efficient
IBM	International Business Machines Companies – An American multinational technology company
IFRS	International Financial Reporting Standards – Issues standards to provide a common global language for business affairs so that company accounts are understandable and comparable across international boundaries
INNS	Invasive Non-Native Species – Any non-native animal or plant with the ability to spread, causing damage to the environment and the way we live
IRE	Infrastructure Renewals Expenditure – Expenditure over a year period used to maintain and replace infrastructure assets
ISP	Inclusive Service Provider
IWS	Integrated Water Saving – Programme designed to increase awareness of water use, aiming to reduce consumption and billing
km	Kilometre
KPIs	Key Performance Indicators – Quantifiable measurements designed to evaluate the success of an organisation based on meeting performance objectives

l/h/d	Litres per head (person) per day
LIFT	An Affinity Water social tariff
l/p/d	Litres per property per day
LRFs	Local Resilience Forums – A forum formed within a police area of the United Kingdom by key emergency responders and supporting agencies
LTA	Long Term Average – average monthly rainfall or groundwater level calculated over a 30-year period
mAOD	Metres Above Ordnance Datum – the height of a point in metres above average sea level
Maximo	Field asset management system enabling our field based teams to be better informed with access to real-time information and therefore keep our customers better informed
MISER	A software tool produced by Tynemarch specialist software and engineering consultants - MISER is a highly configurable and flexible suite of decision-support tools for optimal water management, asset and resource planning
MI/d	Megalitres per day
MTP	Market Transformation Programme – Supports UK Government Policies on sustainable products
MUR	Meter Under Registration
MZC	Mean Zonal Compliance – A key measure used by DWI to determine compliance within regulatory drinking water standards in England and Wales
NEP	National Environment Programme – a programme of investigations and actions for environmental improvement schemes to ensure that water companies meet their statutory environmental obligations
NERC	National Environment Research Council – British Research Council that the research, training and knowledge transfer activities in environmental sciences
NIC	National Infrastructure Commission – Provides the government with impartial, expert advice on major long-term infrastructure challenges
NPS	Net Promotor Score – A management tool used to gauge the loyalty of a firms customers relationships
NYAA	Normal Year Annual Average –
OBH	Observation Borehole – A borehole drilled to monitor groundwater levels

ODI	Outcome Delivery Incentives – Rewards or penalties issues to water companies based on whether they have delivered, exceeded or failed in the service levels that customers expect
Ofwat	The economic regulator of the water sector in England and Wales
Opex	Operational Expenditure
ONS	Office of National Statistics – UK’s largest independent producer of official statistics and the recognised national statistical institutes of the UK
Outcomes	Our four outcomes specific to customer requirements and feedback
PAH	Polyaromatic Hydrocarbons
PAYG	Pay As You Go – A system of paying for a service before it is used
PC	Performance Commitment – Our 19 commitments necessary to achieve our four Outcomes
PCC	Per Capita Consumption – Average water use per person
PIONEER	PIONEER is the portfolio optimisation engine developed by CSC Tynemarch
PES	Payment for Ecosystem Services – Incentives offered to farmers and landowners in exchange for managing their land to provide an ecological service
PDO	Peak Deployable Output – the maximum output of a commissioned source, as constrained by (if applicable): <ul style="list-style-type: none"> <li>• Environment</li> <li>• Licence, if applicable</li> <li>• Pumping plant and/or aquifer properties</li> <li>• Raw water mains and/or aquifers</li> <li>• Transfer and/or output main</li> <li>• Treatment capabilities</li> <li>• Water Quality</li> </ul>
PHC	Per Household Consumption – Average water use per household
POD	Probability of Default – Describes the likelihood of a default over a given period of time
PP	Preferred Plan
PR	Periodic Review - Evaluation of a programme or plan every five years
PRV	Pressure Relief Valve – A type of safety valve used to control the pressure within a system in the event of pressure build-up
PSR	Priority Services Register – A free service provided by suppliers to customers in need, including those;

	<ul style="list-style-type: none"> <li>• Of a pensionable age</li> <li>• Who are disabled or chronically sick</li> <li>• Who have a long term medical condition</li> <li>• Who have hearing or visual impairment</li> <li>• Who are in a vulnerable situation</li> </ul>
RBMP	River Basin Management Plans – Management tool within integrated water resources management containing descriptions of water resources within drainage basin and water allocation plans
RCF	Retain Cash Flow – A measure of the net change in cash and cash equivalent assets at the end of a financial period
RCV	Regulatory Capital Value - The RCV has been developed for regulatory purposes and is primarily used in setting price limits. The value of the capital base of each company for the purposes of setting price limits is the RCV.
RGF	Rapid Gravity Filter – A type of filter used in water purification
ROCE	Return on Capital Employed – A measure for comparing the relative profitability of companies considering capital expenditure
RoRE	Return on Regulated Equity – Financial return achieved by shareholders in a licensee during a price control period measured using income and cost definitions contained in price control regimes and expressed as a percentage of share within the business
RPA	Robotic Process Automation – A merging form of business process automation technology based on software robotics/artificial intelligence workers
RPI	Retail Price Index – A measure of the change in cost of a representative sample of retail goods and services
RSA	Restoring Sustainable Abstraction – A designated programme that works with licence holders to reduce the amount of water taken from the environment whilst also preventing and reducing damage to the environment
RSI	Registered Social Landlords – Social Landlords formerly registered with the Housing Corporation in England or the Welsh Government in Wales
RV	Rateable Value – Used by local councils to calculate a property's business rates
SAC	Special Area of Conservation – defined in the European Union's Habitats Directive, to protect habitats and species considered to be of European interest
SDS	Strategic Direction Statement – Include; <ul style="list-style-type: none"> <li>• Companies plan for delivering long term clean, safe drinking water.</li> <li>• The impact these have on the management and stewardship of assets</li> </ul>

- Their approaches to climate change and sustainability
- Consumer priorities
- Objectives of a company's long-term charging strategies and how they plan to achieve this
- Any major risks and how companies will manage these
- How each company expects to finance its strategy

SEMD	Security and Emergency Measures Direction – Enforceable under Section 18 of the Water Industry Act 1991. This Direction requires undertakers to comply with measures for the provision of emergency supplies of water and to provide mutual assistance to other undertakers
SIM	Service Incentive Mechanism. An Ofwat incentive specific to English and Welsh water companies that encourages better customer satisfaction
Social Tariff	A Discounted Tariff to make bills more affordable for customers on a low income, experiencing financial difficulties.
SOP	Stretching Operational Performance
SMF	Service Measure Framework – Considers our direct costs and benefits but also wider social and environmental impacts and is used to create interventions to mitigate the impact of resilience risks SoR Statement of Response
SPA	Special Protection Area – a designation under the European Union Directive on the Conservation of Wild Birds
SPL	Supply Pipe Leakage
SR	Sustainability Reductions – Reducing the amount of water we take from the environment
SSSI	Site of Special Scientific Interest – a conservation designation denoting a protected area in the United Kingdom
STEM	Science, Technology, Engineering and Mathematics
Step boards	A series/sequence of open questions put to Community members. We use the questions to probe deeper. These contrast with more 'tick-box'/closed questions used with quick polls and via surveys. They gave us the chance to hear more the "voice of the customer" and in that sense, is more like qualitative market research. Examples included drought and leakage
SWR	Stretching Water Resources
THR	Target Headroom – The minimum buffer that a company should allow between supply and demand to cater for uncertainties in the overall supply and demand balance, in order to meet its agreed level of service
Totex	Total Expenditure – Sum of Capex and Opex
TPC	Trading and Procurement Code – Sets out principles and assessment criteria that companies will follow when assessing proposed water trades when dealing with other companies/third party companies



TRACE	Trackdown Reliability Availability Cause and Effect
TUB	Temporary Use Ban – demand management action which temporarily restricts non-essential use of water by customers during a drought (formerly a ‘hosepipe ban’)
TWUL	Thames Water Utilities Limited
UKWIR	UK Water Industry Research – A water industry trade body coordinating and carrying out research into water industry areas of activity.
UTRD	Upper Thames Regional Development
WACC	Weighted Average Cost of Capital – The average rate at which a company is expected to pay its security holders to finance its assets
UV	Ultra Violet
WAFU	Water Available for Use
WBS	Whole Business Securitisation – Cashflow derived solely from the business rather than from its assets
WET	Water Efficiency Target
Weibull	In probability theory and statistics the Weibull distribution is a continuous probability distribution named after Waloddi Weibull. Used in reliability engineering and failure analysis to predict failure characteristics
WFD	Water Framework Directive – a European Union directive which commits EU member states to achieve good status of all water bodies by 2027
WINEP	Water Industry National Environment Programme – Programme issues to water companies by the EA that sets out what regulators expect companies to include in their AMP7 investment plans to meet environmental obligations
WISER	Water Industry Strategic Environmental Requirements
WRAS	Water Regulations Advisory Scheme
WRMP	Water Resource Management Plan – a plan which water companies use to manage their future water resources
WRE	Water Resources East – Working partnership to safeguard the sustainable supply of water in the East of England, preserving the area’s communities, environment and economy
WRSE	Water Resources South East - Working partnership to safeguard the sustainable supply of water in the South East of England, preserving the area’s communities, environment and economy
WRZ	Water Resource Zone – the largest possible zone in which all resources, including external transfers, can be shared and, hence, the

zone in which all customers will experience the same risk of supply failure from a resource shortfall

WSP Water Saving Programme

WTP Willingness to Pay – The maximum price at or below which a consumer will purchase one unit of a product

WTW Water Treatment Works – A site whereby contaminants of surface and ground water are treated and removed using physical, chemical and biological processes to produce treated water that is safe to supply

VOCs Volatile Organic Compounds – Organic chemicals that have a high vapour pressure at room temperature and can easily become a vapour