

**UUW16**

# **Glossary of Terms**

**October 2023**

This glossary provides descriptions of acronyms and other company specific terms that readers of the Business Plan or supplementaries may need.

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# 1. United Utilities Water – Glossary of Terms

A		
<b>AACE</b>	American Association of Cost Engineering	An organisation that assists with the decision making in asset management.
	Abstraction	The removal of water from any source, either permanently or temporarily.
	Abstraction Licence	The authorisation granted by the Environment Agency to allow the removal of water from a source.
	Adaptation	The process of changing to suit different conditions
	Adaptive planning	Adaptive planning is a type of long-term planning which supports effective decision making under uncertainty. It seeks to understand the impact of decisions under different uncertainties so that decision makers can make informed choices that promote flexibility and an ability to adapt.
	Adaptive pathways	An adaptive pathway represents a particular set of interventions and their associated decision points. Long-term delivery strategies include a core pathway and a number of alternative pathways.
	Adverse / benign scenario	A scenario of the future that describes a change in a driver.
	Alternative pathway	An alternative pathway is a package of investments that could be undertaken, if and when certain circumstances emerge. These circumstances are described by decision and trigger points.
<b>AI</b>	Artificial Intelligence	Artificial intelligence is the theory and development of computer systems to perform tasks often undertaken requiring human intelligence
<b>AISC</b>	Average Incremental Social Cost	The ratio of present Social Costs over Present Net Value of additional water delivered or reduced demand.
<b>AM</b>	Asset management	Managing the capabilities of physical assets so that consumers can continue to access services, at a level and price that is acceptable to them.
<b>AMMA</b>	Asset Management Maturity Assessment	Assessment to understand how mature the processes, teams, technologies and cultures are within companies for monitoring and managing asset health and operational resilience.
<b>AMP</b>	Asset Management Plan	An Asset Management Plan period is the five year period that prices are set for in the English and Welsh water industry. AMP is also the name for a water company's detailed description of its investment plans for its underground assets. AMP7 covers 2020-2025, AMP8 covers 2025-2030, AMP9 covers 2030-2035.
<b>AMR</b>	Automated Meter Reading	Automated meter reading is a technology used in utility companies for collecting the data that is needed from meters for billing purposes. AMR, does not require physical access or visual inspection. The data can be transmitted from the meter to the utility company by telephone, power line, satellite, cable or radio frequency.
<b>AONB</b>	Areas of outstanding natural beauty	

<b>APR</b>	Annual Performance Report	Our Annual Performance Report shows how we're getting on against the commitments we made in our business plan.
<b>ASP</b>	Activated Sludge Plant	The activated sludge process is a wastewater treatment process which uses aeration and biological floc to treat sewage and waste water.
<b>ASV</b>	Alternative Supply Vehicle	Vehicles that carry potable water which is able to be input to the water network to maintain supplies to customers, in the event of loss of normal supplies.
	Allowed return	The allowed return on capital is applied to the RCV to provide a revenue allowance for efficient financing costs. It is set in real (CPIH) terms, with respect to the notional capital structure.
<b>B</b>		
<b>BAFF</b>	Biological Aerated Flooded Filter	Tertiary treatment of a wastewater treatment works, ammonia removal process
<b>BAH</b>	Baseline Asset Health	A minimum or starting point used for comparisons in relation to the health of an asset.
	Baseline Demand Forecast	A demand forecast, which reflects a company's current demand management policy, but which assumes the achievement of the current agreed target for leakage during the forecast duration, as well as the implementation of the current company water efficiency plans, irrespective of any surplus.
	Best value plan	A plan, which considers factors alongside economic cost and seeks to achieve an outcome that increases the overall benefit to customers, the wider environment and overall society.
<b>BGS</b>	British Geological Survey	The British Geological Survey is a geological survey and global geoscience organisation which provide geoscientific data, information and knowledge.
<b>bn</b>	Billion	
<b>BOD</b>	Biochemical Oxygen Demand	The amount of dissolved oxygen needed by aerobic biological organisms in water to break down organic material, at certain temperature, over a specific time period. The BOD value is most commonly expressed in milligrams of oxygen consumed per litre of sample during 5 days of incubation at 20 °C and is often used to indicate the organic pollution of water.
<b>BoQ</b>	Bill of Quantities	A document used in tendering for construction, itemized list.
<b>Botex</b>	Base Operating Expenditure and Capital Management	
<b>BRAVA</b>	Baseline Risk and Vulnerability Assessment	Stage within the process to understand baseline and future performance to understand where is at risk in the future and when intervention might be needed
<b>BR-MeX</b>	Business customer and retailer measure of experience	Performance commitment designed to improve outcomes for business customers in England. See 'Measures of experience'.
<b>BW</b>	Bathing Waters	EU Bathing Waters Directive introduced in 1976 are coastal or inland water sites that are popular for bathers.
	Bad debt costs	Costs associated with the non-payment of water and sewerage bills. These include the costs of debt recovery and debt written off, and the financing costs associated with unrecovered revenue.
<b>bp</b>	Basis point	A basis point (often abbreviated to 'bp') is one hundredth of a percentage point. It is commonly used as a unit to describe differences in the yield of financial instruments.

<b>Bespoke PC</b>	Bespoke performance commitment	Performance commitments that do not apply to all water companies. Some companies may have the same bespoke performance commitments as other companies.
<b>C</b>		
<b>CaBA</b>	Catchment Based Approach Catchment Plan	The Catchment Based Approach (CaBA) is an inclusive, civil society-led initiative that works in partnership with Government, Local Authorities, Water Companies, businesses and more, to maximise the natural value of the environment
<b>CACI</b>	Consolidated Analysis Centers Inc	American multinational professional services and information technology company.
<b>Capex</b>	Capital Expenditure	Capital expenditure – appointed water companies’ spending on new, replacement or refurbishment of capital assets, such as construction or buying machinery.
<b>CAPM</b>	Capital Asset Pricing Model	An economic model used to provide an estimate of the expected rate of return of a financial investment.
<b>CaST</b>	Catchment Systems Thinking	The approach to managing catchments in a holistic, integrated manner.
<b>CastCo</b>	Catchment Systems Thinking Cooperative	CaSTCo is the Catchment systems thinking cooperative. This is a national project funded through the Ofwat innovation fund that the Rivers Trust are leading and we are the lead water company for. It is delivering trials around the region on how we could combine technology and citizen science to deliver better catchment monitoring and improve data. This was originally called the Catchment Monitoring Cooperative but when it went to Ofwat it was rebranded on the request of some of the other water companies
	Catchment	The area from which precipitation (rainfall) and groundwater would naturally collect and contribute to the flow of a river.
	Catchment resilience	Contributions to catchment flood and or drought resilience, better surface and groundwater management, restoring or increasing environmental capacity, and securing sustainable alternative water resources.
<b>CBA</b>	Cost benefit analysis	This measures the costs and benefits of a project in a common currency (preferably £s), and assesses the balance between the two. Costs and benefits that cannot be monetised should still be considered.
<b>CCG</b>	Customer Challenge Group	A group of customer representative organisations – including domestic customers, business customers, voluntary sector, environmental bodies, health organisations and others. The North West CCG is ‘YourVoice’
<b>CCP</b>	Centre for Competition Policy (Ofwat)	An independent research centre, funded by the Economic and Social Research Council (ESRC) and established in 2004 as a ten-year Centre of Research Excellence. CCP’s research programme explores competition and regulation policy from the perspective of economics, law, business and political science. CCP has close links with, but is independent of, regulatory authorities and private sector practitioners.
<b>CCPP</b>	Centrifugally Cast Concrete Pipe	Used to successfully restore severely deteriorated large diameter pipelines
<b>CDD</b>	Cistern Displacement Devices	An object used to take up room with the design in mind to reduce the size of the flush and conserve water.
<b>CEH</b>	Centre for Ecology and Hydrology	Independent research institute to provide data and insights into the environment
<b>CFA</b>	Capacity Framework Assessment	This assessment provides an indication of sewer capacity and overflow performance and shows an index of risk.

<b>CIP</b>	Chemical Investigations Programme	Series of investigations into the occurrence, sources and removal of trace substances from the wastewater works.
<b>CIPS</b>	Chartered Institute of Procurement & Supply	
<b>CIS</b>	Capital Expenditure Incentive Scheme	
<b>C-MeX</b>	Customer measure of experience	Common performance commitment designed to improve outcomes for residential customers in England and Wales. See 'Measures of experience'.
<b>CMOS</b>	Central Market Operator System	Established as part of the opening of the non-household retail market
<b>CNB</b>	Catchment Nutrient Balancing	The use of alternative methods to reduce nutrients, such as land use changes.
<b>COD</b>	Chemical Oxygen Demand	Is a measure for quantifying the amount of oxidisable pollutants found in water or effluents.
	Common Reference Scenario	Common Reference Scenarios (CRS) are a set of future scenarios defined by Ofwat to be used by companies to plan for both benign and adverse futures. They are: Climate Change, Technology, Demand and Abstraction Reductions.
	Core pathway	A Core Pathway is a package of no and low-regret investments, including investment required to keep future options open. Our core pathway for water aligns to the WRMP 'preferred (most likely) pathway', and for wastewater aligns to the DWMP 'preferred plan'.
<b>D</b>		
<b>DCA</b>	Debt Collection Agency	
	Dead Water	The part of a reservoir's total storage volume that is not usable for water supply purposes. Often the dead storage of a reservoir is required to store sediment accumulation during the life of the reservoir. In some cases, a portion of the dead storage may be recoverable through engineering works.
	Decision point	The point in time when a decision would need to be taken about whether an alternative adaptive pathway is followed. This is either set at the same point in time as the trigger point, or in advance if there is a lead time to switching pathways.
<b>DECC</b>	Department for Energy and Climate Change	UK Government department responsible for the environment; climate change; energy (including nuclear); carbon emissions; and waste.
	Demand Management	The implementation of policies or measures, which serve to control or influence the consumption or waste of water. (This definition can be applied at any point along the chain of supply).
	Deployable Output	The output of a commissioned source or group of sources or of a bulk supply as constrained by the environment, abstraction licences, water quality, existing water treatment and supply system capacities.
<b>DETR</b>	Department of the Environment, Transport and the Regions	Department of the Environment, Transport and the Regions (which no longer exists and many of its functions are now completed by the new department Defra).
	Distribution Input	The amount of water entering the distribution system at the point of treated water production.
	Distribution Losses	Comprises water lost from trunk mains, service reservoirs, distribution mains and communication pipes. Distribution losses = distribution input less water taken.
<b>DMA</b>	District Meter Area	An area (of up to 3,000 properties) where the supply to it is continuously monitored, and there is a defined and

		permanent boundary. DMAs were set up for leak detection prioritisation. Guidance states that DMAs should typically have, under normal operation, a single supply inlet.
<b>D-MeX</b>	Developer services measure of experience	Performance commitment designed to improve outcomes for developer services customers in England and Wales. See 'Measures of experience'.
<b>DMZ</b>	Demand Monitoring Zone.	There are currently 33 DMZs in our region, which are areas used to monitor demand and losses. All supply inputs and outputs are metered around the boundary of a DMZ. A DMZ is built up of a number of smaller units; however, these are predominantly for water quality and leakage detection purposes.
<b>DNM</b>	Dynamic Network Management	A new innovative approach using real-time data, AI and machine learning to process data to help identify issues such as blockages and the rise of water in sewer networks, quickly, so proactive action can be taken before they impact customers or the environment
<b>DNO</b>	District Network Operator	Responsible for the distribution of electricity from the national transmission grid to your home or business.
<b>DO</b>	Dissolved Oxygen	A measure of how much oxygen is dissolved in the water
<b>DPC</b>	Direct procurement for customers	Direct procurement for customers is an alternative approach, through competitive tendering, for water companies to deliver large scale, discrete programmes of work by means of a third party, which potentially may include the design, construction, financing, ownership, operation and maintenance of an asset.
<b>Driver</b>	(WINEP) Driver	An environmental reason for action. A driver is essentially a code used within the WINEP that makes the link from the statutory obligation or the non-statutory need to water company actions.
<b>DS</b>	Downstream	The direction in which a stream or river flows
<b>DWF</b>	Dry Weather Flow	The average daily flow to a wastewater treatment works.
<b>DWMP</b>	Drainage and Wastewater Management Plan	25 year long term environmental plan addressing future pressures such as increased population growth and climate change.
<b>DWPP</b>	Diffuse Water Pollution Plan	Tools to help reduce diffuse pollution at protected sites.
	Drought Order	The Water Resources Act 1991 gives the Secretary of State or the National Assembly for Wales the power to grant ordinary and emergency drought orders to water undertakers or the EA.
	Drought Permit	Schedule 22 of the Environment Act 1995 amended the Water Resources Act 1991 to give the Environment Agency the power to grant drought permits. Drought permits can only authorise a water undertaker to 'take water' from specified sources or modify or suspend restrictions or obligations relating to a water undertaker's existing powers to 'take water' from a source.
	Drought Plan	A statutory document written every five years, detailing company strategy to maintaining water supplies during periods of drought.
	Droughts (severe, extreme)	A prolonged dry period potentially leading to scarcity of water. Severe and extreme droughts are defined by Defra return periods of 1:200 years and 1:500/1,000 respectively.
	Dry Year Annual Average Daily Demand	The level of demand, which is just equal to the maximum annual average, which can be met without the introduction of demand restrictions at any time during the year. This

		should be based on a continuation of current policies regarding demand management. The dry year demand should be expressed as the total demand in the year divided by the number of days in the year.
	Derogation	A dispensation by the EU to a Member State, in respect of a Directive e.g. the Urban Waste Water Treatment Directive. A derogation can be granted if there are real problems with implementing a Directive, in which case the deadline for compliance can be deferred or cancelled, or a relaxed treatment standard adopted.
	Deadband	Deadbands are a specified range around a performance commitment level where no financial incentives apply.
<b>E</b>		
<b>EBS</b>	Economics of Balancing Supply and Demand	A key methodology document published by UKWIR in 2002.
<b>EDM</b>	Event Duration Monitoring	Measures the frequency and duration of spills to the environment from storm overflows.
<b>ELL</b>	Economic Level of Leakage	The level of leakage at which it would cost more to make further reductions in leakage than to produce the water from another source. The Sustainable ELL calculation should include all costs and benefits associated with different levels of leakage, including environmental and social ones.
	Emergency Storage	A reserve water storage capacity aimed at accommodating the operational uncertainty for the duration of a particular drought. The value of the reserve store should be agreed with the regulators and should be reflected in the level of risk a water company is taking across the planning period.
<b>EPA</b>	Environmental Performance Assessment	Introduced by the Environment Agency in 2011 as a non-statutory tool for comparing performance between water and sewerage companies (WaSCs) operating wholly or mainly in England.
<b>EPR</b>	Environmental Permitting Regulations	The authorisation that allows the holder to discharge sewage and trade effluent to controlled waters. These were previously known as discharge consents. Environmental permits set out the conditions under which a permit holder may make a discharge – for example, the concentration of certain parameters such as suspended solids or ammonia. The Environment Agency issues environmental permits.
<b>ESL</b>	Enhanced Service Levels	Permanent, identifiable and measurable improvements in service levels that are in addition to achieving the most recent established appointed water company-wide base levels of service. They are in addition to improvements resulting from expenditure in other purpose categories.
<b>ETM</b>	Enhanced Targeted Maintenance	Pro-active and targeted maintenance programmes (include inspection - high consequence sewers etc. cyclic CCTV programme and regular structural assessments of point assets)
	Enhanced incentives	First introduced at PR19, they are designed to encourage companies to innovate to deliver major performance improvements beyond the best level currently achieved by any company. Companies start to earn higher payments if their performance exceeds stretching enhanced thresholds that have been set for specific performance commitments.
<b>F</b>		
<b>FCERM</b>	National Flood and Coastal Erosion Risk Management	A strategy used to develop resilience to flooding and coastal change covering short, medium and long term.
<b>FE</b>	Final Effluent	Wastewater which is exiting or has exited the last treatment process or operation.



<b>FFO /net debt</b>	Funds from Operations / net debt	Funds from operations measures companies' debt burden in relation to operational income. This is a key financial ratio for the assessment of financeability. It is also a key ratio for rating agencies, although each rating agency may make specific adjustments to FFO and/or net debt for its calculations.
<b>FFT/ FTFT</b>	Flow to Full Treatment	
	Final Planning Demand Forecast	A demand forecast that reflects a company's preferred policy for managing demand and resources through the planning period, after taking account of all options through economic analysis.
<b>FOC</b>	Flooding Other Causes	Flooding typically caused by sewer misuse such as flushing wipes down the toilet and emptying fats, oils and grease down the sink.
	Freeze-thaw	Freeze-thaw events relate to peak demands caused by rapidly increasing leakage levels. These normally occur during the winter months, when changes in temperature can cause the ground to freeze and then thaw relatively quickly. This can result in pipes or mains cracking or bursting.
<b>FWMA</b>	Flood and Water Management Act (2010)	The Act defines the lead local flood authority for an area as the unitary authority or the county council. It enables lead local authorities to delegate flood or coastal erosion functions to another risk management authority by agreement.
<b>FY</b>	Financial Year	A 12 month accounting period used for financial and tax reporting purposes.
<b>FYA</b>	Financial Year Average	
<b>G</b>		
<b>GDPR</b>	General Data Protection Regulation	Controls how personal information is used by organisations, businesses or the government.
<b>GHG</b>	Greenhouse Gas emissions	Greenhouse gases are components of the atmosphere that contribute to the greenhouse effect. Some greenhouse gases occur naturally in the atmosphere, while others result from human activities such as burning fossil fuels – for example, coal. Greenhouse gases include water vapour, carbon dioxide, methane, nitrous oxide and ozone.
<b>GSP</b>	Geospatial Platform	Online interactive tool to communicate the DWMP data with customers and stakeholders
	Gearing	Gearing measures the percentage of a company's regulatory capital value that is financed by debt and is therefore critical to the assessment of financeability. This is also a key financial ratio for rating agencies, although each rating agency may have its own definition of net debt.
<b>H</b>		
	Habitats Directive	The European Union Habitats Directive (92/43/EC) is the instrument through which Member States must identify and protect as 'Special Areas of Conservation' (SAC) certain sites that are representative of specified habitats for specific species, which are of European importance. It also covers 'Special Protection Areas' (SPA) but none are identified as being affected by United Utilities Water abstractions
	Hands-off flow	A hands-off flow (also known as a prescribed flow) is normally associated with a river abstraction and is the flow above which abstraction can occur. The purpose of a hands-off flow is to ensure a given flow of water continues in the river prior to abstraction.

<b>HCA</b>	Historic cost accounting	A generally accepted accounting principle requiring that all financial statement items are based on the original cost. Historical cost means what it cost the company for the item. It is not fair market value. For example, if a company purchased a building, it is recorded on the balance sheet at its historical cost. It is not recorded at fair market value, which would be what the company could sell the building for in the open market.
	Headroom	Available headroom is the difference (in Ml/d or %) between WAFU (including imported water) and demand at any given point in time. See also Target Headroom.
<b>HFRR</b>	Hydraulic Flood Risk Resilience	The ability to cope and prepare for the pressures of water exceeding capacity.
<b>HMRC</b>	His Majesty’s Revenue and Customs	
	Hosepipe Ban/Temporary Use Bans	Section 36 of The Flood and Water Management Act 2010 replaced the original Section 76 of the Water Industry Act 1991. The original legislation only allowed water undertakers to prohibit or restrict the use of hosepipes (or similar apparatus) for the purposes of watering private gardens and the washing of private motor cars, commonly known as a hosepipe ban. The new legislation gives water companies further powers to restrict water use by customers. Therefore, this plan refers to ‘water use restrictions’ rather than hosepipe bans.
<b>HRA</b>	Habitats Regulation Assessment	Habitats Regulations Assessment is a process for identifying the implications of the drought plan options for European designated sites (SAC, SPA, and Ramsar). If likely significant adverse impacts are predicted, then a detailed Appropriate Assessment of the option is required.
	Hydro-Logic® Aquator	The name of a water resources computer modelling system used by United Utilities Water.
I		
<b>IAM</b>	Institute of Asset Management	
<b>IAP</b>	Integrated Asset Planning	An internal process used to identify future investment needs at our treatment works and network assets.
<b>ICE</b>	Institution of Civil Engineers	Institution promotes and advances civil engineering around the globe.
<b>ICM</b>	Integrated Catchment Management (Model)	
<b>IDAS</b>	Integrated Drainage Area Strategy	
<b>IED</b>	Industrial Emissions Directive	
<b>IFRS</b>	International Financial Reporting Standards	
	Impounding Reservoir	A man-made store of water featuring a dam wall, often the result of damming a river or stream.
	Initial Supply-Demand Balance	The difference between WAFU and baseline demand forecast (including target headroom) before any additional demand management measures or source enhancements.
	Inset Appointee	The inset appointment process is the route by which one company replaces the incumbent (i.e. United Utilities

		Water for the North West) as the appointed water and/or sewerage company for a specified area. As such, the replacement appointed water company will have all of the same duties and responsibilities as the previous statutory water company for the specified area. United Utilities Water's only inset appointment is for Leep Water Networks Ltd. who supply water to Media City, Salford and Liverpool International Business Park. Leep are not a licensed supplier as they do not hold a Water Supply Licence.
<b>IRZ</b>	Integrated Resource Zone	A term used in our Water Resources Management Plan 2015 to describe our largest resource zone covering most of North West England. For this plan we now refer to the Strategic Resource Zone.
<b>IRE</b>	Infrastructure renewals expenditure	The actual expenditure incurred in the financial year in maintaining the operating capability of infrastructure assets through renewal or renovation of those assets.
	iBoxx indices	Bond indices compiled by IHS Markit and commonly used as a regulatory benchmark for the cost of debt.
	Interest cover	Interest cover measures the ability to meet interest payments from operational sources of cash generation.
<b>J</b>		
<b>K</b>		
	Key enhancement	We consider 'key enhancement' to be projects or programmes of work that: Have a lifetime totex of £100 million or more; or Are lower cost and deliver or enable material benefit that could be impacted by the CRSs or wider scenarios.
<b>KPI</b>	Key Performance Indicator	A measure that reports, at a summary level, how well a company is performing in a particular area. KPIs should reflect the most important outcomes that the companies must deliver.
<b>L</b>		
<b>l/hd/d (also lppd)</b>	Litres per person per day.	
<b>l/p/h</b>	Litres per head	
<b>l/prop/d</b>	Litres per property per day.	
<b>LDTM</b>	Large Diameter Trunk Main	
	Level of Service	Reliability of water supply to customers expressed as the average frequency of the imposition of water use restrictions.
<b>LLFA</b>	Lead Local Flood Authority	Lead Local Flood Authorities (unitary authorities or county councils) are responsible for developing, maintaining and applying a strategy for local flood risk management in their areas and for maintaining a register of flood risk assets.
	Low regrets	Low regrets options or investments are defined as those that are required in a wide range of plausible future scenarios, those that are required to meet short-term requirements, and those that are required to keep options open for the future or minimise the cost of future options.

<b>LPA</b>	Local Planning Authority	Local government body that is empowered by law to exercise urban planning functions for a particular area.
<b>LTVS</b>	Long-term financial viability statement	A long-term viability statement (LTVS) sets out a company's Board of directors' assessment of whether it has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, taking into account the company's current position and principal risks. The statement should explain the assessment undertaken including an appropriate set of stress tests and over an appropriate forward-looking period. The aim is to provide stakeholders with greater transparency about the steps companies take to ensure long term financial resilience. We require all water and wastewater companies to produce LTVS.
<b>LTDS</b>	Long-term delivery strategies	With a focus on the long term for PR24, companies now need to set their five-year business plans in the context of a 25-year long-term delivery strategy. This will set out the long-term outcomes the company aims to deliver, and the key investments and activities that form the best pathways to achieving them, given future uncertainties.

M		
m	Million	
MARS	Mobile Asset Resource Scheduling	
MCERTS	Environment Agency's Monitoring Certification Scheme	
MEAV	Modern Equivalent Asset Value	This is the value of a modern equivalent asset of equivalent productive capability to satisfy the service potential of the asset.
MISER		A water network management advisory tool for operational resource planning, widely used in the UK water industry.
MI/d	Megalitres per day	A megalitre is one million litres
MLG	Major Landowner Group	A collection of landowners which own large areas of land managed by Natural England
MNI	Maintenance Non-infrastructure Expenditure	
MVSP	Mersey Valley Sludge Pipe	
MeX	Measures of experience	Performance commitments that measure the experience of residential customers (C-MeX), developer services customers (D-MeX), business customers in Wales and business customers in England (BR-MeX). Incentive payments are based on companies' relative performance each year.
N		
NBS	Nature-Based Solutions	A range of activities which utilise natural processes to provide water-related ecosystem services and benefits.
NE	Natural England	A non-departmental public body in the United Kingdom sponsored by the Department for Environment, Food and Rural Affairs. It is responsible for ensuring that England's natural environment, including its land, flora and fauna, freshwater and marine environments, geology and soils, are protected and improved.
NEIRF	Natural Environment Investment Readiness Fund	This fund supports the government in its goal of the 25 year environment plan, green finance strategy and 10 point plan for a green industrial revolution.
	Net zero	Contributions to achieving a balance between the amount of GHG emissions put into, and the amount taken out of, the atmosphere. The net embedded and operational GHG emissions of actions should be taken account of when assessing WINEP options.
NFM	Natural Flood Management	A way to reduce the risk of flooding and coastal erosion, natural processes can be used.
NGO's	Non-Governmental Organisations	An organisation that has been formed independently from the government
	Non-essential Use Ban	Also known as a prescribed uses order. The Drought Direction 2011 sets out the 'non-essential' uses of water that can be prohibited or limited by an ordinary drought order. It is more restrictive than Section 76 of the Water Industry Act 1991 (as replaced by Section 36 of The Flood and Water Management Act 2010) and can impact particularly on car washing businesses, building cleaning businesses and those businesses with private swimming pools.
	Non-household	Properties receiving potable supplies, but which are not occupied as domestic premises, i.e. factories, offices,

		commercial properties, and cattle troughs. They also include properties containing multiple households, which receive a single bill (e.g. block of flats).
	Non-statutory driver	A driver that is linked to a non-statutory requirement. Non-statutory drivers must be linked to the delivery of water companies' legal functions.
	Non-statutory requirement	<p>Non-statutory requirements are those that are not required by primary or secondary legislation, but for which there is Environment Agency published WINEP driver guidance. Non-statutory requirements included in the WINEP are actions the companies have customer support to do that go above and beyond their statutory obligations. There may be a public need or desire but this may not be underpinned by a specific Act or piece of legislation. These actions to meet non-statutory requirements may also be required to meet the UK government's environmental ambition.</p> <p>There are 2 types of non-statutory requirements:</p> <ol style="list-style-type: none"> <li>1. Actions to deliver additional or enhanced environmental outcomes in relation to a statutory action that go beyond the statutory requirements of that action. This could include for example reaching excellent bathing water status beyond a required level of sufficient status, or delivering the same standard against the statutory obligation, but greater contributions to one of the four identified wider environmental outcomes – natural environment, net zero, catchment resilience or access, amenity and engagement.</li> <li>2. Actions that are not required by primary nor secondary legislation, but for which there is Environment Agency published WINEP driver guidance.</li> </ol>
	Normal Year Annual Daily Demand	The total demand in a year with normal or average weather patterns, divided by the number of days in the year.
NPV	Net Present Value	Net Present Value of a schedule of costs for a programme. NPV is a very widely used method to combine various costs occurring over a period of time into a single value for comparison with the NPV of an alternative programme.
NRA	National Rivers Authority, which was replaced by the Environment Agency (EA) in 1996.	
NRW	Natural resource Wales	Natural Resources Wales ensures the environment and natural resources of Wales are sustainably maintained and used, now and in the future.
NVZ	Nitrate Vulnerable Zones	
NWEBS	National Water Environment Benefits Survey	NWEBS provided values for recreation, amenity and non-use benefits from improving the water environment.
	Natural capital	Natural capital is comprised of natural asset stocks and all the ecosystem services that they provide. Natural assets include water, soil, air and all living things.
	Nature-based solutions	Actions that address societal challenges whilst protecting, sustainably managing, restoring or improving natural/modified ecosystems.
	Nominal bills	Nominal bills are bills that capture the impact of inflation or the amount prices rise year-on-year. Customers pay bills in nominal terms.
	Notional capital structure	We set an allowed return and test financeability using an assumed capital structure for the notional company. We make assumptions for notional gearing, share of new debt, and share of index-linked debt.

	Notional regulatory equity	Regulatory capital value x (1 - notional gearing)
<b>O</b>		
	Obligation	Something that water companies are required to do or achieve by legislation.
<b>ODI</b>	Outcome delivery incentive	The financial consequences for companies associated with their performance commitments. Incentive payments are determined by multiplying a company's performance relative to its performance commitment level by an incentive rate.
<b>OMS</b>	Operations Management System	Processes and procedures aiding a company to effectively manage business practices.
	Operating techniques agreement (OTA)	An operating techniques agreement is a document linked to the Environmental Permitting Regulations water discharge activity permit through the operating techniques condition. It is a flexible document which typically includes (but is not limited to including) baseline information, targets, monitoring requirements and compliance rules.
<b>Opex</b>	Operational Expenditure	Appointed water companies' day-to-day spending on running the services, for example, staff costs and power. For example, it comprises power, rates, payroll costs and materials and consumables, but excludes capital-related costs.
	Outage	A temporary loss of deployable output due to planned or unplanned events. An outage is temporary in the sense that it is retrievable, and therefore deployable output can be recovered.
<b>P</b>		
<b>P</b>	Phosphorus	
<b>PA</b>	Per annum	
<b>PAYG</b>	Pay as you go	PAYG is the proportion of total allowed expenditure that is recovered in each year of the price review period. Along with RCV run-off, it balances the recovery of costs between different generations of customers. The choice of PAYG and RCV run off rates affects bills for current and future customers.
<b>PC</b>	Performance commitment	Performance commitments are the measures of performance that we hold companies to account for when delivering outcomes for customers and the environment.
<b>PCC</b>	Per Capita Consumption	The sum of measured household consumption and unmeasured household consumption divided by the total household population.
<b>PCD</b>	Price Control Deliverable	Price control deliverables will be used to ensure that customers receive the performance and outputs they have funded through enhancement allowances. PCDs are appropriate where investment is material, and the outcome cannot be easily or directly linked to a performance commitment. PCDs will set out the key outcomes or outputs of enhancement expenditure, so that stakeholders and customers know what to expect from the funding provided. This includes presenting the likely impacts on outputs and outcomes (eg PCLs) for beyond 2030 where applicable.

<b>PCL</b>	Performance commitment level	Performance commitment levels are the levels of performance for each performance commitment that efficient water companies are funded to deliver through our expenditure allowances. Companies propose PCLs in their business plans for each performance commitment. We assess proposals and set PCLs for each performance commitment in our price review determinations.
<b>PCS</b>	Principal Construction Supervisor	Person responsible for the management and safety of construction projects.
<b>PE</b>	Population Equivalent	Number expressing ratio of sum of pollution load in wastewater to the individual pollution load in household sewage produced by one person in the same time.
	Peak Demand	In water resource modelling, the time at which demand for water is at its highest.
<b>PFF</b>	Pass Forward Flow	Instantaneous upstream flow that a combined sewer overflow or pumping station can accept.
<b>PIN</b>	Periodic Indicative Notice	Notice to provide prospective contractors with the visibility of a contract that will be awarded at a point in the future.
<b>PIONEER</b>	Proactive Investment Optimisation of the Evaluation of Expenditure and Risk	PIONEER is tool which allows us to forecast how much money we will need to spend to maintain our service levels across a 25 year time frame.
<b>PLR</b>	Property Level Resilience	Minimise damage should water get inside property.
<b>PoDFather</b>	Proof of Delivery - Software system	A form of software system.
	Point of Production	The point where treated water enters the distribution system. Defined as raw water into treatment less treatment works operational use and treatment works losses.
	Potable/Non-Potable	Drinking water/non-drinking water
	Price Control	A method of separating out the regulation of prices charged by water companies.
<b>PSR</b>	Priority services register	The priority services register is a register of people that require extra help from their water company. Examples of the help are: bills in braille, more warning of supply interruptions and setting a password that a water company employee will use if they visit the customer's home.
	Pywr	The name of a water resources computer modelling system used by United Utilities Water.
<b>R</b>		
<b>R&amp;I</b>	Risks and Issues	Part of the "risk = probability x consequence" formula applied to future events. Risk is the product of the probability, or likelihood, that an event will occur and the consequence of that event's occurrence.
<b>RAG</b>	Regulatory Accounting Guidelines	Guidelines that appointed water companies follow to produce their regulatory accounts so that they comply with licence condition F. There are currently five RAGs, which can be found on the Ofwat website.



	Ramsar	Ramsar sites are wetlands of international importance designated under the Ramsar Convention. More formally known as 'The Convention on Wetlands of International Importance especially as Waterfowl Habitat' it is an intergovernmental treaty signed in Ramsar, Iran, in 1971.
<b>RAPID</b>	Regulators Alliance for Progressing Infrastructure Development	Regulators' Alliance for Progressing Infrastructure Development.
	Rateable Value	A value ascribed to a domestic or commercial building based on its size, location, and other factors, used to determine the rates payable by its owner.
	Raw Water	Water direct from the source, which has yet to be treated.
<b>RBCS</b>	Risk Based Catchment Screening	To ensure effort is focused in the right areas, an approach was needed to understand which of our wastewater catchments are the highest risk of experiencing issues in the future.
<b>RBMP</b>	River Basin Management Plan	Legally binding locally specific environmental objectives set for water regulation.
<b>RCP8.5</b>	Representative Concentration Pathway 8.5 - future emission scenarios	A method used for capturing the assumptions of the impacts of economic, social and future changes to the environment that will influence climate change.
<b>RCV</b>	Regulatory capital value	The regulatory capital value (RCV) is a vital component of how price limits are calculated, and represents a measure of the capital base of a company when setting price limits. It reflects the allowed expenditure to be recovered from future customers. Expenditure not recovered in the current period through PAYG is added to the RCV and recovered in future periods through RCV run-off. The RCV is inflated each year to maintain the RCV at current prices.
<b>RDM</b>	Robust Decision Making	A planning framework that helps in making decisions when dealing with a very uncertain future, sometimes referred to as 'deep' uncertainty, where the probabilities of future events are unknown or cannot be agreed upon. Solutions from RDM are considered to be robust as they perform well over a wide range of future conditions, rather than optimally in a few.
<b>REDUP</b>	Rainfall Event Duration Uplift	A tool that is able to generate future time series rainfall.
	Resilience	Resilience is the ability to cope with, and recover from, disruption and anticipate trends and variability in order to maintain services for people and protect the natural environment now and in the future.
<b>RIAP</b>	Regional Integrated Asset Plan	
<b>RMA</b>	Risk Management Authority	Organisations with responsibilities under the Flood and Water Management Act (2010)
<b>R-MeX</b>	Retailer Measure of Experience	
<b>RNAG</b>	Reasons for Not Achieving Good	Officers from the Environment Agency determine the main reasons as to why a water body is not achieving good or high status under the Water Framework Directive.
<b>RoRE</b>	Return on regulatory equity	RoRE is a post-tax measure of return that is calculated with reference to the notional capital structure. RoRE is often calculated and presented as a variation from the allowed return on equity based on performance against our price review incentives.
<b>RPI</b>	Retail Price Index	An index of changes in retail prices

<b>RSPB</b>	The Royal Society for the Protection of Birds.	
	Real bills	Real bills are bills which do not reflect the impact of inflation or the amount that prices rise year-on-year. They are measured in the prices of an initial or base year.
	RCV run-off	RCV run-off is a measure of the annual depreciation of the RCV to reflect the long-term nature of the benefit to customers of the previous investment a company has made in its assets. Along with PAYG, the RCV run-off balances the recovery of costs between different generations of customers. The choice of PAYG and RCV run-off rates affects bills for current and future customers.
	Retail margins	An allowed return which funds risk and financing costs associated with our retail controls. A gross margin is a mark-up over wholesale costs, while a net margin is a mark-up over wholesale costs plus cost-to-serve. We cap the level of margin charged at the level of the overall control, but the underlying margins faced by different customer groups may vary.
	Retail margin adjustment	An adjustment we make to the appointee-level allowed return on capital to avoid double-counting compensation for risk embedded in the appointee-level allowed return as well as the retail margin. The adjusted figure is the wholesale allowed return which is applied to the wholesale RCV.
	Regulatory equity	The regulatory capital value less net debt.
<b>S</b>		
<b>S/D</b>	Supply/demand	The balance between the volume of water available in an appointed water company's area and the volume supplied to meet consumer demand. Any imbalance between supply and demand can be met through enhancing existing resources or demand management strategies.
<b>SAC</b>	Special Area of Conservation	Land designated under the Directive 92/43/EEC on the Conservation of Natural Habitats and of Wild Fauna and Flora.
<b>SAGIS</b>	Source Apportionment Geographical Information System	ArcGIS based digital information management and visual platform which is used as an integrated system for modelling water quality in rivers and lakes.
<b>SAS</b>	Surplus Activated Sludge	The excess sludge which is removed from the wastewater treatment process to maintain a balance in the ratio of bacteria and energy source.
<b>SCADA</b>	Supervisory Control and Data Acquisition	A control system used in water treatment
<b>SCaMP</b>	Sustainable Catchment Management Programme	Aims to apply an integrated approach to catchment management across all of the 56,385 hectares of land owned by United Utilities in the North West.
<b>SELL</b>	Sustainable Economic Level of Leakage	The level of leakage at which it would cost more to make further reductions in leakage than to produce the water from another source. The SELL calculation should include all costs and benefits associated with different levels of leakage, including environmental and social ones.
<b>SELWE</b>	Sustainable economic level of water efficiency	A concept introduced by Ofwat in 2010.
<b>SIM</b>	Service Incentive Mechanism	Assesses the overall service that consumers experience from their appointed water company.
<b>SIMCAT</b>	SIMulation of CATchments	A mathematical model which predicts water quality throughout a river catchment.

<b>SLA</b>	Service Level Agreement	Part of a contract that establishes the exact services that will be provided and the required level or standard for those services.
<b>SMP</b>	Shoreline Management Plan	A strategy that is used for the management of flood and erosion risk for certain stretches of coastline over short, medium and long term periods.
<b>SOAF</b>	Storm Overflow Assessment Framework	This framework demonstrates that any overflow reported to exceed spill frequency thresholds that are set out are to be investigated.
<b>SOEP</b>	Storm Overflow Evidence Project	This is an independent research project that looks at the options, costs and benefits associated with reducing the storm sewage discharges in England.
<b>SoSI</b>	Security of Supply Index	This assesses the ability of each appointed water company to supply customers in dry years without using demand restrictions such as hosepipe bans. Companies with higher index scores have better security of supply.
<b>SPA</b>	Strategic Planning Area	Special Protection Area, as designated under the EU Directive on the conservation of wild birds (also known as the Birds Directive). Together with SAC's these form the Natura 2000 network of protected sites.
<b>SPV</b>	Special Purpose Vehicle	A vehicle with the purpose of undertaking specific business related activities.
<b>SSG</b>	Strategic Steering Group	The SSG is the core strategic decision making forum for UW. It is composed of the UW Executive Directors and chaired by the CEO.
<b>SSSI</b>	Sites of Special Scientific Interest	Areas of land and water that are considered best representatives of natural heritage.
	Statutory driver	A driver that is linked to a statutory obligation.
	Statutory obligation	Statutory obligations are obligations on the water companies set out in primary or secondary legislation. Water companies must carry out actions identified in the WINEP to fulfil statutory obligations. These actions are not subject to a cost benefit test to determine whether they should be taken.
	Statutory plus driver	A driver that is linked to a statutory plus obligation.
	Statutory plus obligation	Statutory plus obligations are obligations on the water companies set out in primary or secondary legislation but that include an added element of cost benefit assessment, and in some cases an additional step of affordability testing. In cases where action is considered disproportionately expensive to meet statutory plus obligations, alternative objectives or timescales to meet them may be set.
	Statutory Water Use Restrictions	Statutory Water Use Restrictions would be implemented approximately 28 days following the introduction of Voluntary Water Use Restrictions. The Statutory Water Use Restrictions are as set out in Section 76 of the Water Industry Act 1991 (as replaced by Section 36 of The Flood and Water Management Act 2010).
	Stochastic	A process incorporating an element of randomness, the evolution of which can only be predicted within a range of values of the uncertain variables.
	Strategic Resource Zone	The largest water resource zone, covering the majority of the North-West of England. Formerly the Integrated Resource Zone but including West Cumbria also.
<b>STWs</b>	Sewage Treatment Works	
<b>SuDS</b>	Sustainable Drainage Systems	An alternative method to directly channel surface water through sewers or nearby watercourses. They aid in

		managing flood risk and water quality whilst also providing amenity benefits and habitats for plants and animals.
	Supply-demand balance	The difference between total water available for use (as supply) and forecast distribution input (as water demand) at any given point in time over the Water Resources Management Plan's planning period/horizon.
	Sustainability Reduction	Reduction in deployable output of a water source, or group of water sources, due to change in abstraction licence conditions imposed by the Environment Agency to ensure more environmentally sustainable water abstraction.
<b>SW</b>	Surface Water	Water that collects on the surface of the ground.
<b>T</b>		
	Target Headroom	Target headroom is the threshold of minimum acceptable headroom, which would trigger the need for total water management options to increase WAFU or decrease demand.
<b>tCO2e</b>	Tonnes of carbon dioxide equivalent	
<b>TCQi</b>	Time, Cost and Quality index	
<b>tDS</b>	tonnes Dry Solids	A unit of measurement for permit compliance purposes.
	Telemetry	Telemetry is an automated communications process by which measurements and other data are collected at remote or inaccessible points and transmitted to receiving equipment for monitoring.
<b>TFG</b>	DWMP Options Development Task and Finish Group	The purpose of the DWMP Technical Review Group is to inform processes and challenging information presented in order to make decisions throughout the delivery of the DWMP. The group consists of technical experts that provide valuable scrutiny and knowledge and challenge to inform and shape the progression of the DWMP.
<b>THP</b>	Thermal Hydrolyser Plant	
<b>TKN</b>	Total Kjeldahl Nitrogen	The sum of ammonia-nitrogen and organically bound nitrogen. Ammonia created from biological waste breakdown via heterotrophic organisms is taken into account through TKN.
	Total Leakage	The sum of distribution losses and customer supply pipe losses.
	Total Water Management	All water management activities from source to end use (i.e. resource management, production management, distribution management and customer-side management).
<b>Totex</b>	Total expenditure	Total expenditure is capital expenditure and operating expenditure.
<b>TPU</b>	Tactical Planning Unit	The basic TPU is wastewater treatment works drainage area and its catchments.
<b>TRG</b>	Technical Review Group	The DWMP TRG is a technical steering group composed of key subject matter experts from across UUW.
	Trigger point	The circumstances in which an alternative adaptive pathway would need to be followed. This will often be the moment it becomes clear that the future is on track for the more 'adverse' scenario.
	Tripartite Report	The short name often given to the Ofwat, Environment Agency and Defra (2002) report: Future Approaches to Leakage Target Setting for Water Companies in England and Wales.

U		
<b>UIA</b>	EU Urban Innovation Action	An initiative developed by the European Union to promote the use of sustainable urban development pilot projects.
<b>UKAS</b>	UK Accreditation service	
<b>UKCIP</b>	United Kingdom Climate Impacts Programme.	
<b>UKCP</b>	United Kingdom Climate Projections.	
<b>UKCP09</b>	United Kingdom Climate Projections 2009	A set of tools and data that provides a view on how the climate may alter in the future produced in 2009.
<b>UKCP18</b>	United Kingdom Climate Projections 2018	A set of tools and data that provides a view on how the climate may alter in the future produced in 2018.
<b>UKWIR</b>	UK Water Industry Research	Responsible for the facilitation and shaping of the water industry's research agenda.
<b>US</b>	Upstream	Against the water flow and towards the original source.
	Uncertainty	A future trend or condition which is unknown or not known fully.
<b>UUPS</b>	United Utilities Pension Scheme	
<b>UUW</b>	United Utilities Water	North West water and wastewater service company.
<b>UWWTD</b>	Urban Waste Water Treatment Directive	European Directive 91/271/EEC adopted by the Council of Ministers in 1991. This Directive concerns the collection, treatment and discharge of urban wastewater and the treatment and discharge of wastewater from certain industrial sectors.
V		
W		
<b>WACC</b>	Weighted average cost of capital	
<b>WAFU</b>	Water Available for Use	The value of MI/d calculated by the deduction from deployable output of an allowance for outage and an allowance for raw and treated water losses in a resource zone.
<b>WaSC</b>	Water and Sewage Company	Utility provider of safe water and wastewater services.
	Water Framework Directive	The European Union Water Framework Directive (2000/60/EC) establishes a strategic 'river basin planning' approach to managing the water environment, including achievement of good ecological status in water bodies by 2015. It provides a consistent approach for ensuring compliance with standards and objectives set for protected areas, and implementation of programmes of measures to meet those objectives.
	Water Network Plus	An internal term to describe the business area responsible for water treatment and treated water distribution.
	Water Resources North group	A multi-company forum for discussing water resources activities in the North of England.
	Water Taken Unbilled	Water supplied to customers for legitimate purposes, which is unbilled, and water taken illegally.
	Water Trading/Transfer	The concept of transferring water between the incumbent areas of water companies.
<b>WEF</b>	Water Environment Federation	A not-for-profit technical and educational organisation representing water quality professionals. This organisation provides water quality education, training and business opportunities.

<b>WFD</b>	Water Framework Directive European Directive	2000/60/EC adopted by the Council of Ministers in 2000. This Directive provides a co-ordinated approach to water management within the European Union (EU) by bringing together strands of EU water policy under one piece of framework legislation. The Directive runs in six-yearly cycles (2009-15, 2015-21, 2021-27). It aims to return all water bodies to good ecological status by 2027. For heavily modified water bodies such as canals, the aim is to reach good ecological potential by the same date.
	Wider environmental outcomes	The four wider environmental outcomes that water companies seek to deliver when developing and assessing options for the WINEP: natural environment, net zero, catchment resilience and access, amenity and engagement.
	Wider scenario	Wider scenarios reflect material local or company-specific drivers.
	WINEP Driver guidance	A document that explains what water companies should do to meet the need for action in relation to a specific driver.
	WINEP spreadsheet	The Microsoft Excel spreadsheet that sets out all the WINEP actions that water companies will be held accountable to deliver.
<b>WISER</b>	Water Industry Strategic Environmental Requirements	Statutory and non-statutory expectations to be met by water companies.
<b>WLC</b>	Whole life costs	The net present cost of a project, or the asset provided by the project, to deliver defined outputs that includes the running and maintenance costs over an extended period. The period can include the replacement of the asset, and is not fixed. The period is usually taken as that where the discounted future costs are material to the net present cost.
<b>WRZ</b>	Water Resource Zone	The largest possible zone in which all water resources, excluding external transfers, can be shared. Hence, it is the zone in which all customers experience the same risk of supply failure from a resource shortfall.
<b>WTW</b>	Water Treatment Works	
<b>WN+</b>	Water Network Plus	
<b>WWN+</b>	Wastewater Network Plus	
<b>WwNM</b>	Wastewater Network Management	
<b>WwTW</b>	Wastewater Treatment Works	A facility in which the process of removing and eliminating contaminants from wastewater occurs to allow for clean discharge into nearby waterbodies.

Y		
	Yield	A general term for the reliable supply of water from a source. More specific, defined terms are used in this document – see Water Available for Use and Deployable Output.
<b>YWYS</b>	Your Water, Your Say	The open challenge session / meetings that will allow customers and other stakeholders to challenge company's business plans in a public forum.

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**Water for the North West**