



# Terms and Acronyms used in our Reporting



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## Glossary

Terms and Acronyms	Definition
Abstraction	The process of taking water from any source, either temporarily or permanently.
AICR	The Adjusted Cash Interest Cover Ratio ('AICR') is similar to interest cover, but measures the scope to make interest payments after meeting costs that have been expensed and RCV run-off. AICR is a more conservative measure than the unadjusted interest cover and provides an indication of coverage (assuming companies could not reduce RCV run-off). This is a key financial ratio for the assessment of financeability.
AHS	The Average Household Size is the number of persons (irrespective of age) living as an economic unit.
AIM	The Abstraction Incentive Mechanism is a means by which water companies can be incentivised to reduce their abstractions, from environmentally sensitive water sources, when river flows are low. This proposal has been developed by the Abstraction Incentive Mechanism Taskforce at the request of Ofwat.
AMI	Advanced Meter Infrastructure is an integrated system of smart meters, data management systems, and communication networks that enables two-way communication between the utilities and the customers.
AMP	An Asset Management Plan ('AMP') period is the five-year period covered by a water company's business plan. These are numbered with AMP1 referring to the first such planning period after the water industry was privatised (i.e., the period from 1990 to 1995). The current period (2020 – 2025) is known as AMP7.
AMR	Automatic Meter Reading is the technology of automatically collecting consumption, diagnostic, and status data from water meter or energy metering devices and transferring that data to a central database for billing, troubleshooting, and analysis.
Appointed Business	The Appointed Business comprises of the regulated activities of the company, which are activities necessary for the company to fulfil the function and duties of a water and sewerage undertaker (under the Water Industry Act 1991).
APH	Average Pumping Head is a measure of operational efficiency considering how much pumping is needed to move water through the abstraction, treatment, and supply processes.
API	Application Programming Interface - we use the Environment Agency's API to access hydrology data such as river flows and groundwater levels.
APR	Annual Performance Review shows our performance against the commitments we made in our business plan, reflecting on our performance in AMP7 (the current period 2020 – 2025).
AR	Annual Report.

Terms and Acronyms	Definition
AR19/AR20/AR21/ AR22/AR23	Previous reporting periods (for the years 2018/19, 2019/20, 2020/21, 2021/22 and 2022/23).
AR24	The reporting period for this report:  1 April 2023 to 31 March 2024 for regulatory year measures or 1 January 2023 to 31 December 2023 for calendar year measures.
ARRC	The Audit, Risk and Reporting Committee is the highest (Board) level of information review within Thames Water.
Arm's length trading	Trading in which the company treats the other party, usually an associate company, on the same basis as an external party.
ASR	Aquifer Storage and Recovery is a supply-side component of our Water Resources Management Plan ('WRMP').
Associate company	Condition A of the licence defines an associate company to be any group or related company. Condition F of the licence requires all transactions between the company (and its associated companies) to be disclosed subject to specified materiality considerations.
BAF	The Bid Assessment Framework sets out the policies and processes that will apply for assessing bids from third parties, for solutions that will help Thames Water meet its future water needs.
BAT	Best Available Techniques.
BMA	Bulk Metered Area refers to a large area of a water network where meters are installed.
BNG	Biodiversity Net Gain is an approach which aims to leave the natural environment in a measurably better state than beforehand.
BOD	Biological Oxygen Demand represents the amount of oxygen consumed by bacteria and other microorganisms while they decompose organic matter under aerobic (i.e., oxygen is present) conditions at a specified temperature.
BRAVA	Baseline Risk and Vulnerability Assessment objective is to assess the baseline position of system performance, and to understand wider resilience issues within each catchment that could impact on maintaining compliance with planning objectives.
BR-MeX	Business Customers and Retailer Measure of Experience is a new common performance commitment for English water companies to capture both the experience of end business customers, and the experience of retailers, when engaging with wholesaler.
BSI	British Standard Institute is the body that creates the British Standards, which is incorporated under a Royal Charter (and which is formally designated as the National Standards Body (NSB) for the UK).

Terms and Acronyms	Definition
BTL	Bazalgette Tunnel Limited is an independent company unrelated to Thames Water Utilities Limited that was appointed in 2015 to construct the Thames Tideway Tunnel. For the year ending 31 March 2022, the company has included construction costs of the Thames Tideway Tunnel in its bills to wastewater customers. These amounts are subsequently paid to BTL. The revenue and profit on this arrangement, which is excluded from our key performance indicators, has been disclosed as non-appointed in the regulatory tables. The cash balance included (also shown as non-appointed) reflects amounts collected and not paid over at the balance sheet date.
Capex	Capital expenditure is expenditure to acquire, build or upgrade assets such as property, pipes, and treatment works.
CAC	Cost Adjustment Claim
CAF	Cyber Assessment Framework
CaLM	Climate and Leakage Model. This is used for accurate forecasting of leakage, according to weather conditions and other factors.
CAPM	The Capital Asset Pricing Model is an economic model that describes the relationship between risk and expected return for securities. The model states that the expected return of a security (or portfolio) is the rate on a risk-free security plus a risk premium. The risk premium depends on the volatility of the security compared with the volatility of a representative market portfolio.
CEIAG	Careers Education, Information, Advice and Guidance.
CCG	The Customer Challenge Group is an independent body that provides insight, thorough reporting, and commentary, to our customers, the public, and Ofwat.
CCW	Consumer Council for Water is an independent organisation which aims to protect consumers' interests and investigate customer complaints free of charge.
CHP	Combined Heat and Power is an energy system powered by sewage sludge.
CMA	The Competition and Markets Authority is the competition regulator in the United Kingdom.

Terms and Acronyms	Definition
C-MeX	Customer Measure of Experience (C-MeX) is designed to incentivise water companies to provide an excellent customer experience for residential customers, across both the retail and wholesale parts of the value chain. C-MeX comprises two surveys. The customer service survey of residential customers who have recently contacted their company (in relation to that recent contact) and, secondly, the customer experience survey of random members of the public (in relation to their experience of their water company). In both cases, customers are asked how satisfied they are with the service provided and how likely they would be to recommend the water company to family or friends. This net promoter score result is measured and reported separately to the C-MeX score, which is used to calculate financial incentives.
CMOS	Central Market Operating System is the core IT system for the non-household market. CMOS manages all the electronic transactions involved in switching customers and provides water usage and settlement data.
CNI	Critical National Infrastructure. Those critical elements of Infrastructure (facilities, systems, sites, property, information, people, networks, and processes), the loss or compromise of which would result in major detrimental impact on availability, delivery, or integrity of essential services, leading to severe economic or social consequences or to loss of life.
COA	Census Output Areas.
COD	The Cost of Debt is the return that a company provides to its debtholders and creditors. It is the effective interest rate or the total amount of interest that a company or individual owes on any liabilities, such as bonds and loans. This expense can refer to either the before-tax or after-tax cost of debt.
COE	The Cost of Equity is the return that a company requires to decide if an investment meets capital return requirements.
Coliform	Coliform bacteria are always present in the digestive tracts of animals (including humans) and are found in their wastes. They are also found in plant and soil material.
Corrigenda	Corrigenda is a formal correction of a regulatory requirement that is no longer appropriate (e.g., due to changes in law).
Cost	The actual cost to the supplier of the goods, works or services, including a reasonable rate of return on capital employed. Unless the circumstances of the transaction provide a convincing case for the use of an alternative measure, the return on capital should be consistent with the cost of capital/net retail margin as set out in our Final Determination.
Cost allocation	Cost allocation is how all costs are allocated to the 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.

Terms and Acronyms	Definition
Cost driver	A Cost driver is the factor(s) which cause 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.
Covid-19/ Covid	Also referred to as Coronavirus, an acute respiratory illness in humans caused by a coronavirus. It is capable of producing severe symptoms and in some cases death, especially in older people and those with underlying health conditions.
CPI	The Consumer Price Index is a measure of economic inflation, based on the average set of prices of a fixed basket 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	A variant of the consumer price index which includes owner occupiers' housing costs.
CPP	Chartered Project Professional.
CPL	Committed Performance Level. To measure our progress against our performance commitments, we agreed committed performance levels with Ofwat for each year of AMP7. Our committed performance levels are published in our final determination.
CRI	Compliance Risk Index is a measure designed to illustrate the risk arising from treated water compliance failures, and it aligns with the current risk-based approach to regulation of water supplies used by the Drinking Water Inspectorate ('DWI').
CRM	Customer Relationship Management. A system for managing a company's interactions with current and future customers. It often involves using technology to organise, automate and synchronize sales, marketing, customer service, and technical support. TW has a SAP product handling some of its customer services.
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.
CSAT or Customer Satisfaction	A customer experience metric that measures happiness with a product, service, or support interaction through a customer satisfaction survey that asks, how satisfied were you with [company]?
CSAT Score	A score that intends to measure a customer's satisfaction with the service received.

Terms and Acronyms	Definition
CSC	The main objective of the Customer Service Committee is to advise the Board of the Company, as a provider of water and wastewater services, of the needs and priorities of customers so that high-quality, effective services are provided to the satisfaction of its customers, now and into the future. For the purposes of the Committee, customers are now defined as all users of the Company's services including retail, wholesale, and developer customers, as well as the wider community within which Thames Water operates.
CSL	Customer Side Leakage is the loss of treated water from the customer's underground supply pipes (which usually run from the property boundary up to the entry to the premises) rather than from Thames Water's distribution network.
CSO	Combined Sewer Outfall systems are sewers that are designed to collect rainwater runoff, domestic sewage, and industrial wastewater in the same pipe. Most of the time, combined sewer systems transport all of their wastewater to a sewage treatment plant, where it is treated and then discharged to a water body.
DAD	The Discounted Aggregate Deficit model is used to determine the value of Thames Water's developer services contributions to new connection schemes.
DAM	Our Discharge Alert Manager product provides a near real-time capability to monitor our STW and CSO discharge points for sewage discharges into watercourses.
DCO	A Development Consent Order is the means of obtaining permission for developments categorised as Nationally Significant Infrastructure Projects (NSIP). This includes energy, transport, water, and waste projects.
DDS	Digital Data Service.
Deadband	Deadbands are a specified range of performance levels where the ODI underperformance or outperformance payment is zero.
Defra	Department for Environment, Food & Rural Affairs is a ministerial department, supported by 32 agencies and public bodies. Responsible for improving and protecting the environment.
DI	Distribution Input. A measure of the volume of potable water input to the distribution network at treatment works, boreholes and bulk supply locations.
DO	Deployable Output.
DMA	District Metered Area. A DMA is a discrete water supply management area. Water entering a DMA passes through a meter that measures water flows. The flow meter data is generally recorded in a logging device attached to the meter. This data is used to assess water use and particularly leakage levels within the DMA.

Terms and Acronyms	Definition
D-MeX	The Developer Services Measure of Experience is designed to incentivise water companies to provide an excellent customer experience to developer services customers, including small and large property developers, self-lay providers and those with New Appointments and Variations ('NAVs'). These customers can also include residential customers that have new mains connections installed. D-MeX comprises a qualitative element, which is a survey of developer services customers who have recently completed a transaction with their water company, and a quantitative element, which measures performance against a set of Water UK developer services level of service metrics.
DPA	Data Protection Act: The Data Protection Act 2018 ('DPA') provides a legal basis for the privacy and protection of individuals whose personal information is managed (or processed) by British organisations.
DPC	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, and maintenance of an asset.
DRA	It is a strategic resource option ('SRO') scheme being used at Teddington. This scheme is a new river abstraction on the River Thames close to Teddington Weir. Water abstracted from the river would be transferred via an existing underground tunnel to the Lee Valley reservoirs in East London. Highly treated recycled water would be moved from Mogden sewage treatment works upstream, to compensate for the additional water taken from the river to protect the environment and wildlife. The scheme will provide up to 75 million litres per day as a drought resilience scheme. It would only be used during periods of prolonged dry weather.
DWI	Drinking Water Inspectorate was formed in 1990 to provide independent reassurance that water supplies in England and Wales are safe and drinking water quality is acceptable to consumers.
DWMP	Drainage and Wastewater Management Plan.
DWP	Department for Work and Pensions.
DWUS	Domestic Water Use Study.
EA	Environment Agency is responsible for protecting and improving the water environment which includes rivers, ground waters, coastal waters, fisheries, pollution control, navigation, and flood defences. In addition to this, it regulates both quality and quantity of water we take from and return to rivers, other inland water, and underground sources.
EC	Enhancement Case.
EDM	Event Duration Monitors.

Terms and Acronyms	Definition
EFD	Effective From Date. Relates to the occupancy status of non-household (business) properties.
EO	Emergency Overflow.
EPA	Environmental Performance Assessment.
ESG	Environmental Social Governance.
ESPB	Equivalent Service Pipe Burst.
External shareholders	This is the term used to describe the ultimate owners of the company. Most of our external shareholders are pension funds. They own the shares in our ultimate parent company, Kemble Water Holdings Limited. Dividends paid to external shareholders are paid by Kemble Water Holdings Limited and not by Thames Water Utilities Limited. During the current year, Kemble Water Holdings Limited did not pay any dividends.
FD	Final Determination. Every five years, Ofwat set the price, service, and incentive package for water and sewerage companies business plan.
FDBOM	Finance, Design, Build, Operate and Maintain.
FEH	Flood Estimation Handbook.
FFO	Funds From Operations companies' debt burden in relation to operational income. This is a key financial ratio for the assessment of finance ability. 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.
FLIPS	Flooding Local Improvement Projects are small-scale, anti-flooding systems.
FMZ	Flow Monitoring Zone.
FOG	Fat, Oils and Grease which cause blockages in sewer pipes.
FTEs	Full-Time Equivalents. For the purposes of cost allocation, FTEs should include all full-time staff, and contractors/temporary staff directly employed. Where there is an existing contractual arrangement in place, with an associate or third party, for example a third-party billing arrangement, FTEs will include all full-time staff and contractors/temporary staff directly employed by the associate or third party involved in providing that service to the appointee.
FY	Financial Year, running from 1 April – 31 March (e.g., FY24 refers to the year ending 31 March 2024).
GBTS	Great Britain Tourism Survey, used in calculating non-resident population figures.
GER	Green Economic Recovery, a programme of long-term sustainability measures such as smart meter installation and leakage reduction.
GHG	Greenhouse Gases.
GIS	Geographic Information System.
GLA	Greater London Authority.

Terms and Acronyms	Definition
GOSM	Ofwat's Gearing Outperformance Sharing Mechanism which has the effect of sharing the impact of higher gearing on returns with customers.
GWh	Gigawatt hour.
HH	Household (Residential) Properties.
HHNU	Household Night Use.
HMO	<p>Houses in Multiple Occupation. Accommodation that's owned by a private landlord but lived in by a number of people. It's when:</p> <ul style="list-style-type: none"> <li>the customer rents a room only;</li> <li>the property is occupied by three or more tenants (in most cases who aren't related); and</li> <li>there's access to communal facilities.</li> </ul> <p>The responsibility for all bills lie with the landlord/owner.</p>
Household	<p>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.</p> <p>Mixed/commercial properties and multiple household properties (e.g., blocks of flats having only one standing charge) should be excluded.</p>
IAS	International Accounting Standards.
IBP	Integrated Business Plan: Thames Water's business plan owned by Asset, Digital and Transformation Director.
IFRS	International Financial Reporting Standards. Guidelines and rules set by the International Accounting Standards Board ('IASB') that companies and organisations can follow when compiling financial statements. The creation of international standards allows investors, organisations, and governments to compare the IFRS-supported financial statements. All listed EU companies have been required to use IFRS since 2005.
IHM	Individual Household Monitor.
IID	Information Integrity Declaration.
ILG	Index-Linked Gilts.
Infrastructure and non-infrastructure assets	Infrastructure assets are mainly our below-ground assets, such as pipes, water mains, sewers, dams and reservoirs. Non-infrastructure assets are those mainly found above ground, such as water and sewage treatment works, pumping stations, laboratories and workshops.

Terms and Acronyms	Definition
Instrument of Appointment	Water companies operating the public water networks hold appointments as water undertakers, and those operating the public wastewater networks hold appointments as sewerage undertakers, for the purposes of the Water Industry Act 1991. They also supply water and wastewater services directly to household and non-household customers who are connected to their networks.
IPS	International Passenger Survey, used in calculating non-resident population figures.
IS	Information System: Discrete set of structured data resources organised for collection, processing, maintenance, use, sharing, dissemination, or disposition of information.
ISO	International Standards Organisation. Non-governmental organisation consisting of a network of the national standards institutes. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.
JEDI	Justice, Equity, Diversity, and Inclusion programme, used to deliver water and nature-based activities to young people and groups from marginalised communities, or who are underrepresented in environmental conservation.
Kemble Water Holdings Limited	This is the ultimate parent company of Thames Water Utilities Limited. The shares of Kemble Water Holdings Limited are owned by external shareholders.
KPIs	Key Performance Indicators are measures that report, 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.
L/P/D	Litres per property per day.
LAHA	Local Authority Housing Association. Previously, we would bill the housing association rather than individual households, but we are now moving our final tranche of LAHA households to direct billing.
LCE	Local Communications Equipment.
LFR	London Flood Review.
Licence	The Instrument of Appointment dated August 1989 under Sections 11 and 14 of the Water Act 1989 (as in effect on 1 August 1989) under which the Secretary of State for the Environment appointed Thames Water Utilities Limited as a water and sewerage undertaker under the Act for the areas described in the Instrument of Appointment, as modified, or amended from time to time.
LLFA	Lead Local Flood Authorities.
London region	For waste, this represents the catchment area of eight sewage treatment works ('STW'). For water, it is the London Water Resources Zone ('WRZ'). These broadly cover the Greater London Authority ('GLA') area.

Terms and Acronyms	Definition
Licence condition A	A condition of companies' Instrument of Appointment. It explains the terms and expressions commonly used in the instrument of appointment and how conditions should be interpreted.
Licence condition B – Charges	A condition of companies' Instrument of Appointment. It sets out the formula for calculating the change in the overall average charge for each company. This condition also requires each company to produce a 'principal statement' which enables this calculation to be done. The change in the overall average charge for any company must not exceed the price limit we have set for that company.
Licence condition C	Not used.
Licence condition D – New connections	A condition of companies' Instrument of Appointment. Where the Appointee makes a new connection to one of its water mains, the Appointee must provide specified information to any separate sewerage undertaker for the premises.
Licence condition E – Undue Preference/Discrimination in charges	A condition of companies' Instrument of Appointment. This prohibits undue preference to, or undue discrimination against, any class of customer or potential customer for standard charges. For non-standard charges, the condition relates to discrimination and preference between individual customers (or potential customers).
Licence condition E1 – Prohibition on undue discrimination and undue preference	A condition of companies' Instrument of Appointment. Prohibition on undue discrimination and undue preference and undue restrictions on the use of information in relation to the provision of certain services.
Licence condition F – Regulatory accounting statements	A condition of companies' Instrument of Appointment. This requires the Appointee to keep appropriate accounting records which are consistent with guidelines published by Ofwat.
Licence condition G – Principles for customer care	A condition of companies' Instrument of Appointment. This condition requires the Appointee to adopt high standards of customer service and appropriate support for the full diversity of its customers' needs.
Licence condition H – Procedure on leakage	A condition of companies' Instrument of Appointment. This condition sets out the procedure which the Appointee must follow in relation to leaks or potential leaks on Supply Pipes of Domestic Premises.
Licence condition I	Not used.
Licence condition J	Not used.
Licence condition K – Disposals of land	A condition of companies' Instrument of Appointment. Purpose of this condition is to make sure that the best price is received from disposals of land to which this Condition applies so as to secure benefits to customers through the application of the proceeds of such disposals to reduce charges as provided in, and subject to the provisions of, Condition B.
Licence Condition L – Underground asset management plans	A condition of companies' Instrument of Appointment. This allows Ofwat to check that each appointed water company is maintaining and developing the underground assets (water and sewer pipes) necessary to fulfil its legal obligations. The plans must be kept under review and updated at each price review.

Terms and Acronyms	Definition
Licence Condition M – Provision of Information to Ofwat	A condition of companies' Instrument of Appointment. Requires appointed water companies to provide Ofwat with information Ofwat reasonably require carrying out their functions.
Licence Condition M1 – Information Remedies	A condition of companies' Instrument of Appointment.
Licence Condition N – Fees	A condition of companies' Instrument of Appointment. It gives Ofwat power to levy licence fees from the appointed water companies sufficient to cover: Ofwat running costs, the costs involved in carrying out price reviews, Consumer Council for Water costs and the costs of competition commission references. The fees are payable to the government, which meets Ofwat and Consumer Council for Water's (CCW) running costs.
Licence condition O – Termination and replacement appointments	A condition of companies' Instrument of Appointment. Sets out the circumstances in which the Appointee can be replaced as the undertaker for its area, has effect under section 7(4)(c) of the Water Industry Act 1991.
Licence condition P - Regulatory ring-fence	A condition of companies' Instrument of Appointment. This condition requires the Appointee to make sure that it maintains sufficient financial and management resources to enable it to carry out its functions in a sustainable manner and protects the Appointee from the activities of other group entities. It also requires the Appointee to meet the Board Leadership, Transparency and Governance objectives and procure undertakings from its Ultimate Controller(s).
Licence condition Q – Interruptions in supply because of drought	A condition of companies' Instrument of Appointment. This condition sets out the payments that the Appointee must make where customers have their water supply interrupted because of a drought order.
Licence condition R – Provision of combined and wholesale water supplies	A condition of companies' Instrument of Appointment. This condition requires appointed water companies to put in place arrangements that will enable licensed water suppliers to use their water supply systems.
Licence condition R3 – MAC Condition	A condition of companies' Instrument of Appointment. Obligations in relation to the Market Arrangements Code.
Licence condition S – Introduction of water under the water supply licensing regime	A condition of companies' Instrument of Appointment in relation to a licensee with a wholesale or supplementary authorisation.
Licence condition T – Thames Tideway Tunnel Project	A condition of companies' Instrument of Appointment in relation to Thames Tideway Tunnel Project.
LLFA	Lead Local Flood Authorities.
London region	For waste, this represents the catchment area of eight STWs. For water, it is the London WRZ. These broadly cover the Greater London Authority ('GLA') area.
LPP	London Process Plants. Large water treatment operational sites (e.g., Coppermills, Hampton, Ashford, Walton).

Terms and Acronyms	Definition
LRIIP	Leakage Reporting and Insight Improvement Programme.
LSWSG	London Surface Water Strategic Group.
LTDS	Long-Term Delivery Strategy. A requirement by Ofwat on water companies, to make sure that short-term expenditure meets long-term objectives for customers, communities, and the environment. With a focus on the 'long-term' for PR24, companies now need to submit, alongside their business plans, a long-term (25-year) delivery strategy that outlines the long-term outcomes the company aims to deliver, and the key investments and activities that form the best pathways to achieving them. These will be submitted as part of the Price Review.
LTIP	Long-Term Incentive Plan is a company policy that rewards employees for reaching specific goals that lead to increased shareholder value.
LTT	London Tideway Tunnel.
LWICA	London Water Improvement Conditional Allowance.
MI/D	Megalitres per day.
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 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.
MFM	Multi-Factor Model.
MOSL	The Market Operator Services Limited provides infrastructure, information and governance services to enable non-household customers to switch retailer.

Terms and Acronyms	Definition
NAV	<p>New Appointment and Variation. The mechanism by which one company replaces another as the appointed water or water and sewerage company for a specified area. Following a new appointment, the replacement appointed water company will have all of the same duties and responsibilities as the previous statutory water company for the specified area. One of three qualifying criteria for seeking a new appointment needs to be met:</p> <ol style="list-style-type: none"> <li>1. For an area in which each of the premises of one or more customers are supplied (or is likely to be supplied) with not less than 50 million litres of water by an English water company (or 250 million litres of water by a Welsh water company) in any period of 12 months. This also applies to new appointments for sewerage services.</li> <li>2. For an area in which none of the premises are served by an existing appointed company – ‘an unserved site’. This includes an area that may be currently supplied by unregulated or ‘private’ supplies with its own source of water. This criterion has to be met for both water and sewerage services included in the new appointment application.</li> <li>3. If the existing appointed company consents to transfer an area to the new appointee.</li> </ol>
Net Zero	The goal of carbon neutrality.
NIS	Network and Information Systems.
NFM	Night Flow Monitoring.
NGO	Non-Governmental Organisation. A non-governmental organisation is a non-profit group that functions independently of any government.
NHH	<p>Non-Household. These are properties:</p> <ul style="list-style-type: none"> <li>• Receiving water for domestic purposes, but which are not occupied as domestic premises;</li> <li>• Where domestic dwellings are combined with other properties; or</li> <li>• Where properties are in multiple occupation but only have one standing charge.</li> </ul>
NHHNU	Non-Household Night Use.
Non-Appointed Business	The Non-Appointed Business activities of the company are activities for which the company as a water and sewerage undertaker is not a monopoly supplier (e.g., the sale of laboratory services to an external organisation) or involves the optional use of an asset owned by the company (e.g., the use of underground assets for cable television).

Terms and Acronyms	Definition
NPS	The Net Promoter Score is based on customers' answers on how likely they are to recommend the company to friends or colleagues. The score is the proportion of customers surveyed that answer 9 or 10 (promoters) less the proportion that answers between 0 and 6 (detractors).
NSWRA	The New Road and Street Works Act ('NRSWA') provides a legal framework for street and highway works in the UK.
OAM	Online Account Management.
ODIs	Outcome Delivery Incentives ('ODIs') is a collective term for the incentives – financial and non-financial – that Ofwat has applied to the delivery of our five-year plan. 'Rewards' allow us to charge more over the next five years (in this case, 2020-2025), while 'penalties' require us to charge less. Some of these ODIs measure performance in each of the five years of our current plan, while others apply only to the whole five years.
Ofwat	The name used to refer to the Water Services Regulation Authority ('WSRA') which is the economic regulator of the water industry.
ONS	Office for National Statistics.
Opex	Operating Expenditure. Payments for the day-to-day operations of our business, such as operating and maintaining our network and treatment works and paying our staff and our energy bills. This is known as operational expenditure or Opex.
Optant Metering	Metering at the request of the account holder.
PAYG	PAYG is the proportion of total allowed expenditure that is recovered in each year of the price review period. Along with Regulatory Capital Value ('RCV') run-off, it balances the recovery of costs between different generations of customers. The choice of PAYG and RCV run off rates affect bills for current and future customers.
PC	Performance Commitment. Outcome performance commitments agreed with Ofwat that reflect customers' views and priorities of service.
PCC	Per Capita Consumption. Measure of average water use for each person in an appointed water company's area. Companies are required to report estimates for both metered and unmetered account holders.
PCD	Price Control Deliverable. Price control deliverables will be used to make sure 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 for beyond 2030 where applicable.
PCR	Privacy and Electronic Communications Regulation ruling on data protection laws, requiring greater levels of customer consent.
PE	Population Equivalent.

Terms and Acronyms	Definition
PIRP	Pollution's Incident Reduction Plan.
PR	Price Review. The price determination process undertaken by Ofwat every five years. Each water and sewerage undertaker submits a business plan covering the five-year period for which Ofwat will determine cost and revenue allowances.
PRRP	Performance-Related Pay Plan.
Price Control Units	We report our performance for each of the separate services we provided customers. These relate to water network plus, wastewater network plus, water resources, bioresources, retail household, and retail non-household.
Progressive Metering Programme	The project to install meters on a compulsory basis across our network.
PSR	Priority Services Register. A free service that we offer customers to provide support in the case of ongoing medical or mobility concerns, long-term health conditions or communication needs. We can also prioritise how we support you during a water stoppage.
PV	Photovoltaic.
RAG	Regulatory Accounting Guidelines. Guidelines that appointed water companies follow to produce their regulatory accounts so that they comply with licence condition F. These define in detail, the treatment of particular items (e.g., revenue and interest) where Ofwat disclosure and accounting requirements differ from those normally required under UK accounting standards and applicable legislation. They are amended from time to time by Ofwat.
RAPID	Regulators' Alliance for Progressing Infrastructure Development.
RCV	Regulatory Capital Value. The capital base used in setting price limits. The value of the appointed business that earns a return on investment. It represents the initial market value (200-day average), including debt at privatisation, plus subsequent net new capital expenditure including new obligations imposed since 1989. The capital value is calculated using the Ofwat methodology.
Regional reporting	<p>As part of our business plan for 2020 to 2025, we have been asked by Ofwat to report on London performance, so that we, and our stakeholders, can better understand the challenges faced in London. As part of that, we have decided to report Thames Valley specific performance data too.</p> <p>By separating the data out, we can see how we're performing in each area, and our targets and plans can be adapted to focus on the most urgent priorities for each region.</p>
REGO	Ofgem certificates called Renewable Energy Guarantees of Origin demonstrate that electricity has been generated from renewable sources.

Terms and Acronyms	Definition
Retail	This term refers to any water company activities that take place once water has passed to the customer's side of a property boundary. These include billing, payment handling, debt management, meter reading, and handling billing related calls.
RFI	Request For Information.
RFCC	Regional Flood and Coastal Committee ('RFCC') is a committee established by the Environment Agency under the Flood and Water Management Act 2010 that brings together members appointed by Lead Local Flood Authorities ('LLFAs') and independent members with relevant experience for 3 purposes: <ul style="list-style-type: none"> <li>to make sure there are coherent plans for identifying, communicating and managing flood and coastal erosion risks across catchments and shorelines;</li> <li>to encourage efficient, targeted and risk-based investment in flood and coastal erosion risk management that represents value for money and benefits local communities; and</li> <li>to provide a link between the Environment Agency, LLFAs, other risk management authorities, and other relevant bodies to build understanding of flood and coastal erosion risks in its area.</li> </ul>
RFR	Risk-Free Rate of return (usually shortened to the risk-free rate), is the rate of return of a hypothetical investment with scheduled payments over a fixed period of time that is assumed to meet all payment obligations. It serves as the minimum return required on riskier investments.
RGGO	Renewable Gas Guarantee of Origin.
RHI	Renewable Heat Incentives.
RIIO-2	Energy Regulatory Period 2021-2026. RIIO-2 is the second set of price controls implemented under Ofgem's RIIO model. It's an investment programme to transform the energy networks and the electricity system operator to deliver emissions-free green energy in GB, along with world class service and reliability. It covers the regulatory period from 2021-2026.
R-MeX	Retailer Measure of Experience is a performance commitment ('PC') that measures business retailer experience. It will enable market participants to evaluate the relative benefits to non-household customers of R-MeX compared to other established market incentives. We believe that an overall R-MeX will help to guide us towards making this an effortless customer experience for our retailer customers. <p>There is currently no Retailer Measure of Experience defined or agreed in the non-household market. Trading parties review performance against Market Performance Standards, Operational Performance Standards and a mix of non-standardised retailer satisfaction surveys, to inform their activity. Feedback indicates that existing standards do not represent current retailer priorities. It has also been reported that a lack of common approach by wholesalers to service and information provision, means nationwide retailers can face increased complexity and costs, and that</p>

Terms and Acronyms	Definition
	retailers believe that wholesaler underperformance has a direct impact on the quality of service they are able to provide to their customers.
ROCs	Renewables Obligations Certificates approved by Ofgem each month as accreditation of renewable energy.
RoRE	Return on Regulated Equity.
RPE	Real Price Effect.
RPI	Retail Price Index. The RPI is compiled and published monthly by the Office for national statistics. It is a list of the prices of typical goods and services bought for the purpose of consumption by most households in the United Kingdom and shows how much the cost-of-living changes from one month to the next.
RSC	<p>Regulatory Strategy Committee. The main objective of the Committee is to assist the Board in reviewing any matters of significance affecting current and future strategy and business planning matters and the application of appropriate policies and practices.</p> <p>The Regulatory Strategy Committee will:</p> <ul style="list-style-type: none"> <li>(i) consider the future challenges to the business and such matters defining the long-term corporate strategy;</li> <li>(ii) review and challenge the business planning process and assumptions; and</li> <li>(iii) have specific oversight for the regulatory price control submission process.</li> </ul> <p>The Committee will advise the Board on matters falling within the scope of its responsibilities. Such advise may be in the form of minutes of its meetings, supporting papers and written and oral reports at Board meetings.</p> <p>The Committee shall comprise at least three independent non-executive directors and up to two non-executive directors.</p>
RSPB	The Royal Society for the Protection of Birds is the UK's largest nature conservation charity, founded in 1889.
SAM	Small Area Monitor.
SAP	Software for the management of business processes. It is also the name of the company that produces the software.
SBV	Smarter Business Visits.
SCADA	Supervisory Control and Data Acquisition. The telemetry infrastructure that monitors, reports, and controls industrial processes.
SCCD	System Commissioning Commencement Date, part of Thames Tideway Tunnel ('TTT'), for delivering PCs relating to the Thames Tideway Tunnels.
SEBA	Site Enhancement for Biodiversity and Access.
SECR	Streamlined Energy and Carbon Reporting.
SEMD	Security and Emergency Measures Direction.

Terms and Acronyms	Definition
SESRO	South-East Strategic Reservoir Option. A Strategic Resource Option ('SRO') that was awarded funding in the PR19 FD, to be 'construction ready' for the 2025-2030 period. New reservoir near Abingdon in Oxfordshire. Development to consider at least two sizes (including the currently proposed 150,000 MI), and interactions with other solutions, such as the River Severn to River Thames transfer. It is a joint solution with Affinity Water.
SHLAA	Strategic Housing Land Availability Assessment.
SHV	Smarter Home Visits.
SLA	Service Level Agreement.
SLAM	Sewage Level Alert Monitor is an application that takes real time data from sensors deployed on our waste network.
SLP	Building developers can now choose to use a Self-Lay Provider to install or 'self-lay' new water mains and/or service connections.  When self-lay providers apply to work on our network, they will be given an activity number which they will use when calling in to the NMC to log onto permits. We only recognise WIRS-accredited self-lay providers and don't operate any local accreditation arrangements.
SoSI	Security of Supply Index is a measure of the actual water available for supply in the reporting year compared to forecast demand in a dry year. Each company should achieve an index of 100 if they are providing a secure supply of water.
SPL	Supply Pipe Leakage: The water lost from the section of the account holder's water pipe that runs between the appointed water company stop tap (usually in the road) and the account holder's stop tap. It does not include leaks in internal plumbing.
SPP	Sludge Processing Plant is primarily focused on rendering raw sludge safe for recycling back to the environment, in compliance with all current regulations. This process stabilizes the sludge so that it reduces its fermentability, in doing so, harmful pathogens are destroyed. The principal methods employed are anaerobic digestion, lime stabilization or incineration.
SPS	Sewage Pumping Station: Usually an underground structure that the sewage (or surface water) is discharged into. The types vary but in smaller systems these comprise of a wet well, into which the sewage is discharged, and the wet well also houses submersible pumps which pump the sewage to its destination. In a larger station there may be a separate dry well, adjacent to the wet well, which houses the pumps.
SRO	Strategic Resource Options: Programmes overseen by RAPID across several water companies to optimise regional water resources solutions that could be started in 2025-2030.  Working in partnership with other water companies we're looking at five potential solutions – transfers within the south-east and into the south east, water recycling and a new reservoir in Oxfordshire.

Terms and Acronyms	Definition
SSF	Slow Sand Filtration: A highly effective method of producing good quality bacteriological, physical, and organic water. This only requires Chlorination prior to distribution.
SSP	Sector Specific Profile.
STC	Sludge Treatment Centres. Sewage sludge treatment describes the processes used to manage and dispose of sewage sludge produced during sewage treatment. Primary sludge includes settleable solids removed during primary sedimentation. Secondary sludge is produced following secondary treatment, which produces humus sludge or surplus activated sludge ('SAS').
STT	Severn Thames Transfer. A Strategic Resource Option ('SRO') that was awarded funding in the PR19 FD, to be 'construction ready' for the 2025-2023 period. It would be the transfer of water from the lower reaches of the River Severn to River Thames via a pipeline or restored canal route. It is a joint solution with Severn Trent Water and United Utilities.
STW	Sewage Treatment Works.
SUDS	A sequence of management practices and control measures designed to mimic natural drainage processes by allowing rainfall to infiltrate, and by attenuating and conveying surface water runoff slowly compared to conventional drainage.
SWA	Slough, Wycombe and Aylesbury water resource zone ('WRZ').
SWOX	Swindon and Oxfordshire water resource zone ('WRZ').
TCFD	Task Force on Climate-related Financial Disclosures.
TfL	Transport for London.
TIG	Tideway Integration Team
Thames Water Utilities Holdings Limited	This is the immediate parent company of Thames Water Utilities Limited. Thames Water Utilities Holdings Limited is the recipient of any dividends paid by Thames Water Utilities Limited.
The Company	Refers to Thames Water Utilities Limited.
Third-party Contributions	Grants and third-party contributions received in respect of infrastructure assets and any deferred income relating to grants and third-party contributions for non-infrastructure assets.
TMR	Total market return.
Totex	Total expenditure. The mechanism for planning and reporting capital (e.g., buying a new car) and operational (repairing an old car) spend. The object is to achieve the optimum combination to deliver the required business plan outcomes. It applies to both water and waste (i.e., our wholesale business) but not to retail.
TPS	Tideway Pumping Station: Sites where the shafts for the tunnel connect the various sections of pipework (e.g., Greenwich Pumping Station connects Greenwich with Chambers Wharf).

Terms and Acronyms	Definition
Trunk mains	Trunk water mains are described in the industry as the 'motorways' of the water network, carrying a significant amount of water at high pressure.
TTT	Thames Tideway Tunnel is a landmark construction project which will protect the River Thames from pollution. London's sewer system is regularly overwhelmed and spills millions of tonnes of sewage into the tidal section of the river every year. The tunnel will tackle the problem of overflows from the capital's Victorian sewers for at least the next 100 years and enable the UK to meet European environmental standards. The Company is responsible for planning, enabling and interface works for the project; the revenue and costs associated with this part of the project are shown in the TTT price control unit in the regulatory accounting tables.
TVHC	Thames Valley and Home Counties, our operational area outside of London.
UKWIR	UK Water Industry Research.
Unmeasured	These are properties where none of the charges for supplies are based on measured quantities of volumes. These include properties which receive an assessed charge because metering is not possible or economic.
UPS	Uninterrupted Power Supply generators provide instant power when the primary power source is interrupted.
WAAP	Wastewater Asset Assurance Programme.
WACC	Weighted Average Cost of Capital. For an appointed water company, this is the average of its cost of debt and cost of equity capital, weighted according to the balance of debt and equity that finances the company's assets. See also 'cost of capital'.
WASC	Water and Sewerage Company.
WCCSW	What Customers, Communities and Stakeholders Want. A summary of our customer, community, and stakeholder insights. The WCCSW document synthesises insight from a range of sources and breaks these down into key insights by segment and region (where possible). It provides a consistent and robust evidence base for our decision making and helps to shape key proposals in the PR24 business plan.
Wholesale	This term covers all water company activities that take place before water passes the customer's property boundary – resources management, abstraction, treatment, distribution (water and sewer networks), sewage collection, transportation, sewage treatment, sludge disposal and energy from waste.
WINEP	Water Industry National Environment Programme. A set of actions that the Environment Agency have requested all 20 water companies operating in England, to complete between 2020 and 2025, in order to contribute towards meeting their environmental obligations.

Terms and Acronyms	Definition
WISER	Water Industry Strategic Environmental Requirements. WISER is issued jointly by the Environment Agency and Natural England. It provides strategic steer to water companies on the environment, resilience and flood risk obligations and requirements. It sets the direction for what will be included in the WINEP. Water companies will need to submit evidence to demonstrate how they will meet each of the expectations set out in WISER over PR24. This evidence should be in the form of a WISER assurance report. The report must show how companies value nature in the decisions they take and how they will build their role as stewards of the environment both now and for future generations.
WOC	Water Only Company, serving customers whose sewerage services are provided by a separate company.
Working capital	The value of current assets which the company can call upon to settle current liabilities.
WRMP	Water Resources Management Plan, including WRMP19 and WRMP24 where the number refers to the year of first application.
WRS	Water Recycling Scheme: The solution aims to use treated wastewater to provide a reliable, sustainable supply of water to support the flow in the River Thames.
WRSE	Water Resources South-East.
WRZ	Water Resource Zones. 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. Our company is divided into six WRZs.
WSSRP	Water Supply System Resilience Programme.
WTW	Water Treatment Works.

