

GLOSSARY

Appointment	Under section 11 of the Water Act a company may be appointed: (a) by the Secretary of State ; or (b) with the consent of or in accordance with a general authorisation given by the Secretary of State , by the DGWS , to be the water or sewerage undertaker for any area of England and Wales. An appointment is made by the service of an instrument in writing describing the area and the conditions under which it is made.
Aquifer	Underground water-bearing layer of rock, gravel or other material.
Book of Numbers	A set of projected revenue, expenditure and cash flow data for each water undertaker used as the basic input for the Watermark model, as part of the K-setting process (see Appendix 2.2).
Borehole water	Water from aquifer sources.
CGE	Compagnie Générale des Eaux and, where appropriate, its subsidiaries.
Colne	The Colne Valley Water Company.
DGWS	Director General of Water Services, appointed by the Secretary of State under the Water Act 1989.
DoE	Department of the Environment.
Gigalitre	1.000 million litres (1.000 megalitres).
GU	General Utilities PLC, a wholly-owned subsidiary of CGE .
Iver Treatment Works	The works at Iver, Buckinghamshire, which extracts water from the River Thames for use by Colne, Lee and Rickmansworth .
K	The adjustment factor for the regulation of charges as set by DoE , and subsequently the DGWS . Water undertakers may increase charges by no more than RPI + K in any year. Can be negative, positive or zero.
Leakage	Water which leaks from supply pipes before it reaches the customer, sometimes known as unaccounted-for water. This also includes water used for fire-fighting and for cleaning parts of the distribution system.
Lee	Lee Valley Water Company.
Lyonnaise	The French water company Lyonnaise des Eaux SA and, where appropriate, its subsidiaries.
Megalitre	1 million litres (being equal to 1.000 cubic metres or 220.000 gallons).
NRA	National Rivers Authority, the environmental management agency established under the Water Act 1989 .
Rickmansworth	Rickmansworth Water Company.
RPI	Retail Price Index.
SAUR	SAUR Water Services PLC, a subsidiary of SAUR SA.

Secretary of State	The Water Act sets out certain duties for the Secretaries of State for the Environment and for Wales in relation to appointments of water and sewerage undertakers. All references to the Secretary of State apply to the Secretary of State for the Environment or the Secretary of State for Wales.
Service reservoir	A covered local reservoir provided to meet daily fluctuations in water demand, and to provide a water supply in case of a failure in the water supply system.
SWC	Statutory water company. There were 29 SWCs when we commenced our inquiry; during the course of the inquiry Sutton District and East Surrey converted to plc status.
The 1973 Act	Fair Trading Act 1973.
Three Valleys Committee	Three Valleys Water Committee, the committee which constructed and operates the Iwer Works.
WA	A water authority. Water authorities have now become WSPLCs .
WSPLC	Water Services PLC. A supplier of water and sewerage services.
Water Act	Water Act 1989.
Water enterprise	See section 29(2) of the Water Act (Appendix 1.2) which provides that an enterprise should be regarded as a water enterprise if it is carried on by a water or sewerage undertaker.
Watermark	A computer model used to establish projected revenue, cost and capital expenditure cash flows for each undertaker over the next 15 years for different values of K , using data from the Book of Numbers .
Water undertaker	A provider of water services on the basis of an 'appointment' administered by the DGWS , which acts as a licence, setting out the area and the conditions, including pricing, under which the undertaker is to operate. Both SWCs and WSPLCs are water undertakers: WSPLCs are also sewerage undertakers.

All references to the water industry are to the industry in England and Wales.