

Glossary

1973 Act	The Water Act 1973.
1989 Act	The Water Act 1989.
1991 Act	The Water Industry Act 1991.
1992 Act	The Competition and Service (Utilities) Act 1992.
Adjustment factor	See K .
AMP	Asset Management Plan. An assessment of the total investment required to maintain, improve and extend a company's assets over a period of at least 15 years, to ensure that the company is able to provide water supply and sewerage services properly, economically and efficiently.
Appointment	The instrument by which the Secretary of State or the Director (with a general authorization given by the Secretary of State) appoints a person under the or 1991 Act (formerly the 1989 Act) to be the water or sewerage undertaker for the area of supply described in that instrument.
Area of supply	The area in respect of which the water or sewerage undertaker holds an Appointment .
Assessor	A person appointed in accordance with Condition L, paragraph 4, of the Appointment .
BG	British Gas plc.
BoN	Book of Numbers. The data file representing the numeric projections underpinning the AMP (expressed in 1987/88 prices).
Brockhampton	Brockhampton Holdings plc. The holding company of Portsmouth .
CAPM	Capital Asset Pricing Model. The methodology for determining the cost of equity to a company, which calculates a market risk premium reflecting the sensitivity for equity returns of the company to the returns available from the equity market generally.
CCA	Current cost accounting.
Certifier	See Assessor .
Connection charge	The charge for making a connection between premises and a water main or public sewer for domestic purposes under sections 45 and 46 or 106 and 107 of the 1991 Act .
Cryptosporidium	Type of waterborne organism, resistant to disinfection, which may cause illness.
CSC	Customer Service Committee. A committee appointed by the Director under section 28 of the 1991 Act in respect of one or more water or sewerage undertakers and having the duties set out in section 29 of that Act in respect of the customers and potential

	customers of those undertakers.
Determination	In the context of the Periodic Review , the setting by the Director or the MMC of K or maximum infrastructure charges for a water or sewerage undertaker .
DGM	Dividend Growth Model.
Director	The Director General of Water Services.
Directorate	For the purposes of this report, the Water Directorate. It is part of the DoE and acts as policy adviser to the Secretary of State on all matters relating to the water environment.
Discharge consent	A consent granted by the NRA for the discharge of effluent or other matter to controlled waters, normally subject to conditions, under section 86 of the Water Resources Act 1991.
DoE	Department of the Environment.
Drinking Water Directive	Council Directive 80/778/EEC concerning the quality of water intended for human consumption.
DWI	Drinking Water Inspectorate. A body of persons appointed under section 86 of the 1991 Act to act as technical assessors in relation to the functions of the Secretary of State in respect of drinking water quality. It forms part of the DoE .
Green dowry	The £1.5 billion cash injection and £5.0 billion debt write-off which was given to the WaSCs in 1989 by the Secretary of State.
HCA	Historical cost accounting.
HMIP	Her Majesty's Inspectorate of Pollution. Inspectors appointed, for example, under section 16 of the Environmental Protection Act 1990 or section 4 of the Radioactive Substances Act 1993.
Infrastructure charge	The charge for the connection to a water supply or public sewer of premises which are to receive water or sewerage services for domestic purposes for the first time, provided for in section 146(2) of the 1991 Act .
Infrastructure renewals charge	A charge for capital maintenance to keep the networks of existing underground assets operating at a continuing level of serviceability, and therefore at the same level of value to the business.
Inset appointment	An Appointment appointing a water or sewerage undertaker in respect of an area previously forming part of the area of supply of another undertaker.
Interim determination	A redetermination of K under Part IV of Condition B of the Appointment , provided for in specified circumstances between Periodic Reviews .
K	The amount by which the weighted average charges for the supply of water or sewerage services are allowed to increase relative to the RPI , as determined by or under Condition B of the Appointment . K can be positive, zero or negative.

K1	The first five-year period of price regulation (1990/91 to 1994/95).
K2	The second five-year period of price regulation (1995/96 to 1999/2000).
K3	The third five-year period of price regulation (2000/01 to 2004/05).
MAFF	Ministry of Agriculture, Fisheries and Food.
NCC	National Consumer Council.
Notified item	An item notified to a water or sewerage undertaker by the Director under Condition B, paragraph 13, of the Appointment as not having been allowed for in making a determination of K .
NPV	Net present value.
NRA	National Rivers Authority. A body formed under the 1989 Act , whose functions concern, <i>inter alia</i> , water resources, water pollution and flood defence.
OFWAT	Office of Water Services. It is headed by the Director .
ONCC	OFWAT National Customer Council. A body consisting of the Director and the Chairmen of the CSCs .
PAH	Polycyclic or polynuclear aromatic hydrocarbons. Organic compounds leaching from bitumen linings of water mains which contaminate some drinking water supplies.
PE	Population equivalent.
Performance aims	The mechanism by which the Government controlled the operating expenditure of the former WAs before privatization.
Periodic Review	The review of K by the Director at five- or ten-yearly intervals, provided for by Condition B of the Appointment .
Portsmouth	Portsmouth Water plc.
Quadripartite discussions	Discussions involving the DoE , OFWAT , the NRA , and the WSA and WCA as part of the Periodic Review process. Their purpose was to establish mechanisms for identifying and clarifying legal requirements imposed on water and sewerage undertakers relating to drinking water quality and environmental protection which were to be taken into account in setting K .
Quality regulator	An authority such as the DWI or the NRA , having functions concerning water quality and the control of water abstraction and pollution. Other quality regulators include MAFF , local authority environmental health departments and local waste regulation authorities.
RAG	Regulatory Accounting Guideline.
RCC	Revenue consequences of capital.
Relevant Change of Circumstance	Term defined in Part IV of Condition B of the Appointment which, <i>inter alia</i> , provides for an application for an interim determination .

Requisitioning charge	The charge for the provision of a water main or public sewer under sections 41 or 98 of the 1991 Act .
RPI	Retail price index.
The Scheme	Portsmouth Water Retirement Benefits Scheme.
SBP	Strategic Business Plan. The forward business plan setting out each company's investment requirements and financing arrangements, which the Director required each water or sewerage undertaker to prepare as part of the Periodic Review process. It covered in general the period 1995 to 2015, and in detail from 1995 to 2005.
Sewerage undertaker	A company appointed under the 1989 or 1991 Act to provide sewerage services in England and Wales.
SWC	Statutory water company. A company incorporated under an Act of Parliament relating specifically to that company.
Trade effluent	Waste discharged into the sewerage system, arising wholly or in part from the course of a trade or industry.
UNISON	Public sector trade union, which represents groups of employees in some water and sewerage undertakers in England and Wales.
WA	Water authority. Ten WAs were set up under the 1973 Act ; their functions included the provision of water and sewerage services, sewage treatment and disposal, pollution control and land drainage.
WACC	Weighted average cost of capital.
WaSC	Water and sewerage company. A company which is both a water undertaker and a sewerage undertaker .
Watermark	The OFWAT modelling software used by the companies in submitting financial details of their SBPs .
Water Quality Regulations	Regulations made under the 1991 Act which implement in the law of England and Wales the requirements of the EC Drinking Water Directive .
Water supply area	See Area of supply .
Water undertaker	A company appointed under the 1989 or 1991 Act to provide water services in England and Wales.
WCA	Water Companies Association. The body which represents 20 of the 21 WoCs .
WoC	A company appointed to provide water services but not sewerage services.
WSA	Water Services Association. The body which represents the ten WaSCs .