



## Compliance Risk Index (CRI)

**Purpose:** The performance commitment incentivises the company to fully comply with statutory obligations and to mitigate any issues affecting performance.

**Benefits:** This performance commitment incentivises the company to limit and resolve water quality failures effectively, which promotes customer confidence that water is clean and safe to drink.

### Version control

Version	Date of issue	Performance commitment changes
0.1	22 December 2022	Published at final methodology, changes to definition from draft methodology identified in red text.
0.2	09 May 2023	Removal of red text.
1.0		
2.0		

# Performance commitment definition and parameters

## 1.1 Detailed definition of performance measure

The definition for this performance commitment is set in line with the Drinking Water Inspectorate (DWI) [Compliance Risk Index \(CRI\)](#) of August 2018, as published on our website.<sup>1</sup> It 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).

## 1.2 Additional detail on measurement units

A CRI score is calculated for every individual compliance failure at water supply zones, supply points and treatment works, and service reservoirs. The annual CRI for the company, for any given calendar year, is the sum of the individual CRI scores for every compliance failure reported during the year (see the DWI Compliance Risk Index for further detail on the full calculations).

## 1.3 Specific exclusions

As defined in the DWI Compliance Risk Index (CRI), described above.

## 1.4 Reporting and assurance

The company shall ensure that its outcome delivery incentive payments only relate to real performance changes and not definitional, methodological or data changes in performance commitments.

**Table 1 Definition parameters**

Parameters	
<b>Measurement unit and decimal places</b>	Numerical CRI score, reported to two decimal places.
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue

<sup>1</sup> Note - we expect to use the version which is in effect at the date of our PR24 final determinations, subject to the outcome of the PR24 determinations process.

PR24 Common performance commitments

<b>Parameters</b>	
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual, on a calendar year basis. For example, performance assessment for 2025–26 will be based on the calendar year 2025, whereas 2029–30 assessment will be based on the calendar year 2029.
<b>Any other relevant information</b>	N/A
<b>Links to relevant external documents</b>	N/A