



## Serious pollution incidents

**Purpose:** This performance commitment is designed to incentivise the company to reduce the number of serious pollution incidents that impact the environment.

**Benefits:** Delivery of this performance commitment will improve the quality of the environment by reducing the number of serious pollution incidents that occur.

### 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

For a company operating mainly in England, serious pollution incidents is defined in the serious pollution incidents metric set out in the reporting guidance from the Environment Agency's water and sewerage company [Environmental Performance Assessment \(EPA\) methodology version 9](#) May 2021 as published on our website.<sup>1</sup>

For a company operating mainly in Wales, serious pollution incidents is defined in the serious pollution incidents metric set out in the reporting guidance from Natural Resources Wales's water and sewerage company [Environmental Performance Assessment \(EPA\) methodology version 8](#) October 2022 as published on our website.<sup>2</sup>

Serious pollution incidents is reported as the total number of serious pollution incidents (categories 1 and 2) in a calendar year emanating from a discharge or escape of a contaminant from a water company sewerage asset or water supply asset affecting the water environment. This measure is relevant to both water only companies and water and sewerage companies.

## 1.2 Additional detail on measurement units

As defined in the relevant EPA methodology metric, described above.

## 1.3 Specific exclusions

As defined in the relevant EPA methodology metric, described above.

## 1.4 Reporting and assurance

As defined in the relevant EPA methodology metric, described above.

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<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.

<sup>2</sup> See footnote 1, above.

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**

<b>Parameters</b>	
<b>Measurement unit and decimal places</b>	Number of serious pollution incidents. This measure is not normalised.
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	TBD
<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, and 2029-30 assessment will be based on the calendar year 2029.
<b>Any other relevant information</b>	It is important that the company is doing everything it can to capture an accurate picture of its pollution incidents and use this to help drive improvements. We will continue to scrutinise company data and reported performance to ensure this is the case. With this in mind, we will keep the pollution incidents performance commitments under review to ensure they remain robust.
<b>Links to relevant external documents<sup>3</sup></b>	<a href="#">Incidents and their classification: the Common Incident Classification Scheme (CICS)</a> , Ref: 04_01, Issued 23/9/2016 by the Environment Agency Natural Resources Wales – <a href="#">Incident categorisation</a> , October 2017 Natural Resources Wales – <a href="#">Briefing Note</a> , October 2017

<sup>3</sup> See footnote 1, above.