

PRESS RELEASE

WATER: First analysis of the Technical Quality of water service in Italy published. 26 companies on the podium, with differences between north and south.

The 6-parameter survey on the years 2018 and 2019, with data collected from 203 operators, covering 84% of the population.

Milan, 29 April 2022 - For the first time in Italy, water service has been measured and evaluated, assigning rewards and penalties to operators for the results achieved and consolidated in 2018 and 2019. The ranking was published by ARERA in Resolution 183/2022/R/idr, which concludes the first two-year period of application of the incentive mechanism.

Water leakage, service interruptions, quality of water delivered, adequacy of the sewer system, quality of purified water and sludge disposal are the **6 macro-indicators** based on which each of the water service operators was analysed and ranked (for the first two-year period, the issue of service interruptions was excluded from the incentive mechanism).

The complex system of data analysis - launched in 2018 by ARERA with the resolution on the *Regulation of the Technical Quality of the Integrated Water Service (RQTI)* - made it possible to codify the results achieved in recent years by **203 operators**, which together cover **84 percent of the national population**.

By analysing the data received up to 17 July 2020, the Authority was able to award a premium to those who achieved, maintained and improved on their targets and a penalty to others.

The amount of resources dedicated to rewards is determined on a yearly basis from the amount collected in bills of the **UI2** component (equalisation component aimed at promoting the quality of water, the sewer system and purification services), which **totals about Euro 63.2 million for 2018 and Euro 72.16 million for 2019. The corresponding penalties were Euro 3.9 million for 2018 and Euro 5.9 million for 2019.**

The data analysis mechanism of operators is based on *stages of assessment*, which operators access according to their specific *class* for each *macro-indicator*, broken down into the following levels: BASIC, which envisages the assignment of rewards and penalties based on the achievement or non-achievement of objectives by each operator; ADVANCED, which envisages the definition of rankings highlighting the operators that have achieved the best performance and the most extensive improvements for each macro indicator; EXCELLENT, which highlights the best operators, assessed overall and in *all phases of the service*.

Publication of Technical Quality data, in addition to aligning our country with the highest standards set by European water directives, is a boost to investment (highlighting and rewarding the effective implementation of declared projects) and compares performance among different operators, aiming to reduce the *water service divide* that characterises the south and islands compared to the centre-north.

RESULTS

The rankings drawn up by ARERA include multiple categories and the survey of two years of assessment.

Rewards for the ADVANCED and EXCELLENT levels are disbursed in relation to the size of the operators (based on number of users and size of infrastructure), while for the BASIC level, they are calculated by dividing the dedicated prize money among those who have achieved the pre-established goals.

The **top 66 positions** (top 3 ranked - for each indicator and overall - in the years 2018 and 2019, for the ADVANCED and EXCELLENT assessment levels) are held by a total of **26 managers**.

The awards are concentrated in the North (21 in the Northwest and 24 in the Northeast), followed by the Centre (with 18). Only 3 spots on the podium are occupied by operators in the South and Islands, confirming the *water divide* to be offset, including through incentive mechanisms.

[Full details are available in the resolution and in the relative attachments](#)