

PRESS RELEASE

Energy: electricity, realignment of charges with fixed prices (-0.08%), gas +2,3%

Milan, 27 December 2018 – After the suspension of the **electricity charges** applied by ARERA (The Italian Regulatory Authority for Energy, Networks and Environment) in the second half of 2018, their **full reactivation allows them to be brought back into equilibrium for 2019, without any increase** in **electricity expenditure** for the next quarter, which sees a reduction of -0.08% for the typical¹ family served under the standard offer regime.

The widest use in the last 2 quarters of 2018 of the instruments available to the Authority has allowed **consumers to be protected, limiting the volatility of the bill expense**.

From 1 January there will be a growth of + 2.3% in gas, due to the trend in prices on wholesale markets and to the increase in general gas charges.

In detail, as regards **electricity** in the first quarter of 2019, the update is essentially determined by a **sharp decline in the component covering the costs for the supply** of raw materials (-5.32% on the expenditure of the typical family), counterbalanced by the reactivation of general charges (+ 5% on the same expense). An **update of the charges** with which, during 2019, they are fully adjusted to recover what was suspended in the last 2 quarters of 2018. **This adjustment allows the next possible updates of the charges to be made as part of the normal adjustments related to the possible changes in needs or demand**. To also take into account the updated infra period of the remuneration of capital invested for infrastructure services (update of WACC parameters), already approved by ARERA at the beginning of December, then a slight adjustment for transmission, distribution and metering tariffs (+0.24 %).

The decrease in the raw material component for electricity is determined by several factors, including: the fall in international energy commodity prices after the strong growth recorded in the summer months, the consequent reduction in the price of natural gas - reinforced by the greater availability of liquefied gas supply in Europe - and the stopping of the upward trend in the prices of CO2 emissions permits, which, however, continue to have a marked volatility, also due to the excess of supply that the market has not yet reabsorbed.

For natural gas, the increase in expense for raw materials (+ 0.9% on the expenditure of the typical family), linked to the expected wholesale market prices over the next quarter, is **accompanied by an increase in general charges** (+ 1%) and a slight adjustment of the transport distribution and metering tariffs (+ 0.4%), which also takes into account the updating of the return on invested capital for infrastructural services (update of the WACC parameters), already approved by ARERA at the beginning of December.

¹ The typical family has an average electricity consumption of 2,700 kWh per year and a committed power of 3 kW; for gas, consumption is 1,400 cubic meters per year.

For electricity, the expenditure (before taxes) for the typical family in the rolling year ² (between April 1, 2018 and March 31, 2019) will be 560.2 Euro, with a variation of + 4.7% compared to the equivalent 12 months of the previous year (1 April 2017 - 31 March 2018), corresponding to an increase of about 25 Euro/year. In the same period, the typical family expenditure for the gas bill will be approximately € 1,150, with a variation of + 10% compared to the equivalent 12 months of the previous year (1 April 2017 - 31 March 2018), corresponding to around € 105/year.

To find the offers of the free market best suited to their needs, the *Portale Offerte* is available to consumers (www.ilportaleofferte.it). The *Portale Offerte* is the public and independent ARERA website, managed by Acquirente Unico (Single Buyer), which since last July allows families and small businesses to compare and choose electricity and gas offers simply and clearly.

² The rolling year refers to the year composed of the quarter under review and the three previous quarters, also considering the consumption associated with each quarter.