

## **Energy: from July gas bills still declining, -6.9%, slight increase for electricity, +1.9%**

Milan, 25 June 2019 - After the strong declines in the last quarter, a trend generally in favour of **energy bills for customers of the *standard offer market*** is also confirmed for the next three months.

In fact, **from 1st July**, there is a **decisive drop for gas bills (-6.9%)** and a **slight increase for electricity bills (+1.9%)** for the *typical family*<sup>1</sup> that only partially offsets the decline of the previous three months (-8.5%), a result that is in any case favourable **in view of the beginning of the summer season, characterised by increased use of cooling systems.**

The **updates are mainly linked to the trends expected over the next three months for the prices of raw materials in the wholesale energy markets**, both domestic and international.

For electricity it is significant that the slight final increase is the result of an **increase in the costs for the purchase of electricity, attenuated by a slight downward adjustment of general costs** that, after the recovery actions of 2018 to protect consumers that concluded with the previous update, are now returning to follow "ordinary" paths of adjustment.

**Regarding electricity**, in fact, the update - valid from 1st July - is determined by an **increase in the component to cover expenditure for the raw material (+2.65%)**, partially **reduced by an adjustment of the general costs (-0.75%)**.

The increase of the raw material component is mainly **linked to the standard seasonal trend of the markets, partially offset by energy commodity prices**, in particular by the low prices of natural gas (still aligned between the Asian market and the European one). To this we add the prices of **CO2 emission permits that remain stable at high levels**. The condition of a substantial recovery in the year-on-year **balance of the revenue from general costs**, against some downward revisions of the forecasts of costs to be covered, has therefore allowed a slight reduction.

**For natural gas** the trend is essentially completely determined by the reduction in **expenditure for the raw material (-6.9% on the expenditure of the typical family)**, linked to the seasonal prices expected in the wholesale markets in the next quarter.

As regards a measurement of the effects on families (before tax) **for electricity the typical family's expenditure** in the rolling year<sup>2</sup> (between 1 October 2018 and 30 September 2019) will be **566 euros**. In the same period **the typical family's expenditure on the gas bill** will be approximately **1,150 Euro**.

"The variations of this quarter show the customary attention to market and energy commodity trends" - **says the President of the Authority Stefano Besseghini** - "but, in the light of the actions put in place in the two previous quarters, they also allow the trend of general costs to be contained, in a general framework of stability"

All the details of the update are available in the **[Technical Sheet on the website www.arera.it](http://www.arera.it)**.

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<sup>1</sup> 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.

<sup>2</sup> 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.