

PRESS RELEASE

**GdF-ARERA: joint inspections resumed,
in 2019 disputed irregularities amounted to 33 million euro**

focus on safety of gas supplies and monitoring of bill items

Milan, 6 August 2020 - Monitoring and inspection activities at the regulated companies' premises were resumed by Arera, in collaboration with the *Guardia di Finanza*, in accordance with the Memorandum of Understanding between the two institutions. Inspections to verify the correct implementation of the Authority's regulations were suspended at the end of February, at the same time as the initial outbreaks of COVID-19 and in connection with subsequent Government decrees relating to the health emergency.

In recent months, however, the Authority's monitoring, conducted in collaboration with the *Guardia di Finanza*, of the sectors falling within its area of competence has continued, through document-based analyses that do not require staff to travel and can use databases that can be consulted remotely: for example, monitoring has been conducted to ascertain the correctness of discounts on energy-intensive customers' bills; to investigate electricity and gas suppliers and verify electricity distributors' emergency plans. The *Guardia di Finanza* also conducted its usual telephone checks on gas emergency response.

Site inspections at companies' premises will start again in full compliance with the procedures for protecting the health of all involved. They will focus on two specific areas: the safety of gas supplies and the monitoring of bills or some of their items. These are areas which, according to the results of the 2019 campaign, have revealed the persistence of critical situations and are therefore worthy of attention.

The total of the sums disputed/recovered as a result of all monitoring actions in 2019 reached approximately 33 million euros, compared to 3.2 million euros of penalties imposed in the same year as a result of inspections.

In detail, in terms of compliance with safety rules in the gas sector, 2019 highlighted the highest number of critical cases ever recorded in a year, issues largely also confirmed for 2020 by the outcome of telephone checks on emergency services, which will now be followed up with planned inspections. There were also negative findings on the quality of the electricity service from the inspections carried out in 2019. On the other hand, as regards the monitoring of certain items that have an impact on bills, the inspection campaigns on compliance with obligations regarding reporting to the Integrated Information System, settlement and water tariff control will be completed. Cases of non-compliance were also detected in these areas in 2019.

In particular, in the water sector, inspections carried out in 2019 showed, as in previous years, that there were ineligible costs in the tariff arrangements and differences between the tariffs applied and the tariffs set by the Authority, although it is significant that the amounts disputed were down (about 5 million euros in ineligible costs and 11.5 million euros in tariff deviations, compared to a previous annual average of about 30 million euros and about 15 million euros, respectively). The overall estimate of the amounts disputed against companies in the sector over the course of 6 years of inspections carried out jointly with the *Guardia di Finanza* comes to approximately 170 million euros.

Following a campaign of documentary checks in 2019, followed by site inspections involving 9 companies of different sizes, several of them were asked to take further action to ensure full compliance with the rules on the separation of physical space for sales activities, trademarks, databases and personnel between activities in the free and standard offer energy markets. These interventions are important for the proper functioning of the market in view of the reopening of offices and operations post-lockdown.