

PRESS RELEASE

GdF-ARERA: 14 million euros recovered following joint inspections in 2020, 9 million euros in fines.

Despite the Covid emergency, work is continuing to protect consumers. In 2021, there will be a focus on energy inspections, in view of standard offer service coming to an end.

Milan, 21 April 2021 - Although the Covid-19 emergency meant that inspection activities could not be carried out normally in 2020, **ARERA nevertheless continued its on-site inspections, with the support of the Guardia di Finanza**. Inspections were only suspended during the first lockdown and then started up again, completing the campaigns launched before the pandemic with the aim of providing protection in sensitive areas, such as gas safety.

In 2020, this initiative led to approximately **14 million euros in disputed/recovered amounts and over 9 million euros in fines**.

The most significant figures refer to the **recovery of adjustments in favour of end customers due to incorrect invoicing**. Priority was also given to checking documentation, making it possible to extend checks to a vast range of regulated parties, by expanding the action tools used to ensure regulatory compliance.

While still taking into account the ongoing health emergency, it is confirmed that inspection activities shall continue in 2021, albeit with a flexible planning of inspections, depending on how the epidemiological situation evolves. On-site gas safety inspections will continue to be guaranteed, given the fact that these are essential services for users, and checks into documentation will be further strengthened.

In particular, **inspections in 2021 will focus on accounting unbundling and on a sample of sales companies**, with the aim of **strengthening truly efficient and competitive conditions** in the sector, **given the gradual removal of standard offer service**.

More specifically, a number of **critical gas safety situations** were confirmed **in 2020**: there was an increase in cases of lack of 'odorisation' of gas networks and there were also more cases of inadequate gas emergency response services. Violations of the rules on incentives for safety recoveries were also found in the three companies inspected, leading to a **reduction in bonuses equal to approximately 750 thousand euros**. With regard to balancing management for the gas network, the inspections carried out made it possible to trace the causes of the differences between the gas released into the network and the gas withdrawn from Italian city gates, providing useful information for the ongoing review of the relative regulation.

With regard to the water sector, significant irregularities were found in the tariffs applied by small operators, with average recoveries in bills equal to around € 80/user, compared with

an average of € 27/user in previous years. Starting from 2014, the total of tariffs found to be incorrect, following inspections and subject to fines, amounts to approximately 77 million euros. Starting from 2014, **the total of recoveries, relating to incorrect costs being used** by medium or large operators to calculate tariffs, amounts to approximately 170 million euros, with average recoveries in bills equal to € 22/user, for around 40% of controlled users out of those affected by tariff approvals.

Checks into documentation included, inter alia, **whether correct discounts had been applied to bills for around 800 energy-intensive companies**, while a **survey into all 900 companies selling** electricity and gas to end customers, registered in the Authority's official registry, made it possible to collect information that will be useful for defining forthcoming enforcement actions. Analysis also continued into the emergency plans of electricity distribution companies, which were obtained over the course of previous inspections.

To further support companies, the Authority has also completed many dissemination and information initiatives, involving online seminars and focus groups, aimed at illustrating *ex ante* how new measures will be applied, thereby helping to ensure that they are correctly implemented.

As regards the **2021 programme, new checks into documentation** - approved providing for the involvement of the *Guardia di Finanza* on the basis of the current Memorandum of Understanding - will include **those initiated as part of the investigation aimed at recognising costs incurred by Sogin** (*the Italian State owned company responsible for the decommissioning of Italian nuclear plants and the management of radioactive waste*) **up until 31 December 2020 for the National Deposit and Technological Park (DN-PT)**; up until now, these costs concern the expenses to define and publish the National Charter of Potentially Eligible Areas (*CNAPI*) and for the preliminary design of the structures.

A new multi-year programme of documentation checks will also be launched, possibly followed by inspections, involving gas and electricity distribution/transport companies regarding **accounting unbundling and the investments declared by the companies**. In addition, checks will also continue into **electricity system subsidies** in favour of energy-intensive companies.