PRESS RELEASE

Energy: bills to drop from 1st of April. Electricity - 8,5%, Gas -9.9%

Milan, 26 March 2019 - After the peaks reached in 2018, **the energy bills for** *protected* **customers will be reduced**. As already partly recorded in the first three months of 2019, in the second quarter of the year there will be a drop in the **electricity** (-8.5%) and gas (-9.9%) bills for the *typical family*¹.

The drops are mainly linked to the reduction in the prices of raw materials in the wholesale energy markets, both domestic and international.

Regarding electricity the update - starting from 1st April - is guided by a sharp drop in the component to cover the costs for the supply of electricity (-12.22%), partially reduced by an adjustment of the general costs (3.72%).

The reduction in the raw material component is mainly determined by the decline in international energy commodity prices, with a reduction in the price of natural gas also driven by the downward alignment in prices between the Asian market and the European market. Added to this is the fact that after the significant growth last year, the price of CO2 emission permits now seems to be settled. With reference to the general charges, in any case in a stabilised context, the Authority intervened in order to take account of the updated revenue requirements of the system, always with the aim of ensuring the rebalancing of the effects of the previous manoeuvre, which in 2018 had ensured strengthened protection for domestic customers compared to non-domestic.

For natural gas the trend is determined by the reduction in **expenditure** on the **raw material** (- 10.5% on the expenditure of the typical family), linked to seasonal pricing expected in the wholesale markets in the next quarter, slightly offset by small adjustments of the general costs (0.41%), and other components related to the transport and management of the meter (0.15%).

As regards a measurement of the effects on families (before tax), for electricity the typical family's expenditure in the rolling year² (between 1 July 2018 and 30 June 2019) will be 565 euros. In the same period the typical family's expenditure on the gas bill will be approximately 1,157 Euro.

"A reduction in the bill is always welcomed, naturally, but we must monitor the causes and dynamics with the same attention that would have been reserved otherwise" - says the President of the Authority, **Stefano Besseghini** - "The first quarter gave us a winter that wasn't too harsh and aligned gas purchasing conditions between Europe and Asian countries which have contributed to a containment of wholesale prices. The Authority's action in this context focuses on the monitoring of the system to allow the maximum possible transfer of benefits to the end customer."

All the details of the update are available in the attached Technical Sheet (Italian version).

To find the energy offers best suited to your 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 allows families and small businesses to compare and choose electricity and gas offers simply and clearly.

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.

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.