

PRESS RELEASE

Energy: electricity at +2.6% and gas at +3.9% Seasonality and international tensions behind the increase. Annual expenditure for families remains substantially the same (+1% compared with 2018)

Milan, 24 September 2019 - Seasonal trends, less gas being produced in the Netherlands and a number of restrictions on accessing European transit pipelines are among the reasons why the price of gas has increased, still a predominant factor also for the production of electricity. Electricity production has also been affected by fears that French production may drop in the coming months, due to problems in certain nuclear power stations.

In addition to this, there have recently been geopolitical tensions linked to attacks on oil rigs in Saudi Arabia, which have influenced the prices of the main energy commodities.

Seasonal market trends and critical international issues are therefore the main reasons behind the increase in **energy bills for customers in standard offer service** in the fourth quarter of 2019.

From 1 October, these conditions¹ will lead to a +2.6% increase in the typical family's electricity bill and a +3.9 increase in their gas bill.

With regard to **electricity**, the final increase is the result of **higher costs to purchase electricity, mitigated by a reduction in general charges**. More specifically, this update - valid from 1 October - is the result of an increase in the component to cover energy expenditure (+3.2%), partially reduced by a decline in the component for general expenses (-0.6%). In fact, the renewed balance in proceeds from expenses has allowed for them to be reduced.

With regard to natural gas, essentially, the trend is fully due to the **increase in expenditure for the raw material** (+3.8% on the typical family's expenditure), linked to expected seasonal prices in the wholesale markets for the next quarter, and to a slight adjustment of transport costs (+0.1%).

With regard to measuring the relative **effects on families** (gross of taxes), electricity expenditure for the typical family will be **Euro 559** for the rolling year² (from 1 January 2019 to 31 December 2019). During the same period, **the typical family's expenditure for gas bills** will be approximately **Euro 1,107**.

In 2019, the expenditure of a typical family under "standard offer service" will therefore be substantially in line with 2018, recording only an adjustment of around +1% (+1.35% for electricity, +1% for gas).

"The tariff changes in the last quarter present us with a 2019 in which energy costs have substantially remained stable in the medium term - stated **Arera's President, Stefano Besseghini** - considering also the actions taken with regard to expenses that characterised the first part of the year. On the whole, this is therefore a positive scenario which, however, once again confirms the importance of systematic work to review general charges in order to reap all the possible benefits for consumers and companies"

All details of the update are available in the [Technical Data Sheet](#).

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

² The term "rolling year" refers to the year composed of the quarter covered by the update and the three previous quarters, also considering the consumption associated with each quarter.