

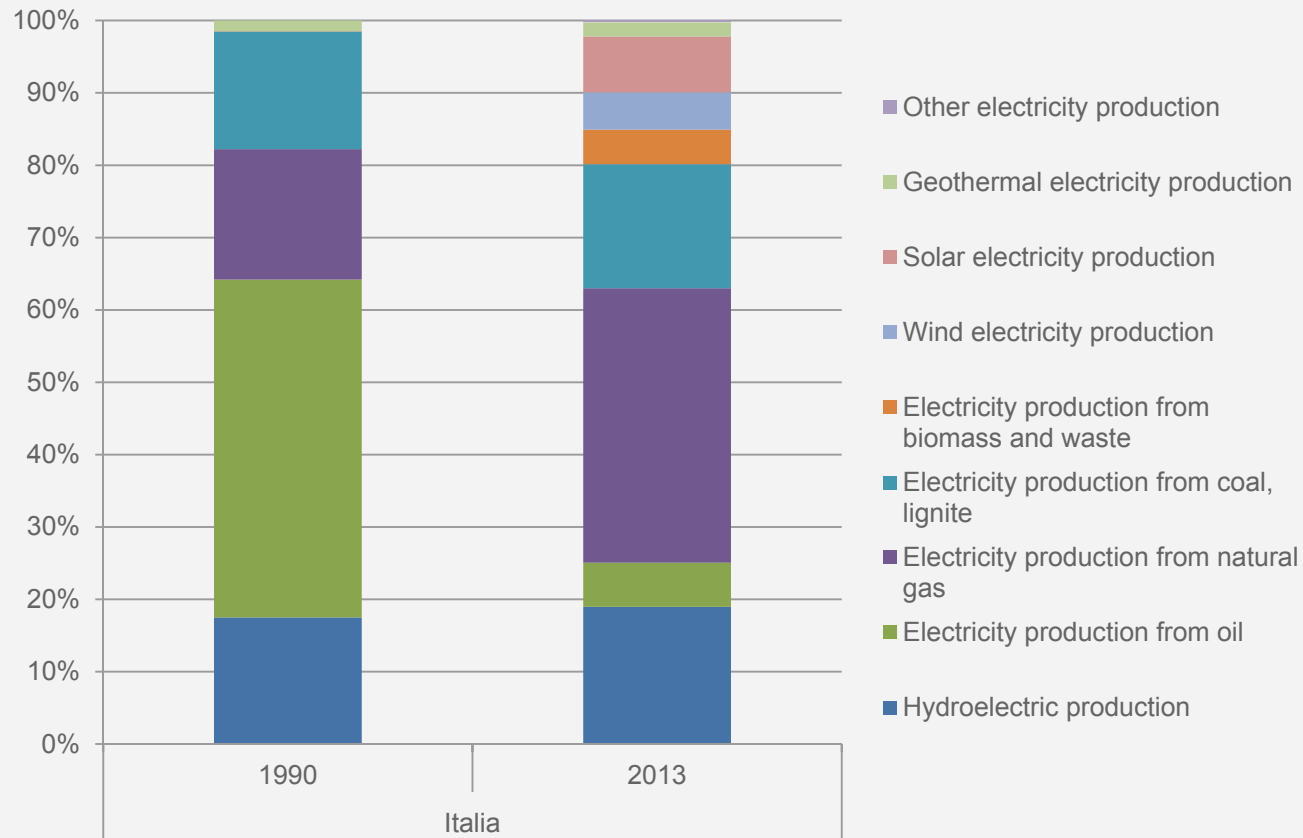
## Meeting with Financial Analysts

*Prof. Valeria Termini,  
Aeegsi Commissioner, Ceer Vice President*

London, March 6<sup>th</sup> 2015



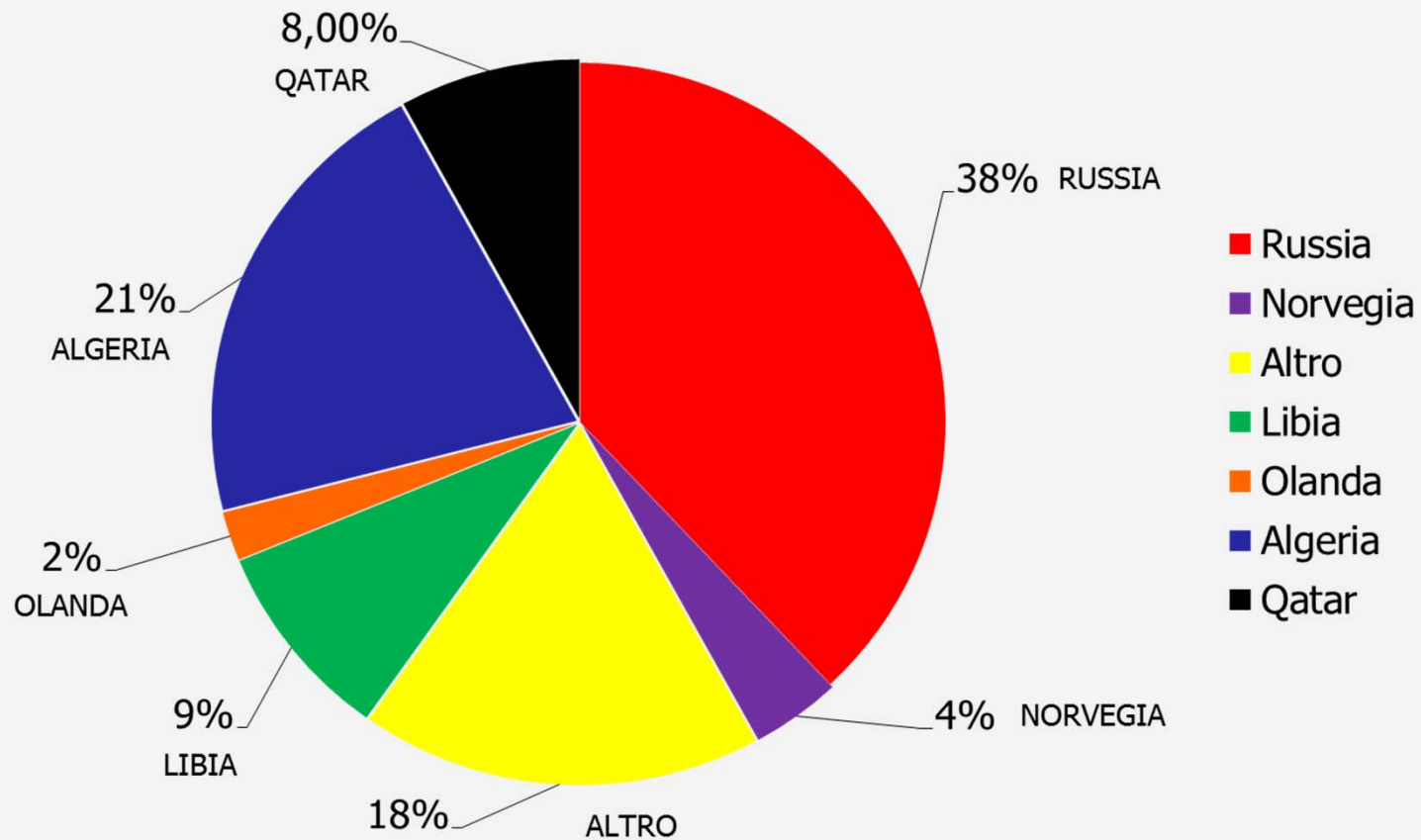
## Shares in electricity production



Source: Enerdata 2013



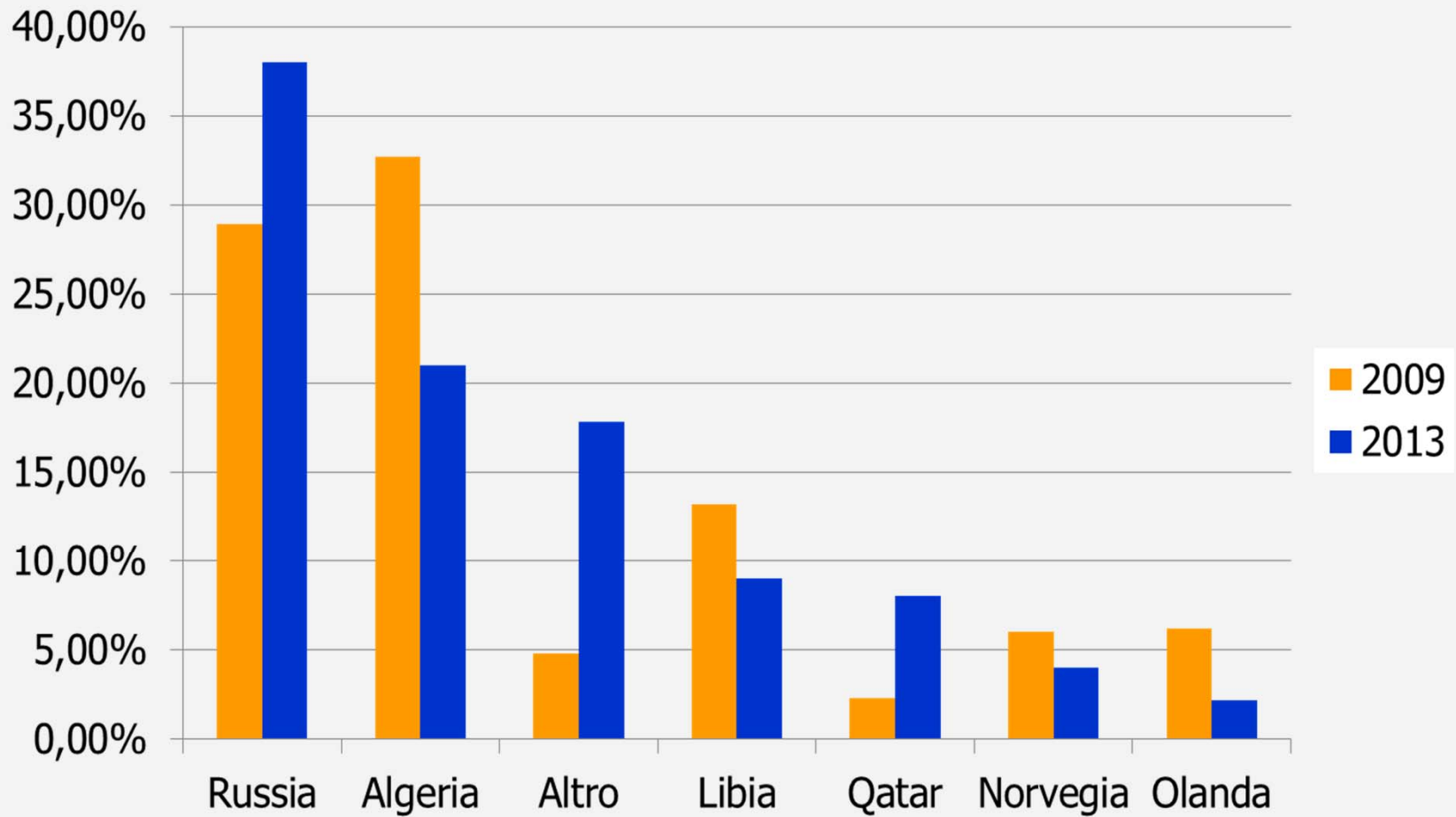
## Gas imports by country of origin - 2014



Source: Ministero dello Sviluppo Economico



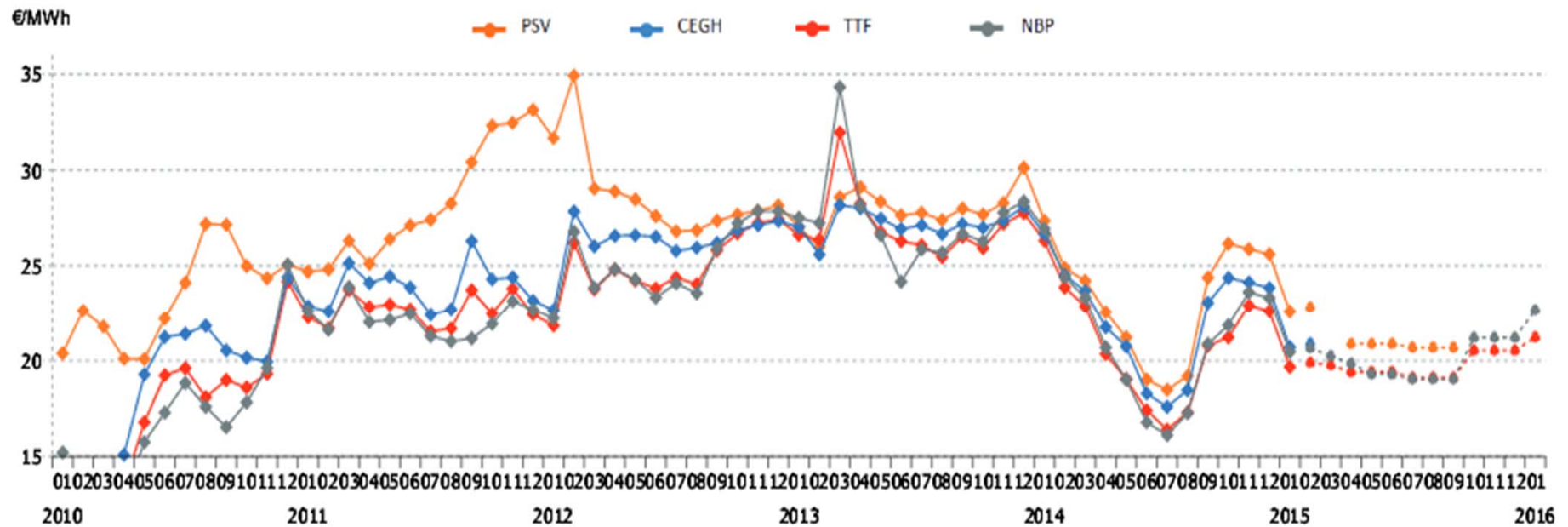
## Gas imports : 2009 – 2013 by country



Source: Ministero dello Sviluppo Economico



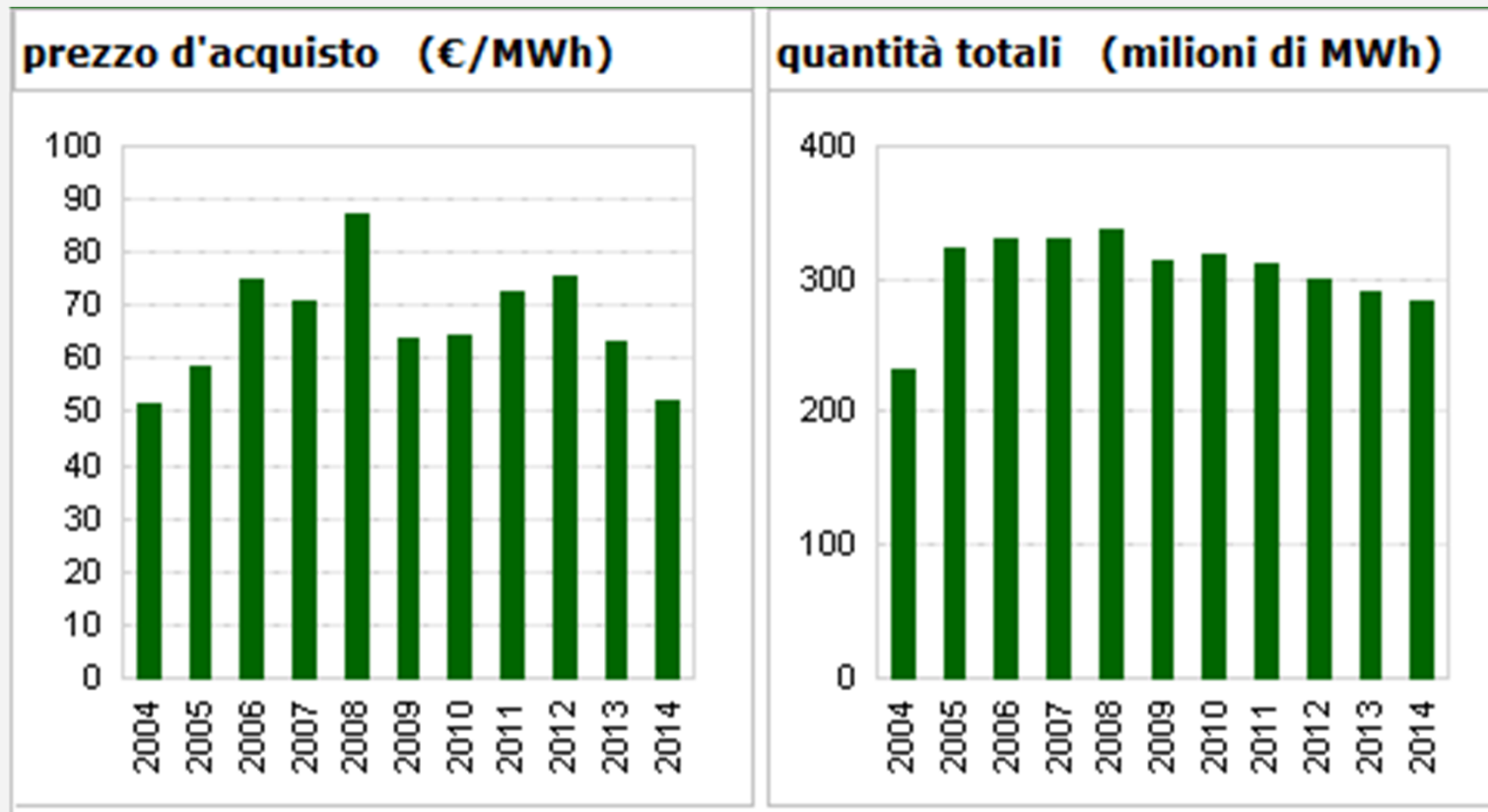
## Prices on major European gas hubs



Fonte: Thomson-Reuters



## Evolution of Italian PUN



Source: GME – last update 31/12/2014



**Consultation paper (5/2015/R/EEL – 15<sup>th</sup>  
January 2015) on guidelines for:**

**TARIFF AND QUALITY REGULATION  
OF ELECTRICITY TRANSMISSION,  
DISTRIBUTION AND METERING**

**FOR THE FIFTH REGULATORY PERIOD**



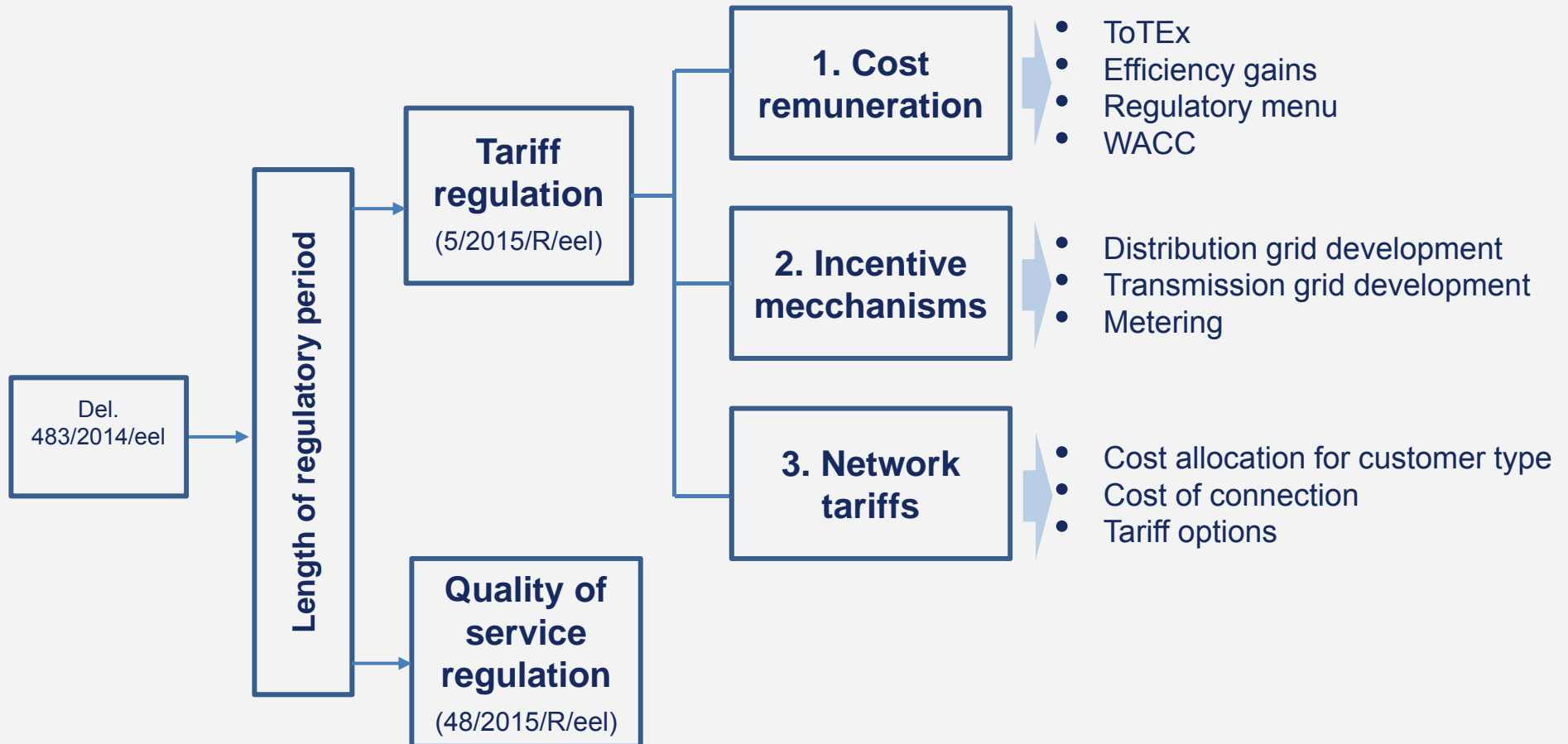
## Topics

- Objectives
- Duration of the regulatory period
- Allowed cost calculation
- Infrastructure development
- Tariffs
- Allowed revenues
- Next steps of the process





## Outline of Regulatory proposals for electricity infrastructure



## Current WACC parameters for electricity (2014-2015)

	Description	TRANSMISSION	DISTRIBUTION	METERING
Rf	Risk free rate	4,41%	4,41%	4,41%
B levered	Sistematic risk of the activity	0,575	0,610	0,610
ERP	Market premium	4,00%	4,00%	4,00%
DRP	Debt Risk Premium	0,45%	0,45%	0,45%
Kd (nominal)	Debt rate	4,86%	4,86%	4,86%
D/E	Debt/equity ratio	0,8	0,8	0,8
T	Tax rate (%)	35,70%	35,70%	35,70%
Tc	Tax shield (%)	27,50%	27,50%	27,50%
RPI	Expected inflation rate	1,80%	1,80%	1,80%
WACC	Weighted average cost of capital	6,3%	6,4%	6,4%

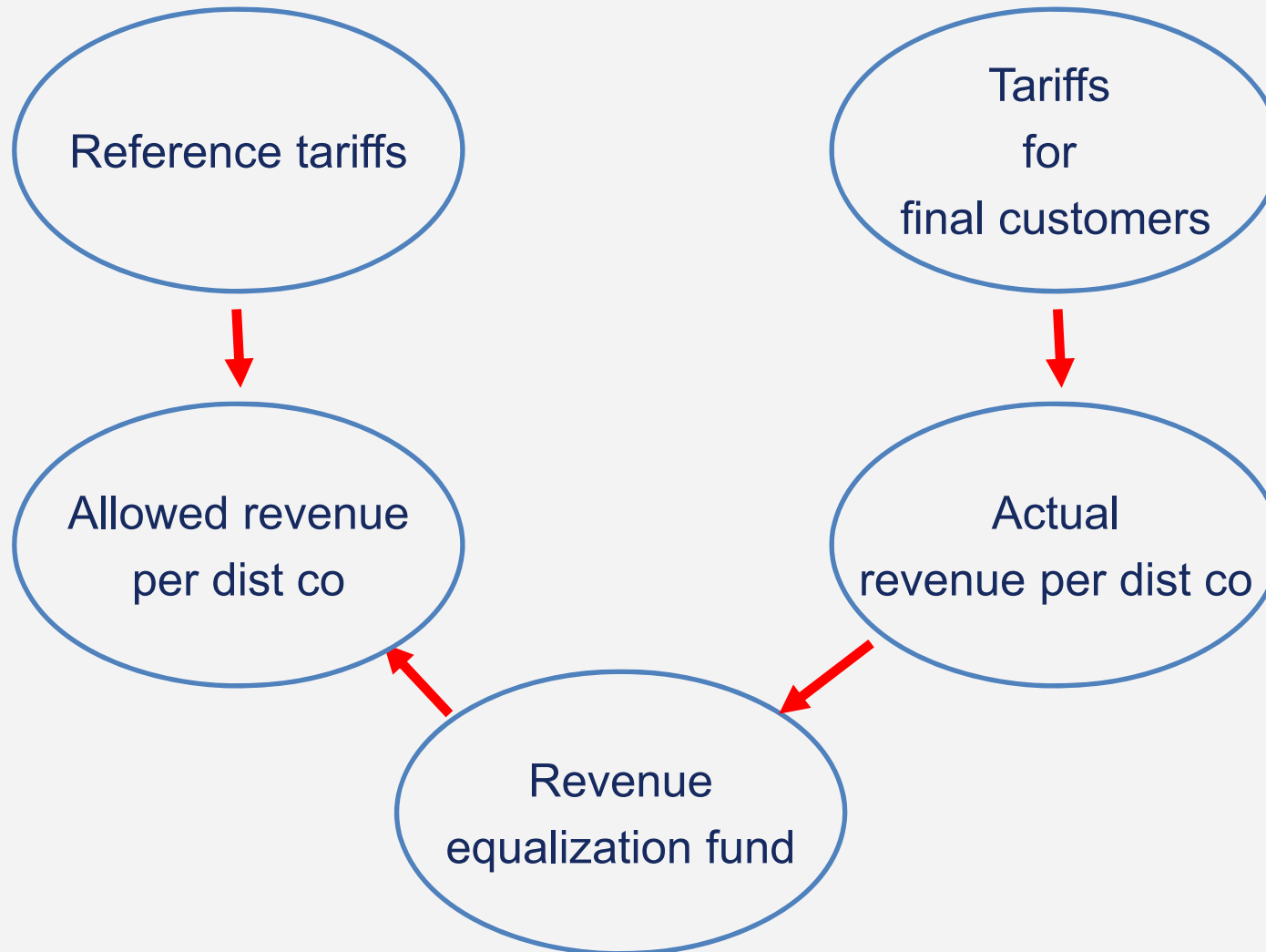
## WACC parameters for gas sector

	Description	Storage	Transmission	Rigassification	Transport	Distribution	Metering
		2015-2019	2014-2017	2014-2017	2014-2017	2014-2019	2014-2019
<i>rf</i>	Risk free rate	3,37%	4,41%	4,53%*	4,41%*	4,41%	4,41%
$\beta$ levered	Systematic risk of activity	0,800	0,575	0,828	0,575	0,630	0,720
<i>ERP</i>	Market premium	4%	4%	4%	4%	4%	4%
<i>DRP</i>	Debt Risk Premium	0,45%	0,45%	0,45%	0,45%	0,45%	0,45%
<i>Kd</i>	Debt rate	3,82%	4,86%	4,98%	4,86%	4,86%	4,86%
<i>D/E</i>	Debt/equity ratio	80%	80%	80%	80%	60%	60%
<i>T</i>	Tax rate (%)	35,70%	35,70%	35,70%	35,70%	35,70%	35,70%
<i>tc</i>	Tax shield (%)	27,50%	27,50%	27,50%	27,50%	27,50%	27,50%
<i>rpi</i>	Expected inflation rate	1,5%	1,8%	1,8%	1,8%	1,8%	1,8%
<b>WACC</b>	Weighted average cost of capital	<b>6,0%</b>	<b>6,3%</b>	<b>7,3%</b>	<b>6,3%</b>	<b>6,9%</b>	<b>7,2%</b>

\* To be updated in 2015 with validity for 2016 in reference to parameter *rf*



### 3. Network tariffs - the distribution tariff system





## Next steps of the process

- February-March 2015: seminars with *stakeholders*
- February-June 2015: publication of specific consultation papers on tariff and quality regulation
- September 2015: publication of specific consultation papers with final views
- November 2015: final decision



## European regulation

- Financial aspects – Europe and European Commission
  - CEF – Connection Europe Facility energy
  - Piano Juncker
  
- Regulatory aspects – ACER, CEER, NRAs and European Commission
  - **ACER:**
    - ✓ Implementation of Infrastructure Regulation 347/2013
    - ✓ Evaluation of TYNDP proposed by ENTSO-E
    - ✓ Network codes
  
  - **NRAs, Commission:**
    - ✓ Third party exemption rules for new infrastructure
  
  - **CEER**
    - ✓ Contribution to EU policy on security and diversification of supply

## 2020 need for interconnectors (MW)





## Gasinfrastructure

