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Oggetto : Snam results for the first quarter of 2019

Testo del comunicato

Vedi allegato.



Snam results for the first quarter of 2019

San Donato Milanese, 15 May 2019 - Under Chairman Luca Dal Fabbro, Snam's Board of Directors yesterday approved the consolidated results for the first quarter of 2019 (unaudited).

Highlights

- **Net profit:** 283 million euro (+29 million euro; +11.4% compared with the first quarter of 2018), against the backdrop of a positive operational performance, reduction in the average cost of debt and higher net income from equity investments
- **EBIT:** 366 million euro (+11 million euro; +3.1% versus the first quarter of 2018), also benefiting from the implementation of efficiencies
- **Technical investments:** 166 million euro, including investments in innovation and the energy transition (Snamtec) of 25 million euro
- **Free cash flow:** 634 million euro (+99 million euro; +18.5% versus the first quarter of 2018)
- **Net financial debt:** 11,234 million euro (11,548 million euro at 31 December 2018)

Significant events

- **Climate Action Bond:** on 28 February 2019, the issue of Snam's first Climate Action Bond, the first in Europe, was concluded successfully, with a nominal value of 500 million euro, an annual coupon of 1.25% and maturity on 28 August 2025;
- **ECP programme:** Snam's Board of Directors resolved to increase the size of the Euro Commercial Paper Programme ("ECP Programme") on 19 March 2019 from 1 billion euro to 2 billion euro;
- **Sustainable mobility:** two agreements were established in the first quarter. Specifically: (i) on 20 March 2019, a contract was signed with Tamoil for the development of a first batch of 5 natural gas refuelling stations in national territory, promoting the development of sustainable mobility for cars and lorries in Italy; (ii) on 28 March 2019, a Memorandum of Understanding (MoU) was signed with FS Italiane and Hitachi Rail, aiming to convert part of the current fleet of trains of the FS Italiane Foundation from diesel to methane, under the scope of the promotion of sustainable mobility in public transport in Italy;
- **Treasury shares:** on 02 April 2019, Snam's Shareholders' Meeting resolved to renew the Share buyback programme and cancel 74,197,663 treasury shares without reducing the share capital; the transaction was completed on 17 April 2019.



Marco Alverà, Snam's Chief Executive Officer, commented on the results:

“Results for the first quarter of 2019 were very positive, underpinning the growth strategy outlined in Snam’s business plan to 2022. The double-digit increase (+11.4%) in consolidated net profit reflects strong operating results and the continuous optimization of our financial structure.

Snam’s investments in Italy increased by over 6% compared to the first quarter of 2018. We are modernising our network and increasing its sustainability, specifically leveraging the Snamtec project to develop new businesses and focus on digital transformation.

In this first quarter, we laid the foundations for another year of value creation for all our stakeholders, further strengthening the company’s role as a leader in the energy transition and increasing its focus on community development”.

Summary of the results for the first quarter of 2019

INCOME STATEMENT

(€ million)	First quarter		Change	% change
	2018	2019		
Regulated revenue	614	630	16	2.6
Non-regulated revenue	16	24	8	50.0
Total revenue	630	654	24	3.8
Total revenue - net pass through items	616	639	23	3.7
Operating costs	(108)	(112)	(4)	3.7
<i>Operating costs-net pass through items</i>	<i>(94)</i>	<i>(97)</i>	<i>(3)</i>	<i>3.2</i>
EBITDA	522	542	20	3.8
Amortisation, depreciation and impairment	(167)	(176)	(9)	5.4
EBIT	355	366	11	3.1
Net financial expenses	(53)	(42)	11	(20.8)
Net income from equity investments	38	62	24	63.2
Pre-tax profit	340	386	46	13.5
Income taxes	(86)	(103)	(17)	19.8
Net profit (*)	254	283	29	11.4

(*) Entirely held by Snam shareholders.

Total revenue

Total revenue in the first quarter of 2019 was 654 million euro, up by 24 million euro (3.8%) compared with the first quarter of 2018. Net of items offset in costs, total revenue amounted to 639 million euro, up 23 million euro, 3.7%. The increase was mainly due to higher regulated revenues (+15 million euro; +2.5%) primarily relating to the transport segment (+24 million euro; +4.9%), partly offset by the natural gas storage segment (-9 million euro; -8.1%) and the increase in non-regulated revenues (+8 million euro), mainly due to the contribution from companies joining the consolidation scope.



EBIT

EBIT for the first quarter of 2019 totalled 366 million euro, up by 11 million euro (3.1%) compared with the same prior year period (355 million euro).

Higher revenue (+23 million euro) was partly offset in part by higher amortisation and depreciation (-9 million euro; 5.4%) in the period, due primarily to the new assets entered into operation, and higher operating costs (-3 million euro, net of items offset in revenues, of 3.2%). This increase in costs is due to the contribution of companies joining the consolidation scope, partly offset by the reduction in other costs from regulated businesses, mainly due to the dynamics of provisions for risks and charges and lower capital losses from asset write-offs.

Below is a breakdown of EBIT by business segment¹:

(€ million)	First quarter			%
	2018	2019	Change	
Business segments				change
Transportation	275	289	14	5.1
Regasification	1	1		
Storage	83	81	(2)	(2.4)
Corporate and other activities	(4)	(5)	(1)	25.0
	355	366	11	3.1

In the business segments, the change in operating profit is essentially attributed to transportation segment (289 million euro; +14 million euro, 5.1%) due to higher regulated revenues (+17 million euro, 3.6%, net of components offset in costs), mainly due to tariff update mechanisms (+15 million euro), referring in particular to the increase in the WACC from 5.4% to 5.7%. The transportation segment EBIT benefited from lower operating costs (+10 million euro, 12.5%, net of components offset in revenues), mainly due to the dynamics of provisions for risks and charges and lower capital losses from the asset sales. These effects were partially offset by higher depreciation (-8 million euro; 5.8%), mainly following the new assets entered into operation.

¹ In conformity with IFRS 8 "Operating segments", the operating segments were defined on the basis of the internal reporting used by the Company's management for allocating resources to the different segments and for analysing the respective performances. To this end, it is noted that the "Corporate and other activities" segment, not operating under the terms of IFRS 8, includes the new companies acquired in 2018, which head activities relating to the energy transition. The operating segment of Natural gas transmission includes the values of the companies Snam Gas Network and Infrastrutture Trasporto.



The EBIT of both storage (81 million euro) and regasification segments (1 million euro) was broadly in line with the first quarter of 2018 (respectively 83 million euro and 1 million euro).

Net profit

Net profit achieved in the first quarter of 2019 amounted to 283 million euro, an increase of 29 million euro, 11.4%, compared with the net profit achieved in the first quarter of 2018. The increase is mainly due, in addition to the growth in operating profit (+11 million euro; +3.1%) to: (i) the higher income from equity investments measured using the equity method (+24 million euro; +63.2%), mainly attributable to the contribution of the company Teréga, due to release of a tax provision, and the entry of Senfluga; (ii) the lower net financial expenses (+11 million euro; 20.8%), which benefit from optimization of the financial structure and positive market conditions. These effects were partly absorbed by higher income taxes (-17 million euro; 19.8%), due mainly to the rise in pre-tax profit and lesser ACE - Aid for Economic Growth benefit².

The tax rate for the first quarter of 2019 was 26.7% (25.3% in the first quarter of 2018).

Key balance sheet, cash flow and equity figures

(€ million)	First quarter			%
	2018	2019	Change	
Technical investments	156	166	10	6.4
Shareholders' equity at period end (entirely held by Snam shareholders)	6,317	6,252	(65)	(1.0)
Net financial debt	11,440	11,234	(206)	(1.8)
Free cash flow	535	634	99	18.5
Number of shares outstanding at the end of the period (million)	3,378.87	3,300.84	(78.03)	(2.3)
Average number of shares outstanding during the period (million)	3,393.60	3,300.84	(92.76)	(2.7)
Official share price at period end (€)	3.729	4.590	0.861	23.1
Net profit per share (*) (**)	(€) 0.075	0.086	0.011	14.5

(*) Calculated considering the average number of shares outstanding during the year.

(**) Entirely held by Snam shareholders.

² This measure, introduced by Decree Law no. 201 of 06 December 2011, converted by Italian Law no. 214 of 22 December 2011 as subsequently amended and supplemented, was abrogated by the 2019 Budget Law, starting from the tax period after that in progress as at 31 December 2018.



Technical investments

Technical investments in the first quarter of 2019, totalling 166 million euro, up 10 million euro, 6.4%, compared with the first quarter of 2018, related mainly to the transportation (140 million euro) and storage (24 million euro) segments. Investments relating to Snamtec, the new project launched by Snam focussed on innovation and the energy transition, amounted to 25 million euro in the first quarter of 2019.

Net financial debt

Net financial debt was 11,234 million euro as at 31 March 2019³, compared with 11,548 million euro as at 31 December 2018. The positive net cash flow from operating activities (836 million euro) allowed Snam to fully cover the financial requirements associated with net investments for the period (202 million euro) and to generate a free cash flow of 634 million euro. Net financial debt, after the payment to shareholders of the 2018 dividend of 0.0905 euro per share (298 million euro) and the effects of non-monetary components⁴ relating to financial debt (22 million euro), decreased by 314 million euro since 31 December 2018.

³ More information on the net financial debt can be found on page 20 of this press release.

⁴ These components are mainly related to the effects of the coming into force, starting 01 January 2019, of the provisions of IFRS 16 "Leasing" (21 million euro). More information can be found on page 11 of this press release.



Operating highlights

	First quarter		Change	Change %
	2018	2019		
Natural gas transportation (a)				
Natural gas injected into the National Gas Transportation Network (billions of cubic metres) (b)	18.76	18.93	0.17	0.9
Transportation network (kilometres in use)	32,604	32,621	17	0.1
Installed power in the compression stations (MW) (c)	902	961	59	6.5
Liquefied natural gas (LNG) regasification (a)				
LNG regasification (billions of cubic metres)	0.04	0.60	0.56	
Natural gas storage (a)				
Concessions	10	10		
- of which operational (d)	9	9		
Total storage capacity (billions of cubic metres)	16.7	16.9	0.2	1.2
- of which available (e)	12.2	12.4	0.2	1.6
- of which strategic	4.5	4.5		
Natural gas moved through the storage system (billions of cubic metres)	6.75	6.23	(0.52)	(7.7)
- of which injected	0.07	0.11	0.04	57.1
- of which withdrawn	6.68	6.12	(0.56)	(8.4)
Employees in service at end of period (number) (f) (g)	2,936	3,035	99	3.4
<i>of which business segments:</i>				
- Transportation	1,975	1,917	(58)	(2.9)
- Regasification	63	65	2	3.2
- Storage	62	64	2	3.2
- Corporate and other activities	836	989	153	18.3

- (a) With regard to the first quarter of 2019, gas volumes are expressed in standard cubic metres (SCM) with an average higher heating value (HHV) of 38.1 MJ/SCM (10.572 kWh/SMC) for transportation and regasification activities and 39.4 MJ/SCM (10.930 kWh/SMC) natural gas storage for the 2018-2019 thermal year.
- (b) The figures for the first quarter of 2019 are current as at 10 April 2019. The update of 2018 figures has been finalised, and figures are consistent with those published by the Ministry of Economic Development.
- (c) For the first quarter of 2018, the figure excludes the units “being conserved” of the Gallese plant.
- (d) Working gas capacity for modulation services.
- (e) Working gas capacity for modulation, mining and balancing services. The available capacity at 31 March 2019 is that declared to the Electricity, Gas and Water Authority at the start of the 2018-2019 thermal year, almost entirely conferred as at 31 March 2019 (99.7%).
- (f) Fully consolidated companies.
- (g) The change is mainly due to resources obtained: (i) from the entry of TEP (26 resources); of IES Biogas (44 resources) into the consolidation area; (ii) from the acquisition of the Cubogas business unit (62 resources).



Natural gas injected into the national transportation network

The volumes of gas released into the network in the first quarter of 2019 totalled 18.93 billion cubic metres, slightly up on the first quarter of 2018 (+0.17 billion cubic metres; 0.9%), essentially following fewer deliveries from storage plants (+0.58 billion cubic metres), partly absorbed by the reduction in the demand for natural gas in Italy (25.64 billion cubic metres; -0.42 billion cubic metres; -1.6%). The reduction in the demand for gas, despite the substantial industrial sector stability, is mainly due to lower consumption by the residential and tertiary sector (-1.03 billion cubic metres; -7.0%) following the climate trend, partially offset by the increase in consumption within the thermoelectric sector (+0.62 billion cubic metres; +10.1%). More specifically, this sector benefits from the reduction of electricity import flows and the greater use of natural gas in electricity generation, despite the increase in production from renewable sources, especially wind power.

Adjusted for the weather effect, gas demand was estimated at 25.70 billion cubic metres, up by 0.18 billion cubic metres (0.7%) compared with the first quarter of 2018 (25.52 billion cubic metres).

Injections into the network from domestic production fields or collection and treatment centres totalled 1.20 billion cubic metres, down by 0.10 billion cubic metres (-7.7%) compared with the first quarter of 2018.

Volumes of gas injected into the network for entry points interconnected with foreign countries or with LNG regasification terminals amounted to 17.73 billion cubic metres, up 0.27 billion cubic metres, +1.5%, on the first quarter of 2018. The greater volumes injected by the LNG regasification terminals (+1.64 billion cubic metres; +94.8%), also thanks to the new auction-based capacity allocation mechanisms, as well as the entry points of Passo Gries (+0.94 billion cubic metres; +68.6%) and Tarvisio (+0.33 billion cubic metres; +4.7%) were partly offset by the lesser volumes injected by the entry point Mazara del Vallo (-2.78 billion cubic metres; -45.2%).

Liquefied natural gas (LNG) regasification

During the first quarter 2019, at the LNG terminal of Panigaglia (SP), 0.60 billion cubic metres of LNG were regasified (0.04 during the first quarter 2018) and 14 discharges from methane tanker loads took place (1 in the first quarter of 2018), also thanks to the new auction-based capacity allocation mechanisms.

Natural gas storage

During the first quarter of 2019, 6.23 billion cubic metres of natural gas were moved through the storage system, a reduction of 0.52 billion cubic metres (7.7%) compared with the first quarter of 2018 (6.75 billion cubic metres). The reduction was mainly attributable to lower withdrawals from storage (-0.56 billion cubic metres; -8.4%), primarily due to weather conditions.

The total storage capacity as at 31 March 2019, including strategic storage, was 16.9 billion cubic metres (+0.2 billion cubic metres on 31 March 2018), almost entirely



conferred for the 2018-2019 thermal year (99.7% of available capacity) and 4.5 billion cubic metres related to strategic storage (unchanged compared with the 2017-2018 thermal year)⁵.

Main events

Financing

Euro Commercial Paper Programme

On 19 March 2019, Snam's Board of Directors resolved to increase the amount of the Euro Commercial Paper programme (the "ECP Programme") approved on 02 October 2018, from 1 billion euro to 2 billion euro.

The issue of one or more Euro Commercial Papers may take place within 2 years of 02 October 2018, for a total maximum equivalent value of 2 billion euro, increased by the amount corresponding to the Euro Commercial Papers redeemed each time during the same period, to be placed with institutional investors, as per the terms and conditions of the ECP Programme. The total nominal value of the Euro Commercial Papers issued under the ECP Programme may not exceed the maximum limit of 2 billion euro.

The increase in the amount of the ECP Programme enables Snam to diversify the short term financial instruments in order to achieve greater flexibility while optimising the treasury.

Climate Action Bond

On 28 February 2019, Snam S.p.A. concluded issue of its first Climate Action Bond for an amount of 500 million euro, with annual coupon of 1.25% and maturity on 28 August 2025.

Through the issue of the first Climate Action Bond in Europe, Snam aims to consolidate its role in the energy transition underway in Europe, to promote investors' awareness of the company's ESG ("Environment, Social, Governance") investments and initiatives and to diversify its investor base.

⁵ By circular letter of 08 January 2019, the Ministry of Economic Development confirmed also for storage thermal year 2019-2020 (01 April 2019-31 March 2020), the strategic gas storage volume of 4.62 billion standard cubic metres, of which 4.5 billion cubic metres are the competence of Stogit (unchanged on thermal year 2018-2019).



Sustainable Mobility

The initiatives described below come under the scope of Snam's commitment to foster sustainable mobility with natural gas in Italy, in rail and road and sea transport. The company is therefore investing to boost growth of the CNG and LNG distribution network in Italy, through direct investments and agreements with other sector operators and to promote development of a biomethane chain (renewable gas with zero CO₂) in Italy.

Tamoil and Snam: contract for 5 new natural gas service stations

On 20 March 2019, through the subsidiary Snam4Mobility, Tamoil and Snam signed a contract for the development of a first lot of 5 natural gas refuelling stations on national territory, promoting the development of sustainable mobility for cars and lorries in Italy. The agreement envisages the collaboration of Tamoil and Snam4Mobility for the design, development, maintenance and operation of 4 new CNG (compressed natural gas) plants and a new L-CNG (liquefied compressed natural gas) plant within the national network of Tamoil distributors.

FS Italiane, Snam and Hitachi rail: Memorandum of Understanding (MoU) on methane-powered trains

On 28 March 2019, FS Italiane, Snam and Hitachi rail signed a Memorandum of Understanding (MoU) with FS Italiane and Hitachi Rail, aiming to convert part of the current fleet of trains of the FS Italiane Foundation from diesel to methane, under the scope of the promotion of sustainable mobility in public transport in Italy.

The Memorandum envisages the start-up of a pilot project transforming one or more diesel engines of FS Italiane Foundation to more advanced liquefied (LNG) or compressed (CNG) natural gas models. Following a feasibility study, the companies will identify a larger number of trains over which to extend the trial.

Other

New share buyback plan and cancellation of treasury shares with no share capital reduction

On 02 April 2019, after revoking the non-executed part of the resolution to authorise the purchase of treasury shares passed by the Shareholders' Meeting on 24 April 2018, Snam's Ordinary Shareholders' Meeting authorised the purchase of treasury shares on one or more occasions, for the maximum duration of 18 months starting from Shareholders' Meeting's date of 2 April 2019, with a maximum outlay of 500 million euro and in any case up to a maximum of 126,664,660 shares, without exceeding 6.50% of the share capital subscribed and freed up (regarding own shares already held by the Company). The meeting resolution establishes the terms and conditions of the price of purchases of treasury shares, as well as authorising the disposal, on one or more occasions, with no time limits and even before having completed all acquisitions, of all or part of the



Company's treasury shares acquired on the basis of this resolution as well as those already held.

The Extraordinary Shareholder's Meeting held on the same date also approved the cancellation of 74,197,663 treasury shares with no nominal value with no reduction in the share capital and the resulting amendment of art. 5.1 of the Articles of Association. The shares were cancelled on 17 April 2019 after the amended Articles of Association were filed with the Register of Companies. As a result of this transaction, the share capital consists of 3,394,840,916 shares with no nominal value for a total value of €2,736 million. As at the date of this press release, Snam holds 94,000,000 shares in its portfolio.

Outlook

According to the most recent estimates, demand for natural gas in Italy will remain more or less stable through to end 2019 in respect of 2018 levels (73.2 billion m³), normalised for temperature.

In 2019, Snam expects to invest around 1.0 billion euro, of which a large amount will be allocated to replacements and maintenance, in order to continue to guarantee maximum resilience, flexibility and efficiency of the existing infrastructure. Additionally, approximately one quarter of the investments will focus on development initiatives, including the north-west connections, the local service and cross-border flows and the strengthening of the network in the south.

Snam will continue to focus on operating efficiency in 2019, through initiatives that will enable it to keep the level of costs more or less stable in real terms for the core business.

Regarding the financial structure, the optimisation carried out in the last three years has led to a significant reduction in the average cost of debt. The Company's management will continue to guarantee an attractive, sustainable shareholder remuneration policy, whilst maintaining a balanced financial structure.

The Press Release on the consolidated results for the first quarter of 2019, which are not subject to auditing, was prepared on a voluntary basis according to the methods set out in art. 82-ter "Additional periodic financial information" of Consob Issuer Regulation no. 11971 of 14 March 1999, as subsequently amended, in continuity with the quarterly report that Snam has provided in the past and in accordance with the minimum content and schedules set in the Financial Calendar of the Group.

Information on operating results and cash flows is provided with reference to the first quarter of 2019 and the first quarter of 2018. Information on financial position is provided with reference to 31 March 2019 and 31 December 2018. The form of the accounting



schedules corresponds to that of the schedules shown in the Report on operations of the 2018 Annual Financial Report.

The financial statements were compiled in accordance with the recognition and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission under Article 6 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002.

The accounting standards and the recognition and measurement criteria adopted for the preparation of the results of the first quarter of 2019 are the same as those used for the preparation of the 2018 Annual Report, which should be referred to for a description of those criteria, except for the international accounting standards that came into force on 01 January 2019, as described in note No. 7 “Recently issued accounting standards” of the 2018 Annual Report. The impacts deriving from the application of such provisions on the consolidated results of the Snam Group essentially regard the effects of the application of IFRS 16 “Leasing”. The new standard, which replaces IAS 17, defines leasing as a contract that attributes an entity the right to use an asset for a given period of time in exchange for a price, and eliminates, for the purpose of preparing the lessee’s financial statements, the distinction drawn between financial leasing and operative leasing. With reference to the lease contracts in place in the Group as at 01 January 2019, Snam is essentially the lessee. These contracts mainly refer to property leases and long-term vehicle hire. As envisaged by the transitional provisions of IFRS 16⁶, Snam has chosen to apply the standard retroactively, booking the cumulative effect of the application as at the initial date of application, without redetermining the comparative information. The effects of the first-time adoption of IFRS 16 on the opening financial statements of the Snam Group as at 01 January 2019 therefore resulted in an increase of 20 million euro in financial liabilities, representing the obligation to make the payments envisaged by the contracts in place, and an increase of 20 million euro in assets for Property, plant and equipment, representing the related right of use. The impact on the Group’s shareholders’ equity at 01 January 2019, net of the related tax effect, is consequently null.

The Snam Group consolidation area as at 31 March 2019 has not changed in respect of that in place as at 31 December 2018, with the exception of the entrance into the consolidation scope, starting March 2019, of the company Asset Company 5 S.r.l., held entirely by Snam S.p.A., following the share capital increase paid in by Snam to launch the

⁶ For more details on the choices made by Snam in respect of the application of the transitional provisions envisaged by IFRS 16, reference is made to note 7 “Recently issued accounting standards” of the 2018 Annual Financial Report.



company's operations. To this end, it is noted that following the joining of the ownership structure on 01 April 2019 of the shareholder Società Gasdotti Italia (SGI) with a stake of 45% of the company's share capital, Snam now holds 55% of the company, maintaining control. On this same date, the company, which will be developing the transport infrastructure in Sardinia, after obtaining the necessary authorisations, was renamed Enura S.p.A.

The changes to the consolidation area as at 31 March 2019 with respect to that in place as at 31 March 2018 regarded, in addition to the above, the joining of the following companies:

Name	Sector	Type of investment	% ownership	Start date
Asset Company 4 S.r.l.	Corporate and other activities	Direct control Snam S.p.A.	100%	30/05/2018
Cubogas S.r.l.	Corporate and other activities	Indirect subsidiary of Snam through Snam 4 Mobility S.p.A.	100%	25/07/2018
Enerisi Sicilia S.r.l.	Corporate and other activities	Indirect subsidiary of Snam through Snam 4 Mobility S.p.A.	100%	29/11/2018
IES Biogas S.r.l.	Corporate and other activities	Indirect subsidiary of Snam through Snam 4 Mobility S.p.A.	70%	05/07/2018
Snam International B.V.	Corporate and other activities	Direct control Snam S.p.A.	100%	26/04/2018
TEP Energy Solution S.r.l.	Corporate and other activities	Indirect subsidiary of Snam through Asset Company 4 S.r.l.	82%	30/05/2018

Given their size, amounts are expressed in millions of euros.

Pursuant to Article 154-bis, paragraph 2 of the TUF, the Manager charged with preparing the Company's financial reports, Franco Pruzzi, declares that the accounting information included in this press release corresponds to the documents, accounting ledgers and other records.



Disclaimer

This press release contains forward-looking statements, specifically relating to: changes in demand for natural gas, investment plans and future management performance. Such statements are, by their very nature, subject to risk and uncertainty as they depend on whether future events and developments take place. The actual results may therefore differ from those forecast as a result of several factors: foreseeable trends in natural gas demand, supply and price, general macro-economic conditions, the effect of energy and environmental legislation, the successful development and implementation of new technologies, changes in stakeholders' expectations and other changes in business conditions.

A conference call will take place at 15:00 today, 15 May 2019, to present the consolidated results for the first quarter of 2019 to investors and financial analysts. It will be possible to attend this conference call and the supporting materials will be made available at www.snam.it in the Investor Relations section when the event begins. In the same section, it will also be possible to view the presentation through video webcasting.



Summary tables of income statement items

Total revenue

(€ million)	First quarter		Change	% change
	2018	2019		
Business segments				
Transportation	520	541	21	4.0
Regasification	5	9	4	80.0
Storage	147	145	(2)	(1.4)
Corporate and other activities	48	62	14	29.2
<i>Consolidation eliminations</i>	<i>(90)</i>	<i>(103)</i>	<i>(13)</i>	<i>14.4</i>
	630	654	24	3.8

Regulated and non-regulated revenue

(€ million)	First quarter			% change
	2018	2019	Change	
Regulated revenue				
Transportation	485	509	24	4.9
Regasification	4	4		
Storage	111	102	(9)	(8.1)
Revenue items offset in costs (*)	14	15	1	7.1
Non-regulated revenue				
	16	24	8	50.0
	630	654	24	3.8

(*) The main revenue items offset in costs relate to interconnection.

Operating costs

(€ million)	First quarter			% change
	2018	2019	Change	
Business segments				
Transportation	106	105	(1)	(0.9)
Regasification	3	7	4	
Storage	39	39		
Corporate and other activities	50	64	14	28.0
<i>Consolidation eliminations</i>	<i>(90)</i>	<i>(103)</i>	<i>(13)</i>	<i>14.4</i>
	108	112	4	3.7



Operating costs - Regulated and non-regulated activities

(€ million)	First quarter			% change
	2018	2019	Change	
Costs of regulated activities	96	87	(9)	(9.4)
Controllable fixed costs	69	68	(1)	(1.4)
Variable costs	3	4	1	33.3
Other costs	10		(10)	(100.0)
Cost items offset in revenue (*)	14	15	1	7.1
Costs of non-regulated activities	12	26	13	
	108	112	4	3.7

(*) The main cost items offset in costs relate to interconnection.

Amortisation, depreciation and impairment

(€ million)	First quarter			% change
	2018	2019	Change	
Amortisation and depreciation	167	176	9	5.4
Business segments				
Transportation	139	147	8	5.8
Regasification	1	1		
Storage	25	25		
Corporate and other activities	2	3	1	50.0
Impairment losses (Reversals)				
	167	176	9	5.4

EBIT

(€ million)	First quarter			% change
	2018	2019	Change	
Business segments				
Transportation	275	289	14	5.1
Regasification	1	1		
Storage	83	81	(2)	(2.4)
Corporate and other activities	(4)	(5)	(1)	25.0
	355	366	11	3.1



Net financial expenses

(€ million)	First quarter			% change
	2018	2019	Change	
Financial expense (income) related to net financial debt	55	41	(14)	(25.5)
- Interest and other expense on short- and long-term financial debt	55	43	(12)	(21.8)
- Bank interest income		(2)	(2)	
Other net financial expense (income)	1	3	2	
- Accretion discount	3	3		
- Other net financial expense (income)	(2)		2	(100.0)
Financial expense capitalised	(3)	(2)	1	(33.3)
	53	42	(11)	(20.8)

Net income from equity investments

(€ million)	First quarter			% change
	2018	2019	Change	
Equity method valuation effect	38	62	24	63.2
	38	62	24	63.2

Income taxes

(€ million)	First quarter			% change
	2018	2019	Change	
Current taxes	95	102	7	7.4
(Prepaid) deferred taxes				
Deferred taxes	(3)	5	8	
Prepaid taxes	(6)	(4)	2	(33.3)
	(9)	1	10	
Tax rate (%)	25.3	26.7	1.4	5.5
	86	103	17	19.8



Reclassified statement of financial position

The reclassified statement of financial position combines the assets and liabilities of the condensed statement based on how the business operates, conventionally split into the three basic functions: investment, operations and financing.

Management believes that this format presents useful information for investors as it allows the identification of the sources of financing (equity and third-party funds) and the investment of financial resources in fixed and working capital.

The reclassified consolidated statement of financial position format is used by management to calculate the key leverage and profitability ratios.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(€ million)	31.12.2018	31.03.2019	Change
Fixed capital	18,856	19,011	155
Property, plant and equipment	16,153	16,206	53
- of which rights of use of leased assets		20	20
Compulsory inventories	363	363	
Intangible assets	907	909	2
Equity investments	1,750	1,819	69
Long-term financial receivables	11	1	(10)
Net payables for investments	(328)	(287)	41
Net working capital	(1,259)	(1,462)	(203)
Provisions for employee benefits	(64)	(63)	1
NET INVESTED CAPITAL	17,533	17,486	(47)
Shareholders' equity	5,985	6,252	267
- entirely held by Snam shareholders	5,985	6,252	267
Net financial debt	11,548	11,234	(314)
- of which financial payables for leased assets		20	20
COVERAGE	17,533	17,486	(47)

Fixed capital (19,011 million euro) rose by 155 million euro on 31 December 2018, mainly due to the increase in property, plant and equipment (53 million euro), including following the recording of assets representing the right-of-use of leased assets, in application of the new standard IFRS 16, in force from 01 January 2019 (20 million euro)⁷, and the equity investments (+69 million euro) against the profits booked in the first quarter 2019⁸. The

⁷ As established by the standard IFRS 16, against the recording of assets representing the rights of use of leased assets, Snam has noted the related financial liabilities representing the obligation to make the payments established in lease contracts in force.

⁸ With reference to the equity investments measured using the equity method, it is noted that the dividends applicable to FY 2018 were resolved after 31 March 2019.



increase in equity investments was also impacted by the conversion to equity, in February 2019, of the residual portion (10 million euro) of the shareholders' loan to TAP, after reimbursement in December 2018 through the true-up. The increase in the equity investment in TAP is therefore matched by the related reduction in long-term financial receivables.

The change in property, plant and equipment and in intangible assets can be broken down as follows:

(€ million)	Property, plant and equipment	Intangible assets	Total
Balance at 31 December 2018	16,153	907	17,060
Technical investments	149	17	166
Amortisation, depreciation and impairment	(161)	(15)	(176)
Other changes	65		65
Balance at 31 March 2019	16,206	909	17,115

Other changes (+65 million euro) relate to: (i) the effects of the first-time adoption of IFRS 16 (+20 million euro) following the recording of assets representing the rights of use of leased assets; (ii) the effects deriving from the adjustment of the present value of site decommissioning and remediation costs (+46 million euro), following a reduction in the expected discount rates; (iii) the change in inventories of pipes and related accessory materials used in plant development (+3 million euro); (iv) the contributions on works for interference with third parties (-6 million euro).



Technical investments

(€ million)	First quarter	
	2018	2019
Business segments		
Transportation	139	140
Regasification	1	1
Storage	14	24
Corporate and other activities	2	1
	156	166

Technical investments totalled 166 million euro (156 million euro in the first quarter of 2018) and related mainly to the following business segments:

- Transmission (140 million euro; in line with the first quarter of 2018) related to: (i) works on developing new transmission capacity on the national network functional to import and export capacity (20 million euro) as part of the initiative to support the market in the north-west of the country, and to allow for the reversal of physical transmission flows at the interconnection points with northern Europe in the area of the Po Valley, and to upgrade the network from the entry points in southern Italy; (ii) investments in developing new transmission capacity on the national and regional network (21 million euro), functional to the strengthening of the network and connection of new regional and national delivery points; (iii) investments in maintenance and replacement and other investments (99 million euro), mainly in order to maintain safety levels, also in terms of plant function and quality, and investments in IT;
- Storage (24 million euro; +10 million euro on the first quarter of 2018): related to investments for the development of new fields and upgrading of capacity (10 million euro), mainly relative to the plant of Cortemaggiore and investments in maintenance and other (14 million euro), primarily referring to the rationalisation of the plants of Cortemaggiore and IT and property activities.

Equity investments

The item equity investments (1,819 million euro) includes: (i) the valuation of equity investments using the equity method referring to the companies Trans Austria Gasleitung GmbH-TAG (529 million euro), Teréga Holding S.A.S. (480 million euro), Trans Adriatic Pipeline AG-TAP (266 million euro), Italgas S.p.A. (192 million euro), AS Gasinfrastruktur Beteiligung GmbH (125 million euro), Senfluga Energy Infrastructure Holdings (127 million euro) and Interconnector UK (61 million euro); (ii) measurement of the minority interest in the company Terminale GNL Adriatico S.r.l. (Adriatic LNG) (38 million euro).



Net financial debt

(€ million)	31.12.2018	31.03.2019	Change
Financial and bond debt	13,420	13,231	(189)
Short-term financial debt (*)	3,633	3,676	43
Long-term financial debt	9,787	9,535	(252)
Financial payables for leased assets (**)		20	20
Financial receivables and cash and cash equivalents	(1,872)	(1,997)	(125)
	11,548	11,234	(314)

(*) Includes the short-term portion of long-term financial debt.

(**) Of which 15 million euro long-term and 5 million short-term portions of long-term financial payables.

The positive net cash flow from operating activities (836 million euro) enabled Snam to fully cover the financial requirements associated with net investments for the period (202 million euro) and to generate a free cash flow of 634 million euro. Net financial debt, after the payment to shareholders of the 2018 dividend of 0.0905 euro per share (298 million euro) and the effects of non-monetary components relating to net financial debt (+22 million euro), essentially relating to the first-time adoption of IFRS 16, has decreased by 314 million euro since 31 December 2018.

Financial and bond debts as at 31 March 2019, amounting to 13,231 million euro (13,420 million euro as at 31 December 2018), comprised the following:

(€ million)	31.12.2018	31.03.2019	Change
Bonds	8,446	8,386	(60)
- of which short-term (*)	913	1,230	317
Bank loans	4,749	3,825	(924)
- of which short-term (*)	2,495	1,446	(1,049)
Euro Commercial Paper - ECP	225	1,000	775
Financial payables for leased assets		20	20
	13,420	13,231	(189)

(*) Includes the short-term portion of long-term financial payables.

Financial and bond debts are denominated in euros⁹ and refer mainly to bond loans (8,386 million euro, or 63.4%) and bank loans (3,825 million euro, or 28.9%, including 1,574 million euro provided by the European Investment Bank - EIB).

Bonds (8,386 million euro) declined by 40 million euro compared with 31 December 2018, specifically: (i) the repayment of a fixed-rate debenture loan maturing on 18 January 2019,

⁹ Except for a fixed-rate bond loan for ¥10 billion, fully converted into euros through a cross-currency swap (CCS) financial derivative.



worth a nominal 519 million euro; (ii) the dynamic of interest accruals (-41 million euro). This change was partly offset by issue of the Climate Action Bond worth a nominal 500 million euro, at fixed rate and with maturity on 28 August 2025.

Bank loans (3,825 million euro) drop by 924 million euro, mainly due to lesser net use of uncommitted credit facilities (-1,050 million euro), partly offset by the subscription, on 11 February 2019, of a bank loan on funds of the European Investment Bank - EIB, to finance projects promoted by Snam Rete Gas and Stogit, for a nominal value of 135 million euro, at fixed rate, to repay by means of an amortisation plan ending December 2038.

The Euro Commercial Papers (1,000 million euro) regard unsecured short-term securities issued on the money market and placed with institutional investors; they rise by 775 million euro.

Cash and cash equivalents (1,997 million euro) refer mainly to a short-term use of liquid funds, maturing within three months, with the counterparty being a bank of high credit standing (750 million euro), an on-call bank deposit (751 million euro) and cash held at the company Gasrule Insurance DAC (21 million euro) and Snam International B.V. (15 million euro).

As at 31 March 2019, Snam had unused committed long-term credit lines worth €3.2 billion.

Net working capital

(€ million)	31.12.2018	31.03.2019	Change
Trade receivables	1,247	1,223	(24)
- of which balancing	223	136	(87)
Inventories	109	131	22
Other assets	105	52	(53)
Tax receivables	26	28	2
Provisions for risks and charges	(665)	(710)	(45)
Trade payables	(491)	(514)	(23)
- of which balancing	(230)	(196)	34
Tax liabilities	(23)	(133)	(110)
Accruals and deferrals from regulated activities	(362)	(130)	232
Deferred tax liabilities	(134)	(128)	6
Derivative (liabilities) assets	(29)	(58)	(29)
Other liabilities	(1,042)	(1,223)	(181)
	(1,259)	(1,462)	(203)

Net working capital (-1,462 million euro) reduced by 203 million euro in respect to 31 December 2018. The reduction is mainly due to the following events: (i) the greater liabilities due to CSEA for additional tariff components, relative to the transportation segment (-164 million euro), subjected to reabsorption during the year, and for the



greater volumes billed during the first quarter of 2019 with respect to the restriction established by Regulatory Authority (-57 million euro); (ii) the increased of tax payable (-110 million euro), mainly as a result of the registration of period taxes; (iii) the net debt of transportation segment gas settlement (-67 million euro) introduced by the Regulatory Authority with Resolutions 670/2017/R/gas and 782/2017/R/gas¹⁰; (iv) the lesser net receivables for balancing activities (-53 million euro), following the lesser volumes of gas traded due to weather conditions; (v) the increase in the provisions for risks and charges (-45 million euro) due to the adjustment of the present value of site decommissioning and remediation costs following a reduction in the expected discount rates.

These factors were partly offset by lower debt to Snam shareholders due to the payment of interim dividend on the 2018 of 0.0905 euro per share (+298 million euro).

Statement of comprehensive income

(€ million)	First quarter	
	2018	2019
Net profit (*)	254	283
Other components of comprehensive income		
<i>Components that can be reclassified to the income statement:</i>		
Change in fair value of cash flow hedging derivatives (effective portion)	3	(30)
Share of "other comprehensive income" of investments accounted for using the equity method (**)	2	3
Tax effect	(1)	7
Total other components of comprehensive income, net of tax effect	4	(20)
Total comprehensive income (*)	258	263

(*) Entirely held by Snam shareholders.

(**) Mainly regards the effects of the conversion of shareholders' equity of the investment in Interconnector UK at the spot euro/sterling exchange rate of 31 March 2019.

¹⁰ By this resolution, the Authority approved the provisions on gas settlement for the determination of physical and economic items of adjustment for the previous period (years 2013-2017). The regulation also envisages that any imbalance in items receivable and payable from and to users, shall be regulated by the CSEA in order to guarantee the neutrality of Snam Rete Gas as major transmission company. In this regard, it notes that as of 31 March 2019 these items are not yet re-distributed to the system.



Shareholders' equity

(€ million)

Shareholders' equity at 31 December 2018 (*)	5,985
<i>Increases owing to:</i>	
- Comprehensive income for the first quarter of 2019	263
- Other changes	4
	267
Shareholders' equity at 31 March 2019 (*)	6,252

(*) Entirely held by Snam shareholders.

As at 31 March 2019, Snam held 168,197,663 treasury shares (the same number as at 31 December 2018), equal to 4.85% of its share capital, with a total book value of 625 million euro. Their market value as at 31 March 2019 was around 772 million euro¹¹.

Covenants

As at 31 March 2019, Snam has unsecured bilateral and syndicated loan agreements in place with banks and other financial institutions. Part of such contracts envisages, inter alia, compliance with commitments typical of international practice, of which some are subject to specific materiality thresholds, such as: (i) negative pledge commitments pursuant to which Snam and its subsidiaries are subject to limitations concerning the pledging of real property rights or other restrictions on all or part of the respective assets, shares or merchandise; (ii) pari passu and change-of-control clauses; (iii) limitations on certain extraordinary transactions that the Company and its subsidiaries may carry out; and (iv) limits on the debt of subsidiaries.

Failure to comply with these covenants, and the occurrence of other events such as cross-default events could result in Snam's failure to comply and, possibly, trigger the early repayment of the related loan. Exclusively for the EIB loans, the lender has the option to request additional guarantees, if Snam's rating is lower than BBB (Standard & Poor's/Fitch Ratings Limited) or Baa2 (Moody's) for at least two of the three rating agencies.

The occurrence of one or more of the aforementioned scenarios could have negative effects on Snam Group's operations, results, balance sheet and cash flow, resulting in additional costs and/or liquidity issues.

As at 31 March 2019, the financial liabilities subject to these restrictive clauses amounted to approximately 3.1 billion euro.

The bonds issued by Snam as at 31 March 2019, with a nominal value of 8.4 billion euro, mainly refer to securities issued under the Euro Medium Term Notes programme¹². The

¹¹ Calculated by multiplying the number of treasury shares by the period-end official price of 4.590 euro per share.

¹² The convertible bond with a nominal value of €400 million is not included in the EMTN programme.



covenants set for the programme's securities reflect international market practices and relate, inter alia, to negative pledge and pari passu clauses. Specifically, under the negative pledge clause, Snam and its significant subsidiaries are subject to limitations in relation to the creation or maintenance of restrictions on all or part of their own assets or inflows to guarantee present or future debt, unless this is explicitly permitted.

Failure to comply with these covenants – in some cases only when this non-compliance is not remedied within a set time period – and the occurrence of other events, such as cross-default events, some of which are subject to specific threshold values, may result in Snam's failure to comply and could trigger the early repayment of the relative loan.

As confirmation of Snam's credit standing, its loan agreements contain no covenants requiring compliance with economic and/or financial ratios.

Reclassified statement of cash flows and change in net financial debt

The reclassified statement of cash flows below summarises the legally required financial reporting format. It shows the connection between opening and closing cash and cash equivalents and the change in net financial debt during the period. The two statements are reconciled through the free cash flow, i.e. the cash surplus or deficit left over after servicing capital expenditure. The free cash flow closes either: (i) with the change in cash for the period, after adding/deducting all cash flows related to financial liabilities/assets (taking out/repaying financial receivables/payables) and equity (payment of dividends/capital injections); or (ii) with the change in net financial debt for the period, after adding/deducting the debt flows related to equity (payment of dividends/capital injections).



RECLASSIFIED STATEMENT OF CASH FLOWS

(€ million)	First quarter	
	2018	2019
Net profit	254	283
<i>Adjusted for:</i>		
- Amortisation, depreciation and other non-monetary components	130	114
- Net capital losses (capital gains) on asset sales and eliminations	4	
- Interest and income taxes	133	138
Change in working capital due to operating activities	297	329
Dividends, interest and income taxes collected (paid)	(43)	(28)
Net cash flow from operating activities	775	836
Technical investments	(156)	(163)
Technical disinvestments	1	
Equity investments	(3)	2
Change in long-term financial receivables	(44)	
Other changes relating to investment activities	(38)	(41)
Free cash flow	535	634
Change in short-term financial receivables	350	
Change in short- and long-term financial debt	(25)	(210)
Repayment of financial payables for leased assets		(1)
Equity cash flow	(433)	(298)
Net cash flow for the period	427	125

CHANGE IN NET FINANCIAL DEBT

(€ million)	First quarter	
	2018	2019
Free cash flow	535	634
Effect of first-time adoption of IFRS 9	10	
Exchange rate differences on financial debt	(2)	(1)
Change in financial payables for leased assets		(21)
Equity cash flow	(433)	(298)
Change in net financial debt	110	314



Disputes and other measures

Snam is involved in civil, administrative and criminal cases and legal actions related to its normal business activities. According to the information currently available and considering the existing risks, Snam believes that these proceedings and actions will not have material adverse effects on its consolidated financial statements. The following is a summary of the most important proceedings for which significant changes to the situation reported in the 2018 Annual Report occurred, including new and closed proceedings.

Criminal cases

Snam Rete Gas – Sestino (AR) incident

The public prosecutor at the Court of Arezzo had initiated criminal proceedings in relation to the incident that took place on 19 November 2015 in the town of Sestino (AR), involving a gas leak on a section of piping. On 26 November 2015, a one-time notice of technical investigation was served which indicated that certain directors and managers, including those who served in the past, had been included in the list of parties under investigation. Following a request made by the Public Prosecutor, the Investigating Judge definitively ordered the archiving of the proceedings.

Tax dispute

GNL Italia S.p.A. - Local tax

The Council of Porto Venere served notices of assessment for TARSU/TARI relative to the years from 2012 to 2017, and for IMU relative to 2013, for a total amount of 578 thousand euro.

GNL Italia S.p.A. settled the dispute with the council by paying approximately 184 thousand euro.

Regulation and other provisions

Resolution no. 114/2019/R/gas - Criteria for the tariff regulation for the natural gas transmission and metering service for the fifth regulatory period (2020-2023)

With this Resolution, published on 29 March 2019, the Authority defined the regulation criteria for natural gas transportation tariffs for the fifth regulatory period (01 January 2020 - 31 December 2023).

The valuation of the net capital invested (RAB) is based on the revalued historical cost method. The Beta parameter of the rate of remuneration of the net invested capital (WACC) remains set at 0.364, thereby keeping the WACC unchanged at a real, pre-tax 5.7% for the years 2020-21, in line with the regulation of the TIWACC. Work in progress is included in the calculation of the RAB, envisaging remuneration of a real pre-tax 5.3%. The inclusion in RAB of investments made in the year t-1 for the purpose of remuneration and compensation of the regulatory time-lag, is also confirmed.



Limited to investments included in the Development Plan, which will come into operation in the years 2020-21-22, with a costs/benefits ratio of more than 1.5, an increase is applied in the WACC of +1.5% for 10 years.

The revenue component relating to the return and amortisation and depreciation is updated on the basis of an annual recalculation of net invested capital (RAB) and additional revenue from the higher rate of return for investments realised in prior regulatory periods. Amortisation and depreciation are calculated based on the useful economic and technical life of the transportation infrastructure.

The operating costs recognised for 2020 are determined on the basis of the effective recurring costs of 2017, increased by the greater efficiencies achieved in the current period (profit-sharing 50%), with the possibility of including any recurring costs of 2018, if suitably justified. Application is confirmed of the price-cap method, in order to update operating costs, envisaging an x-factor sized to return the greater efficiencies realised in the fourth regulatory period, back to users, in 4 years.

It is expected that the major transmission company will procure quantities of gas to cover its own consumption, leaks and non-counted gas (GNC), under the scope of the centralised market. The quantities of gas recognised are noted at the weighted average price of the product at term with delivery to the PSV in the reference tariff year. The resolution envisages recognition of the difference between the price recognised for said volumes and the effective price of procurement, deferring to a subsequent provision for a detailed definition of the mechanism.

Recognition of costs relating to the Emissions Trading System (ETS) is also envisaged.

With regard to tariff structure, the current methodology for determining the capacity/commodity split was confirmed, providing for capacity revenue to cover capital costs (return and amortisation and depreciation) and commodity revenue to cover recognised operating costs. The current corrective factor of revenues applied to the component capacity (100% guaranteed) is confirmed, as well as the component correlated to volumes transmitted (excess $\pm 4\%$). With reference to the metering service, a mechanism is introduced to cover revenues in a similar fashion to that in place in the transmission service (100% guaranteed).

The tariff structure based on the entry/exit model is confirmed, including, in addition to the national network, also the regional network in the reference price methodology. The prices for entry and exit capacity are determined using the capacity weighted distance (CWD) method, with a splitting of revenues between entry and exit points of 28/72. A variable price is introduced, applied to volumes carried intended to cover recognised operating costs, costs relating to the Emission Trading system and costs for the procurement of quantities to cover self-consumption, losses and CNG. This price is applied to the exit points from the transmission network and is sized annually according to the volumes effectively withdrawn in the year t-2.

Finally, it is established that the definition will be deferred of the regulation criteria regarding quality of the natural gas transmission service for SPRT, promoting



experimental innovative uses of the transmission networks, as well as in respect of the restructuring of the metering services, as a result of specific consultation to be carried out in 2019.

Resolution 57/2019/R/gas - Approval of the Snam Rete Gas S.p.A. proposal relative to the objectives of improvement and efficiency-enhancing subject to incentive, in accordance with point 5 of Authority Resolution 480/2018/R/gas

The Authority has approved the proposal for additional objectives of improvement and efficiency enhancing in settlement and balancing presented by Snam Rete Gas, in accordance with Resolution 480/2018/R/gas, point 5, functional to the recognition of the incentive of approximately 2.5 million euro envisaged by said same resolution. More specifically, the objectives consist of the commitment to: (i) bring forward the timing for completion of the verification of new dynamic profiling mechanisms functional to the launch of the settlement reform pursuant to Authority Resolution 72/2018/R/gas; (ii) ensure greater transparency of such methods by disclosing and sharing with operators concerned; and (iii) launch a trial phase in the period June-December 2019, to limit use of the storage capacity by the Balancing Manager, functional to the implementation of the reform outlined by the Authority during previous consultations.

The incentive is split equally into the objectives proposed by Snam Rete Gas and the related recognition will be modulated according to the activities completed.

Resolution 67/2019/R/gas - Regulation of access to storage services and their supply. Capacity allocation arrangements for the storage service for the 2019/2020 thermal year.

With said resolution, published on 27 February 2019, the Authority rationalised and integrated into a Consolidated Act (RAST) the provisions on the access to and supply of Storage Services. With specific reference to the method by which regulated prices are determined, the RAST establishes the sterilisation of the effects deriving from the conferral of capacity with market mechanisms at prices below tariff and incentive criteria to maximise the offer of storage services.

In particular, the resolution calls for compensation through the Energy and Environmental Services Fund (CSEA) of the price difference between the storage tariff and the auction assignment price applied to the capacity contributed, as well as the compensation of costs for the acquisition of transportation capacity incurred by storage companies.

Fine Comunicato n.0542-47

Numero di Pagine: 30