



25th world gas conference
"Gas: Sustaining Future Global Growth"

Gas Distribution: is there a role in building better communities in a liberalised market?

Alessandro Soresina, Chairman WOC4
Thursday, 7th June
Youth Conference – Panel Session



Patron



Host

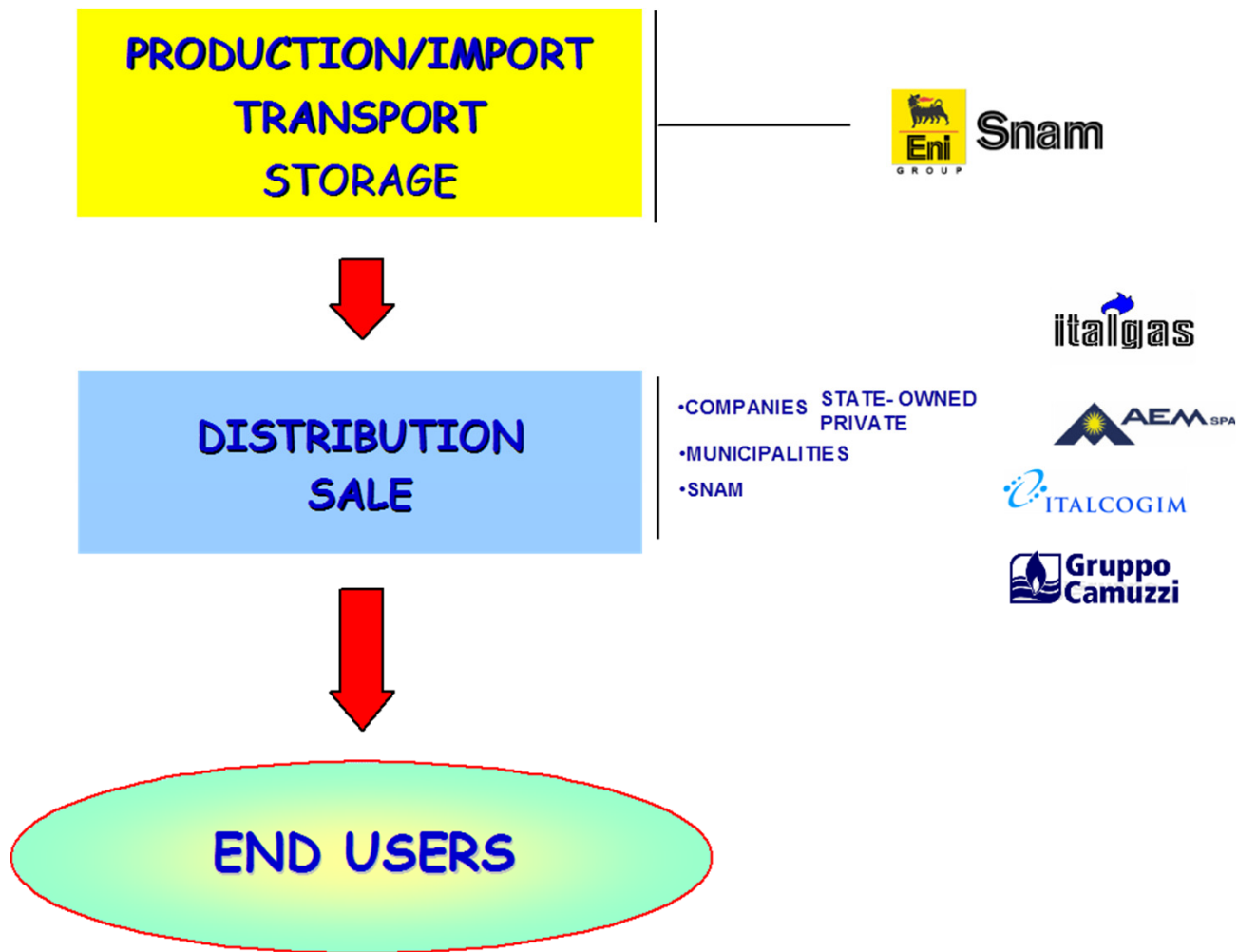


Host Sponsor



The liberalised gas market in Italy

Before year 2000



The liberalised gas market in Italy

After year 2000



Impact on A2A S.p.A.:



The liberalised gas market in Italy



Some figures:

Milano area (as of April 1st 2012):

Customers: 844.000

Retailers: 90

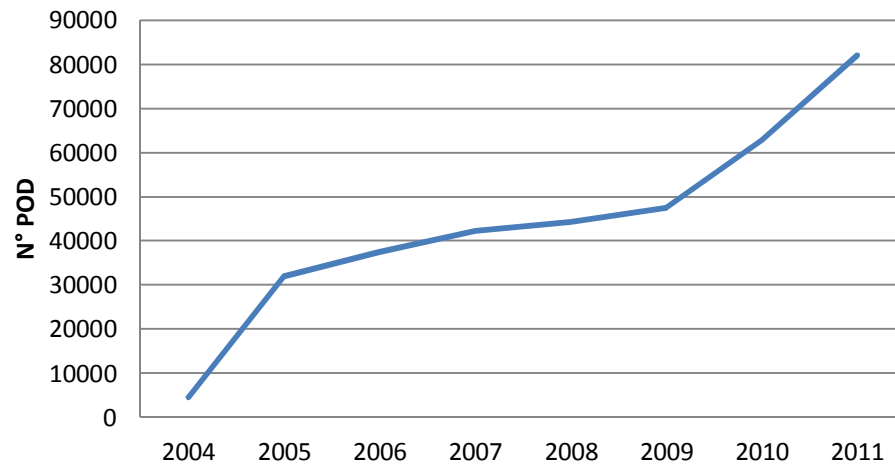
Customers “free market”
(not incumbent): 10%

Gas delivered “free market”
(not incumbent): 46%

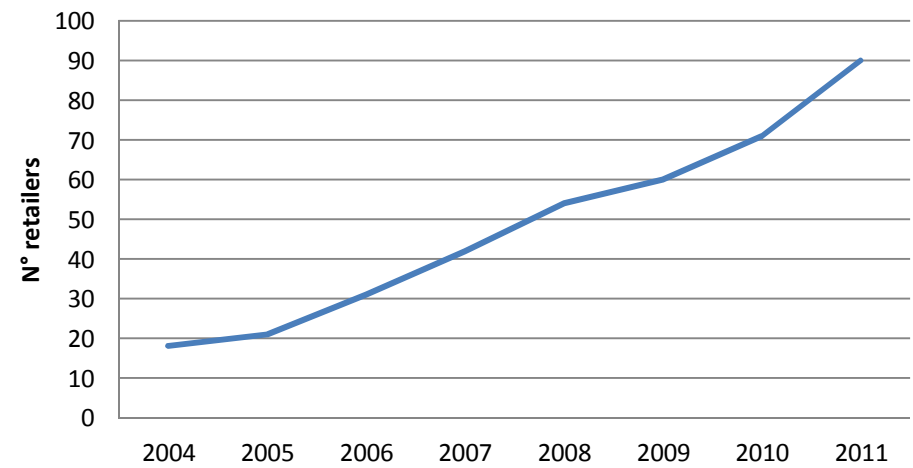
The liberalised gas market in Italy



Delivery Points

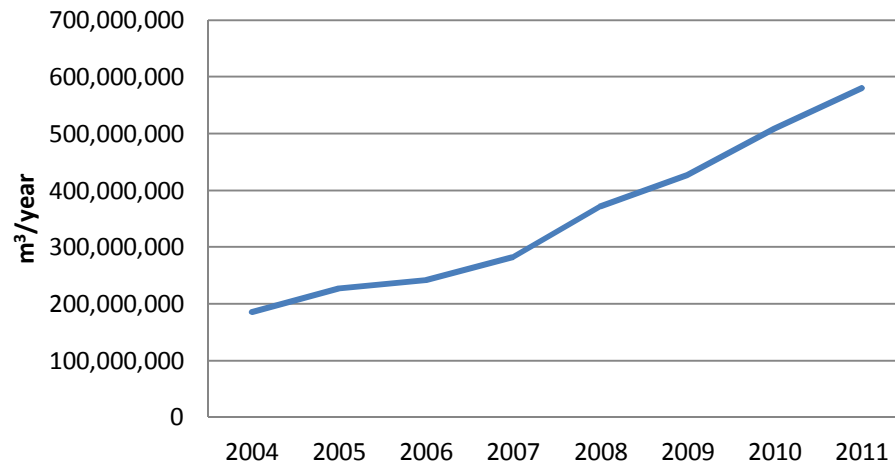


Retailers

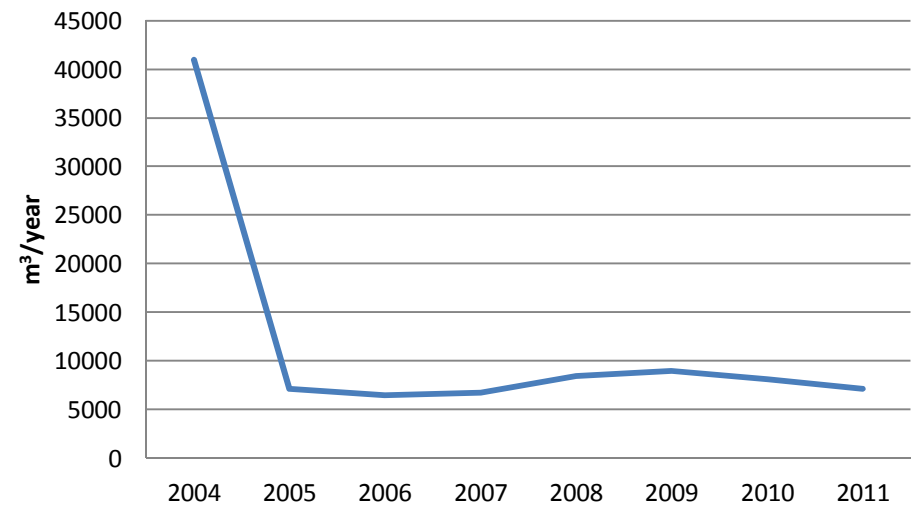


The liberalised gas market in Italy

Total volume



Average POD size



The liberalised gas market in Italy



In the liberalised gas market, Gas Distribution companies operate in a regulated environment.

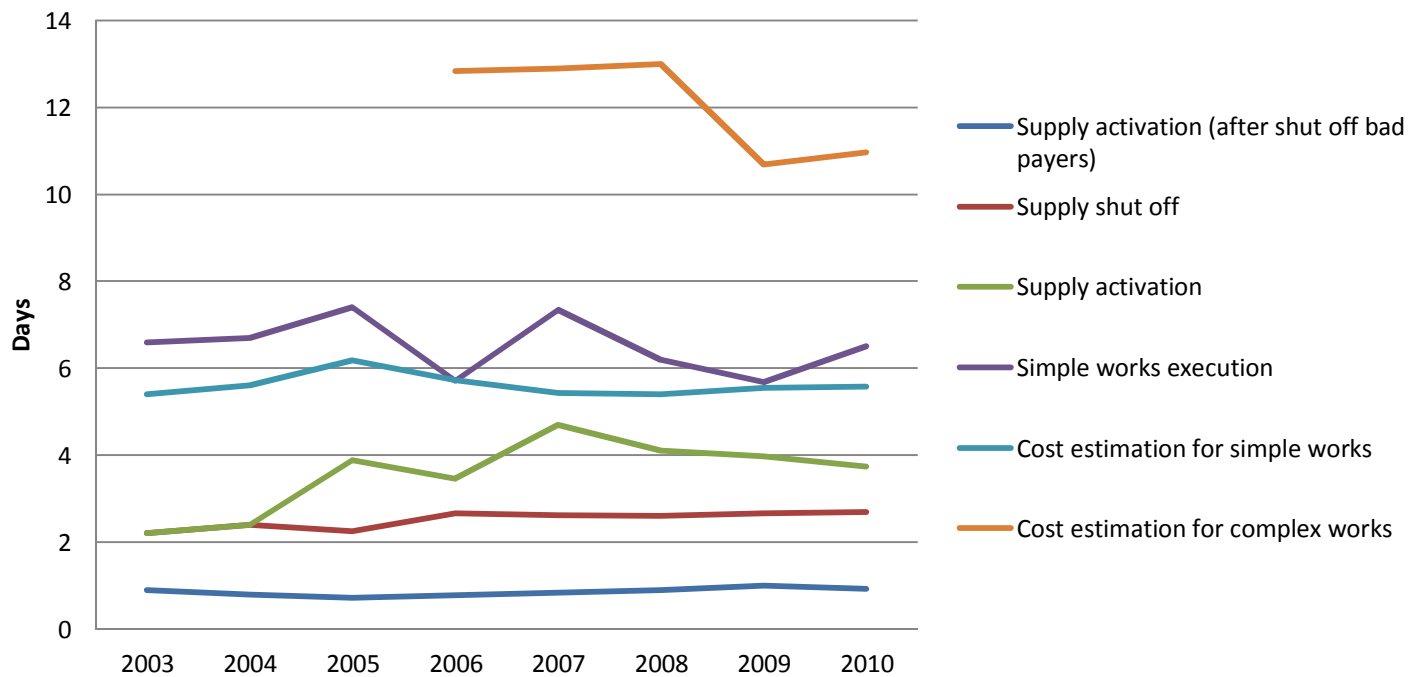
Regulated in terms of:

- Quality of service
- Safety of service
- Tariffs

Quality of Service

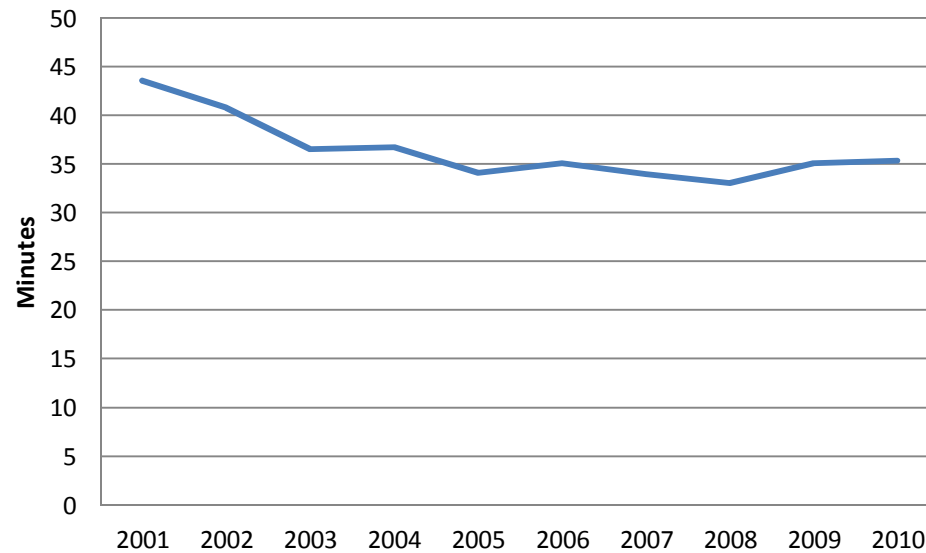
Quality and Safety of service are regulated through a set of KPIs, with minimum requirements

Commercial Quality KPIs



Source: Italian Energy Authority Website

Emergency calls response

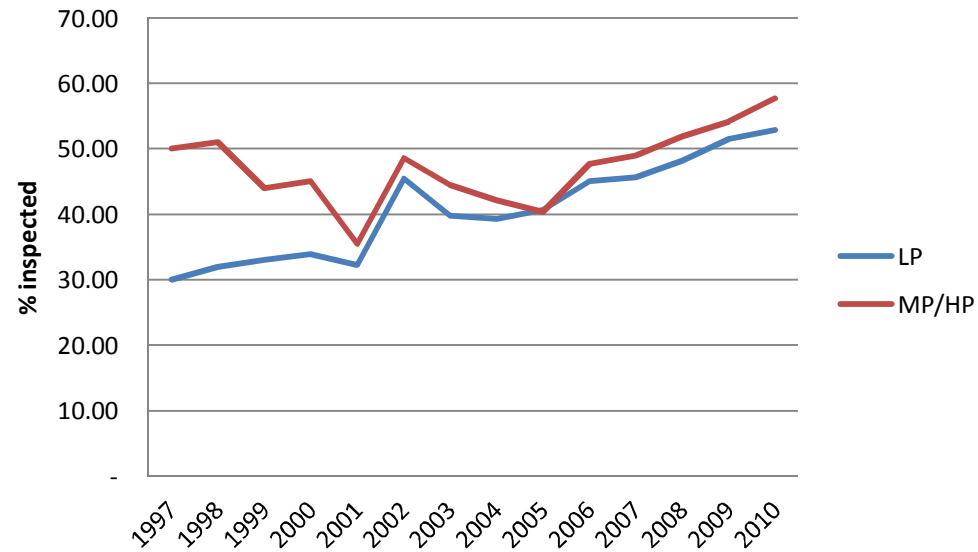


Source: Italian Energy Authority Website

Safety KPIs



Network inspected

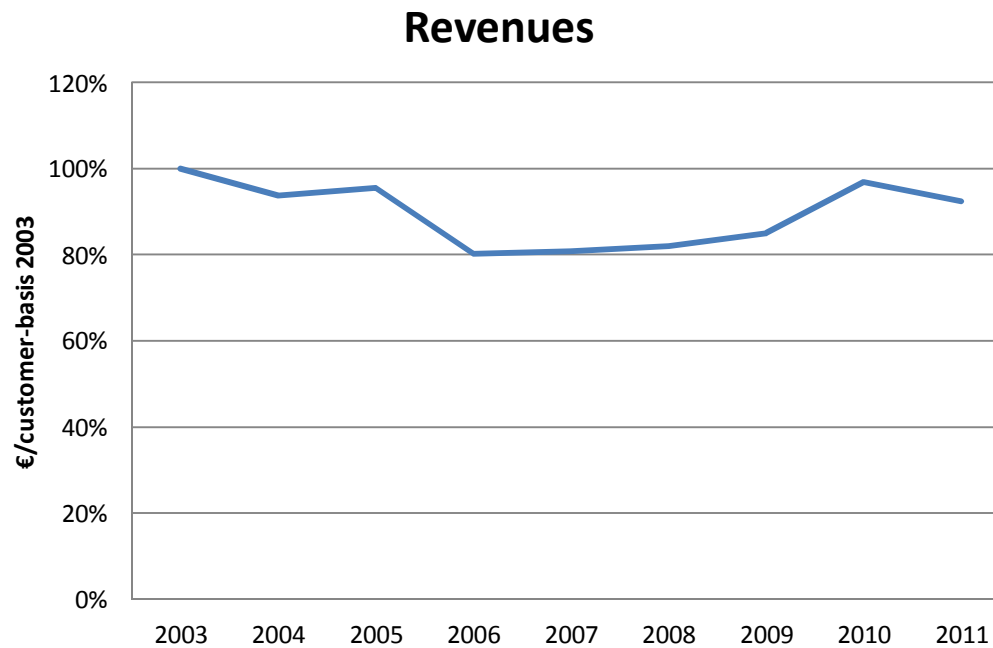


Source: Italian Energy Authority Website

Tariffs



Distribution tariffs are regulated, with a maximum revenue limit settled by the Authority

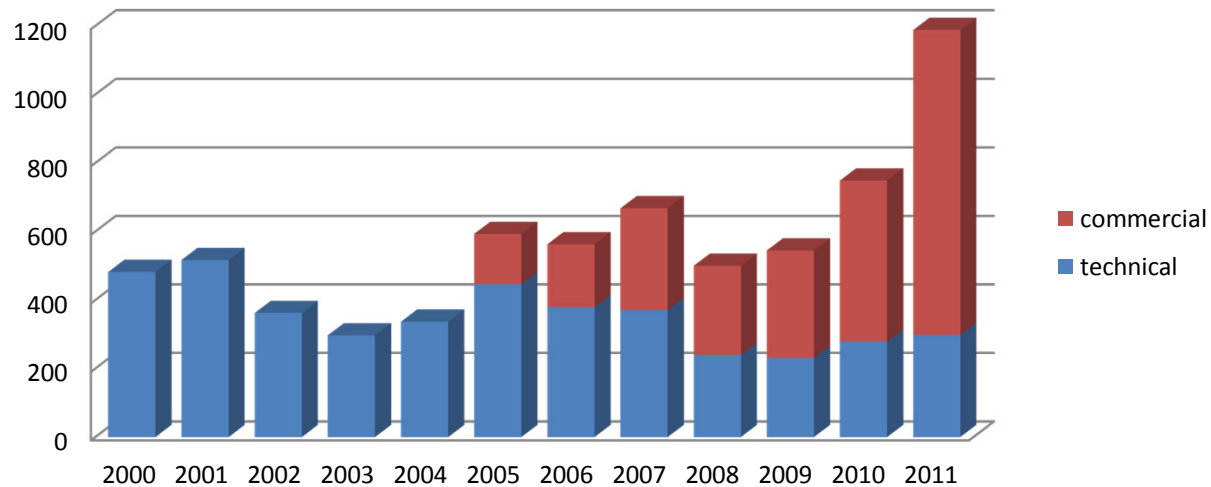


% value of yearly tariff – basis year 2003

Complaints

As liberalisation displays its effects on the market, customers' complaints increase, focused on commercial issues (switching, meter readings, retailers' billing, etc.)

Customers' complaints



Contribution to better communities: is it possible in the liberalised market?



Some questions

- Is this the right environment to contribute (as gas distribution operators) in building better communities?
- Have gas distribution operators a «social role»?
- Where are efforts of operators concentrated on?
- How can we enable a process of continuous improvement towards the goal of building better communities?
- Cost saving vs. efficiency?
- Can be this a «sub-product» of the objective of increasing efficiency?