

Autorità per l'energia elettrica e il gas

PRESS RELEASE

Electricity: improved quality of service; Rewards and penalties to distributors

Power cuts are diminishing in numeric terms and in terms of duration

Milan, 6 December 2010 – Power supply service is improving nationwide: in 2009, power-cut minutes for households and small businesses were down from 90 to 78, one reason for this being the interventions of power distribution companies in favour of the technical quality of service.

Following such national result as well as regional achievements (summarised in Table A annexed hereto), in line with a number of predefined rules, the Regulatory Authority granted to deserving companies rewards worth 53 million euros for having reduced power-cut duration and 47 million for having reduced the *total number* of power cuts. Concurrently, the Authority inflicted 35 million euros worth of penalties to companies not having achieved the minimum qualitative levels fixed by the Authority.

Such results were obtained through the *reward and penalty mechanism* introduced by the Authority to promote continuous improvement in the quality of the power supply service with regard to *cuts attributable to distributors*.

Penalties and rewards were formalised on the conclusion of sample inspections conducted in association with the special units of the Italian Tax Police *Guardia di Finanza* to check the correct measurement and recording of power cuts notified by electricity distributors to the Authority.

Improved Quality of Service

Penalties and rewards have determined a gradual improvement in the quality of the power supply service: just consider that, in 2009, in the supply of electricity the duration and number of power cuts were down as opposed to 2008.

In particular, an all-time improvement was recorded in the duration of *power cuts without notice* attributable to distributors ⁽¹⁾; such cut duration was down from 50 to 46 minutes per customer per year (*Fig. 1*); *total cut duration* per customer per year was also down from 90 to 78 minutes – this figure relates to *all power cuts* including those not attributable to distributors' responsibility but rather to exceptional events (weather, earthquakes, etc.). As a matter of fact, cuts were caused to a significant extent by the exceptionally heavy weather, which had already negatively influenced the 2008 results.

In further detail, if cuts on both the *distribution* and *transmission* systems are considered excluding *relevant incidents* and the activation of cut-out systems ⁽²⁾ in 2009:

⁽¹⁾ Power cuts measured by the Authority are classified into “*Cuts ascribable to distributors*” and “*Cuts not directly ascribable to distributors*” – which occur, e.g. following exceptionally heavy weather.

⁽²⁾ Automatic circuit breakers of users' circuits to ensure network safety, security and stability.

- the *total duration* of cuts was 78 minutes per customer, against 90 in 2008 (including cuts caused by exceptional natural events, i.e. weather, earthquakes, etc.);
- the *duration* of cuts attributable to the distributors' responsibility (excluding, in particular, the effects of exceptional climatic events) was 46 minutes per customer at national level, an all-time minimum (vs. 50 in 2008); more specifically, 30 minutes in Northern Italy, 41 minutes in Central Italy and 73 minutes in Southern Italy (*Fig. 2*);
- the *total number* of long cuts without notice was 2.35 cuts per customer per year (vs. 2.37 in 2008), while the number of short cuts per customer was equal to 3.54, against 3.62 in 2008 (*Fig. 3*).

Resolution ARG/ELT 205/10, which includes a schedule of penalties and rewards given to individual distributors is available on website www.autorita.energia.it

Table A – Power Cuts: National and Regional Results
(including cuts for exceptional natural events)

Region	Minutes lost per customer per year		Average number of long power cuts per customer per year		Average number of short power cuts per customer per year	
	2008	2009	2008	2009	2008	2009
Piedmont	171	58	2.35	1.74	2.80	2.00
Valle d'Aosta	69	48	1.94	1.50	2.42	2.81
Liguria	69	57	2.16	1.92	3.97	3.50
Lombardy	48	40	1.35	1.11	1.63	1.46
Trentino Alto Adige	262	59	3.56	1.89	3.93	2.76
Veneto	56	44	1.75	1.54	2.48	2.01
Friuli Venezia Giulia	52	36	1.34	1.03	2.78	2.08
Emilia Romagna	32	38	1.10	1.19	1.60	1.42
Tuscany	53	49	1.59	1.65	2.20	1.86
Marches	53	44	1.68	1.55	2.58	2.58
Umbria	43	43	1.54	1.44	2.41	2.04
Latium	82	63	2.74	2.37	3.24	2.90
Abruzzo	63	191	2.09	2.49	3.11	3.63
Molise	24	24	1.30	1.34	1.44	1.46
Campania	104	109	4.03	4.60	8.14	8.17
Apulia	93	102	2.69	3.06	3.91	4.60
Basilicata	46	51	1.47	1.74	2.48	3.58
Calabria	134	128	4.16	4.48	6.45	6.79
Sicily	197	229	4.20	5.07	7.26	8.98
Sardinia	118	71	3.15	2.91	5.26	3.67
North	77	45	1.69	1.39	2.28	1.88
Centre	66	55	2.13	1.96	2.75	2.46
South	123	139	3.48	3.95	5.99	6.53
ITALY	90	78	2.37	2.35	3.61	3.54

FIG.1: DURATION OF CUTS PER LOW-VOLTAGE CONNECTED CUSTOMERS

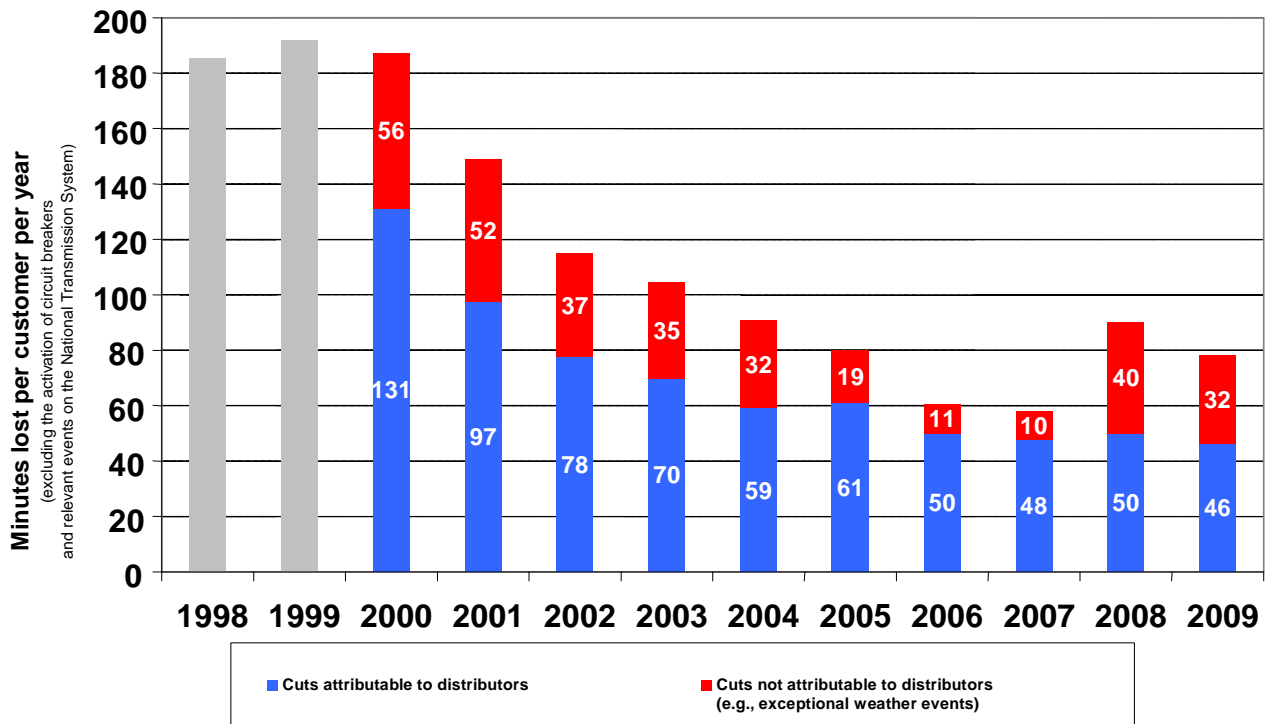


FIG.2: DURATION OF CUTS PER LOW-VOLTAGE (LV) CONNECTED CUSTOMERS ATTRIBUTABLE TO DISTRIBUTORS

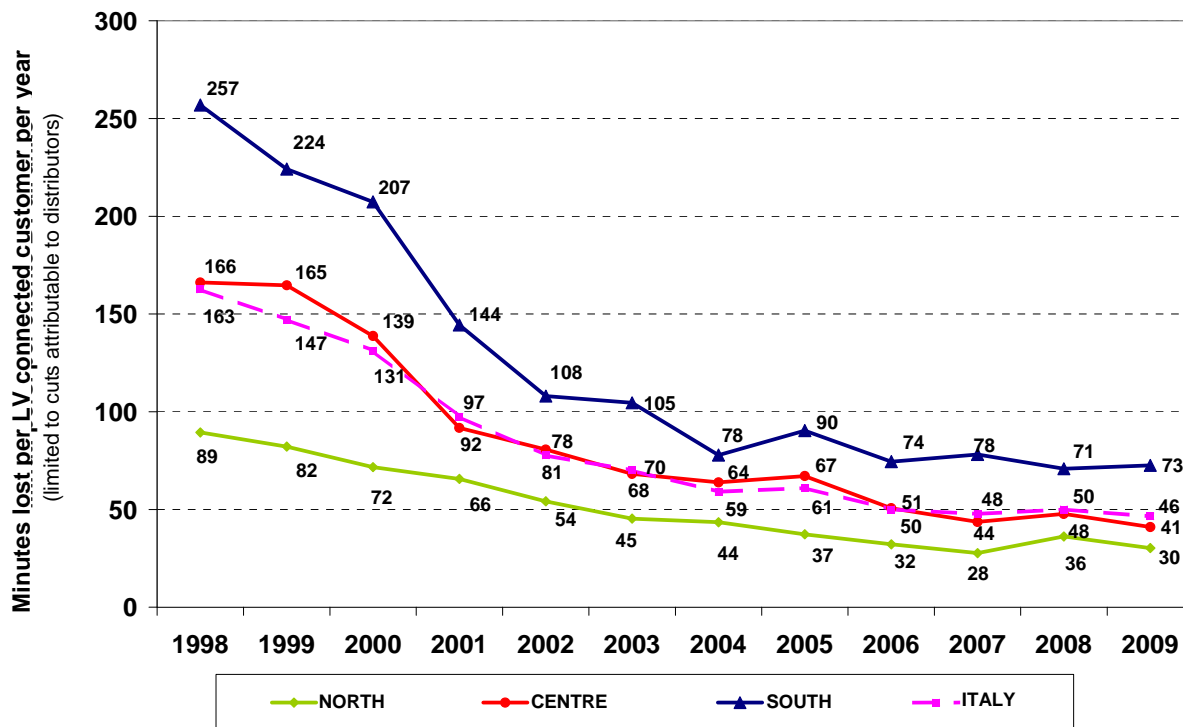


FIG. 3 AVERAGE NUMBER OF LONG + SHORT CUTS PER LV (LOW VOLTAGE) CONNECTED CUSTOMER, YEARS 2002 TO 2009

