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Service Concession Arrangements

The ACEA Group operates water, environmental and public lighting services under concession. It also manages... Before going on to describe the individual service concessions, this section provides information on key issues

Constitutional Court sentence 335/2008

Constitutional Court sentence 335 of 10 October 2008 declared Article 14, paragraph 1 of Law 36/94 to be unconstitutional. The judgement is based on the opinion that the integrated water services tariff represents payment for services. In implementation of the Constitutional Court sentence and to make up for the resulting regulatory gap, Law no. 101/2009 was passed. In this sense, the above Article 8 sexies contains a definition of the tariff component regarding waste water treatment. The second paragraph of Article 8 sexies also governs the method of reimbursing the sums received from end users.

- the prescription period for the reimbursement request is five years,
- the rebate is subject to the user's request supported by relevant documents,
- the rebate must not be to the detriment of the full coverage of the investment and operating costs necessary for the service.

With regard to procedure, the decree sets out the following:

- the operator makes available to the Area Authority any relevant information in order for the Authority to assess the correctness of the information sent by the Operator;
- the Area Authority is authorised to make extraordinary tariff amendments, also in derogation from the provisions of the tariff regulation.

The procedure included in the decree which complies with the general principles that regulate the integrated water services.

Local public services

Abrogative referendums of 12 and 13 June 2011

Following the referenda carried out on 12 and 13 June 2011, article 23-bis of Law Decree 112/2008, converted into Law no. 99/2008, was amended. In general the effects of the abrogative referenda, which in accordance with Law 352/1970 are declared by the Council of Ministers. Given the aforementioned circumstances, it must be considered that the lack of a transitional regime for prior conditions. The interim effect of the phenomena described above was the removal from Italian law of the limits on in-house assignment. Lastly, it must be noted that in the assessment of the effects of the abrogative referenda, the amendment to relevant provisions.

Local public service regulations between the 'Stabilisation' Decree and Constitutional Court Sentence 199/2012

Law Decree no. 138 of 13 August 2011, 'Additional urgent measures for financial stabilisation and development of the economy'. It envisages verification of the feasibility of competitive management of local public services of general economic interest. The in-house assignment procedure may only be carried out if the annual economic value of the service subject to assignment is approved by the Council of Ministers. Article 3-bis of this regulation, in addition to envisaging the further restriction for in-house operators as being subject to the assignment procedure. By sentence no. 199 of 20 July 2012 the Constitutional Court declared the constitutional illegitimacy of art. 4 of Law Decree no. 138 of 13 August 2011. As a result of the sentence in question, Acea has to consider that the series of conditions to which it was subjected.

Regulation of local public services after Law no. 221 of 17 December 2012 converting Law Decree 179/2012 ('Stabilisation')

The measure in question is of particular interest due to its establishment of rules which, in fact, reintroduce a framework for the assignment procedure.

Assignment regulation.

The awarding body is exclusively responsible for assessing the service assignment procedures, provided this is done in accordance with the criteria set out in the regulation. The awarding body is also responsible for the assignment procedure.

The organisation of local public services of general economic interest

Instead, as concerns the criteria that should inform the organisation of networked local public services, the provisions of Law no. 221 of 17 December 2012, article 34, paragraph 29 also updates art. 154, paragraph 4, of Legislative Decree 152/2006 (Environmental code).

Elimination of the national agency for water regulation and monitoring and of Co.N.Vi.Ri (National Commission for Water Regulation and Monitoring)

With the Decree of the President of the Council of Ministers of 20 July 2012, the functions of the National Commission for Water Regulation and Monitoring were transferred to the Ministry of the Environment. On 3 October 2012, Decree of the President of the Council of Ministers of 20 July 2012 was published. This decree transferred the functions of the National Commission for Water Regulation and Monitoring to the Ministry of the Environment. According to that decree, the Ministry shall continue to exercise the water service functions not transferred to the Agency for Water Regulation and Monitoring.

- adopt policies to ensure coordination of functions inherent to water resource usage at all levels of planning;
- adopt policies and set resource quality standards pursuant to Part III of Legislative Decree no. 152/2006;
- define criteria to favour water savings and water usage efficiency and regarding waste water recycling;
- define criteria for the definition of the environmental cost and the resource cost for the various sectors;
- define criteria for determining the coverage of costs relative to water services, other than the integrated water services;
- define the general integrated water service quality targets, with input from the regions, the operators and the end users;
- be able to define policies to achieve solidarity-based equalisation amongst areas with differing water resources.

Elimination of the Area Authorities

Law no. 42 of 26 March 2010 - 'Urgent interventions concerning local authorities and regions' includes article 1, paragraph 1, which provides for the elimination of the Area Authorities.

On 26 February 2011, Law 10/2011 was published (which converted Law Decree no. 225 of 29 December 2010).

Note that despite postponement of this deadline by one year from the end of 2011, the Tuscany Regional Government has not yet published the relevant decree.

Art. 50 of the same law states that the bodies of the Authority are to be established by 30 June 2012 and that,

AEEG activities on water services

The Authority began its activities in the water services sector at the start of 2012 by setting up a working party
In terms of the activities carried out by the Authority in 2012, please note the following:

- by resolution no. 74/2012/R/idr of 1 March 2012 the Authority launched procedures for adoption of the
- with consulting document no. 204/2012/R/idr of 22 May 2012, the Authority launched a public consulta
- with consulting document no. 290/2012/R/idr of 12 July 2012, the authority launched an additional, mo
- with resolution no. 347/2012/R/idr, subsequently supplemented and amended by resolutions no. 412/2
- with resolution no. 585/2012/R/idr of 28 December 2012, the Authority launched the temporary tariff n
- with resolution no. 586/2012/R/idr of 28 December 2012, the Authority approved the first directive for
- with resolution no. 587/2012/R/idr of 28 December 2012, the Authority launched an enquiry concernin

In the first few months of 2013, the Authority also issued the following documents:

- resolution no. 73/2013/R/idr of 21 February 2013 concerning the approval of guidelines for verifying th
- resolution no. 86/2013/R/idr del 28 February 2013 governing the integrated water service guarantee d
- resolution no. 87/2013/R/idr of 28 February 2013 concerning the approval of the integrated water service
- resolution no. 88/2013/R/idr of 28 February 2013 regarding the approval of the Temporary Tariff Metho
- consulting document 82/2013/R/com published on 1 March 2013 relating to the initial guidelines conce

The key principles of resolution 585/2012 concerning the tariff method are summarised below:

- the temporary method identifies the methodology to be used at the national level to determine tariffs fo
- the resolution identifies the role of Area Authorities for the purpose of determining the tariff, defining ac
- a procedure for gradually shifting from the criteria of the standardised method (MNT) to those of the te
- to protect end users (and operators) from the impact, for the two years in question, the obligation is int
- the new methodology sets forth that a tariff breakdown by operator/tariff area analogous to the pre-exi
- the new methodology reconciles the results of the referenda with European and domestic regulations o
- the return on invested capital is cancelled and instead the cost of the financial resource is recognised
- in order to avoid inefficient or opportunistic behaviour, the cost of the financial resource is not recognis
- the revenue guarantee principle is established (confirmed), along with the requirement to adjust any d
- the temporary method is based on ex-post regulation criteria in place of the ex-ante regulation of the M
- the temporary method establishes the regulatory useful life for each category of fixed assets for the pu
- the MTT contains a detailed definition of the activities of the integrated water service and other water s
- in compliance with the cost coverage principle, the new method updates operating and capital costs b
- in the assessment of the operator's net invested capital, an lump-sum amount has been introduced fo
- IRAP is considered to be an operating cost which can be made more efficient, subject to the gradual
- a tariff component defined New Investments Fund (FoNI) has been introduced, which represents an a

Resolution 585/12 establishes that the MTT applies to services that were compliant with Law 36/94 and Leg
Costs Authorised in the following

- costs of fixed assets, understood as the sum of finance costs, tax costs and investment repayment ins
- management costs which can be reduced, understood as operating costs arising in the context of serv
- management costs which cannot be reduced, understood as external operating costs, the determinatio
- any advance component to finance new investments.

The tariff components described above, recognised for the years 2012 and 2013, derive from a process of grad
The Authority also establishes the inclusion in the tariff restriction of tariff adjustment items relating to years prior

The responsibility of the Authority in the period of the year 2013 the Region (as in the table) is as follows:
Therefore, the Council of State ordered the Authority to take the opinion into consideration when adopting new

On 31 January 2013, the Authority approved resolution no. 38/2013/R/idr with which it launches a procedure to
the criteria based on which Area Authorities will have to identify, without prejudice to the full cost recov

- procedures and tools to ensure that the aforementioned amounts are actually returned to end users,
- the methods that the Authority will use to verify and approve Area Authority decisions,

It also confers broad powers upon the Person responsible for the proceeding - the Head of the Special Tariffs a
It is also sets forth that all parties concerned - with particular reference to associations representing consumers

The proceeding duration has been set at 120 days, beginning on the publication date.

The Group has estimated that the cost of the return resulting from the 2011 referendum outcome is 7.9 million e
With respect to this

- by 31 March 2013, the Area Authorities shall update or prepare, if not yet drawn up, the financial and e
- the tariff shall be set forth by the Area Authorities and transmitted to AEEG and the operators by 31 M
- the difference between tariff revenues determined by the application of the temporary tariffs pursuant t
- by 30 June 2013, operators are required to provide the Authority with the data useful for determining th

Please note that the main Group Companies submitted an appeal to the Lombardy Regional Administrative Co

Services under concession

Public Lighting Concession under a thirty-year concession arrangement (effective from 1 January 1998), for which
The supplements regard the following elements:

- alignment of the term of the service contract with the expiry of the concession (2027), given that the co
- annual update of the compensation concerning consumption of electricity and maintenance;
- annual increase in the lump-sum payment with regard to the new lighting points installed.

It is also established that the price will be paid based on a price list agreed by the parties (and sub
Moreover, it has been established that qualitative/quantitative parameters shall be renegotiated in 2018.

Upon natural or early expiry - also due to cases envisaged under Law Decree no. 138/2011 - ACEA will be awa
Finally, the contract sets out a list of events that represent a reason of anticipated revocation of the concession

On the basis of the number of public lighting plants as at 31 December 2009, the supplemental agreement esta
Related Party Transactions provided in the section ?

In relation to the effects of the repeal of article 23-bis on the ACEA concession, expiring on 31 December 2027

Integrated water environmental services in the following regions:

Lazio, where ACEA Ato2 S.p.A. and ACEA Ato5 S.p.A. provide services in the provinces of Rome and Campania, where G.O.R.L. S.p.A. provides services in the area of the Sorrento Peninsula and Capri. In Tuscany, where the ACEA Group operates in the province of Pisa, through Acque S.p.A., in the province of Umbria, where the Group operates in the province of Perugia, through Umbra Acque S.p.A.

Lazio ? ACEA Ato2 S.p.A. (Ato2 - Central Lazio - Rome)

ACEA Ato2 provides integrated water services on the basis of a thirty-year agreement signed on 6 August 2002

As of 1 January 2011 the single area tariff is in place, as adopted by the Mayors' Conference of 14 December 2008

On 17 April 2012 the Mayors' Conference and Chairmen of Ato2 Central Lazio - Rome met to discuss and resolve

the following resolution: "The 7% expressed investment deficit for 2006-2011 is not to be taken into account in the tariff adjustments between real and guaranteed revenue for 2006-2011 has generated tariff adjustments

€ millions	2012a	2013	2014	2015	2016	2017
Guaranteed revenue	472.84	488.87	503.88	517.82	533.43	542.02
Total	472.84	488.87	503.88	517.82	533.43	542.02

Consequently the new average tariff decided for the next three years is:

~~6.63%~~
for 2012: 5.63%

for 2013: 3.43%

for 2014: 3.07%

The tariff review document of 17 April 2012 envisages that in the period 2012-2015 the Operator makes investm

~~investments~~ from which a return on capital invested is due

The above investments must be in addition to those deriving from assessment of the MALL parameter, which m

The Area Authority - through the STO - sent the text of the Resolution envisaging average tariff increases and a

With reference to tariff adjustments, note that up to and including 31 December 2011 ACEA Ato2 recognised th

In fact, resolution 585/2012 confirms the inclusion of prior adjustments within the restriction on guaranteed reve

With regard to the FoNI (New investments advance fund) tariff component set forth in AEEG Resolution 585/20

With reference to the effects of ruling no. 335/2008, it should be noted that on 3 October 2011, the Operational

The date of publication of the ruling is the date of the tariff adjustment (16 October 2008 - 15 October 2011)

As a result of said quantification for the 16 October 2003 - 15 October 2008 period, users will be entitled, upon

in the case of users not relating to untreated waste analytically identified by the STO and the operator,

in the case of users relating to untreated waste analytically identified by the STO and the operator, the

In the event in which the deductible expense is higher than the treatment tariff, the user is not entitled to any re

As regards the tariff portion due by 16 October 2008, users not served by waste treatment must pay for the tra

in the case of users not relating to untreated waste analytically identified by the STO and the operator,

for users associated with the untreated sewer systems as analytically identified by the STO and the op

The maximum total amount of potential reimbursements is around 11 million euros before deductible costs.

The Area Authority must also identify the methods and timescales of repayments, as well as the related tariff co

For information regarding the requirements of abrogated article 23-bis and the effects on the expiries of the AC

Lazio ? ACEA Ato5 S.p.A. (Ato5 ? Southern Lazio - Frosinone)

ACEA Ato5 provides integrated water services on the basis of a thirty-year agreement signed on 27 June 2003

The management of the integrated water service in the territory of ATO 5 - Southern Lazio-Frosinone involves a

No new acquisitions were formalised in the period.

The Mayor's Conference of 14 January 2009 approved the exit from the ATO5 ? Southern Lazio of the municip

The agreement requires that the price charged to each municipality should converge towards the price applied

Throughout the concession term the operator is responsible for the maintenance and upgrading of all assigned

As regards the effects of Constitutional Court sentence 335/2008, survey activities are basically complete: the p

As regards the obligations set forth by the legislation to be fulfilled by the Area Authority, in January 2012, the F

Specifically, in accepting the appeal filed by Codici the Regional Administrative Court ascertained default by the

Up to the date of the dispute, the tariff for 2005 was 0.29 euro per cubic meter of water. The tariff for 2006 was 0.31 euro per cubic meter of water. The tariff for 2007 was 0.33 euro per cubic meter of water. The tariff for 2008 was 0.35 euro per cubic meter of water. The tariff for 2009 was 0.37 euro per cubic meter of water. The tariff for 2010 was 0.39 euro per cubic meter of water. The tariff for 2011 was 0.41 euro per cubic meter of water. The tariff for 2012 was 0.43 euro per cubic meter of water. The tariff for 2013 was 0.45 euro per cubic meter of water. The tariff for 2014 was 0.47 euro per cubic meter of water. The tariff for 2015 was 0.49 euro per cubic meter of water. The tariff for 2016 was 0.51 euro per cubic meter of water. The tariff for 2017 was 0.53 euro per cubic meter of water.

By compliance with the hearing of 14 October 2012, on the basis of the Commission's resolution of 8 March 2012 - Determination of the inte

This was specified by the Commission's resolution of 8 March 2012 - Determination of the inte

The Commissioner for deeds has reconstructed the trend in the tariff curve from 2003 to 2012 to current values

On 28 June the Commissioner prepared a Report - F 129/2012 - on the ?choice of criteria, tariff verification and

To summarise, 56.6 million euros were estimated in favour of the company, to be taken into account in defining

The amount recognised to the company excludes the related portion of the concession fee, the review of which

On 4 June, with Note prot. F124, the Commissioner formally resigned from his position.

At the hearing held on 26 July, the Lazio Regional Administrative Court, Latina section, accepted the resignatio

The Company notified the AEEG of the aforementioned order on 13 August 2012 and, therefore, the six-month

On 20 December 2012, the new Commissioner for deeds requested a three-month extension on the deadline s

Revenues for the year 2012 amount to a total of approximately 55 million euros. This calculation was done in lin

The estimated total amount of potential reimbursements is around 11 million euros before deductible costs.

Campania ? GORI S.p.A. (Sarnese Vesuviano)

GORI provides integrated water services in 76 municipalities in the provinces of Naples and Salerno, on the ba

2011 Tariff measures

On 2 August 2011, by means of resolution no. 5, the General Meeting of the Sarnese Vesuviano Area Authority
to invite GORI to sign a streamlining plan for the management of the integrated water service of A.T.O.
to approve the following tariff system, deemed suited to cover the aforementioned total tariff costs, with
tariff basins: the division of municipalities of ATO 3 is confirmed as the two tariff areas as per F
Basic basin "A" tariff: Basic tariff = €/m³ 1.3210
Basic basin "B" tariff: Basic tariff = €/m³ 1.1719
Tariff structure coefficient before domestic use bracket: 0.6 which cancels and replaces the co
The average area value of the basic tariffs in force in "basin A" and "basin B" pursuant to res

The aforementioned Meeting Resolution no. 5/2011 was challenged before the Campania Regional Administration
Both the Authority and GORI have challenged sentence no. 1809/2012 through an appeal filed with the Council
In any event the company immediately arranged for the various public institutions involved - Area Authority, Ca
In this respect it should be noted that the company asked:

the Area Authority to call its decision-making bodies to: (i) restore the tariff resolution cancelled by the
in the event of persisting inertia by the Authority, the exercise of powers of substitution by the Campan

The attached documents, dated 27 October 2012, are the result of the procedure for determining the 2012 tariffs, requ

As a result of the AEEG request, the Area Authority began the procedure for determining the 2012 tariffs, requ
Note also that, on the basis of the appeal submitted by the company and the Sarnese Vesuviano Area Authority

2012 Tariff measures

On 27 October 2012, the Area Authority's General Meeting approved the proposals made by that Authority's
the new tariff system for 2012 which envisages an annual revenue level of 127.3 million euros (Group
the recognition of the residual debt owed by GORI to the Regional Government, aimed at normalising re

As part of the enquiry ordered by the Area Authority, which recalculated the adjustments described above, new
On 25 January 2013, the Company was sent notice of an appeal before the Campania Regional Administrative
The company is proceeding with the appearance before the court, confident from the fact that the AEEG has al

Relations with the Campania Regional Government

With regard to the definition of the framework agreement for the normalisation of relations between the Region
the waiver of all pending litigation and the express recognition by the Area Authority and GORI of the a
the express reduction by the Regional Government of the regional debt (calculated on the aforementio
the definition of a twenty-year plan to repay the residual debt owed by GORI to the Regional Governm
the commitment of the Operator to contractualise end users for regional water abstraction services and
emergence from and subsequent definition of the issue regarding waste treatment services provided b
the transfer to GORI of water abstraction and district treatment systems infrastructures covered by AT
the commitment from GORI to establish a newco, controlled by the same Company, to which all regio
the Area Authority commitment, within the limits of its new attributions, to propose the adoption of tariff

Currently, we are awaiting approval of the aforementioned draft agreement, which could be changed, in terms o

Ruling no. 335 of 2008

In relation to the problems concerning ruling no. 335 of 2008, it should be noted that, on 2 August 2011, the Ge

Bridge loan

With regard to problems relating to the bridge loan, note that by notice no. 17548 of 6 March 2012, GORI asked
In order to overcome the uncertainties faced by GORI, in 2011 ACEA decided to allocate a provision of 44.1 mi
Revenues for the year 2012 amount to a total of approximately 127.2 million euros (Group portion 47.1 million e

Toscana ? Acque S.p.A. (Ato2 ? Basso Valdarno)

The management agreement, which entered into force on 1 January 2002 with a twenty-year duration, was sign
According to the provisions of the concession, on 22 December 2008 the general meeting of the Area Authority
Penalties were also applied during the revision, as provided for in the Agreement, for the failure to achieve cert
During the second tariff review, the new Investment Plan was defined, later described in detail in the new three
The third tariff review for the years 2008-2010 was approved by the Authority's general meeting of 6 Decembe
The tariff review was accompanied by the review of the Area Plan which was performed on two separate scena
In the 2011-2013 three-year period, roughly 40 million euros more in investments are expected than in the origi
The 2026 Plan will only become effective following:

approval by the current Lenders
verification of the financeability of said plan

In the event the above conditions are met, the 2021 Plan will become effective.

The two plans only differ as regards the part relating to investments while they are consistent in all other aspect
Plan 2021, which makes provision in the first three-year period for higher amortisation due to the lower duration

Following adoption of the AATO Resolutions two appeals were filed as follows:

An appeal filed by Federconsumatori Utenti Toscana against AATO 2 and Acque challenging the legiti
An appeal filed by the Forum Toscano dei Movimenti per l'Acqua and a number of individuals residen

With Decree of the President of the Regional Council no. 87 of 4 April 2012, a regional state of emergency was

In October 2006, the Operator signed a contract with a pool of banks which provides for a total loan of 255 milli

With regard to the impact of Constitutional Court sentence 335/2008, relating to the legitimacy of billing the tariff. In 2010, the lists of end users entitled to rebates were published on the websites of Acque and the Area Authority. At December 2010, 1,139 claims had been submitted by eligible users, for a total of 0.4 million euros to be reimbursed. Revenues for the year 2012 amount to a total of approximately 101.2 million euros (Group share 45.5 million euros). The company did not take into account the advance of the FoNI (New investments advance fund) component, which is estimated at 10.2 million euros. With regard to the other FoNI (New investments advance fund) tariff components set forth in AEEG Resolution

Tuscany ? Acquedotto del Fiora S.p.A. (Ato6 ? Ombrone)
Based on the agreement signed on 28 December 2001, the operator (Acquedotto del Fiora) is to supply integrated water services. The concession term is twenty-five years from 1 January 2002. In August 2004, ACEA ? via the vehicle, Ombrone S.p.A. ? completed its acquisition of a stake in the company. In December 2011 the Area Authority approved the new Tariff Review for 2008-2010 and the review of the 2010-2021 tariffs. The volumes of water sold, included by the Authority in the new Area Plan are, therefore, in line with Acquedotto del Fiora. According to the provisions of the Decree of the Commissioner for the Tuscan Water Authority Conference, Dispute Resolution. With regard to the impact of Constitutional Court sentence 335/2008, relating to the legitimacy of billing the tariff. On this issue the Area Authority General Meeting resolution no. 13 of 29/11/2010 approved the Extraordinary Resolution. In financial terms, on 5 March 2012 the Operator signed an extension for a further 18 months, i.e. to September 2012. Revenues for the year 2012 amount to a total of approximately 76.6 million euros (Group share 30.6 million euros). The company did not take into account the advance of the FoNI (New investments advance fund) component, which is estimated at 10.2 million euros. With regard to the other FoNI (New investments advance fund) tariff components set forth in AEEG Resolution

Tuscany ? Publiacqua S.p.A. (Ato3 ? Medio Valdarno)
The management agreement, which entered into force on 1 January 2002 with a twenty-year duration, was signed with the Municipality of Valdarno. In June 2006, ACEA - via the vehicle, Acque Blu Fiorentine S.p.A. ? completed its acquisition of a stake in the company. Please note that, on 17 December 2010, the general meeting of the Area Authority approved the 2010-2021 tariffs. With resolutions no. 4 and no. 32 of 2011 and no. 8 of 2012, the Board of Directors of the Area Authority and the Board of Directors of Publiacqua approved the new tariffs. As noted previously, Publiacqua filed an appeal against those deeds with the Regional Administrative Court of Florence. Also in the regulatory area, in 2011 Conviri (Supervisory Committee for the Use of Water Resources) also filed an appeal against the new tariffs. Publiacqua filed an appeal before the Supreme Court against the aforementioned sentence, which is set to be decided in 2013. Lastly, note that following completion of the inspection to ascertain the accounting methods for the investment costs. In January 2012, the general management for protection of the area and water resources concluded the preliminary decision. Certain provisions were made in the decision; the main ones in terms of the impact on the company's economic situation are:

- amendment to the calculation method for the real average tariff, excluding profit sharing, i.e. the system of exclusion from the tariff calculation of the component of the return on invested capital relating to fixed assets;
- modification of the term within which the operator has the right to update actual revenues within a maximum of 12 months;
- elimination of the recognition of losses on receivables up to a maximum of 2% per annum which determines the cost of the investment;
- elimination of extraordinary contingent assets and liabilities from the cost calculation;
- modification of the system for the calculation of the compensation due to the operator at the end of the concession;
- exclusion from the tariff calculation of components of amortisation and remuneration of connections costs.

Lastly, it should be noted that said preliminary enquiry concluded with the disapproval of the fees to municipalities. The rulings, many of which were subject to Conviri verification in other area plans without similar reprehension, were confirmed. By Decree no. 3265/TRI/Di/viri the Ministry reopened the investigation on new elements for assessment submitted by the municipalities. The Ministry then decided to combine the two proceedings and, acknowledging the provisions of art. 21, paragraph 1, of Law Decree 112/2008, converted into Law 138/2008. With regard to ruling 335/2008, the Area Authority provided for 10.2 million euros to be allocated in order to cover the impact of the sentence. In terms of financing sources, on 29 November 2012, the company took out a new bridge loan with a duration of 18 months. Revenues for the year 2012 amount to a total of approximately 167.9 million euros (Group share 67.2 million euros). The company did not take into account the advance of the FoNI (New investments advance fund) component, which is estimated at 10.2 million euros. With regard to the other FoNI (New investments advance fund) tariff components set forth in AEEG Resolution

Tuscany ? GEAL S.p.A., Azga Nord S.p.A. and Lunigiana Acque S.p.A. (Ato 1 ?Tuscany Nord)

GEAL S.p.A.
GEAL S.p.A. manages integrated water services in the municipal territory of Lucca. In 2010, the Area Authority and also disputed the repeal of art. 23-bis of Law Decree 112/2008, converted into Law 138/2008. Therefore in a context of new and more tranquil relations with the Area Authority following the end of the dispute. On 30 April 2012, in implementation of the content of the Memorandum of 29 December 2011, the Tuscan Water Authority approved the new tariffs. Although formally approved on 30 April 2012, the new tariff was applied to users beginning on 1 August 2012 and to the remaining users on 1 October 2012. On 31 October 2012, the company sent the Tuscan Water Authority and AEEG statements with data and information. This information forms the basis for calculating the water tariff for the years 2012 and 2013 on the basis of the 2010-2021 tariffs. As it currently stands, and for all operators, the applicable Area Authority (for GEAL, the Tuscan Water Authority) has approved the new tariffs. The draft of the new concession agreement was prepared with the municipality of Lucca to ensure its consistency with the new tariffs. Furthermore, on 27.02.2012, all appeals concerning the issue of the so-called ?tax moratorium? were combined.

Lunigiana Acque S.p.A. in liquidation
As noted, Lunigiana Acque has been placed in liquidation after the resolution of the extraordinary shareholders' meeting. After that date, the company continued managing the Integrated Water Service in the municipalities of Aulla, Pescina and Pescina. On 1 April 2012 GAIA S.p.A., in-house operator of integrated water services for a large part of the Area since 1 January 2012. Relations between GAIA and Lunigiana Acque have been governed by a business unit lease agreement signed on 1 January 2012. a transfer which has not yet taken place due to the Tuscan Water Authority's failure to complete the enquiry procedure. On this point, GAIA submitted requests to extend the term for signing the business unit transfer agreement pending the completion of the enquiry procedure.

In particular, the last request asked to postpone signing the agreement to the end of February 2013, without prejudice. The liquidators decided to accept that request, since no tools are objectively available other than the launch of the agreement. In that regard, on 17.12.2012 the Tuscan Water Authority formally asked Lunigiana Acque for more details on the agreement. Currently, we have become aware of the positive outcome of the preliminary enquiry by the Authority based on the agreement. For this reason, it is deemed that there are no further elements to prevent the formalisation of the disposal agreement. The liquidators also continued the debt collection activity and, as a result, the payment of amounts due to suppliers. In particular, all amounts due to Lunigiana Acque from the municipalities of Aulla, Podenzana and Tresana have been paid. Moreover, there was a large-scale notice of injunction orders to delinquent (former) customers.

AZGA Nord S.p.A. in liquidation

As noted, AZGA Nord has been placed in liquidation after the resolution of the extraordinary shareholders' meeting. Although the company is in liquidation, it has remained and still is fully operative, as resolved by the shareholders' meeting. The Authority of ATO no. 1 "Toscana Nord", now the Tuscan Water Authority following the entry into force of the new law. For the purpose of complete information, it should be noted that the liquidators are aware of recent direct contacts with the Authority. From the operating perspective, there is nothing significant to note since the management of aqueduct, sewerage and wastewater treatment plants is ongoing.

Please note that the company has satisfied the obligations to send AEEG the considerable quantity of data and information requested.

Umbria ? Umbra Acque S.p.A. (Ato 1 ? Umbria 1)

On 26 November 2007 ACEA S.p.A. was definitively awarded the tender called by the Area Authority for selection of the contractor for the construction and operation of the water supply network. Before the end of 2007, ACEA completed the subscriptions of the share capital increase and the purchase of shares. By means of General Meeting decision dated 21/02/2011, the Area Authority approved 2011 tariffs, by establishing the new tariff structure. The current Area Plan was approved by the General Meeting of Representatives in 2004, though substantially revised in 2007. In April 2012 the Authority completed its controls on the tariff period 2003-2007, recognising an adjustment in favour of the Company. The Company is currently in a dispute with the Consumer Associations concerning the guarantee deposit. In the judgment, this measure has numerous censurable features, given that sufficient consideration was not given to the details of the measure. In particular, with that sentence the judge qualified the Regulation as a "framework contract", thereby not recognising its nature. An analysis of the measure brings to light that the guarantee deposit was considered on the basis of a "competition" model. In the order, there is no mention of the fact that the deposited amount is returned, in addition to legal interest, with the termination of the contract. The correct consideration of the nature and function of this deposit would have made it possible to definitively establish the return of the deposit. Therefore, also in consideration of the effects which that measure could have on other pending disputes on this subject, the dispute was launched given that Area Authority no. 1 "Toscana Nord" (North Tuscany), by means of the resolution of the extraordinary shareholders' meeting.
