

Research Update:

Oil Reserves Manager Acquirente Unico SpA Outlook Revised To Stable After Similar Action On Italy; Ratings Affirmed

October 26, 2020

Overview

- On Oct. 23, 2020, we revised our outlook on Italy to stable from negative.
- We equalize our long-term rating on Acquirente Unico SpA with that on Italy, reflecting an almost certain likelihood of timely and sufficient extraordinary support from the government in case of financial stress.
- Consequently, we are revising our outlook on Acquirente Unico to stable from negative and affirming our 'BBB' long-term issuer credit rating.
- The stable outlook mirrors that on Italy.

Rating Action

On Oct. 26, 2020 S&P Global Ratings revised its outlook on Acquirente Unico SpA to stable and affirmed the 'BBB' long-term issuer credit rating.

Rationale

The revision of the outlook on Acquirente Unico reflects our rating action on Italy on Oct. 23, 2020 (see "Italy Outlook Revised To Stable From Negative; Ratings Affirmed At 'BBB/A-2'," published on RatingsDirect). In line with our criteria for rating government-related entities (GREs), we consider that there is an almost certain likelihood that Acquirente Unico would receive timely and sufficient extraordinary support from the Italian government in a scenario of financial distress. Therefore, the long-term issuer credit rating on Acquirente Unico is equalized with the long-term sovereign credit rating on Italy.

We base our view of an almost certain likelihood of support on our assessment of Acquirente Unico's:

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- Critical role for the government as manager of Italy's strategic oil reserves. Through Organismo Centrale di Stoccaggio Italiano (OCSIT), Acquirente Unico is legally assigned the strategically important responsibility of fulfilling the government's oil stockholding obligations under EU and International Energy Agency regulations. In the energy sector, Acquirente Unico provides support to public entities, manages the integrated information technology system and two web-portals providing data related to the electricity and gas markets, and manages the tenders to select suppliers of last resort in the gas segment. Its role as energy supplier for households and small businesses that have not switched to the electricity open market is diminishing, although remains key in the sector.
- Integral link to the Italian government, which regulates all of its activities. Acquirente Unico is wholly owned by Gestore dei Servizi Energetici SpA (GSE), which, in turn, is wholly owned by the Ministry of Economy and Finance. The national regulator for Energy, Networks, and the Environment (ARERA) sets the financial conditions of the services that Acquirente Unico provides in the energy sector, and the Ministry of Economic Development (MiSE) sets the strategy for the acquisition and management of strategic oil reserves. GSE appoints the members of the Acquirente Unico board every three years, and the proposed members are subject to the Ministry of Finance's agreement, with the possibility of veto. MiSE establishes annually and by ad-hoc decrees the amount of specific oil stocks that OCSIT should hold and the contribution fees that the market operators should pay, thereby ensuring the balance of OCSIT's accounts.

Outlook

The stable outlook on Acquirente Unico reflects that on Italy.

Downside scenario

We could lower our rating on Acquirente Unico over the next two years, all else being equal, if:

- We lowered our rating on Italy; or
- We saw a weakening of its link with or role for the Italian government, leading us to revise down our view of the likelihood of extraordinary support from Italy to Acquirente Unico.

Upside scenario

We would upgrade Acquirente Unico if we did the same for Italy, and we continued to expect an almost certain likelihood of extraordinary government support.

Related Criteria

- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Italy Outlook Revised To Stable From Negative; Ratings Affirmed At 'BBB/A-2', Oct. 23, 2020
- Acquirente Unico SPA, July 24, 2020
- Italian Energy Purchaser And Strategic Oil Reserves Manager Acquirente Unico 'BBB' Rating Affirmed; Outlook Negative, July 26, 2019.
- Italy's Strategic Oil Reserves Manager Acquirente Unico Outlook Revised To Negative After Similar Action On Italy, Oct. 30, 2018

Ratings List

Ratings Affirmed; Outlook Action

	To	From
Acquirente Unico SpA		
Issuer Credit Rating	BBB/Stable/--	BBB/Negative/--

Ratings Affirmed

Acquirente Unico SpA

Senior Unsecured	BBB
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