

Research Update:

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

July 28, 2022

Overview

- On July 26, 2022, we revised our outlook on Italy to stable from positive and affirmed our 'BBB/A-2' ratings.
- We equalize our long-term rating on Acquirente Unico SpA with that on Italy, since we see an almost certain likelihood of the company receiving timely and sufficient extraordinary government support in case of financial distress.
- Consequently, we have revised our outlook on Acquirente Unico to stable from positive and affirmed our 'BBB' long-term issuer credit rating.
- The stable outlook on Acquirente Unico mirrors that on Italy.

Rating Action

On July 28, 2022, S&P Global Ratings revised its outlook on Acquirente Unico SpA to stable from positive and affirmed the 'BBB' long-term issuer credit rating.

Rationale

The outlook revision stems from our rating action on Italy on July 26, 2022.

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, we equalize our long-term issuer credit rating on Acquirente Unico with the long-term sovereign credit rating on Italy.

We consider Acquirente Unico as an entity that benefits from an almost certain likelihood of extraordinary support from the Republic of Italy, based on the company's:

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- Critical role for the government as manager of Italy's strategic oil reserves. Through its unit, Organismo Centrale di Stoccaggio Italiano (OCSIT), Acquirente Unico has been legally mandated to fulfill the strategic government's oil stockholding obligations under EU and International Energy Agency regulations. Additionally, the company acts as a centralized purchaser of electricity and gas on behalf of retail customers that have not signed up for liberalized services. We expect these operations will gradually scale down from 2024 onward, when the Enhanced Protection System (EPS) will end. Furthermore, Acquirente Unico provides support to public entities in the energy sector. It manages the Integrated Information System (IIS) and the Energy Ombudsman Service for the management of information relating to electricity and gas markets. In addition, Acquirente Unico can act as the supplier of last resort in case of emergency or temporary shortages of oil-derived petroleum and gas. Lastly, starting at the end of 2022, the company will manage and supervise the market of biomethane, a service previously managed by ENI SpA.
- Integral link to the Italian government, which regulates all of Acquirente Unico's activities. The company is owned by Gestore dei Servizi Energetici SpA (GSE), which, in turn, is wholly owned by the Ministry of Economy and Finance. The national regulator, ARERA, sets financial conditions for the services that Acquirente Unico provides in the energy sector, and the Ministry of Ecological Transition (MiTE) supervises the strategy for the acquisition and management of strategic oil reserves. GSE appoints the members of Acquirente Unico's board every three years, and proposed members are subject to agreement by the Ministry of Finance, with the possibility of a veto. MiTE establishes, annually and by ad hoc decrees, the amount of specific oil stocks that OCSIT should hold and the contribution fees that 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 would lower our rating on Acquirente Unico if we took the same action on Italy, all else being equal.

Upside scenario

We would raise our rating on Acquirente Unico if we took the same action on Italy, and we continued to expect an almost certain likelihood of extraordinary government support for the entity.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- 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 Positive On Risks To Reforms; Ratings Affirmed July 26, 2022
- Acquirente Unico SpA, July 21, 2022

Ratings List

Ratings Affirmed

Acquirente Unico SpA

Senior Unsecured	BBB
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Ratings Affirmed; Outlook Action

	To	From
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Acquirente Unico SpA

Issuer Credit Rating	BBB/Stable/--	BBB/Positive/--
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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352 Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; or Stockholm (46) 8-440-5914

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