



Investor Relations Direction

## **REMUNERATION OF REGULATED ACTIVITIES FOR 2004**

On January 19th 2004, the Ministerial Order ECO/31/2004 has been published, establishing the remuneration of the regulated activities of the gas sector.

This order has three main objectives:

- To establish and update the remuneration regime applicable to the regulated activities, defining its elements and setting the required measures to guarantee the best service is provided.
- To develop a procedure to include the new gas installations in the remuneration regime, determining the formula to calculate said remuneration for specific types of installations.
- To determine the amount of the remuneration for 2004 of the regulated activities.

According to this Order, the **total estimated remuneration** for Enagas in 2004 from regulated activities, would imply a **9% maximum increase** over last year's figures.

The following elements are considered in this total remuneration: The recognised fixed cost for assets put into operation until December 31st, 2002, plus an estimate of the remuneration of assets put into operation throughout 2003, and the expected revenues applicable to those assets to be put in service in 2004. It also includes the estimated revenues coming



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from the purchase-sale of gas for the tariff market and the one for the System Technical Management activity.

Considering specifically the **estimated revenues for 2004 of Enagas' remunerated assets, the maximum increase over 2003 would be of 11%.**

No changes have been applied on the main reference variables (efficiency factor, 10 year government bond yield differential and load factor of regasification plants).

The **System Technical Management** activity's remuneration has also increased over 2003.

Two additional orders have been published on the same date: Order ECO/32/2004, which establishes the tolls and tariffs for third party access to gas installations, and ECO/33/2004, relating specifically to natural gas tariffs.

The recognised remuneration for Enagas' activities confirms the stability of the regulatory framework set in 2002, and are further proof of the growth and profitability of the Company's strategy.

Madrid, January 19th, 2003

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