



Demand for natural gas in Spain grew 4.3% in 2007 vs. 2006

- **Clearance in the Gas System —the difference between system capacity and its maximum load factor — was 14% in 2007**
- **Demand for gas as a source of electricity generation increased 5.5% in 2007**

Demand for natural gas recorded in 2007 was 408,300 GWh, an increase of 4.3% vs. 2006. Conventional demand (domestic and industrial) grew 3.7% and gas as a source of electricity generation rose 5.5%. In 2007, fourteen 400 MW CCGT groups were added to the network. At the end of the year, there were 53 groups, with a total installed capacity in Spain of 22,990 MW.

The 1,800 GWh ceiling was breached on four occasions, for the first time in December 2007, with record demand of 1,863 GWh hit on 17 December. This is an increase of 12% compared to the previous winter's high.

Specifically, the tariff market declined 13.5% in 2007, in line with expectations. This was due to Order ITC 3992/2007, which eliminated tariffs for group 2 (industrial) from 1 July 2007.

New infrastructure and system operation

In 2007 the sixth re-gasification plant in the Spanish Gas System came on-stream in Ferrol, Galicia, —the seventh in the Iberian peninsula. Furthermore, the re-gasification capacity of Enagás' Huelva plants was increased from 1,200,000 to 1,350,000 Nm³/h.

The Falces-Irurzun gas pipeline opened in 2007, improving the pressure of gas reaching Pamplona.

Transport capacity has been increased by this new infrastructure. In 2007, the system's average load factor was 58%, with a high of 86% reached on 17 December —coinciding with the demand record.

The clearance of the gas system has been increasing steadily, reaching 14% in 2007, so raising its security and flexibility and allowing it to cater for demand on all occasions.

In 2007, the System recorded no incidences at entry points or high pressure transport that had repercussions on distribution deliveries and interruptible service customers suffered no cuts in supply.



International connections

For the first time in 2007 there were significant entries of gas from Portugal (6,500 GWh in the year) via the international connection at Badajoz.

New legislation

In 2007, Law 12/2007 of 3 July came into force, amending Law 34/1998 governing the Hydrocarbon Sector to adapt it to Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas. According to this law, Enagás shall take on the duties, rights and obligations of the technical system operator, setting up a specific unit operating on an exclusive basis, independently from the company's activities for purposes on accounting and operations.

On 18 October Enagás' Board of Directors approved the company's new organisational structure designed to adapt it to this legislative requirement.

Also, Royal Decree 1068/2007, of 27 July, regulated the start up of last resort supply services in the natural gas sector (BOE 28 July 2007), and Order ITC/2309/2007 of 30 July established the mechanism for transferring customers from the tariff market to the last resort gas supply service (BOE 31 July 2007), which will come into effect on 1 July 2008.

Note: Demand figures are provisional and subject to minor changes at the close of the year.

File attached with:

- **Table comparing demand in 2007 with 2006 and a breakdown for the month of December.**
- **Charts showing LNG storage capacity and the vaporisation capacity of re-gasification plants in Spain.**
- **Chart showing capacity trends in the Gas System from 2002 to 2007.**
- **Breakdown of gas demand by Autonomous Region in 2007 vs. 2006.**

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APPENDIX

1. Table comparing demand in 2007 with 2006 and a breakdown for the month of December.

Unit : GWh

		Dec-06	Dec-07	real-07 /real-06	
From 1 to 31 December		real	close		
Breakdown of gas transported	Conventional	7.793	5.712	- 26,7 %	
	for electricity sector				
	Tariff market demand	7.793	5.712	- 26,7 %	
	Conventional	18.965	22.056	+ 16,3 %	
	for electricity sector	9.232	15.439	+ 67,2 %	
	Domestic TPA demand	28.197	37.495	+ 33,0 %	
	Domestic market demand	35.990	43.207	+ 20,1 %	
	-Conventional domestic month	26.758	27.768	+ 3,8 %	
	-Electricity sector month	9.232	15.439	+ 67,2 %	
	Exit points - international connections	347		- 100,0 %	
	Exit points - Guadalquivir valley	276		- 100,0 %	
	Exit points - GME transport to Portugal REN	2.183	2.647	+ 21,2 %	
	Total EXIT POINTS *	38.796	45.854	+ 18,2 %	
	* Does not include LNG tanker loads				
	Year accumulated		Año-06	Año-07	Real-07 s/Real-06
Breakdown of gas transported	Conventional	52.818	45.681	- 13,5 %	
	for electricity sector	2.400		- 100,0 %	
	Tariff market demand	55.218	45.681	- 17,3 %	
	Conventional	203.960	220.606	+ 8,2 %	
	for electricity sector	132.257	142.012	+ 7,4 %	
	Domestic TPA demand	336.217	362.618	+ 7,9 %	
	Domestic market demand	391.435	408.298	+ 4,3 %	
	-Conventional domestic	256.777	266.287	+ 3,7 %	
	-Electricity sector	134.658	142.012	+ 5,5 %	
	Exit points - international connections	7.990	1.857	- 76,8 %	
	Exit points - Guadalquivir valley	2.383	1.321	- 44,6 %	
	Exit points - GME transport to Portugal REN	23.432	22.353	- 4,6 %	
	Total EXIT POINTS *	425.240	433.830	+ 2,0 %	

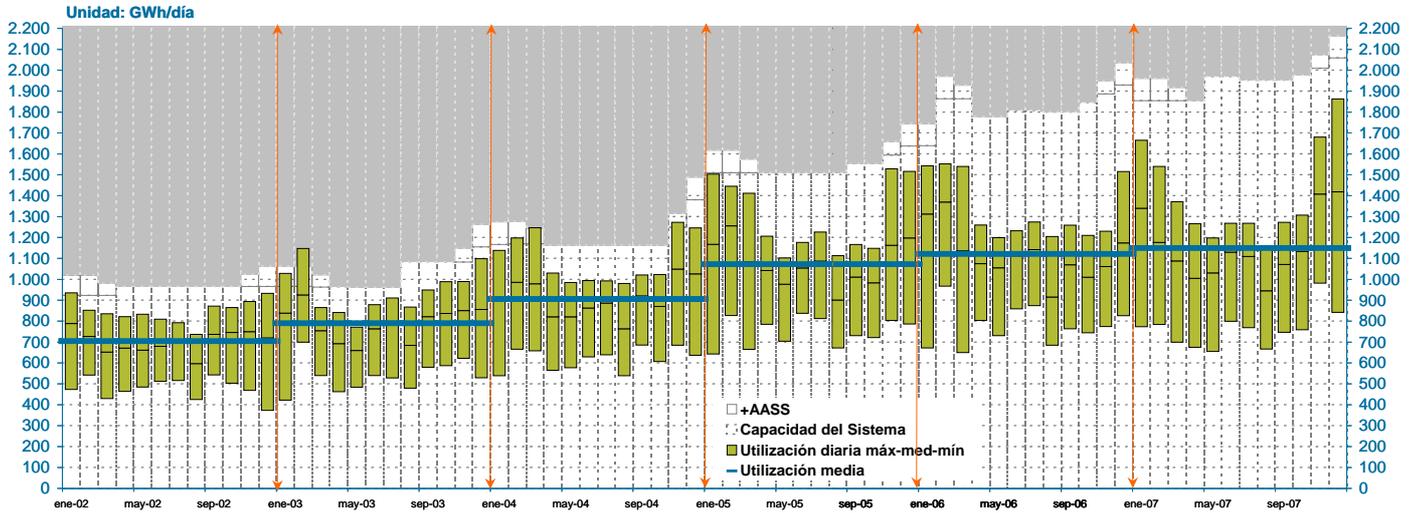
2. Charts showing LNG storage capacity and the vaporisation capacity of re-gasification plants in Spain.

		LNG storage capacity		?		
		to 31/12/06	to 31/12/07	date incorporated	m³ LNG	%
TANKS	<i>m³ LNG</i>					
	Barcelona	540,000	540,000		-	-
	Cartagena	287,000	287,000		-	-
	Huelva	469,500	469,500		-	-
	<i>Total tanks Enagás</i>	<i>1,296,500</i>	<i>1,296,500</i>		-	-
	Bilbao	300,000	300,000		-	-
	Sagunto	300,000	300,000		-	-
	Reganosa		300,000	May/Jul	+300,000	new
Total tk's	+1,896,500	+2,196,500		+300,000	+16%	

		Vaporisation capacity		?		
		to 31/12/06	to 31/12/07	date incorporated	Nm³/h	%
VAPORISORS	<i>Nm³/h</i>					
	Barcelona	1,650,000	1,650,000		-	-
	Cartagena	1,200,000	1,200,000		-	-
	Huelva	1,200,000	1,350,000	May07	+150,000	+13%
	<i>Total vaporisation Enagás</i>	<i>4,050,000</i>	<i>4,200,000</i>		<i>+150,000</i>	<i>+4%</i>
	Bilbao	800,000	800,000		-	-
	Sagunto	750,000	800,000		+50,000	+7%
	Reganosa		412,800	May07	+412,800	new
Total vaporisation	5,600,000	6,212,800		+612,800	+11%	



3. Chart showing capacity trends in the Gas System from 2002 to 2007.



acumulado	Año 2002	Año 2003	Año 2004	Año 2005	Año 2006	Año 2007 (cierre)
Capacidad Sistema máxima anual GWh/día	1.063	1.263	1.488	1.745	2.036	2.166
TRANSPORTE diario GWh/día	máximo 935 92% 11-ene	1.148 108% 18-feb	1.272 98% 30-nov	1.529 93% 29-nov	1.552 88% 23-feb	1.863 86% 17-dic
	medio 705 71%	791 75%	906 74%	1.074 68%	1.122 61%	1.150 58%
	mínimo 374 35% 25-dic	422 40% 1-ene	539 42% 22-ago	643 40% 1-ene	649 34% 26-mar	655 33% 13-may

Demand by Autonomous Region in 2007

Unit: GWh		2006	2007	chg vs 2006
Andalusia	Conventional	30,087	31,220	
	CCGT+CT	44,114	40,402	
	Total	74,201	71,622	-3.5%
Aragón	Conventional	12,417	14,212	
	CCGT+CT	4,053	5,764	
	Total	16,470	19,976	+21.3%
Asturias	Conventional	5,469	5,402	
	CCGT+CT	0	0	
	Total	5,469	5,402	-1.2%
Cantabria	Conventional	7,295	7,397	
	CCGT+CT	0	0	
	Total	7,295	7,397	+1.4%
Castilla la Mancha	Conventional	11,191	12,544	
	CCGT+CT	7,365	9,758	
	Total	18,556	22,302	+20.2%
Castilla y León	Conventional	20,444	21,202	
	CCGT+CT	0	0	
	Total	20,444	21,202	+3.7%
Catalonia	Conventional	58,677	59,233	
	CCGT+CT	21,197	25,109	
	Total	79,874	84,341	+5.6%
Extremadura	Conventional	596	767	
	CCGT+CT	0	0	
	Total	596	767	+28.6%

		2006	2007	chg vs 2006
Galicia	Conventional	6,285	6,903	
	CCGT+CT	0	848	
	Total	6,285	7,752	+23.3%
La Rioja	Conventional	2,707	2,808	
	CCGT+CT	9,032	7,962	
	Total	11,739	10,770	-8.3%
Madrid	Conventional	26,369	27,549	
	CCGT+CT	0	0	
	Total	26,369	27,549	+4.5%
Murcia	Conventional	9,968	10,031	
	CCGT+CT	17,543	19,686	
	Total	27,511	29,717	+8.0%
Navarra	Conventional	5,245	5,322	
	CCGT+CT	6,208	6,360	
	Total	11,453	11,682	+2.0%
Basque country	Conventional	24,367	25,947	
	CCGT+CT	18,571	15,527	
	Total	42,938	41,474	-3.4%
Valencia	Conventional	35,658	35,749	
	CCGT+CT	6,575	10,597	
	Total	42,233	46,346	+9.7%
TOTAL PENINSULA	Conventional	256,777	266,286	
	CCGT+CT	134,658	142,012	
	Total	391,435	408,299	+4.3%

■ Electricity sect. ■ Conventional

Breakdown of demand by autonomous region in 2007

