



## Enagás comments on review of ceiling for natural gas prices

In the light of the review of the ceiling for natural gas prices announced by the Spanish Ministry for Industry, Tourism and Commerce, Enagás, as the Technical System Operator, issues the following comments:

- The last resort supply rate is applied to customers who (willingly) have not contracted their natural gas supply in the liberalised market, where prices are set freely between the customer and the supplier.
- Last resort supply mainly caters to low-usage customers (up to 3GWh). This type of demand is highly seasonal, with consumption in winter reaching as much as 10 times consumption in summer.
- To ensure the security of supply, in addition to normal contracts for regular amounts during the year, retailers also have to turn to the wholesale spot market, where prices are much higher in winter due to the increase in demand.
- The rise in natural gas prices derives from the standards ruling the global market at present. The approved price is the minimum to allow sufficient natural gas to be contracted so that supply in winter is guaranteed.

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