



## Investors & Analysts' Briefing

Reuters: EDP.LS  
Bloomberg: EDP PL

# ERSE ANNOUNCES TARIFFS AND PRICES FOR ELECTRICITY AND OTHER SERVICES FOR 2013

**Lisbon, December 17<sup>th</sup> 2012:** Pursuant to the terms and for the purposes of article 248 of the Portuguese Securities code, EDP - Energias de Portugal, S.A. ("EDP") is providing the following information to the market:

The Portuguese Energy Services Regulatory Authority ("ERSE") made public the final document regarding the "Tariffs and prices for electricity and other services for 2013" in Portugal, which set a 2.8% average increase of final normal low voltage (NLV) electricity tariffs in Portugal mainland for 2013.

ERSE established a preliminary 9.5% rate of return for the regulated activities of electricity distribution grid (operated by our subsidiary EDP Distribuição) and last resort supply (operated by our subsidiary EDP Serviço Universal) for 2013, which will be set definitively according to the daily average of the 5-year credit default swaps of the Portuguese Republic between October 2012 and September 2013.

ERSE set 2013 regulated gross profit for EDP's regulated activities (excluding adjustments from previous years) at: (1) €1,274 million for electricity distribution grid; and (2) €93 million for last resort electricity supply.

Regarding the variation on regulatory receivables, it is worth to highlight the recovery in 2013 of: (1) €283 million regarding the 2012 deferral on the special regime overcost; (2) €147 million due to the deferral of the 2010 annual CMEC revisibility, which was already sold to a third party; (3) €249 million related to the annual CMEC revisibility estimated for 2012; and (4) €302 million regarding EDP Distribuição and EDP Serviço Universal previous year adjustments.

On the other hand, ERSE defined a deferral on the special regime overcost of €1,275 million to be recovered between 2014 and 2017 and a deferral of the 2011 annual CMEC revisibility of €150 million to be recovered in 2014 and 2015.

Other key assumptions published by ERSE on the calculation of electricity tariffs in Portugal for 2013 include: (1) a forecast for average electricity purchase price in 2013 of €62.0/MWh; (2) a forecast for overcost with special regime production of €55.7/MWh; (3) a 0.2% expected average growth rate for electricity demand in Portugal in 2013 (45.4 TWh) vs. ERSE's expected demand for 2012 and (4) a GDP deflator of 0.4%.

**EDP – Energias de Portugal, S.A.**

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