



Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP PL

ERSE ANNOUNCES PROPOSAL FOR ELECTRICITY TARIFFS IN 2017

Lisbon, October 16th 2016: Pursuant to the terms and for the purposes of article 248 of the Portuguese Securities code, EDP - Energias de Portugal SA (“EDP”) is providing the following information to the market:

The Portuguese Electricity Regulator (“ERSE”) announced its proposal for electricity tariffs in 2017, which includes a 1.2% average increase for normal low voltage (NLV) electricity tariffs in Portugal mainland, applicable to all residential consumers.

For 2017, ERSE proposed regulated gross profit for EDP’s regulated activities (excluding previous year adjustments) of: (1) €1.199 million for electricity distribution (operated by our subsidiary EDP Distribuição); and (2) €39 million for last resort electricity supply (operated by our subsidiary EDP Serviço Universal).

According to ERSE’s proposal, Portuguese electricity system’s regulatory receivables are expected to decline by €547m over 2017, due to: (a) a €321m decrease of Portuguese electricity system medium to long-term debt; and (b) €226m of previous year adjustments of regulated activities’ allowed revenues to be recovered by regulated companies through 2017 tariffs.

Investor Relations Department

Miguel Viana, Head of IR
Sónia Pimpão
João Machado
Maria Joao Matias
Sérgio Tavares
Noélia Rocha
phone +351 21 001 2834
fax +351 21 001 2899
ir@edp.pt

The 2017 tariff update and decline in the system’s regulatory receivables includes the impact of the government Ordinance nr. 268-B/2016, of October 13th, 2016, which assumes that power generators under special regime, which benefit of guaranteed remuneration, will pay to the electricity system in 2017 an estimated amount of €140m relative to public grants received in the past. According to the abovementioned Ordinance, half of the amount will be used to reduce the tariff increase while the other half will be used to reduce the system’s regulatory receivables.

According to electricity regulation rules in Portugal, the Tariffs Advisory Board, which includes representatives from regulated companies and consumers, shall issue its nonbinding opinion until November 15th. Following that, ERSE will approve the final tariffs and parameters until December 15th 2016.

EDP – Energias de Portugal. S.A.