



PRESS RELEASE

REN - Redes Energéticas Nacionais, SGPS, S.A. (REN) hereby informs that the Energy Services Regulatory Authority (ERSE) has disclosed in its website the final decision on the “Tariffs and Prices of Electricity for 2009 and the Parameters for the Regulatory Period 2009-2011”.

Such decision contemplates the following elements:

- The cost of capital of existing assets associated to each of the regulated activities is linked to the yield of Treasury Bonds with a 10 years maturity period, accrued of a spread which, in the case of the electricity transmission activity, has been set at 3% for the period 2009-2011. The cost of capital in 2009 shall therefore correspond to 7.55%.
- The cost of capital for new investments that are valued at “reference costs” shall be linked to the yield of Treasury Bonds with a 10 years maturity period, accrued of a spread that for the electricity transmission activity has been set at 4.5% for the period 2009-2011. The cost of capital in 2009 shall therefore correspond to 9.05% (note: the current regulatory period does not contemplate this incentive).
- Efficiency targets are set for O&M activities in relation to the transmission network, using a “revenue cap” structure with a 0.5% efficiency factor, accrued of O&M marginal costs resulting from the expansion of the network (km of lines and number of panels in the sub-stations).
- Environmental costs and “forest cleaning” have been considered as additional “*pass-through*” costs, which mean that they will continue to be accepted at real costs.

The decision released by ERSE does not contain any information in relation to the following parameters provided for in the Tariff Regulation and which should be disclosed during 2009: (i) incentive to the maintenance of fully amortized assets evidencing working conditions and (ii) incentive to the availability of the transmission network.

Lisbon, December 16, 2008