



## ERSE ANNOUNCES PROPOSAL FOR ELECTRICITY TARIFFS IN 2019

### Investors & Analysts' Briefing

Reuters: EDP.LS  
Bloomberg: EDP PL

**Lisbon, October 16<sup>th</sup>, 2018:** Pursuant to the terms and for the purposes of the article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council and of article 248-A of the Portuguese Securities code, EDP - Energias de Portugal, S.A. ("EDP") is providing the following information to the market:

The Portuguese Electricity Regulator ("ERSE") announced its proposal for electricity tariffs in 2019, on which it is worth noting the following:

For the **activity of electricity distribution** (operated by our subsidiary EDP Distribuição), ERSE proposed regulated gross profit of €1,060 million in 2019. For the **last resort electricity supply activity** (operated by our subsidiary EDP Serviço Universal), ERSE proposed regulated gross profit in 2019 of €31 million, considering a 0.1% average increase for normal low voltage (NLV) electricity tariffs. In both cases, the expressed regulated gross profit excludes previous year adjustments.

According to ERSE's proposal, Portuguese electricity system's regulatory receivables are expected to decline by €0.6 billion over 2019 to €3.2 billion by December 2019 (including recovery of previous years' tariff deviations). Also worth to highlight that the 2019 tariff update already includes an impact from the dispatch of the Secretary of State for Energy on the alleged overcompensation of EDP related to the calculation of the real availability factor of the plants under the CMEC regime. As to this, EDP reiterates (as per EDP release to the market on September 27<sup>th</sup>), that it will take the necessary measures to protect its rights and interests, including all legal means available.

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 next November 15<sup>th</sup>. Following that, ERSE will approve the final tariffs and parameters until December 15<sup>th</sup>, 2018.

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