TRANSPARENCY GUIDELINES (SPAIN 2026)

In compliance with the publication requirement under Article 19 and Annex I of the **Regulation (EU) 2024/1789** regarding the methodologies, parameters and values used to set the allowed revenues of transmission system operators in the gas sector.

Transparency Guidelines:	
Member State:	Spain (ES)
Tariff period:	Gas Year 2026
Start of the tariff period:	1 October 2025
End of the tariff period:	30 September 2026

Below are the five points described in Annex I in accordance with the following.

Table of Contents

Point 1: Responsible entity

The entity responsible for calculating, setting and approving the different components of the methodology is: the National Regulatory Authority (NRA) in Spain – the National Commission on Markets and Competition (CNMC).

Point 2: Methodologies

a) General Methodology

References:

- **Circular 9/2019, of 12 December, from the CNMC**
  Methodology for the allowed revenues of natural gas transmission assets. https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-18398

Articles considered from Circular 9/2019:

- Art 3: Methodology principles.
- Art 4: Regulatory period.
- Art 5: Included and excluded infrastructures.
- Art 6: Allowed and excluded costs and revenues.
- Art 7: Cost admissibility criteria.
- Art 8 y 28: Adjustments for accessory activities and financial prudence.
- Art 9: Allowed revenues elements.
- Art 10, 11 & 20: Remuneration for investments costs (CAPEX).
- Art 12, 13 & 20: Remuneration for operation and maintenance costs (OPEX).
- Art 14,15,16,17, 18: Premia and incentives.
- Art 23: Remuneration for the special-purpose facilities.

Description:

Approach of the allowed revenues methodology.

The methodology combines elements of ***Revenue-cap***, as the regulator sets the allowed revenues for the transmission operators; ***Cost-plus***, by partially considering audited historical costs; and ***Incentive regulation***, by incorporating adjustments and incentives for efficiency and productivity. This methodology is regulated and described in **Circular 9/2019,** and it is based on the principles of economic efficiency, transparency, objectivity, and non-discrimination (Art. 3).

Regulatory period and included infrastructures.

The regulatory period is six years (Art. 4). Included infrastructures must have a Commissioning Certificate and it must be included in the approved planning of gas infrastructure (Art. 5). These includes pipelines, compressors, maintenance centres and metering and regulation stations.

In Spain, the gas transmission system is classified into the Gas transmission backbone[1], and the Local influence gas transmission network. Additionally, the regulation distinguishes between Standard facilities (the vast majority) and "Special-purpose facilities", which, regardless of their cost, have operational conditions or construction characteristics that differ and greatly exceed the usual standards employed in the national gas system, such as submarine pipelines and their associated compressors (Art. 23).

[1] Article 59 of Law 34/1998 defines the Gas transmission backbone, which includes, among others, the interconnected primary transport pipelines needed for the system operation and the security of supply.

Allowed and excluded costs and revenues.

Regulated in Article 6, the methodology requires separate accounting for each regulated and non-regulated activity and individualized accounting for assets entitled to individualized investment remuneration included in the RAB. Excluded costs include intra-group margins, R&D expenses, fines and advertising. Admissible costs must be necessary, verifiable, assignable, registered in financial accounting, and adjusted to market and historical prices (Art. 7).

Allowed revenues elements (Article 9).

1. Remuneration for investment in assets (CAPEX) [Art. 10,11, 20].
2. Remuneration for operation and maintenance costs (OPEX) [Art. 12,13, 20].
3. Incentives for efficiency and productivity [Art. 14-18].
4. Remuneration for investments with cross-border impacts, under Art. 12 of Regulation (EU) 347/2013.
5. Adjustments for accessory activities and financial prudence [Art. 8, 28].

b) Methodology to set the Regulated Asset Base (RAB)

References:

- **Circular 9/2019, of 12 December, from the CNMC**
  Methodology for the allowed revenues of natural gas transmission assets.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-18398
- **Circular 8/2020, of 2 December, from the CNMC**
  Reference unit values for Investment and Operation & Maintenance.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2020-16260
- **Circular 1/2015, of 22 July, from the CNMC**
  Regulatory Cost Information System (SICORE).
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2015-8625
- **Circular 5/2009, of 16 July, from the CNE**
  Accounting Information System for the Energy Sector (SICSE).
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2009-14652

i. Methodology to set the initial (opening) value of the assets as applied at the start of the relevant regulatory period and when incorporating new assets to the RAB.

Description:

Setting the Opening Value:

The opening value is referred to as the **Admitted Investment Value**.

Regulated in Article 11 of Circular 9/2019, the Admitted Investment Value is calculated as the average between the Audited Investment Value (actual cost) and the Investment value at unit values (reference value). Any amounts granted, financed, or subsidized by third parties are deducted from this value.

This methodology incentivizes transmission operators to reduce their actual costs below the reference unit values for investment and distributes the risk of deviations 50% between the transmission operator and the gas system, whether due to actual costs being higher or lower than reference unit values.

On the other hand, for the Special-purpose facilities (Article 23 of Circular 9/2019), the Admitted Investment Value is determined only by using Audited investment values (actual cost).

Reference unit values for Investment:

Reference unit values for Investment are determined using pre-established formulas that apply a "price" – the reference unit investment value[2] published in Circular 8/2020 from the CNMC – to one or more of the asset's technical characteristics. For the main assets, these values are established as follows:

Pipelines	Based on length (€/km) and diameter (€/inch).
Compressors	Valued per unit (€/unit) and installed power (€/kW)
Metering and regulation stations	Established per unit, depending on the type and size (Type G) of the equivalent measuring turbine (€/unit).

The methodology for setting the reference unit values for Investment (for assets entitled to individualized investment remuneration) is detailed in Circular 8/2020.

On the other hand, the applicable reference unit values are determined based on Article 20 of Circular 9/2019, regarding criteria for setting reference unit values, as well as Articles 3, 5, 6, and 7, which address principles and criteria, facilities, costs and revenues considered, and the admissibility of necessary costs.

In general, the costs and revenues used to determine the reference unit values come from the data reported annually by transmission operators in the Regulatory Cost Information System (SICORE) according to Circular 1/2015 and the Accounting Information System for the Energy Sector (SICSE) according to Circular 5/2009.

Process for incorporating new assets into the RAB:

The inclusion of new assets in the Regulated Asset Base (RAB) occurs in **two phases**. 1) *Provisional setting* (Art. 24): The Admitted Investment Value of the new asset is calculated using only the reference unit values for investment; 2) *Definitive setting* (Art. 25): Once the transmission operators submit the investment audit with the actual cost, the CNMC might update the Admitted Investment Value after analysing it based on the admissibility criteria outlined in Article 7 of Circular 9/2019.

ii. Methodology to re-evaluate assets.

Description:

The allowed revenues methodology **does not include the revaluation of assets** once the Admissible Investment Value (opening value) has been set.

However, under this methodology, asset values can be updated – **but not revalued** – during the transition process from Provisional setting (Art. 24) to Definitive setting (Art. 25) once the investment audit has been submitted to the CNMC.

iii. Explanations of the evolution of the value of the assets.

Description:

Once Admitted Investment Value is calculated with Audited Investment Value (actual cost) and Investment value at unit values (reference value), it **remains constant**.

At the start of each new regulatory period, the reference unit values are analysed and **updated** based on actual costs and revenues reported annually by transmission operators through the SICORE and SICSE systems as part of the analytical information required to implement Circular 8/2020.

The new reference unit values will be used to calculate the Admitted Investment Value of new assets in the new regulatory period.

[2] Obtained according to the Reference unit values methodology (Article 20 of Circular 9/2019).

iv. Treatment of decommissioned assets.

Description:

Decommissioning plans (Article 22 of Circular 9/2019) can involve either temporary or permanent asset decommissioning. Assets must be formally decommissioned with previous authorization from the competent authority that originally approved their commissioning (either the national ministry or the relevant regional government).

In remuneration terms (Article 27 of Circular 9/2019), decommissioned assets are removed from the Regulated Asset Base (RAB) once a Decommissioning certificate is issued by the competent authority. Assets that are **temporarily decommissioned** will not accrue remuneration during the decommissioning period, while **permanently decommissioned** assets will cease to receive remuneration entirely and they will be considered fully removed from the regulatory framework for investment and depreciation purposes.

v. Depreciation methodology applied to the RAB, including any changes applied to the values.

Description:

Regulated in Article 10 of Circular 9/2019, the depreciation methodology follows a **linear and daily** approach, calculated based on the regulatory lifetime in days, starting from the date the Commissioning Certificate is issued for each asset entitled to individualized investment remuneration.

Depreciation is applied to the Admitted Investment Value, considering the regulatory useful life (depreciation periods) established in the same article. This results in the remuneration element known as **Remuneration for Depreciation costs**, which is included in the Remuneration for investment in assets (CAPEX).

c) The methodology to set the cost of capital.

References:

- **Circular 2/2019, of 12 November, from the CNMC**
  Methodology for calculating the allowed rate of return.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-16639

Articles considered from Circular 2/2019:

- Art. 2: Allowed rate of return and WACC.
- Art. 3: Calculation period and calculation cut-off date.
- Art. 4: Selection of the peer group.
- Art. 5: Regulatory gearing ratio.
- Art. 6: Tax rate.
- Art. 7: Risk-free rate.
- Art. 8: Beta coefficient.
- Art. 9: Market Risk Premium.
- Art. 10: Cost of debt.

Description:

Approach of the methodology:

The **allowed rate of return** for natural gas transmission operators in Spain during the current regulatory period (2021–2026) is determined based on the methodology

outlined in Article 2 of Circular 2/2019. This rate is derived from the nominal *pre-tax WACC* (Weighted Average Cost of Capital), which is calculated using the nominal *post-tax WACC* and the applicable statutory corporate tax rate in Spain.

The **nominal post-tax WACC** is calculated using a general formula (Art. 2) that weights the expected return on equity and the cost of debt in accordance with the regulatory gearing ratio defined in this Circular. To estimate certain parameters, data from a pre-selected peer group of comparable companies is used.

The WACC methodology includes the **following elements**, which are explained in the following sections

1) Selection of the peer group (Art. 4).
2) Calculation of the regulatory gearing ratio (Art. 5).
3) Tax rate (Art. 6).
4) Calculation of the expected return on equity (Art. 2, 7, 8 y 9).
5) Calculation of the cost of debt (Art. 10).

The **calculation period** (Art. 3) spans six years, aligning with the duration of regulatory periods. For each regulatory period, running from year n to year n+5, the **cut-off date** for data is 31 December of year n−3. Additionally, the calculation period includes the six years prior to the cut-off date, from year n−8 to year n−3, both inclusive. For the current regulatory period (2021–2026), the cut-off date was 31 December 2018, and the calculation period spanned from 2013 to 2018.

Selection of the peer group (Art. 4):

The aim of **pre-selecting a peer group of comparable companies** is to identify those companies with a systematic risk profile similar to that of regulated companies, ensuring a representative and reliable sample. The objective is to strike a balance between having enough references to minimize estimation errors and avoiding bias from including non-comparable companies.

Regulated in Article 4 of this Circular, listed companies based in Western Europe are selected if they carry out transmission and distribution activities in the electricity and gas sectors. Companies within corporate groups that consolidate subsidiaries with significant involvement in network activities are also considered. These selected companies must be based in countries with a land area over 20,000 km^2 and a sovereign credit rating of at least BB−/Ba3. Switzerland is excluded for not being subject to EU directives, while Norway is included as it complies with them.

The initial pre-selection of these companies is based on the STOXX® Europe TMI Utilities BUTP index. A subsequent search is conducted using Bloomberg to identify other relevant companies not included in the index. To ensure reliability, companies with insufficient financial information are excluded.

The final list of peer companies used in this methodology is detailed in the Explanatory Memorandum[3] of Circular 2/2019 from the CNMC.

Calculation of the regulatory gearing ratio (Art. 5):

The gearing ratio refers to a company's capital structure. The **regulatory gearing ratio** is the level of leverage deemed reasonable from a regulatory perspective, balancing

[3] Memoria explicativa de la Circular 2/2019 de la CNMC. (CIR/DE/011/19). https://www.cnmc.es/sites/default/files/2749939_32.pdf

the need for regulated firms to be adequately capitalized while avoiding the passing of inefficient financing costs onto consumers.

This regulatory gearing ratio is used in the WACC formula to weight the expected return on equity (cost of equity) and the cost of debt. As outlined in Article 5, the regulatory gearing ratio is established based on both the observed gearing levels of the selected peer group and the regulatory gearing levels used by other European regulators.

The **gearing ratios of the selected peer group** are calculated using two methods:

1) Method 1: This method averages the gearing ratios of individual peer companies, removing outliers using a criterion of two-standard deviations from the mean. It gives equal weight to all companies regardless of size.
2) Method 2: This method calculates a single ratio by dividing the sum of net debts by the total of net debt and market capitalization across all peers. In this alternative, larger companies have a greater impact on the result.

Although the observed gearing levels of peers are taken into account, they are not directly adopted. The results of both methods, **along with the gearing ratios used by other European regulators**, serve as a reference for determining the regulatory gearing ratio under this methodology.

Tax rate (Art. 6):

For each country, the statutory tax rate published by the OECD for year n−3 is used. If the OECD distinguishes between central and regional government tax rates, the total tax rate is applied.

Calculation of the expected return on equity (Art. 2, 7, 8 y 9):

The **expected return on equity** (cost of equity) is determined using the formula established in point 3 of Article 2 of Circular 2/2019. The resulting value is nominal post-tax. Its calculation is based on three main components:

a) **Risk-free rate**[4] (Art. 7): It is calculated as the average of daily yields of the 10-year Spanish government bond from 1 January of year n−8 to 31 December of year n−3. If this period is affected by the European Central Bank's Quantitative Easing (QE)[5] program, an adjustment may be applied. Specifically, the risk-free rate for gas transmission for the 2021–2026 period was adjusted by +80 basis points due to QE effects.

b) **Beta coefficient**[6] (Art. 8): The beta coefficient used in the WACC formula is a *re-levered beta*[7] calculated using the unlevered beta of the regulated activity, the regulatory debt-to-equity ratio (which corresponds to the regulatory gearing ratio), and the statutory corporate tax rate applicable in Spain. The *unlevered beta of the regulated activity* corresponds to the average unlevered beta of the

[4] The *risk-free rate* is the one that has zero covariance with the market, meaning it carries no systematic risk. Sovereign debt (government bonds) is typically used as the reference.

[5] The *Quantitative Easing (QE)* is a mechanism through which the European Central Bank (ECB) purchases financial assets, mainly sovereign and corporate bonds, to increase liquidity in the financial system and stimulate the economy.

[6] The *beta coefficient* measures the systematic (non-diversifiable) risk associated with regulated network activities. It quantifies the sensitivity of an asset's return relative to movements in the local stock market index. A beta greater than 1 implies higher volatility than the market, while a beta lower than 1 implies less volatility.

[7] The *Hamada equation* is used to re-lever beta.

peer companies that meet a liquidity threshold[8]. To calculate *each peer's unlevered beta*, the levered beta is first estimated using a statistical regression analysis based on weekly data of the company's share price relative to its local stock market index over the last six years (from 1 January of year n−8 to 31 December of year n−3), using Bloomberg financial database. Once the levered betas are obtained, they are unlevered[9] to eliminate the impact of each company's capital structure.

c) **Market Risk Premium**[10] (Art. 9): It is estimated using a historical approach based on the market's excess return over the risk-free rate. According to the Circular 2/2019, the Market Risk Premium (MRP) is calculated as a weighted average – by market capitalization – of the premiums of the countries included in the peer group. The MRP for each country is determined by the average of the geometric and arithmetic means of the difference between the market return and the government bond yield, over the period from 1900 to year n−3, as reported in the *Dimson, Marsh, and Staunton (DMS) Global* Investment Returns Yearbook.

Calculation of the cost of debt (Art. 10):

The **cost of debt** used in the WACC is obtained by averaging the annual values calculated from year n−8 to year n−3. The resulting value is nominal pre-tax.

The cost of debt for each year is calculated as the average debt cost of the peer companies for that year. Each peer's annual cost of debt is estimated by summing the daily quotes of the *10-year Interest Rate Swap* (**IRS**) and *Credit Default Swap*[11] (**CDS**) spreads.

If a company (or its corporate group) does not have CDS data available for a given year, its cost of debt is instead estimated using **the Internal Rate of Return (IRR)** [12] **on its bond issuances** with maturities between 8 and 12 years. Only bonds with a credit rating of Baa3/BBB− or higher are taken into account, in line with the peer group selection criteria (Art. 4).

d) The methodology to determine the total expenditure (TOTEX) or, if applicable, operational expenditure (OPEX) and capital expenditure (CAPEX).

References:

- **Circular 9/2019, of 12 December, from the CNMC**
  Methodology for the allowed revenues of natural gas transmission assets.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-18398
- **Circular 8/2020, of 2 December, from CNMC**
  Reference unit values for Investment and Operation & Maintenance.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2020-16260

Description:

TOTEX (Art. 9):

The allowed revenues methodology for gas transmission assets follows a **CAPEX + OPEX approach**.

[8] To ensure beta is representative, only peer companies that pass a *liquidity test* are considered. This test requires an average bid-ask spread below 1% over the past six years.

[9] The *Modigliani-Miller equation* is used to unlever beta.

[10] The *market risk premium* is defined as the difference between the expected market return and the risk-free rate.

[11] *Credit Default Swaps (CDS)* are financial instruments that insure against the default of a bond issuer. They reflect the credit risk of companies.

[12] The IRR is based on the yield at the bond's issue date.

In general, the methodology involves the following elements: remuneration for investment in assets (CAPEX), remuneration for operation and maintenance costs (OPEX), incentives for efficiency and productivity, and remuneration for investments with cross-border impacts. All this is detailed in Chapter III of the same Circular.

Additionally, the allowed revenues methodology includes an **ex-post adjustment** for accessory activities and financial prudence (penalty for excessive debt), as established in Articles 8 and 28 of Circular 9/2019

CAPEX (Art. 10 and 11):

The remuneration for investment in assets (CAPEX) is determined annually and includes different remuneration elements:

a) **Remuneration for Depreciation costs**: This refers to the remuneration granted for assets entitled to individualized investment remuneration. It is based on their Admitted Investment Value (Art. 11) and the regulatory useful life of the asset (depreciation period) (Art. 10).

b) **Financial Remuneration**: This refers to the financial remuneration granted for assets entitled to individualized investment remuneration. It is based on their Net Value[13] and the applicable allowed rate of return, as determined by Circular 2/2019, of 12 December, from the CNMC.

c) Remuneration for projects based on transported gas: This refers to the remuneration granted for assets from new local-impact projects developed after 2020. The total remuneration for depreciation costs and financial remuneration is determined based on the projected gas transported over the regulatory useful life of the asset; by doing this, the transmission operator bears the demand risk. The annual remuneration varies depending on the actual gas transported and it will continue until the projected gas volume transported is reached[14].

d) **Financial remuneration for the acquisition of minimum pipeline fill gas (heel gas)**: This refers to the financial remuneration granted for the cost of the gas acquired to pressurize pipelines for proper system operation. This heel gas does not generate entitlement to other remuneration elements.

OPEX (Art. 12 and 13):

The remuneration for operation and maintenance costs (OPEX) is determined annually and includes different remuneration elements:

a) **Remuneration based on reference unit values for Operation and Management (O&M)**: This refers to the remuneration granted for all the necessary costs to carrying out the transmission activity that are not considered investment costs of an asset entitled to individualized investment remuneration[15].

The recurring costs over time, whether capitalized or not, are compensated under this remuneration element (Article 15 of Circular 8/2020), such as:

[13] Calculated as the Admitted Investment Value minus the depreciation already accrued.

[14] If the transmission operator transports the projected gas volume in a shorter period than the predefined useful life, it may achieve higher profitability; if it takes longer, profitability is reduced.

[15] Unless the CNMC determines, by Resolution and after a public consultation, that a specific cost definition should be considered an O&M cost that has not been directly or indirectly included in the Reference unit values for O&M. In that case, it should be remunerated through a separate remuneration element and in accordance with the conditions established for its recognition.

- Operation and management of the transmission network, gas odorization, third-party access management (TPA), gas measurement, as well as the planning, organization, direction, and control of personnel and other organizational resources necessary for the effective functioning of the transmission operator[16].
- Maintenance of conservation and availability, including both preventive and corrective measures, necessary to ensure that a facility operates under adequate conditions.
- Maintenance of updating improvement of facilities[17], necessary to address technological obsolescence and/or meet new requirements or regulations that did not exist or were not considered at the time of construction.

Reference unit values for O&M are determined using pre-established formulas that apply a "price" – the reference unit O&M value[18] published in Circular 8/2020 from the CNMC – to one or more of the asset's technical characteristics. For the main assets, these values are established as follows:

Pipelines	Based on length (€/km) and diameter (€/inch).
Compressors	Valued per unit (€/unit) and installed power (€/kW)
Metering and regulation stations	Established per unit, depending on the type and size (Type G) of the equivalent measuring turbine (€/unit).

b) **Remuneration for other O&M costs (OCOM):** This refers to the remuneration granted for O&M costs incurred to carrying out the transmission activity, which the CNMC has determined are not directly or indirectly included in the calculation of the previous reference unit values for O&M. Two types of costs are distinguished:

- Capitalized operating expenses (COPEX): These are non-recurring expenses capitalized by the transmission operator as part of the investment value. They arise from facility upgrades aimed at addressing obsolescence or enhancing operational efficiency, availability, safety, and maintenance. If these expenses exceed 250,000 euros (Article 13 of Circular 9/2019), they are remunerated based on a two-year depreciation period and a financial remuneration equivalent to that of assets entitled to individualized investment remuneration.
- Non-controllable costs: These costs refer to O&M costs whose evolution and management are considered beyond the control of the transmission operator or whose control is very limited. These costs are calculated based on to the **actual audited costs** and they are defined in Articles 12 of *Circular 9/2019* and detailed in Article 24 of *Circular 8/2020*. In general terms, these costs include costs for acquiring operational gas and odorant, electricity supply, increases in municipal and port fees, and/or COPEX costs below 250,000 euros.

[16] This includes indirect or structural costs such as administration, tax management, strategy, treasury, procurement, legal advisory, human resources, information systems, and security services.

[17] These maintenance costs apply only to modifications that do not require administrative authorization, project approval, or a Commissioning certificate, as stipulated in Article 70 of RD 1434/2002, of December 27.

[18] Obtained according to the Reference unit values methodology (Article 20 of Circular 9/2019).

e) The methodology to determine the efficiency of the cost (if applicable).

References:

- **Circular 9/2019, of 12 December, from the CNMC**
  Methodology for the allowed revenues of natural gas transmission assets.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-18398

Description:

In Spain, there is **no specific methodology** for determining cost efficiency within the remuneration framework.

However, **cost efficiency** is indirectly reflected in the determination of reference unit values for O&M (Art. 12 and 20) and in productivity improvement incentive (RMP) (Article 17). Transmission operators are incentivized to reduce their O&M costs, as they are allowed to retain a percentage of the savings achieved for future use. These optimized costs also serve as a benchmark for adjusting reference unit values for O&M in subsequent regulatory periods.

f) The methodology applied to set the inflation.

Description:

In Spain, inflation **does not follow an automatic update mechanism** within the remuneration framework, in compliance with *Law 2/2015, of 30 March, on the De-indexation of the Spanish Economy,* which prohibits automatic indexation in most sectors of the Spanish economy.

However, the **effects of inflation** are considered when setting reference unit values, which are established according to the methodology outlined in *Circular 9/2019* and *Circular 8/2020* issued by the CNMC. These values are reviewed and adjusted at the beginning of each regulatory period based on the actual costs and revenues reported annually by transmission operators in accordance with *Circular 1/2015 of the CNMC* (SICORE).

g) The methodology to determine premia and incentives (if applicable).

References:

- **Circular 9/2019, of 12 December, from the CNMC**
  Methodology for the allowed revenues of natural gas transmission assets.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-18398
- **Circular 7/2021, of 28 July, from the CNMC**
  Methodology for calculating, supervising, assessing, and settling losses in the gas system
  https://www.boe.es/buscar/act.php?id=BOE-A-2021-13385

Description:

Premia and Incentives (Art. 14 to 18):

The premia and incentives are developed under the remuneration element known as Adjustments to Remuneration for Productivity and Efficiency (ARPE) in Article 14 of Circular 9/2019. This remuneration element includes the following:

a) **REVU: Remuneration for Useful Life Extension (Art. 15)**: This remuneration element incentivizes the prolonged use of assets beyond their regulatory useful life, granting the transmission operator additional income, which is currently established by applying a percentage to the amount of Remuneration based on

reference unit values for O&M linked to the asset[19]. The coefficient applied varies depending on the additional years in service; the longer the asset is used, the higher the coefficient applied.

b) **RCS: Remuneration for Supply Continuity (Art. 16)**: This remuneration element was introduced in 2014 and currently functions as a transitional concept that facilitates revenue adjustments from the previous remuneration model. Its amount is progressively reduced each year.

c) **RPM: Remuneration for Productivity Improvement (Art. 17):** This remuneration element incentivizes the reduction of operational costs (OPEX) compared to the reference unit values for O&M, allowing transmission operators to retain a percentage of the savings achieved in previous regulatory periods, which they will keep receiving in subsequent periods.

d) **IM: Incentive for Loss Reduction:** This remuneration element incentivizes the implementation of measures to minimize gas losses in the system, in accordance with *Circular 7/2021, of July 28, from the CNMC*, which establishes the methodology for calculating, supervising, assessing, and settling losses in the gas system.

e) **IDS: Incentive for Sustainable Development (Art. 18):** This remuneration element incentivizes the development of projects that encourage the use of natural gas in maritime and land transport, granting additional remuneration for the gas sold at service stations for natural gas vehicles.

Adjustments and Penalties (Art. 8 y 28):

The allowed revenues of transmission operators may be reduced for the following reasons:

a) **Accessory products and services (Art. 8)**: These are non-regulated activities carried out by transmission operators for third parties, whose costs are partially or fully borne by allowed revenues, by using assets or resources remunerated through regulated gas activities (e.g. leasing surplus fibre optics used in the gas transmission network or the cable carrier where it is housed). To incentivize the proper allocation of costs between regulated and accessory activities and to prevent impacts on the allowed revenues of the gas system, transmission operators must report annually to CNMC the generated revenues and the related costs of accessory activities, which will be assessed for their impact, with a remuneration adjustment[20] if appropriate, in accordance with the methodology of the *Resolution of 31 July 2024*.

b) **Penalty for Excessive Debt (Art. 28)**: To ensure the financial prudence of transmission companies, a penalty is established if their financial ratios fall outside the recommended values established in Communication 1/2019 from the CNMC. The penalty applies only if the Global Ratio Index (IGR) – based on the financial statements from two years prior – is below the threshold of 90%.

[19] In the methodology applied until 5 July 2014, for assets commissioned before 1 January 2008, this type of incentive was set as a percentage of the amount of the last annuity of the Remuneration for depreciation costs and the financial remuneration.

[20] This adjustment is determined based on the volume of revenues and profits obtained from accessory activities. Specifically, when a transmission operator's revenue from accessory services exceeds two million euros (€2.000.000) or represents more than 0.5% of its annual allowed revenues, and the profit from accessory products and services exceeds €200.000 or has a gross margin above 20%.

h) Non-controllable costs.

References:

- **Circular 9/2019, of 12 December, from the CNMC**
  Methodology for the allowed revenues of natural gas transmission assets.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-18398
- **Circular 8/2020, of 2 December, from the CNMC**
  Reference unit values for Investment and Operation & Maintenance.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2020-16260

Description:

Non-controllable costs are part of the Remuneration for other O&M costs (OCOM) within the remuneration methodology for operation and maintenance (OPEX), and their calculation is based on the **actual audited costs.** These costs are defined in Article 12 of *Circular 9/2019* and detailed in Article 24 of *Circular 8/2020*. The main non-controllable costs are:

a) Cost of acquiring **operational gas** for transmission networks.
b) Cost of acquiring **odorant** for the transmission networks.
c) Cost of acquiring **electricity to power** electric motors at compressors.
d) Increases due to the update of **municipal fees and fees for the occupation of the public port domain**, effective from 1 January 2021.

i) Services provided within the company holding (if applicable).

References:

- **Circular 9/2019, of 12 December, from the CNMC**
  Methodology for the allowed revenues of natural gas transmission assets.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-18398

Description:

The transmission operator may contract services provided by companies within its own corporate group (company holding). However, the margins added in these intra-group operations (aka **intra-group margins**) will not be included in the allowed revenues (Art. 6). Additionally, these operations must comply with principles of transparency, be explicitly detailed, and quantified in the information reported annually according to the rules of *Circular 1/2015 (SICORE),* thus ensuring adequate cost control and avoiding distortions in the allowed revenues (regulated remuneration).

Furthermore, if the transmission operator provides accessory services to companies within its own corporate group will be subject to the criteria established in Article 8 of Circular 9/2019.

Point 3: Parameters used in the methodology

The values of the parameters used in the methodology:

a) The detailed values of the parameters that are part of the cost of equity and cost of debt or weighted average cost of capital expressed in percentages.

References:

- **Circular 2/2019, of 12 November, from the CNMC**
  Methodology for calculating the allowed rate of return.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-16639

Description:

The parameter values shown below apply to the 2021–2026 regulatory period.

Parameter values of the WACC (D.A. 2nd):	
Number of companies in the peer group[21]:	29
Regulatory gearing ratio (RA):	50 %
Tax rate (T):	25 %
Cost of Equity (R_{FP}) (nominal, *post-tax*):	6,48 %
a) Risk-free rate:	3,03 %
including a QE adjustment of:	*80 pbs*
b) Beta coefficient:	0,74
based on an unlevered beta of:	*0,42*
c) Market Risk Premium:	4,64 %
Cost of Debt (R_D) (nominal, *pre-tax*):	2,24 %

b) Depreciation periods in years applicable separately to pipelines and compressors.

References:

- **Circular 9/2019, of 12 December, from the CNMC**
  Methodology for the allowed revenues of natural gas transmission assets. https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-18398

Depreciation periods (Art. 10):	
Pipelines:	40 years
Metering and regulation stations (ERMs):	30 years
Compressors:	20 years

c) Changes to the depreciation period or in the acceleration of the depreciation applied to assets.

Description:

The current allowed revenues methodology in Spain **has not introduced changes** to depreciation periods or the acceleration of asset depreciation.

However, adjustments were made in previous regulatory periods to align the regulatory useful life. For example, in 2014, the regulatory useful life (depreciation period) of pipelines commissioned before 2008 was extended from 30 to 40 years.

d) Efficiency targets in percentages.

Description:

As stated in point 2(e), in the Spanish context, there is no specific methodology for determining cost efficiency within the remuneration framework, and therefore, **no explicit efficiency target exists**.

e) Inflation indices.

Description:

As stated in point 2(f), inflation within the remuneration framework of the Spanish gas system does not follow an automatic update mechanism, and consequently, **there is no specific inflation index**.

[21] This information is detailed in the Explanatory Memorandum of Circular 2/2019 from the CNMC (CIR/DE/011/19). https://www.cnmc.es/sites/default/files/2749939_32.pdf

f) Premia and Incentives.

References:

- **Circular 9/2019, of 12 December, from the CNMC**
  Methodology for the allowed revenues of natural gas transmission assets.
  https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-18398
- **Circular 7/2021, of 28 July, from the CNMC**
  Methodology for calculating, supervising, assessing, and settling losses in the gas system
  https://www.boe.es/buscar/act.php?id=BOE-A-2021-13385

Description:

The premium and incentive parameter values shown below are valid for the 2021-2026 regulatory period.

Parameters of Premia and incentives:

REVU: *Article 15 of Circular 9/2019.*	The coefficients for this element are: ▪ **First 5 years:** 0.30 ▪ **Between the 6th and 10th year:** 0.30 + 0.01 * (X-5) ▪ **Between the 11th and 15th year:** 0.35 + 0.02 * (X-10) ▪ **From the 16th year onwards:** 0.45 + 0.03 * (X-15) ** The resulting value can never exceed 1.*
RCS: *Additional Provision (D.A. 8th, sole point) of Circular 9/2019.*	The coefficients applied to the base RCS (year 2020) are: ▪ **2021**: ¾ of 95% of the base RCS. ▪ **2022**: 80% of base RCS. ▪ **2023**: 65% of base RCS. ▪ **2024**: 50% of base RCS. ▪ **2025**: 35% of base RCS. ▪ **2026**: 20% of base RCS.
RMP: *Additional Provision (D.A. 9th, point 2) of Circular 9/2019.*	The observed productivity improvement amount (MPO) is distributed as follows: **50% to the transmission operator** and 50% to the gas system (users).
IM: *Article 14 of Circular 9/2019.*	It is calculated annually by the CNMC in accordance with the provisions of Circular 7/2021, of July 28, from the CNMC, which establishes the methodology for calculating, supervising, assessing, and settling losses in the gas system.
IDS: *Additional Provision (D.A. 9th, point 3) of Circular 9/2019.*	An additional unit remuneration for gas sold at service stations for natural gas vehicles is set at **0.50 €/MWh**.

Point 4: Values of costs and expenditure

The values of costs and expenditure that are used for setting the allowed or target revenue in euro and in the local currency of:

a) The RAB per asset type, detailed per year until its full depreciation, including:

i. The investments added to the RAB, per asset type:

Gross Investment Value of the RAB (Admitted investment value):

in euros (€)	**Gross investment value of the RAB**					
	"Valor de Inversión Reconocido"					
Gas Year [1]	**NATURAL GAS SECTOR**					
	Pipelines	Pipeline fill gas (heel gas)	Metering stations	Compressors	Other assets	**TOTAL Sector Gas**
2022	5.355.851.431,78	54.611.828,83	258.362.932,61	697.628.385,28	125.271.869,83	**6.491.726.448,33**
2023	5.356.343.169,36	54.611.828,83	258.514.931,97	712.803.286,01	125.271.869,83	**6.507.545.086,00**
2024	5.356.343.169,36	54.611.828,83	258.802.534,75	712.803.286,01	125.271.869,83	**6.507.832.688,78**
2025	5.356.343.169,36	54.611.828,83	258.883.667,45	712.803.286,01	125.271.869,83	**6.507.913.821,48**
2026	5.356.343.169,36	54.611.828,83	258.883.667,45	712.803.286,01	125.271.869,83	**6.507.913.821,48**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

Net Investment Value of the RAB (net investment value pending depreciation):

in euros (€)	Net investment value of the RAB					
	"Valor de Inversión Neto pendiente de Amortizar"					
Gas Year (1)	**NATURAL GAS SECTOR**					
	Pipelines	Pipeline fill gas (heel gas)	Metering stations	Compressors	Other assets	**TOTAL Gas Sector**
2022	2.613.698.443,42	54.611.828,83	101.122.139,23	202.052.209,73	4.285.516,74	**2.975.770.137,95**
2023	2.512.394.236,92	54.611.828,83	95.424.232,67	172.365.704,75	3.652.160,04	**2.838.448.163,21**
2024	2.411.090.030,40	54.611.828,83	89.501.366,41	158.015.837,07	3.025.160,87	**2.716.244.223,58**
2025	2.309.988.942,38	54.611.828,83	83.696.461,45	128.311.786,30	2.396.443,90	**2.579.005.462,86**
2026	2.208.672.450,85	54.611.828,83	77.717.744,29	104.415.218,27	1.769.444,73	**2.447.186.686,97**
2027	2.107.355.959,36	54.611.828,83	71.658.169,59	84.444.758,15	1.142.445,57	**2.319.213.161,50**
2028	2.006.039.467,83	54.611.828,83	65.601.046,59	64.522.369,02	808.324,38	**2.191.583.036,65**
2029	1.904.445.396,88	54.611.828,83	59.558.837,18	46.676.119,30	495.811,95	**2.065.787.994,14**
2030	1.803.137.613,16	54.611.828,83	53.538.758,78	32.773.151,42	292.623,05	**1.944.353.975,24**
2031	1.701.870.481,72	54.611.828,83	47.518.680,39	22.396.884,45	157.432,40	**1.826.555.307,79**
2032	1.600.804.261,15	54.611.828,83	41.593.712,53	14.303.212,93	109.521,12	**1.711.422.536,56**
2033	1.499.986.429,51	54.611.828,83	35.991.914,71	11.844.773,47	78.905,58	**1.602.513.852,10**
2034	1.399.632.410,14	54.611.828,83	30.796.598,70	9.945.346,20	56.155,66	**1.495.042.339,53**
2035	1.299.787.320,49	54.611.828,83	25.911.142,92	8.045.918,93	33.405,75	**1.388.389.616,92**
2036	1.200.048.085,69	54.611.828,83	21.436.317,36	6.146.491,66	10.655,83	**1.282.253.379,37**
2037	1.100.875.291,01	54.611.828,83	17.318.431,12	5.198.593,84	2.300,85	**1.178.006.445,65**
2038	1.004.912.164,19	54.611.828,83	13.520.685,66	4.440.368,14	2.101,80	**1.077.487.148,62**
2039	911.561.656,88	54.611.828,83	10.063.330,33	3.682.142,44	1.902,74	**979.920.861,22**
2040	821.315.823,74	54.611.828,83	7.157.654,52	2.923.916,73	1.703,69	**886.010.927,51**
2041	732.349.571,36	54.611.828,83	4.907.303,95	2.163.613,70	1.504,09	**794.033.821,93**
2042	645.913.845,61	54.611.828,83	3.064.199,20	1.405.387,99	1.305,03	**704.996.566,66**
2043	562.786.651,06	54.611.828,83	1.908.589,46	647.162.29	1.105,98	**619.955.337,62**
2044	481.188.568,05	54.611.828,83	1.192.417,54		906,92	**536.993.721,34**
2045	403.455.987,96	54.611.828,83	702.793,75		707,32	**458.771.317,86**
2046	331.989.368,51	54.611.828,83	475.965,34		508,27	**387.077.670,95**
2047	263.398.064,40	54.611.828,83	358.819,07		309,21	**318.369.021,51**
2048	196.304.009,69	54.611.828,83	274.821,49		120,03	**251.190.780,04**
2049	134.004.197,94	54.611.828,83	197.904,85			**188.813.931,62**
2050	84.844.946,11	54.611.828,83	133.417,15			**139.590.192,09**
2051	54.366.535,88	54.611.828,83	73.528,98			**109.051.893,69**
2052	29.265.778,43	54.611.828,83	38.224,64			**83.915.831,90**
2053	13.724.039,80	54.611.828,83	20.625,28			**68.356.493,91**
2054	5.992.070,99	54.611.828,83	3.696,01			**60.607.595,83**
2055	1.990.076,33	54.611.828,83	22,21			**56.601.927,37**
2056	676.506,11	54.611.828,83				**55.288.334,94**
2057	227.732,08	54.611.828,83				**54.839.560,91**
2058	143.382,79	54.611.828,83				**54.755.211,62**
2059	99.152,04	54.611.828,83				**54.710.980,87**
2060	64.545,72	54.611.828,83				**54.676.374,55**
2061	38.100,41	54.611.828,83				**54.649.929,24**
2062	25.815,38	54.611.828,83				**54.637.644,21**
2063	13.530,36	54.611.828,83				**54.625.359,19**
2064	1.245,33	54.611.828,83				**54.613.074,16**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

ii. The depreciation per asset type until the full depreciation of the assets:

in euros (€)	Remuneration for Depreciation costs				
	"Depreciación"				
Año gas[(1)]	**NATURAL GAS SECTOR**				
	Pipelines	Metering stations	Compressors	Other assets	**TOTAL Gas Sector**
2022	101.304.206,50	6.074.900,82	29.686.504,99	633.356,70	**137.698.969,01**
2023	101.304.206,50	6.074.865,61	29.524.768,41	626.999,17	**137.530.839,68**
2024	101.592.825,62	6.092.507,74	29.704.050,77	628.716,97	**138.018.101,11**
2025	101.316.491,53	6.059.849,88	23.896.568,03	626.999,17	**131.899.908,60**
2026	101.316.491,53	6.059.574,73	19.970.460,13	626.999,17	**127.973.525,55**
2027	101.316.491,53	6.057.122,99	19.922.389,13	334.121,19	**127.630.124,83**
2028	101.594.070,96	6.042.209,42	17.846.249,72	312.512,43	**125.795.042,52**
2029	101.307.783,71	6.020.078,40	13.902.967,87	203.188,91	**121.434.018,89**
2030	101.267.131,45	6.020.078,40	10.376.266,97	135.190,65	**117.798.667,46**
2031	101.066.220,57	5.924.967,86	8.093.671,53	47.911,28	**115.132.771,24**
2032	100.817.831,63	5.601.797,82	2.458.439,46	30.615,54	**108.908.684,45**
2033	100.354.019,38	5.195.316,01	1.899.427,27	22.749,91	**107.471.512,57**
2034	99.845.089,65	4.885.455,78	1.899.427,27	22.749,91	**106.652.722,61**
2035	99.739.234,80	4.474.825,56	1.899.427,27	22.749,91	**106.136.237,54**
2036	99.172.794,68	4.117.886,23	947.897,81	8.354,98	**104.246.933,70**
2037	95.963.126,83	3.797.745,46	758.225,70	199,05	**100.519.297,05**
2038	93.350.507,31	3.457.355,33	758.225,70	199,05	**97.566.287,39**
2039	90.245.833,14	2.905.675,82	758.225,70	199,05	**93.909.933,72**
2040	88.966.252,38	2.250.350,57	760.303,04	199,60	**91.977.105,58**
2041	86.435.725,75	1.843.104,75	758.225,70	199,05	**89.037.255,26**
2042	83.127.194,55	1.155.609,74	758.225,70	199,05	**85.041.229,05**
2043	81.598.083,01	716.171,91	647.162,29	199,05	**82.961.616,26**
2044	77.732.580,09	489.623,79	0,00	199,60	**78.222.403,48**
2045	71.466.619,45	226.828,41	0,00	199,05	**71.693.646,92**
2046	68.591.304,11	117.146,27	0,00	199,05	**68.708.649,43**
2047	67.094.054,71	83.997,58	0,00	189,18	**67.178.241,48**
2048	62.299.811,74	76.916,64	0,00	120,03	**62.376.848,42**
2049	49.159.251,84	64.487,70	0,00	0,00	**49.223.739,54**
2050	30.478.410,22	59.888,16	0,00	0,00	**30.538.298,39**
2051	25.100.757,45	35.304,34	0,00	0,00	**25.136.061,79**
2052	15.541.738,62	17.599,36	0,00	0,00	**15.559.337,99**
2053	7.731.968,82	16.929,27	0,00	0,00	**7.748.898,09**
2054	4.001.994,65	3.673,80	0,00	0,00	**4.005.668,45**
2055	1.313.570,22	22,21	0,00	0,00	**1.313.592,43**
2056	448.774,03	0,00	0,00	0,00	**448.774,03**
2057	84.349,29	0,00	0,00	0,00	**84.349,29**
2058	44.230,75	0,00	0,00	0,00	**44.230,75**
2059	34.606,32	0,00	0,00	0,00	**34.606,32**
2060	26.445,31	0,00	0,00	0,00	**26.445,31**
2061	12.285,03	0,00	0,00	0,00	**12.285,03**
2062	12.285,03	0,00	0,00	0,00	**12.285,03**
2063	12.285,03	0,00	0,00	0,00	**12.285,03**
2064	1.245,33	0,00	0,00	0,00	**1.245,33**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

iii. Annual remuneration for investment in assets (CAPEX):

Per asset type:

in euros (€)	Remuneration for investment in assets (CAPEX)					
	"Retribución por Inversión"					
Gas Year [1]	**NATURAL GAS SECTOR**					
	Pipelines	Pipeline fill gas (heel gas)	Metering stations	Compressors	Other assets	**TOTAL Gas Sector**
2022	243.489.401,82	2.970.883,83	11.596.453,67	40.667.614,67	866.401,64	**299.590.755,63**
2023	237.978.452,99	2.970.883,83	11.266.596,73	39.022.382,51	825.676,67	**292.063.992,73**
2024	232.780.169,52	2.970.883,83	10.975.092,95	38.291.809,60	793.285,72	**285.811.241,62**
2025	226.979.889,99	2.970.883,83	10.617.310,65	30.811.648,71	757.365,72	**272.137.098,90**
2026	221.468.272,85	2.970.883,83	10.287.420,02	25.650.648,00	723.256,96	**261.100.481,66**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

Per remuneration element:

in euros (€)	Remuneration for investment in assets (CAPEX)				
	"Retribución por Inversión"				
Gas Year [1]	**NATURAL GAS SECTOR**				
	Remuneration for Depreciation costs	Financial Remuneration	Remuneration for projects based on transported gas	Financial remuneration for the acquisition of heel gas	**TOTAL Gas Sector**
2022	137.698.969,01	158.920.902,79	0	2.970.883,83	**299.590.755,63**
2023	137.530.839,68	151.562.269,22	0	2.970.883,83	**292.063.992,73**
2024	138.018.101,11	144.822.256,68	0	2.970.883,83	**285.811.241,62**
2025	131.899.908,60	137.266.306,47	0	2.970.883,83	**272.137.098,90**
2026	127.973.525,55	130.156.072,29	0	2.970.883,83	**261.100.481,66**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

Per gas transmission operator:

in euros (€)	Remuneration for investment in assets (CAPEX)					
	"Retribución por Inversión"					
Gas Year [1]	**Certified TSO**	**Other companies owning gas transmission assets**				**TOTAL Gas Sector**
	Enagás Transporte	ETN	Nedgia Group	Redexis Group	Other	
2022	239.585.249,00	11.379.838,56	12.627.903,36	28.910.199,69	7.087.565,01	**299.590.755,63**
2023	233.397.043,75	11.126.141,91	12.336.383,23	28.295.067,72	6.909.356,11	**292.063.992,73**
2024	232.054.691,99	10.874.530,50	12.058.298,38	27.710.915,40	3.112.805,35	**285.811.241,62**
2025	219.696.194,83	10.588.745,30	11.752.063,96	27.063.118,48	3.036.976,32	**272.137.098,90**
2026	209.889.768,08	10.336.673,62	11.461.082,50	26.447.986,51	2.964.970,94	**261.100.481,66**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

b) The cost of capital including the cost of equity and the cost of debt.

Cost of capital calculation			
The values apply to the 2021–2026 regulatory period			
Parameters		**Value**	**Notes**
Risk-free rate	[1]	3,03%	Including 80 bps QE adjustment
Beta coefficient	[2]	0,74	
Market Risk Premium (MRP)	[3]	4,64%	
Cost of Equity (R_{FP}) (nominal, *post-tax*)	[4]	6,48%	[1] + ([2] x [3])
Cost of Debt (R_D) (nominal, *pre-tax*)	[5]	2,24%	
Tax rate (T)	[6]	25%	
Regulatory gearing ratio (RA)	[7]	50%	
WACC (nominal, *post-tax*)	[8]	4,08%	([4] x (1-[7])) + ([5] x (1-[6]) x [7])
Allowed rate of return (nominal, *pre-tax*)	**[9]**	**5,44%**	**[8] / (1-[6])**

c) *Operational expenditure:*

Per asset type:

in euros (€)	Remuneration for operation and maintenance costs (OPEX)				
	"Retribución por Operación y Mantenimiento"				
Gas Year (1)	**NATURAL GAS SECTOR**				
	Pipelines	Metering stations	Compressors	Other assets	**TOTAL Gas Sector**
2022	97.211.452,35	46.061.057,84	123.471.713,85	0,00	**266.744.224,03**
2023	97.216.504,19	40.475.803,23	79.214.153,55	0,00	**216.906.460,96**
2024	97.212.355,90	39.331.145,96	58.646.715,27	0,00	**195.190.217,13**
2025	97.211.889,53	39.335.330,54	58.646.501,04	0,00	**195.193.721,11**
2026	97.211.889,53	39.335.330,54	58.646.501,04	0,00	**195.193.721,11**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

Per remuneration element:

in euros (€)	Remuneration for operation and maintenance costs (OPEX)				
	"Retribución por Operación y Mantenimiento"				
Gas Year (1)	**NATURAL GAS SECTOR**				
	Reference values O&M	Special-purpose facilities	OCOM (COPEX)	OCOM (Audited costs)	**TOTAL Gas Sector**
2022	130.172.599,33	4.452.680,00	30.345.884,01	101.773.060,69	**266.744.224,03**
2023	130.172.599,33	4.452.680,00	30.345.884,01	51.935.297,62	**216.906.460,96**
2024	130.203.756,35	4.452.680,00	30.345.884,01	30.187.896,77	**195.190.217,13**
2025	130.207.260,33	4.452.680,00	30.345.884,01	30.187.896,77	**195.193.721,11**
2026	130.207.260,33	4.452.680,00	30.345.884,01	30.187.896,77	**195.193.721,11**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

Per gas transmission operator:

in euros (€)	Remuneration for operation and maintenance costs (OPEX)					
	"Retribución por Operación y Mantenimiento"					
Gas Year (1)	**Certified TSO**	**Other companies owning gas transmission assets**				**TOTAL Gas Sector**
	Enagás Transporte	ETN	Nedgia Group	Redexis Group	Other	
2022	231.981.551,23	5.135.029,22	10.803.790,57	16.154.604,11	2.669.248,91	**266.744.224,03**
2023	183.188.986,55	4.707.284,85	10.712.814,09	15.696.486,22	2.600.889,25	**216.906.460,96**
2024	163.023.958,47	4.544.062,18	10.676.293,30	15.512.188,47	1.433.714,70	**195.190.217,13**
2025	163.027.462,46	4.544.062,18	10.676.293,30	15.512.188,47	1.433.714,70	**195.193.721,11**
2026	163.027.462,46	4.544.062,18	10.676.293,30	15.512.188,47	1.433.714,70	**195.193.721,11**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

d) *Premia and incentives detailed separately per item.*

Per asset type:

in euros (€)	Remuneration for premia and incentives				
	"Retribución por ARPE"				
Gas Year (1)	**NATURAL GAS SECTOR**				
	Pipelines	Metering stations	Compressors	Other assets	**TOTAL Gas Sector**
2022	182.401.003,80	16.149.265,05	24.308.017,29	2.082.510,79	**224.940.796,93**
2023	137.378.469,87	11.208.941,88	21.478.935,20	1.690.844,13	**171.757.191,08**
2024	118.844.425,44	12.893.342,64	18.611.442,56	1.092.866,55	**151.442.077,19**
2025	89.098.621,05	11.910.690,76	17.047.406,09	767.470,21	**118.824.188,11**
2026	59.467.568,91	10.870.099,38	15.041.822,11	520.124,05	**85.899.614,44**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

Per remuneration element:

euros (€)	Remuneration for premia and incentives						
	"Retribución por ARPE"						
Gas Year (1)	**NATURAL GAS SECTOR**						
	REVU	RCS	RMP	IM	IDS	Penalty for excessive debt	**TOTAL Gas Sector**
2022	7.507.770,44	184.021.810,68	28.542.118,26	4.868.754,38	343,17	0,00	**224.940.796,93**
2023	7.765.457,16	149.517.721,15	28.542.118,26	-14.068.424,44	318,95	0,00	**171.757.191,08**
2024	8.092.681,22	115.013.631,68	28.542.118,26	N/A	1.584,62	-207.938,59	**151.442.077,19**
2025	9.913.940,88	80.509.542,18	28.542.118,26	N/A	1.571,12	-142.984,34	**118.824.188,10**
2026	11.350.472,39	46.005.452,67	28.542.118,26	N/A	1.571,12	N/A	**85.899.614,44**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.
N/A: These values are not available as of the date of this report.

Per gas transmission operator:

in euros (€)	Remuneration for premia and incentives					
	"Retribución por ARPE"					
Gas Year (1)	**Certified TSO**	**Other companies owning gas transmission assets**				**TOTAL Gas Sector**
	Enagás Transporte	ETN	Nedgia Group	Redexis Group	Other	
2022	183.790.941,70	5.616.681,77	12.705.496,46	16.784.611,72	6.043.065,28	**224.940.796,93**
2023	145.321.698,99	1.280.378,83	10.181.666,44	12.796.554,44	2.176.892,38	**171.757.191,08**
2024	129.040.689,57	4.152.595,71	7.366.675,98	9.303.645,28	1.578.470,65	**151.442.077,19**
2025	101.570.042,43	3.157.258,70	5.788.514,01	7.032.614,17	1.275.758,80	**118.824.188,11**
2026	73.718.817,37	2.148.552,00	4.219.584,97	4.839.613,15	973.046,95	**85.899.614,44**

(1) Gas Year: From 01/Oct/n-1 to 30/Sept/n.

Point 5: Financial indicators

Financial indicators to be provided for the transmission system operator, including;

a) Earnings before interest, taxes, depreciation and amortisation (EBITDA).
b) Earnings before interest and taxes (EBIT)
c) Return on assets I (ROA) = EBITDA / RAB
d) Return on assets II (ROA) = EBIT / RAB
e) Return on equity (ROE) = Profit / Equity
i. Return on Capital Employed (RoCE) = EBIT/Total assets
ii. Leverage ratio = Net debt / (Net debt + Equity)
Iii Net debt / (Net debt + Equity).
iv. Net debt / EBITDA.

In the event of the transmission system operator being part of a larger holding or undertaking, those values shall be provided separately for the transmission system operator:

For the transmission system operation activity:

Certified TSO	Enagás Transporte								
Calendar Year (1)	**Transmission system operation activity only**								
	(a) EBITDA (millions €)	**(b) EBIT** (millions €)	**(c) ROA I** (%)	**(d) ROA II** (%)	**(e) ROE** (%)	**i. RoCE** (%)	**ii. Lev. R.** (%)	**iii. ND R.** (%)	**iv. ND/(a)** (nº times)
2023	374	244	18,11%	11,80%	8,53%	9,62%	7,86%	7,86%	0,47
2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Calendar Year: From 01/Jan/n to 31/Dec/n.
N/A: These values are not available as of the date of this report.

For all activities carried out by the TSO (whole company):

Certified TSO	Enagás Transporte								
Calendar Year (1)	All activities carried out by the TSO								
	(a) EBITDA (millions €)	(b) EBIT (millions €)	(c) ROA I (%)	(d) ROA II (%)	(e) ROE (%)	i. RoCE (%)	ii. Lev. R. (%)	iii. ND R. (%)	iv. DN/(a) (nº times)
2023	528	306	20,54%	11,89%	8,33%	6,95%	15,23%	15,23%	1,01
2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Calendar Year: From 01/Jan/n to 31/Dec/n.
N/A: These values are not available as of the date of this report.

Simplified tariff model:

The regulatory authority or the transmission system operator shall provide a simplified tariff model including the disaggregated parameters and values of the methodology and allowing to replicate the calculation of the allowed or target revenue of the transmission system operator. Link Exp RAP/DE/010/24