



ACEGAS-APS, ENEL AND TEI IN AN ALLIANCE TO BUILD INTERCONNECTION LINES BETWEEN ITALY AND SLOVENIA

Rome, 9 February 2009 – On 5 February, Acegas-Aps SpA, Enel SpA and Tei met at Enel's Rome headquarters to sign the memorandum of association of Adria Link Srl, based in Gorizia. Enel will appoint the managing director of the new company, while the chairmanship will be held in rotation by Tei and Acegas-Aps.

Adria Link, in which the three partners have equal shares, will build and operate electricity interconnection infrastructure between Italy and Slovenia, in line with the provisions of the "Scajola Decree", which in transposing Regulation (EC) 1228/2003 aims to stimulate trade in energy with the EU countries, thereby enabling the achievement of efficiencies in the use of power at the European level and, consequently, lowering generation costs and sales prices.

In this context, Adria Link intends to develop two interconnection projects that involve the construction of two underground power lines, which will connect, respectively, the Zaule electricity station in the province of Trieste with the Dekani station in Slovenia and the Redipuglia station in the province of Gorizia with the Vrtojba station in Slovenia.

Overall, the two initiatives will increase net transfer capacity by about 250 MW. In addition to boosting cross-border trade, the infrastructure, which will be linked to the National Transmission Network, will help preserve and improve the operational security of the national electricity system.

The expected investment totals about 31 million euros, part of the amount being aimed at the reduction of environmental and landscape impacts. The investment envisages underground power line infrastructures to be positioned along existing roads, with the aim to make the lines entirely invisible once the works will have been completed and reduce electro-magnetic fields well below the strictest quality limits set by existing legislation.

The Adria Link interconnection projects have already received positive assessments from the two operators of the national networks concerned. In addition, Slovenia has already issued the necessary energy permits, while on the Italian front the procedures for issuing the construction and operation permits by the Friuli-Venezia Giulia Region are at an advanced stage.

The Acegas-Aps Group is a major Italian company and leading local utilities operator in the North East. Acegas-Aps, which has a diversified, well-balanced portfolio of businesses, operates in the segments of integrated water cycle services, distribution and sale of



electricity and gas, management of environmental services and a variety of other services such as public lighting, traffic signal management and facility management in general. Acegas-Aps also generates electricity with its plants at Sarmato, Elettrogorizia and two waste-to-electricity plants, one of which is currently being expanded.

Enel SpA is the largest electricity company in Italy and second-largest listed utility by installed capacity in Europe. Enel produces, distributes and sells electricity and gas across Europe, North America and Latin America. Following the acquisition of the Spanish electricity company Endesa together with Acciona, Enel is now present in 22 countries, with an installed capacity of around 83,000 MW (at 30 September 2008), and serves more than 52 million electricity and gas customers. Listed since 1999 on the Milan Stock Exchange, Enel is the Italian company with the largest number of shareholders: some 1.4 million retail and institutional shareholders in 2008. Enel is also the number two player in Italy's natural gas market, with about 2.6 million customers and a market share of around 10% in volume terms.

TEI SpA is an Italian company specialized in electricity trading and generation, operating since 2001 in Italy and the rest of Europe.

In its trading business, TEI has a presence in all markets in continental Europe, both directly through offices in Germany, Slovenia and Greece and as an accredited operator on the power exchanges of Milan, Paris, Leipzig and Athens. As an electricity generator, TEI SpA has pursued a niche strategy focusing on plants whose efficiency and flexibility are well-suited to the new profile of energy demand. The combined-cycle plant at Gorizia (in partnership with Acegas-Aps), which has been operational since 2005, is an example of this strategy.

From the outset, TEI has been especially active in its support for the construction of private merchant lines for interconnection with the electricity networks of Eastern Europe: the participation of Enel and Acegas-Aps in the Adria Link initiative is a major first step in this direction.

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