

History of ENRE

Created on April 4, 1993 according to National Law 24.065 as a self-governing body with full legal capacity to act in the public and private fields, ENRE's duty is to adjust its competence to the principles and rules established in the Electricity Regulatory Framework, ensuring that services are rendered under conditions of reliability, competitiveness, equality, free access, fair and reasonable rates adapted to the expected service quality, protecting customers's rights, and guaranteeing supply in the long term.

The Electricity Regulatory Framework – Law 24065

The Electricity Regulatory Framework, being approved and enacted by Congress, properly fits the criterion subsequently upheld by the 1994 Constitutional Reforms, in that legislative action is an essential requirement for the formulation of Regulatory Frameworks.

Section 1 of Law 24,065 characterizes electricity transmission and distribution as public services, which are rendered under monopolistic market conditions with captive users where regulation determines and controls prices and quality, preventing anticompetitive discriminatory and monopolistic practices.

Insofar as transmission and distribution facilities are concerned, the ruling principle is that of "Open Access", which allows everybody to make use of them without restriction or opposition from the owner, paying the relevant costs, guaranteeing that it will not become a limitation to the principle.

Generation, irrespective of the intended use, is considered an activity of general interest, which develops in a competitive market, the operation whereof abides by legal rules and Operating Procedures so that generators will receive a uniform rate for all, at each delivery site established by the National Load Dispatch, calculated on the basis of the systems' economic cost, taking into account the cost that non-supplied energy represents for the community. The economic cost is represented by the short-term marginal cost.

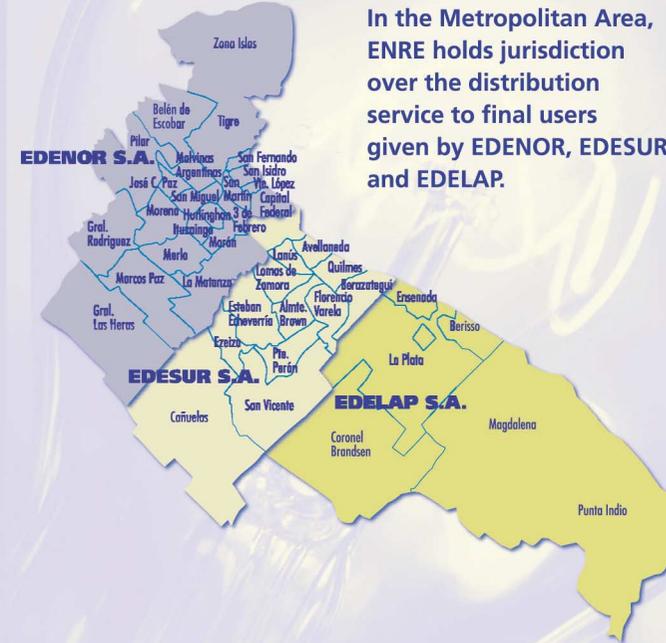
Distributors are required to supply all the energy demanded in the geographical area of their concession, and are not allowed to claim lack of supply. This obligation - together with an adequate prices and rates scheme - guarantees that the appropriate steps are taken, according to the estimated demand development, so that the necessary investments will be made in the transmission and distribution segments to ensure supply.

what is ENRE?

The National Electricity Regulatory Commission (ENRE) is a self-governing body with full legal capacity within the Department of Energy, that:

- Gives adequate protection to customers's rights;
- Promotes competitiveness and encourages investments to guarantee supply in the long term;
- Promotes non-discriminatory open access and a widespread use of the transmission and distribution services;
- Regulates transmission and distribution activities with fair and reasonable rates;
- Encourages more efficient supply and demand through appropriate rates;
- Prevents anticompetitive, discriminatory and monopolistic practices;
- Protects environment and public security

Distribution area



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The National Electricity Regulatory Commission

Adequate protection to customers's right

Customers's rights

One of the essential purposes established by Law 24,065 is to give adequate protection to customers's rights.

Customers are entitled the following rights:

Receive adequate and true information on the distribution service.

Demand from the distributor the quality of service established in the concession contract.

Demand from the distributor diligent response and solution to queries, claims and complaints submitted by the customer.

How the commission is appointed

The Commission is composed of five members. All must be selected among people with noteworthy technical and professional background and appointed by the Executive Power prior notice to Congress. There is a president, a vicepresident and three voting members. Commissioners serve five-year terms and may be reelected.

ENRE'S budget

ENRE financing comes from rates of the total electricity market and stands for less than 0,5 per cent participation in the gross revenue of the industry. Provisions for ENRE's budget are defined in sections 64,65, 66, 67, 68 and 69 of Law 24,065.

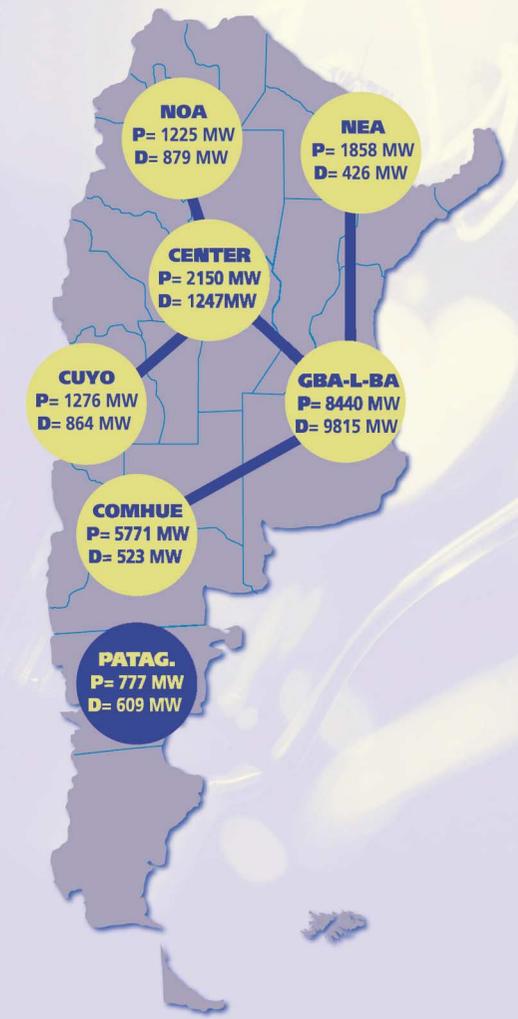
Transmission Grid



REFERENCES

- ▲ 500 kV T Stations
- 500 kV Lines
- 300 kV Lines
- Additional projects before 2001
- Projects (public hearing proceedings already completed)
- Projects (under initial proceedings)
- International Interconnections
- Exporting capacity

Supply and Demand



WEMSP

Installed Capacity: 777 MW
Maximum Demand: 609 MW

WEM

Installed Capacity: 20.719 MW
Maximum Demand: 13.794 MW

WEM + WEMSP

Installed Capacity: 21.496 MW
Maximum Demand: 14.363 MW

(Figures at December 2000)

The following table shows the development of the Argentina Electric System.

MEM+MEMSP	Dec-93	Dec-94	Dec-95	Dec-96	Dec-97	Dec-98	Dec-99	Dec-00
SELF-GENERATORS	2	5	9	9	11	12	12	13
MAJOR L. U.	18	80	208	265	350	392	409	397
MINOR L. U.	--	--	207	459	797	1502	1548	1438
CARRIERS	7	14	21	21	25	30	47	58
DISTRIBUTORS	26	25	26	28	31	31	50	57
GENERATORS	23	31	37	43	44	44	44	43
CO-GENERATORS	--	--	--	--	2	3	3	3
BROKERS	--	--	--	--	1	1	2	3
TOTAL	76	155	508	825	1260	2015	2115	2012

Market Agents