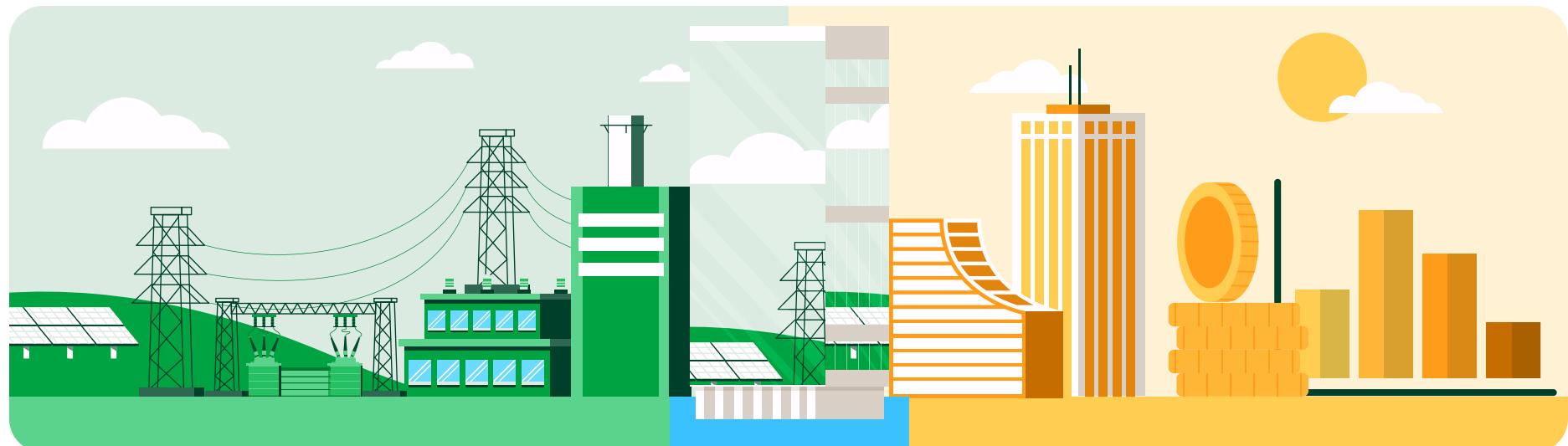


RAB vs. market value



Regulated Asset Base (RAB)

Market value

Value recognised by the regulator for the assets required to provide a public service (networks, transmission, etc.).

Definition

Total value of the company **based on its stock market capitalisation and market expectations.**

The regulator (CNMC, Ofgem, FERC, etc.).

Who sets it

Investors, through the share price.

Required investment, depreciation, periodic reviews.

Criteria

Expected growth, confidence, risk and the economic context.

Long term – regulatory stability.

Time horizon

Short to medium term – market-driven.

To guarantee **fair returns** and the sustainability of the service.

Objective

To reflect growth potential and value creation.