

Media Release: March 22nd, 2010

Household Energy Price Index for Europe

March Prices Just Released

In This Month's Edition

- HEPI price trend: Electricity prices continue rising to their highest level in over a years but remain stable for Gas
- Total price ranking – Prices revised slightly
- Energy Price breakdown – National fiscal policy as influential as market forces

Who is paying the most? Who is paying the least? and where are prices heading in Europe?

WHAT IS THE HEPI?

Based on the electricity and natural gas prices collected both for incumbents and competitor companies in capital cities of EU15 member states, E-Control GmbH in cooperation with VaasaETT has compiled The Household Energy Price Index, HEPI. The HEPI is a weighted end user price index that assesses overall price developments in Europe.

The HEPI is Europe's only independent comparative monthly index of electricity and gas prices across the 'EU 15' states. Data is collected directly from utilities and authorities in the respective markets, using a thorough, precise and comparative definition and methodology.

The HEPI project also compiles and publishes a monthly ranking and analysis of capital city prices within the EU15.

E-Control GmbH and VaasaETT will continue to publish HEPI every month until at least 2011.

KEY FINDINGS AS OF MARCH 2010

European electricity prices excluding taxes reached their highest level since the price survey started in January 2009 after another slight increase. The index currently stands at 102.44 points up from 101.58 last month. The price change in some cities, for instance Luxembourg and Lisbon, may partly be explained by the impact of daily fees and the fact that March has 31 days whereas February only had 28, this in turn has an impact on the overall index. Gas prices on the other hand are again perfectly stable at around 82 since January 2010. The historically low wholesale prices might limit the price increase next month as quarterly revisions take place in bigger markets such as Italy.

The table "Total Price Rankings" shows that prices have been revised in most cities both for gas and electricity. These price revisions have usually been rather mild and are sometimes due to exchange rate fluctuations (GB) and daily rates as explained above. However, prices did increase a lot in Stockholm where prices are among the most dynamic; they went up from c€ 15.80 in February to c€ 17.61 in March.

Household customers in Copenhagen pay by far the highest electricity prices within the capital cities of the EU15. It can largely be explained by much higher energy taxes in Denmark, which make up about 55% of the total electricity price. Customers in Athens and Helsinki pay the least for their electricity (all tax included); their prices are in fact about 2.5 times lower than prices paid by household electricity users in Copenhagen. Natural gas household customers in Stockholm pay by far the highest prices within the capital cities of the EU15. Prices in Stockholm are almost 70% higher than in the second most expensive city Copenhagen, and over 4 times more than Londoners who enjoy the cheapest prices.

The price breakdown of local electricity standard incumbent tariffs shows major variations in the share of each component. Our survey shows that on average energy represents about 48% of the total electricity bill, distribution 28%, energy taxes 11% and VAT 13% whereas energy represents 51% of the total gas bill, distribution 27% energy taxes 10% and VAT 13%. Copenhagen is a very unusual case; the energy component of the electricity bill represents less than 20% of a Danish household's electricity bill, by far the lowest of all cities, whereas the energy taxes represent an astonishing 35% (three times the EU 15 average). Overall, the results show that market forces represent only half of the energy bills whereas national fiscal policies are responsible for the other half through distribution tariffs as well as energy taxes and VAT.

Development of European Electricity Prices



Development of European Gas Prices



Total Price Rankings (prices including energy, distribution and taxes)

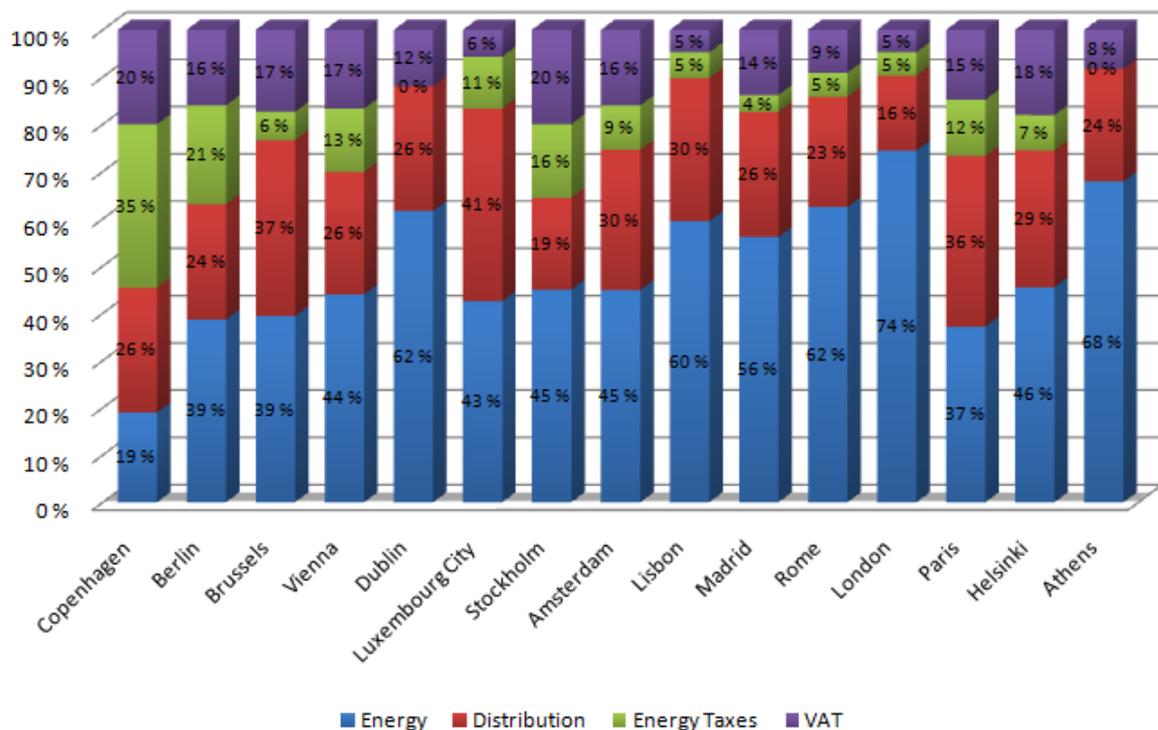
Ranking	Electricity (all tax included)			Gas (all tax included)			
	City	Price in € cent / kWh	Change / previous month	City	Price in € cent / kWh	Change / previous month	
Most Expensive	1	Copenhagen	28,02	⇒	Stockholm	17,12	↑
	2	Berlin	22,78	⇒	Copenhagen	10,19	↑
	3	Brussels	21,40	↑	Vienna	6,54	⇒
	4	Vienna	19,41	⇒	Berlin	6,38	⇒
	5	Dublin	18,29	↑	Rome	6,35	⇒
	6	Luxembourg City	18,25	↑	Amsterdam	5,83	⇒
	7	Stockholm	17,61	↑	Brussels	5,76	↑
	8	Amsterdam	17,32	↓	Luxembourg City	5,69	↑
	9	Lisbon	16,90	↑	Madrid	5,39	⇒
	10	Madrid	16,60	⇒	Paris	5,38	⇒
	11	Rome	16,29	⇒	Lisbon	5,36	⇒
	12	London	13,79	↑	Dublin	4,93	⇒
	13	Paris	13,19	⇒	Athens	4,92	↓
	14	Helsinki	11,81	↓	London	4,05	↑
Cheapest	15	Athens	11,43	⇒			

Source: E-Control and VaasaETT (Prices as of March 1st 2010)

Energy Price Breakdown

Electricity:

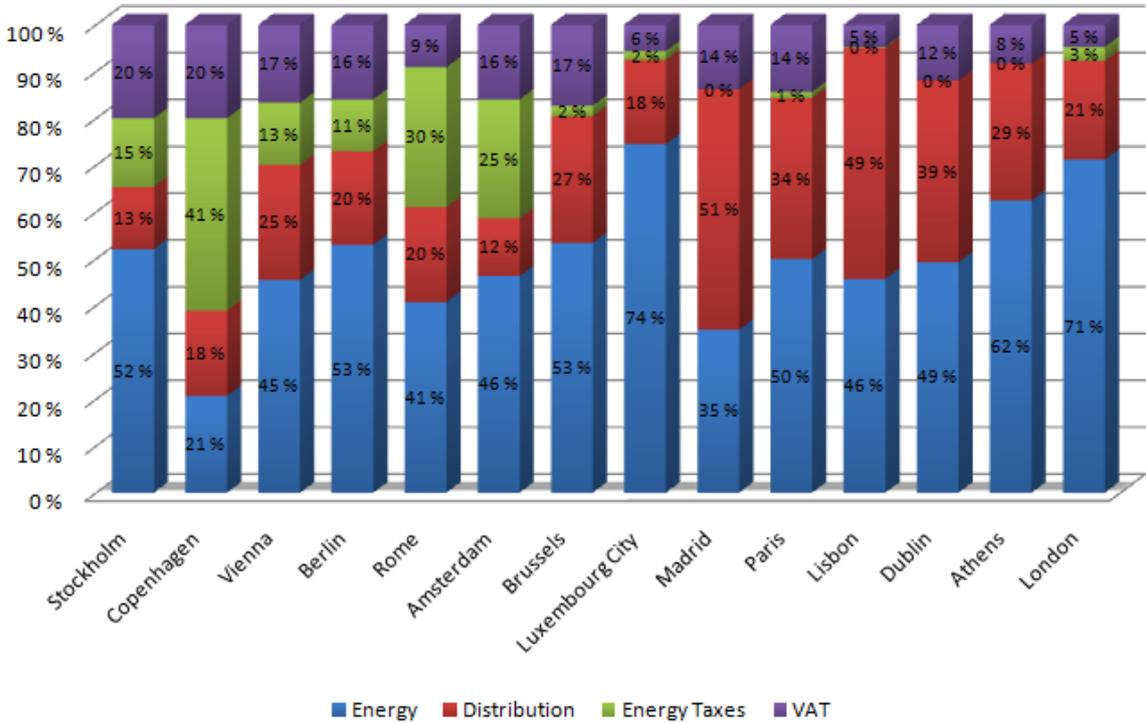
Electricity Price Breakdown



Source: E-Control and VaasaETT (Prices as of March 1st 2010)

Gas:

Gas Price Breakdown



Source: E-Control and VaasaETT (Prices as of March 1st 2010)

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About the Authors

E-Control

E-Control GmbH was set up by the legislator on the basis of the new Energy Liberalisation Act and took up work on 1 March 2001. E-Control is headed by Mr Walter Boltz as the managing director and is entrusted with monitoring, supporting and, where necessary, regulating the implementation of the liberalisation of the Austrian electricity and natural gas markets.

More at: www.e-control.at

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