

**Media Release: May 10<sup>th</sup>, 2010**

## Household Energy Price Index for Europe

April Prices Just Released

### In This Month's Edition

- HEPI price trend: Electricity prices stabilize whereas quarterly gas price revisions in several countries push the index higher
- Total price ranking – Most prices revised – Gas prices on the upward
- 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?**

## KEY FINDINGS AS OF APRIL 2010

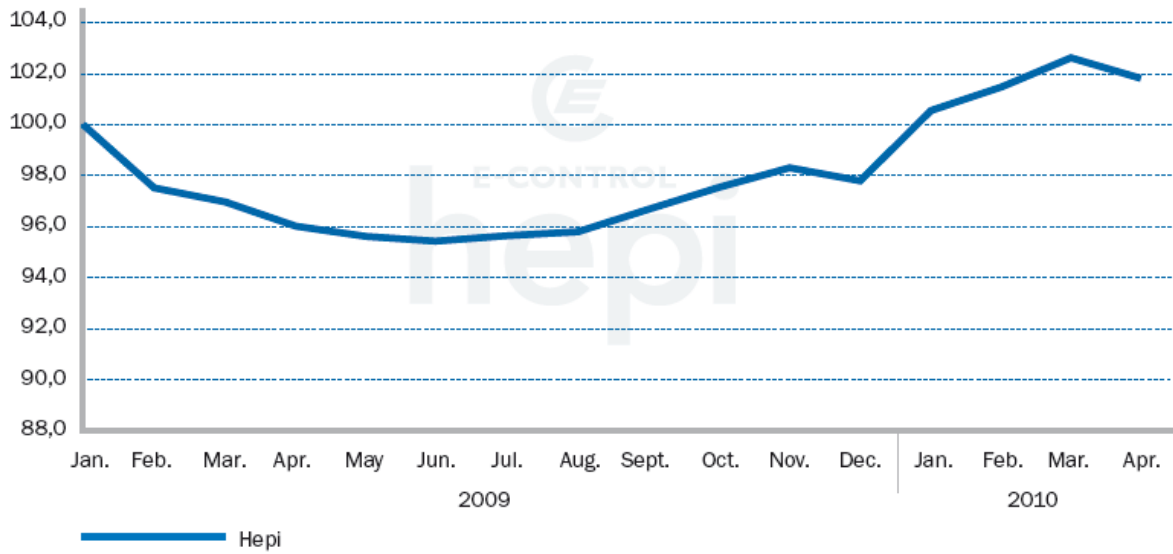
European electricity prices excluding taxes have slightly decreased for the first time since last November; from 102.44 index points in March 2010 to 101.86. Gas prices on the other hand have seen a sharp increase from 81.99 index points in March 2010 to 85.69. As noted in a previous HEPI update, retail gas prices exhibit sharp changes followed by about 2 months of stability. This feature can be explained by the fact that most European customers are on quarterly revised standard contracts.

As expected, the "Total Price Rankings" table shows that prices have been revised in most cities both for gas and electricity. Electricity price revisions have been rather mild and are sometimes solely due to exchange rate fluctuations (GB) or daily fees. The ranking has been stable as well. Gas prices on the other hand have been sharply revised upward in several cities such as Rome, Paris, and Copenhagen. 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

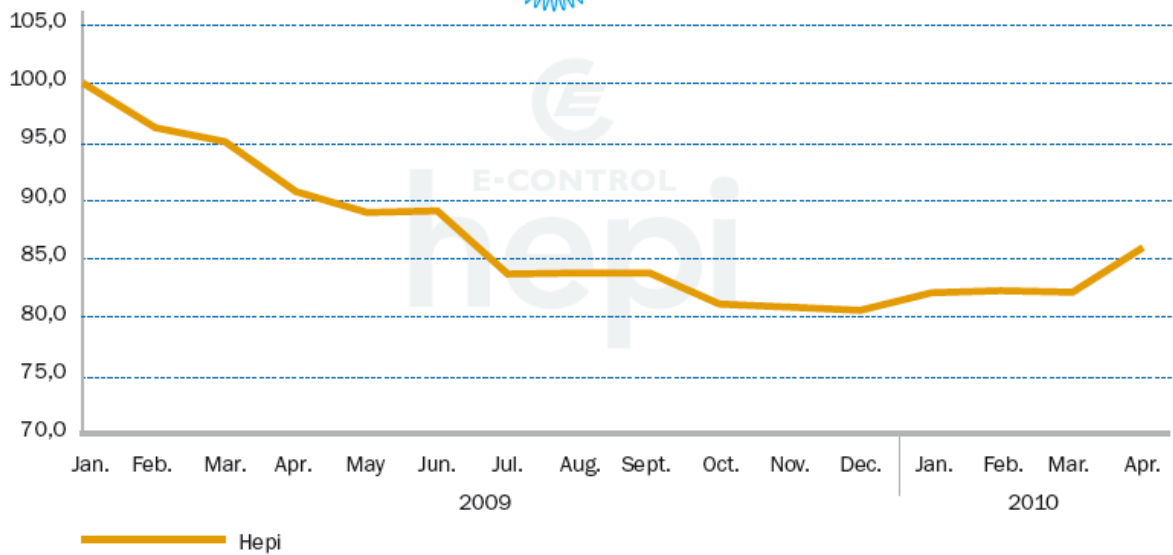
within the capital cities of the EU15. Prices in Stockholm are about 60% higher than in the second most expensive city Copenhagen, and almost 4.5 times more than Londoners who enjoy by far the cheapest prices. Following the revision of regulated contracts' prices in Rome and in Paris, both cities' ranking has dramatically changed. Paris, which was the 10<sup>th</sup> most expensive city in March, is now the 6<sup>th</sup> and Rome, which was the 5<sup>th</sup>, is now in the top 3.

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 49% of the total electricity bill, distribution 28%, energy taxes 10% and VAT 13% whereas energy represents 51% of the total gas bill, distribution 27% energy taxes 9% and VAT 13%. Copenhagen is a very unusual case; the energy component of the electricity bill represents less than a fourth of a Danish household's electricity bill, by far the lowest of all cities, whereas the energy taxes represent an astonishing 34% (three and a half 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



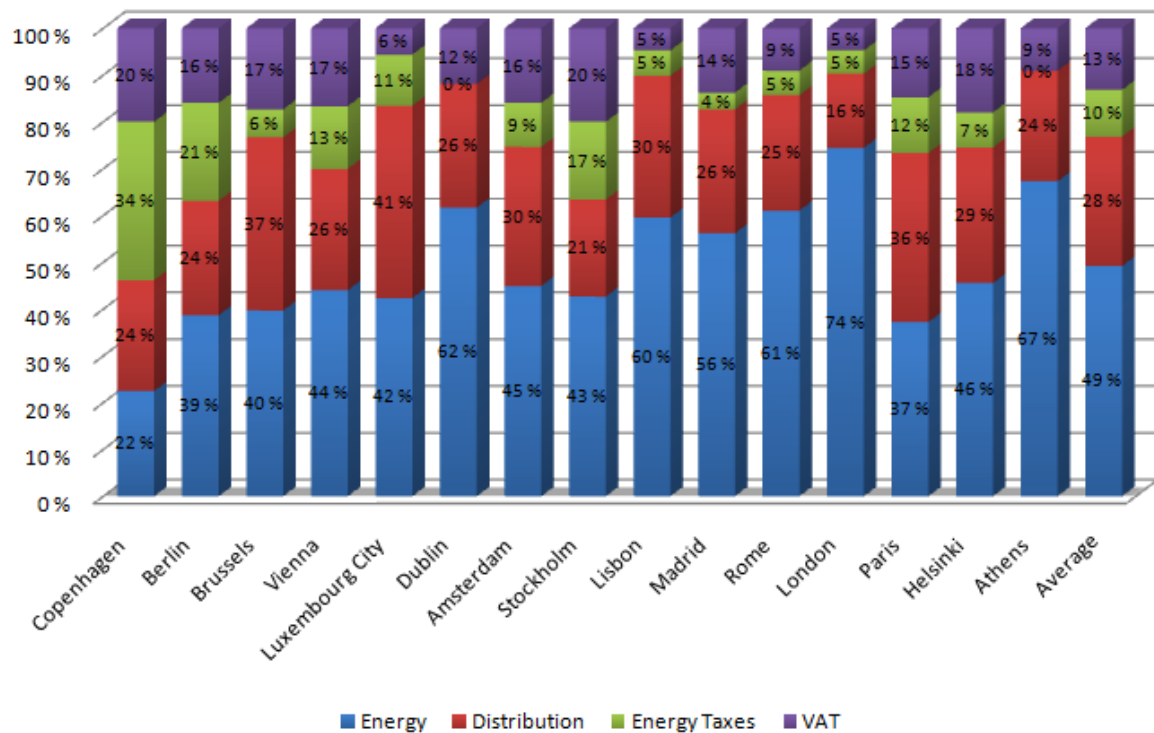
## Total Price Rankings (prices including energy, distribution and taxes)

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	28,62	↑	Stockholm	17,55	↑	
	2 Berlin	22,78	→	Copenhagen	11,19	↑	
	3 Brussels	21,54	↑	Rome	7,44	↑	
	4 Vienna	19,41	→	Vienna	6,54	→	
	5 Luxembourg City	18,34	↑	Berlin	6,38	→	
	6 Dublin	18,21	↓	Paris	5,84	↑	
	7 Amsterdam	17,32	→	Amsterdam	5,83	→	
	8 Stockholm	16,91	↓	Brussels	5,72	↓	
	9 Lisbon	16,77	↓	Luxembourg City	5,63	↓	
	10 Madrid	16,60	→	Madrid	5,57	↑	
	11 Rome	15,81	↓	Lisbon	5,36	→	
	12 London	13,77	↓	Athens	5,01	↑	
	13 Paris	13,19	→	Dublin	4,93	→	
	14 Helsinki	11,81	→	London	3,96	↓	
Cheapest	15 Athens	11,54	↑				

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

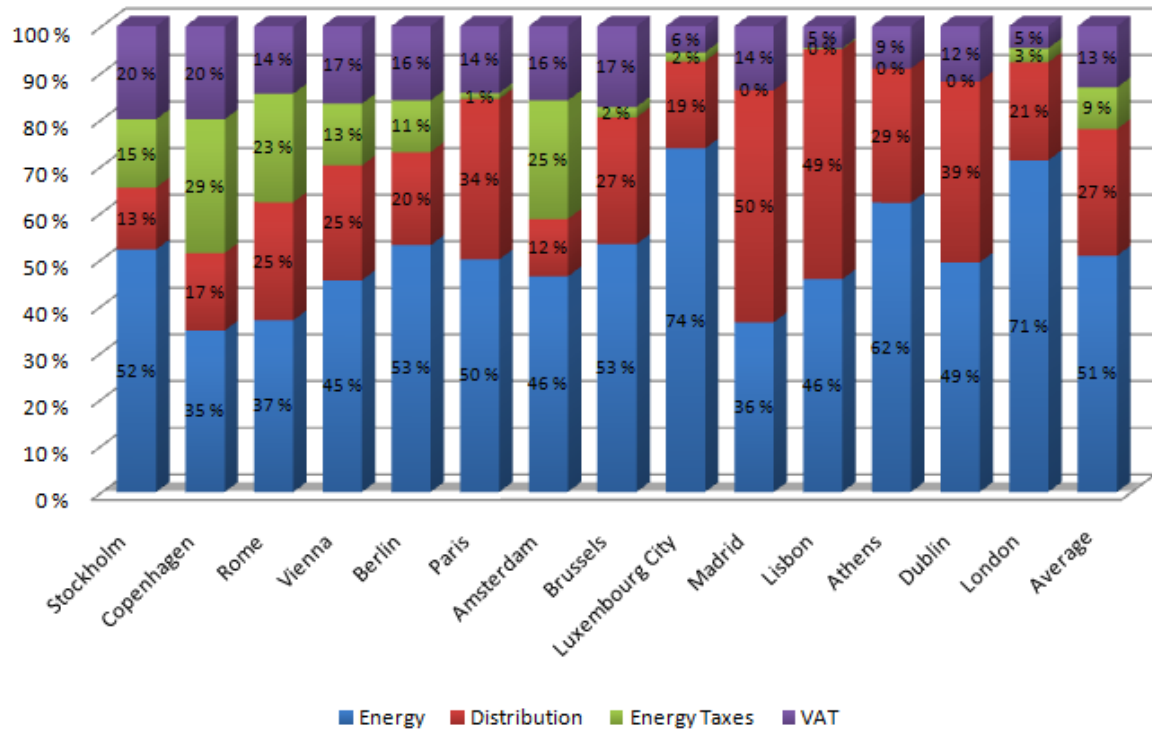
## Energy Price Breakdown

### Electricity Price Breakdown



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

## Gas Price Breakdown



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

## **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.

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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](http://www.e-control.at)**

#### **VaasaETT Global Energy Think Tank**

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