

Media Release: August 19, 2009

Household Energy Price Index for Europe – August 2009

Who is paying the most? Who is paying the least? Where are prices heading?

In This Month's Edition

- HEPI price trend
- Total price ranking
- Energy Taxes ranking

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.

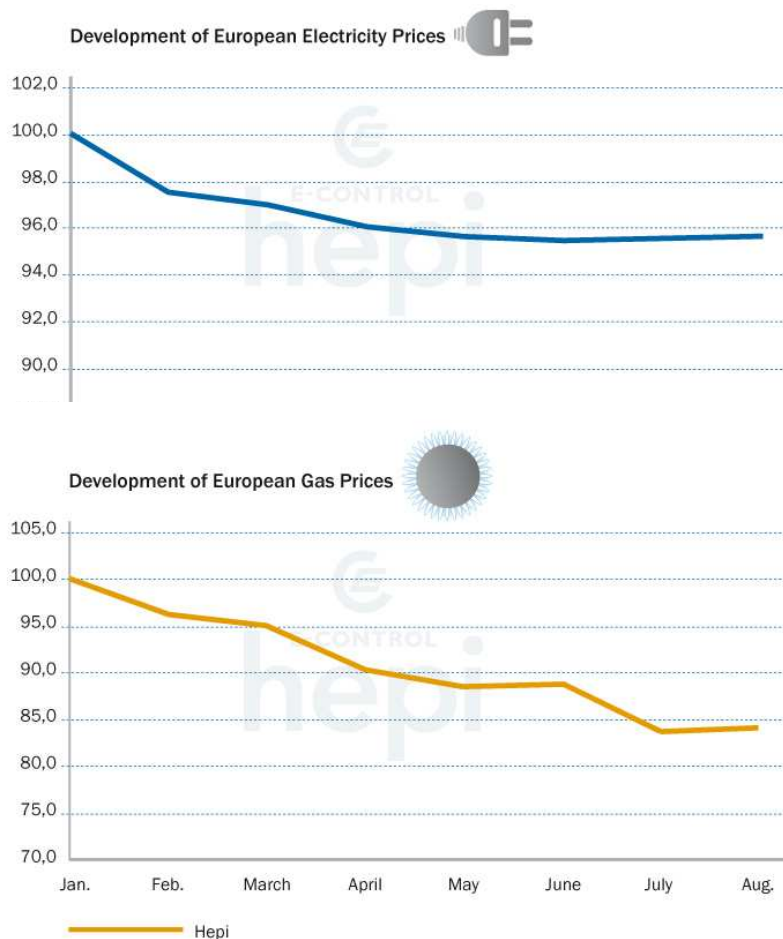
The HEPI project also compiles and publishes a monthly ranking and analysis of capital city prices within the EU15.

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

KEY FINDINGS AS OF 1st AUGUST 2009

Energy prices collected for both electricity and gas reveal that, at the beginning of August 2009, electricity prices in EU 15 countries remained relatively stable. Household electricity prices steadily decreased between January and April 2009 and stabilized just below 96 index points (January 2009=100) afterwards though the trend is slightly upward since June. No further major change took place between July and August.

As far as natural gas is concerned, after last month's price drop (from 89 index points in June to 84 index points in July) prices have stabilized. Prices have for the most part remained unchanged except for Athens and Rome (the other changes being largely due to currency variations).



Source: E-Control and VaasaETT

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

- The overall picture illustrated by the HEPI persists: There remain big variations in energy prices both for electricity and gas paid by European energy consumers in EU15 capital cities.
- Household customers in Copenhagen currently pay by far the highest electricity prices within the capital cities of the EU15, around a third more than what customers pay in Berlin, which makes Copenhagen the next most expensive city for household electricity. This is largely due to much higher energy taxes in Denmark, which make up the majority of the energy price (see next section).
- Customers in Athens and Helsinki pay the least for their electricity (all tax included), their prices are in fact nearly one third of the prices paid by household electricity users in Copenhagen.
- For natural gas, household customers in Stockholm (all tax included) pay by far the highest prices within the capital cities of the EU15. Prices in Stockholm are almost 50% higher than in the second most expensive city Copenhagen, and far ahead of Berlin and Rome.
- Household gas customers in London pay the least amount of inhabitants of EU15 capital cities. Apart from London, Brussels, Luxembourg, Paris and Lisbon are the least expensive cities for natural gas. There have been some changes at the lower end of the league table since last month: For natural gas (all tax included) Brussels dropped from 9th position to 13th and is now the second cheapest city and replaces Athens in this respect whereas Athens went from 13th to 9th position.
- Natural gas end users prices have for most cities remained almost unchanged in August (as compared to July). This was to be expected given the number of price changes that took place in July when household suppliers carried out quarterly as well as semi annual tariff changes.

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	29.89	⇒	Stockholm	13.99	↑
	2	Berlin	21.29	⇒	Copenhagen	9.34	↑
	3	Luxembourg City	19.90	⇒	Berlin	6.95	⇒
	4	Vienna	19.71	⇒	Rome	6.86	↑
	5	Amsterdam	19.55	⇒	Vienna	6.68	⇒
	6	Brussels	19.24	↓	Dublin	5.85	⇒
	7	Dublin	18.20	⇒	Amsterdam	5.76	⇒
	8	Rome	16.64	⇒	Madrid	5.46	⇒
	9	Madrid	15.86	↓	Athens	5.38	↑
	10	Lisbon	15.65	⇒	Lisbon	5.36	⇒
	11	London	14.46	↑	Paris	5.33	⇒
	12	Stockholm	13.87	↓	Luxembourg City	5.32	⇒
	13	Paris	12.32	⇒	Brussels	5.19	↓
	14	Helsinki	11.44	⇒	London	4.42	↑
Cheapest	15	Athens	11.43	⇒			

Source: E-Control and VaasaETT (Prices as of August 1st 2009)

Energy Tax Rankings (excluding VAT)

- This month for the first time, E-Control and VaasaETT have analysed energy taxes across EU15 capital cities in detail. Energy taxes comprise direct taxes that are imposed on the energy price. In some cases, it is actually quite opaque what constitutes an energy tax. Actual examples of such taxes are genuine electricity taxes, CO 2 tax, environmental taxes and any other kind of taxes linked to energy consumption but not VAT. Whereas in some countries it is clearly stated which tax can be imputable to which element of the price (energy or distribution); in some others a tax is added to the overall price and do not apply specifically to one or the other component.
- Findings show that energy taxes paid by end users differ enormously across European countries. As far as taxes on electricity are concerned, inhabitants of Copenhagen pay by far the most energy related taxes (over a third of the total price is made up of taxes). This also explains partly why the total electricity price is so much higher in Copenhagen than in any other city covered by our study. On the other hand, inhabitants of three cities, namely Athens, Dublin and Lisbon, do not pay any energy related taxes for electricity at all.
- As far as taxes on natural gas are concerned, inhabitants of Copenhagen pay the highest taxes in EU 15 capital cities, followed by Rome and Stockholm. Amsterdam ranks on place four, followed by Berlin and Vienna. Brussels, London, Luxembourg City and Paris are to be found in the middle field of the league table. Towards the lower end of the table, inhabitants of Athens, Dublin, Lisbon and Madrid do not pay any energy related taxes on top of their natural gas prices at all.

- However, there is not necessarily a direct correlation between high energy taxes and high energy prices: cities with the highest taxes are not necessarily those with the highest total electricity prices. A similar conclusion can be drawn for natural gas.

Ranking	Electricity Taxes (Excl. VAT)		Gas Taxes (Excl. VAT)	
	City	Price in € cent / kWh	City	Price in € cent / kWh
Most Expensive	1 Copenhagen	10.60	Copenhagen	2.85
	2 Berlin	5.52	Rome	2.46
	3 Stockholm	2.62	Stockholm	2.30
	4 Vienna	2.60	Amsterdam	1.44
	5 Paris	2.11	Berlin	0.95
	6 Amsterdam	1.34	Vienna	0.88
	7 Luxembourg City	1.22	Brussels	0.13
	8 Brussels	1.13	London	0.13
	9 Helsinki	0.88	Luxembourg City	0.11
	10 Rome	0.83	Paris	0.06
	11 London	0.74	Athens	0.00
	12 Madrid	0.58	Dublin	0.00
	13 Athens	0.00	Lisbon	0.00
	14 Dublin	0.00	Madrid	0.00
Cheapest	15 Lisbon	0.00		

Source: E-Control and VaasaETT

For More Information:

- Christophe Dromacque: Tel: +358449990138 / christophe.dromacque@vaasaett.com (English / French)
- Dan Rieser, Tel: +43 664 621 0938 / dan.rieser@e-control.at (English / German)

Subscribe to free monthly updates on the Household Energy Price Index for Europe. Get the latest prices delivered automatically to your email. Just send a simple email request to Christophe Dromacque.

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**

VaasaETT Global Energy Think Tank

The VaasaETT Global Energy Think-Tank is an innovative provider of collaborative expertise and solutions to the energy and utilities industry, through its network of thousands of senior executives, officials, researchers and other experts that are mostly known and trusted personally. Value is provided to partners through the synergy of Interactive Forums (both real and virtual) and Collaborative Projects. The Think-Tank focuses broadly on strategic business,

market, innovation and regulatory issues, and is world renowned for its expertise in fields such as Customer Psychology & Behaviour, Utilities Marketing, Smart Metering & Demand Response, and Market Efficiency. **More at: www.vaasaett.com/projects/hepi**