

Media Release: December 21st, 2009

Household Energy Price Index for Europe

December Prices Just Released

In This Month's Edition

- HEPI price trend: Electricity and Gas prices stabilize - Conclusions 2009.
- Total price ranking – European energy prices fairly stable
- Energy Unit Price Ranking – Major differences in Europe

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.

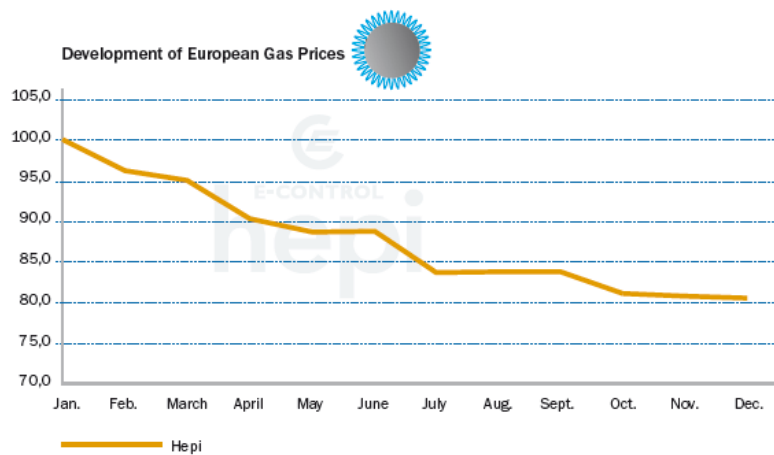
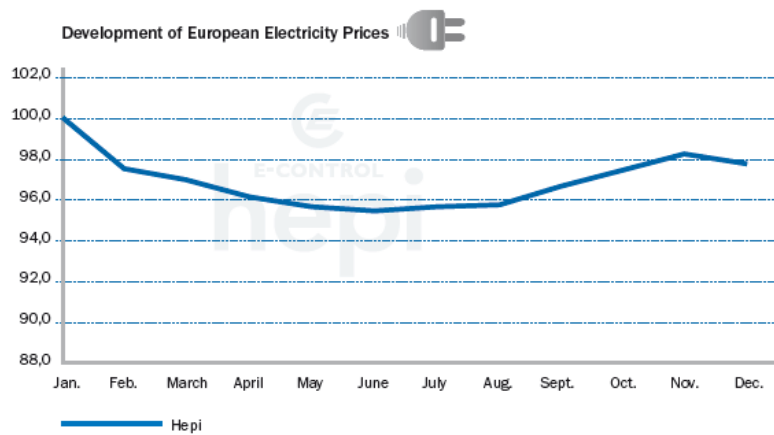
KEY FINDINGS AS OF DECEMBER 2009

European energy prices excluding taxes have stabilized in December. Both HEPI indices inched slightly downward; from 98,12 to 97,95 index points for electricity and from 80,39 to 80,25 index points for gas. Though these changes are not significant compared to last month, it might be interesting to notice that for the first time since September, electricity and gas prices have moved in the same direction. Over the past few months, European retail gas prices were moving downward while retail electricity prices were moving upward.

The Household Energy Price Index has now been calculated for a year; this allows us to draw some interesting conclusions about the development of energy prices in the year 2009 in Europe:

1. Retail electricity prices excluding taxes are at about the same level as they were in January (just about 2% lower).
2. Retail gas prices excluding taxes have steadily decreased over the year and are now about 20% lower than they were in January.
3. Changes in retail gas prices excluding taxes proved to be a lot steeper than changes in retail electricity prices in 2009.
4. Looking at the HEPI charts, it seems that slight changes in retail electricity prices excluding taxes occur at regular intervals whereas changes in retail gas prices are less frequent (quarterly) but sharper.

To summarize, European retail electricity prices excluding taxes have been fairly stable and have enjoyed low volatility in 2009. On the other hand, European retail gas prices excluding taxes have decreased significantly over the year and price revisions have been sharp.



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. This is largely due to much higher energy taxes in Denmark, which make up about 45% of the electricity price.
- 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 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 Vienna and Berlin.
- Household gas customers in London pay the least amount of inhabitants of EU15 capital cities, the decreasing value of the GBP when converted into Euros may explain in large part the low price. Many price revisions took place this month compares to last month but as illustrated in the HEPI graph these revisions have been rather small. 8 out of the 14 cities covered by our survey have household gas prices ranging between 5 and 6 € cents per kWh.

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	30,32	⇒	Stockholm	14,66	↓
	2	Berlin	21,29	⇒	Copenhagen	9,38	↑
	3	Luxembourg City	19,90	↑	Vienna	6,50	↓
	4	Brussels	19,87	↓	Berlin	6,38	⇒
	5	Vienna	19,71	⇒	Rome	6,16	⇒
	6	Amsterdam	19,55	⇒	Amsterdam	5,76	⇒
	7	Dublin	18,27	↑	Athens	5,61	↑
	8	Rome	16,63	⇒	Luxembourg City	5,59	↑
	9	Madrid	16,18	⇒	Brussels	5,46	↑
	10	Lisbon	15,71	⇒	Madrid	5,39	⇒
	11	Stockholm	14,28	↑	Lisbon	5,36	⇒
	12	London	13,54	↓	Paris	5,35	↑
	13	Paris	13,19	↓	Dublin	5,30	↓
	14	Helsinki	11,55	⇒	London	4,11	↓
Cheapest	15	Athens	11,43	⇒			

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

Energy Price Unit (energy prices excluding distribution and taxes)

- The graph below shows the price of the energy component and its share in percentage of the local energy standard incumbent tariffs.
- Copenhagen, which has by far the highest all-in electricity prices (around a third more than what customers pay in the second most expensive city), also has the lowest electricity unit price. This component represents only 16% of the total price, most of it being taxes.
- Stockholm, Paris and Helsinki whose inhabitants enjoy among the cheapest all-in electricity prices also have the cheapest electricity price component; well below the average of 8.14 € cent per kWh.
- Dubliners pay about 2.3 times more for their electricity (energy alone) than inhabitants of Copenhagen and is the most expensive city followed by Rome, London and Luxembourg. In these cities, the electricity price component represents the main cost in the total price. Berlin moves from being the second most expensive (in the total price rankings) to being one of the five cheapest.
- Household gas customers pay the most for gas in Stockholm, Luxembourg city and Athens with customers in Madrid, Rome and Lisbon paying the least.
- Gas prices in Stockholm are disproportionately high, gas customers in Stockholm pay 1.8 times more for their gas than customers in Luxembourg the second most expensive city, 3.5 times more than customers in Madrid the cheapest city and more than twice as much as the EU15 capital cities average. This can be partly explained by the fact that the residential gas market in Stockholm is under developed.

Electricity Unit (Excl. VAT)				Gas Unit (Excl. VAT)			
Ranking	City	Price in € cent / kWh	% of total price	Ranking	City	Price in € cent / kWh	% of total price
Most Expensive	1 Dublin	11,33	62%	Most Expensive	1 Stockholm	7,33	50%
	2 Rome	10,42	63%		2 Luxembourg City	4,14	74%
	3 London	10,22	74%		3 Athens	3,70	66%
	4 Luxembourg City	10,10	51%		4 Berlin	3,60	56%
	5 Amsterdam	9,98	50%		5 Copenhagen	3,30	35%
	6 Lisbon	9,35	60%		... Average	3,27	52%
	7 Vienna	8,63	44%		6 London	3,03	74%
	... Average	8,14	49%		7 Vienna	2,96	46%
	8 Madrid	8,11	50%		8 Brussels	2,95	54%
	9 Brussels	8,01	40%		9 Amsterdam	2,69	47%
	10 Athens	7,76	68%		10 Paris	2,64	49%
	11 Berlin	7,08	34%		11 Dublin	2,61	49%
	12 Stockholm	6,39	41%		12 Lisbon	2,45	46%
	13 Helsinki	4,99	44%		13 Rome	2,38	39%
	14 Paris	4,90	37%	Cheapest	14 Madrid	2,06	38%
Cheapest	15 Copenhagen	4,88	16%				

Source: E-Control and VaasaETT (Prices relating to the standard incumbent tariff as of December 1st 2009)

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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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