

Media Release: March 3rd, 2010

Household Energy Price Index for Europe

February Prices Just Released

In This Month's Edition

- HEPI price trend: Electricity prices keep rising while Gas prices stabilize
- Total price ranking – Most prices revised
- 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 FEBRUARY 2010

European electricity prices excluding taxes stayed at a high level in February. They are at their highest level since the study commenced over a year ago. The index currently stands at 101.58 index points up from 100.83 in January and 97.95 in December 2009. Gas prices are also edging slightly upwards at 82.02 index points from 82 last month but are still at a lower level than in January 2009. However, we expect the gas price index to rise substantially over the course of this year.

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 often due to exchange rate fluctuations (Denmark, Sweden, GB) and daily rates. However, it is worth remembering that European energy prices had been revised sharply upward in January following a few months of stability.

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)

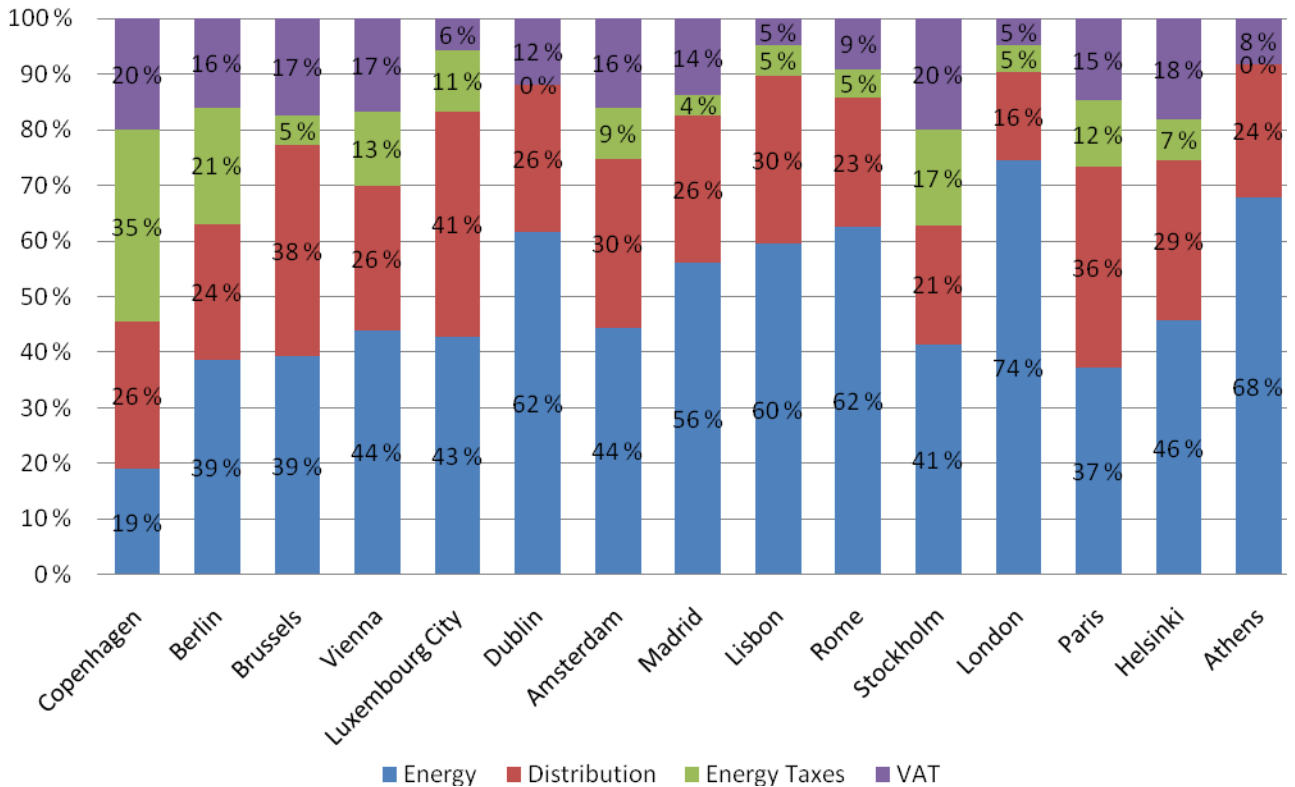
Ranking	Electricity (all tax included)				Gas (all tax included)		
	City	Price in € cent / kWh	Change / previous month	City	Price in € cent / kWh	Change / previous month	
Most Expensive	1 Copenhagen	28,02	↓	Stockholm	16,91	↑	
	2 Berlin	22,78	↑	Copenhagen	10,05	↑	
	3 Brussels	20,98	↑	Vienna	6,54	→	
	4 Vienna	19,41	↑	Berlin	6,38	→	
	5 Luxembourg City	18,15	↓	Rome	6,35	↑	
	6 Dublin	18,06	↓	Amsterdam	5,83	→	
	7 Amsterdam	17,51	↑	Athens	5,68	↑	
	8 Madrid	16,60	→	Brussels	5,67	↑	
	9 Lisbon	16,51	↓	Luxembourg City	5,67	↓	
	10 Rome	16,29	↑	Madrid	5,39	→	
	11 Stockholm	15,80	↑	Paris	5,38	↑	
	12 London	13,67	↑	Lisbon	5,36	→	
	13 Paris	13,19	→	Dublin	4,93	↓	
	14 Helsinki	11,86	↑	London	4,01	↓	
Cheapest	15 Athens	11,43	→				

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

Energy Price Breakdown

Electricity:

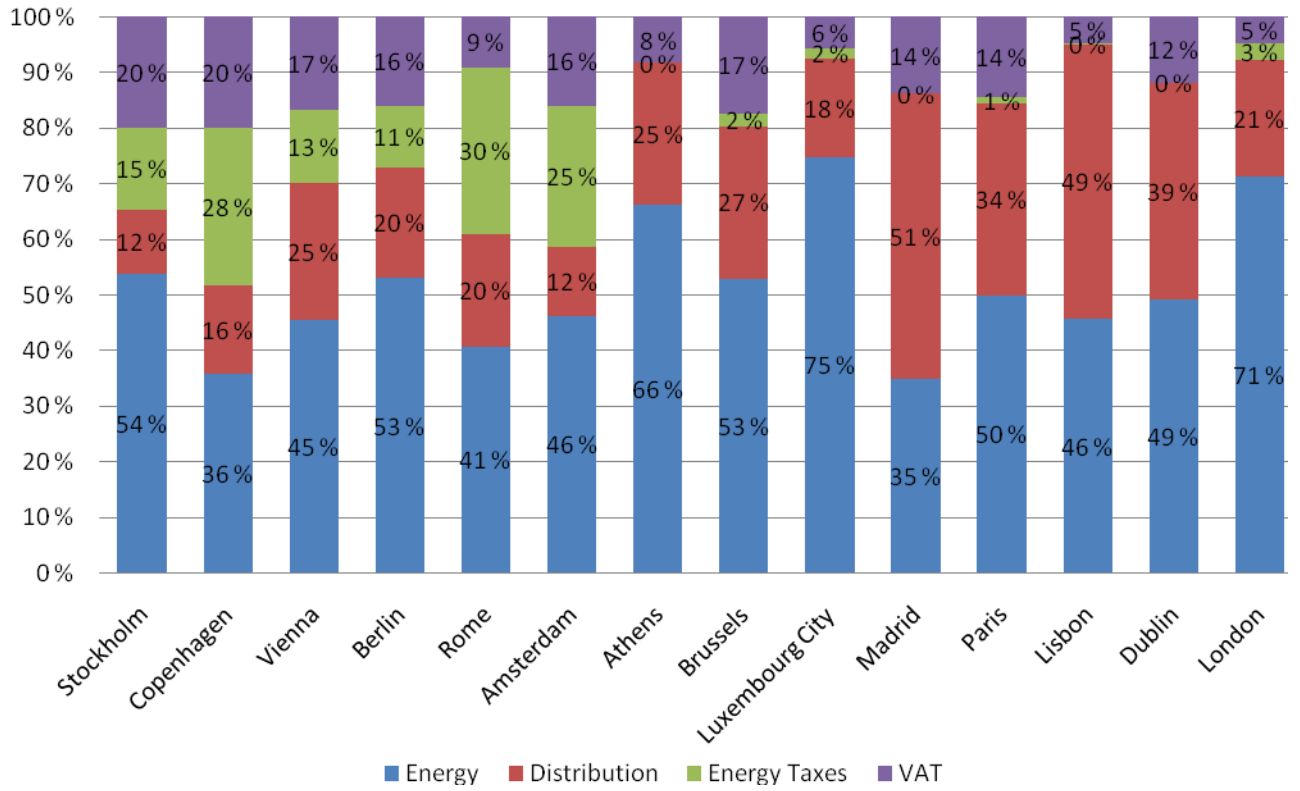
Electricity Price Breakdown



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

Gas:

Gas Price Breakdown



Source: E-Control and VaasaETT (Prices as of February 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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