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Media Release: February 28th, 2011

Household Energy Price Index for Europe

February Prices Just Released

Who is paying the most? Who is paying the least?

And where are the prices heading in Europe?

KEY FINDINGS AS OF FEBRUARY 2011

European retail electricity prices kept increasing in February. The latest month-to-month price decrease dates back to May 2010; already quite some time ago. The value of the index (energy and distribution) went up from 105.8 index points in January to 106 index points this month which is the highest level since we started this survey two years ago. After last month's increases of distribution tariffs and taxes, the energy price component (including retail margins) represents a mere 46% of a typical household's bill.

The trend for residential natural gas prices is so far unclear. Though end-user prices steadily rose in 2010, they seem to have formed a plateau since last September. Even though we anticipate retail gas prices to increase in 2011, it is not yet visible. The index edged up from 91.5 index points in January to 91.9 index points in February with most cities seeing prices increase. The share of the energy component (including retail margins) in the "all-in" end-user price still

In This Month's Edition

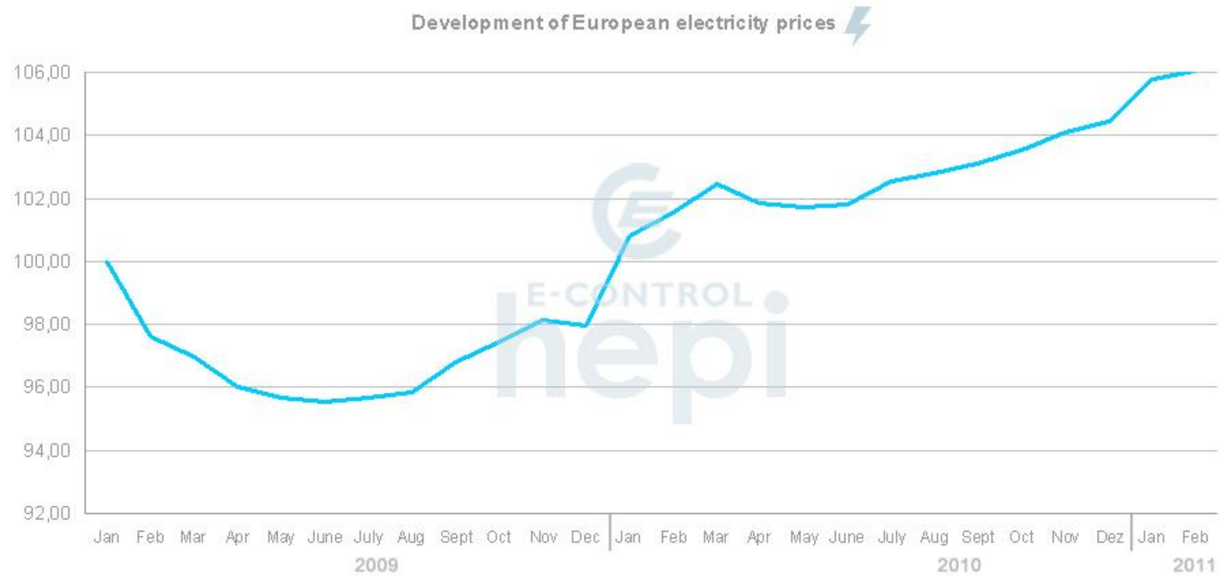
stands at 52%.

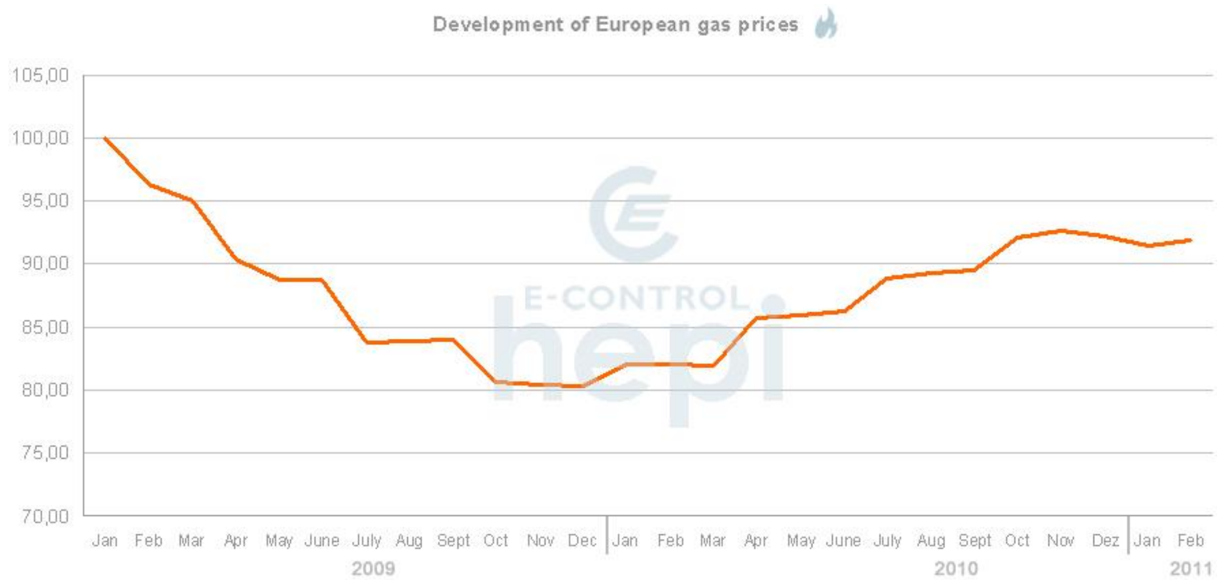
The "Total Price Rankings" table shows that depending on where a customer lives in Europe, the price that customer has to pay can vary by as much as 130% per kWh of Electricity and by a staggering 340% per kWh of Gas. Household customers in Copenhagen pay by far the highest electricity price within the capital cities of the EU-15 (though 55% is made up of taxes), while customers in Athens pay the least. Natural gas household customers in Stockholm pay by far the most within the capital cities of the EU-15 where end-user prices are about 80% higher than in the second most expensive city Copenhagen and almost 5 times as much as in the British capital city where Londoners enjoy by far the lowest prices. The incredibly high prices in Stockholm can largely be explained by the limited size of the residential market (there are only about 44,000 gas household customers in the whole of Sweden[1]) and the fact that gas heating is almost inexistent in Sweden.

The breakdown of end-user energy prices into four components (energy, distribution, energy taxes and VAT) also shows major variations. Our survey shows that on average, the electricity price component (including retail margins) represents about 46% of the total cost, distribution 29%, energy taxes 12% and VAT 14%, whereas the natural gas price component (including retail margins) represents 52% of the total cost, distribution 26%, energy taxes 9% and VAT 14%. Copenhagen is a very unusual case; the cost of electricity as a commodity represents less than a fourth of the end-user price, by far the lowest of all surveyed cities, whereas the energy taxes represent an astonishing 35% (about three times the EU-15 average) and 55% if we include VAT. Overall, the results show that market forces represent only about half of the end-user price (both for electricity and gas) whereas national fiscal and regulatory elements are responsible for the other half through distribution tariffs, energy taxes and VAT.

[1] The Energy Markets Inspectorate, The Swedish electricity and natural gas markets 2009, June 2010.

EUROPEAN ENERGY PRICE DEVELOPMENT (EXCLUDING TAXES)



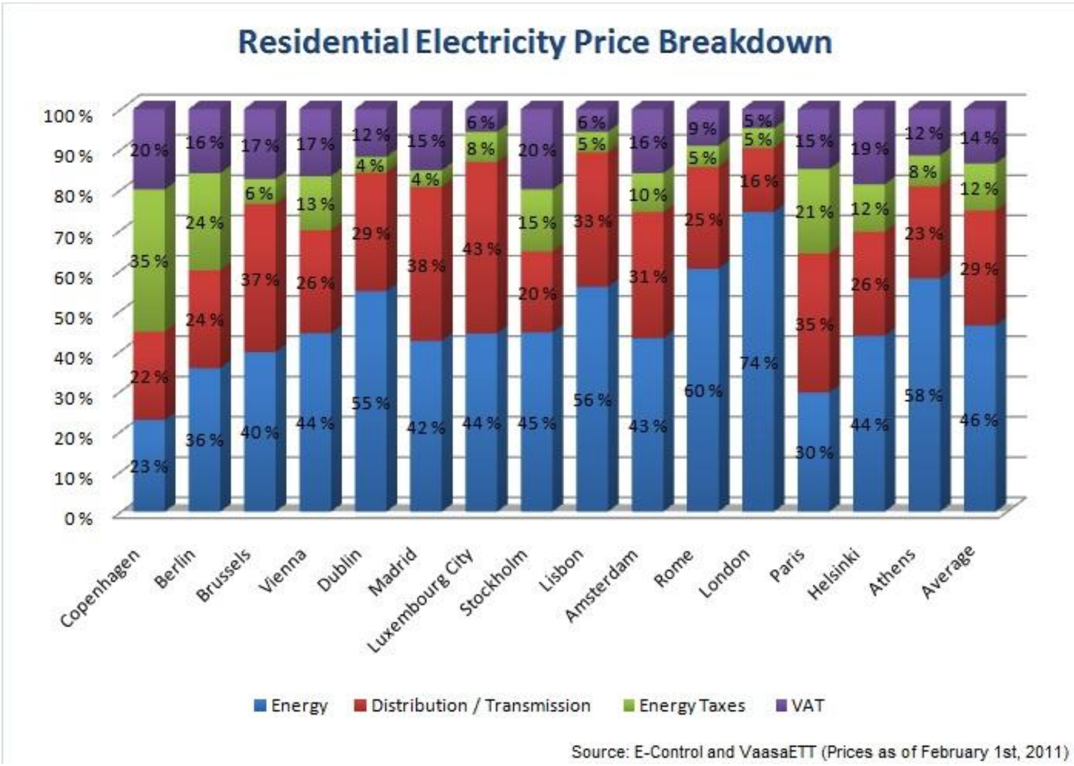


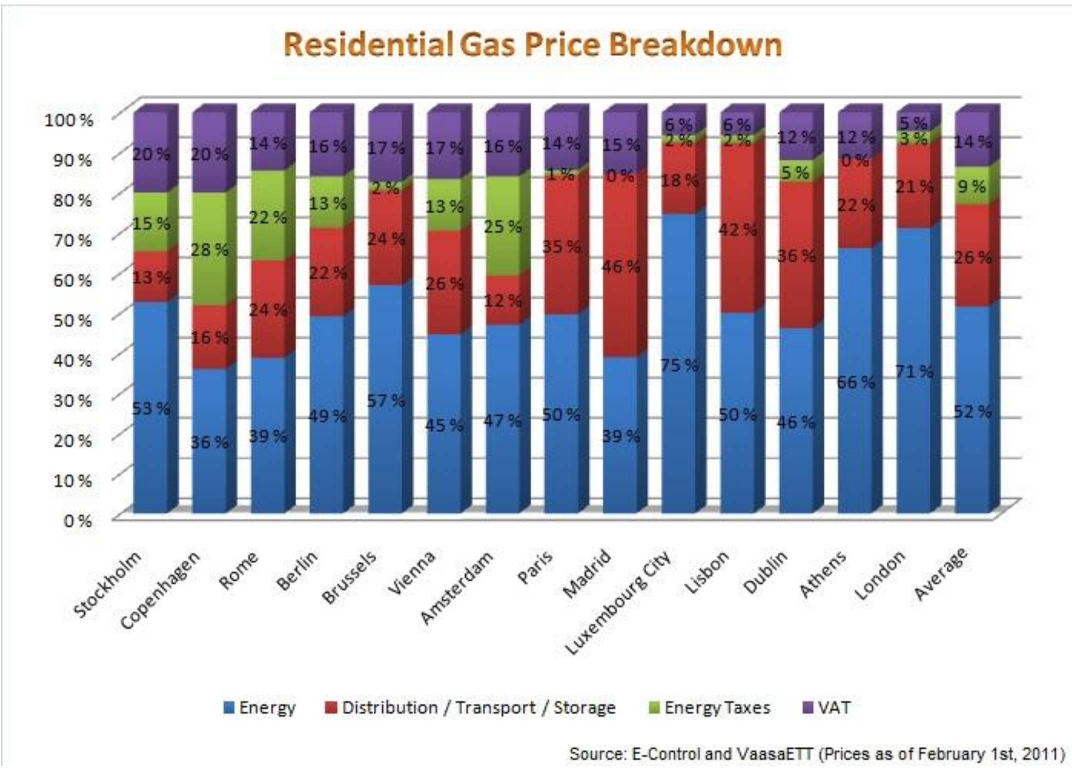
TOTAL PRICE RANKINGS (INCLUDING ENERGY, DISTRIBUTION AND TAXES)

	Electricity (all tax included)				Gas (all tax included)		
Ranking	City	Price in € cent / kWh	Change / previous month	Ranking	City	Price in € cent / kWh	Change / previous month
Most Expensive 1	Copenhagen	30,17	⇨	Most Expensive 1	Stockholm	20,93	↑
2	Berlin	25,11	⇨	2	Copenhagen	11,64	↑
3	Brussels	22,79	↑	3	Rome	7,75	↑
4	Madrid	20,54	⇨	...	**Average**	**7,62**	↑
5	Stockholm	20,22	↓	4	Berlin	7,07	⇨
6	Vienna	19,39	⇨	5	Brussels	6,84	↑
...	**Average**	**18,75**	↑	6	Vienna	6,67	⇨
7	Dublin	18,64	↓	7	Athens	6,47	↑
8	Lisbon	18,09	↑	8	Madrid	6,22	⇨
9	Luxembourg City	17,56	↓	9	Paris	6,13	↑
10	Amsterdam	17,55	⇨	10	Amsterdam	6,04	⇨
11	Rome	15,65	↓	11	Luxembourg City	5,80	↓
12	London	14,49	↑	12	Lisbon	5,60	⇨
13	Helsinki	14,48	↑	13	Dublin	5,13	↓
14	Paris	13,53	↓	Cheapest 14	London	4,38	↑
Cheapest 15	Athens	13,05	⇨				

Source: E-Control and VaasaETT (Prices as of February 1st, 2011)

ENERGY PRICE BREAKDOWN





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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Subscribe to the free monthly update of the HEPI index for Europe. Get the latest prices delivered automatically to your email. Just send an 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 liberalization 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 a leading independent think-tank for the global utilities industry. A unique collaborative concept based on the philosophy of value-for-all through its network of thousands of senior executives, officials, researchers and other experts who are for the most part known and trusted personally.

The Think-Tank focuses broadly on practical strategic business and market issues including Marketing, Psychology, Behaviour and Market Requirements relating to Successful Competition, Customer Switching & Loyalty, Smart Grid, Demand Response, Smart Home and Energy Efficiency, as well as envisioning state of the art innovations and developments.

Our service fall into three main categories: Community, Collaborative Projects and Consultancy & Research.

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