

**Media Release: January 27th, 2010**

## **Household Energy Price Index for Europe**

January Prices Just Released

### **In This Month's Edition**

- HEPI electricity prices at their highest in a year
- Total price ranking – Most prices revised
- Upward price trend for electricity and gas
- 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 JANUARY 2010

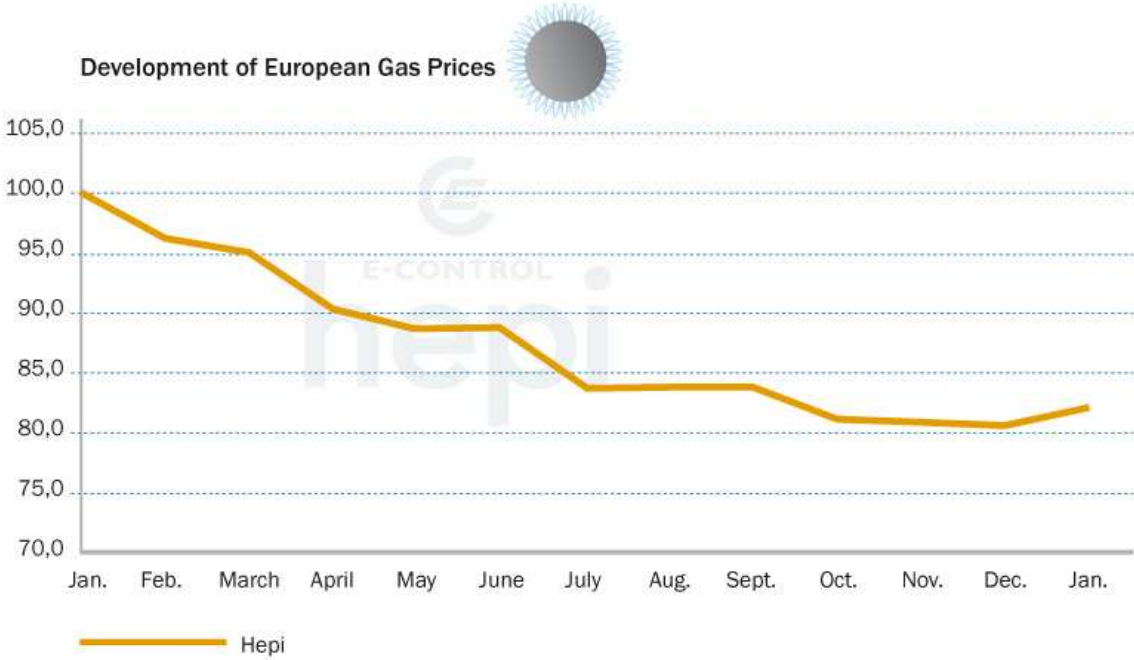
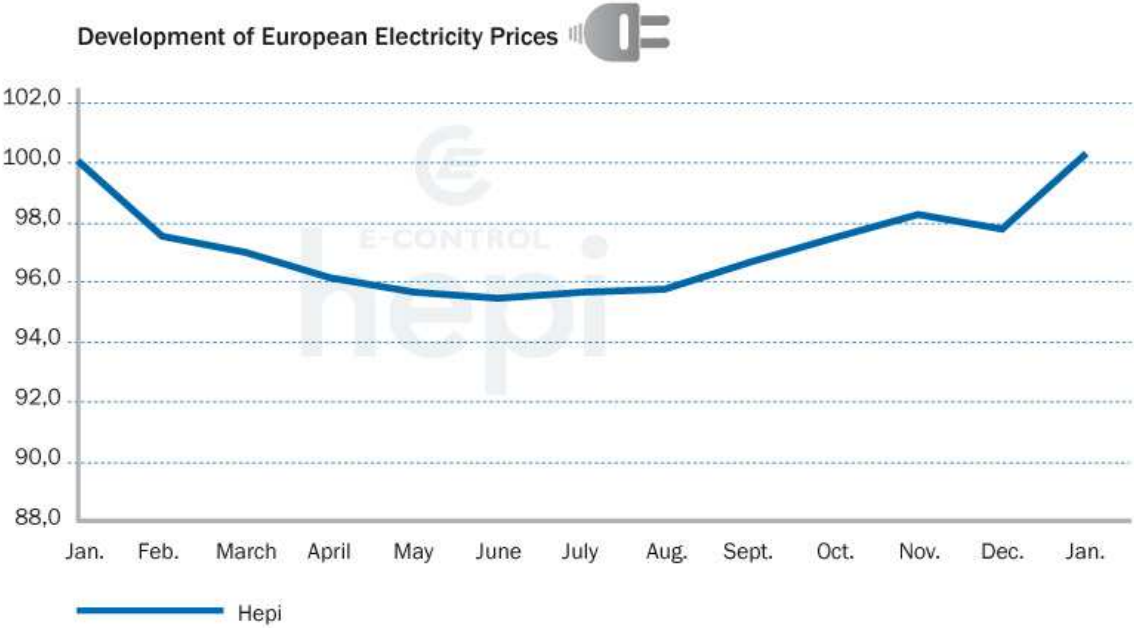
European energy prices have been revised sharply upward in January after a few months of stability. Electricity prices excluding taxes are at their highest ever since the price collection started a year ago (base 100 in January 2009). The index is now standing at 100,83 index points up from 97,95 last month. Gas prices excluding taxes have also been revised upward, from 80,25 index points to 82, but are still about 18% lower than they were a year ago. This latest development seems to confirm the price rise pressures and utility intentions that we have been expecting for a couple of months. We expect this trend to continue well into Spring/Summer 2010.

As can be seen from the table "Total Price Rankings", electricity prices have been revised in 12 out of the 15 cities we track in our study and gas prices in 10 out of 14. The new year has also been the occasion for governments in many countries to review distribution tariffs and energy taxes hence the number and scale of the price changes.

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 one third of the 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 50% higher than in the second most expensive city Copenhagen, and 3.5 times more than Londoners which boast 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, with the energy component of the electricity bill representing less than 20% of a Danish household's electricity bill, which is 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 on average 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.

# European Household Energy Prices Indices



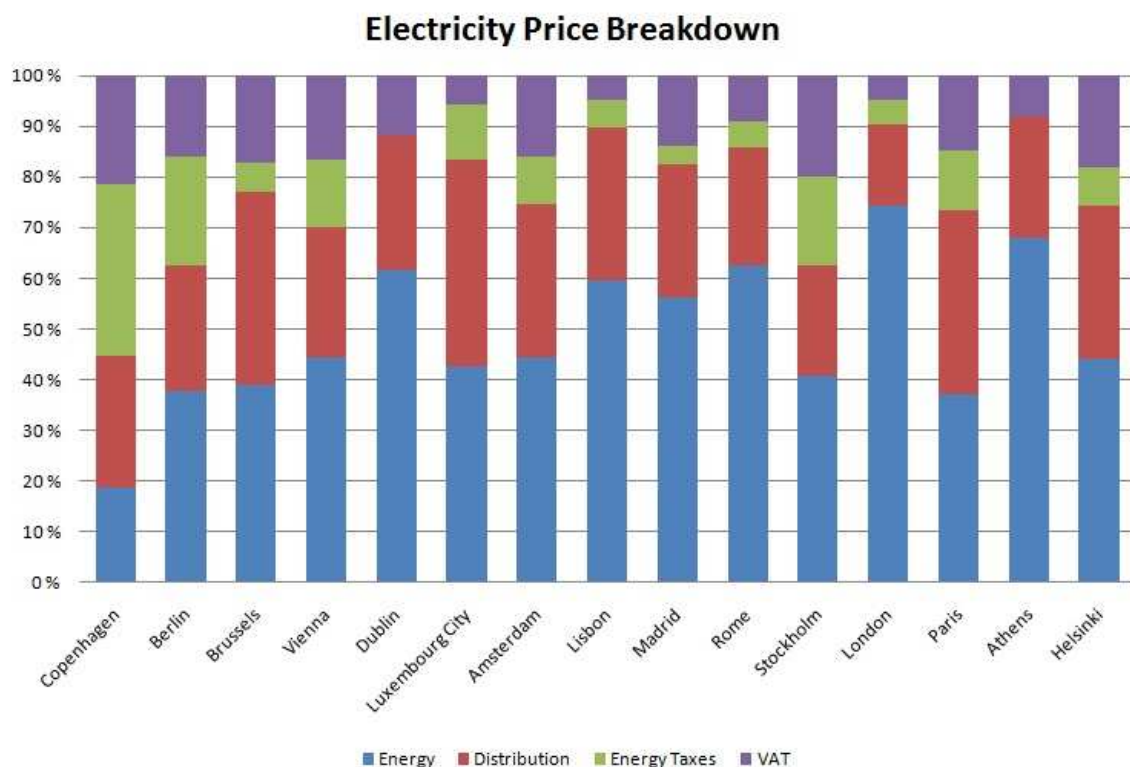
## Total Price Rankings (prices including energy, distribution and taxes)

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	14,55	↓	
	2 Berlin	22,63	↑	Copenhagen	9,43	↑	
	3 Brussels	20,80	↑	Vienna	6,54	↑	
	4 Vienna	19,40	↓	Berlin	6,38	↔	
	5 Dublin	18,29	↑	Rome	6,32	↑	
	6 Luxembourg City	18,25	↓	Amsterdam	5,83	↑	
	7 Amsterdam	17,48	↓	Luxembourg City	5,69	↑	
	8 Lisbon	16,90	↑	Athens	5,60	↓	
	9 Madrid	16,60	↑	Brussels	5,41	↓	
	10 Rome	16,28	↓	Madrid	5,39	↔	
	11 Stockholm	14,98	↑	Paris	5,37	↑	
	12 London	13,50	↓	Lisbon	5,36	↔	
	13 Paris	13,19	↔	Dublin	5,30	↔	
	14 Helsinki	11,55	↔	London	4,10	↓	
Cheapest	15 Athens	11,43	↔				

Source: E-Control and VaasaETT (Prices as of January 2010)

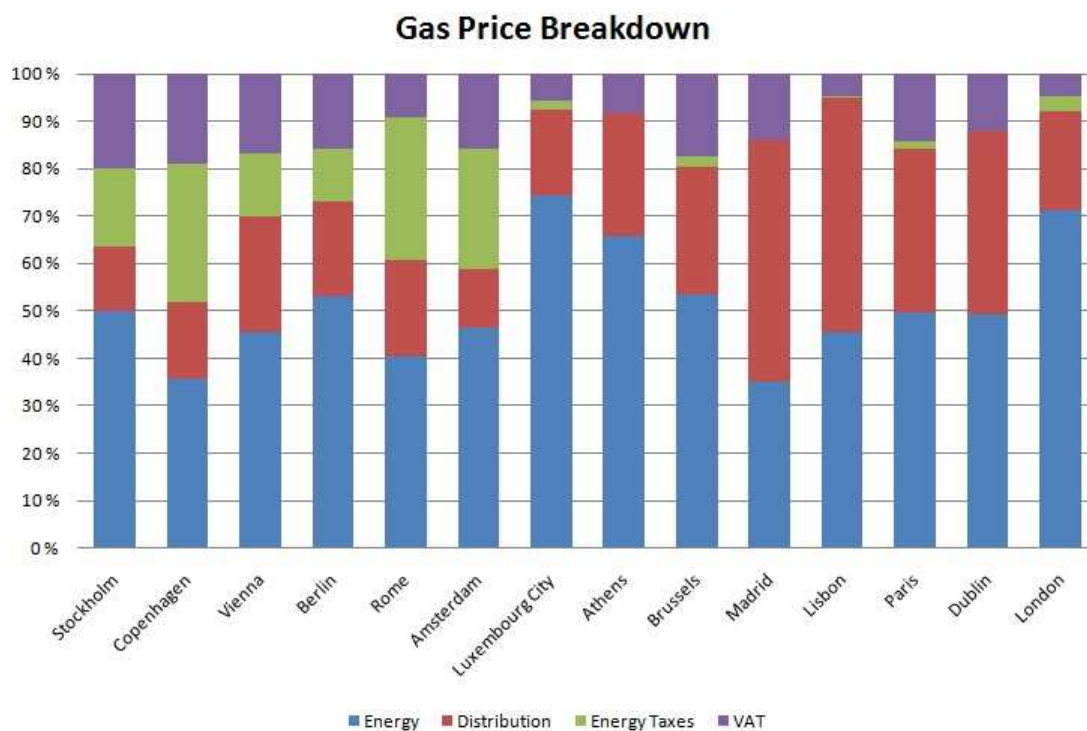
## Energy Price Breakdown

### Electricity:



Source: E-Control and VaasaETT (Standard Incumbent Prices as of January 1st 2010)

## Gas:



Sources: E-Control and VaasaETT (Standard Incumbent Prices as of January 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](http://www.e-control.at)**

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