

**Media Release: May 31st, 2010**

## Household Energy Price Index for Europe

May Prices Just Released

### In This Month's Edition

- HEPI price trend: Energy prices stabilize at a high level
- Total price ranking – Most prices slightly 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?**

### KEY FINDINGS AS OF MAY 2010

European electricity prices excluding taxes edged down slightly for the second month in a row; from 101.86 index points in April to 101.75 in May. They are, however, close to their highest level ever since this survey started when the index reached 102.44 in March 2010. Gas prices on the other hand are still lower than in early 2009 but have been on an upward trend since January this year. Gas prices have stabilized following last month's sharp increase when regulated or standard contract prices were revised in a number of countries such as Italy and Denmark. As noted in a previous HEPI update, retail gas prices exhibit sharp changes followed by about 2 months of stability. The fact that most European customers are still on quarterly revised regulated contracts could be one explanation for the recent development of the gas price index.

The table "Total Price Rankings" shows that prices have been slightly revised in most cities both for gas and electricity. These price revisions have usually been minor and are often due to exchange rate fluctuations (Denmark, Sweden, and Great Britain) and daily fees (Portugal, Luxembourg). 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 54% of the total electricity price. Customers in Athens and Helsinki pay the least for their electricity (all taxes included); in fact about 2.5 times less 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 over 50% higher than in the second most expensive city Copenhagen, and almost 4.5 times more than Londoners who enjoy by far the lowest 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 49% of the total electricity bill, distribution 28%, energy taxes 10% and VAT 13% whereas energy represents 51% of the total gas bill, distribution 27% energy taxes 9% and VAT 13%. Copenhagen is a very unusual case; the energy component of the electricity bill represents less than a fourth of a Danish household's electricity bill, by far the lowest of all cities, whereas the energy taxes represent an astonishing 34% (three and a half times the EU-15 average) and 54% if we include VAT. 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



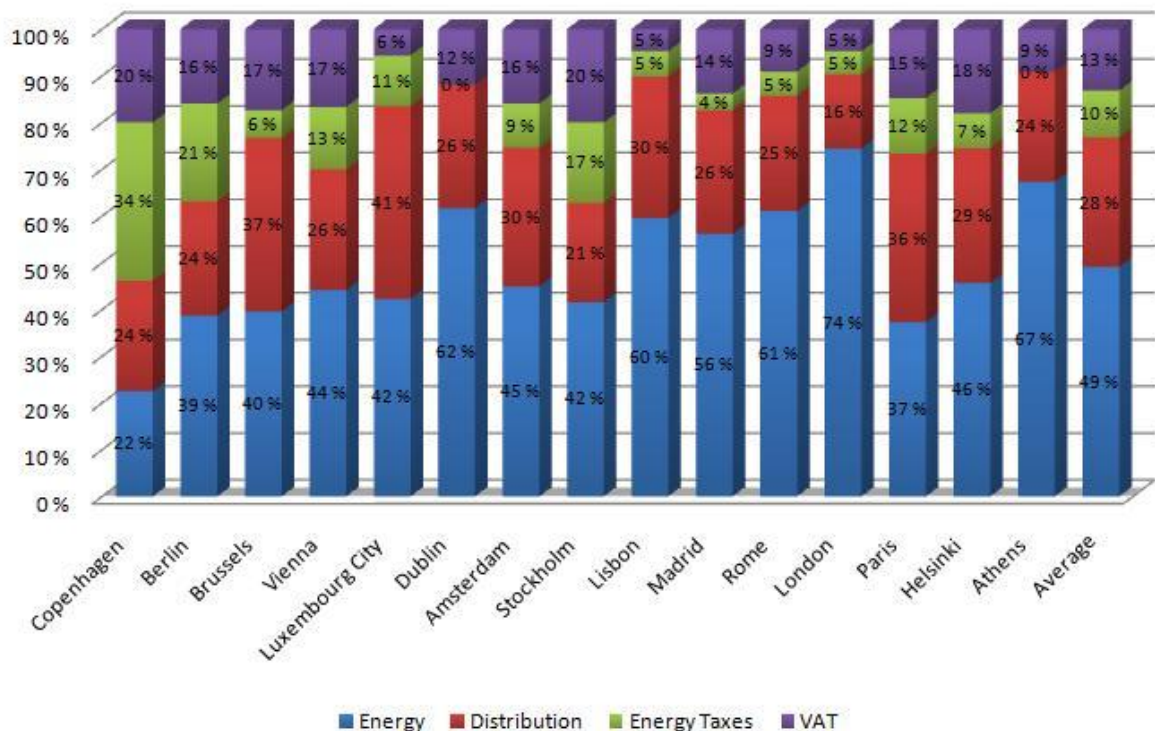
## Total Price Rankings (prices including energy, distribution and taxes)

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	28,63	↑	Stockholm	17,83	↑
	2 Berlin	22,78	↔	Copenhagen	11,44	↑
	3 Brussels	21,48	↓	Rome	7,48	↑
	4 Vienna	19,47	↑	Vienna	6,54	↔
	5 Luxembourg City	18,38	↑	Berlin	6,38	↔
	6 Dublin	18,29	↑	Paris	5,85	↑
	7 Amsterdam	17,32	↔	Brussels	5,85	↑
	8 Lisbon	16,90	↑	Amsterdam	5,83	↔
	9 Stockholm	16,68	↓	Luxembourg City	5,64	↑
	10 Madrid	16,60	↔	Madrid	5,57	↔
	11 Rome	15,83	↑	Lisbon	5,36	↔
	12 London	13,73	↓	Athens	5,00	↓
	13 Paris	13,19	↔	Dublin	4,93	↔
	14 Helsinki	11,85	↑	London	3,97	↑
Cheapest	15 Athens	11,54	↔			

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

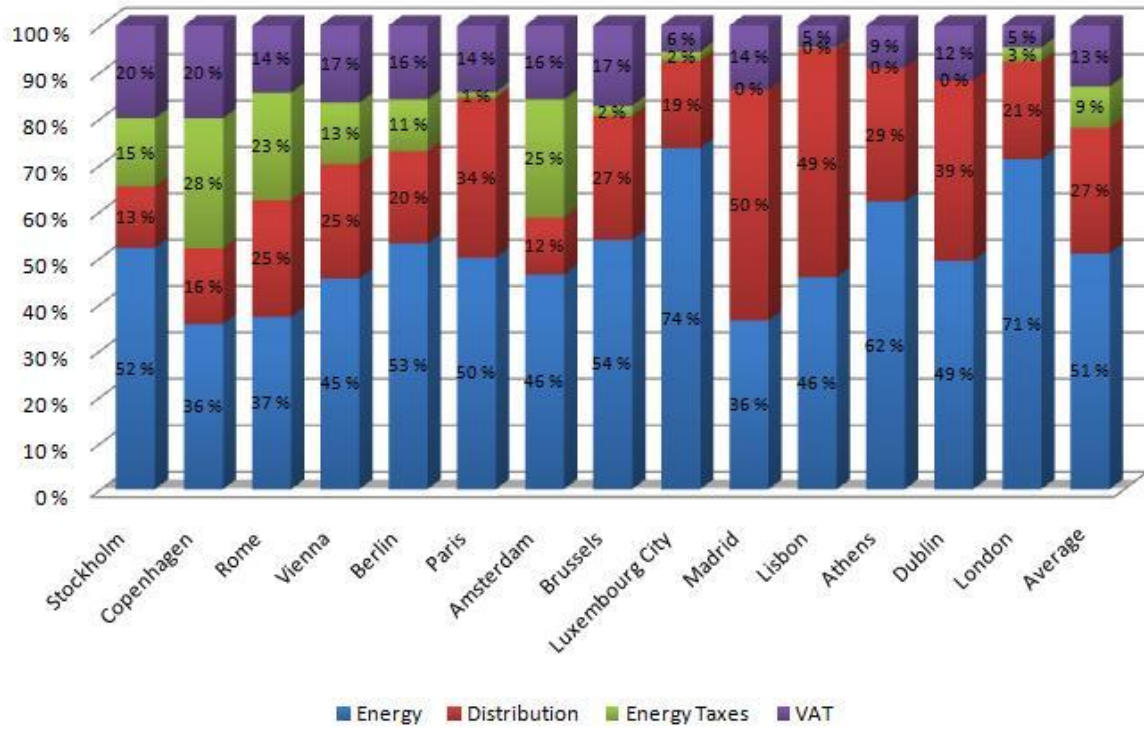
## Energy Price Breakdown

### Electricity Price Breakdown



Source: E-Control and VaasaETT - Prices as of May 1st 2010

## Gas Price Breakdown



Source: E-Control and VaasaETT - Prices as of May 1st 2010

## **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 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](http://www.e-control.at)**

#### **VaasaETT Global Energy Think Tank**

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