

Media Release: October 26th, 2010

Household Energy Price Index for Europe

October 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 OCTOBER 2010

European energy prices kept rising in October for both electricity and gas. Probably due to the start of the heating season this month, European households saw a jump in the price they pay for gas in particular. Gas prices are now at a level not seen since March 2009. Electricity prices meanwhile continue their journey upward and have never been this high since we started monitoring price trends in January 2009. Overall, the index for gas currently stands at 92.17 (a 2.6 index point increase compared to September). The index for electricity stands at 103.57 index points (up from 103.08 last month). A conclusion one can draw from almost two years of collecting price data is that while electricity contracts tend to be slightly revised, gas contracts seem to be subject to more abrupt price changes.

The "Total Price Rankings" table shows that household customers in Copenhagen pay by far the highest electricity prices within the capital cities of the EU-15, while customers

In This Month's Edition

· HEPI price trend - The start of the heating season leads to a jump in European gas prices

· Total price ranking – Sharp increase in energy prices for inhabitants of Dublin, Stockholm, Berlin and Athens.

· Energy Price breakdown – Reintroduction of an environmental levy imposed on electricity in Ireland

in Athens and Helsinki pay the least (all tax included). Inhabitants of Athens pay, in fact, about 2.5 times less than inhabitants of Copenhagen.

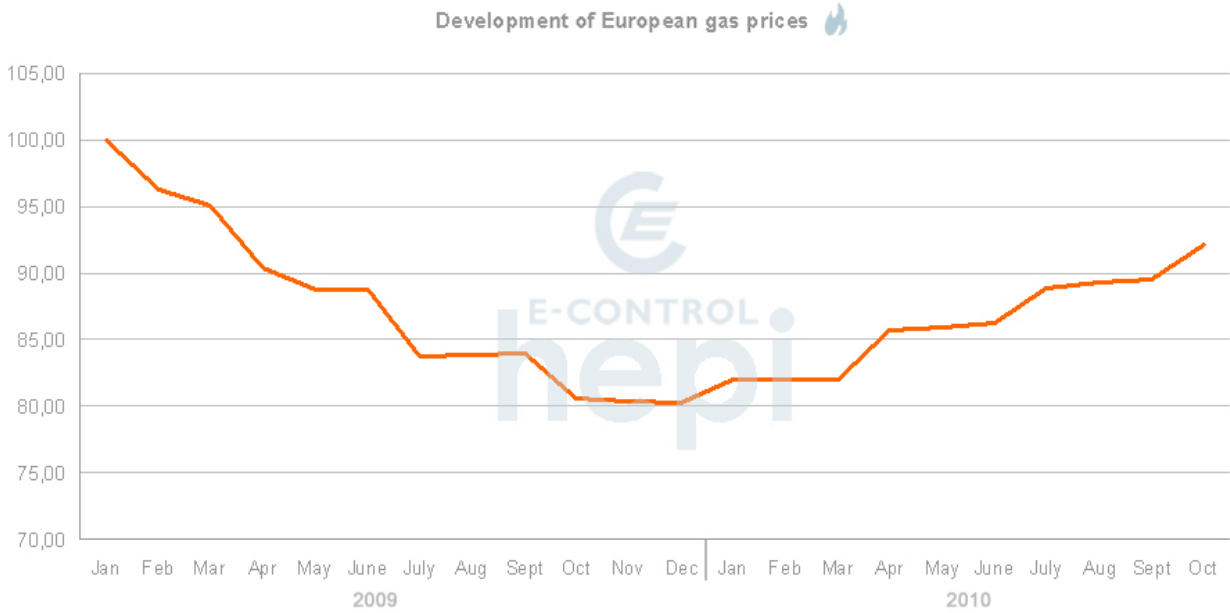
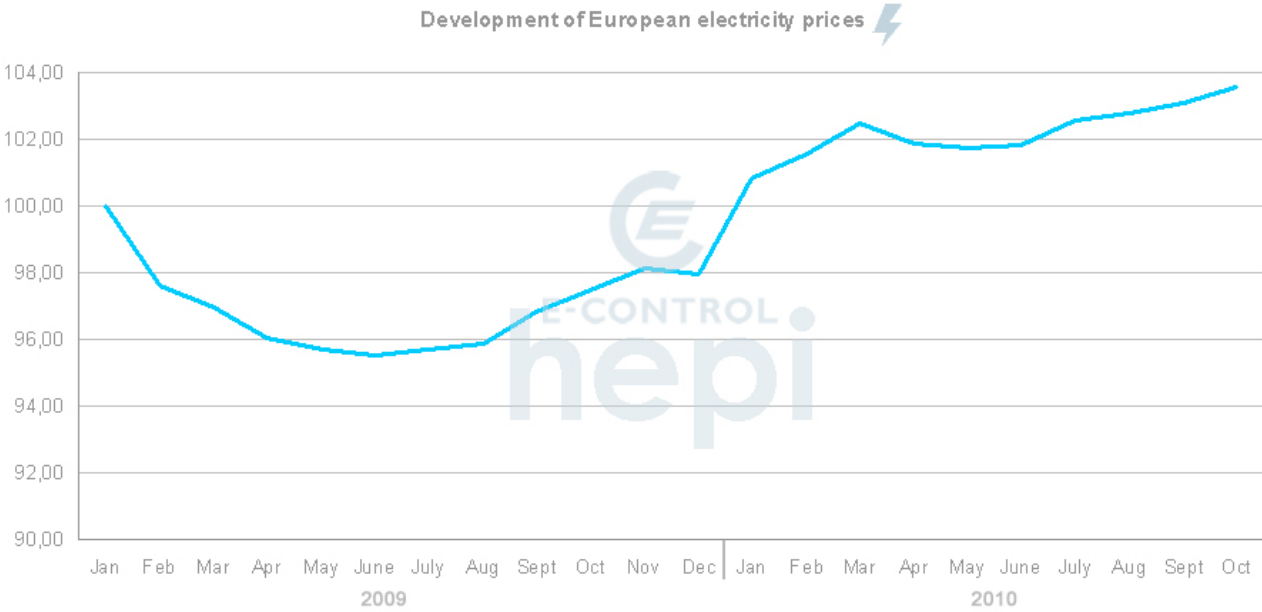
Another important change took place in October:

- The Irish government decided to set the Public Service Obligation (PSO) levy at € 2.73 per month *"to recover the additional costs associated with electricity from specified sources of generation, including sustainable, renewable and indigenous sources"* (CER, 2010). The PSO is not a new tax *per se*, but was set at zero since 2008 hence the sharp increase in Dublin electricity prices this month.

Natural gas household customers in Stockholm pay by far the highest prices within the capital cities of the EU-15. Prices in Stockholm are about 70% higher than in the second most expensive city Copenhagen, and about 4.5 times more than in the British capital city where Londoners enjoy by far the lowest prices. The start of the heating season led to sharp increases in Berlin and Athens in particular.

The price breakdown of local electricity 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 10% and VAT 13%, whereas energy represents 52% of the total gas bill, distribution 26% 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 33% (over three times the EU-15 average) and 53% if we include VAT. Overall, the results show that market forces represent only half of the energy (both for electricity and gas) bills whereas national fiscal and regulatory elements are responsible for the other half through distribution tariffs as well as energy taxes and VAT.

EUROPEAN ENERGY PRICE DEVELOPMENT (EXCLUDING TAXES)



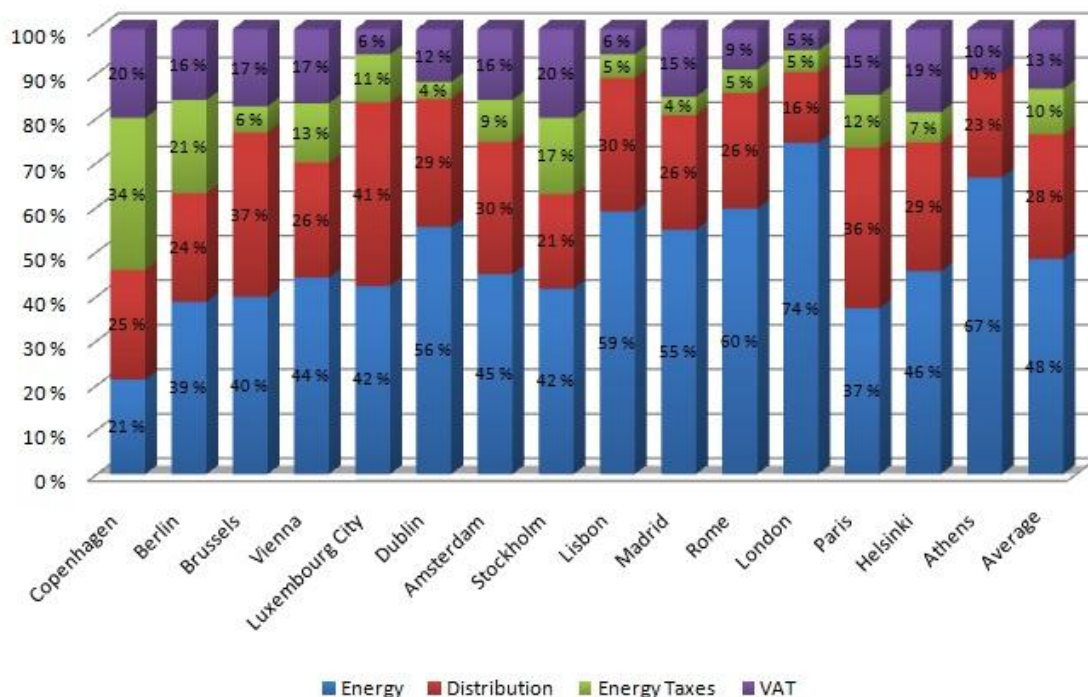
TOTAL PRICE RANKINGS (INCLUDING ENERGY, DISTRIBUTION AND TAXES)

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	28,34		Stockholm	18,60	
	2	Berlin	22,78		Copenhagen	10,99	
	3	Brussels	21,64		Rome	7,68	
	4	Vienna	19,47		Berlin	7,16	
	5	Dublin	19,07		Vienna	6,55	
	6	Luxembourg City	18,38		Brussels	6,39	
	7	Madrid	17,77		Amsterdam	6,16	
	8	Stockholm	17,45		Paris	6,11	
	9	Amsterdam	17,30		Athens	6,04	
	10	Lisbon	16,98		Madrid	5,96	
	11	Rome	15,67		Luxembourg City	5,83	
	12	London	14,58		Lisbon	5,60	
	13	Paris	13,19		Dublin	5,22	
	14	Helsinki	12,97		London	4,27	
Cheapest	15	Athens	11,64				

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

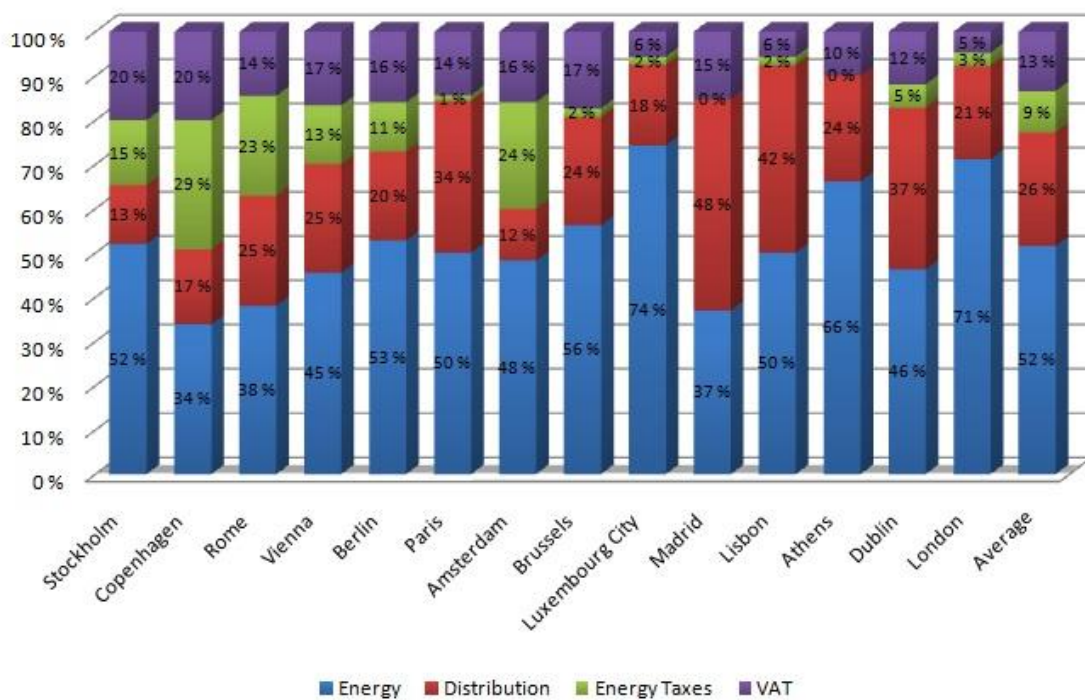
ENERGY PRICE BREAKDOWN

Electricity Price Breakdown



Source: E-Control and VaasaETT, prices as of October 1st, 2010

Gas Price Breakdown



Source: E-Control and VaasaETT, prices as of October 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 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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