

BRUSSELS, 3rd NOVEMBER 2003

EUROPEAN ELECTRICITY PRICES IN 2002

By Marco Pelucchi,
Research Director
INRA International Coordination Office

The European Electricity Prices Observatory (EEPO), the independent observatory created in 2000 that analyses and publishes the electricity prices paid by customers across Europe, is now publishing the results of its third year of activity.

The Observatory's aim is to present a reference study on electricity prices in order to contribute to the transparency of the market in the context of liberalisation.

INRA I.C.O. (an IPSOS group Company), the marketing and opinion research company in charge of data collection and analysis since the creation of EEPO, has completed this third survey, covering 17 European countries examining prices from residential to non-residential customers, over the January to December 2002 period.

continued on p. 2

IN THE TABLE, you can see for each consumption band, the calculated average price per kWh. Prices include transport and distribution costs, as well as unrecoverable taxes. Bands 1 - 3 include VAT, whereas bands 4 - 7 exclude VAT which is recoverable for these kind of customers.

GENERAL OVERVIEW OF THE SURVEY RESULTS FOR YEAR 2002							
Prices /kWh in EUROcents	Residential prices (electricity + consumers taxes + VAT)			Non Residential prices (electricity + consumers taxes)			
	Band 1 X <= 2 MWh	Band 2 2 < X <= 7 MWh	Band 3 X > 7 MWh	Band 4 X <= 0.1 GWh	Band 5 0.1 GWh < X <= 1 GWh	Band 6 1 GWh < X <= 9 GWh	Band 7 9 GWh < X <= 50 GWh
Austria	16.97	15.10	13.26	12.46	9.91	8.10	
Belgium	17.78	13.79	11.07	13.17	10.95	7.05	5.10
Czech Republic	12.93	10.10	7.27	9.78	7.26	5.40	4.64
Denmark	31.59	22.44	20.46	17.33	16.26	14.07	13.51
France	15.32	11.63	10.33	9.11	7.69	6.04	3.99
Germany	19.27	15.80	13.29	12.95	8.67	6.55	4.98
Greece	7.93	6.54	6.42	8.87	7.13	6.14	5.01
Hungary	10.14	8.12	7.20	9.07	8.23	6.56	5.96
Ireland	16.62	11.33	8.29	16.57	11.60		
Italy	10.40	15.61	18.40	12.89	11.37	9.30	7.19
Luxembourg	18.24	11.85	9.58	12.87	11.13	8.38	7.39
Netherlands	25.12	18.45	16.04	11.39	8.66	6.33	
Portugal	14.21	12.86	8.84	10.27	8.03	7.12	5.29
Spain	14.39	10.94	8.39	10.37	7.69	5.95	4.72
Sweden	14.18	10.50	7.67	6.68	4.89	4.04	3.26
Switzerland	25.20	14.90	11.82	14.96	12.44	10.33	9.79
UK		10.38	8.53	8.75			

The average per band is calculated as follows :

- tariff survey : arithmetic average of the prices
- field survey : arithmetic average of all observations in the band

Prices include transport & distribution costs and other (fixed charges)
Residential prices include consumers taxes and VAT
Non Residential prices include consumers taxes

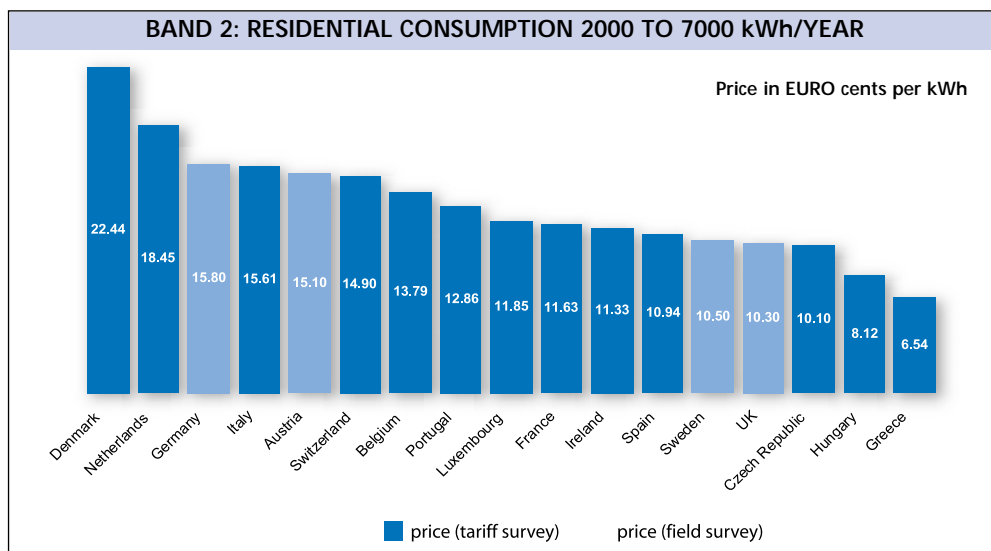
Tariff survey
Field survey
No survey
Too few observations

cont. from page 1

The year 2002 results are published today

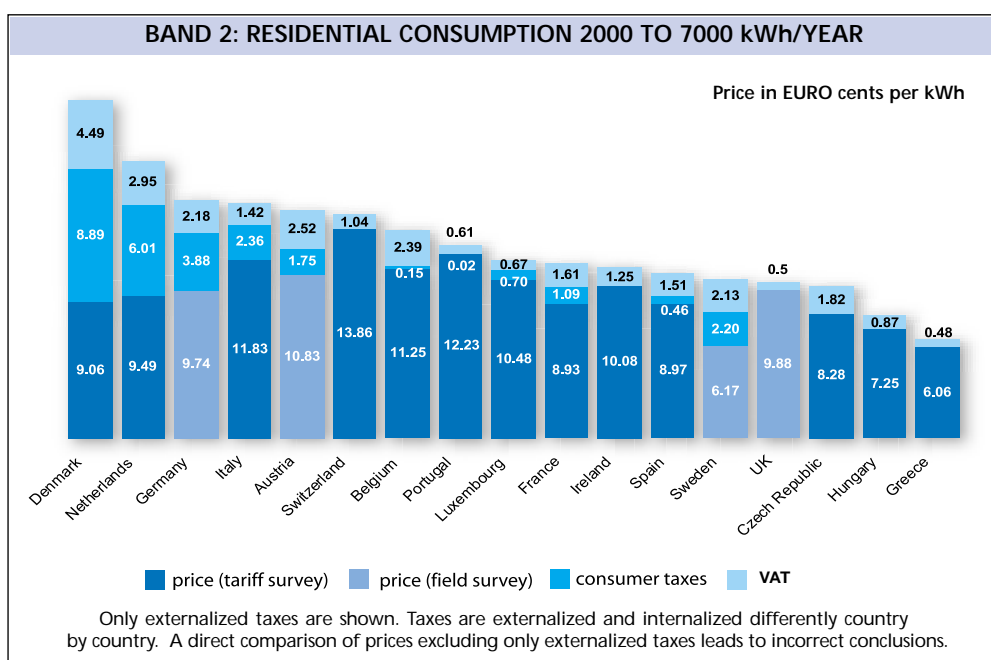
Today, INRA publishes the 2002 European Electricity Prices Observatory report, comparing prices for 7 consumption bands, in Austria, Belgium, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Luxembourg, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

IN THE CHARTS in this and following pages bands 2, 4, 6 are shown in more details. You can see the differences in gross prices across countries and the prices with consumer (externalised) taxes and VAT unbundled. Since taxes are externalized and internalized differently country by country a direct comparison may lead to incorrect conclusion.



This year, EEPO publishes the price split into three components:

- prices excluding consumer taxes and VAT
- consumer taxes (externalized taxes)
- VAT

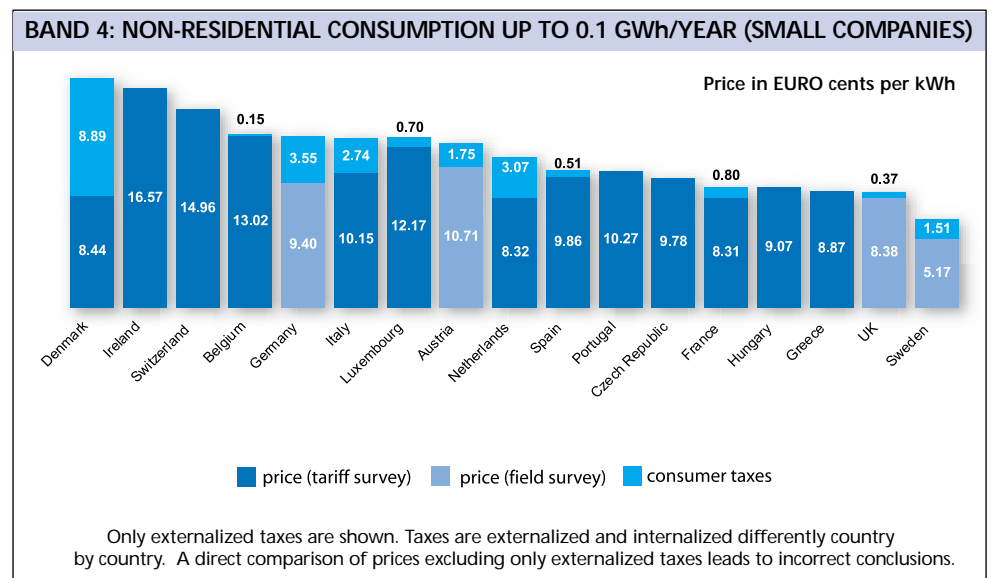
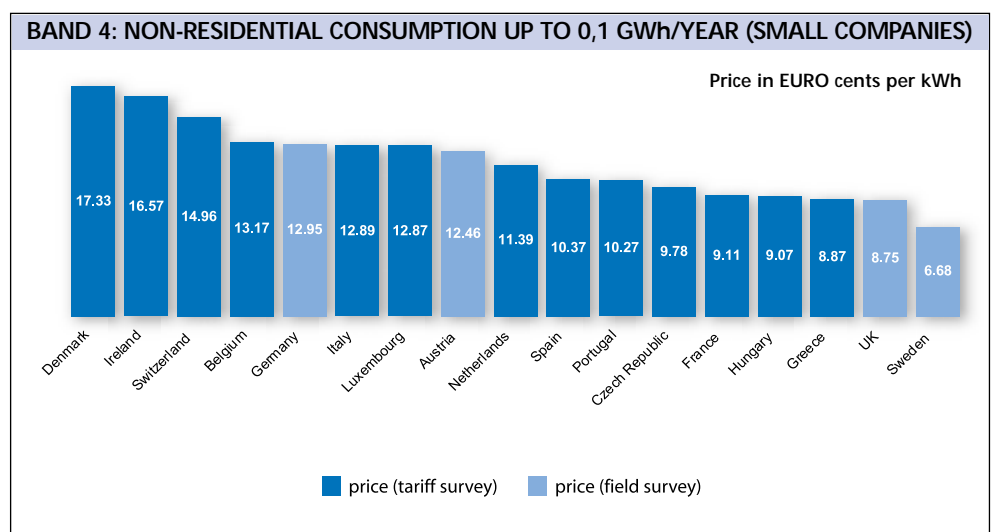


cont. on page 3

cont. from page 2

As tax systems are very different from one country to another, tax levels differ and the same kind of taxes, externalized in some countries, may be internalized in some others; a direct comparison between countries of price excluding only consumer taxes leads to incorrect conclusion.

This year, the consumption ranges defining the bands 4, 5 and 7 have slightly changed in order to better represent the reality of the market.



cont. on page 4

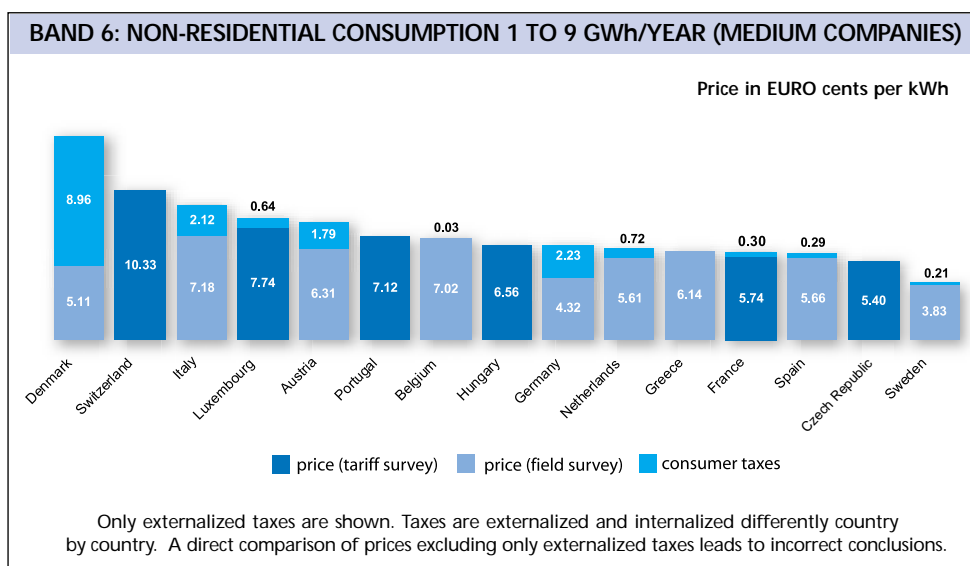
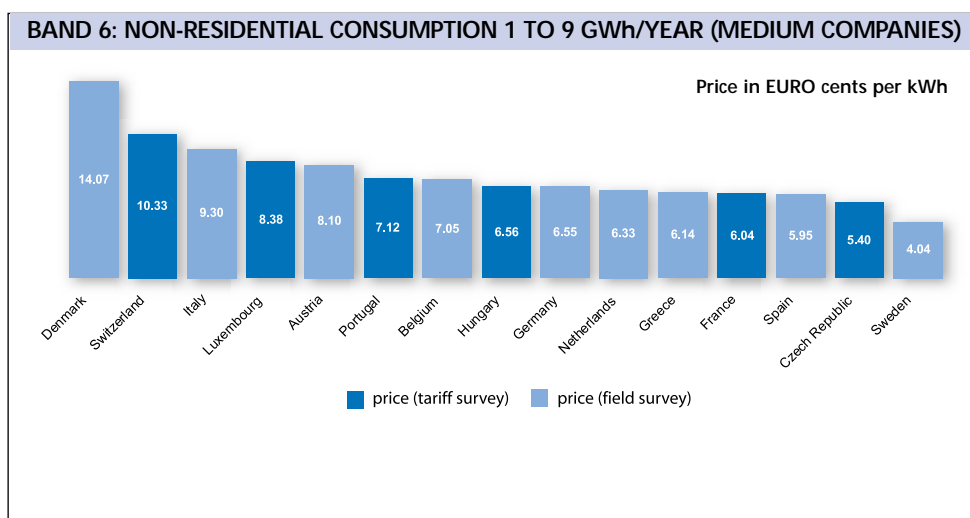
cont. from page 3

Electricity prices data collection methodology

Due to market liberalisation, current publications based on public price lists do not reflect prices negotiated by customers nor the diversity of offers from suppliers in liberalised areas.

A homogeneous methodology has been applied by INRA in all countries and markets, monitoring electricity prices by consumer segments to ensure transparency and data reliability.

Customers surveyed, whether their market situation was a liberalised one or not, were split into seven defined consumption bands.



cont. on page 5

cont. from page 4

- For liberalised markets and segments, the results of the study are based on an audit of the electricity invoices. More than 3 000 customers were interviewed and asked to show their electricity bills. The consumers were split into bands afterwards based on their electricity consumption.
- For non-liberalised markets and segments, the results of the study are based on tariff sheets. Customer types representing specific segments (bands) were defined. Prices were calculated using the tariff sheet of the main supplier(s) in the country.

The report on 2002 prices

The complete results and methodological details are available in the report published on INRA's web site: www.inra.com

However, here you can find 7 extracts, illustrating the results of the third year of activity of the European Electricity Prices Observatory.

MARCO PELUCCHI

@ CONTACT:

Marco.Pelucchi@inra.com
Marie.Andrieu@inra.com

DOWNLOAD :

Full results available on INRA's web site: www.inra.com