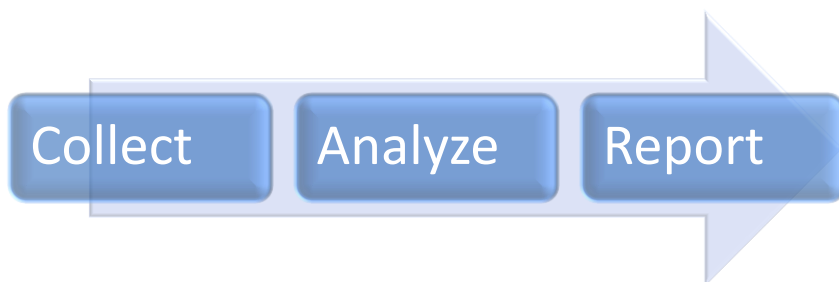


EUROPE'S ENERGY PORTAL



Description of the methodology that leads to an assessment of end-user prices for natural gas and electricity

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Definitions

EEP	Abbreviation for Europe's Energy Portal
Respondents	Entities that submit data to EEP through assigned channels
Energy Type	Natural Gas or Electricity
Usage Pattern	Annual quantity of consumption per energy type
EnergyEdgesm	In-house developed software platform that collects, processes and warehouses input from respondents
Energy Statement	Statement from energy provider that indicates usage of energy in relation to calculated costs, E.g. energy bill, quotation or notification
EU State	Country that is a member of the European Union.

Methodology

1. Acquisition of Respondents and Compensation

Europe's Energy Portal offers readers of its electronic documentation the opportunity to sign-up as a respondent. Being a respondent is free of charge and does not include an obligation to submit energy price data. As an incentive industrial respondents are compensated for their effort through access to energy data from Europe's Energy Portal. Among individual respondents there is an additional incentive in the form of coupons that are randomly given away. There is a relationship between the activity and quality of data that is provided by the respondent and their level of compensation.

The energyEdge system provides all respondents the opportunity to check and analyse their energy consumption historically and compare their data with anonymized data from peers. Respondents are guaranteed that any information shared with EEP will not be shared or disclosed to any other party.

2. Identifying Respondents

Two different types of respondents are identified: **domestic** and **industrial** end-user consumers.

- a. Domestic consumption price data is assessed from respondents that are private persons. These persons are individuals who are either part of a household or run their own.
- b. Industrial consumption price data is assessed from respondents that are commercial organizations, most notably industries. Power plants, used for electricity generation, are not included.

3. Data Submission

There are two methods of submitting data to EEP. Most used method is via web interface. This interface is an online form that asks the respondent to enter a number of details from their energy statement. To avoid mistakes or confusion, the respondent enters the values and quantities as mentioned on their statement. All applicable conversions, e.g. to euro currency for non-eurozone EU states and from cubic meters of natural gas to kWh, are handled by the EEP software platform, EnergyEdge. Second option to submit data is by sending the energy statement as an Adobe PDF document to EEP. The data is then manually processed and entered in the EnergyEdge platform.

4. Data Integrity

Gatekeeper for data integrity is the EnergyEdge software platform. This platform analyses the respondent's input and make a determination as to whether or not the entered values are within an expected range, based on past input and known data for their specific consumption pattern and EU state.

5. Data Units

Submitted prices and quantities are stored in their respective units and, if required, converted to the EEP standard units for both electricity and natural gas: euro per one kilowatt-hour.

6. Data analysis

Europe's Energy Portal utilizes Data Sampling Methodology.

The goal is to determine national, average retail prices. The assessed price data is per energy type, per consumption patterns and per EU state.

The database is built by respondent's input processed via EnergyEdge. It is the basis for the assessment of average prices for the EU states. The data sample is a representative portion of consumers from the EU states in consumption patterns identified by EEP.

EnergyEdge requires data input from at least 75% of its respondents before price assessment is calculated for an EU state. In case the threshold is not reached, respondents are approached via e-mail to submit data.

- a. Respondents may have a variable contract or a fixed contract for a certain term, both contract types are accepted in the calculation is construct reliable price date. Section 9 covers the number of active respondents per EU state.
- b. EEP strives to build a respondent's base that is representative for the provinces and regions in an EU state.
- c. A weighted, average figure, in euro per kWh, is determined based on the number of respondents per geographical region of an EU state for a usage pattern. Regions that are under-represented by respondents have to be compensated by increasing their 'weight' in comparison to over-represented regions to construct a reliable price data.

7. Data Grounding

Before the price data is anchored in the main database, it is manually checked to capture possible deviations as a result of software errors.

8. Historical Prices

The historical prices are available from the year 2000. EEP does not have price data for the years that an EU state was not part of the European Union (EU).

9. Price Components

For domestic consumers, the end-user price comprises of the following components:

- a. Gas or Electricity price as traded on the markets
- b. Main transport of natural gas or transmission of electricity, to local distribution centers.
- c. Local distribution to households
- d. Miscellaneous costs, e.g. standing charges and metering
- e. All applicable taxes: excise duties, value added tax, green taxes etc.

For industrial consumers, the end-user price comprises of the following components:

- a. Gas or Electricity price as traded on the markets
- b. Main transport of natural gas, or transmission of electricity.
- c. Local distribution (when applicable)
- d. Administrative costs
- e. Non-recoverable taxes. E.g. VAT is a recoverable tax and therefore not included.

10. Miscellaneous Notes

- a. When local currencies are converted to euro, the average exchange rate valid for the referenced month is applied.
- b. Bands applicable to consumption patterns are identified in the price data tables.
- c. EU Average Gross Calorific Value is set at 38.48 (MJ/m³).
- d. Price data is not available for:
 - Domestic natural gas consumption in Greece, Cyprus, Malta and Finland.
 - Industrial natural gas consumption in Greece, Cyprus, Malta.

Appendix I

Number of active respondents as per August 1st, 2011
Additional information on respondents is not disclosed.

Respondent EU State	Domestic Respondents	Industrial Respondents Natural Gas	Industrial Respondents Electricity
Belgium	860	130	126
Bulgaria	492	28	32
Cyprus	114	0	30
Czech Republic	672	64	44
Denmark	782	80	88
Estonia	270	42	40
Finland	726	152	112
France	870	111	128
Germany	1272	202	189
Greece	582	0	80
Hungary	336	48	46
Ireland	1020	100	109
Italy	612	110	102
Latvia	398	50	42
Lithuania	324	38	46
Luxembourg	702	38	34
Malta	168	0	18
Netherlands	1106	70	82
Poland	796	68	74
Portugal	792	64	62
Romania	402	36	36
Slovakia	318	34	40
Slovenia	294	42	28
Spain	1728	92	102
Sweden	1458	68	92
United Kingdom	3120	193	178

Appendix II

Website URL: <http://www.energy.eu>
Contact URL: <http://www.energy.eu/contact/?dep=4>
Respondent Login: <http://www.energy.eu/respondents/>