



# **Directive EC 2008/92 on Gas and Electricity Prices**

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**BUILDING PARTNERSHIPS FOR ENERGY SECURITY**

# Legal Basis



- **Directive 2008/92 (EC)** of the of the European Parliament and of the Council of 22 October 2008 concerning a Community procedure to improve the transparency of gas and electricity prices
- Average prices paid by end-users for previous six months
- Reference periods – first and second semester.
- Transmission of data – within two months following the reference semester

# Methodology



- Prices paid by end-users for the quantities for their own use
- End users are split to consumption bands defined by a range of annual consumption
- Prices should represent national average prices:
  - Weighted average prices (market shares for each consumption band)
  - Representative share of the national market
  - Confidentiality: at least three end-users in each consumption band
- Three levels of prices:
  - prices excluding taxes and levies (LEVEL 1)
  - prices excluding VAT and other recoverable taxes (LEVEL 2)
  - prices including all taxes and levies and VAT (LEVEL 3)

# Gas Prices



- Excluded consumers:
  - use for electricity generation in power plants or in CHP plants
  - non-energy uses (e.g. in the chemical industry),
  - above 4 000 000 gigajoule (GJ) per year.
- Prices in national currency per GJ
- Prices should include all charges payable: network charges and energy consumed minus any rebates or premiums, plus other charges (meter rental, standing charges, etc.).
- Prices should not include initial connection charges

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# Gas Prices – Consumption Bands



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Industry	Lowest annual consumption (GJ)	Highest annual consumption (GJ)
Band I1		< 1000
Band I2	1 000	< 10 000
Band I3	10 000	< 100 000
Band I4	100 000	< 1 000 000
Band I5	1 000 000	< = 4 000 000
Households	Lowest annual consumption (GJ)	Highest annual consumption (GJ)
Band D1		< 20
Band D2	20	< 200
Band D3	>= 200	

# Electricity Prices



- Prices in national currency per kWh.
- Prices should include all charges payable: network charges and energy consumed minus any rebates or premiums, plus other charges (capacity charges, commercialisation, meter rental, etc.).
- Prices should not include initial connection charges

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# Electricity Prices – Consumption Bands



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Industry	Lowest annual consumption (MWh)	Highest annual consumption (MWh)
Band IA		< 20
Band IB	20	< 500
Band IC	500	< 2 000
Band ID	2 000	< 20 000
Band IE	20 000	<70 000
Band IF	70 000	< = 150 000
Households	Lowest annual consumption (MWh)	Highest annual consumption (MWh)
Band DA		< 1 000
Band DB	1 000	< 2 500
Band DC	2 500	< 5 000
Band DD	5 000	< 15 000
Band DE	>= 15 000	

# Additional Information



- Every two years, together with the January price reporting; additional information 'Price Systems':
  - information about the national compilation system applied
  - a description of the survey and its scope (number of supply undertakings surveyed, aggregated percentage of the market represented, etc.),
  - the criteria used to calculate weighted average prices,
  - the aggregated consumption volumes represented by each band,
  - description of taxes for end-users .... [more](#)>



# Applicable taxes, levies, charges...

## Gas



- value added tax,
- concession fees; licences and fees for the occupation of land and public or private property by networks or other gas devices,
- environmental taxes or levies; promotion of renewable energy sources or CHP or as a burden for CO<sub>2</sub>, SO<sub>2</sub> or another agent emissions related to climate change,
- other taxes or levies linked with the energy sector: public service obligations/charges, levies to financing energy, regulatory authorities, etc.,
- other taxes or levies not linked with the energy sector: national, local or regional fiscal taxes on energy consumed, taxes on gas distribution, etc.’.

# Applicable taxes, levies, charges...

## Electricity



- value added tax,
- concession fees; licences and fees for the occupation of land and public or private property by networks or other electricity devices,
- environmental taxes or levies; promotion of renewable energy sources or CHP or as a burden for CO<sub>2</sub>, SO<sub>2</sub> or another agent emissions related to climate change,
- nuclear and other inspection taxes: nuclear decommissioning charges, inspection and fees for nuclear installations, etc.,
- other taxes or levies linked with the energy sector: public service obligations/charges, levies to financing energy, regulatory authorities, etc.,
- other taxes or levies not linked with the energy sector: national, local or regional fiscal taxes on energy consumed, taxes on electricity distribution, etc.'

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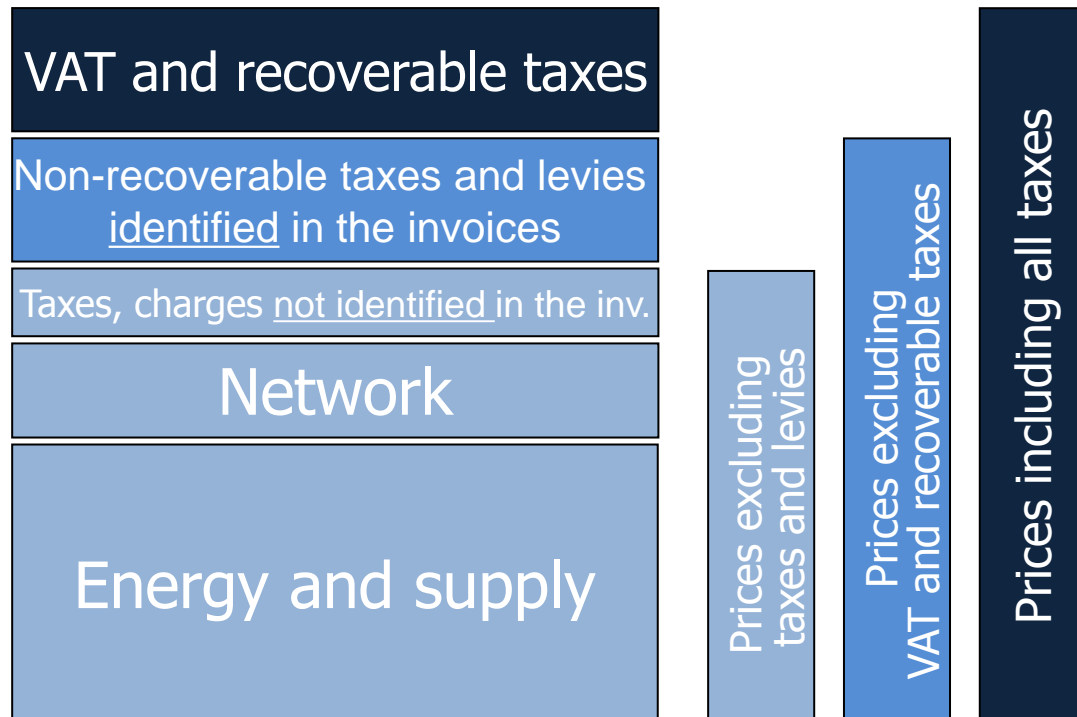
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# Additional Information – electricity only



Once per year, together with the January price reporting, a breakdown of electricity prices into their main components:

- Energy and supply
- Network
- Non-recoverable taxes and levies



# Reporting Format

## Prices electricity households



### EUROSTAT Energy Price reporting sheet

PRODUCT	Electricity
End-Users	Households
Year	
Semester	

Country	
Reporting Organisation	
Contact Person	
E-mail address	

Household end-user	Annual electricity consumption in kWh		Prices in national currency / kWh					
	Lowest	Highest	All taxes excluded*		VAT excluded		All taxes included	
			(LEVEL 1)	Flag	(LEVEL 2)	Flag	(LEVEL 3)	Flag
Band - DA	< 1 000							
Band - DB	1 000	< 2 500						
Band - DC	2 500	< 5 000						
Band - DD	5 000	< 15 000						
Band - DE	≥ 15 000							

\*Level 1 prices exclude all taxes, levies and VAT

Disaggregated price data (to be reported only once per year, together with the reporting for the second semester of the year)

Household end-user	Prices in national currency / kWh						
	Total including all taxes, levies and VAT (Level 3)	Energy and supply		Network cost		Taxes and levies	
	Calculated: (1) + (2) + (3)	(1)	Flag	(2)	Flag	(3)	Flag
Band - DA	0,0000						
Band - DB	0,0000						
Band - DC	0,0000						
Band - DD	0,0000						
Band - DE	0,0000						

# Reporting Format

## Prices electricity industry



### EUROSTAT Energy Price reporting sheet

PRODUCT	Electricity
End-Users	Industry
Year	
Semester	

Country	
Reporting Organisation	
Contact Person	
E-mail address	

Industrial end-user	Annual electricity consumption in MWh		Prices in national currency / kWh					
	Lowest	Highest	All taxes excluded*		VAT & other excluded**		All taxes included ***	
			(LEVEL 1)	Flag	(LEVEL 2)	Flag	(LEVEL 3)	Flag
Band - IA	<20							
Band - IB	20	< 500						
Band - IC	500	< 2 000						
Band - ID	2 000	< 20 000						
Band - IE	20 000	< 70 000						
Band - IF	70 000	<= 150 000						

Voluntary basis :

Band - IG	> 150 000							
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\*Level 1 prices exclude all taxes, levies and VAT

\*\*Level 2 prices exclude VAT and all other recoverable taxes and levies

\*\*\*Level 3 prices include all taxes, levies and VAT (also in case it is refunded)

Disaggregated price data (to be reported only once per year, together with the reporting for the second semester of the year)

Industrial end-user	Prices in national currency / kWh						
	Total without VAT and other recoverable tax (Level 2)	Energy and supply		Network cost		Non-recoverable taxes and levies	
		Calculated: (1) + (2) + (3)	(1)	Flag	(2)	Flag	(3)
Band - IA	0,0000						
Band - IB	0,0000						
Band - IC	0,0000						
Band - ID	0,0000						
Band - IE	0,0000						
Band - IF	0,0000						

Voluntary basis :

Band - IG	0,0000						
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# Reporting Format

## Prices gas households



### EUROSTAT Energy Price reporting sheet

<b>PRODUCT</b>	Natural Gas
<b>End-Users</b>	Households
<b>Year</b>	
<b>Semester</b>	

<b>Country</b>	
<b>Reporting Organisation</b>	
<b>Contact Person</b>	
<b>E-mail address</b>	

Household end-user	Annual gas consumption in GJ		Prices in national currency / GJ					
	Lowest	Highest	All taxes excluded*		VAT excluded		All taxes included	
			(LEVEL 1)	Flag	(LEVEL 2)	Flag	(LEVEL 3)	Flag
Band - D1	< 20							
Band - D2	20	< 200						
Band - D3	≥ 200							

\*Level 1 prices exclude all taxes, levies and VAT

Flags:  
 empty = definitive value  
 P = provisional value  
 C = confidential value

# Reporting Format Prices gas industry



## EUROSTAT Energy Price reporting sheet

<b>PRODUCT</b>	Natural Gas
<b>End-Users</b>	Industry
<b>Year</b>	
<b>Semester</b>	

<b>Country</b>	
<b>Reporting Organisation</b>	
<b>Contact Person</b>	
<b>E-mail address</b>	

Industrial end-user	Annual gas consumption in GJ		Prices in national currency / GJ					
	Lowest	Highest	All taxes excluded*		VAT & other excluded**		All taxes included ***	
			(LEVEL 1)	Flag	(LEVEL 2)	Flag	(LEVEL 3)	Flag
Band - I1	< 1000							
Band - I2	1 000	< 10 000						
Band - I3	10 000	< 100 000						
Band - I4	100 000	< 1 000 000						
Band - I5	1 000 000	<= 4 000 000						

Voluntary basis :

Band - I6	> 4 000 000						
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\*Level 1 prices exclude all taxes, levies and VAT

\*\*Level 2 prices exclude VAT and all other recoverable taxes and levies

\*\*\*Level 3 prices include all taxes, levies and VAT (also in case it is refunded)

Flags:

empty = definitive value

P = provisional value

C = confidential value

# Questionnaire

## Natural gas



1	<b>Natural Gas Reporting Sheet</b>			
2				
3	<b>Product</b>	Natural Gas		<b>Reporting Company</b>
4	<b>Year</b>			<b>Contact Person</b>
5	<b>Semester</b>			<b>E-mail address</b>
6				
7				
8	Industrial end-user	Annual gas consumption		Supply to end-users
9		in GJ		Supplied gas
10		Lowest	Highest	Charged for the supplied gas
11	A	B	C	in national currency
12	Band - I1	< 1 000		in GJ
13	Band - I2	1 000	< 10 000	D
14	Band - I3	10 000	< 1 00 000	E
15	Band - I4	100 000	< 1 000 000	
16	Band - I5	1 000 000	<= 4 000 000	
17	*If available and applicable. Please see the instructions.			
18				
19	Additional end-user			
20	Band - I6	> 4 000 000		
21				
22				
23	Household end-user	Annual gas consumption		Supply to end-users
24		in GJ		Supplied gas
25		Lowest	Highest	Charged for the supplied gas
26	A	B	C	in national currency
27	Band - D1	< 20		in GJ
28	Band - D2	20	< 200	D
29	Band - D3	>= 200		E
30				
31				
32				

	A	B	C
1	<b>Taxes identified in the invoices provided to the end-users.</b>		
2			
3	<b>Name</b>	<b>Tax</b>	<b>Recoverable</b>
4		in national currency/GJ	Yes/No
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			



# Reporting Format

## Prices electricity industry



	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>Electricity Reporting Sheet</b>											
2												
3	<b>Product</b>	Electricity			<b>Reporting Company</b>							
4	<b>Year</b>				<b>Contact Person</b>							
5	<b>Semester</b>				<b>E-mail address</b>							
6												
7												
8	Industrial end-user	Annual electricity consumption		Electricity supply		Network costs			Supplements and non-recoverable taxes			
9		in MWh		Supplied electricity	Charged for the supplied electricity	Quantities of electricity*	Charged for the transmission network	Charged for the distribution network	Charged for the additions to network costs	Supplement/tax #1	Supplement/tax #2	Supplement/tax #3
10		Lowest	Highest	in kWh	in national currency	in kWh	in national currency	in national currency	in national currency	in national currency	in national currency	in national currency
11	A	B	C	D	E	F	G	H	I	J	K	L
12	Band - IA	< 20										
13	Band - IB	20	< 500									
14	Band - IC	500	< 2 000									
15	Band - ID	2 000	< 20 000									
16	Band - IE	20 000	< 70 000									
17	Band - IF	70 000	<= 150 000									
18	*Fill in if the quantities of electricity transmitted/distributed through your network are different from the quantities of electricity supplied to end-users (column D).											
19												
20	Additional end-user											
21	Band - IG	> 150 000										
22												
23												
24	Household end-user	Annual electricity consumption		Electricity supply		Network costs			Supplements and non-recoverable taxes			
25		in MWh		Supplied electricity	Charged for the supplied electricity	Quantities of electricity*	Charged for the transmission network	Charged for the distribution network	Charged for the additions to network costs	Supplement/tax #1	Supplement/tax #2	Supplement/tax #3
26		Lowest	Highest	in kWh	in national currency	in kWh	in national currency	in national currency	in national currency	in national currency	in national currency	in national currency
27	A	B	C	D	E	F	G	H	I	J	K	L
28	Band - DA	< 1 000										
29	Band - DB	1 000	< 2 500									
30	Band - DC	2 500	< 5 000									
31	Band - DD	5 000	< 15 000									
32	Band - DE	>= 15 000										
33	*Fill in if the quantities of electricity transmitted/distributed through your network are different from											
34												
35												
36												
1	<b>Taxes identified in the invoices provided to the end-users.</b>											
2												
3	<b>Name</b>			<b>Tax</b>			<b>Unit</b>			<b>Recoverable</b>		
4				in national currency			kWh, kW/month...			Yes/No		
5												
6												
7												
8												
9												

# Survey preparation



- Before the survey
- Questionnaire
- Reporting units
- Deadline for reporting
- Compilation of results
- Issues, challenges

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# Before the survey



- Electricity and gas markets in the country:
  - Regulated; small number of suppliers to final consumers
  - Open; big number of suppliers to final consumers
- Structure of the electricity/gas price:
  - Structure of the network charges basic/additions,
  - Supplements, additions recoverable/non-recoverable,
- Taxes, levies, excises
  - recoverable/non-recoverable,
  - indicated/not indicated on the invoice for the final consumer

# Questionnaire



Things to consider:

- Mode of the survey (paper, e-mail, web form,...)
- Coverage: total coverage, cut-off, sample survey, REMEMBER: representative share of the market!
- Instructions for the reporting units.
- Content of the questionnaire:
  - proposal for [gas prices questionnaire](#)
  - proposal for [electricity prices questionnaire](#)

# Reporting units



- Reporting units:
  - suppliers of gas/electricity to final consumers,
  - regulatory authority,
  - ministry, agency
  - other ideas, experiences...?
- Addresses from other statistical surveys, register, market regulator...

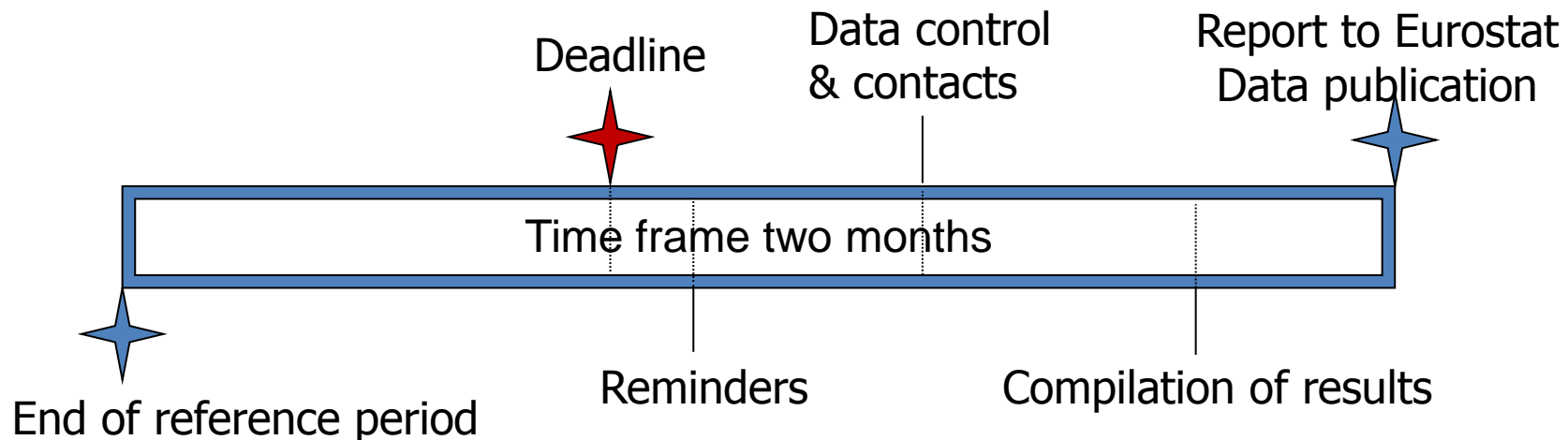
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# Deadline for reporting



- Deadline for the reporting units – proposal approximately 1 month after reference period.



# Compilation of results



- Control of received data; visual, programmed...;
  - compare data between different consumption bands,
  - compare data for the same consumption band between different companies.
- Contact the reporting units to check the data if necessary.
- Calculation of results – in brief:
  - sum up data by columns from all reporting companies to get data on national level for quantities and charged values,
  - divide the values by quantities to get average **prices without taxes**
  - add non recoverable taxes to get average **prices excluding VAT**
  - add VAT and other recoverable taxes to get **prices with all taxes.**

# Issues and Challenges



- Suppliers division of final consumers not equal to consumption bands from 2008/92.
- Data coming in late (key respondents).
- Bad quality data.
- Any other challenges?
  
- From previous slide:  
    other possible reporting units?







# Thank you for attention!

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**INOGATE Technical Secretariat and Integrated Programme  
in support of the Baku Initiative and the Eastern  
Partnership energy objectives**

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