



POCKET PRICES - HOUSEHOLDS

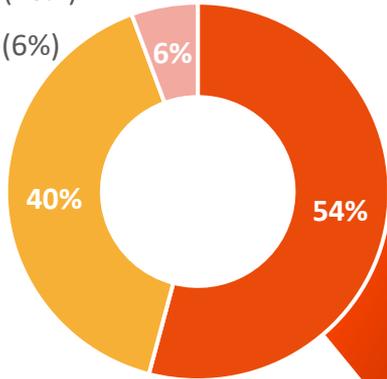
“when they ask us
about 2020 prices”

3 MAIN COMPONENTS OF THE END ELECTRICITY PRICE

Transmission and distribution "grid fees"

Taxes and fees

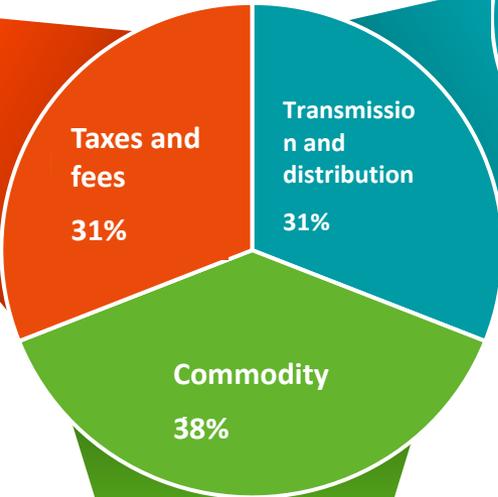
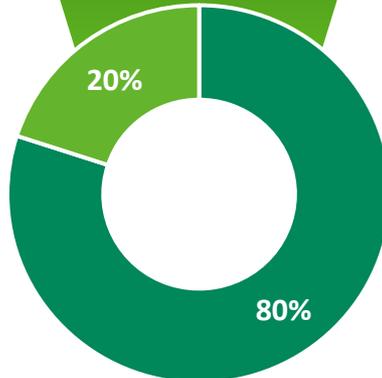
- DPH (54%)
- TPS (40%)
- NJF (6%)



Taxes and fees			
EUR/MWh	2019	2020	Change
TPS	26.0	23.6	-9%
NJF	3.2	3.2	0%

Commodity

- Electricity purchase (80%)
- Customer service (20%)

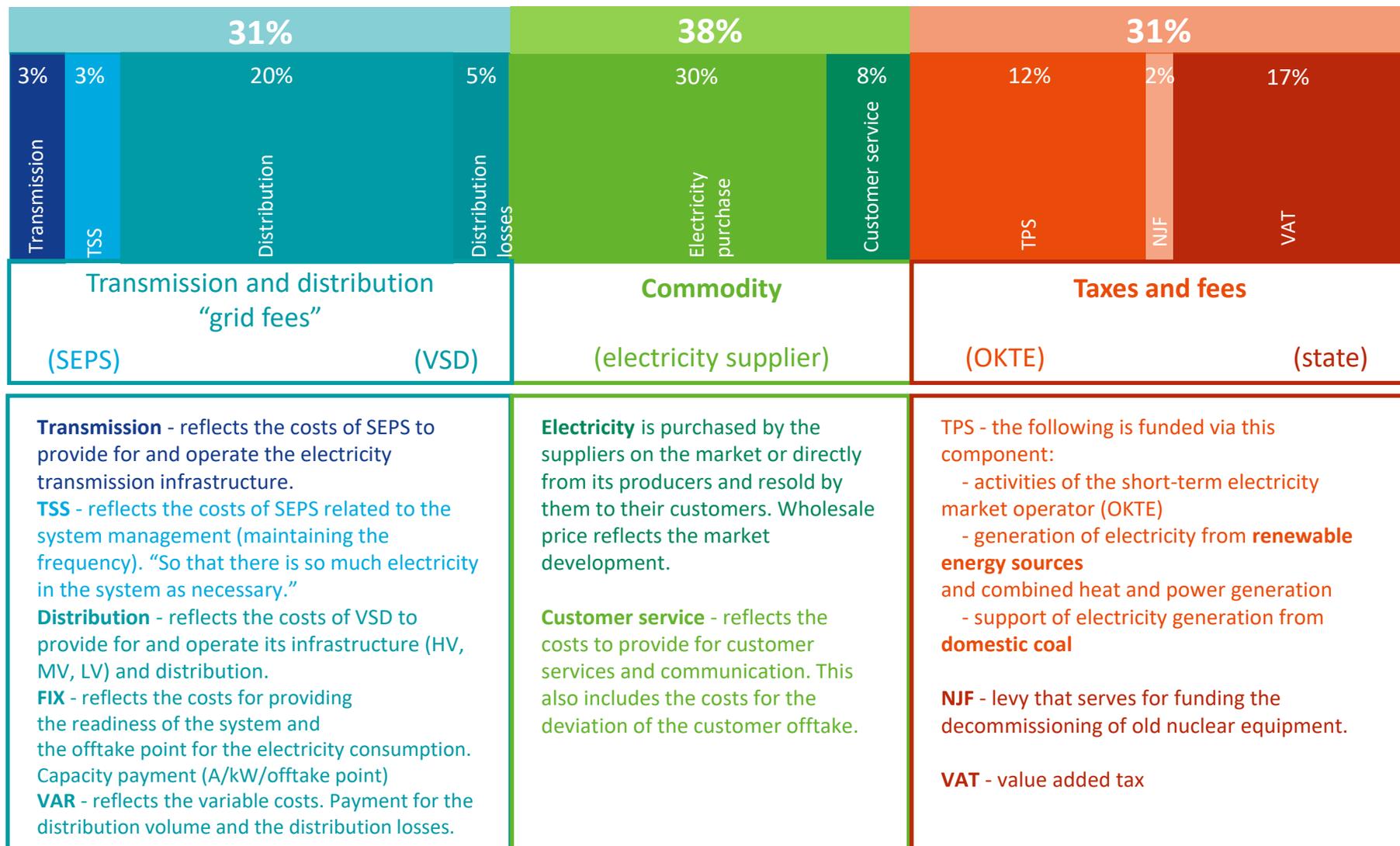


Distribution fees in Eastern Slovakia			
EUR/MWh	2019	2020	Change
Transmission	5.3	4.99	-6%
TSS	5.9	6.2	+5%
Distribution	37.8	38.5	+2%
Distribution losses	7.2	8.7	21%

- Transmission (8%)
 - TSS – System management (11%)
 - Distribution losses (15%)
 - Distribution (66%)
- VAR:FIX 53:47

ELECTRICITY (stock exchange price)		
2019	2020	change
40.5 €/MWh	51.9 €/MWh	+28%

9 COMPONENTS OF THE PRICE - GLOSSARY



WHY ARE ELECTRICITY PRICES GROWING?



The **commodity price** increased in the stock exchange due to several reasons.

+ 7.4 %

- Increasing growing demand for energies,
- increased share of RES,
- price increase of emission allowances for coal-fired power plants,
- oil price.

The price is created on the stock exchange market and cannot be influenced by distributors, retailers or the state.



Distribution fees in Eastern Slovakia increased mostly in their FIX part.

- 1.3 %

Impact on the end price

In the past 6 years, the distribution fees of VSD on the LV level have been stable. There is slight increase in 2020 mostly due to structural changes.

Distribution fees are fully regulated (ÚRSO).



Other fees changed just slightly.

0.1%

Impact on the end price

This mostly regards: TPS, NJF and VAT.

These fees are sent to OKTE, which distributes them further to the final recipients (state, renewable energy sources, etc.)

These fees are stipulated and regulated by the state.

End electricity prices for households (including VAT) will increase in 2020 by 8.8 %* on average in Slovakia.

WHERE PEOPLE LIVE, DISTRIBUTION FEES WILL DECREASE

The Regulatory Office for Network Industries (ÚRSO) issued its price decisions for 2020.

THE VARIABLE FEES WILL DECREASE. Thanks to that, distribution prices for households will increase by less than 2% on average. This regards all the tariffs from D1 to D6, where people live.

The decrease in the variable part will not be experienced by those OP that are used sporadically, or represent the second, or the third property, e.g. cottages, gardens, garages. The borderline of electricity consumption is approximately 766 kWh p.a.

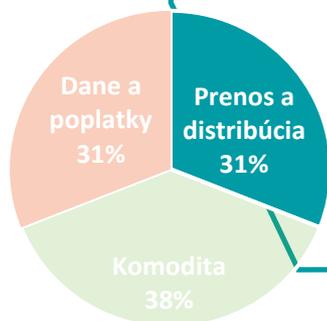
The increase in the fixed part will mostly have impact on “those properties that are not designed for living”.
from EUR 0.7 to EUR 1 per month

FIX for D1 (EUR 1/month/OP) is still the lowest in the Slovak Republic.

The monthly increase by EUR 0.30 is “less than a pack of biscuits”.

FIX reflects the fixed costs for providing the readiness of the system and the offtake point for the electricity consumption.
Even if no electricity flowing.

VAR depends on one’s electricity consumption.



REAL-LIFE EXAMPLES 1/2

End electricity prices for households (inclusive of VAT)
will increase in 2020 by 8.8 %* on average in Slovakia.



Example 1:

Small household, cottage, LV level

D1 tariff, consumption of 800 kWh/p.a.

price will increase by 8.9 %, i.e. by EUR 14.6 incl. VAT p.a. **(EUR 1.2 per month)**



Example 2:

Standard household, LV level

D2 tariff, consumption of 2,200 kWh/p.a.

price will increase by 8.5 %, i.e. by EUR 33.2 incl. VAT p.a. **(EUR 2.8 per month)**



Example 3:

Family house, larger household, LV level

D4 tariff, consumption of 4,400 kWh/p.a. (high tariff: 2,200 kWh, low tariff: low tariff: 2,200 kWh)

price will increase by 9.3 %, i.e. by EUR 62.5 incl. VAT p.a. **(EUR 5.2 per month)**



Example 4:

Family house, direct heating, LV level

D5 tariff, consumption of 10,000 kWh/p.a. 2,000 kWh, low tariff: low tariff: 8,000 kWh)

price will increase by 10.9 %, i.e. by EUR 140 incl. VAT p.a. **(EUR 11.6 per month)**

All stated data is average and calculations are based on the price of the dominant electricity supplier in Eastern Slovakia.

*The average price published by ÚRSO, this is valid for a so-called **average Slovak household**.

REAL-LIFE EXAMPLES 2/2

End electricity prices for households (including VAT)
per tariffs, valid in case of the dominant supplier in Eastern Slovakia

tariff	description	breaking point	monthly payment	1 kWh		
				high tariff	low tariff	low tariff validity
DD1	Standard	up to 1,491 kWh	2.10	0.1917		0 hours
DD2	Standard	above 1,491 kWh	6.2153	0.1586		0 hours
DD3	Aku	up to 2,480 kWh	8.0826	0.1722	0.1362	8 hours
DD4	Aku	above 2,481 kWh	12.3230	0.1516	0.1156	8 hours
DD5	Complete		6.3798	0.1545	0.1287	20 hours
DD6	Eko		6.3798	0.1545	0.1287	22 hours

ABBREVIATIONS USED

DPH - value added tax

FIX - fixed part of costs

NJF - National Nuclear Fund (Národný jadrový fond)

LV - low voltage

OP - offtake point

OKTE - Short-term Electricity Market Operator (Organizátor krátkodobého trhu s elektrinou)

SEPS - Slovak Transmission System Operator (Slovenská elektrizačná a prenosová sústava)

TPS - tariff for the system operation (tarifa za prevádzkovanie systému)

TSS - tariff for the system services (tarifa za systémové služby)

ÚRSO - Regulatory Office for Network Industries (Úrad pre reguláciu sieťových odvetví)

MV - medium voltage

HV - high voltage

VAR - variable part of costs