

Documentation of statistics for Electricity and natural gas prices 2020



# **1** Introduction

The statistics shows prices of natural gas and electricity, within break downs into groups of consumers by size(use), business and household respectively. Prices are shown, without and with taxes and VAT. The prices are to be comparable across EU countries for the benefit of a well functioning single market. The statistics has been compiled since 2007 in the present way.

# **2 Statistical presentation**

Natural gas and electricity prices are overall compiled for household customers, (private consumers), and business customers, in practice consumers which are non-households. The prices are compiled for the customers broken down by amount of use per year. Some price elements are very depending of the amount of use. Prices are compiled biannual in three levels 1. (Prices for energy and supply, 1. Price 1 plus non-recoverable taxes, 3. Prices including all taxes), as the final price are composed of more elements. The main collection and compiling of data are done by the Danish Energy Agency.

## 2.1 Data description

Prices of natural gas and electricity are overall compiled for:

- · household customers, i.e. private consumers
- business customers, i.e. costumers which are non-households

The prices are compiled for the customers broken down by amount of use per year. Some elements are very depending of amount of use. The prices are compiled in three levels:

- 1. Prices for energy and supply
- 2. Price 1 plus non-recoverable taxes
- 3. Prices including all taxes

In particular the non-recoverable taxes are difficult to compile, as large parts are recovered together together with payments of VAT. Similar, households using electricity for heating pays reduced electricity tax.

Prices are collected from sales companies. Further, public available information from distributers are used , supplemented by actual fees and taxes plus schemes for recovering. Some elements in the prices are partly based on estimates and not registered payments.



## 2.2 Classification system

Prices are compiled for the groups:

**Households** (private consumers/customers) Natural gas, size groups (m3 per year): D1: < 457, D2: 457 < 4.570, D3: >= 4.570 Electricity, size groups (kWh per year): DA: 0-1.000, DB: 1.000-2.500, DC: 2.500-5.000, DD: 5.000-15.000, DE > 15.000

**Business consumers/customers** Natural gas, size groups (m3 pr. year) I1: < 22.849, I2: 22.849 < 228.490, I3: 228.490 < 2.284.900, I4: 2.284.900 < 22.849.000, I5: 22.849.000 < 91.396.000, I6: > = 91.396.000 Electricity, size groups (kWh pr. year) IA: 0-20, IB: 20-500, IC: 500-2.000, ID: 2.000-20.000, IE: 20.000-70.000, IF: 70.000-150.000, IG: > 150.000

There are no customers in Denmark fitting the largest size group for natural gas.

Business customers are not defined as such, but are "non-household customers"

The size groups for natural gas are basically defined in Gigajoule (GJ), which explain the figures. However, the main used unit i Denmark is m3

## 2.3 Sector coverage

These statistics covers both households and enterprises in Denmark.

### 2.4 Statistical concepts and definitions

Price energy and distribution: Level 1

Price including non-recoverable taxes: Level 2

Price including paid taxes and VAT: Level 3 (level 1 plus paid taxes and VAT.

## 2.5 Statistical unit

The results are compiled and published for electricity and natural gas customers. For the private customers this is equivalent to the household. Business customers are normally equivalent to an enterprise or to a local production unit, which is part of an enterprise.

## 2.6 Statistical population

The statistics covers prices at energy goods in Denmark within electricity and natural gas.

#### 2.7 Reference area

Denmark.

#### 2.8 Time coverage

These statistics current time series covers 2015 and onwards.



## 2.9 Base period

Only current prices are compiled.

## 2.10 Unit of measure

#### DKK per energy unit

For electricity the prices are compiled per KWh and GJ, respectively For natural gas the prices are compiled per m3 and Gigajoule (GJ), respectively

## 2.11 Reference period

The information used is for half a year. Tariffs and taxes are in most cases valid for a calendar year. The results are averages for the half year in question.

The sorting in size groups by usage may be based on information from previous year, as the possible solution. The impact is considered as non-significant as most customers have a stable usage.

## 2.12 Frequency of dissemination

Bi-annual.

## 2.13 Legal acts and other agreements

The prices are compliant to the requirements in <u>Regulation (EU) 2016/1952 of the European</u> <u>Parliament and of the Council</u> of 26 October 2016, on European statistics on natural gas and electricity prices. The regulation has replaced Directive 2008/92/EC. The Energy Agency collects data based on a specific mandate.

## 2.14 Cost and burden

Not calculated, bus the direct collection includes 50 providers of electricity and 20 providers of natural gas. Further, results are used from about 40 distributers of electricity an 2 distributers of natural gas

## 2.15 Comment

Further information can be found at the subject page for these statistics, or by contacting Statistics Denmark directly.

# **3 Statistical processing**

The collected prices on energy plus information from distributers and the Tax authority on tariffs, taxes and VAT, respectively, are compiled to fulfill the definitions on the three prices levels



## 3.1 Source data

Data on the basic energy prices is collected from all enterprises selling electricity and natural gas about amounts and connected values, broken down by customers by amount of use. Based on the data, the paid average prices on the energy are calculated. The date covers almost all customers in Denmark.

Information on prices on distribution, on tariffs etc. are based on public available data from The Danish Utility Regulator, see <u>Elpriser</u> og <u>Gaspriser</u> Further a report: Tarifs and prices from Danish Energy Association is used.

Actual level of taxes and schemes for re-coverage are mainly based the Tax Authority (SKAT) The taxes in question are Co2-tax, NOX-tax, electricity tax, PSO-tax, energy saving fee and VAT

## 3.2 Frequency of data collection

Semi-annual.

### 3.3 Data collection

The enterprises selling electricity and natural gas are reporting via the general reporting facility for enterprises (http://www.Virk.dk). Their reporting is based on sales registers.

### 3.4 Data validation

The Energy Agency validates the collected data by comparing with previous reports, average prices, actual prices at the spot-market etc. Statistics Denmark also goes through the development in the price components to ensure the quality of the data.



### 3.5 Data compilation

The data collected from the natural gas and electricity sales enterprises are aggregated in size groups and average prices are compiled Further, distribution costs for the size groups are compiled based on information from the distributors, using market shares as weight By this the prices at level 1 can be calculated Taxes and business customers re-coverage are compiled into net paid taxes for the respective size groups. By this prices at level 2 can be calculated The prices at level 3 are compiled by adding total taxes and VAT and level 1 price.

Results are compiled at semi-annual basis. On annual basis a break down of distribution costs and taxes are also compiled and submitted to Eurostat, together with information of the volume of energy in the respective size groups.

Distribution costs are compiled based on several sources. For electricity for households a report from the regulator contains the information, while figures compiled by Danish Energy Association contains the information for business customers. On Natural gas, information is compiled and published by the distributors. The size groups in the respective sources does not fit with these in the statistics, but by calculations it is possible to align.

The compiling on net taxes for business customers is for electricity partly based on information from the tax authority, partly based on knowledge on which enterprises pays reduced PSO-tax due to special energy processes. For natural gas, the re-coverage of Natural gas tax, the NOX-tax and the CO2-tax is also based on data on energy processes. Further, enterprises which own a CO2-quota, does not pay CO2-tax, which also are taken into consideration. By combination of information, the net taxes are compiled.

#### 3.6 Adjustment

Normally there are no corrections done afterwards. In size groups with few customers corrections may happen, for example in group D1 for households buying natural gas.

## 4 Relevance

Natural gas and electricity costs are important to most citizens and enterprises and also in regards to the competitive situation among EU-countries. Therefore, it is relevant with reliable, transparent and comparable price statistics at important energy product.

## 4.1 User Needs

At European level the statistics contributes to a transparent market for energy. The ministries and the government in Denmark are very concerned about energy policy, including energy taxes. The statistics on prices in subgroups and in different levels provide valid information for policy development. Further, the prices can be compared to the prices at other energy products.

#### 4.2 User Satisfaction

Recently, there have been no user satisfaction surveys, but it is the assessment, that the statistics provides useful information to all stakeholders.



### 4.3 Data completeness rate

The requirements in the regulation are met. Results in the statbank are complete. For previous years - results are in Eurostat databank - completeness also exists, but same prices were reported for all 3 groups of household for natural gas.

# **5** Accuracy and reliability

The quality of the results/prices are considered as good, as almost the whole market on electricity an natural gas is covered. Regarding the distribution costs, there may be some insecurities due to the fact, that it is difficult to align the information on distribution exactly to the average use of energy within size groups.

## 5.1 Overall accuracy

The insecurity are considered low, as the respective sources has high quality. However, the combining of the sources makes insecurity, as the alignment between the sources cannot be perfect.

### 5.2 Sampling error

Not relevant for these statistics.

### 5.3 Non-sampling error

The compilation of the statistics are based on several components, which can only be made alignable to a certain extend. This is a source for insecurity.

## 5.4 Quality management

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

## 5.5 Quality assurance

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.



## 5.6 Quality assessment

It is continuously assessed whether all relevant components in the prices calculations are handled correct.

Since the start of the statistics, only few errors has been detected and thus corrected.

# 5.7 Data revision - policy

Statistics Denmark revises published figures in accordance with the <u>Revision Policy for Statistics</u> <u>Denmark</u>. The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

## 5.8 Data revision practice

Revisions occurs in the statistics when necessary. Revisions are to possible extend revisions compiled backwards.

Latest revisions have covered:

- the energy saving fee has been replaced from being part of level 1 prices to be part of level 2 (in line with energy taxes)
- the fixed administration fee for natural gas customers is now part of the prices (level 1). This has only significant importance for households.

# 6 Timeliness and punctuality

The results have to be compiled three month after end of reference period, i.e. end of March and end of September, respectively

## 6.1 Timeliness and time lag - final results

The statistics are published three months after the end of the reference period. Only final results are published.

## 6.2 Punctuality

These statistics are published without delay, with reference to the announced time of publication in the release calendar.

# 7 Comparability

The results are fully comparable over time from 2015 and onwards. For previous years there are also high comparability, in particular for largest size groups (non-households). Prices since 2007 are in Eurostats databank.



# 7.1 Comparability - geographical

Due to regulation and guidance across countries, the comparability among EU-countries is high. Data can be found in Eurostats <u>database</u>

## 7.2 Comparability over time

The results/prices are fully comparable over time from 2015 and onwards. For previous years there are also high comparability, in particular for largest size groups (non-households).

Changes form one half year to the next are affected by the fact that contracts on purchase can be of very different length. The changes, therefore, are not as for day to day prices.

### 7.3 Coherence - cross domain

Results are not directly comparable to other statistics. However, energy prices are part of price indices for consumers and business and are indirectly used in the overall energy statistics.

## 7.4 Coherence - internal

Many sources are combined to get the results. However, overall consistency exists

## 8 Accessibility and clarity

These statistics are published in the StatBank under <u>Electricity and natural gas prices</u>.

#### 8.1 Release calendar

The publication date appears in the release calendar. The date is confirmed in the weeks before.

#### 8.2 Release calendar access

The Release Calender can be accessed on our English website: <u>Release Calender</u>.

#### 8.3 User access

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published.

#### 8.4 News release

These statistics are not published in a press release from Statistics Denmark.

#### 8.5 Publications

Results are not part of a publication.



### 8.6 On-line database

These statistics are published in the StatBank under <u>Electricity and natural gas prices</u> in the following tables:

- **ENERGI1**: Prices at electricity for households
- **ENERGI2**: Prices at electricity for non-households
- **ENERGI3**: Prices at natural gas for households
- **ENERGI4**: Prices at natural gas for non-households

#### 8.7 Micro-data access

Micro-data is not available for users.

#### 8.8 Other

The results are submitted to Eurostat and are published in their statbank under "Environment and energy" <u>Eurostat</u>.

#### 8.9 Confidentiality - policy

Data Confidentiality Policy for Statistics Denmark are followed.

### 8.10 Confidentiality - data treatment

The statistics are published at a level of detail, that has demanded further discretion of any results.

#### 8.11 Documentation on methodology

Not relevant for these statistics.

#### 8.12 Quality documentation

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

## 9 Contact

The task are administratively placed in the Business Statistics department, unit for Research, Technology and Culture The responsible person is Mr. Ole Olsen, ph. +45 39 17 38 63, e-mail: olo@dst.dk

In the Energy Agency the person responsible is Mr. Ali Zarnaghi, ph. +45 33 92 68 40, e-mail aaz@ens.dk

#### 9.1 Contact organisation

Statistics Denmark

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