

## **Stable 2011 tariffs for the vast majority of Romande Energie customers**

**By keeping a firm grip on costs, Romande Energie is ensuring stable or cheaper electricity bills for most of its customers. A simplified pricing schedule has resulted in a significant reduction in the number of applicable rates and better aligned peak and off-peak times.**

Morges, 31 August 2010 – Romande Energie has today published revised tariffs with effect from 1 January 2011. With the Swiss Federation of Electricity Companies having published across-the-board increases in 2011 power prices nationwide on 26 August, Romande Energie is pleased to announce that the vast majority of its 280,000 customers will benefit from stable or cheaper electricity bills.

Furthermore, we are offering customers a fully revised pricing schedule as part of our drive for simplification and greater transparency. Another step forward is the harmonization of peak and off-peak times, better aligned to customer usage habits. Lastly, mindful of our responsibilities, we will offer tangible economy solutions as part of the new campaign to encourage energy efficiency, which we will be launching shortly.

Detailed and personalized information on 2011 pricing schedules is being sent to customers, who can also calculate their 2011 electricity charges by visiting [www.tarifs2011.ch](http://www.tarifs2011.ch).

### **Detrimental effect of decisions taken by swissgrid SA**

The price of electricity is made up of different components: the energy itself, use of the regional distribution grid, use of the transmission grid, control energy (ancillary services), and taxes and levies.

Even though all these components are invoiced by Romande Energie, transmission and control-energy costs depend directly on swissgrid SA. In 2011, transmission costs will fall by approximately 4%. However, swissgrid has belatedly announced that, in the wake of a legal decision, the second component will suffer a sharp increase that will raise the bills of households by 2% and those of industrial/commercial customers by as much as 3.5%. For Romande Energie customers, this cost increase will be cushioned by our tight grip on the pricing components that come under our direct control, namely energy supply and regional distribution.

### **Electricity tariffs considerably simplified**

While there will be no drastic changes in energy-component prices for the vast majority of our customers, the pricing schedule has been rebalanced. This has simplified our tariffs dramatically, with the number of applicable energy tariffs falling from almost 70 to 4 broad categories. The logic of pooling resources that led to the creation of Romande Energie Commerce (see Note to editorial desks) has certainly played its part. Indeed, by securing lower energy prices, this company has contributed significantly to reducing bills for customers in Pully, Paudex, Belmont, Romanel, for those supplied by Forces Motrices de l'Avançon (Bex), and for the vast majority of customers served by SIE (Renens) and SECVI (Champéry – Val-d'Illiez).

## Reduced charges for regional distribution

Charges for use of the regional distribution grid will fall for 96% of customers thanks to tight control over operating expenses and following decisions taken by the Federal Department of the Environment, Transport, Energy and Communications (DETEC) and the Federal Electricity Commission (ElCom) in 2010. The reduction in the weighted average cost of capital enforced by DETEC is likely to tarnish the quality of power supply networks in Switzerland over the medium term. In this setting, Romande Energie will continue to invest substantially and recurrently in its distribution installations to ensure a steady and reliable supply of electricity for customers.

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## Notes to editorial desks

This press release is being issued outside the trading hours of the SIX Swiss Exchange as required by the SIX Listing Rules on ad hoc publicity.

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**The price of electricity** consists of:

- the cost of energy
- the grid usage tariff
- taxes and levies charged by federal, cantonal and municipal authorities.

**The grid usage tariff** represents the cost of transporting electricity from its place of production to its place of consumption, together with the cost of regulating the system. It is broken down into 3 parts:

- distribution cost (regional grid), under the remit of Romande Energie
- transmission cost (very high voltage national grid), under swissgrid SA,
- control energy (ancillary services), provided by swissgrid SA.

The power price components determined directly by Romande Energie (energy and regional distribution) together represent slightly over 80% of the average customer's electricity bill.

The remaining 20%, i.e. transmission, control energy, and taxes and levies paid to public authorities, is charged by Romande Energie and passed on to swissgrid SA and to the Confederation, cantons and municipalities.

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With 280,000 direct customers, **Romande Energie Commerce**, a power supplier founded in December 2007, is the market leader in French-speaking Switzerland. Its shareholders are: Romande Energie Holding (with subsidiaries Société Electrique Vevey-Montreux, Société Electrique du Bas-Valais and Société Electrique de Champéry – Val-d'Illeiez), SIE SA (Service Intercommunal de l'Electricité, Renens), Alpiq, city of Lausanne, Forces Motrices de l'Avançon SA (FMA-Bex) and the municipalities of Bussigny-près-Lausanne, Pully, Romanel-sur-Lausanne, Belmont-sur-Lausanne and Paudex.

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**Tariffs for 2011** charged by Romande Energie (grid usage component) take into account the decline in the weighted average cost of capital (WACC) determined by DETEC this year. Tariffs also reflect the upward revision in the cost of ancillary services supplied by swissgrid SA pursuant to the decision by the Federal Administrative Court of 8 July 2010.

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**The 2011 tariffs** were published at [www.prix-electricite.elcom.admin.ch](http://www.prix-electricite.elcom.admin.ch) on 31 August 2010.

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### Romande Energie at a glance

Meeting the electricity needs of 280,000 direct clients (representing a catchment population of 500,000 people) spread over 318 municipalities in the cantons of Vaud, Valais, Fribourg and Geneva, Romande Energie Group is one of Switzerland's top five electricity distributors. Its core businesses are the production, distribution and marketing of electricity, and the management of power grids. The Group's priorities are to provide its clients with high-quality services and guarantee reliable, competitively priced electricity supplies on a long-term basis; to expand its own-power production by investing primarily in new renewable energy sources; and to promote innovative solutions in the field of energy efficiency.

For more information on Romande Energie Group, visit [www.romande-energie.ch](http://www.romande-energie.ch)