

Liberalization vs. regulation

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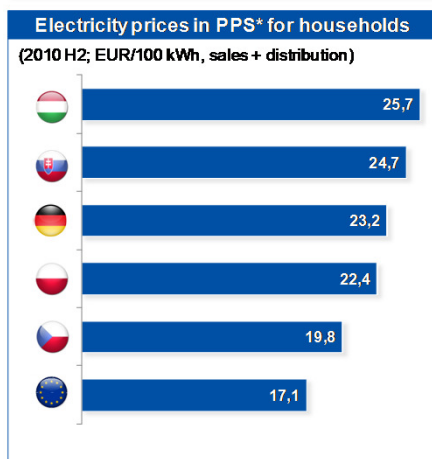
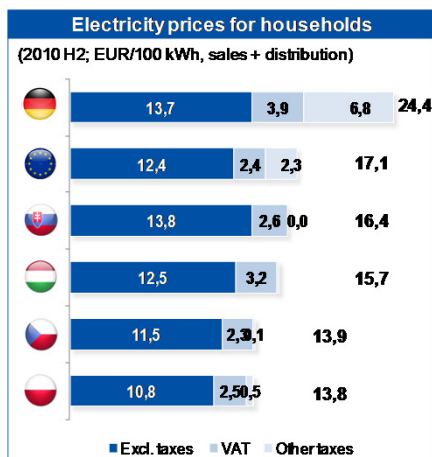
Agenda

- Price of electricity and gas
- Effects of liberalization on customers and margin
- Development of liberalized environment
- Lessons learned



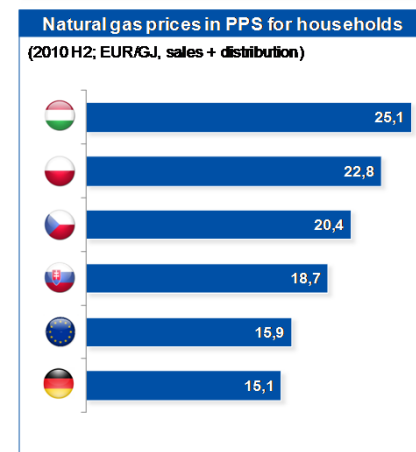
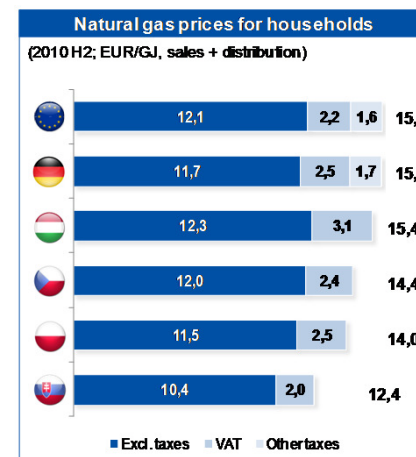
Price of electricity and gas in nominal values and in comparison to purchase power

Electricity



- In nominal values electricity in DE is most expensive, **while PL and CZ have the cheapest offers for household customers**
- In nominal values natural gas in DE and HU is most expensive, **SK has for household customers the cheapest offer**

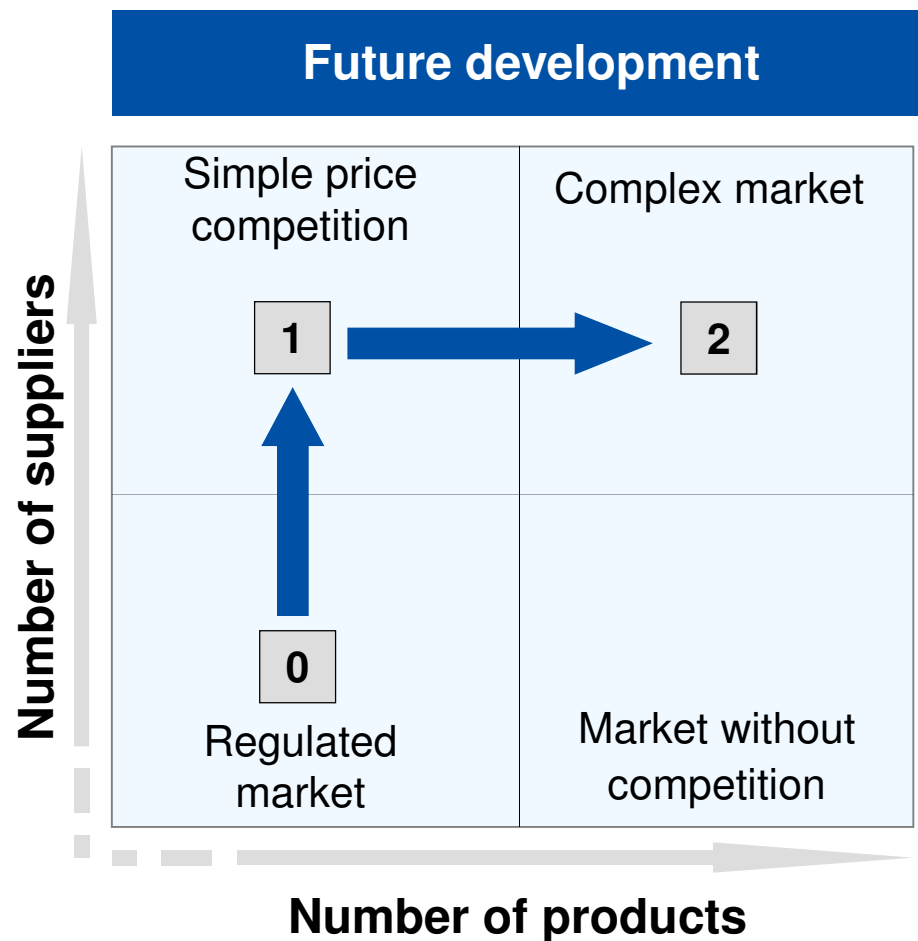
- Taking into account purchase power standard electricity in **HU and SK is most expensive**
- Taking into account purchase power standard natural gas in **HU and PL is most expensive**



Natural Gas

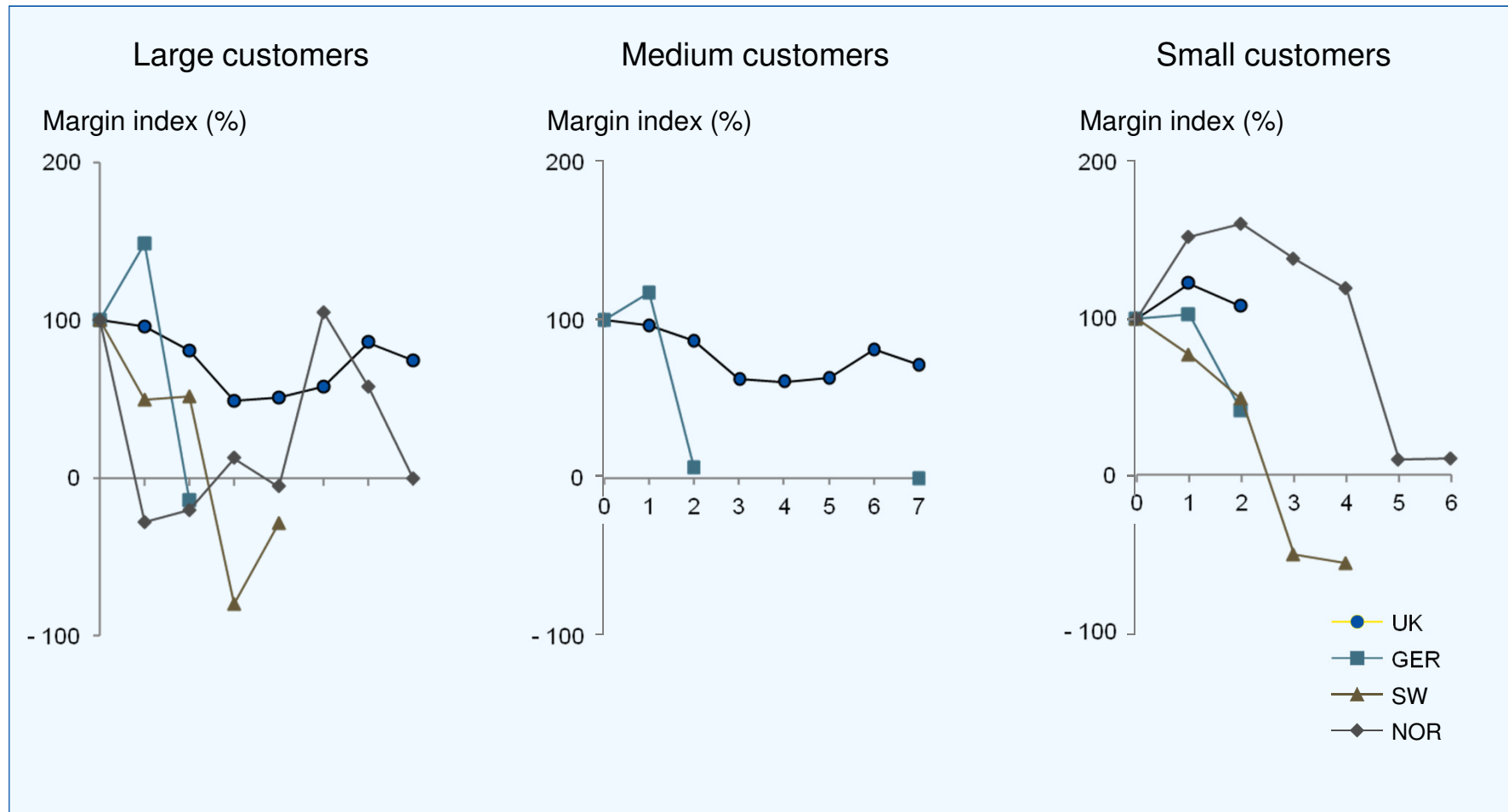


General trends after liberalization of a market

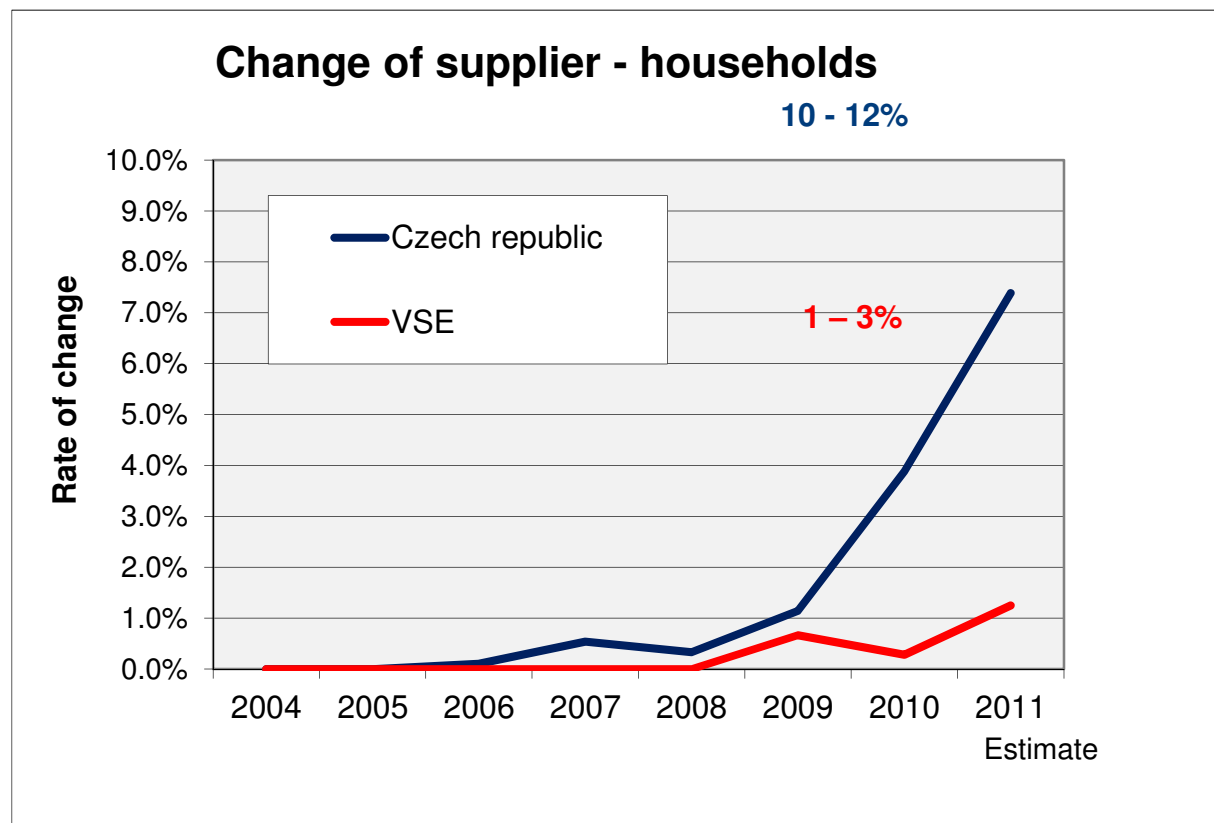


- Competitive price is the only thing that customers care about after market opens
- Later, customers begin to expect quality products and services
- Only suppliers with the best combination of competitive price and products will survive

Decrease of margins after liberalization is inevitable.



The competitive environment is growing, but still behind the Czech republic



- > Continuing regulation
- > Passive customers



Lessons learned on Slovak liberalized market.

Quality of service is the king

- Disappointment from change
- Questionable savings

Volume based business not sustainable

- Strategy based on volume at the price of losses
- Selling of volume before securing the commodity increases the business risk

Low customer awareness

- Low awareness/education about the business
- Money driven decisions
- Customer protection could be higher in these cases



Thank you for your attention.

