
Increases in distribution and transmission costs lead EDF Energy to review its electricity prices

- Following this review, EDF Energy will be implementing a price increase of 2.6% to some of its regional electricity tariffs affecting a minority of its electricity customers

- Affected customers paying Standard prices can hold their current rates by signing up to Energy Discount Plan^{iv}

EDF Energy will be implementing a price increase of 2.6% to some of its regional electricity tariffs in a number of areas* affecting a minority of its electricity customers. This follows a review of its electricity prices after an average rise of 16% in distribution and transmission costsⁱ since its last electricity price change in March 2009. Distribution and transmissions costs currently represent around a fifth of a customer electricity bill.ⁱⁱ

A typical electricity customer affected by this price adjustment will pay less than £1 extra a monthⁱⁱⁱ. EDF Energy understands that in these difficult economic times, any increase in prices can have an effect on household budgets. That is why the company is offering Standard tariff customers Energy Discount Plan, a discounted product that will enable them to maintain prices at today's levels, in advance of the new prices coming into effect.^{iv}

These new prices will be effective from 1 October 2010 and we will be writing to all customers impacted over the coming weeks. Affected customers on our discounted Energy Assist product, available to households on low incomes, will receive an additional credit of £12 this year^v. Our fixed price products and gas prices are not impacted by today's announcement.

EDF Energy is proud of its legacy of low prices, having cut prices three times since March 2009. Over the past two years, EDF Energy is the only major supplier to have consistently ranked in the top 2 cheapest suppliers for Standard Dual Fuel based on a national average of standard prices.^{vi} EDF Energy remains cheaper than the former incumbent electricity supplier for Standard electricity tariffs on all payment methods in all but one area even after this price change.^{vii}

Martin Lawrence, Managing Director, Energy Sourcing and Customer Supply at EDF Energy, said: "EDF Energy has made every effort to minimise the size and impact of this price increase, which is why we are offering Standard tariff customers Energy Discount Plan so they can maintain their current prices.^{iv}

The rise in transmission and distribution costs has impacted the cost of supplying energy to our customers. We have been absorbing these costs for many months, but we now have to pass on some of the resulting rise to our customers.

EDF Energy is unique in having been among the cheapest two major suppliers for Standard Dual Fuel tariffs consistently over the last two years, which reflects our enduring commitment to offering competitive prices to our customers".

As well as offering competitive prices, EDF Energy continues to advise its customers on how to save money by providing them practical and effective ways to use their energy more efficiently and cut their energy use.

For affected customers paying by Direct Debit, this change in prices will be considered in the next review after its effective date. Anyone wanting to discuss their bills, should call EDF Energy customer services on our freephone number 0800 096 9000^{viii} or click to www.edfenergy.com for more information.

*Customers with standard meters are affected in the following areas: Eastern, East Midlands, West Midlands, North East, North West, North Wales, South Wales, North Scotland, South Scotland, Southern and Yorkshire. Only standard Economy 7 meter customers in London, South East and South West are also impacted by this price change.

ENDS

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ⁱ Change in distribution and transmission costs when comparing the April '09 forecast and October '10 forecast for standard meters averaged across all 14 regions

ⁱⁱ Transmission and distribution represent 22.8% of an EDF Energy electricity customer bill. Based on a standard meter electricity customer using typical consumption averaged across all 14 regions and the three main payment types (Credit, Direct Debit and prepayment).

ⁱⁱⁱ Maximum annual increase for a standard electricity meter customer at typical consumption on any of the 3 main payment methods (Credit, Direct Debit and Prepayment) is £11.44 (customer paying by credit in South Wales). Average annual increase is £10.82.

^{iv} Energy Discount Plan v3 is guaranteed to be 2.5% cheaper than our Standard tariff prices for electricity and gas until September 2011. Customers may be charged an Early Termination Fee of £25 per fuel if they leave the tariff before 30 September 2011. For further details please visit www.savetodaysavetomorrow.com

^v This one-off £12 credit per household will be applied directly to the account for impacted Energy Assist customers paying by Direct Debit or Credit in October. Prepayment customers will receive their credit via a Paypoint. This credit is greater than the average annual increase for a typical customer impacted by this price change (£10.82).

^{vi} Based on a standard meter Dual Fuel customer using typical consumption averaged across all 14 regions and the 3 main payment types (Credit, Direct Debit and prepayment) on a monthly basis since 1 September 2008

^{vii} EDF Energy is cheaper at typical consumption for single fuel electricity customers on a standard meter for the 3 main payment methods (Credit, Direct Debit and prepayment) when compared to the former electricity supplier of every area affected except Southern. EDF Energy holds the supply licenses of the former public-owned electricity suppliers in the South West, London and South East.

^{viii} Calls may be monitored and recorded.

Notes to Editors

EDF Energy

EDF Energy is one of the UK's largest energy companies, producing around one-fifth of the nation's electricity from its nuclear, coal and gas power stations, as well as combined heat and power plants and wind farms. The company provides power to a quarter of the Britain's population via its electricity distribution networks and supplies gas and electricity to more than 5.5 million business and residential customer product accounts.

EDF Energy's safe and secure operation of its eight existing nuclear power stations at sites across the country makes it the UK's largest generator of low carbon electricity. EDF Energy is also leading the UK's nuclear renaissance and has published plans to build four new nuclear reactors, subject to the right investment framework. These new plants could generate enough low carbon electricity for about 40% of Britain's homes. They would make an important contribution to the UK's future needs for clean, secure and affordable energy. The project is already creating business and job opportunities for British companies and workers.

Through Our Sustainability Commitments, EDF Energy has launched one of the biggest environmental and social programmes of any British energy company. EDF is the official energy utilities partner and sustainability partner of the London 2012 Olympic and Paralympic Games. The company is also helping its customers and others use energy more sustainably through products and initiatives such as Team Green Britain.

EDF Energy is part of EDF Group, one of Europe's largest power companies. Following the integration with British Energy in 2009, the company employs around 20,000 people at locations across the UK.