

## PRESS RELEASE

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### **Businesses and municipalities claim 4.404 billion DKK in compensation for excessive pricing of electricity.**

**1.106 businesses and municipalities are serving DONG Energy with summons to claim compensation. The summons is based on Elsam's and Dong Energy's excessive pricing of electricity in Denmark west of the Great Belt from 2003 to 2006, and refers to the previous rulings of the Danish Competition Authorities.**

For three and a half years – from 1. July 2003 to 31. December 2006 – Elsam and DONG Energy overcharged for electricity in Western Denmark. The Danish Competition Authorities have established this as a fact, most recently in the ruling from the Danish Competition Council in June 2007. The three electricity traders, OK, Scanenergi and Energi Danmark, who are coordinating the claim, have calculated the overall loss resulting from the market abuse to the amount of 4.404 billion DKK.

"A large number of businesses and municipalities in Jutland and on Funen have been injuriously affected by the excessive prices set by Elsam and DONG Energy. The claims have been thoroughly documented, and we refer to the unambiguous rulings of the Danish Competition Authorities. Consequently, we are now serving DONG Energy with summons to ensure that the electricity customers receive the compensation, they are entitled to", CEO of Energi Danmark Jørgen Holm Westergaard states on behalf of the plaintiffs.

#### **List of 1,106 customers.**

Energi Danmark, OK and Scanenergi have launched the website [www.elmarkedsmisbrug.dk](http://www.elmarkedsmisbrug.dk), where all information relating to the claim for damages can be found. A list of all the businesses and municipalities that participate in the proceedings is posted on the website.

In the course of the year, the three electricity traders have computed the claim. The losses of the many customers have been documented using models, developed with the support of financial and economic experts from e.g. Aarhus University. The claim covers the spot market as well as the financial market, on which businesses purchase electricity on long term contracts.

Due to the complexity of the price fixing of electricity, the claim has been calculated based on four different scenarios, resulting in an overall loss to the electricity customers of between 4.404 billion DKK and 1.122 billion DKK.

The application originating proceedings has been formally lodged with the Danish Maritime and Commercial Court, and the next step in the proceedings will be DONG Energy's statement of defence.

### **The rulings of the Competition Authorities.**

On three previous occasions, the Danish Competition Authorities have found Elsam and DONG Energy guilty of market abuse:

- **November 2005:** The Danish Competition Council rules that Elsam (now DONG Energy) has committed an offence under the competition laws by charging excessively high prices for electricity in Western Denmark for a total of 900 hours in the period between 1. July 2003 and 31. December 2004.
- **November 2006:** Elsam (now DONG Energy) appeals the first ruling, but the Danish Competition Appeals Board dismiss the appeal, affirming the ruling of the Danish Competition Council concerning 2003 - 2004.
- **June 2007:** The Danish Competition Council establishes that the market abuse continued into 2005 and 2006.

Until 1. July 2006, Elsam was owned by a number of regional utility companies. Since then, Elsam has been wholly owned by DONG Energy.

Yours faithfully

OK a.m.b.a.

Scanenergi A/S

Energi Danmark A/S

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### **Facts concerning the three trading companies.**

Energi Danmark A/S, OK a.m.b.a. and Scanenergi A/S are among the largest electricity traders in Denmark, and sell electricity to businesses and public undertakings. The companies do not produce electricity, but purchase electricity on the Nordic power exchange NordPool and directly from domestic and foreign producers. The electricity trading companies also sell electricity to more than a million private consumers, e.g. through the utilities that hold shares in the companies.

Also see: [www.elmarkedsmisbrug.dk](http://www.elmarkedsmisbrug.dk)