

New natural gas prices

New average natural gas prices per m³ for customers connected to the distribution network, calculated based on tariff rates applied as of November 2011 read as follows:

	Average price, RSD/m ³ , VAT excluded**	
	All customers	Households
7. Oktobar, Novi Knezevac	40.4	40.4
Beogas, Beograd	40.6	41.0
Beogradske elektrane, Beograd	41.4	42.0
Сокa, Сокa	42.1	43.0
Drugi oktobar, Vrsac*	41.4	42.3
Екoc, Житиште	40.9	41.3
Elgas, Senta*	41.7	41.1
Gas – Feromont, Stara Pazova	40.4	40.9
Gas – Ruma, Ruma	40.5	41.8
Gas, Becej	42.0	42.4
Gas, Temerin	41.1	41.2
Graditelj, Srbobran*	41.5	42.4
Grejanje, Zrenjanin*	42.5	42.6
Ingas, Indjija	40.1	41.2
Interklima, Vrnjacka banja	40.3	41.0
Komunalac, Novi Becej	41.7	41.9
Kovin – Gas, Kovin	38.5	40.9
Novi Sad – Gas, Novi Sad	41.3	42.0
Polet, Plandiste*	42.8	41.9
Resava Gas, Svilajnac	36.3	37.6
Rodgas, Backa Topola	39.0	40.4
Sigas, Pozega*	42.3	43.4
Sloga, Kanjiza	40.8	41.7
Sombor – Gas, Sombor*	40.4	41.4
Srbijagas, Novi Sad	35.4	37.8
Srem – Gas, Sremska Mitrovica	40.7	42.6
Standard, Ada*	41.8	41.1
Suboticagas, Subotica	41.0	42.0
Uzice – gas, Uzice	39.5	40.7
Vrbas – Gas, Vrbas	39.1	41.6
Jugorosgas, Beograd	36.2	36.8
All distribution companies, with Srbijagas	37.0	40.2
All distribution companies, Srbijagas excluded	40.3	41.1

* these companies offer discount included in the given prices

** VAT amounts to 8%

For gas customers connected to the network of the following distribution companies: Boss Petrol, Trstenik; Loznica - Gas, Loznica; LP – Gas, Beograd, Toplana – Sabac, Sabas; gas price is calculated based on Srbijagas tariffs. Proposed prices for Loznica – Gas are still not approved by the Government.

In comparison to 2009, the prices are much more uniform. The so called distribution difference, or former “margin” including distribution and retail costs, amounts to 14-21% or around 19% for all distributors (Srbijagas and Yugorosgas excluded since they are not to be compared due to customer structure). That implies 81% of total distributors’ revenue is used to cover gas procurement costs from PE Srbijagas. This was also a result of effective reduction of losses in the network or disavowal of losses in terms of price. In the past, the losses used to exceed 10%, while now the Agency recognized these of 3.3% most.

The PE Srbijagas and Resava Gas prices for households are lower since these companies thereby redress some recognized costs, which did not prove to be justified.

It is also indisputable that the number of distribution companies is irrationally high for the given number of customers and consumption scale in Serbia and that, under such conditions, economy of scale cannot manifest itself. It would be rational to cluster companies and reduce their number which will be also stimulated by the inability to transfer increased costs to customers. So as to enable this, the Agency has adopted the measures to penalize low network utilization rate. Distribution network fees in Serbia are considerably lower than in other countries.

Basic data on connected households, their gas consumption and bills level upon price modification are given in the table below for 10 distribution companies covering the greatest number of customers:

	Number of connected households in 2010	Average annual consumption per household*, m ³ /year	Average annual gas costs with VAT, RSD/year	Average monthly winter bill** with VAT, RSD/month
Srbijagas, Novi Sad	72042	1109	45266	6941
Novi Sad – Gas, Novi Sad	43466	1243	56345	8640
Grejanje, Zrenjanin	18744	922	42449	6509
Gas – Feromont, Stara Pazova	14637	1339	59160	9071
Drugi oktobar, Vrsac	9825	978	44681	6851
Ingas, Indjija	8558	1128	50113	7684
Suboticagas, Subotica	7972	1314	59591	9137
Beogas, Beograd	7719	1743	77179	11834
Gas – Ruma, Ruma	6605	981	44325	6797
Gas, Temerin	6374	1131	50313	7715
Total, all distribution companies in Serbia	240725	1117	48456	7430

* in 2010,

** supposing that all seasons excluding 6 winter months account for 8% of gas consumption

There are 240 households connected to gas network in total (only 9.5% of households in Serbia) and their average consumption amounts to around 1100 m³ per year. Average annual gas costs amount to around RSD 49,000, with average monthly bill in six winter months amounts to around RSD 7,400.