

French Utilities Keep Tariffs

Former monopolies who can offer the lowest energy prices are likely to stay dominant in France, where consumers and industry see little advantage in signing up to wider European efforts to stimulate competition, agree some of Europe's big utilities. While power markets elsewhere in Europe are tied to volatile oil, coal and gas markets, in France prices have been kept low by state tariffs and heavy reliance on nuclear power – the cost of which is relatively stable. Any moves to end the state tariffs are likely to encounter stiff resistance from consumers whose taxes have helped to create the nuclear energy that generates around 80 per cent of the country's electricity. "At the political level, France has not so far bought into the concept of properly competitive energy markets," says utility Centrica spokesman Andrew Turpin. "Regulated tariffs have a lot to do with French inertia," says French IT services firm Capgemini's head of utilities and energy marketing, Philippe Coquet. Electricite de France runs France's 58 nuclear reactors, and says even if tariffs were scrapped, EDF would still be able to offer low prices largely on the basis of the stable costs of generating nuclear power especially if the company remains state-controlled.

[Source essa news]