

Deliberation of the Commission de régulation de l'énergie [Energy Regulation Commission] (CRE) of 22 November 2011, updating the prices for using the natural gas transmission networks

Attending the session: Philippe de LADOUCKETTE, President, Michel THIOILLIERE, Jean-Christophe LE DUIGOU, Frédéric GONAND, Olivier CHALAN BELVAL commissioners.

This deliberation updates certain aspects of the price schedules in accordance with the pricing framework applicable for 2009-2013 for using the public natural gas transmission network. The Order of 6 October 2008, which was issued as a result of the proposal from the CRE of 10 July 2008 and came into force on January, 1st 2009, made provision for an annual update of gas transmission prices.

For GRTgaz, this deliberation updates the forecasts for capacity subscriptions and inflation. It takes account of the effect of significant energy price variations. It therefore modifies the authorised GRTgaz revenue with effect from the April, 1st 2012.

After updating the calculation hypotheses, the authorised GRTgaz revenue stands at €1483.3M for 2012, which is an annual average increase of 4.9% compared to 2011. This rise is very similar to that anticipated for the period 2010-2012 in the Order of 6 October 2008. Three factors explain the increase in authorised revenue for 2012:

- An increase in capital expenditure of €28.5 M, in line with the trajectory determined in the Pricing Order of 6 October 2008, being a contribution of 2% to the increase in the authorised GRTgaz revenue ;
- An increase in operating costs excluding energy of €17.5 M, in line with the trajectory determined in the Pricing Order of 6 October 2008, being a contribution of 1.2% to the increase in the authorised GRTgaz revenue ;
- An increase in energy costs of €23.2 M, mainly due to the increase in gas prices, being a contribution of 1.7% to the increase in the authorised GRTgaz revenue ;

GRTgaz should see a 0.4% increase in revenue from subscriptions in 2012.

In total, the increase in the authorised GRTgaz revenue brings an average increase of 4.5% in the natural gas transmission unit price for 2012. On a pro rata basis, the price increase applicable to GRTgaz will therefore be 6% as of April, 1st 2012.

For TIGF, this deliberation updates the forecasts for capacity subscriptions and inflation. It takes account of the effect of significant energy price variations. It therefore modifies the authorised GRTgaz revenue with effect from April, 1st 2012.

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EXPLANATORY MEMORANDUM

I - Regulation framework: a reminder of the provisions of the Order of 6 October 2008

Pursuant to the Order of 6 October 2008, the GRTgaz price schedule shall be updated on the April, 1st of each year starting from 2010, based on the updating of forecast capacity subscriptions, inflation data recorded and any significant variations in energy prices:

- *“The GRTgaz authorised revenue trajectory shall be fixed for four years. [...] For the years 2010, 2011 and 2012, excluding energy price variations [...], net operational expenditure (OPEX) taken into account in the authorised revenue shall be defined by applying the following percentage variation Z to the figure for the previous year:*

$$Z = IPC + 1.1 \%$$

Where IPC corresponds to the average annual variation recorded for the previous calendar year relating to the consumer price index (excluding tobacco), as calculated by INSEE for all households across the whole of France”

- *“Should the energy price variation be greater than 5%, the reference amount used for energy charges [...] may be reviewed when the price schedule is updated”.*

II - GRTgaz tariff level

1. Operational expenditure (OPEX)

1.1. Operational expenditure excluding energy charge review

For the year 2011, operating costs excluding energy charge variations applied and reworked for actual inflation amounted to €631.9 M.

The price in force makes the provision that, every year starting from 2010, excluding energy charge variations, *“operational expenditure (OPEX) taken into account in authorised revenue shall be defined by applying the following percentage variation Z to the figure for the previous year: $Z = IPC + 1.1 \%$ ”.*

Given that the assumed rate of inflation applied for 2011 in the Draft Finance Law for 2012 is + 2.1 %, operating costs applied for 2012, excluding energy price variations, will increase by 3.2 % compared to those applied for 2011, i.e. a figure of €652.1 M.

1.2. Consequences relating to the implementation of the market coupling mechanism between GRTgaz North and South zones

Pursuant to the deliberation of the CRE on the 19th of April 2011, as of 1st of April 2012, the GRTgaz tariff will cover the costs relating to market coupling and loss of income due to the non firming of interruptible capacities in the North to South direction i.e. €1,056k.

1.3. Energy charges

In application of the provisions of the Order dated the 6th of October 2008, the CRE will modify the reference amount applied for energy charges where the energy price variation is greater than 5 %.

Energy charges are up €23.2 M in 2012 compared to 2011. This forecast increase is mainly due to the increase in the price of gas to €24.72 /MWh, whereas the level estimated for 2011 was €20.13 /MWh.

GRTgaz gas and electricity requirements are stable between 2011 and 2012.

With regard to the technical imbalance (EBT), the CRE is replacing the value of 800GWh planned for 2012 in July 2008 with 1,100 GWh. The action plan implemented by GRTgaz makes it possible to reduce the EBT gradually (2,255 GWh in 2009, 1,475 GWh in 2010 and an estimated 1,200 GWh in 2011).

The charges relating to the purchase of electricity show an increase for 2012 compared to the 2008 pricing forecast, which is due to the increase in the price of electricity and the increased requirements of GRTgaz.

After taking account of income and charges relating to GRTgaz "CO₂ quotas", the energy charges applied for 2012 go up to €89.8M, compared to the initial estimate of €118.5 M.

	2011 - Tariff		2011 - Estimate		2012 - Tariff	
	Volume	Amount	Volume	Amount	Volume	Amount
Gas fuel	1,731 GWh	34.8	2,085 GWh	37	1,978 GWh	48.9
Technical imbalance	1,200 GWh	24.2	1,200 GWh	21.3	1,100 GWh	27.2
Electricity	226 GWh	15.8	183 GWh	13.9	204 GWh	16.8
CO ₂ quotas	542 kt	- 8.2	550 kt	- 8.2	240 kt	- 3.1
Total	-	66.6	-	63.9	-	89.8

1.4. Operating expenditure

After revising energy charges for the year des charges 2012 defined in IV-1-3 above, the operating costs to be taken into account in the authorised revenue for 2012 amount to €624.4M, an increase to €40.7M compared to 2011 i.e. + 7%.

1.5. GRTgaz requests not covered by the pricing trajectory

GRTgaz asked the CRE to cover, for 2012 as part of the current price, new charges relating to changes to the regulatory framework to the tune of:

- taxes and charges amounting to €13.3 M in 2012 including Imposition Forfaitaire des Entreprises de Réseaux [flat-rate taxation of gas network companies] (IFER), the alignment of the social contributions of officers in the Industries Electriques et Gazières [electric and gas industries] system with the general system and the CO₂ tax affecting industries that received free CO₂ quota allocations between 2008 and 2012;
- costs relating to the implementation of rules for independence provided for in chapter 4 of Directive 2009/73/CE (model independent transmission operator - ITO) transposed in articles L111-2 et seq. Of the Energy Code, for a figure of €16.5 M in 2012 including operating costs relating to the separation of their information systems and the internalisation of support functions previously supplied by the Group (purchasing, accounts, HR and general services).

The current pricing framework does not provide for the taking into account of these charges. This would affect the overall economic balance of the current price for using the GRTgaz network.

Under such conditions and in the absence of any request for a new price from GRTgaz, the CRE has not changed the GRTgaz trajectory of operating costs scheduled for 2012.

2. Capital expenditure

The Order dated the 6th of October 2008 determines the forecast trajectory of capital expenditure to be applied every year for updating the GRTgaz tariff. In application of this Order, forecast capital expenditure for GRTgaz applied in 2012 amount to €890.4M, an increase of €285M compared to 2011 i.e.+ 3.3 %.

3. Clearance of the expense and revenue clawback account (CRCP) in 2012

Pursuant to the tariff rules in force, the CRCP amount to be cleared in 2012 for GRTgaz is – €31.5M. It is made up of:

- The annuity linked to the final accounts for 2007 and estimated accounts for the year 2008, being - €23.1M, declared in the pricing proposal from the CRE dated the 10th of July 2008;

- The annuity linked to the final accounts for 2008, being - €3.2 M, declared in the pricing proposal from the CRE dated the 3rd of December 2009;
- The annuity linked to the final accounts for 2009 and estimated accounts for the year 2010, being - €5.2 M.

4. Authorised revenue

The total level of charges to be covered by the GRTgaz tariff in 2012 is €1,483.3M, an increase of 4.9 % compared to 2011:

€M	2011	2012
Capital expenditure	861.9	890.4
Trajectory of operating costs	632.2	653.1 (*)
Energy cost review	-48.5	-28.7
Clearance of the CRCP for 2009 – 2010	-31.5	-31.5
Total authorised revenue	1,414.1	1,483.3

(*) based on 2011 inflation provided for in the draft finance law for 2012 and costs relating to the coupling mechanism.

III - Provisional transmission capacity subscriptions

1. Main network

Provisional subscriptions to capacity applied for 2012 for the main network are as follows:

- on exit from the main network, they are based on those applied for the regional network
- at the North to South connection between GRTgaz balancing zones, a 4.5 GWh/d reduction in firm capacity subscriptions has been applied due to their allocation to the market coupling mechanism as of the 1st of April 2012.
- for the other points in the main network, forecasts applied are determined by taking into account both capacity already subscribed for 2012 following the open subscription periods (OSPs) occurring in 2011 and the discrepancy between 2011 subscriptions estimated at the end of 2011 and capacity subscribed for 2011 following the OSPs occurring in 2010.

The latest estimate of capacity subscriptions in 2011 is 0.9 % below the pricing forecasts for 2011 established in October 2010. The reduction in subscriptions to the storage facility interfaces (- 4.5 %), the Taisnières entry point (- 3.5 %), the North-South connection (- 3.8 %) and at the entry/exit point with TIGF (- 9.7 %) is partially compensated for by an increase at other points on the main network (+ 0.5 %), notably at interface points with LNG terminals (+ 1 %) and exit points to adjacent countries (+ 2.6 %).

Given the subscriptions trend in 2011 and the results from the latest OSPs implemented by GRTgaz, for 2012, the CRE will apply subscribed capacity forecasts for the main network at a level that is 2.9% lower than those applied for 2011. This reduction can be explained by the difficult economic climate, which is causing shippers to optimise subscriptions, to the detriment of arbitrage capacity bookings, and by decongestion of entry capacity at certain points of the network in the North and South zones of GRTgaz, facilitating the optimisation of subscriptions, supplementary capacity being available on a monthly or daily basis.

2. Regional network

Capacity subscriptions forecast for the regional network take into account a forecast of standardised capacity subscriptions at transmission-distribution interface points (PITD) and a forecast of capacity subscriptions for consumers directly connected to the transmission network for regional network interconnection points (PIRR).

- Standard PITD delivery capacity subscriptions:

The latest estimate of PITD delivery capacity subscriptions for 2011 via the standardised subscription mechanism is in line with projected figures applied in October 2010 (+ 0.1 %).

The inclusion of the latest winter analysis in the average for the last three winter analyses carried out by GRTgaz has led the CRE to apply projected PITD delivery capacity subscriptions for 2012 at a level 0.8 % above those for 2011.

- Delivery capacity subscriptions for consumers directly connected to the GRTgaz transmission network ("industrial customers") and for PIRR:

Apart from subscriptions to highly modulated sites, Delivery capacity subscriptions taken out so far in 2011 by industrial customers and PIRR are in line with projected figures applied in October 2010 (-0,02%). Capacity subscriptions for highly modulated sites are 6.6 % down on projected figures for 2011, notably due to the delay in bringing certain gas-fired power stations on line. In 2011, delivery capacity subscriptions taken out by all industrial customers and PIRR are 0.9% lower than the pricing projections.

An expected change in the subscription decisions of certain gas-fired power stations and certain cogeneration plants in service before 2011 has led the CRE to apply for 2012 projected delivery capacity subscriptions by industrial customers and PIRR, excluding highly modulated sites, at a level 10 % below projected figures applied for 2011. This reduction is mirrored by an equivalent level of subscription to capacity for highly modulated sites. Moreover, the entry into service of a number of gas-fired power stations during 2011 has generated a 14.9% increase in subscriptions from this type of customer for 2012 compared to estimated subscriptions for 2011. The combination of these two factors has led the CRE to apply projected subscriptions for 2012 for highly modulated sites that are up 77.7 % compared to projections for 2011. In total, projected subscriptions across all industrial customers and PIRR applied by the CRE for the year 2012 show a 1.9 % increases compared to projections applied in 2011.

- Subscription trends across the regional network:

Taking account of the above factors, projected capacity subscriptions for the year 2012 across the regional network show an overall increase of 0.9 % compared to projections for 2011.

3. Overall trends for subscription-based revenue

Subscription-based revenue projections show an overall increase of 0.4 % compared to projections for 2011.

IV - Average GRTgaz tariff trend

For 2012, authorised GRTgaz revenue is up 4.9 % and the valuation of capacity subscriptions at 0.4 % (0.3 % reduction in volume and 0.7 % in value linked to shifting the price increase to the 1st of April 2010) compared to price forecasts set in October 2010 for the year 2011. This has resulted in an increase in the average GRTgaz price of 4.5 % for 2012 i.e. and increase of 6.0% on the 1st of April 2012.

V - GRTgaz tariff structure

The overall price structure for using natural gas transmission networks in France, which has been in place since the 1st of January 2009, remains unchanged.

A number of minor changes have been made to the offering at the request of GRTgaz in order to give some additional flexibility to its network's users.

1. Changes to the service offering for users of the GRTgaz gas transmission network

1.1. Daily subscription offering for daily delivery capacities at short notice

a) The existing offering

The short notice daily delivery capacities subscription offering has been made available by GRTgaz since 2006 to meet the exceptional one-off needs of consumer customers directly connected to the transmission network.

This offering provides daily delivery capacity subscriptions with a minimum of 2 working days' notice, which is less than the standard offer that is currently set at 7 calendar days. It meets the needs of customers when an exceptional change in requirements means that they need a shorter notice period. Given that the reduction in the notice period entails costs for GRTgaz, the price for using the offering made available by GRTgaz is set at €2,000 per year per delivery point.

b) GRTgaz proposal

GRTgaz proposes to reduce the minimum notice period to one calendar day (subscription required the day before for supply the following day) compared to the current two working day period on offer. In consideration of the shorter notice period for providing such capacity, the pricing terms applicable to the corresponding daily subscriptions to daily delivery and transport of across the regional network are subject to 20 % levy if the subscription request is received after 9 am on the second working days before the day in question (current offering)

The CRE is of the opinion that the reduction in the minimum notice period for short notice daily delivery capacity subscriptions provides greater flexibility for capacity, meeting the needs of certain customers. To this end, specific prices for this offering to reflect rapid provision of such capacity by GRTgaz compared to the standard offering is desirable. The CRE will apply the GRTgaz proposal.

1.2. Creation of monthly interruptible capacity at the PIRs and the connection between GRTgaz balancing zones

GRTgaz proposes to introduce monthly interruptible capacity at the following contractual points:

- at entry towards Dunkirk, Obergailbach, Taisnières H and Taisnières L PIR
- at exit towards Oltingue PIR
- at the connection between the GRTgaz North and South balancing zones in both directions

This new product will give shippers the flexibility to make adjustments when making up their capacity portfolio, notably when the notice period for booking annual interruptible capacity no longer allows them to subscribe to new capacity.

The CRE is of the opinion that creating a monthly interruptible capacity improves access to additional capacity where all firm monthly capacity is subscribed. The CRE is of the opinion that, accordingly, the pricing term applicable to monthly capacity should be the same as that applied for firm monthly capacity i.e. 1/8th of the corresponding annual term for interruptible capacity. The CRE will apply the GRTgaz proposal.

1.3. Increase in capacity reserved for the coupling mechanism between the GRTgaz North and South zones

As a result of the CRE deliberation of the 7th of July 2011 and taking account of the spare 4.5 GWh/d of unsold firm annual capacity at the North to South connection and the feedback from the Gas Consultation, the CRE has decided to increase spare capacity at the North to South connection reserved for the market coupling mechanism to 14.5 GWh/d as of the 1st of April 2012.

1.4. Suspension of the sale of entry capacity at Taisnières L

As a result of the work started as part of the Gas Consultation Group to merge the North H and North L balancing zones, the CRE would ask GRTgaz to suspend selling the service for the "basic" firm conversion of H gas to L gas and entry capacity available at Taisnières L in terms of all service and capacity for use from the 1st of April 2013.

2.Changes in the levels of various charges

2.1. Level of charges at the connection between GRTgaz South and GRTgaz North

Pursuant to the deliberation of the CRE on the 7th of July 2011, the charge at the connection between the GRTgaz South and GRTgaz North in the south to north direction has been brought down from €156/MWh/d per year to €50/MWh/d per year as of the 1st of April 2012. The aim of this reduction is to give a better reflection of market conditions, given the low level of reservations of available capacity in this direction compared to the level observed for the north to south direction.

Moreover, it will increase the appeal of the South zone of the GRTgaz network, facilitating access to the PEG Nord for gas coming from the TIGF zone and Fos LNG terminals. This reduction in the charge will also serve to bring prices observed on the GRTgaz North and South market places closer together. The CRE decision is based on the agreement expressed by a majority of players at the public consultation held by the CRE on the 14th of June 2011 on lowering the charge level as of the 1st of April 2012.

2.2. Level of other charges

Taking into account the level set for the charge at the GRTgaz South→GRTgaz North connection and the freezing of other charges (GRTgaz North→GRTgaz South connection, TIGF-GRTgaz South interface, PEG, H-B conversion and proximity discounts), the average price increase of 6% applicable as of the 1st of April 2012 is reflected by a 6.72 % increase in charges in the GRTgaz schedule as of the 1st of April 2012.

VI - TIGF tariff level

TIGF asked the CRE to cover, for 2012 as part of the current price, new charges relating to changes to the regulatory framework relating to [flat-rate taxation of gas network companies] (IFER) amounting to €3.1 M;

The current pricing framework does not provide for the taking into account of these charges. This would affect the overall economic balance of the current price for using the current TIGF network.

Under such conditions and in the absence of any request for a new price from TIGF, the CRE has not changed the operating costs applied for the current TIGF pricing framework.

VII - Update of the GRTgaz and TIGF mechanism of the quality of service incentive regulation

With a view to offering a financial incentive to GRTgaz and TIGF to improve their service provision to shippers and final customers, this pricing proposal updates the mechanism of quality of service incentive regulation as of April, 1st 2012.

The mechanism came into force on January, 1st 2009 and has delivered good results. Quality of service from both transmission system operators has improved perceptibly, notably with regard to the timely provision and quality of data for quantities of gas delivered, whether to PITD or for consumers directly connected to the gas transmission network.

Based on this feedback, and given the progress made by the transmission operators and to maintain the incentive, the CRE has adapted the targets to achieve and levels of financial incentive against the four following indicators:

- Re-assessment of incentives for the quality monitoring indicator for the provisional measurement of gas volumes delivered to the PITD transmitted to the DSOs for calculating allocations;
- Re-assessment of objectives for the quality monitoring indicator of delivery volumes for consumers connected to the transmission network;
- Re-assessment of the amount of incentive for the indicator for monitoring the level of availability of the TSOs portals;
- GRTgaz to implement objectives and financial incentives with regard to quality monitoring of intraday volumes measured at delivery points of consumers directly connected to the transmission network.

PRICES FOR THE USE OF NATURAL GAS TRANSMISSION NETWORKS

Parts I, III, V, VIII, and IX (appendix 1) of the annex to the Order dated the 6th of October 2008 approving prices for the use of natural gas transmission networks are to be replaced by the following provisions as of the 1st of April 2010.

I - Terminology

Point d'Interconnexion des Réseaux (PIR) [Network Interconnection Point]:

Physical or notional point of interconnection of main transmission networks of two transmission system operators (TSO).

Point d'Interconnexion sur Réseau Régional (PIRR) [Regional Network Interconnection Point]:

Physical or notional point of interconnection between a regional transmission network and the network of a foreign operator.

Point d'Interface Transport Terminal Méthanier (PITTM) [LNG terminal Transmission Interface Point]:

Physical or notional point of interconnection between a transmission network and one or more LPG terminal.

Point d'Interface Transport Stockage (PITS) [Transport Storage Interface Point]:

Physical or notional point of interface between a transmission network and a storage group.

Point d'Interface Transport Production (PITP) [Transport Production Interface Point]:

Physical or notional point of interface between a transmission network and a gas production installation.

Point d'Interface Transport Distribution (PITD) [Transport Distribution Interface Point]:

Physical or notional point of interface between a transmission network and a public distribution network.

Charges for principal network entry:

- TCE** entry capacity charge on a main network, applicable to subscription to daily capacity at entry points on the main network from a PIR or PITTM;
- TCES** entry capacity charge on a main network from storage facilities, applicable to subscription to daily entry capacity on the main network coming from a PITS;
- TCEP** entry capacity charge on a main network coming from a gas production installation, applicable to subscription to daily entry capacity on the main network coming from a PITP;

Charges for main network exit:

- TCST** exit capacity charge at points of interconnection of transmission networks, applicable to subscription to daily exit capacity towards a network interconnection point (PIR);
- TCS** exit capacity charge on a main network, applicable to subscription to daily exit capacity on the principal main, but not towards a PITS or a PIR;
- TCSS** exit capacity charge on a main network towards storage facilities, applicable to subscription to daily exit capacity on the main network towards a PITS;
- TP** charge for proximity, applicable to volumes of gas injected at an entry point on the transmission network and drawn off in an exit zone within the immediate proximity of this point;

Charge for the connection between balancing zones:

TCLZ charge for connection capacity, applicable to subscription to daily connection capacity between balancing zones of the main network of the same TSO;

Charge for transmission on the regional network:

TCR charge for transmission capacity on the regional network, applicable to subscription to daily transmission capacity on the regional network;

Charge for delivery:

TCL charge for delivery capacity, applicable to subscription to daily delivery capacity to a delivery point;

Firm capacity:

Gas transmission capacity contractually guaranteed by the TSO to be non interruptible.

Backhaul capacity on the main network:

Capacity enabling the shipper to make nominations in the opposite direction to the dominant direction of flow where gas flow can only travel in one direction. It may be interrupted by the TSO according to conditions stipulated in the contract relating to the use of the gas transmission network.

Interruptible capacity:

Gas transmission capacity that may be interrupted by the TSO according to conditions stipulated in the contract relating to the use of the gas transmission network.

Returnable capacity:

Firm capacity, which the shipper undertakes to return to the TSO at any time on request.

Shipper:

Individual or corporation concluding a transport contract with a TSO for the gas transmission network. Depending on the case, the shipper is the eligible customer, supplier or agent, as defined in article 2 of the Law of the 3rd of January 2003.

PDL “on subscription”:

Delivery point on the public distribution network coming under options T4 and TP of the current prices for the use of distribution networks.

PDL “not on subscription”:

Delivery point on the public distribution network coming under options T1, T2 and T3 of the current prices for the use of distribution networks.

Authorised revenue:

Total provisional capital expenditure and provisional operating costs, plus or minus the expense and revenue clawback account (CRCP) annuity, applied to set the price schedule of each TSO.

III - Price for use of the GRTgaz transmission network

The price for the use of the GRTgaz transmission network confirmed below applies as of the 1st of April 2012 for a period of one year.

1. Authorised revenue trajectory

The GRTgaz authorised revenue trajectory is fixed for 4 years.

It is made up of the following elements:

€M	2009	2010	2011	2012
Capital expenditure	756.1	800.8	861.9	890.4
Operating cost trajectory	601.9	610.9	632.2	653.1
Review of energy costs		-21.9	-48.5	-28.7
Expense and revenue clawback account (CRCP)	- 23.1	- 23.1	- 31.5	- 31.5
Total authorised revenue	1,334.9	1,366.7	1,414.1	1,483.3

1.1. Capital expenditure (CAPEX):

Any discrepancy between provisional CAPEX in 2012 and actual figures is totally covered by the expense and revenue clawback account (CRCP) defined above.

With regard to stranded costs (residual book value of assets withdrawn from the inventory before the end of their life span) at the end of the pricing period

- If the total amount of stranded costs recorded for the period 2009-2012 is lower than the pricing forecast applied for the same period, the corresponding discrepancy will be recovered via the CRCP;
- If the total amount of stranded costs recorded for the period 2009-2012 is greater than the pricing forecast, the supplementary stranded costs could be covered via the CRCP on an individual basis, based on cases justified and presented by GRTgaz to the CRE.

The pricing forecast applied for the period 2009-2012 is as follows :

€M	2009	2010	2011	2012
Stranded costs (at the net book value)	0.0	1.7	5.6	1.2

Finally, costs relating to technical studies and upstream procedure, which could not be capitalised if the projects in question were not carried out, could be covered via the CRCP on an individual basis, based on cases justified and presented by GRTgaz to the CRE.

1.2. Net operating costs (OPEX):

Given that the projected inflation figure applied for 2011 is + 2.1 %, operating costs applied for 2012, excluding an energy price variation, will increase 3.2 % compared to those applied for 2011 i.e. a figure of €652.1M.

For the year 2012, excluding an energy price variation referred to in 1.3 below, OPEX included in authorised revenue are defined by applying the following percentage variation Z1 to the figure for the previous year:

$$Z1 = IPC + 1.1 \%$$

Where IPC corresponds to the average annual variation recorded for the previous calendar year relating to the consumer price index (excluding tobacco), as calculated by INSEE for all households across the whole of France.

In the light of the review of energy costs for the year, 2012, the operating costs taken into account in the authorised revenue applied to set the pricing schedule are set at €623.4M.

At the end of the pricing period, any gains in productivity that may be made by GRTgaz will be shared equally between the operator and network users.

Such gains in productivity will be assessed in terms of the difference between:

- The total figure for GRTgaz manageable operating costs, defined as GRTgaz operating costs minus central charges applied and product cost items covered by the CRCP mechanism, calculated on the basis of data recorded for 2009, 2010, 2011 and 2012;
- The reference trajectory for GRTgaz manageable operating costs. This trajectory will be calculated at the end of the pricing period for the years 2010, 2011 and 2012, applying an annual percentage variation equivalent to IPC + 0.26 % based on the reference applied for 2009 i.e. €431.3M.

1.3. Taking account of the CRCP balance during the tariff period

An initial CRCP balance, calculated by the CRE, shall be cleared over a period of four years, with constant annuities, from the 1st of April 2011. It includes a correction of the estimated CRCP for 2008, discrepancies recorded for 2009 and an estimate of discrepancies for 2010.

At the end of the pricing period of four years, a new CRCP balance will be calculated by the CRE, to include a correction of the estimated CRCP for 2010, discrepancies recorded for 2011, estimated discrepancies for 2012 and the remaining annuities from the initial CRCP balance, and taken into account to set the price for the next pricing period.

In order to ensure that the mechanism is neutral in financial terms, the figures taken into account in the CRCP for years after 2009 will be updated at a rate of interest equivalent to a risk free rate set at 4.2% per year, nominal and before tax.

The figures and reference values for the GRTgaz CRCP are as follows:

	2009	2010	2011	2012
Downstream transport revenue, 100% covered (€M)	923.4	939.7	986.3	1051.5
Upstream transport revenue, 50% covered (€M)	411.5	423.8	427.8	431.8
Revenue associated with the return of GDF Suez capacities as at the 1 st of October 2010, 100% covered (€M)		3.2		
Power station connection products, 100% covered (€M)	38.6	18.1	18.1	12.5
Capital expenditure, excluding stranded costs, 100% covered (€M)	756.1	799.1	856.3	889.2
Input energy charges and discrepancy between income and charges related to CO ₂ quotas, 80% covered (€M)	131.1	90.9	66.6	89.8
Charges related to contract between operators, 100% covered (€M)*	19.2	31.8	32.6	33.4
Provisional operating costs, taking account of forecast inflation	OPEX		632.2	653.1
	Inflation		1.5 %	2.1 %

^(*) The CRCP will take account of the final figure agreed by the operators after incorporating the results of the audit of the Guyenne artery project conducted by the CRE.

Moreover, the results of all audits conducted by the CRE will be taken into account in the CRCP.

2. Pricing schedule for the use of the GRTgaz transmission network

The detailed GRTgaz pricing schedule will be updated every year on April, 1st, starting with 2010.

It will be determined in such a way as to cover each year's authorised revenue as defined in III-1, taking account of the best available forecast of capacity subscription for the year in question.

3. Prices schedule for using the GRTgaz network, applicable on April, 1st 2012

3.1. Transport on the main network

The price for using the main GRTgaz network is made up of the following charges:

- charge for entry capacity on the main network (TCE);
- charge for connection capacity between balancing zones (TCLZ);
- charge for exit capacity at the PIRs (TCST);
- charge for exit capacity from the main network (TCS);
- charge for proximity (TP);
- charges for entry and exit capacity at the PITs (TCES and TCSS).

At the interface between the GRTgaz and TIGF networks, subscriptions are according to season:

- summer season, from April to October included;
- winter season, from November to March included.

a) *Charge for entry capacity on the main network;*

The charges applicable to annual or seasonal subscriptions to daily entry capacity on the main GRTgaz network are defined in the following table:

Entry point	Balancing zone	TCE (€/MWh/day per year or season)		TCE (coefficient on firm charge) Interruptible subscriptions
		Firm subscriptions		
Taisnières L	North	80.17		50 %
Taisnières H	North	103.07		50 %
Dunkerque	North	103.07		50 %
Obergailbach	North	103.07		50 %
Montoir	North	97.34		not applicable
Fos	South	97.34		not applicable
TIGF	South	Summer: 43.75	Winter: 31.25	75 %

The holding of regasification capacities at a LNG terminal involves an obligation to subscribe to entry capacities on the corresponding transport network, for the same period and the same level.

At Montoir and Fos PITTM:

- every shipper subscribed to a "continuous" service with LNG terminal operators will be allocated a firm annual capacity (C) given by:

$$C = Q_{Aexp} / Q_{TM} * C_{PITTM}$$

With:

Q_{Aexp} = annual regasification capacity subscribed by the shipper at the terminal;

Q_{TM} = annual total firm technical regasification capacity of the Montoir LNG terminal for the Montoir PITTM or sum of the annual total firm technical regasification capacity of the Fos Cavaou LNG terminal and the annual total firm technical regasification capacity of the Fos Tonkin terminal for the Fos PITTM ;

C_{PITTM} = daily firm entry capacity at the PITTM;

- any shipper subscribed to a "uniform" or "spot" service with LNG terminal operators is allocated a basic firm monthly capacity (C) equal to 1/30th of the regasification capacity subscribed with the LNG terminal operators. The applicable price is 1/12th of the firm annual subscription price;
- at the start of each month the TSO calculates the maximum daily output of the previous month for each shipper. If this exceeds the capacity C calculated according to the above then the shipper is invoiced for a monthly subscription to supplementary daily capacity equal to the difference between the maximum daily output of the previous month and the capacity C, at a price equal to 1/12th of the price of the firm annual subscription.

b) *Charge for connection capacity between balancing zones*

The charges applicable to annual subscriptions to daily connection capacity between the GRTgaz balancing zones are defined in the following table:

Connection between balancing zones	TCLZ (€/MWh/day per year)	
	Firm subscriptions	Interruptible subscriptions
North → South	208.04	50 %
South → North	50.00	50 %

c) *Charge for exit capacity at the PIRs;*

The charges applicable to annual or seasonal subscriptions to daily exit capacity at the PIRs are defined in the following table:

Exit to the PIR	Balancing zone	TCST (€/MWh/day per year or season) Firm subscriptions		TCST (coefficient on firm charge) Interruptible subscriptions
		Summer: 43.75	Winter: 31.25	
TIGF	South	Summer: 43.75	Winter: 31.25	90 %
Oltingue	North	359.60		75 %
Jura	South	80.17		75 %

d) *Charge for exit capacity from the main network*

Each exit zone from the main GRTgaz network is defined by all the delivery points that are attached to it.

For each shipper and in each exit zone, the firm annual subscription to exit capacity from the main network must be greater than or equal to the sum of firm annual subscriptions to delivery capacity in this exit zone.

The charge applicable to firm annual subscriptions to daily exit capacity from the main GRTgaz network is equal, for all exit zones, to €76.22 /MWh/day per year.

e) *Proximity charge*

The charge for proximity is deducted from the monthly invoice of each shipper concerned. It is applied, for each shipper, to the quantity of gas equal, every day, to either the quantity of gas allocated at the entry point of the transport network, or the quantity of gas drawn off in the associated exit zone, whichever is the smaller.

The proximity charge is applied to the entry point / exit zone pairs shown below:

Balancing zone	Entry point	Associated exit zone	TP (€/MWh)
North	Taisnières L	Taisnières L region	0.187
North	Taisnières H	Taisnières H region	0.25
North	Dunkerque	Dunkerque region	0.25
North	Obergailbach	Obergailbach region	0.25

f) *Charges for storage entry and exit capacities*

Each GRTgaz balancing zone includes several PITs:

- the North balancing zone has four PITs: North-Atlantic (H gas), North-West (H gas), North-East (H gas), North B (L gas) ;
- the South balancing zone has two PITs: *South-Atlantic (H gas)* and *South-East (H gas)*.

The charges (TCES and TCSS) applicable to the annual subscriptions to entry and exit daily capacity at the PITs are defined in the following table:

PITs	TCES (€/MWh/day per year)	TCSS (€/MWh/day per year)
All PITs	14.89	2.98

The annual entry and exit capacities at PITs allocated to each shipper by GRTgaz are equal, respectively, to the nominal daily drawing-off capacity, increased where appropriate by the daily conditional drawing-off capacity, and the nominal daily injection capacity, increased where appropriate by the daily conditional injection capacity, subscribed by this shipper from the storage operator, conditional on the capacity limits of the network.

Annual interruptible entry and exit capacities at the PITs are sold to the *North Atlantic* and *South Atlantic* PITs. These annual interruptible capacities are only sold when all the firm annual capacities are subscribed. The price applicable to annual interruptible subscriptions to daily entry capacity from the *North Atlantic* and *South Atlantic* PITs is equal to 75% of the price of the annual firm subscription to daily capacity. The price applicable to annual interruptible subscriptions to daily exit capacity at the *North Atlantic* and *South Atlantic* PITs is equal to 50 % of the price of the annual firm subscription to daily capacity.

g) *Backhaul capacities on the main network*

The price applicable to annual subscriptions to daily backhaul capacity is equal to 20 % of the price of the annual firm subscription to daily capacity in the predominant direction.

Backhaul capacity exists on the following points of the GRTgaz network:

Entry points	Taisnières H
	Obergailbach
Exit to PIR	Oltingue

h) *Releasable capacities on the main network*

"Releasable" firm capacities, which the shipper undertakes to release at any moment if requested by GRTgaz, are defined at entry points, excluding PITs, for a duration of one, two, three or four years.

For any shipper that has subscribed to more than 20% of sellable annual firm capacities at one of the points mentioned previously then a fraction R of the part of its subscription above 20% of sellable annual firm capacities is converted into releasable capacity.

The fraction R of releasable capacity is defined in the following table:

Point	Dunkerque	Obergailbach	Taisnières H	Taisnières L
R	20 %	20 %	0 %	15 %

The price of an annual or seasonal releasable capacity is equal to 90% of the price of the corresponding annual firm capacity.

The rules for releasing and subscription to these capacities are defined by GRTgaz on an objective and transparent basis, to prevent discrimination, and these are published on its Internet site.

3.2. *Transmission on the regional network*

a) *Annual firm subscription*

The charge applicable to annual firm subscriptions to daily transmission capacity on the regional network is the product of the unit charge, set at €54.97/MWh/day per year, and the regional tariff level (NTR) of the delivery point in question:

	TCR (€/MWh/day per year)
GRTgaz	54.97 x NTR

A list of delivery points on the GRTgaz network, with their exit zone and their NTR value, is given in an appendix to this document.

When a new delivery point is created, GRTgaz calculates the value of the NTR in a transparent and non-discriminatory manner, using a calculation method published on its Internet site, and communicates the result to the CRE.

The firm transmission capacity subscription on the regional network is equal, for each delivery point, to the firm delivery capacity subscription at this point.

b) *Annual interruptible subscription*

For any annual interruptible transmission capacity on the subscribed regional network, the charge for transmission capacity on the regional network is reduced by 50%.

The interruptible transmission capacity subscription on the regional network is equal, for each delivery point, to the interruptible delivery capacity subscription at this point.

The interruptibility conditions on the regional network are defined by GRTgaz on an objective and transparent basis, to prevent any discrimination, and these are published on its Internet site.

3.3. *Delivery of the gas*

a) *For consumers connected to the transmission network and the PIRRs*

For shippers supplying final customers connected to the transmission network and PIRRs, the delivery charge is composed of:

- a charge equal to € 4,351.77 /year and per delivery item;
- a charge applicable to daily delivery capacity subscriptions.

The charges applicable to annual firm subscriptions to daily delivery capacity are defined in the following table:

	TCL (€/MWh/day per year)
Highly modulated customers*	22.45
Other customers and PIRRs	24.05

* *Customers with a daily modulated volume greater than 0.8 GWh per working day (see paragraph 3.10)*

For any subscribed annual interruptible delivery capacity the charge for delivery capacity is reduced by 50%.

Any shipper supplying one or more final customers connected to the GRTgaz transmission network is allocated, simultaneously, at its request, the existing delivery capacities corresponding to need.

If several shippers simultaneously supply a final customer connected to the transmission network or a PIRR, the fixed charge is distributed pro rata with their delivery capacity subscriptions.

b) *For PITDs*

For shippers supplying PITDs, the charge applicable to annual firm daily delivery capacity subscriptions is defined in the following table:

	TCL (€/MWh/day per year)
GRTgaz	27.48

In application of the standardised subscription system for transmission capacities at the PITDs, at each PITD the annual firm delivery capacity ("standardised capacity") is allocated to each shipper by the TSOs. It is equal to the sum of:

- the subscribed annual capacities on the distribution network for the "subscribable" delivery points (PDL) supplied downstream from the PITD in question;
- the capacities calculated by GRTgaz for the "non-subscribable" PDLs supplied downstream from the PITD in question, by multiplying the daily peak consumption of the "non-subscribable" PDLs by the corresponding adjustment coefficient "A".

Changes in the A coefficients are set by the CRE, on the proposal of the TSOs.

For any subscribed annual interruptible delivery capacity, the charge for delivery capacity is reduced by 50%.

3.4. Monthly subscription to capacities

- At the entry points excluding PITTMs, at exits to PIRs and at the North-South connection:

The charges applicable to monthly firm subscriptions to daily capacity at entry points excluding PITTMs and excluding entry points from TIGF, at exits to the PIRs, excluding exits to TIGF, as well as at the North-South connection, are equal to $1/8^{\text{th}}$ of the corresponding annual charges.

The charges applicable to monthly firm subscriptions to daily capacity at entry and exit points at PITTMs at the interface with TIGF, are equal to $1.5/7^{\text{th}}$ of the corresponding charge in summer and $1.5/5^{\text{th}}$ of the corresponding charge in winter.

Interruptible monthly capacities are sold by GRTgaz at the following contractual points:

- at an entry point from the Dunkerque, Obergailbach, Taisnières H and Taisnières L PIRs
- at an exit point to the Oltingue PIR
- at the connection between the GRTgaz North and South balancing zones, in both directions

The price of these capacities is equal to $1/8^{\text{th}}$ of the corresponding annual charges.

- At the PITSSs:

Monthly entry and exit capacity at the PITSSs is not sold.

- At an exit from the main network, on the regional network and on delivery:

The charges applicable to monthly firm subscriptions to daily capacity at exits from the main network, from the regional transmission network, the delivery network, are equal to the charges applicable to the corresponding annual firm subscriptions, multiplied by the following coefficients:

Month	Monthly charge in proportion to the annual charge
January-February	$8/12^{\text{th}}$
December	$4/12^{\text{th}}$
March-November	$2/12^{\text{th}}$
April-May-June-September-October	$1/12^{\text{th}}$
July-August	$0.5/12^{\text{th}}$

3.5. Daily subscription to capacities

- At the entry points excluding PITTMs, at the exits to the PIRs and at the North-South connection:

The charges applicable to daily subscriptions to daily capacity at entry points excluding PITTMs, at exits to the PIRs, as well as at the North-South connection, are equal to $1/20^{\text{th}}$ of the corresponding monthly charges.

- At the PITSSs:

The daily entry and exit capacities at the PITSSs allocated to each shipper by GRTgaz are equal, respectively, to the daily draw-off capacity and the daily injection capacity allocated by the storage operator, in addition to the corresponding annual capacities, subject to network capacities.

The charge applicable to daily subscriptions to daily capacity at the PITSSs is equal to $1/320^{\text{th}}$ of the price of the annual firm subscription to capacity at these points.

- At an exit from the main network, on the regional network and on delivery:

The daily capacity subscriptions are sold by GRTgaz to meet the occasional and exceptional demand of final customers.

The charges applicable to daily firm subscriptions to daily capacity at exits from the main network and transmission on the regional delivery network are equal to $1/20^{\text{th}}$ of the charges applicable to the corresponding monthly firm subscriptions.

The charges applicable to daily interruptible subscriptions to daily capacity at exits from the main network and transmission on the regional delivery network are equal to $1/30^{\text{th}}$ of the charges applicable to the corresponding monthly firm subscriptions.

The daily interruptible capacities are sold by GRTgaz when all the sellable daily firm capacities, for the day in question, have been subscribed.

3.6. Hourly delivery capacity

Hourly delivery capacities only apply to final customers connected to the transmission network.

Any annual, monthly or daily subscription to daily delivery capacity gives access to hourly delivery capacity equal to 1/20th of the subscribed daily delivery capacity (except in the case where this hourly capacity is not available).

To take advantage of a greater hourly capacity, within the limits of the possibilities of the network, the shipper must pay an additional sum of:

$$p = (C_{max} - C) \times 10 \times (TCL + TCR)$$

With:

C_{max}: Hourly delivery capacity requested by the shipper;

C: Hourly delivery capacity reserved under the annual, monthly or daily subscription to daily delivery capacity;

TCL: Annual, monthly or daily charge for daily delivery capacity;

TCR: Annual, monthly or daily charge for daily transmission capacity on the regional network.

3.7. Additional services

a) Short term "Use it or lose it" (ST UIOLI)

TIGF sells the capacities that are subscribed but not used every day at the entry points and exits to the PIRs:

- in interruptible form at a price equal to 1/500th of the sum of the price of the firm summer subscription and the price of the firm winter subscription at these points, when all firm capacity has been subscribed;
- in firm form at a price equal to 1/160th of the sum of the price of the firm summer subscription and the price of the firm winter subscription at these points, when firm capacity is available;

The operational rules of the ST UIOLI service are defined by TIGF, on an objective and transparent basis, to prevent discrimination, and these are published on its Internet site. At the interface with GRTgaz this service is sold by the two TSOs in a coordinated manner.

b) Auctions of daily capacity

At the entry points, excluding Fos and Montoir, at the exits to the PIRs and at the North-South liaison, GRTgaz is authorised to sell the firm capacities that are still available each day, after the end of the selling period of firm daily capacities at the regulated price.

The rules for the functioning of the daily capacity auctioning mechanism are defined by GRTgaz on an objective and transparent basis, to prevent discrimination, and these are published on its Internet site.

The reserve price used for the auction mechanism is equal to 1/200th of the price of the subscription to the corresponding firm annual capacity.

3.8. Offer of short notice interruptible transmission

An optional offer of interruptible transmission is offered to customers connected to the GRTgaz H gas network who simultaneously fulfil the following conditions:

- the annual subscription to daily delivery capacity is greater than 10 GWh/d;
- the site's connection point on the GRTgaz network is situated at less than 50 km, as the crow flies, from a PITTM or one of the Dunkerque, Taisnières H or Obergailbach entry points.

To be able to take advantage of this offer the customer has to make a commitment to GRTgaz, before signing the connection contract, to subscribe to this offer, or have it subscribed to by a shipper.

This offer provides for a reduction or interruption in supply to the sites concerned, at the request of GRTgaz, with a minimum notice period of 2 hours, when the following two conditions are satisfied:

- the quantity of gas that is physically injected into the network at the closest entry point is less than the subscription to the daily delivery capacity of the sites that have taken up this interruptible offer that are within the radius of this entry point;
- the daytime temperature is less than the average daily temperature that may be statistically reached, or that may be lower, on more than 20 days per year, with a risk of 2%.

The interruptibility conditions are defined by GRTgaz on an objective and transparent basis, to prevent discrimination, and are published on its Internet site.

The shippers subscribing to this offer shall receive a price reduction equal to the delivery capacity that they have subscribed to for this delivery point, multiplied by the sum of:

- 50% of the charge for exit capacity from the main network;
- 50% of the charge for entry point capacity on the main network at the closest entry point.

For the same site, a shipper cannot accumulate the price reduction of this optional offer with price reductions offered for:

- interruptible transmission on the regional network;
- the proximity charge for customers situated in the exit zones "Dunkerque", "Taisnières H", "Obergaillbach".

This optional offer may be cancelled with a minimum notice period of four years.

3.9. Offer of daily subscription to short notice daily delivery capacities

An optional subscription to short notice daily delivery capacities is available to customers connected to the GRTgaz transmission network.

For this offer GRTgaz undertakes to respond to a subscription request for daily delivery capacities with a minimum notice that is shorter than that stipulated in the user contract for the GRTgaz transmission network.

Access to this offer is subject to a contract between the customer and GRTgaz for a year at a price of €2,000 per year. This offer is implemented under the following price conditions.

When the subscription request is submitted to GRTgaz with notice:

- between the standard notice stipulated in the user contract for the GRTgaz transmission network and 9am two working days preceding the day for which the request is made, then the prices applied to the subscribed daily capacities (transmission capacity on the regional network and delivery capacity) shall be those provided for in paragraph 3.5 of this price schedule;
- after 9am two working days preceding the day for which the request is made, then the prices applied to the subscribed daily capacities (transmission capacity on the regional network and delivery capacity) shall be those provided for in paragraph 3.5 of this price schedule plus 20%.

3.10. Intra-daily flexibility service for highly modulated sites

The intra-daily flexibility service is interruptible. It is applied to all customers connected to the GRTgaz network that take an average modulated daily volume greater than 0.8 GWh per working day.

For existing sites, GRTgaz evaluates this criterion on the basis of the history of the previous year's consumption. For newly connected sites, this criterion is evaluated from the daily modulated volume on working days declared by the sites, then on the basis of a quarterly report, retroactively on the past period as soon as the criterion is reached.

The operator of the site for which the intra-daily flexibility service is subscribed has to declare to GRTgaz an hourly consumption profile the day before and, where appropriate, a new profile during the day provided the notice period is respected. For any modification of hourly consumption of the site less than $\pm 10\%$ of its subscribed hourly capacity, the site shall be granted a tolerance making notification to GRTgaz of its new hourly consumption profile unnecessary.

The flexibility service is invoiced on the basis of the measured hourly consumption profile, according to the volume modulated during the day and the amplitude of the hourly rate (deviation between the minimum hourly rate and the maximum hourly rate recorded during the day).

The prices are as follows:

Charge for volume modulated during the day	€/MWh	0.4
Charge for amplitude of hourly rate	€/MWh/h	2

GRTgaz shall submit for the approval of the CRE, after discussion with the market players, as part of the Gas Consultation:

- the interruption conditions for this service, as well as the rules for distribution of the intra-daily flexibility in the event of incapacity to meet the whole of the request;
- the procedures for competition of sources of intra-daily flexibility;
- the management of the declaration of the day before and re-declarations during the day.

3.11. Injection of gas onto the network from a gas production facility

The charges applicable to annual subscriptions to daily entry capacity on the GRTgaz network from PITPs are as follows:

- for the PITPs with entry capacity onto to the network that is less than 5 GWh/d, the applicable charge is €8.01 /MWh/day per year;
- for the other PITPs, the definition of the applicable charge is the subject of a specific study.

3.12. Gas quality conversion

a) Conversion of H gas to L gas

GRTgaz sells two annual services to convert H gas to L gas:

- a “peak” service, accessible to all shippers with H gas in the North balancing zone;
- a “basic” firm service, accessible to shippers with H gas in the North balancing zone and holding less than 15% of the entry capacities at Taisnières L, limited by their need to supply final customers with L gas.

The prices of the conversion services are defined in the following table:

	Capacity charge (€/MWh/day per year)	Quantity charge (€/MWh)
“Peak” service	133.0	0.16
“Basic” service	60.0	0.16

GRTgaz also sells monthly firm conversion capacities for the “basic” service. The applicable monthly coefficients are equal to the coefficients applicable for monthly transmission capacities on the regional network.

The rules for the working of the H gas to L gas quality conversion service are defined by GRTgaz on an objective and transparent basis, to prevent discrimination, and are published on its Internet site.

b) Quality conversion of L gas to H gas

The price for the L gas to H gas quality conversion service offered by GRTgaz comprises:

- for the annual offer, a charge proportional to the annual capacity subscription equal to 23.10 €/MWh/day per year;
- for the monthly offer, a charge proportional to the monthly capacity subscription equal to €2.88 /MWh/day per year.

The rules for the functioning of the L gas to H gas quality conversion service are defined by GRTgaz on an objective and transparent basis, to prevent discrimination, and are published on its Internet site.

3.13. Optional balancing tolerance

GRTgaz sells an optional balancing service that is proportional to delivery capacities, the price of which is €19.47 /MWh/day per year.

V - Transfer of transmission capacities on the GRTgaz and TIGF networks

The subscribed transmission capacities at the entry points, exit points to the PIRs and at the connections between balancing zones are freely transferable, without extra cost for shippers who do not use the capacities exchange platform service offered, where appropriate, by the TSOs.

The capacities exchange platform access service, *Capsquare*, offered by GRTgaz has, as an experiment for one year, been integrated into its basic services.

When the transfer is of entire annual or seasonal subscriptions, the acquirer then has access to all of the rights and obligations associated with these subscriptions. In other cases, only the right to use capacities is the subject of the transfer, the initial owner retaining its obligations vis-à-vis the TSO. The exchanged usage right may be applied even at the daily level, whatever the duration of the initial subscription.

Downstream transmission capacities, between the PEG and the delivery point at an industrial site directly connected to the transmission network, are transferrable if the industrial company in question has subscribed to capacities from the TSO.

The procedures for these transfers of transmission capacities are defined by the TSOs on an objective and transparent basis, to prevent discrimination, and are published on their Internet sites.

VIII - Regulatory mechanism of the TSOs quality of service

A monitoring of the quality of service has been set up for the two TSOs on the key areas of their activity. This monitoring consists in the TSOs regularly sending indicators to the CRE and making them public on their Internet sites.

Some published indicators, particularly important for the correct functioning of the market, are associated with a financial incentives system.

The quality of service monitoring indicators that are transmitted by the TSOs to the CRE must be certified by an independent body. Furthermore, the TSO quality of service monitoring mechanism may be subject to any audits that the CRE judges to be useful.

1. TSO quality of service monitoring indicators generating a financial incentive

1.1. Quality of provisional measurements of gas quantities delivered at the PITDs transmitted to the DSOs for calculation of provisional allocations

Calculation:	Number of non conforming days⁽¹⁾ by balancing zone and per month (one monitored value per balancing zone: so, two values monitored by GRTgaz and one value monitored by TIGF)
Scope:	- all shippers - all DSOs
Monitoring:	- frequency of calculation: monthly - frequency of report to the CRE: monthly - frequency of publication: monthly - frequency of calculation of financial incentives: monthly
Objective:	GRTgaz: - basic objective: 2 non-conforming days per month

	<ul style="list-style-type: none"> - target objective: 0 non-conforming days per month <p>TIGF:</p> <ul style="list-style-type: none"> - basic objective: 4 non-conforming days per month - target objective: 1 non-conforming day per month
Incentives:	<p>GRTgaz:</p> <ul style="list-style-type: none"> - penalty: <ul style="list-style-type: none"> • €50k for the 2nd non-conforming day • €25k for each non-conforming day, from the 3rd non-conforming day on - bonus: €50k if the target objective is reached - ceiling: the total annual amount, corresponding to the absolute value of the algebraic sum of the penalties to be paid and bonuses to be received by GRTgaz is limited to €1.2M per year for the whole of the network. <p>TIGF:</p> <ul style="list-style-type: none"> - penalty: <ul style="list-style-type: none"> • €25k per non-conforming day, for the 4th non-conforming day and for the 5th non-conforming day • €12.5k for each non-conforming day, from the 5th non-conforming day on - bonus: €25k if the target objective is reached, €50k if there is no non-conforming day - ceiling: the total annual amount, corresponding to the absolute value of the algebraic sum of the penalties to be paid and bonuses to be received by TIGF is limited to €0.3M per year.
Implementation date	- Date of implementation of the modifications made: 1 st of April 2012

(1): For a given balancing zone (ZET), the day D of the month M is non-conforming if the deviation, as an absolute value, between the following values is strictly greater than 2%:

- the provisional measurement of the quantity of gas delivered at all the PITDs of the ZET on day D and transmitted to the DSOs on day D+1 of month M;
- the definitive measurement of the quantity of gas delivered at all the PITDs of the ZET on day D and transmitted to the DSOs on the 20th day of month M+1.

1.2. Quality of quantities remotely recorded at the delivery points of customers connected to the transmission network

Calculation:	<p>Number of conforming meter readings of industrial delivery points remotely recorded in the month⁽²⁾ / Total number of meter readings of industrial delivery points remotely recorded in the month</p> <p>(a value monitored by each TSO)</p>
Scope:	<ul style="list-style-type: none"> - all shippers - all ZETs - all remotely-recorded industrial delivery points
Monitoring:	<ul style="list-style-type: none"> - frequency of calculation: monthly - frequency of report to the CRE: monthly - frequency of publication: monthly - frequency of calculation of financial incentives: monthly
Objective:	<p>GRTgaz:</p> <ul style="list-style-type: none"> - basic objective: 97% per month - target objective: 99 % per month <p>TIGF:</p> <ul style="list-style-type: none"> - basic objective: 95 % per month - target objective: 99 % per month
Incentives:	<p>GRTgaz:</p> <ul style="list-style-type: none"> - penalty: €50k per percentage point below (strictly) the basic objective - bonus: €100k per percentage point above (strictly) the target objective

	<ul style="list-style-type: none"> - ceiling: the total annual amount, corresponding to the sum of penalties to be paid and bonuses to be received by GRTgaz is limited to €2M per year. <p>TIGF:</p> <ul style="list-style-type: none"> - penalty: €12.5k per percentage point below (strictly) the basic objective - bonus: €25k per percentage point above (strictly) the target objective - ceiling: the total annual amount, corresponding to the sum of penalties to be paid and bonuses to be received by TIGF is limited to €0.5M per year.
Implementation date	<ul style="list-style-type: none"> - Date of implementation of the modifications made: 1st of April 2012

(2) : For a given month M, a meter reading conforms if there is no more than 5 days of the month M for which the deviation, as an absolute value, between the following values is strictly greater than 1% and 100 kWh:

- the provisional measurement of the energy of day D transmitted on day D+1 of the month M;
- the definitive measurement of the energy of day D transmitted on the 20th day of the month M+1;

1.3. Rate of availability of the portal of the TSOs

Calculation:	<p>Number of hours of availability of the portal in the month / Total number of available hours planned for the month</p> <p>(a value monitored by each TSO)</p>
Scope:	<ul style="list-style-type: none"> - calculation for a usage slot from 7am to 11pm, 7 days a week - rounded to one decimal after the point
Monitoring:	<ul style="list-style-type: none"> - frequency of calculation: monthly - frequency of report to the CRE: monthly - frequency of publication: monthly - frequency of calculation of financial incentives: monthly
Objective:	<ul style="list-style-type: none"> - basic objective: 99 % per month - target objective: 100 % per month
Incentives:	<p>GRTgaz⁽³⁾:</p> <ul style="list-style-type: none"> - penalty: €60k per percentage point below (strictly) the basic objective - bonus: €30k if the target objective is reached <p>TIGF:</p> <ul style="list-style-type: none"> - penalty: €15k per percentage point below (strictly) the basic objective - bonus: €7.5k if the target objective is reached
Implementation date	<ul style="list-style-type: none"> - Date of implementation of the modifications made: 1st of April 2012

(3) : GRTgaz is planning to set up a new "Transaction" portal. Consequently:

- for the day when the change from the old to the new information system takes place, the incentive mechanism described above shall be deactivated;
- for the month following the change to the new system the basic objective shall be lowered to 90%.

1.4. Quality of infra-daily quantities measured at the delivery points of customers connected to the transmission network

Calculation:	<p>Number of conforming infra-daily meter readings of industrial delivery points remotely recorded in the month⁽⁴⁾ / Total number of infra-daily meter readings of industrial delivery points remotely recorded in the month</p> <p>(a value monitored by each TSO, for all shippers, all ZETs and all remotely recorded industrial delivery points irrespectively)</p>
Scope:	<ul style="list-style-type: none"> - all shippers - all ZETs - all remotely-recorded industrial delivery points <p>GRTgaz:</p> <ul style="list-style-type: none"> - calculation for the following time periods: 6am-10am, 6am-2pm, 6am-6pm, 6am-10pm and 6am-1am, 7 days a week - rounded to one decimal point
Monitoring:	<ul style="list-style-type: none"> - frequency of calculation: monthly - frequency of report to the CRE: monthly - frequency of publication: monthly - for GRTgaz, frequency of calculation of financial incentives: monthly
Objective:	<p>GRTgaz</p> <ul style="list-style-type: none"> - basic objective 6am- 10am: 65 % per month - basic objective 6am- 2pm: 70 % per month - basic objective 6am- 6pm: 75 % per month - basic objective 6am- 10pm: 80 % per month - basic objective 6am- 1am: 85 % per month - target objective for each time period: 90 % per month
Incentives:	<p>GRTgaz:</p> <ul style="list-style-type: none"> - penalty: €2k per percentage point below (strictly) the basic objective for each time period - bonus: €2k per percentage point above (strictly) the basic objective for each time period - ceiling: the total annual amount, corresponding to the sum, for all the time periods, of penalties to be paid and bonuses to be received by GRTgaz is limited to €1.2M per year.
Implementation date	<ul style="list-style-type: none"> - Date of implementation of the modifications made: 1st of April 2012

(4) : For a given month *M*, a meter reading conforms if there is no more than 5 days of the month *M* for which the deviation, as an absolute value, between the following values is strictly greater than 3 % and 100 kWh.

- the measurement of energy for the time slot of day *D* transmitted on day *D*;
- the measurement of energy for the time slot of day *D* transmitted on day *D*+1;

2. Other monitoring indicators for TSO quality of service

2.1. Indicators relating to the quality of transmitted data

Indicator	Calculation of the indicator	Frequency of reporting to the CRE and publication	Objective / Implementation date
Deadlines for transmission to the DSOs of the files relating to withdrawals at the PITDs	<p>Number of days per month for which the TSO has transmitted to the DSOs the file of provisional daily withdrawals at the PITDs after the deadline agreed between the TSO and the DSOs</p> <p>(one value per TSO, for all shippers, all ZETs and all DSOs irrespectively)</p>	Monthly	<p><i>Objective:</i> one file sent after the deadline per month</p> <p><i>Implementation date:</i> 1st of January 2009</p>

2.2. Indicators for maintenance programmes

Indicator	Calculation of the indicator	Frequency of reporting to the CRE and publication	Implementation date
Reduction of available capacities	<p>Firm capacity made available during works / Firm technical capacity</p> <p>(one monitored value per type of network point⁽⁵⁾ for each TSO)</p>	Monthly	1 st of April 2009
Adherence to the annual maintenance programme published at the start of the year by the TSO	<p>Variation (percentage) of the capacity made available (higher or lower) between the estimated maintenance programme published at the start of the year and the maintenance programme as executed</p> <p>(one monitored value per type of network point⁽⁵⁾ for each TSO)</p>	Indicator calculated for the months of April to December	1 st of April 2009

<p>Adherence to the maintenance programme published in M-2 by the TSO</p>	<p>Variation (percentage) of the capacity made available (higher or lower) between the estimated maintenance programme published in M-2 and maintenance programme as executed</p> <p>(one monitored value per type of network point⁽⁵⁾ for each TSO)</p>		<ul style="list-style-type: none"> • GRTgaz: mid-2009 • TIGF: 1st of April 2009
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(5): five types of points are used:

- the PIRs in the predominant direction;
- the GRTgaz South / TIGF interface in both directions;
- the North / South connection in both directions;
- the entry at the PITTMs;
- the entry and the exit at the PITs.

2.3. Indicators for the relation between shippers

Indicator	Calculation of the indicator	Frequency of reporting to the CRE and publication	Objective / Implementation date
Time taken to process capacity reservation requests on the main network	Average time to process reservation requests (one value monitored by each TSO)	Monthly	<i>Objective: 2 working days per month</i> <i>Date of implementation of the modifications made: 1st of April 2010</i>

2.4. Environmental indicators

Indicator	Calculation of the indicator	Frequency of reporting to the CRE and publication	Implementation date
Greenhouse gas emissions	Monthly greenhouse gas emissions (in equivalent CO₂) (one value monitored by each TSO)	Quarterly	1 st of January 2009
Greenhouse gas emissions compared to the volume of gas transported	Monthly greenhouse gas emissions / monthly volume of gas transported (one value monitored by each TSO)		1 st of January 2009

IX - Appendix

Appendix 1: List of delivery points of the GRTgaz transmission network classified by exit zone from the main network.

Paris, 22nd November 2011

For the Energy Regulation Commission
The President,

Philippe de LADoucETTE