

Public consultation appendix

12 June 2013

Appendix of public consultation by the French Energy Regulation Commission on the allocation of transmission capacity between GRTgaz's North zone, GRTgaz's South zone, TIGF's zone and Spain as from 1 April 2014

This appendix details the rules of the allocation of capacity in proportion of physical delivery commitments for the six-month readjustment product available at the North South link between 1 April 2014 and 30 September 2014.

Phase 1 :

The principles retained, both for firm and interruptible capacity, are as follows:

- Phase open to all shippers, however, shippers that take part in phase 1 will not be able to participate in phase 2;
- capacity volume proposed: 23 GWh/d of annual firm and interruptible capacity;
- each individual shipper's request limited to 2.5 GWh/d;
- if demand exceeds supply, capacity is allocated proportionally to requests by applying the following priority rule: requests from shippers directly connected to the transmission network are allocated at level 1 priority, within the limits of the delivery capacity of the sites concerned¹ connected to GRTgaz South or TIGF networks increased by 30%; neither the subscription regime for this capacity (full and complete subscription of the capacity or holding of the rights of use), nor the identity of the subscriber of this capacity will be given consideration;
- other requests are allocated at level 2 priority;
- any capacity that is unsold at the end of this phase will be sold in the following phase.

Phase 2 :

The principles retained for this phase are as follows:

- open to all shippers (except those that choose to participate in phase 1);
- capacity volume proposed: 103 GWh/d of annual firm capacity. The volume of interruptible capacity will be given later;
- each shipper's request limited to its physical delivery commitments within the limits of the portion of capacity sold (as defined below);
- if demand exceeds supply, capacity is allocated proportionally to requests;
- this phase will be carried out in three successive rounds,

¹ The dates considered for the determination of the physical delivery commitments will be given later

at each round, a third of the capacity available is proposed, to which is added, where applicable, any capacity left unsold during the previous round. For each round, the request submitted by the shipper is limited to the minimum between:

- a third of the capacity volume proposed for sale as part of phase 2;
- the maximum between a third of the shipper's physical delivery commitment multiplied by 1.3, and a third of 2.5 GWh/d.

The numbers presented above are not indicative of the results of work that may be conducted between GRTgaz and the other operators aiming at increasing capacity which may be proposed for sale at the North-South link.

Conditions for determining the physical delivery commitment and each shipper's request limit

Each shipper's request is limited according to their physical delivery commitment.

Their physical delivery commitment is defined as the maximum between the following two terms (A) and (B):

- (A) the sum of actual reservations¹ concerning:
 - delivery capacity held at the GRTgaz South and TIGF customer interface points (industrial clients);
 - delivery capacity held at the GRTgaz and TIGF transport distribution interface points (public distribution);
 - transmission capacity held at the Savoie and Monaco regional network interconnection points (PIRR) and the Jura network interconnection point (PIR);
 - exit capacity to Spain (Larrau, Biriadou);

- (B) the sum of injection capacity held in TIGF's and Storengy's storage points located in the GRTgaz South zone.

In order to preserve the potential for competition development, each shipper's request is limited to its physical delivery commitment multiplied by 1.3. This request may not exceed the total volume of capacity proposed for sale (i.e. 103 GWh/d for firm capacity) to which is added any capacity left unsold during phase 1.

All shippers may request a capacity of 2.5 GWh/d if its physical delivery commitment as calculated above limits its request to a volume lower than 2.5 GWh/d.

The allocation process is conducted in the following manner:

- shippers will communicate their physical delivery commitments to GRTgaz in good faith as described above;
- GRTgaz will check these requests against the data in its possession;
- GRTgaz will forward to TIGF the data that concerns it for verification;
- GRTgaz will allocate capacity according to the results of these verifications.