

11 March 2014

Commission de Régulation de l'Energie  
15, rue Pasquier  
F-75739 PARIS Cedex 08

CRE Public Consultation related to  
the creation of a joint GRTgaz-TIGF  
marketplace as of 1 April 2015

Dear Sir/Madam,

ExxonMobil<sup>1</sup> is a longstanding participant in the European gas business involved across the supply value chain including upstream production, storage and processing, LNG receiving terminals and marketing. ExxonMobil also operate refineries and chemical plants in Europe, including facilities in France. As such we highly appreciate the opportunity to comment on the public consultation related to the creation of a joint GRTgaz-TIGF marketplace as of 1 April 2015.

ExxonMobil welcomes initiatives that improve the functioning of the French gas market and promote further integration towards a single European gas market, in order to facilitate gas trade, increase market liquidity and enhance security of supply. We support measures which are market based and ensure a level playing field for all market players and aim at the harmonization of gas regulations across the EU.

In this context we have appreciated the CRE initiatives to create a single PEG France by 2018. We understand that the timing of this objective is related to plans to increase the North-South transmission capacity. As an interim step we welcome the proposed merger of the GRTgaz South and TIGF zones and create a Greater South zone as of 1 April 2015 on the basis that there is no structural congestion between these two zones.

**Question 1:** Do you have any comments on the management rules proposed by the TSOs for the joint GRTgaz South and TIGF PEG?

**Answer:** We support the proposed management rules (of option 2- see below) as a means to create a common marketplace for the Greater South zone. We would have preferred a solution with a single balancing zone, as in the PEG North zone, but understand the TSOs wish to retain two separate balancing zones. Implementation of the proposal will establish a joint "*trading region*" while retaining two separate consumer zones. With respect to the joint trading region, we understand that shippers will interface with GRTgaz and TIGF. We would welcome a further enhancement of the management rules by establishing a "*trading region agent*" as a single point of contact for shippers, acting on behalf of the TSOs involved. This would provide shippers with the benefits of a single trading zone, while the TSOs would retain their separate systems.

**Question 2:** Are you in favour of an implementation of Option 1 proposed by the TSOs for the creation of the joint GRTgaz South and TIGF PEG?

**Question 3:** Are you in favour of the implementation of Option 2 proposed by the TSOs for the creation of the joint GRTgaz South and TIGF PEG?

**Answer:** We are in favour of the proposed implementation Option 2, which is less complex from the perspective of a shipper and end-user, and more in line with the operating rules at the North PEG.

Option 1 would create additional balancing obligations for shippers to manage their scheduling imbalances, with associated costs, which do not exist today. The preferred Option 2 is also more in line with the European Network Code on Gas Balancing of Transmission Networks which aims to achieve greater market integration.

**Question 4:** Are you in favour of CRE's proposal concerning the allocation key specific to each shipper to distribute daily imbalances between the two consumer zones in Option 2? If you do not agree, do you have any other suggestions?

**Answer:** We are in favour of CRE's proposal to use a shipper specific allocation key to distribute its daily imbalance between the two zones. However, we would have preferred a model in which a shipper would only have to deal with a single "*trading region agent*" for its imbalances, which would distribute the daily imbalances between the two consumer zones/TSOs using (aggregated) shipper specific allocation keys. This would provide shippers with the benefits of a single balancing zone, while the TSOs would retain two separate balancing zones.

**Question 5:** Do you consider that it would be useful to ask shippers to make nominations at notional consumption points in the option 2?

**Answer:** We do not consider it useful to ask shippers to make nominations at notional consumption points. TSOs can use their own consumption analysis in addition to shipper nominations at other entry and exit point of the Greater South zone to calculate physical flow. For shippers there are benefits in terms of simplicity when shippers do not have to make nominations at notional points.

**Question 6:** Are you in favour of CRE's proposal concerning capacity restriction management at the interface between GRTgaz South and TIGF zones? If you do not agree, do you have any other suggestions?

**Answer:** We are in favour of CRE's proposal concerning capacity restriction management at the interface between GRTgaz South and TIGF zones.

**Question 7:** Do you have any further comments?

**Answer:** We do not have any further comments on this matter.

We hope the foregoing comments prove useful in the development of CRE's final position on the creation of a joint GRTgaz-TIGF marketplace. This response does not contain confidential information. For further information, or if you want to discuss the above, please don't hesitate to contact me.

R. Z. H.

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<sup>i</sup> The term “ExxonMobil” may include the affiliated businesses stewarded by Exxon Mobil Corporation, as well as Exxon Mobil Corporation itself and does not refer to any one particular affiliate of the ExxonMobil group of companies.

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