



Commission de Régulation de l'Energie
Consultations Publiques
15, rue Pasquier
75379 Paris Cedex 08

Interlocuteur : Manuel CABANILLAS

Objet : Consultation publique sur le projet de prolongation d'exploitation du terminal méthanier de FOS TONKIN

Paris, le 16 juin 2011

Madame, Monsieur,

Veillez trouver la contribution de Gas Natural Europe en réponse à la consultation publique de la CRE sur le projet de prolongation d'exploitation du terminal méthanier de Fos Tonkin.

Nous restons à votre disposition pour clarifier ou développer nos commentaires sur ce sujet. Nous ne tenons pas à ce que le contenu de cette contribution reste confidentiel.

Veillez agréer, Madame, Monsieur, l'expression de nos sincères salutations.

Joaquin Mendiluce Villanueva
Directeur Général

Question 1 : *Que pensez-vous du calendrier de la procédure d'appel au marché proposé par Elengy ?*

The schedule proposed seems suitable as it doesn't interfere with other Open Season processes that would be held simultaneously.

Question 2 : *Considérez-vous pertinente cette contribution incitative ?*

Gas Natural Europe is strongly opposed to such a contribution : a "non binding round" should remain non-binding.

There is an interest for all the shippers in assessing the demand during this round, and for that purpose demands should be as precise and sincere as possible. Nevertheless, participants may completely change their view during the process depending on the results of this round, and they shouldn't be penalized for that.

Question 3 : *Que pensez-vous du niveau des seuils de souscriptions pris par Elengy pour son test économique ?*

Que pensez-vous du critère de tarif unitaire maximal indicatif à 1,1 €₂₀₁₁/MWh ?

As those minimum subscription requirements are calculated based on an average reference tariff, they seem suitable to Gas Natural Europe.

The reference tariff seems suitable.

Question 4 : *Que pensez-vous de la clause 1.9 relative à la résiliation des accords de souscription en cas de dérive des coûts ?*

We believe that a stronger commitment of Elengy in the control of the costs should be set up : 25% is too high, given the low level of risks on the outcome of the project, if decided (no necessity of public debate etc.).

Question 5 : *Que pensez-vous de la clause de sortie envisagée par Elengy ?*

This "option" would only benefit to few shippers (those who can discharge cargoes in Fos Tonkin), and it would be fair, in our view, that this apply to all regulated terminals in France, as any shipper can be hit by a major change in the LNG market.

Gas Natural Europe would therefore recommend that this clause become standard in all Elengy contracts and on all terminals of Elengy.

We would nevertheless add a limitation to this clause, to restrict it to changes that cannot be overcome by the shippers: we would therefore exclude any incapacity to deliver LNG due to the management of the fleet of "small" carriers that can discharge in Fos Tonkin, this fleet becoming one of the oldest.

Question 6 : *Pensez-vous que les règles d'allocation proposées par Elengy sont transparentes, non discriminatoires et adaptées aux spécificités du terminal méthanier de Fos Tonkin ?*

Since the ATTM 3 tariffs are in force, it is possible to subscribe to the "continuous" service with 10 deliveries per year. A shipper having carriers of 35 000 m³ can supply its portfolio using this service with 3 TWh/year of regas capacities.

As already mentioned in the last consultation, Gas Natural Europe would recommend lowering this limit to 3 TWh/year or removing it.

Concerning the ranking of the offers: criteria number 2 gives priority to the biggest carriers (more than 35000 m³). Gas Natural Europe would recommend removing this criterion or ranking it as the last one. Fos Tonkin is the sole terminal in France not being able to receive carriers of more than 75 000 m³. It is reserved to small and medium carriers. Therefore, why give small carriers a smaller priority ?

Question 7 : *Que pensez-vous de la demande d'Elengy d'amortissement accéléré des actifs du terminal ?*

Gas Natural Europe is not opposed to the application of a faster speed of depreciation in case the assets could not be fully depreciated before their dismantlement.

Nevertheless, as the depreciation of those assets is and has been paid by shippers through the tariffs, in order for the operator to replace its assets and continue its activity, we believe the dismantlement costs should not be taken into account in the tariffs (should the dismantlement cost be lower than the depreciation of the assets gained by the operator through the period of application of the tariffs). If higher, the difference should be included in the authorized revenues of the operator.

Question 8 : *Que pensez-vous du traitement envisagé par la CRE pour les dépassements éventuels du coût et des délais associés au projet ?*

Gas Natural is in favor of the regulatory framework envisaged by CRE that incentivizes the operator not to exceed the investment trajectory already set-up.

Elengy has a strong experience in the management of this kind of projects, and one can expect that the company has the ability to correctly forecast the costs and therefore bear the risk of any drift.

Indeed, the Open Season procedure for the extension of the exploitation period of the terminal transfers some risks to the participants (uncertainty on the results of the OS and tariffs resulting of the process).

It is reasonable that risks are shared amongst stakeholders.

Question 9: *Avez-vous d'autres remarques ?*

Gas Natural Europe would like to share some concerns about the interaction between the so-called "Eridan" investment project (approved by CRE a few weeks ago) and the schedule of new infrastructure projects :

- Eridan project was approved thanks to a subsidy from the European Commission awarded in the framework of the Recovery Plan
- According to our discussions with European Commission, such subsidy is directly related and conditioned to the debottlenecking of the North-South corridor in Western Europe, and particularly to MidCat project
- Eridan standalone approval should now make easier the success of a new Open Season for MidCat

Taking into account that situation, we have some concerns in relation with the potential success of Fos Tonkin Open Season :

- If the OS is a success, part of the new capacities created with Eridan will be "dedicated" to Fos Tonkin
- Then, further investments in GRTGaz core network may be needed to develop MidCat interconnection in a few years.
- A new MidCat OS may be hampered if new core network investments were to be included once again in its economic test

For all these reasons, and in order to provide a level playing field for all potential new infrastructure projects, Gas Natural Europe estimates that no core network investments should anymore be included in a future MidCat Open Season (while 50% of them were allocated to MidCat in the 2015 OS held in 2010) whenever it is scheduled. Otherwise, it would mean that Fos Tonkin (by the way, a project lead by a GDFSuez subsidiary) has been given a preferential treatment.

Finally, Gas Natural Europe would like to have an exhaustive study made by GRTgaz/TIGF about the impacts of Eridan, and the potential extension of Fos Tonkin, on the economic test of MidCat Interconnection and any other infrastructure project envisaged in the area.