



6 September 2013

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

CRE Public Consultation on conditions  
for access to gas transmission networks  
for gas-intensive consumers

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 which qualify as gas-intensive consumers. As such we highly appreciate the opportunity to comment on the proposals concerning conditions for access to gas transmission networks for gas-intensive consumers.

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 market place before 2018 by merging the PEG-South/TIGF zones in 2015, followed by the creation of a single PEG France. We understand that the timing of this objective is related to plans to increase the North-South transmission capacity. For the short-term we welcome the capacity optimisation measures which try to maximise capacity at the North-South link that can be made available.

We believe a non-discriminatory auction mechanism to allocate capacity between PEG-North and PEG-South is the best way to establish a competitive market. An auction ensures that capacity is allocated to users who value it most. Priority access to (part of the) available capacity will be discriminatory and not consistent with the principles of the EU 3<sup>rd</sup> package. In addition, the proposed options will link gas-intensive consumers to the PEG-North, which shifts physical supply from the PEG-South area to the PEG-North and thus deteriorate the liquidity at the PEG-South. The proposed options are aiming to shield gas-intensive consumers from the premium paid at PEG-South. We are concerned that this will reduce competition at the PEG-South, distort market signals and could in fact reduce incentives to bring LNG into this area due to lack of reliable price signals.

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However, the consultation document seems to imply that the CRE has already decided to implement special access conditions for gas-intensive consumers. If this is the case, the proposed option 1 is preferred over option 2 as a transitional measure, since it can be seen as a step towards gradual establishment of a single market by merging PEG-North and PEG-South for the eligible consumers, with the TSO(s) in charge of managing the transmission link. When implemented in this way, suppliers which bring LNG into the PEG-South area could supply gas-intensive consumers in that area without having to 'transport' the gas to the PEG-North. This would be required when gas-intensive consumers in the south are deemed to be located in the PEG-North area.

We hope the foregoing comments prove useful in the development of CRE's final position on conditions for access to gas transmission networks. For further information, or if you want to discuss the above, please don't hesitate to contact me.

A handwritten signature in blue ink, appearing to read 'I. Trickle', with a stylized flourish underneath.

Ian Trickle

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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.