

## **Tariff proposal from the French Energy Regulatory Commission (Commission de Régulation de l'Énergie – CRE) dated 2 April 2009 for use of public natural gas distribution networks.**

The following were present at the meeting: Philippe de LADOUCKETTE, Chairman; Michel LAPEYRE, Vice-Chairman; Maurice MEDA, Vice-Chairman; Jean-Paul AGHETTI, Pascal LOROT, Eric DYEYRE, Hugues HOURDIN and Emmanuel RODRIGUEZ, Commissioners.

The current tariffs for the use of public natural gas distribution networks for local distribution companies (*Entreprises Locales de Distribution - ELD*) proposed by the Energy Regulatory Commission (*Commission de régulation de l'énergie - CRE*) on 26 October 2005, became effective on 1 January 2006, based on the decision approving the tariffs on 27 December 2005.

The explanatory statement setting out the basis for the tariff proposal dated 26 October 2005 stated that: *"the full opening of the natural gas supply market to competition, and the legal separation of the distribution system operators (Gestionnaires de Réseau de Distribution - GRD), both planned for 1 July 2007, create uncertainties about how GRD's costs will change. For this reason, the tariffs defined in this proposal are intended to apply from 1 January 2006 for about two years. If it proves necessary, the CRE will propose new tariffs at an appropriate time."*

The CRE is proposing nine new tariffs for use of natural gas distribution networks for the 22 ELD that have an equalised tariff within their delivery zone. The eight ELD that present unbundled accounts have individual tariffs and the rest share the same common tariff.

This proposal complies with the provisions in Article 7 of the French Law 2003-8 dated 3 January 2003 relating to the gas and electricity markets and the public energy service. In these provisions: *"the French Energy Regulatory Commission shall, in particular when requested by the operators, send justified tariff proposals for the use of natural gas transmission and distribution networks and liquefied natural gas facilities to the French Ministers for the Economy and Energy. If neither Minister raises objections in the two months after receiving the Commission's proposals, they shall be deemed to have decided in favour of them"*.

In preparing its proposal, the CRE organized a public consultation between 20 January and 16 February 2009 and held hearing of the Association of Non-Nationalized Gas Companies (*Syndicat Professionnel des Entreprises Gazières Non Nationalisées - SPEGNN*).

It analyzed in detail the projected costs presented by the ELD. It carried out a comparative review of transportation tariffs for European distribution networks, and commissioned:

- a review comparing the costs of local natural gas distribution operators across Europe;
- an audit of the operating expenses of ELD with individual tariff.

For the eight ELD with individual tariff, the CRE introduces a regulatory framework identical to that defined for GrDF in its tariff, which came into force on 1 July 2008, under the French Administrative Order dated 2 June 2008.

This regulatory framework will give all market players better visibility and will reduce the risks borne by the ELD. It is based on:

- a tariff period extending over four years, with a tariff development path determined in advance, adjusted for inflation and including an annual change factor determined for each ELD and based on capital costs, operating expenses, volumes transported and a productivity objective for operating expenses;
- the introduction of a mechanism to correct differences between forecasts and actual figures, applied chiefly to capital costs and to incomes generated from volumes transported;
- the introduction of a financial incentive mechanism to improve the quality of service of all ELD.

It has been assumed that the tariffs presented in this proposal will come into force on 1 July 2009 for a period of four years. They allow for the following changes, expressed in current euro values:

Local distribution companies (ELD)	Change to the tariff on 1 July 2009	Annual change to the tariff structure starting on 1 July 2010
Régaz (Bordeaux)	+ 7.8 %	CPI <sup>1</sup> - 0.7 % <sup>2</sup>
Réseau GDS (Strasbourg)	+ 5.4 %	CPI - 0.7 %
Gaz Electricité de Grenoble	- 2.9 %	CPI - 0.1 %
Vialis (Colmar)	+ 6.0 %	CPI - 2.0 %
Gédia (Dreux)	- 3.4 %	CPI - 0.5 %
Caléo (Guebwiller)	- 2.1 %	CPI - 1.3 %
Gaz de Barr	- 2.4 %	CPI - 0.2 %
Veolia Eau (Huningue, St Louis, Hégenheim, Village-Neuf)	+ 9.6 %	CPI - 1.0 %

For most ELD, the CRE's proposal gradually reduces the gap between the tariffs of ELD and the GrDF:

Local distribution companies (ELD)	Difference compared with the GrDF tariff		
	ATRD1 (1 July 2004)	ATRD2 (1 January 2006)	ATRD3 (1 July 2009)
Régaz (Bordeaux)	+ 42 %	+ 23 %	+ 24 %
Réseau GDS (Strasbourg)	+ 36 %	+ 32 %	+ 30 %
Gaz Electricité de Grenoble	+ 44 %	+ 39 %	+ 26 %
Vialis (Colmar)	+ 29 %	+ 23 %	+ 21 %
Gédia (Dreux)	+ 50 %	+ 48 %	+ 34 %
Caléo (Guebwiller)	+ 24 %	+ 12 %	+ 3 %
Gaz de Barr	+ 49 %	+ 43 %	+ 30 %
Veolia Eau (Huningue, St Louis, Hégenheim, Village-Neuf)	+ 76 %	+ 67 %	+ 71 %

<sup>1</sup> CPI: average annual change, measured over the previous calendar year, in the Consumer Price Index excluding tobacco, calculated by the French National Institute for Statistics and Economic Studies (*Institut National de la Statistique et des Etudes Economiques – INSEE*) for all households across the whole of France.

<sup>2</sup> Annual change factor: determined for each ELD based on its capital costs, operating expenses, volumes transported and a productivity objective for operating expenses.

The changes include:

- a drop of 50 basis points in the rate of return on capital, set at 6.75%, related to the reduced risk for the ELD provided by the new regulatory framework;
- adjustments to operators' requested allocations to some cost headings, after an audit carried out by an external firm. These adjustments have not affected charges relating to changes in the workforce, safety costs or investments.

Various structural factors have tended to increase the ELD's tariffs:

- the growth in capital costs (associated with the accelerated withdrawal of grey iron piping in 2006 and 2007);
- the increase in operating expenses (including the impact of changes to the pension scheme under the regulations for the French electricity and gas industries);
- rates of growth in the volumes of gas distributed and the number of connected customers, which no longer offset the cost increases described above.

The regulatory framework that applies to the 14 ELD not using unbundled accounts is similar to that applied to the other ELD. The common tariff increases on 1 July 2009 by 1.4% (current euro value) compared with the current tariff. Each year, it will change by a percentage equal to CPI – 0.9%, corresponding to an annual change factor of 0.9%. On 1 July 2009, the common tariff will be 37% more expensive than that of GrDF.

The current tariff structure, with four main tariff options and one special option known as the "proximity tariff", will be maintained.

The CRE is proposing to update the mechanism of incentive-based regulation of quality of service of GrDF as from 1 July 2009. Several new indicators will be introduced, aimed at giving GrDF a financial incentive to improve the quality of its services to suppliers and end consumers.

In addition, Article 29 of the French Law dated 7 December 2006, modifying III of Article 7 of the French Law dated 3 January 2003, provides that: "*tariffs for use of public natural gas distribution networks (other than those licensed under Article 25-1 of this Law are equalised within each operator's delivery zone*". This article reaffirms the principle of equalisation by distribution system operator of the tariffs for use of natural gas distribution networks for concession granted prior to the modification introduced by the French Law dated 7 December 2006. However, it excludes from tariff equalisation the new concessions resulting from competitive tender (legislation in Article 25-1 of the 2003 Law). The present tariff proposal supplements the pricing rules that apply to new natural gas concessions, which, being awarded after competitive tender, may no longer benefit from tariff equalisation.

Lastly, the French General Directorate for Energy and Climate (*Direction Générale de l'Énergie et du Climat - DGEC*) has set up a working group to study injecting biogas into the networks. Biogas-injection projects are currently being studied and those most advanced could conclude during 2009. In these circumstances, distribution system operators could offer a technical gas-injection service on an experimental and temporary basis. The CRE will later propose a pricing structure for injecting biogas into the distribution networks that takes into account the conclusions of the working group referred to above, when they are available.

## Contents

<b>EXPLANATORY STATEMENT</b> .....	7
<b>A – Equalised ELD tariffs</b> .....	7
<b>1 – Regulatory framework for ELD having individual tariffs: implementation of incentive-based regulation</b> .....	7
1. Expenses and revenues clawback account (CRCP).....	7
2. Incentive for the ELD with individual tariffs to control costs.....	8
3. Incentive-based regulation fo quality of service.....	10
4. Summary.....	11
<b>II - Regulatory framework for ELD sharing the common tariff</b> .....	11
<b>III - Tariff levels</b> .....	12
1. Operating expenses (OPEX) .....	12
2. Normative capital costs.....	14
3. Total charges to be covered .....	17
<b>IV - Estimates of the quantities of gas distributed</b> .....	18
<b>V - Tariff structure</b> .....	19
<b>B – Updating the mechanism of incentive-based regulation of quality of service under GrDF’s equalised tariff.</b> .....	20
<b>C - Tariff rules for new natural gas concessions and second-tier distribution-network operators</b> .....	21
<b>I - Invoicing the costs of connection, transportation and specific services between first-tier and second-tier GRD</b> .....	21
1. Principles of invoicing transportation, specific to second-tier GRD.....	21
2. Principles of invoicing the connection for second-tier GRD.....	22
3. Methods of invoicing the costs of connection, transportation and specific services between first-tier and second-tier GRD .....	22
<b>II - Harmonizing methods of updating the non-equalised ATRD tariffs for concessions</b> .....	23
1. Harmonizing the dates of the annual revision .....	23
2. Harmonizing the indexation factors .....	23
3. Taking account of changes to the reference schedule of tariff.....	23
<b>D – Injecting biogas into the natural gas distribution networks</b> .....	23

## **TARIFFS FOR USE OF THE PUBLIC NATURAL GAS DISTRIBUTION NETWORKS<sup>25</sup>**

### ***I - Definitions and general principles applying to tariffs for use of the public natural gas distribution networks.....25***

1. Definitions .....	25
2. Invoicing by delivery point.....	25
3. Services covered by tariffs for use of the natural gas distribution networks.....	25
4. Structure and choice of tariff options .....	26
5. Method of meter reading for a delivery point .....	26
6. Subscriptions for daily capacity by the month or day .....	27
7. Fines for exceeding the subscribed daily capacity .....	27
8. Grouping delivery points .....	27
9. Supply of one delivery point by several shippers .....	28
10. Tariffs for second tier GRD .....	28

### ***II - Equalised tariff for use of the public natural gas distribution network of Régaz (Bordeaux).....28***

2. Equalised Régaz tariff effective from 1 July 2010 to 30 June 2011 .....	29
3. Equalised Régaz tariff effective from 1 July 2011 .....	30
4. Sharing extra productivity gains relating to operating expenses (OPEX).....	32
5. Regulation mechanism for Régaz quality of service.....	33

### ***III - Equalised tariff for use of the public natural gas distribution network of Réseau GDS (Strasbourg).....42***

1. Equalised Réseau-GDS tariff effective from 1 July 2009 to 30 June 2010 .....	42
2. Equalised Réseau-GDS tariff effective from 1 July 2010 to 30 June 2011 .....	43
3. Equalised Réseau-GDS tariff effective from 1 July 2011 .....	43
4. Sharing extra productivity gains relating to operating expenses (OPEX).....	46
5. Regulation mechanism for Réseau GDS quality of service.....	46

### ***IV - Equalised tariff for use of the public natural gas distribution network of Gaz Electricité de Grenoble (GEG).....55***

1. Equalised GEG tariff effective from 1 July 2009 to 30 June 2010.....	56
2. Equalised GEG tariff effective from 1 July 2010 to 30 June 2011 .....	56
3. Equalised GEG tariff effective from 1 July 2011 .....	57
4. Sharing extra productivity gains relating to operating expenses (OPEX).....	59
5. Regulation mechanism for GEG quality of service .....	60

### ***V - Equalised tariff for use of the public natural gas distribution network of Vialis (Colmar) .....64***

1. Equalised Vialis tariff effective from 1 July 2009 to 30 June 2010 .....	65
2. Equalised Vialis tariff effective from 1 July 2010 to 30 June 2011 .....	65
3. Equalised Vialis tariff effective from 1 July 2011 .....	65
4. Sharing extra productivity gains relating to operating expenses (OPEX).....	68
5. Regulation mechanism for Vialis quality of service .....	68

<b>VI - Equalised tariff for use of the public natural gas distribution network of Gédia (Dreux).....</b>	<b>73</b>
2. Equalised Gédia tariff effective from 1 July 2010 to 30 June 2011 .....	74
3. Equalised Gédia tariff effective from 1 July 2011 .....	74
4. Sharing extra productivity gains relating to operating expenses (OPEX).....	77
<b>VII - Equalised tariff for use of the public natural gas distribution network of Caléo (Guebwiller) .....</b>	<b>81</b>
2. Equalised Caléo tariff effective from 1 July 2010 to 30 June 2011 .....	82
3. Equalised Caléo tariff effective from 1 July 2011 .....	82
4. Sharing extra productivity gains relating to operating expenses (OPEX).....	85
<b>VIII - Equalised tariff for use of the public natural gas distribution network of Gaz de Barr .....</b>	<b>90</b>
1. Equalised Gaz de Barr tariff effective from 1 July 2009 to 30 June 2010 .....	91
2. Equalised Gaz de Barr tariff effective from 1 July 2010 to 30 June 2011 .....	91
3. Equalised Gaz de Barr tariff effective from 1 July 2011 .....	91
4. Sharing extra productivity gains relating to operating expenses (OPEX).....	94
5. Regulation mechanism for Gaz de Barr quality of service.....	95
<b>IX - Equalised tariff for use of the public natural gas distribution network of Veolia Eau (Huningue, St Louis, Hégenheim and Village-Neuf).....</b>	<b>100</b>
1. Equalised Veolia Eau tariff effective from 1 July 2009 to 30 June 2010 .....	100
2. Equalised Veolia Eau tariff effective from 1 July 2010 to 30 June 2011 .....	101
3. Equalised Veolia Eau tariff effective from 1 July 2011 .....	101
4. Sharing extra productivity gains relating to operating expenses (OPEX).....	104
5. Regulation mechanism for Veolia Eau quality of service.....	104
<b>X - Common tariff for use of the natural gas distribution networks for ELD that do not publish unbundled accounts.....</b>	<b>108</b>
1. Equalised common tariff effective from 1 July 2009 to 30 June 2010 .....	109
2. Equalised common tariff effective from 1 July 2010 to 30 June 2011 .....	110
3. Equalised common tariff effective from 1 July 2011 .....	110
4. Regulation mechanism for the quality of service of ELD applying the common tariff .....	110
<b>XI - Updating the mechanism of incentive-based regulation of quality of service of GrDF .....</b>	<b>112</b>
1. GrDF service-quality monitoring indicators that offer financial incentives .....	112
2. Other GrDF service-quality monitoring indicators.....	117
<b>XII - Tariff rules that apply to new concessions for natural gas distribution</b>	<b>124</b>

## EXPLANATORY STATEMENT

### A – Equalised ELD tariffs

The CRE is proposing eight individual tariffs for use of the natural gas distribution networks for ELD that present unbundled accounts:

- Régaz (Bordeaux);
- Réseau GDS (Strasbourg);
- Gaz Electricité de Grenoble (GEG);
- Vialis (Colmar);
- Gédia (Dreux);
- Caléo (Guebwiller);
- Gaz de Barr;
- Veolia Eau (Huningue, St Louis, Hégenheim and Village-Neuf).

It is proposing a common tariff for the 14 other ELD that do not present unbundled accounts.

#### ***1 – Regulatory framework for ELD having individual tariffs: implementation of incentive-based regulation***

This tariff proposal requires implementing a regulatory framework that provides the ELD with incentives to improve their efficiency, in terms of both cost control and quality of service.

Key features of this regulatory framework are:

- tariffs with a 4-year term, from 1 July 2009 to 30 June 2013. The tariff structure changes on July 1 in each year, based on predefined rules;
- an expenses and revenues clawback account (*Compte de Régularisation des Charges et des Produits - CRCP*). This aims to correct the differences between actual and projected costs and revenues for some pre-determined items headings among those used in this tariff proposal;
- a cost-control incentive
- an incentive to improve the quality of service.

This new regulatory framework will provide all market players with better visibility and will also reduce risks for the ELD concerned.

#### **1. Expenses and revenues clawback account (CRCP)**

For ELD with individual tariffs, this tariff proposal introduces a new mechanism similar to that applied to GrDF: the expenses and revenues clawback account (CRCP).

The CRCP is an extra-accounting fiduciary account, funded at regular intervals by all or part of the cost or revenue differences recorded for the pre-defined items. The balance on this account is cleared by reducing or increasing the schedule of tariff halfway through the tariff period (on 1 July 2011) and at the end of the tariff period (1 July 2013), spreading the write-off over a period of four years.

In order to ensure that the mechanism is financially neutral, amounts posted to the CRCP will be adjusted to present value using an interest rate equivalent to the risk-free rate defined in this tariff proposal. This rate is fixed at a nominal pre-tax rate of 4.2% per year.

7/124 (translated from the French : only the original in French is authentic)

For this tariff proposal, the cost and revenue items subject to the CRCP mechanism are:

- income received by the ELD at tariff charges proportional to the quantities of gas distributed over the distribution network (100% covered);
- the capital costs borne by the ELD (100% covered);
- fines received by the ELD for exceeding the capacities subscribed for clients who benefit from options T4 and TP, repaid at 100%, so that the penalty system is financially neutral as regards the ELD;
- the financial incentives generated by the mechanism of incentive-based regulation of quality of service, for all the indicators involved, apart from that related to the respect of customer appointments. This is in order to allow the repayment to network users of fines for failure to reach the set quality of service, or bonus payments to the ELD if the targets are exceeded.

If appropriate, managing the CRCP will also include auditing the cost-effectiveness and probity of the expenses incurred. In particular, these controls could concern the investments undertaken by the ELD.

Additionally, the results of audits carried out by the CRE will be taken into account in the CRCP.

## 2. Incentive for the ELD with individual tariffs to control costs.

In order to incite the ELD to control their costs and to provide tariff visibility to the market, this tariff proposal defines in advance how the ELD's tariffs will change over the four years of the tariff period.

Apart from the impact of the CRCP, the tariff trajectory is defined by:

- changing the ELD tariffs by the following percentages on 1 July 2009 (current euro values):

Local distribution company (ELD)	Change to the tariff on 1 July 2009
Régaz (Bordeaux)	+ 7.8 %
Réseau GDS (Strasbourg)	+ 5.4 %
Gaz Electricité de Grenoble	- 2.9 %
Vialis (Colmar)	+ 6.0 %
Gédia (Dreux)	- 3.4 %
Caléo (Guebwiller)	- 2.1 %
Gaz de Barr	- 2.4 %
Veolia Eau (Huningue, St Louis, Hégenheim, Village-Neuf)	+ 9.6 %

- applying a revision factor to the ELD's schedule of tariff on July 1 in each year, starting on 1 July 2010. This factor is the CPI – X, where:
  - the CPI is the average annual change during the previous calendar year in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;



- X is the annual percentage change, as defined below:

Local distribution company (ELD)	Annual percentage change applied to the schedule of tariff	Annual change to the schedule of tariff
Régaz (Bordeaux)	0.7 %	CPI - 0.7%
Réseau GDS (Strasbourg)	0.7 %	CPI - 0.7 %
Gaz Electricité de Grenoble	0.1 %	CPI - 0.1 %
Vialis (Colmar)	2.0 %	CPI - 2.0 %
Gédia (Dreux)	0.5 %	CPI - 0.5 %
Caléo (Guebwiller)	1.3 %	CPI - 1.3 %
Gaz de Barr	0.2 %	CPI - 0.2 %
Veolia Eau (Huningue, St Louis, Hégenheim, Village-Neuf)	1.0 %	CPI - 1.0 %

In order to define how the tariff's change, the CRE analyzed in detail all the forecasts supplied by the ELD. It made some adjustments to the expenses shown by the ELD, which are described in paragraph III.1. These adjustments did not affect charges relating to changes in the workforce, safety costs or investments. It set a productivity target for each ELD's net OPEX.

The percentage changes to the schedule of tariff presented above assume that from 2010, the net operating expenses of each ELD change by the following annual percentages, based on the levels used in 2009:

Local distribution company (ELD)	Productivity target for net OPEX <sup>(*)</sup>	Percentage annual variation in net OPEX	Cumulative reduction in net OPEX over the period 2010-2012
Régaz (Bordeaux)	1.25 %	CPI - 1.25 %	- 3.5 %
Réseau GDS (Strasbourg)	- 0.82 %	CPI + 0.82 %	- 3.8 %
Gaz Electricité de Grenoble	2.80 %	CPI - 2.80 %	- 3.4 %
Vialis (Colmar)	1.82 %	CPI - 1.82 %	- 2.6 %
Gédia (Dreux)	1.21 %	CPI - 1.21 %	- 3.5 %
Caléo (Guebwiller)	1.35 %	CPI - 1.35 %	0 %
Gaz de Barr	1.34 %	CPI - 1.34 %	- 2.0 %
Veolia Eau (Huningue, St Louis, Hégenheim, Village-Neuf)	3.05 %	CPI - 3.05 %	- 8.3 %

(\*) net OPEX is calculated as gross OPEX minus extra-tariff revenues and stocked and immobilised production.

The productivity targets were defined by taking into account the natural evolution of OPEX for each ELD, and the recommendations relating to each ELD's productivity potential from both the comparative review of the costs of European local distribution operators and from the audit of ELD operating expenses carried out by external firms.

The comparative review of the costs of European local natural gas distribution operators compared the costs of the eight French ELD concerned with those of 24 other distribution system operators of comparable size in nine European countries. It concluded that, compared with the sample, the ELD did not perform well. It recommended annual productivity targets for the ELD OPEX of between 2.3% and 5%.

The audit of the operational expenses of the eight ELD analyzed both their OPEX (current levels and their projected trajectory), and the productivity increases each ELD could achieve (based on industry best practices for the size of support and technical functions, and on the potential for shared resources). It was able to identify the shortfall in productivity for each major function for each ELD, and recommended annual productivity targets for their OPEX of between 1.2% and 10.6%.

In arriving at its proposals for productivity increases, the CRE took into account the recommendations from the review and the audit described above. It also considered the particular position of each ELD.

Productivity gains made by the ELD that exceed the annual productivity targets defined for the projected trajectories presented above, will be calculated at the end of the tariff period for the three calendar years 2010, 2011, 2012.

The ELD will keep 40% of the gains obtained. The remaining 60% will benefit network users, and will be used to reduce the costs to be recovered in the next tariff period.

### **3. Incentive-based regulation fo quality of service**

This tariff proposal provide for the setting-up of a mechanism of incentive-based regulation of quality of service, in order to ensure an improvement in the quality of the service provided by the ELD and to prevent any deterioration resulting from the productivity targets imposed on ELD.

This mechanism is designed to address the particular position of each ELD, and concerns the following areas: the quality of service calls, the quality of customer and supplier relations, the quality of allocations and meter readings. Safety is not included in the mechanism, since GRD are subject to regulatory requirements in this area, and are audited by other public authorities.

The quality of service regulation mechanism is made up of two types of indicator:

- indicators which are monitored by the CRE, and whose values are published;
- indicators which are monitored by the CRE, whose values are published, and which are linked to financial incentives applied when predefined targets are either not achieved or are exceeded. These financial incentives (apart from those relating to keeping appointments, which are paid directly to suppliers) consist of penalties or bonuses that are paid respectively to users and to the ELD, via the CRCP.

On 1 July 2009, two indicators will be linked to financial incentives:

- response to supplier complaints within a target time, specific to each ELD and not exceeding 30 calendar days. This indicator applies to Régaz, Réseau GDS, Gaz et Electricité de Grenoble, Vialis and Gédia;
- scheduled appointments kept by the GRD. This indicator applies to all the ELD. Each appointment missed because of the ELD prompts compensation paid directly to the supplier concerned. The amount is equal to the amount invoiced by the ELD if a scheduled service call is missed because of the customer or supplier.

The other indicators may later be linked to incentives: currently, they have no history to use as a basis for setting targets and defining financial incentives specific to each ELD.

If it deems necessary during the tariff period, the CRE will propose developments in the quality of service regulation mechanism to the Ministers of Energy and Economy, based on sufficient experience feedback to make the following adjustments:

- defining new indicators and/or withdrawing existing indicators;
- defining targets for indicators that have none, based on an adequate history;
- applying incentives (penalties and/or bonuses) as necessary to indicators that have none; and re-evaluating existing financial incentives.

#### 4. Summary

This tariff proposal applies from 1 July 2009. It defines a tariff for each ELD for a four-year period.

The schedule of tariff for ELD that have individual tariffs will change on 1 July 2010: the tariff in force on 30 June 2010 will be adjusted by the following percentage change:

$$Z_1 = \text{CPI} - X$$

The schedule of tariff for ELD that have individual tariffs will change on July 1 of each year, starting on 1 July 2011: the tariff then in force will be adjusted by the following percentage change:

$$Z_2 = \text{CPI} - X + k$$

Where:

- the CPI is the average annual change during the previous calendar year in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;
- X is the annual percentage change in the schedule of tariff, and is specific to each ELD;
- k (expressed as a percentage) is the change in the schedule of tariff resulting from clearing the balance on the CRCP.

#### ***II - Regulatory framework for ELD sharing the common tariff***

The following ELD share the common tariff:

- Sorégies (Departement of Vienne);
- Énergies Services Lannemezan;
- Energis - Régie de Saint-Avold;
- Gazélec de Péronne;
- Energies et Services de Seyssel;
- ESDB - Régie de Villard Bonnot;
- Régie Municipale Gaz et Electricité de Bonneville;
- Régie Municipale Gaz et Electricité de Sallanches;
- Régie du Syndicat Électrique Intercommunal du Pays Chartrain;
- Énergies Services Lavour;
- Énergies Services Occitans – Régie de Carmaux;
- Régie Municipale Multiservices de La Réole;
- Gascogne Energies Services;
- Régies Municipales d'Electricité, de Gaz, d'Eau et d'Assainissement de Bazas.

This tariff proposal applies from 1 July 2009. It defines a tariff common to ELD that do not present unbundled accounts, and lasts for four years.

As for the current common tariff, the change in tariff level on 1 July 2009 is calculated from the averaged changes in tariff of the three unbundled-account ELD that transport the smallest quantities of gas: Veolia Eau, Caléo and Gédia. This gives a projected increase of 1.4% (current euro values) over the current tariff.

The schedule of tariff for ELD that use the common tariff will change on 1 July 2010, when the following percentage change is applied to the tariff current on 30 June 2010:

$$Z_1 = \text{CPI} - 0.9\%$$

The schedule of tariff for ELD that use the common tariff will change on July 1 of each year, starting on 1 July 2011: the tariff in force will be adjusted by the following percentage change:

$$Z_2 = \text{CPI} - 0.9\% + k$$

Where:

- the CPI is the average annual change during the previous calendar year in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;
- 0.9% is the arithmetic average of the annual change factors for the tariff structures of the three unbundled-account ELD that distribute the smallest quantities of gas;
- k (expressed as a percentage) is the arithmetic average of the changes to the schedule of tariff of the three unbundled-account ELD that distribute the smallest quantities of gas, derived from clearing the balance on the CRCP.

This tariff proposal includes implementing a simplified regulatory framework providing incentives for these ELD to improve their quality of service. The mechanism is composed of two indicators, of which one (measuring how well the GRD keeps scheduled appointments) will be linked to a financial incentive from 1 July 2009.

### **III - Tariff levels**

#### **1. Operating expenses (OPEX)**

The operating expenses to be covered in the tariff are defined as all the expenses necessary to operate the distribution networks, as they have been communicated to the CRE and as they appear in the operators' accounting systems.

To set the level of these expenses, the CRE based its calculations specifically on:

- data from the unbundled accounts of ELD with individual tariff for the years 2006 and 2007;
- assumptions about how expenses will evolve between 2008 and 2012, provided by the operators;
- the results of an audit of the operating expenses of ELD with individual tariff for the accounting periods 2007 to 2012;
- the results of a review comparing the costs of local natural gas distribution operators across Europe.

Forecasts of ancillary receipts not received under the tariff for use of the distribution network are deducted from the operating expenses to be covered.

### **1.1. Rules for spreading shared expenses between accounts**

In its decision of 7 February 2007, the CRE approved *“the apportionment principles proposed by the local distribution companies in the natural gas sector, on condition that they take into account the observations and clarifications provided [...], that is: the rules for allocating postings to headings in the balance sheet and profit-and-loss account must comply with the principle of direct allocation, and correspond to the boundaries of the activities. When direct allocation is not possible, amounts relating to fixed assets must be allocated to the activity making most use of them. The rules used to apportion amounts between headings in the profit-and-loss account must be documented and reflect the best cost driver available.”*

Thus an operator's rules for apportioning costs can change to reflect changes in the business structure or in its activity, and/or to match more closely the company's cost drivers.

Some ELD split the shared expenses of support functions between their different activities according to rules such as the “Turnover” rule, which reflects imperfectly the cost driver for their expenses. The audit of operating expenses concluded that such rules were no longer appropriate. Consequently, and according to the decision of 7 February 2007, the CRE is proposing to replace the rules concerned by a more pertinent “Direct Expenses” rule.

This tariff proposal takes into account 50% of the adjustment associated with changing the rule, in order to give the ELD enough time to adapt to the change, and to enable them to analyze shared expenses in more detail, and thus to identify new and more representative rules.

### **1.2. Perimeter of operational expenses covered by the tariffs**

#### *a) Accounting for expenses associated with the densification of the network*

Over the last three years, the growth in the number of new customers on the natural gas distribution networks has slowed considerably. This slowdown is one of the factors causing the tariffs charged by GRD for use of their networks to increase.

The tariff for use of GrDF's public natural gas distribution networks, approved in the French Administrative Order of 2 June 2008, covers the GRD's expenses in connected with the densification of the network. They include financial aid to developers and builders of private homes, and the costs of organizing gas-industry events (consultants, installers and project managers). In 2008, such expenses amounted to €27 million, or 2% of GrDF's net operating expenses.

These initiatives boost the number of new customers joining the existing distribution networks, so that the networks are used more intensively, thus helping to reduce the average delivery cost to all customers.

A distribution-network operator is well placed to take initiatives in this area because it can write off their cost over the long term. Suppliers, on the other hand, are never sure that they will keep their new customers for long periods, since customers can change supplier at any time.

In addition, during the public consultation carried out by the CRE at the end of 2007, all suppliers were in favour of the GRD covering this type of initiative in the network-usage tariffs, as long as the initiatives were organized in a way that did not discriminate against particular suppliers.

The CRE is proposing to apply rules to the ELD that are similar to those used for GrDF.

Most ELD find it difficult to distinguish clearly aid that increases the densification of the network from aid intended to enlarge it. In addition, apart from Régaz and Réseau GDS, the ELD's activity as GRD is not legally unbundled from their supply activity.

In these circumstances, and starting in 2010, this tariff proposal covers expenses associated with the densification of the networks carried out by the ELD up to the level agreed for GrDF, or 2% of net OPEX.

Since some initiatives have already started, this tariff proposal provides for covering all the expenses involved for all the ELD in 2009.

b) *Communication expenses*

This tariff proposal retains the current rule for covering communication expenses. This provides for the expenses of communication regarding network safety (representing in practice a fixed amount of 10% of the total advertising, sponsorship and marketing, etc. expenses borne by the operator).

## 2. Normative capital costs

Capital costs comprise depreciation plus the financial return on capital assets. These two components are calculated from the Regulated Asset Base (RAB), from each ELD's valuation of its assets and from its pattern of asset use.

In preparing this tariff proposal, the CRE has included each ELD's investment forecast in full. It has used the same principles to calculate capital costs as it has done previously when setting tariffs. However, the CRE has modified its view of the factor used to calculate the financial return, the weighted average cost of capital to the distribution business.

### 2.1. Valuing and updating the Regulated Asset Base (*Base d'Actifs Régulée*)

Valuing the capital used by the operator to provide the natural gas distribution service uses the historical asset costs and investment forecasts provided by the operator.

When defining the RAB, the treatment of assets differs depending on whether they came into use before or after 1 January 2003.

a) *Initial value of the Regulated Asset Base on 31 December 2002*

Assets employed before 31 December 2002 are valued by adjusting historical costs for inflation, using the following method:

- gross historical asset values are adjusted for the revaluation variances authorized in 1976, grants received in relation to the investments, and contributions received from the investment beneficiaries;
- the restated gross values are revalued as at 31 December 2002 using the price index for market-sector GDP;
- the revalued gross values are then depreciated linearly over the economic life-time of each category of asset (see table below). Assets are deemed to come into use on 1 July of the first year.

<b>Asset category</b>	<b>Standard life (years)</b>
Pipelines and connections	50
Pressure reducing stations	40
Compressors / metering	20
Other technical plant	10
Structures	30

Some asset categories have a particular treatment:

- vehicles, fittings, personal-computing equipment and small equipment items etc. are not re-valued;
- land is accounted for based on its non-amortized re-valued historical value.

b) *Updating the value of the Regulated Asset Base*

Assets brought into use between 1 January 2003 and 31 December 2008 are included in the RAB at their gross value. Planned investments from 1 January 2009 are accounted for at their projected gross value as provided by the operators. For ELD whose accounting periods are based on the gas year, these dates are 30 September 2008 and 1 October 2008.

For all assets, the treatment of amounts financed by third parties is identical to their accounting treatment:

- when the operator records contributions from third parties in the accounts as liabilities, in exchange for the value of structures recorded as assets, these contributions reduce the value of assets included in the RAB;
- when the operator records contributions from third parties as operating income, the assets are included in the RAB at their total value, and the third-party contribution reduces the operating expenses that the tariff must cover.

The nominal date when assets are entered in the inventory has been set at 1 July of each year, and the date when they are taken out at 30 June (1 April and 31 March respectively for operators with a displaced period end). Only assets in use are included in the RAB.

Once assets are included in the RAB, their value is updated using the following method:

- the assets are re-valued at the start of each year using the inflation rate from July to July (April to April for a displaced period end). the re-valuation index used is the consumer price index excluding tobacco products, as calculated by INSEE for previous years;
- assets are depreciated using the straight-line method over their economic life-time. Life-times for asset depreciation after 31 December 2002 are identical to those used to re-value assets brought into use before that date, except for pipelines and connections, which are taken to have a life-time of 45 years. This allows for the uncertainty regarding the life-time of polyethylene pipes, where experience is limited.

Assets scrapped before the end of their economic life are removed from the RAB and no depreciation or financial return is included for them.

## **2.2. Rate of return on RAB**

The method adopted to evaluate the assets' rate of return is based on the weighted average cost of capital (WACC) for a normative financial structure. The operator's return should firstly finance the interest charges on its debt, and secondly provide a return on equity comparable with what investments elsewhere, with similar levels of risk, might obtain. The cost of capital is estimated using the Capital Asset Pricing Model (CAPM).

As it does for each new tariff proposal, the CRE has re-examined the various parameters used to calculate the WACC.

For this tariff proposal, the CRE used the value of 6.75% (actual rate before tax) as the weighted average cost of capital in order to calculate the return to operators, using a range of values for each parameter included in the WACC formula. The values used to set the rates are shown in the table below:

Real risk-free rate	2.40 %
Debt spread	0.40 %
Asset beta	0.58
Equity beta	0.83
Market premium	4.50 %
Gearing (debt/debt + equity)	40.00 %
Corporate income tax rate	34.43 %
Cost of debt*	2.80 %
Cost of equity	9.38 %
<b>Real WACC before corporation tax</b>	<b>6.75 %</b>

\*Real before corporation tax

Compared with the values used to define the current distribution tariff (ATRD2), the main difference is the reduction in the asset beta. This is consistent with the reduction in the risk profile of gas-distribution activity given the new regulatory framework, which includes a CRCP (addressing volume risk in particular), annual changes to the tariff structure that take account of inflation, and a 4-year tariff period.

### 2.3. Investment program

The following investments in 2007 and 2008, and investment forecasts for 2009-2012 have been used to calculate capital charges:

In €M at current values	Investments					
	2007 actual	2008 actual	2009 forecast	2010 forecast	2011 forecast	2012 forecast
Régaz*	17.17	13.24	15.02	12.69	13.34	13.80
Réseau GDS*	17.19	9.49	10.34	7.86	6.36	5.34
Gaz Electricité de Grenoble	2.00	1.01	1.58	1.50	5.35	2.30
Vialis	5.99	2.16	1.71	1.29	1.39	1.50
Gédia	0.89	0.48	1.59	0.89	0.85	0.90
Caléo	0.90	0.86	0.69	0.67	0.68	0.70
Gaz de Barr*	1.01	0.91	2.05	1.19	1.20	1.29
Veolia Eau	1.11	1.03	1.14	1.28	1.15	1.20

\*Year end 30/09/n

The high level of investment in 2006 and 2007 relates mainly to the accelerated programme for withdrawing grey iron piping, which was completed in 2007.

The CRE has included all investment forecasts from the ELD, in particular those related to the safety of the network. As capital charges are included in the CRCP, a financial return will only arise on investments actually made.



### 3. Total charges to be covered

#### 3.1. Capital costs

Provisional values for the RAB

In €M at current values	BAR at the start of the accounting period			
	2009	2010	2011	2012
Régaz	269.65	269.74	269.72	270.51
Réseau GDS	217.28	220.55	223.28	224.84
Gaz Electricité de Grenoble	33.00	33.06	33.32	37.48
Vialis	51.61	51.89	52.26	52.72
Gédia	25.81	26.53	26.71	26.83
Caléo	16.05	16.23	16.54	16.84
Gaz de Barr	25.76	26.99	27.55	28.17
Veolia Eau	21.84	22.30	23.09	23.72

Provisional values for capital costs:

In €M at current values	Average level of normative capital costs 2009 - 2012							
	Régaz*	Réseau GDS*	Gaz Electricité de Grenoble	Vialis	Gédia	Caléo	Gaz de Barr*	Veolia Eau
Return on the RAB	18.67	15.20	2.40	3.57	1.82	1.13	1.88	1.57
Depreciation	17.50	9.04	1.88	1.96	1.22	0.69	1.11	0.96
Total	36.17	24.23	4.27	5.52	3.04	1.83	2.98	2.53

\*Year end 30/09/n

#### 3.2. Operating expenses

The ELD's net operating expenses for 2009 are estimated at:

In €M	2009							
	Régaz	Réseau GDS	GEG	Vialis	Gédia	Caléo	Gaz de Barr	Veolia Eau
Net operating expenses	25.06	17.23	5.81	4.02	2.33	1.43	2.00	1.26

The reference basis for measuring ELD productivity uses net operating expenses. This reference basis will be adjusted each year from 2010 by an annual percentage variation equal to:

Local distribution company (ELD)	Percentage annual variation in net OPEX
Régaz (Bordeaux)	CPI - 1.25 %
Réseau GDS (Strasbourg)	CPI + 0.82 %
Gaz Electricité de Grenoble	CPI - 2.80 %
Vialis (Colmar)	CPI - 1.82 %
Gédia (Dreux)	CPI - 1.21 %
Caléo (Guebwiller)	CPI - 1.35 %
Gaz de Barr	CPI - 1.34 %
Veolia Eau (Huningue. St Louis. Hégenheim. Village-Neuf)	CPI - 3.05 %

### 3.3. Authorized income

The authorized income used in defining the tariff structure at 1 July 2009 is equal to the sum of the net operating expenses plus the capital costs, calculated using the method described above. It amounts to:

Local distribution company (ELD)	Authorized income for 2009 (in €M at current values)
Régaz (Bordeaux)	60.65
Réseau GDS (Strasbourg)	40.94
Gaz Electricité de Grenoble	9.93
Vialis (Colmar)	9.49
Gédia (Dreux)	5.26
Caléo (Guebwiller)	3.20
Gaz de Barr	4.83
Veolia Eau (Huningue. St Louis. Hégenheim. Village-Neuf)	3.68

#### IV - Estimates of the quantities of gas distributed

Unit prices vary with the quantity of gas distributed and the number of end customers connected to the distribution networks.

The forecasts have been based on the number of customers actually connected to the ELD's networks in 2006, 2007 and 2008, using a climate-correction model to predict the quantities consumed in an average year.

ELD's results for the current tariff period show that both the quantities actually distributed and the number of consumers actually connected were in most cases lower than forecast.

In calculating the tariffs for the next tariff period, and given the present energy environment and the impact of measures to control energy consumption, it is reasonable to assume moderate increases in the numbers of connected customers and the quantities (corrected for the climate) of gas distributed.

The assumptions about future growth used to define the tariffs are those provided by the ELD:

		ATRD2	Achieved (corrected for climate)				Forecast		
		2006	2006		2007		2009		Moderate growth 2010-2012
				(variance / ATRD2 2006)		(variance/ ATRD2 2006)		(variance / ATRD2 2006)	
Régaz	Average number of customers	211,705	212,495	+0.4%	213,409	+0.8%	213,299	+0.8%	-0.2%
	Volume (GWh)	4,961	4,602	-7.2%	4,758	-4.1%	4,792	-3.4%	-0.2%
Réseau GDS	Average number of customers	112,559	108,571	-3.5%	109,730	-2.5%	111,785	-0.7%	+0.7%
	Volume (GWh)	5,093	4,860	-4.6%	4,641	-8.9%	4,843	-4.9%	+0.6%
GEG	Average number of customers	48,617	48,211	-0.8%	47,794	-1.7%	46,794	-3.7%	-1.1%
	Volume (GWh)	998	868	-13.0%	936	-6.2%	915	-8.3%	-1.1%
Vialis	Average number of customers	30,899	31,013	+0.4%	31,598	+2.3%	32,024	+3.6%	+0.7%
	Volume (GWh)	900	906	+0.6%	891	-1.1%	899	-0.1%	+0.5%
Gédia	Average number of customers	12,827	12,883	+0.4%	12,986	+1.2%	13,172	+2.7%	+0.5%
	Volume (GWh)	489	487	-0.4%	433	-11.5%	453	-7.4%	+0.1%
Caléo	Average number of customers	9,433	10,806	+14.6%	11,135	+18.0%	11,379	+20.6%	+1.1%
	Volume (GWh)	390	396	+1.7%	357	-8.6%	351	-10.0%	+0.8%
Gaz de Barr	Average number of customers	9,979	10,149	+1.7%	10,424	+4.5%	10,672	+6.9%	+1.0%
	Volume (GWh)	421	514	+22.3%	524	+24.5%	501	+19.2%	+0.5%
Veolia	Average number of customers	7,365	7,596	+3.1%	7,703	+4.6%	7,860	+6.7%	+1.0%
	Volume (GWh)	324	263	-18.9%	237	-27.1%	289	-11.0%	+0.9%

## V - Tariff structure

Under the provisions in Article 7 of the French Law dated 3 January 2003, as amended, the tariffs for use of the ELD's natural gas distribution networks (other than those licensed under Article 25-1 of the Law) are equalised within each ELD's delivery zone.

The experience of GRD, of natural gas suppliers that currently use those networks, and also of market players who contributed to the public consultation conducted by the CRE at the end of 2007, confirms that the principles on which distribution network tariffs are currently based are satisfactory. The following principles have therefore been retained.

Each ELD's tariff for use of natural gas distribution network comprises four main tariff options. The shipper chooses the tariff option for a given delivery point. The tariff applies by delivery point.

Each of the four main tariff options corresponds to a customer segment:

- option T1: annual consumption between 0 and 6,000 kWh;
- option T2: annual consumption between 6,000 and 300,000 kWh;
- option T3: annual consumption between 300,000 and 5,000,000 kWh;
- option T4: annual consumption greater than 5,000,000 kWh.

These thresholds take into account the transportation pricing levy (*Contribution Tarifaire d'Acheminement - CTA*) which applied to the fixed tariff charges and, in the case of option T4, for a modulation of 160 days.

The first three tariff options are in two parts: an annual subscription and a charge proportional to the quantity consumed.

The T4 option has three parts: an annual subscription, a charge proportional to the quantity consumed and a charge proportional to the subscribed daily capacity.

The tariffs also include a special option, known as the "proximity tariff (*tarif de proximité - TP*)". This is an option only for end customers that may under the regulations connect directly to a natural gas transmission network. It includes an annual subscription, a charge proportional to the subscribed daily capacity and a charge proportional to the distance between the delivery point and the closest transmission network.

The tariff options T4 and TP have a mechanism that imposes penalties if the subscribed capacity is exceeded.

End customers without individual meters have a fixed-rate tariff, calculated based on option T1.

## **B – Updating the mechanism of incentive-based regulation of quality of service under GrDF's equalised tariff.**

This tariff proposal updates as from 1 July 2009 the mechanism of incentive-based regulation of quality of service of GrDF.

The changes proposed derive firstly from experience of the current arrangements (in force since 1 July 2008), and secondly from the work of the Gas Working Group (*Groupe de Travail Gaz - GTG*), which identified new ways to improve those GrDF processes that are key to proper market operation. The changes include:

- using four new indicators, of which two have financial incentives, applied either from 1 July 2009 (for the indicator monitoring the rate of deviation from the contractual scope), or during the tariff period (for the indicator monitoring the processing of rejects during the period M to M+1). For the indicator monitoring the rate of deviation from the contractual scope, the financial incentives are initially managed using the CRCP mechanism. Based on experience in practice, and if appropriate, incentives may later be paid directly to the suppliers affected;
- associating financial incentives with the three indicators that monitor the OMEGA meter-reading publication rates; and re-assessing the objectives of the indicator monitoring the level of availability of the OMEGA Portal;
- defining six indicators to monitor completion timescales and rates of completion within the scheduled start-ups times, disconnection and supplier switches;
- removing three indicators relating to OMEGA publication timescales, which are already monitored by existing indicators.

## **C - Tariff rules for new natural gas concessions and second-tier distribution-network operators**

Paragraph III of Article 7 of the French Law dated 3 January 2003, amended by Article 29 of the Law dated 7 December 2006, provides that " *tariffs for use of public natural gas distribution networks (other than those licensed under Article 25-1 of this Law are equalised within each operator's delivery zone* ".

This Article confirms the principle of equalisation by distribution system operator of the the tariffs for use of natural gas distribution networks for concessions granted prior to the modification introduced by the French Law of 7 December 2006. On the other hand, it excludes new concessions resulting from competitive tender from such tariff equalisation (legislation in Article 25-1 of the Law of 2003).

Paragraph III of the French Administrative Order dated 2 June 2008, which approves the tariffs for use of public natural gas distribution networks, sets the tariff rules that apply to new concessions for distributing natural gas: "*Any entity wishing to respond to an invitation to tender to supply a new distribution concession with natural gas must use as a reference the GrDF schedule of tariff current at the time of the invitation to tender. A single multiplier is applied to all the charges in the schedule of tariff. [...]*".

After a tender for a new concession, the GRD sends the tariff to be applied to the CRE, which checks that the requirements in the Order of 2 June 2008 have been met, and, if so, submits the tariff to the Ministers for approval.

In addition, the Order of 2 June 2008 provides that GRD with individual equalised tariffs shall separate municipalities benefiting from equalised tariffs and others when it accounts for costs. This method of separation must be auditable, and account for costs actually attributable.

This proposal supplements these rules by defining the tariff structure between first-tier GRD and second-tier GRD, and by setting the rules for updating the non-equalised ATRD tariffs for concessions.

### **I - Invoicing the costs of connection, transportation and specific services between first-tier and second-tier GRD**

#### **1. Principles of invoicing transportation, specific to second-tier GRD**

The Order of 2 June 2008 approving the tariffs for use of public natural gas distribution network provides that "*as regards the tariff and the contract, the second-tier distribution network is made directly accessible to shippers from the transmission network, based on the following system:*

- *shippers pay the second-tier GRD a single rate, covering the service of transporting gas from the relevant Transmission / Distribution Interface Point (PITD) to the end consumer's delivery point;*
- *the charges covered in the second-tier GRD's tariffs include costs related to transportation over the first-tier GRD's distribution network;*
- *these costs are defined in a contract between the first-tier and second-tier GRD, or, when the first-tier and second-tier GRD are one and the same legal entity, in a protocol. They are submitted to the CRE.*

Thus a second-tier GRD is a user of the first-tier GRD's network, but one with special attributes:

- it is a delegated public-service organization as regards the licensing contract, and consequently has public-service obligations;
- it is responsible for operating a distribution network, and thus transports gas not for its own consumption but in order to enable suppliers located in its service area to supply their customers;
- it has a stable, long-term presence, since concessions are generally granted for around 30 years.

The second-tier GRD therefore has a special relationship with the first-tier GRD, which cannot be managed within the operational and contractual framework provided for other network users. The special features of the position of second-tier GRD, and the general interest prompted by improvements that develop competition in the distribution activity and in the supply activity in the territory of new licences, justify creating a tariff structure specific to second-tier GRD that reflects the principles of equality and cost coverage.

## **2. Principles of invoicing the connection for second-tier GRD**

The French Decree of 28 July 2008 relating to the development of the gas service and extensions to the public natural gas distribution networks, published on 30 July 2008, sets the parameters that apply to the connections of specific types of customer. Article 3 of the Decree provides that *“where municipalities are already served by a natural gas network, and if the ratio of the profitability calculation obtained is equal to or greater than that set by the Minister responsible for energy under Article 36 of the French Law of 7 December 2006 referred to above, then the public gas distribution-network operators shall be obliged to connect all the customers in that territory who request it to the existing public distribution networks. To satisfy connection requests with a profitability ratio below that level, public distribution-network operators may request a contribution from those requesting connection. [...]”*. The profitability criterion (known as the B/I criterion), the threshold and the method of calculation are defined in the Decree of 28 July 2008 setting the reference rate for the profitability of gas-supply operations.

These arrangements apply in general to connecting gas consumers, and not to connecting second-tier GRD.

The concepts of territory and eligible customer found in Article 3 of the Decree of 28 July 2008 do not correspond to the situation of second-tier GRD.

Consequently, provisions under Title II of the Decree 2008-740 of 28 July 2008 apply only when a network is extended within the territory of the concession, and cannot apply to connecting second-tier GRD.

## **3. Methods of invoicing the costs of connection, transportation and specific services between first-tier and second-tier GRD**

In order to guarantee the overall coverage of costs generated by each GRD while complying with the tariff rules and the principle of equality, this tariff proposal defines the rules for invoicing the costs of connection, transportation and associated services between first-tier and second-tier GRD:

- all connection costs on the first-tier network are invoiced to the second-tier GRD. They are:
  - all costs of making physical connections;
  - where relevant, all the costs of the supply line (also known as the “extension”);
  - and all costs of enhancing the first-tier network that are directly and immediately attributable to the second-tier GRD. When enhancements undertaken to supply a new licence also benefit the network of the upstream GRD, the costs are shared between the first- and second-tier GRD in proportion to peak flowrates;
- the first-tier GRD invoices the second-tier GRD for 50% of the transportation costs, calculated using the first-tier GRD’s ATRD tariff. This value of 50% applies whichever the upstream GRD. This charge covers:
  - normative operating expenses, which represent on average 47% of the ATRD tariff (operating expenses / total expenses);
  - and a proportion of the normative capital costs for future enhancements, representing on average 3% of the ATRD tariff;
- associated services are invoiced additionally by the first-tier GRD to the second-tier GRD, based on the first-tier GRD’s price list for services.

## ***II - Harmonizing methods of updating the non-equalised ATRD tariffs for concessions***

New concessions for natural gas distribution networks are awarded each year. Thus it is quite possible that several new non-equalised tariffs will be added each year to existing non-equalised tariffs for concessions awarded in previous years.

In view of the resulting complexity for all market players, this tariff proposal aims to harmonize the methods used to revise the tariffs each year.

### **1. Harmonizing the dates of the annual revision**

The CRE is proposing that if revisions to the non-equalised ATRD tariffs for concessions are defined in the licensing contract, the changes are made on 1 July in the year.

Equalised ATRD tariffs also change on 1 July in each year, and a single date for revising ATRD tariffs will simplify market operation.

The time between the date a non-equalised ATRD tariff for a new concession comes into force and the date of the first change to the tariff may not be less than one year.

Each GRD shall publish the schedule of tariff for concessions that concern it on its internet site, indicating the municipalities involved and referring to the current tariff reference documents. For new concessions, this information shall appear at least one month before the gas supply starts.

### **2. Harmonizing the indexation factors**

Since the drivers influencing costs are common to all GRD, the CRE is proposing that the revision formulae use the same reference indices or families of indices:

- an index representing coverage of the costs of transportation over the network of the GRD taking on the new concession;
- an index representing changes to the costs of transportation over the network of the upstream GRD;
- an index representing the cost of work and the workforce;
- an index representing the costs of constructing the network;
- an index representing the costs of services associated with operating the network;

The choice of indices and the percentage changes applied to them will be negotiated between the GRD and the licensing authorities.

This harmonization will make it simpler for the licensing authorities reviewing proposals of applicant GRD, and for users of the networks.

### **3. Taking account of changes to the reference schedule of tariff**

The tariff proposal states that any changes that may be made to the reference schedule of tariff shall apply also to non-equalised tariffs for concessions, to avoid introducing additional complexity either in the operation of the natural gas market, or in the information systems of suppliers and GRD.

Thus the non-equalised tariffs will be adjusted for all changes to the reference schedule of tariff at the time they come into force, by following the rule of applying a single multiplying factor to all the charges in the new reference schedule of tariff.

## **D – Injecting biogas into the natural gas distribution networks**

Biogas is fuel gas produced by the anaerobic fermentation of organic animal or vegetable matter. This fermentation, known as “methanization” occurs spontaneously in discharge containing organic waste; it may also be initiated artificially in digesters to treat purification sludges and industrial or agricultural organic waste.

Biogas is a mixture composed largely of methane (typically between 50% and 70%) and carbon-dioxide, with variable quantities of water and hydrogen sulphide. Biogas is used to produce heat and electricity, as a fuel for vehicles (green NGV) or is injected into the natural gas networks. The biogas must be purified to an extent that depends on its selected use. Only pure biogas comprising almost exclusively methane is suitable for injection into the natural gas distribution or transportation networks.

Projects to inject biogas into the natural gas distribution networks are currently being reviewed, and the most advanced should be completed during 2009.

Since December 2008, the French General Directorate for Energy and Climate (*Direction Générale de l'Énergie et du Climat - DGEC*) has been steering a working group defining the technical and financial conditions that would enable biogas to be injected into the natural gas distribution networks.

In the interim before the working group presents its conclusions and in order to enable those running the more advanced projects to inject their biogas production into the networks, distribution system operators may offer technical injection, implemented as an experimental and temporary service.

The CRE will later propose a tariff structure for injecting biogas into the distribution networks that takes into account the conclusions of the working group referred to above, once they are available.



## TARIFFS FOR USE OF THE PUBLIC NATURAL GAS DISTRIBUTION NETWORKS

### I - Definitions and general principles applying to tariffs for use of the public natural gas distribution networks

#### 1. Definitions

##### Shipper:

A natural person or legal entity who signs a contract with a distribution system operator (GRD) to transport gas over the natural gas distribution network. The shipper may be the eligible customer, the supplier, or the agent of either, as defined in Article 2 of the French Law of 3 January 2003.

##### Delivery Point:

The point of exit from a distribution network, where a GRD delivers gas to an end customer under a contract with a shipper to transport natural gas over the distribution network.

##### Transmission / Distribution Interface Point (*Point d'interface transport distribution - PITD*):

Physical or notional interface point between a natural gas transmission network and a distribution network.

##### Second-tier distribution system operator ("Second tier GRD"):

A GRD is "second-tier" if its network is supplied from an intermediate natural gas distribution network directly connected to the transmission network. The upstream GRD is said to be first-tier.

##### Expenses and revenues clawback account (CRCP):

The CRCP is an extra-accounting fiduciary account, funded at regular intervals and for pre-defined items, all or part of the differences between the expenses or income actually incurred, and the budgeted expenses or income. All or part of the balance of this account is cleared by reducing or increasing the schedule of tariff.

#### 2. Invoicing by delivery point

The tariff applies per delivery point. The amounts due for each delivery point supplied by a shipper are totalled in the shipper's monthly invoice.

#### 3. Services covered by tariffs for use of the natural gas distribution networks

Apart from charges for additional services for which the GRD publish schedules of prices, no charges may be invoiced for using the distribution networks other than those listed in the tariffs.

At least the cost of the following services is covered in each GRD's distribution-network usage tariff:

- services related to quality and safety:
  - continuity of transportation under the terms and conditions defined in French Decree 2004-251 of 19 March 2004, relating to public-service obligations in the gas sector;
  - notices of interruptions to service for engineering work, in accordance with the French Decree of 19 March 2004;
  - a telephone number for emergencies and faults, available 24/7;
  - emergency call-out 24/7 for problems related to safety, in accordance with the French Administrative Order of 13 July 2000 concerning safety regulations for distributing combustible gases by pipeline;
  - a guarantee of calorific value as defined by the French Administrative Orders 16 September 1977 and 28 March 1980;
  - available pressure upstream of the delivery station that complies with the standard delivery terms published by each GRD;
  - initial visit to the customer to rectify faults or make repairs if the gas supply fails;
  - identification of indoor installations idle for more than six months, and programmes to raise awareness of safety issues in indoor installations for customers and those active in the gas sector.
- services related to metering consumption:
  - providing a meter when the flow rate is below 16 m<sup>3</sup>/hr;
  - checking periodically the calibration of meters and converters;
  - continuity of metering and pressure reduction;
  - periodic meter readings as defined in paragraph 5. below;

25/124 (translated from the French : only the original in French is authentic)

- notice of the meter-reader's visit for end customers under options T1 and T2;
- option for end consumers under options T1 and T2 to read their own meters and send the reading;
- services related to contract management:
  - administration associated with supplier switches or amendments to the transportation contract;
  - work at the customer site when the contract is terminated;
- other:
  - making telephone appointments for all technical operations that require a study;
  - for a second-tier GRD, all services relating to transporting natural gas from the PITD concerned.

#### **4. Structure and choice of tariff options**

The tariff of each GRD includes four main options:

- three two-part options (T1, T2 and T3). Each includes a subscription and a charge which is proportional to the quantities delivered;
- one three-part option (T4), including a subscription, a charge proportional to the subscribed daily capacity and a charge proportional to the quantity delivered.

The shipper concerned decides which tariff option applies to each delivery point.

End customers without individual meters have a fixed-rate tariff, calculated based on option T1.

Each tariff also includes an option called the "proximity tariff" (TP), which may be selected for delivery points by end customers allowed under the regulations to connect to a transmission network. This tariff option includes an annual subscription, a charge proportional to subscribed daily capacity and a charge proportional to the distance in a straight line between the delivery point and the closest transmission network. The distance charge is adjusted by a multiplier which varies with the population density in the municipality in which the delivery point is located.

#### **5. Method of meter reading for a delivery point**

Meters for options T1 and T2 are read each year or half year.

Meters for option T3 are read each month.

Readings for options T4 and TP are taken daily, and reported daily or monthly.

The shipper may choose a method offering meter readings more frequently than the method associated with the tariff option at the delivery point. The tariff applied is shown in each GRD's schedule of services.

## 6. Subscriptions for daily capacity by the month or day

Tariff options T4 and TP include an annual subscription charge for daily capacity. It is also possible to subscribe by the month or day for daily capacities.

The monthly subscription charge for daily capacity is equal to the annual charge for daily capacity, multiplied by the following factors:

Months	Monthly charge as a proportion of annual charge
January - February	8/12
December	4/12
March - November	2/12
April - May - June - September - October	1/12
July - August	0.5/12

When it does not inhibit smooth network operation, the GRD sell subscriptions by the day for daily capacity, to meet the exceptional spot needs of an end consumer.

Each GRD's charge for a day subscription for daily capacity is equal to 1/20<sup>th</sup> of the charge for the corresponding month subscription.

## 7. Fines for exceeding the subscribed daily capacity

For tariff options T4 and TP, fines are charged each month for measured consumption exceeding the daily capacity.

The excess daily capacity consumed in a given month is measured as the sum of the maximum over-consumption of daily capacity during the month, plus 10% of the other daily-capacity over-consumptions during the month that exceed the subscribed daily capacity by more than 5%.

The fine applies when the over-consumption calculated in this way is greater than 5% of the subscribed daily capacity.

For the portion of the over-consumption that is between 5% and 15% of subscribed daily capacity, the fine is equal to this portion of the over-consumption multiplied by twice the monthly charge for daily capacity as defined in the preceding section.

For the portion of the over-consumption above 15% of subscribed daily capacity, the fine is equal to this portion of the over-consumption multiplied by 4 times the monthly cost of daily capacity as defined in the preceding paragraph.

## 8. Grouping delivery points

For option T4, daily-capacity subscriptions for several delivery points may be grouped when the following conditions are all simultaneously met:

- the delivery points concerned are all on the same GRD's distribution network, and are supplied by a single PITD;
- the gas delivered to each of the delivery points concerned will be used, after conversion, to meet the needs of a single end user on a single site. This use involves consuming alternately all or part of the natural gas delivered.

The annual subscription charge for daily capacity for option T4 is increased by 20% when subscriptions for several delivery points are grouped. The annual subscription remains payable for each delivery point.

## 9. Supply of one delivery point by several shippers

When several shippers supply the same delivery point simultaneously, they must choose the same tariff option. The tariff they choose applies fully to each of them, except for the T4 and “proximity tariff” options, where the monthly total payable for the subscription and for the charge proportional to distance is split between the shippers in proportion to their subscribed capacities for the particular month for the delivery point. When the subscribed capacity for a given month is zero, the amount is divided based on the previous month.

## 10. Tariffs for second tier GRD

A GRD is said to be “second-tier” if its network is supplied from an intermediate natural gas distribution network that is directly connected to the transmission network. The upstream GRD is said to be “first-tier”.

As regards the tariff and the contract, shippers access the second-tier distribution network directly from the transmission network, in the following way:

- shippers pay the second-tier GRD a single rate, covering the service of transporting gas from the relevant Transmission / Distribution Interface Point (PITD) to the end consumer's delivery point;
- the charges to be covered in the second-tier GRD's tariffs include costs related to transportation over the first-tier GRD's distribution network;
- these costs are defined in a contract between the first- and second-tier GRD, or, when the first- and second-tier GRD are one and the same legal entity, in a protocol. They are submitted to the CRE.

The first-tier GRD invoices the second-tier GRD for 50% of the transportation costs calculated using the first-tier GRD's ATRD tariff. This value of 50% applies whichever the upstream GRD.

The first-tier GRD invoices all the costs of connecting to the first-tier network to the second-tier GRD. They comprise:

- all costs of making physical connections;
- where relevant, all the costs of the supply line (also known as the “extension”);
- and all the costs of enhancing the first-tier network, when they are directly and immediately attributable to the second-tier GRD. (If not, the share of the cost of the work attributable to the second-tier GRD is determined in proportion to peak flowrates);

Associated services are invoiced additionally by the first-tier GRD to the second-tier GRD, based on the first-tier GRD's schedule of services.

## II - Equalised tariff for use of the public natural gas distribution network of Régaz (Bordeaux)

The tariff for use of the public natural gas distribution networks of Régaz, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is equalised within the delivery zone of Régaz.

The tariff defined below applies for four years from 1 July 2009, with a predefined adjustment on 1 July in each year.

When a reading includes gas consumption payable at both the old and the new tariffs, it is divided in proportion to the number of days in each period.

## 1. Equalised Régaz tariff effective from 1 July 2009 to 30 June 2010

The following usage tariff applies to the public natural gas distribution networks within the delivery zone of Régaz:

Tariff option	Annual subscription in €	Proportional price in €/MWh	Charge for annual subscription for daily capacity in €/MWh/day
T1	36.24	32.89	
T2	166.20	7.05	
T3	585.96	5.39	
T4	12,793.68	0.87	217.32

### "Proximity tariff" (TP) option

The tariff charges for the "proximity tariff" option are as follows:

Tariff option	Annual subscription in €	Charge for annual subscription for daily capacity in €/MWh/day	Annual charge based on distance in €/meter
TP	27,269.04	63.36	54.36

A multiplier is applied to the annual distance charge. It is equal to:

- 1 if the population density in the municipality is less than 400 inhabitants / km<sup>2</sup>;
- 1.75 if the population density in the municipality is between 400 and 4,000 inhabitants / km<sup>2</sup>;
- 3 if the population density in the municipality is greater than 4,000 inhabitants / km<sup>2</sup>.

### Customers without individual meters

End customers who do not have individual meters pay an annual fixed-rate tariff of € 73.08.

## 2. Equalised Régaz tariff effective from 1 July 2010 to 30 June 2011

Régaz's schedule of tariff is adjusted automatically on 1 July 2010, when the following percentage change is applied to all tariff charges current on 30 June 2010:

$$Z_1 = \text{CPI} - X$$

The CPI is the inflation index corresponding to the average annual variation during 2009 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;

X is the annual change factor, set at 0.7%.

The CRE publishes the resulting schedule of tariff before 1 July 2010 and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

### 3. Equalised Régaz tariff effective from 1 July 2011

Régaz's schedule of tariff is adjusted automatically on 1 July 2011 and on 1 July 2012, when the following percentage change is applied to all tariff charges current on 30 June 2011 and 30 June 2012 respectively:

$$Z_2 = \text{CPI} - X + k$$

For an adjustment to the schedule of tariff on 1 July of year A, CPI is the rate of inflation corresponding to the average annual variation during the calendar year A-1 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France.

X is the annual change factor, set at 0.7%.

k (expressed as a percentage) is the change in the schedule of tariff resulting from clearing the balance on the CRCP.

The CRE publishes the resulting schedule of tariff before 1 July of each year and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

#### 3.1. Calculating the balance on the CRCP

The CRE calculates the balance on the CRCP for each year of the tariff period, following the method described in the table below.

If the final value of a variance is not known with certainty when the calculation is made, it is estimated based on the best information available at the time. The estimate is corrected the following year using final values.

Item covered by the CRCP	Proportion of total amount covered by CRCP	Method of calculating the total for each item
Capital costs	100 %	Difference between: <ul style="list-style-type: none"><li>the total value of capital costs (calculated a posteriori based on actual data relating to the investments made, the assets withdrawn from the RAB, and inflation);</li><li>the estimated capital costs included in the income which will be recovered in tariff charges.</li></ul>
Income from the quantities of gas transported on the distribution network	100 %	Difference between: <ul style="list-style-type: none"><li>income from the quantities of gas transported (calculated a posteriori based on the six-monthly gas quantities per tariff option that were actually transported during the period);</li><li>income related to the quantities of gas transported, as forecast six-monthly for each tariff option (and as used to determine the tariff to apply during the period concerned).</li></ul>
Fines for exceeding subscribed capacities	100 %	Value of fines invoiced during the period under consideration.
Financial service-quality incentives	100 %	Value of fines and/or bonuses associated with service-quality indicators linked to financial incentives (except that related to keeping appointments).

Variances for 2009 are calculated based on data for the second half year, except for capital costs, where the variance for the second half year is equal to 50% of the variances recorded over 2009 as a whole.

For 2010, 2011 and 2012, actual capital costs are calculated from the investments actually completed.

The initial CRCP balance calculated by the CRE is cleared linearly in annual instalments over a four-year period starting on 1 July 2011. It includes variances recognized for the second half of 2009 and for 2010.

The annual instalments of the CRCP balance that impact the tariff structure on 1 July of the years 2011 and 2012 determine the value of  $k$ .

At the end of the four-year tariff period, the CRE will calculate a new CRCP balance incorporating both the variances recognized for 2011 and 2012, and the remaining annual instalments from the initial CRCP balance; it will be used to define the tariff for the next tariff period.

Amounts included in the CRCP are updated at an interest rate equivalent to the risk-free rate used for this tariff proposal (i.e. a nominal pre-tax rate of 4.2% per year).

### 3.2. Reference values for income and expenditure accounts subject to the CRCP mechanism

Forecast capital costs:

Calculation of normative capital costs	€K	2009	2010	2011	2012
Return		18,690	18,625	18,640	18,706
Depreciation		16,902	17,278	17,761	18,059
TOTAL		35,592	35,903	36,401	36,765

Forecast quantities of gas transported (in MWh):

Tariff option	2009	2010	2011	2012	2013
T1	104,767	104,418	104,057	104,104	104,040
T2	2,945,563	2,935,740	2,925,610	2,926,934	2,925,115
T3	948,109	944,948	941,687	942,113	941,528
T4	731,556	729,116	726,600	726,929	726,478

### 3.3. Other reference values used to calculate $k$

Forecast average annual numbers of customers connected:

Tariff option	2009	2010	2011	2012	2013
Fixed charge	2,124	2,024	2,024	2,024	2,024
T1	54,500	54,000	53,500	53,000	52,500
T2	155,500	155,700	155,900	156,100	156,300
T3	1,130	1,140	1,150	1,160	1,170
T4	42	42	42	42	42
TP	3	3	3	3	3

Forecast annual subscriptions for daily capacity (in MWh/day):

Tariff option	2009	2010	2011	2012	2013
T4	6,301	6,301	6,301	6,301	6,301
TP	577	577	577	577	577

Distance forecasts for the proximity tariff (in m):

Tariff option	2009	2010	2011	2012	2013
TP	562	562	562	562	562

### 3.4. Means of adjusting from annual to half-yearly forecasts:

NB: Régaz operates in gas years, or from 1 October in year n to 30 September in year n+1.

Half-yearly breakdown of quantities of gas transported in year A for each tariff option:

Tariff option	1 <sup>st</sup> half-year	2 <sup>nd</sup> half-year
T1	67 %	33 %
T2	84 %	16 %
T3	81 %	19 %
T4	75 %	25 %

Half-yearly breakdown of numbers of customers connected in year A for each tariff option:

- the average number of customers connected in the 1<sup>st</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}-1} + \text{number average customers}_{\text{yearA}}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

- the average number of customers connected in the 2<sup>nd</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}} + \text{number average customers}_{\text{yearA}+1}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

These two formulae are also used in an identical way to calculate from the annual values the half-yearly forecast annual subscriptions for daily capacity and for distance by tariff option.

## 4. Sharing extra productivity gains relating to operating expenses (OPEX)

The annual change factor of 0.7% applied to the schedule of tariff assumes that net operating expenses will change by an annual percentage equal to the CPI - 1.25% compared with the level defined in 2009.



At the end of the tariff period, and based on the OPEX thus defined, any additional productivity gains that Régaz may make over the target of 1.25% per year will be evaluated by comparing:

- the total value of Régaz's net operating expenses, calculated a posteriori from actual data for 2010, 2011 and 2012;
- the reference development path for Régaz's net operating expenses. This trajectory will be calculated for 2010, 2011 and 2012 at the end of each tariff period, by applying an annual percentage variation equal to CPI - 1.25% to the OPEX, starting with their 2009 value (€ 25,058.151K).

If the expenses incurred are below the reference trajectory, any extra productivity gains will be shared between Régaz and the network users. Régaz will retain 40 % of the gains made. The remaining 60% will be used to reduce the figure for charges to be recovered in the next tariff.

**5. Regulation mechanism for Régaz quality of service**

Régaz's key activity areas are monitored for quality of service. This monitoring takes the form of indicators that Régaz sends to the CRE and publishes on its internet site.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

Indicators for monitoring quality of service that Régaz sends to the CRE must be certified by an external body. In addition, the system for monitoring Régaz's quality of service may be audited in any way the CRE considers appropriate.

**5.1. Régaz service-quality monitoring indicators that offer financial incentives**

a) *Quality of the DD meter readings sent to the TSO<sup>(1)</sup> for daily allocations at the PITDs:*

<b>Calculation:</b>	Ratio sent on the 1 <sup>st</sup> of month M+2:  <i>(Total for each day D of month M of the number of consumption values for remotely-metered consumers (DD) included in the allocation calculations on D+1) / (Total for each day D of month M of the number of remotely-metered consumers (DD) recorded in the GRD's IS for day D)</i>  (or a monitored value)
<b>Scope:</b>	- all values actually read - no default / replacement values used - all the GRD's suppliers and PITDs taken together
<b>Monitoring:</b>	- calculation frequency: monthly - transmission frequency to the CRE: monthly - publication frequency: monthly - frequency of incentive calculations: monthly
<b>Objective:</b>	- base objective: 90% per month - target objective: 95% per month
<b>Implementation date:</b>	- start of monitoring: 1 July 2009 - incentives introduced: 1 July 2010

(1) TSO: natural gas transmission system operator

b) *Timescale for sending the TSOs daily estimates of the quantities taken by suppliers at the PITDs;*

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of days in month M on which the GRD sent the forecast allocations calculated at D+1 within the time agreed between the TSO and the GRD.</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all the GRD's PITDs taken together</li> <li>- all days on which the agreed timescale was respected</li> <li>- all days on which the agreed timescale was not respected at the TSO's request (these days are counted as days when the GRD complied with the agreed timescale)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of incentive calculations: annual</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 330 days per year</li> <li>- target objective: 350 days per year</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2010</li> </ul>

For 2010, financial incentives for this indicator are calculated only for the 2<sup>nd</sup> half year, following the same principles but with base and target objectives for the half-year of 165 days and 175 days respectively.

c) *Supplier-portal availability rates:*

<b>Calculation:</b>	Weekly availability ratios to the end of month M, for complete weeks, sent on the 1 <sup>st</sup> of month M+2: <u>(Number of hours the portal was available during the week) / (Total number of projected hours portal open during the week)</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- supplier portal only, full functionality available to suppliers apart from Webservices</li> <li>- reasons for unavailability: any event preventing, hindering or slowing significantly the use of the supplier portal, whether or not scheduled</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: weekly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of incentive calculations: weekly and annually</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 96% over the week</li> <li>- target objective: 99% over the year</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2010</li> </ul>

For 2010, financial incentives for this indicator are calculated only for the 2<sup>nd</sup> half year, following the same principles but with a target objective of 99% over the week and a bonus corresponding to half the annual bonus for each half-year above this target objective.

d) *Number of scheduled appointments missed by the GRD:*

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <i>Number of scheduled appointments missed by the GRD and compensated during month M:</i> (or the two monitored values: - for T1/T2 customers, - for T3/T4/TP customers)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days via the supplier portal</li> <li>- T1/T2 and T3/T4/TP customers are monitored separately</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	Compensation for 100% of missed appointments reported by suppliers within 90 calendar days (complaint on the supplier portal)
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: for each missed appointment, an amount (based on the flowrate of the customer's meter) equal to the amount invoiced by Régaz if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li> <li>- payment: directly to the suppliers who request it</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

e) *Rate of response to supplier complaints within 30 days.*

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(Number of supplier complaints closed within 30 calendar days during month M) / (Total number of supplier complaints closed during month M)</i> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made on the supplier portal only, including complaints about missed appointments</li> <li>- all suppliers and all customer types (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	Compensation for 100% of written supplier complaints left on the supplier portal, not processed within 30 days and reported by suppliers
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €25 per complaint not processed within 30 days and reported</li> <li>- debit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

## 5.2. Other indicators for monitoring Régaz quality of service

### a) Indicators for quotations and call-outs:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Time taken to connect a service ( <i>mise en service - MES</i> )	Value sent on the 1 <sup>st</sup> of month M+2 for each interval of delay:  <u>Number of MESs closed during month M</u>  (or the three monitored values: - ≤ scheduled timescale - > scheduled timescale and ≤ 2 x scheduled timescale - > 2 x scheduled timescale)	- all MESs involving agent on site (with/without meter installation), including fast-track MESs  - all suppliers and all customer types (T1/T2/T3/T4/TP, all station flowrates) taken together	Monthly	1 July 2009
Proportion of MESs completed in the scheduled time	Ratio sent on 1 <sup>st</sup> day of month M+2:  <u>(Number of MESs closed in month M within a time ≤ scheduled timescale) / (Total number of MESs closed during month M)</u>  (or a monitored value)		Monthly	1 July 2009
Time taken to disconnect a service ( <i>mise hors service - MHS</i> )	Value sent on the 1 <sup>st</sup> of month M+2 for each interval of delay:  <u>Number of MHSs closed during month M</u>  (or the three monitored values: - ≤ scheduled timescale - > scheduled timescale and ≤ 2 x scheduled timescale - > 2 x scheduled timescale)	- all MHSs following contract termination (not MHSs for failing to pay)  - all suppliers and all customer types (T1/T2/T3/T4/TP, all station flowrates) taken together	Monthly	1 July 2009
Proportion of MHSs completed in the scheduled time	Ratio sent on 1 <sup>st</sup> day of month M+2:  <u>(Number of MHSs closed in month M within a time ≤ scheduled timescale) / (Total number of MHSs closed during month M)</u>  (or a monitored value)		Monthly	1 July 2009

<p>Time taken to switch a supplier</p>	<p>Value sent on the 1<sup>st</sup> of month M+2 for each interval of delay:</p> <p><u>Number of switches of supplier completed in month M</u></p> <p>(or the three monitored values:  - ≤ scheduled timescale  - &gt; scheduled timescale and ≤ 2 x scheduled timescale  - &gt; 2 x scheduled timescale)</p>	<p>- all switches of supplier  - all suppliers and all types of customers (T1/T2/T3/T4/TP)</p>	<p>Monthly</p>	<p>1 July 2009</p>
<p>Proportion of supplier switches achieved within the scheduled time</p>	<p>Ratio sent on 1<sup>st</sup> day of month M+2:</p> <p><u>(Number of supplier switches closed in month M within a time ≤ scheduled timescale) / (Total number of supplier switches closed during month M)</u></p> <p>(or a monitored value)</p>		<p>Monthly</p>	<p>1 July 2009</p>
<p>Amount of compensation paid following complaints for appointments missed because of the GRD</p>	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total amount of compensation paid to suppliers during month M, as a result of complaints for missed appointments</u></p> <p>(or the two monitored values:  - T1/T2 customers,  - T3/T4/TP customers)</p>	<p>- all appointments scheduled and thus confirmed by the GRD  - all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days via the supplier portal  - T1/T2 and T3/T4/TP customers are monitored separately</p>	<p>Monthly</p>	<p>1 July 2009</p>

<p>Number of scheduled appointments missed by the customer</p>	<p>Value sent on the 1<sup>st</sup> of month M+2: <i><u>Number of scheduled appointments missed by the customer and invoiced during month M:</u></i> (or the two monitored values: - T1/T2 customers, - T3/T4/TP customers)</p>	<p>- all scheduled meetings made at the customer's or the supplier's request  - all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the customer  - T1/T2 and T3/T4/TP customers are monitored separately</p>	<p>Monthly</p>	<p>1 July 2009</p>
--	---	---	----------------	--------------------

b) *Indicators for end-customer relationships:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
<p>Call-centre accessibility rate for end consumers</p>	<p>Ratio sent for each call-centre number on the 1<sup>st</sup> of month M+2: <i><u>(Number of calls taken during month M) / (Number of calls received during month M)</u></i> (or the two monitored values: - phone no. for Connection reception and Technical work - phone no. for Safety and Faults)</p>	<p>- all types of call taken/received during call-centre opening hours.  - all types of caller  - all types of customer (T1/T2/T3/T4/TP) taken together</p>	<p>Monthly</p>	<p>1 July 2009</p>

<p>Number of complaints from end customers by type</p>	<p>Values for each type of complaint sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total number of written complaints from end customers closed during month M</u></p> <p>(or the eight monitored values:</p> <ul style="list-style-type: none"> <li>- Total</li> <li>- Reception</li> <li>- Quality of supply and network</li> <li>- Service management and completion</li> <li>- Metering data</li> <li>- Follow up</li> <li>- Complaints not relating to the GRD</li> <li>- Contract management</li> </ul>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the end customer are out of scope)</li> <li>- all written complaints (email, letter and supplier portal) but no others</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> <li>-closed complaint: complaint for which the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</li> </ul>	<p>Monthly</p>	<p>1 July 2009</p>
<p>Rate of response to end-customer complaints within 30 days</p>	<p>Ratio sent on 1<sup>st</sup> day of month M+2:</p> <p><u>(Number of written complaints from end customers closed within 30 calendar days during month M) / (Total number of written complaints from end customers closed during month M)</u></p> <p>(or a monitored value)</p>	<p>the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</p>	<p>Monthly</p>	<p>1 July 2009</p>

c) *Indicators for supplier relationships:*

<b>Name of indicator</b>	<b>Calculation of indicator</b>	<b>Scope of indicator</b>	<b>Frequency of transmission to CRE and publication</b>	<b>Implementation date</b>
Number of complaints from suppliers by type	<p>Values for each type of complaint sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total number of written complaints from suppliers closed during month M</u></p> <p>(or the eight monitored values:</p> <ul style="list-style-type: none"> <li>- Total</li> <li>- Reception</li> <li>- Quality of supply and network</li> <li>- Service management and completion</li> <li>- Metering data</li> <li>- Follow up</li> <li>- Complaints not relating to the GRD</li> <li>- Contract management</li> </ul>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made on the supplier portal only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> </ul>	Monthly	1 July 2009
Amount of compensation relating to complaints not processed within the standard time	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Amount of compensation resulting from complaints not processed within 30 calendar days and posted to the CRCP during month M</u></p> <p>(or a monitored value)</p>	<ul style="list-style-type: none"> <li>- closed complaint: complaint for which the GRD has sent the supplier a “consistent” response (no acknowledgement of receipt)</li> </ul>	Monthly	1 July 2009

(2) *Indicators relating to meter-reading and invoicing*



d) Indicators relating to meter reading and invoicing:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Rate of 6M (half-yearly) readings based on actual measures (read, or taken by the consumer)	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(Number of measures taken at 6M PCEs during month M) / (Number of measures at 6M PCEs to be taken during month M)</i> (or a monitored value)	- all measures actually read or taken by the consumer for 6M PCEs <sup>(2)</sup> - gas reading	Monthly	1 July 2009
Quality of daily readings (DD & MD) sent to suppliers and the TSO for monthly allocations at the PITDs	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(Total for each day D in month M of the number of DD and MD PCEs read remotely on day D, where the value read was sent to suppliers and included in the allocation-capacity calculation for M+1) / (Total for each day D in month M of the actual number of DD and MD PCEs to be read remotely in month M)</i> (or a monitored value)	- all values actually read - no default / replacement values included	Monthly	1 July 2009
Quality of daily readings (MM) sent to suppliers and the TSO for monthly allocations at the PITDs	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(Total number of MM PCEs read during month M, where the value read was sent to suppliers and included in the allocation-capacity calculation for M+1) / (Total actual number of MM PCEs to be read in month M)</i> (or a monitored value)	- all suppliers taken together	Monthly	1 July 2009

Timescale for informing suppliers of daily and monthly meter readings (DD, MD and MM) and sending monthly allocations to the TSO	Ratio sent on 1 <sup>st</sup> day of month M+2:  <i><u>Timescale in working days from 1<sup>st</sup> of month M+1, for making available the final values of DD, MD and MM readings for month M to suppliers; and for sending the TSO the monthly allocations for month M</u></i>  (or a monitored value)	- all readings actually taken + the default / replacement values included in the calculation of monthly allocations and used for invoicing  - all suppliers taken together	Monthly	1 July 2009
--	--	--	---------	-------------

(2) PCE: metering or estimation point (*Point de Comptage et d'Estimation*)

### III - Equalised tariff for use of the public natural gas distribution network of Réseau GDS (Strasbourg)

The tariff for use of the public natural gas distribution networks of Réseau-GDS, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is equalised within the delivery zone of Réseau GDS.

The tariff defined below applies for four years from 1 July 2009, with a predefined adjustment on 1 July in each year.

When a reading includes gas consumption payable at both the old and the new tariffs, it is divided in proportion to the number of days in each period.

#### 1. Equalised Réseau-GDS tariff effective from 1 July 2009 to 30 June 2010

The tariff for use of the public natural gas distribution networks within the delivery zone of Réseau-GDS, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is as follows:

Tariff option	Annual subscription in €	Proportional price in €/MWh	Charge for annual subscription for daily capacity in €/MWh/day
T1	41.76	36.71	
T2	188.40	7.34	
T3	602.04	5.71	
T4	13,217.16	0.93	235.20

#### "Proximity tariff" (TP) option

The tariff charges for the "proximity tariff" option are as follows:

Tariff option	Annual subscription in €	Charge for annual subscription for daily capacity in €/MWh/day	Annual charge based on distance in €/meter
TP	26,661.96	53.16	98.64

A multiplier is applied to the annual distance charge. It is equal to:

- 1 if the population density in the municipality is less than 400 inhabitants / km<sup>2</sup>;
- 1.75 if the population density in the municipality is between 400 and 4,000 inhabitants / km<sup>2</sup>;
- 3 if the population density in the municipality is greater than 4,000 inhabitants / km<sup>2</sup>.

## **2. Equalised Réseau-GDS tariff effective from 1 July 2010 to 30 June 2011**

Réseau GDS's schedule of tariff is adjusted automatically on 1 July 2010, when the following percentage change is applied to all tariff charges current on 30 June 2010:

$$Z_1 = \text{CPI} - X$$

The CPI is the inflation index corresponding to the average annual variation during 2009 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;

X is the annual change factor, set at 0.7%.

The CRE publishes the resulting schedule of tariff before 1 July 2010 and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

## **3. Equalised Réseau-GDS tariff effective from 1 July 2011**

Réseau GDS's schedule of tariff is adjusted automatically on 1 July 2011 and on 1 July 2012, when the following percentage change is applied to all tariff charges current on 30 June 2011 and 30 June 2012 respectively:

$$Z_2 = \text{CPI} - X + k$$

For an adjustment to the schedule of tariff on 1 July of year A, CPI is the rate of inflation corresponding to the average annual variation during the calendar year A-1 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France.

X is the annual change factor, set at 0.7%.

k (expressed as a percentage) is the change in the schedule of tariff resulting from clearing the balance on the CRCP.

The CRE publishes the resulting schedule of tariff before 1 July of each year and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

### **3.1. Calculating the balance on the CRCP**

The CRE calculates the balance on the CRCP for each year of the tariff period, following the method described in the table below.

If the final value of a variance is not known with certainty when the calculation is made, it is estimated based on the best information available at the time. The estimate is corrected the following year using final values.

Item covered by the CRCP	Proportion of total amount covered by CRCP	Method of calculating the total for each item
Capital costs	100 %	Difference between: <ul style="list-style-type: none"> <li>the total value of capital costs (calculated a posteriori based on actual data relating to the investments made, the assets withdrawn from the RAB, and on inflation);</li> <li>the estimated capital costs included in the income which will be recovered in tariff charges.</li> </ul>
Income from the quantities of gas transported on the distribution network	100 %	Difference between: <ul style="list-style-type: none"> <li>income from the quantities of gas transported (calculated a posteriori based on the six-monthly gas quantities per tariff option that were actually transported during the period);</li> <li>income related to the quantities of gas transported, as forecast six-monthly for each tariff option (and as used to determine the tariff to apply during the period concerned).</li> </ul>
Fines for exceeding subscribed capacities	100 %	Value of fines invoiced during the period under consideration.
Financial service-quality incentives	100 %	Value of fines and/or bonuses associated with service-quality indicators linked to financial incentives (except that related to keeping appointments).

Variations for 2009 are calculated based on data for the second half year, except for capital costs, where the variance for the second half year is equal to 50% of the variations recorded over 2009 as a whole.

For 2010, 2011 and 2012, actual capital costs are calculated from the investments actually completed.

The initial CRCP balance calculated by the CRE is cleared linearly in annual instalments over a four-year period starting on 1 July 2011. It includes variations recognized for the second half of 2009 and for 2010.

The annual instalments of the CRCP balance that impact the tariff structure on 1 July of the years 2011 and 2012 determine the value of k.

At the end of the four-year tariff period, the CRE will calculate a new CRCP balance incorporating both the variations recognized for 2011 and 2012, and the remaining annual instalments from the initial CRCP balance; it will be used to define the tariff for the next tariff period.

Amounts included in the CRCP are updated at an interest rate equivalent to the risk-free rate used for this tariff proposal (i.e. a nominal pre-tax rate of 4.2% per year)

### 3.2. Reference values for income and expenditure accounts subject to the CRCP mechanism

Forecast capital costs:

Calculation of normative capital costs	€K	2009	2010	2011	2012
Return		15,006	15,146	15,278	15,352
Depreciation		8,702	8,932	9,155	9,358
TOTAL		23,708	24,078	24,433	24,709

Forecast quantities of gas transported (in MWh):

Tariff option	2009	2010	2011	2012	2013
T1	96,853	98,642	99,592	100,385	101,018
T2	1,522,023	1,550,130	1,565,032	1,577,481	1,587,410
T3	1,422,123	1,448,169	1,461,564	1,472,841	1,481,992
T4	1,320,944	1,296,482	1,296,482	1,296,482	1,296,482

### 3.3. Other reference values used to calculate k

Forecast average annual numbers of customers connected:

Tariff option	2009	2010	2011	2012	2013
T1	52,141	52,585	52,954	53,272	53,539
T2	58,390	58,887	59,299	59,655	59,953
T3	1,196	1,206	1,214	1,221	1,227
T4	54	53	53	53	53
TP	4	4	4	4	4

Forecast annual subscriptions for daily capacity (in MWh/day):

Tariff option	2009	2010	2011	2012	2013
T4	7,893	7,893	7,893	7,893	7,893
TP	2,770	2,770	2,770	2,770	2,770

Distance forecasts for the proximity tariff (in m):

Tariff option	2009	2010	2011	2012	2013
TP	1,462	1,462	1,462	1,462	1,462

### 3.4. Means of adjusting from annual to half-yearly forecasts:

NB: Réseau GDS operates in gas years, or from 1 October in year n to 30 September in year n+1.

Half-yearly breakdown of quantities of gas transported in year A for each tariff option:

Tariff option	1st half-year	2 <sup>nd</sup> half-year
T1	60 %	40 %
T2	81 %	19 %
T3	82 %	18 %
T4	65 %	35 %

Half-yearly breakdown of numbers of customers connected in year A for each tariff option:

- the average number of customers connected in the 1<sup>st</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}-1} + \text{number average customers}_{\text{yearA}}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

- the average number of customers connected in the 2<sup>nd</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}} + \text{number average customers}_{\text{yearA}+1}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

These two formulae are also used in an identical way to calculate from the annual values the half-yearly forecast annual subscriptions for daily capacity and for distance by tariff option.

#### **4. Sharing extra productivity gains relating to operating expenses (OPEX)**

The annual change factor of 0.7% applied to the schedule of tariff assumes that net operating expenses will change by an annual percentage equal to the CPI + 0.82% compared with the level defined in 2009.

At the end of the tariff period, and based on the OPEX thus defined, any additional productivity gains that Réseau GDS may make over the target of 0.82% per year will be evaluated by comparing:

- the total value of Réseau GDS's net operating expenses, calculated a posteriori from actual data for 2010, 2011 and 2012;
- the reference development path for Réseau GDS's net operating expenses. This trajectory will be calculated for 2010, 2011 and 2012 at the end of each tariff period, by applying an annual percentage variation equal to CPI + 0.82% to the OPEX, starting with their 2009 value (€ 17,234.465K).

If the expenses incurred are below the reference trajectory, any extra productivity gains will be shared between Réseau GDS and the network users. Réseau GDS will retain 40 % of the gains made. The remaining 60% will be used to reduce the figure for charges to be recovered in the next tariff.

#### **5. Regulation mechanism for Réseau GDS quality of service**

Réseau GDS's key activity areas are monitored for quality of service. This monitoring takes the form of indicators that Réseau GDS sends to the CRE and publishes on its internet site.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

Indicators for monitoring quality of service that Réseau GDS sends to the CRE must be certified by an external body. In addition, the system for monitoring Réseau GDS's quality of service may be audited in any way the CRE considers appropriate.

### 5.1. Réseau GDS service-quality monitoring indicators that offer financial incentives

a) Quality of the DD meter readings sent to the TSO<sup>(1)</sup> for daily allocations at the PITDs:

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2:  <u>(Total for each day D of month M of the number of consumption values for remotely-metered consumers (DD) included in the allocation calculations on D+1) / (Total for each day D of month M of the number of remotely-metered consumers (DD) recorded in the GRD's IS for day D)</u>  (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all values actually read</li> <li>- no default / replacement values included</li> <li>- all the GRD's suppliers and PITDs taken together</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of incentive calculations: monthly</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 90% per month</li> <li>- target objective: 95% per month</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 January 2010</li> <li>- incentives introduced: 1 January 2011</li> </ul>

(1) TSO: natural gas transmission system operator

b) Timescale for sending the TSOs daily estimates of the quantities taken by suppliers at the PITDs:

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2:  <u>Number of days in month M on which the GRD sent the forecast allocations calculated at D+1 within the time agreed between the TSO and the GRD.</u>  (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all the GRD's PITDs taken together</li> <li>- all days on which the agreed timescale was respected</li> <li>- all days on which the agreed timescale was not respected at the TSO's request (these days are counted as days when the GRD complied with the agreed timescale)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of incentive calculations: annual</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 330 days per year</li> <li>- target objective: 350 days per year</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 January 2010</li> <li>- incentives introduced: 1 January 2011</li> </ul>

c) Supplier-portal availability rates:

<b>Calculation:</b>	Weekly availability ratios to the end of month M, for complete weeks, sent on the 1 <sup>st</sup> of month M+2:  <i><u>(Number of hours the portal was available during the week) / (Total number of projected hours portal open during the week)</u></i>  (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- supplier portal only, full functionality available to suppliers apart from Webservices</li> <li>- reasons for unavailability: any event preventing, hindering or slowing significantly the use of the supplier portal, whether or not scheduled</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: weekly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of incentive calculations: weekly and annually</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 96% over the week</li> <li>- target objective: 99% over the year</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 January 2010</li> <li>- incentives introduced: 1 July 2010</li> </ul>

For 2010, financial incentives for this indicator are calculated only for the 2nd half year, following the same principles but with a target objective of 99% over the week and a bonus corresponding to half the annual bonus for each half-year above this target objective.

d) Number of scheduled appointments missed by the GRD:

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2:  <i><u>Number of scheduled appointments missed by the GRD and compensated during month M:</u></i>  (or the two monitored values: - for T1/T2 customers, - for T3/T4/TP customers)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days by letter or email</li> <li>- T1/T2 and T3/T4/TP customers are monitored separately</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	Compensation for 100% of missed appointments reported by suppliers within 90 calendar days (complaint by letter or email)
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: for each missed appointment, an amount equal to the amount invoiced by Réseau GDS if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li> <li>- payment: directly to the suppliers who request it</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009 (alternative suppliers only), 1 January 2010 (all suppliers taken together)</li> <li>- incentives introduced: 1 July 2009 (all suppliers taken together)</li> </ul>



e) Rate of response to supplier complaints within 21 days.

<b>Calculation:</b>	Ratio sent on the 1 <sup>st</sup> of month M+2, for each month N in the quarter M-2 to M: <u>(Number of supplier complaints closed within 21 calendar days during month N) / (Total number of supplier complaints closed during month N)</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made by letter, email or fax only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: quarterly</li> <li>- publication frequency: quarterly</li> <li>- frequency of compensation calculations: quarterly</li> </ul>
<b>Objective:</b>	Compensation for 100% of written supplier complaints (letter and email), not processed within 21 days and reported by suppliers
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €25 per complaint not processed within 21 days and reported</li> <li>- debit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

## 5.2. Other indicators for monitoring Réseau GDS quality of service

a) Indicators for quotations and call-outs:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Time taken to connect a service ( <i>mise en service - MES</i> )	Value for each interval of delay and each customer type sent on the 1 <sup>st</sup> of month M+2:  <u>Number of MESs closed during month M</u>  (or the six monitored values: - ≤ scheduled timescale - > scheduled timescale and ≤ 2 x scheduled timescale - > 2 x scheduled timescale, for: - T1/T2 customers, - T3/T4/TP customers)	<ul style="list-style-type: none"> <li>- all MESs involving agent on site (with/without meter installation), including fast-track MESs</li> <li>- all suppliers taken together</li> <li>- T1/T2 and T3/T4/TP customers are monitored separately for interval of delay</li> <li>- proportion is monitored for all types of customers (T1/T2/T3/T4/TP) taken together</li> </ul>	Monthly	1 July 2009 (alternative suppliers)  1 January 2010 (all suppliers)

<p>Proportion of MESs completed in the scheduled time</p>	<p>Ratio sent on 1<sup>st</sup> day of month M+2: <i>(Number of MESs closed in month M within a time ≤ scheduled timescale) / (Total number of MESs closed during month M)</i> (or a monitored value)</p>	<ul style="list-style-type: none"> <li>- all MESs involving agent on site (with/without meter installation), including fast-track MESs</li> <li>- all suppliers taken together</li> <li>- T1/T2 and T3/T4/TP customers are monitored separately for interval of delay</li> <li>- proportion is monitored for all types of customers (T1/T2/T3/T4/TP) taken together</li> </ul>	<p>Monthly</p>	<p>1 July 2009 (alternative suppliers) 1 January 2010 (all suppliers) 1 July 2010 (monitoring against timescale agreed with the supplier)</p>
<p>Time taken to disconnect a service (<i>mise hors service - MHS</i>)</p>	<p>Value sent on the 1<sup>st</sup> of month M+2 for each interval of delay and for each customer type: <i>Number of MHSs closed during month M</i> (or the six monitored values: - ≤ scheduled timescale - &gt; scheduled timescale and ≤ 2 x scheduled timescale - &gt; 2 x scheduled timescale for: - T1/T2 customers, - T3/T4/TP customers)</p>	<ul style="list-style-type: none"> <li>- all MHSs following contract termination (not MHSs for failing to pay)</li> <li>- all suppliers taken together</li> <li>- T1/T2 and T3/T4/TP customers are monitored separately for interval of delay</li> </ul>	<p>Monthly</p>	<p>1 July 2009 (alternative suppliers) 1 January 2010 (all suppliers)</p>
<p>Proportion of MHSs completed in the scheduled time</p>	<p>Ratio sent on 1<sup>st</sup> day of month M+2: <i>(Number of MHSs closed in month M within a time ≤ scheduled timescale) / (Total number of MHSs closed during month M)</i> (or a monitored value)</p>	<ul style="list-style-type: none"> <li>- proportion is monitored for all types of customers (T1/T2/T3/T4/TP) taken together</li> </ul>	<p>Monthly</p>	<p>1 July 2009 (alternative suppliers) 1 January 2010 (all suppliers) 1 July 2010 (monitoring against timescale agreed with the supplier)</p>

<p>Time taken to switch a supplier</p>	<p>Value sent on the 1<sup>st</sup> of month M+2 for each interval of delay and for each customer type:</p> <p><u>Number of switches of supplier completed in month M</u></p> <p>(or the six monitored values:  - ≤ scheduled timescale  - &gt; scheduled timescale and ≤ 2 x scheduled timescale  - &gt; 2 x scheduled timescale  for:  - T1/T2 customers,  - T3/T4/TP customers)</p>	<p>- all switches of supplier, except those that take place during MESs at sites where the installation is already in service</p> <p>- all suppliers taken together</p> <p>- T1/T2 and T3/T4/TP customers</p>	<p>Monthly</p>	<p>1 July 2009 (alternative suppliers)  1 January 2010 (all suppliers)</p>
<p>Proportion of supplier switches achieved within the scheduled time</p>	<p>Ratio sent on 1<sup>st</sup> day of month M+2:</p> <p><u>(Number of supplier switches closed in month M within a time ≤ scheduled timescale) / (Total number of supplier switches closed during month M)</u></p> <p>(or a monitored value)</p>	<p>are monitored separately for interval of delay</p> <p>- proportion is monitored for all types of customers (T1/T2/T3/T4/TP) taken together</p>	<p>Monthly</p>	<p>1 July 2009 (alternative suppliers)  1 January 2010 (all suppliers)  1 July 2010 (monitoring against timescale agreed with the supplier)</p>
<p>Amount of compensation paid following complaints for appointments missed because of the GRD</p>	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total amount of compensation paid to suppliers during month M, as a result of complaints for missed appointments</u></p> <p>(or the two monitored values:  - T1/T2 customers,  - T3/T4/TP customers)</p>	<p>- all appointments scheduled and thus confirmed by the GRD</p> <p>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days by letter or email</p> <p>- T1/T2 and T3/T4/TP customers are monitored separately</p>	<p>Monthly</p>	<p>1 July 2009</p>

Number of scheduled appointments missed by the customer	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Number of scheduled appointments missed by the customer and invoiced during month M:</u></p> <p>(or the two monitored values:  - T1/T2 customers,  - T3/T4/TP customers)</p>	<ul style="list-style-type: none"> <li>- all scheduled meetings made at the customer's or the supplier's request</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the customer</li> <li>- T1/T2 and T3/T4/TP customers are monitored separately</li> </ul>	Monthly	<p>1 July 2009 (alternative suppliers)</p> <p>1 January 2010 (all suppliers)</p>
---	--	--	---------	--

b) *Indicators for end-customer relationships:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from end customers by type	<p>Values for each type of complaint for each month N in the quarter M-2 to M sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total number of written complaints from end customers closed during month N</u></p> <p>(or the eight monitored values:  - total  - concession / development  - building construction  - managing and maintaining structures  - transportation / delivery  - logistics  - project management  - good-conduct codes)</p>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the end customer are out of scope)</li> <li>- all written complaints (email, letter and fax) but no others</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the customer a "consistent" response (no acknowledgement of receipt)</li> </ul>	Quarterly	1 July 2009

<p>Rate of response to end-customer complaints within 21 days</p>	<p>Ratio sent on the 1<sup>st</sup> of month M+2, for each month N in the quarter M-2 to M:</p> <p><u>(Number of written complaints from end customers closed within 21 calendar days during month N) / (Total number of written complaints from end customers closed during month N)</u></p> <p>(or a monitored value)</p>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the end customer are out of scope)</li> <li>- all written complaints (email, letter and fax) but no others</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</li> </ul>	<p>Quarterly</p>	<p>1 July 2009</p>
---	---	---	------------------	--------------------

c) *Indicators for supplier relationships:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from suppliers by type	<p>Values for each type of complaint for each month N in the quarter M-2 to M sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total number of written complaints from suppliers closed during month N</u></p> <p>(or the eight monitored values:</p> <ul style="list-style-type: none"> <li>- total</li> <li>- concession / development</li> <li>- building construction</li> <li>- managing and maintaining structures</li> <li>- transportation / delivery</li> <li>- logistics</li> <li>- project management</li> <li>- good-conduct codes)</li> </ul>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made by letter, email or fax only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> </ul>	Quarterly	1 July 2009
Amount of compensation relating to complaints not processed within the standard time	<p>Values for each type of complaint for each month N in the quarter M-2 to M sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Amount of compensation resulting from complaints not processed within 21 calendar days and posted to the CRCP during month N</u></p> <p>(or a monitored value)</p>	<ul style="list-style-type: none"> <li>- closed complaint: complaint for which the GRD has sent the supplier a “consistent” response (no acknowledgement of receipt)</li> </ul>	Quarterly	1 July 2009

d) Indicators relating to meter-reading and invoicing:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Rate of 6M (half-yearly) readings based on actual measures (read, or taken by the consumer)	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(Number of measures taken at 6M PCEs during month M) / (Number of measures at 6M PCEs to be taken during month M)</i> (or a monitored value)	- all measures actually read or taken by the consumer for 6M PCEs <sup>(2)</sup> - gas reading	Monthly	1 January 2010
Publication timescale for DD readings (read remotely daily)	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(Total for each day D in month M of the number of DD PCEs read remotely on day D, where the final reading was sent to suppliers at the latest on the 8<sup>th</sup> working day in month M+1) / (Total for each day D in month M of the actual number of DD PCEs to be read remotely)</i> (or a monitored value)	- all existing DD PCEs - all cyclic readings and readings for MHSs (readings for MESs are out of scope) - all suppliers taken together	Monthly	1 January 2010

(2) PCE: metering or estimation point

#### IV - Equalised tariff for use of the public natural gas distribution network of Gaz Electricité de Grenoble (GEG)

The tariff for use of the public natural gas distribution networks of Gaz Electricité de Grenoble (GEG), other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is equalised within the delivery zone of by GEG.

The tariff defined below applies for four years from 1 July 2009, with a predefined adjustment on 1 July in each year.

When a reading includes gas consumption payable at both the old and the new tariffs, it is divided in proportion to the number of days in each period.

## 1. Equalised GEG tariff effective from 1 July 2009 to 30 June 2010

The tariff for use of the public natural gas distribution networks within the delivery zone of GEG, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is as follows:

Tariff option	Annual subscription in €	Proportional price in €/MWh	Charge for annual subscription for daily capacity in €/MWh/day
T1	36.72	29.14	
T2	142.20	8.57	
T3	807.48	6.01	
T4	16,295.28	0.82	209.76

### "Proximity tariff" (TP) option

The tariff charges for the "proximity tariff" option are as follows:

Tariff option	Annual subscription in €	Charge for annual subscription for daily capacity in €/MWh/day	Annual charge based on distance in €/meter
TP	27,184.08	75.72	49.56

A multiplier is applied to the annual distance charge. It is equal to:

- 1 if the population density in the municipality is less than 400 inhabitants / km<sup>2</sup>;
- 1.75 if the population density in the municipality is between 400 and 4,000 inhabitants / km<sup>2</sup>;
- 3 if the population density in the municipality is greater than 4,000 inhabitants / km<sup>2</sup>.

### Customers without individual meters

End customers who do not have individual meters pay an annual fixed-rate tariff of € 68.04.

## 2. Equalised GEG tariff effective from 1 July 2010 to 30 June 2011

GEG's schedule of tariff is adjusted automatically on 1 July 2010, when the following percentage change is applied to all tariff charges current on 30 June 2010:

$$Z_1 = \text{CPI} - X$$

The CPI is the inflation index corresponding to the average annual variation during 2009 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;

X is the annual change factor, set at 0.1%.

The CRE publishes the resulting schedule of tariff before 1 July 2010 and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.



### 3. Equalised GEG tariff effective from 1 July 2011

GEG's schedule of tariff is adjusted automatically on 1 July 2011 and on 1 July 2012, when the following percentage change is applied to all tariff charges current on 30 June 2011 and 30 June 2012 respectively:

$$Z_2 = \text{CPI} - X + k$$

For an adjustment to the schedule of tariff on 1 July of year A, CPI is the rate of inflation corresponding to the average annual variation during the calendar year A-1 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France.

X is the annual change factor, set at 0.1%.

k (expressed as a percentage) is the change in the schedule of tariff resulting from clearing the balance on the CRCP.

The CRE publishes the resulting schedule of tariff before 1 July of each year and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

#### 3.1. Calculating the balance on the CRCP

The CRE calculates the balance on the CRCP for each year of the tariff period, following the method described in the table below.

If the final value of a variance is not known with certainty when the calculation is made, it is estimated based on the best information available at the time. The estimate is corrected the following year using final values.

Item covered by the CRCP	Proportion of total amount covered by CRCP	Method of calculating the total for each item
Capital costs	100 %	Difference between: <ul style="list-style-type: none"><li>the total value of capital costs (calculated a posteriori based on actual data relating to the investments made, the assets withdrawn from the RAB, and inflation);</li><li>the estimated capital costs included in the income which will be recovered in tariff charges.</li></ul>
Income from the quantities of gas transported on the distribution network	100 %	Difference between: <ul style="list-style-type: none"><li>income from the quantities of gas transported (calculated a posteriori based on the six-monthly gas quantities per tariff option that were actually transported during the period);</li><li>income related to the quantities of gas transported, as forecast six-monthly for each tariff option (and as used to determine the tariff to apply during the period concerned).</li></ul>
Fines for exceeding subscribed capacities	100 %	Value of fines invoiced during the period under consideration.
Financial service-quality incentives	100 %	Value of fines and/or bonuses associated with service-quality indicators linked to financial incentives (except that related to keeping appointments).

Variations for 2009 are calculated based on data for the second half year, except for capital costs, where the variance for the second half year is equal to 50% of the variances recorded over 2009 as a whole.

For 2010, 2011 and 2012, actual capital costs are calculated from the investments actually completed.

The initial CRCP balance calculated by the CRE is cleared linearly in annual instalments over a four-year period starting on 1 July 2011. It includes variances recognized for the second half of 2009 and for 2010.

The annual instalments of the CRCP balance that impact the tariff structure on 1 July of the years 2011 and 2012 determine the value of *k*.

At the end of the four-year tariff period, the CRE will calculate a new CRCP balance incorporating both the variances recognized for 2011 and 2012, and the remaining annual instalments from the initial CRCP balance; it will be used to define the tariff for the next tariff period.

Amounts included in the CRCP are updated at an interest rate equivalent to the risk-free rate used for this tariff proposal (i.e. a nominal pre-tax rate of 4.2% per year)

### 3.2. Reference values for income and expenditure accounts subject to the CRCP mechanism

Forecast capital costs:

Calculation of normative capital costs	€K	2009	2010	2011	2012
Return		2,280	2,281	2,423	2,603
Depreciation		1,845	1,900	1,919	1,849
TOTAL		4,125	4,181	4,342	4,452

Forecast quantities of gas transported (in MWh):

Tariff option	2009	2010	2011	2012	2013
T1	23,232	22,309	21,386	20,463	19,540
T2	365,996	359,988	353,980	348,134	342,126
T3	176,524	173,626	170,729	167,909	165,011
T4	38,348	37,719	37,089	36,477	35,847

### 3.3. Other reference values used to calculate *k*

Forecast average annual numbers of customers connected:

Tariff option	2009	2010	2011	2012	2013
Fixed charge	131	131	131	131	131
T1	19,805	19,305	18,805	18,305	17,805
T2	26,630	26,630	26,630	26,630	26,630
T3	223	223	223	223	223
T4	4	4	4	4	4
TP	1	1	1	1	1

Forecast annual subscriptions for daily capacity (in MWh/day):

Tariff option	2009	2010	2011	2012	2013
T4	319	319	319	319	319
TP	2,160	2,160	2,160	2,160	2,160

Distance forecasts for the proximity tariff (in m):

Tariff option	2009	2010	2011	2012	2013
TP	1	1	1	1	1

### 3.4. Means of adjusting from annual to half-yearly forecasts:

Half-yearly breakdown of quantities of gas transported in year A for each tariff option:

Tariff option	1st half-year	2nd half-year
T1	53 %	47 %
T2	57 %	43 %
T3	58 %	42 %
T4	59 %	41 %

Half-yearly breakdown of numbers of customers connected in year A for each tariff option:

- the average number of customers connected in the 1<sup>st</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}-1} + \text{number average customers}_{\text{yearA}}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

- the average number of customers connected in the 2<sup>nd</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}} + \text{number average customers}_{\text{yearA}+1}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

These two formulae are also used in an identical way to calculate from the annual values the half-yearly forecast annual subscriptions for daily capacity and for distance by tariff option.

## 4. Sharing extra productivity gains relating to operating expenses (OPEX)

The annual change factor of 0.1% applied to the schedule of tariff assumes that net operating expenses will change by an annual percentage equal to the CPI – 2.80% compared with the level defined in 2009.

At the end of the tariff period, and based on the OPEX thus defined, any additional productivity gains that GEG may make over the target of 2.80% per year will be evaluated by comparing:

- the total value of GEG's net operating expenses, calculated a posteriori from actual data for 2010, 2011 and 2012;
- the reference development path for GEG's net operating expenses. This trajectory will be calculated for 2010, 2011 and 2012 at the end of each tariff period, by applying an annual percentage variation equal to CPI - 2.80% to the OPEX, starting with their 2009 value (€ 5,806.476K).

If the expenses incurred are below the reference trajectory, any extra productivity gains will be shared between GEG and the network users. GEG will retain 40% of the gains made. The remaining 60% will be used to reduce the figure for charges to be recovered in the next tariff.

## 5. Regulation mechanism for GEG quality of service

GEG's key activity areas are monitored for quality of service. This monitoring takes the form of indicators that GEG sends to the CRE and publishes on its internet site.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

Indicators for monitoring quality of service that GEG sends to the CRE must be certified by an external body. In addition, the system for monitoring GEG's quality of service may be audited in any way the CRE considers appropriate.

### 5.1. GEG service-quality monitoring indicators that offer financial incentives

#### a) Supplier-portal availability rates:

<b>Calculation:</b>	Weekly availability ratios to the end of month M, for complete weeks, sent on the 1 <sup>st</sup> of month M+2:  <i>(Number of hours the portal was available during the week) / (Total number of projected hours portal open during the week)</i>  (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- supplier portal only, full functionality available to suppliers apart from Webservices</li> <li>- reasons for unavailability: any event preventing, hindering or slowing significantly the use of the supplier portal, whether or not scheduled</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: weekly</li> <li>- transmission frequency to the CRE: quarterly</li> <li>- publication frequency: quarterly</li> <li>- frequency of incentive calculations: weekly and annually</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 96% over the week</li> <li>- target objective: 99% over the year</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 January 2010</li> <li>- incentives introduced: 1 July 2010</li> </ul>

For 2010, financial incentives for this indicator are calculated only for the 2<sup>nd</sup> half year, following the same principles but with a target objective of 99% over the week and a bonus corresponding to half the annual bonus for each half-year above this target objective.

b) *Number of scheduled appointments missed by the GRD:*

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the GRD and compensated during the quarter M-2 to M:</u>  (or the two monitored values: - for T1/T2 customers, - for T3/T4/TP customers)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days via the supplier portal</li> <li>- T1/T2 and T3/T4/TP customers are monitored separately</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: quarterly</li> <li>- transmission frequency to the CRE: quarterly</li> <li>- publication frequency: quarterly</li> <li>- frequency of compensation calculations: quarterly</li> </ul>
<b>Objective:</b>	Compensation for 100% of missed appointments reported by suppliers within 90 calendar days (complaint on the supplier portal)
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: for each missed appointment, an amount (based on the customer's tariff option) equal to the amount invoiced by GEG if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li> <li>- payment: directly to the suppliers who request it</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

c) *Rate of response to supplier complaints within 30 days.*

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(Number of supplier complaints closed within 30 calendar days during the quarter M-2 to M) / (Total number of supplier complaints closed during the quarter M-2 to M)</u>  (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made on the supplier portal only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: quarterly</li> <li>- transmission frequency to the CRE: quarterly</li> <li>- publication frequency: quarterly</li> <li>- frequency of compensation calculations: quarterly</li> </ul>
<b>Objective:</b>	Compensation for 100% of written supplier complaints left on the supplier portal, not processed within 30 days and reported by suppliers
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €25 per complaint not processed within 30 days and reported</li> <li>- debit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

## 5.2. Other indicators for monitoring GEG quality of service

### a) Indicators for quotations and call-outs:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Amount of compensation paid following complaints for appointments missed because of the GRD	Value sent on the 1 <sup>st</sup> of month M+2: <u>Total amount of compensation paid to suppliers during the quarter M-2 to M, as a result of complaints for missed appointments</u> (or the two monitored values: - T1/T2 customers, - T3/T4/TP customers)	- all appointments scheduled and thus confirmed by the GRD  - all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days via the supplier portal  - T1/T2 and T3/T4/TP customers are monitored separately	Quarterly	1 July 2009

### b) Indicators for end-customer relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Call-centre accessibility rate for end consumers	Ratio sent for each call-centre number on the 1 <sup>st</sup> of month M+2: <u>(Number of calls taken during the quarter M-2 to M) / (Number of calls received during the quarter M-2 to M)</u> (or the two monitored values: - phone no. for Connection reception (gas and electricity) - phone no. for Safety and Faults (gas))	- all types of call taken/received during call-centre opening hours.  - all types of caller  - all types of customer (T1/T2/T3/T4/TP) taken together  - phone no. for Connection reception for energies generally (gas and electricity)	Quarterly	1 July 2009 (phone no. for Safety and Faults)  1 January 2010 (all numbers)

<p>Number of complaints from end customers by type</p>	<p>Values for each type of complaint sent on the 1<sup>st</sup> of month M+2:  <u>Total number of written complaints from end customers closed during the quarter M-2 to M</u>  (or the eight monitored values:  - Total  - Quality of supply  - Invoicing  - Service work  - Connections and works  - Reception and contract implementation  - Meter readings  - Other)</p>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the end customer are out of scope)</li> <li>- all written complaints (letter, email and fax) but no others</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>	<p>Quarterly</p>	<p>1 July 2009</p>
<p>Rate of response to end-customer complaints within 30 days</p>	<p>Ratio sent on 1<sup>st</sup> day of month M+2:  <u>(Number of written complaints from end customers closed within 30 calendar days during the quarter M-2 to M) / (Total number of written complaints from end customers closed during the quarter M-2 to M)</u>  (or a monitored value)</p>	<ul style="list-style-type: none"> <li>- closed complaint: complaint for which the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</li> </ul>	<p>Quarterly</p>	<p>1 July 2009</p>

c) *Indicators for supplier relationships:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from suppliers by type	<p>Values for each type of complaint sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total number of written complaints from suppliers closed during the quarter M-2 to M</u></p> <p>(or the eight monitored values:</p> <ul style="list-style-type: none"> <li>- Total</li> <li>- Quality of supply</li> <li>- Invoicing</li> <li>- Service work</li> <li>- Connections and works</li> <li>- Reception and contract implementation</li> <li>- Meter readings</li> <li>- Other)</li> </ul>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made on the supplier portal only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)</li> </ul>	Quarterly	1 July 2009
Amount of compensation relating to complaints not processed within the standard time	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Amount of compensation resulting from complaints not processed within 30 calendar days and posted to the CRCP during the quarter M-2 to M</u></p> <p>(or a monitored value)</p>	<ul style="list-style-type: none"> <li>- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)</li> </ul>	Quarterly	1 July 2009

**V - Equalised tariff for use of the public natural gas distribution network of Vialis (Colmar)**

The tariff for use of the public natural gas distribution networks of Vialis, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is equalised within the delivery zone of Vialis.

The tariff defined below applies for four years from 1 July 2009, with a predefined adjustment on 1 July in each year.

When a reading includes gas consumption payable at both the old and the new tariffs, it is divided in proportion to the number of days in each period.



## 1. Equalised Vialis tariff effective from 1 July 2009 to 30 June 2010

The tariff for use of the public natural gas distribution networks within the delivery zone of Vialis, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is as follows:

Tariff option	Annual subscription in €	Proportional price in €/MWh	Charge for annual subscription for daily capacity in €/MWh/day
T1	35.04	27.89	
T2	135.48	8.20	
T3	772.80	5.75	
T4	15,582.00	0.79	203.52

### "Proximity tariff" (TP) option

The tariff charges for the "proximity tariff" option are as follows:

Tariff option	Annual subscription in €	Charge for annual subscription for daily capacity in €/MWh/day	Annual charge based on distance in €/meter
TP	29,675.76	82.68	54.12

A multiplier is applied to the annual distance charge. It is equal to:

- 1 if the population density in the municipality is less than 400 inhabitants / km<sup>2</sup>;
- 1.75 if the population density in the municipality is between 400 and 4,000 inhabitants / km<sup>2</sup>;
- 3 if the population density in the municipality is greater than 4,000 inhabitants / km<sup>2</sup>.

## 2. Equalised Vialis tariff effective from 1 July 2010 to 30 June 2011

Vialis's schedule of tariff is adjusted automatically on 1 July 2010, when the following percentage change is applied to all tariff charges current on 30 June 2010:

$$Z_1 = \text{CPI} - X$$

The CPI is the inflation index corresponding to the average annual variation during 2009 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;

X is the annual change factor, set at 2.0%.

The CRE publishes the resulting schedule of tariff before 1 July 2010 and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

## 3. Equalised Vialis tariff effective from 1 July 2011

Vialis's schedule of tariff is adjusted automatically on 1 July 2011 and on 1 July 2012, when the following percentage change is applied to all tariff charges current on 30 June 2011 and 30 June 2012 respectively:

$$Z_2 = \text{CPI} - X + k$$

For an adjustment to the schedule of tariff on 1 July of year A, CPI is the rate of inflation corresponding to the average annual variation during the calendar year A-1 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France.

65/124 (translated from the French : only the original in French is authentic)

X is the annual change factor, set at 2.0%.

k (expressed as a percentage) is the change in the schedule of tariff resulting from clearing the balance on the CRCP.

The CRE publishes the resulting schedule of tariff before 1 July of each year and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

### 3.1. Calculating the balance on the CRCP

The CRE calculates the balance on the CRCP for each year of the tariff period, following the method described in the table below.

If the final value of a variance is not known with certainty when the calculation is made, it is estimated based on the best information available at the time. The estimate is corrected the following year using final values.

Item covered by the CRCP	Proportion of total amount covered by CRCP	Method of calculating the total for each item
Capital costs	100 %	Difference between: <ul style="list-style-type: none"> <li>the total value of capital costs (calculated a posteriori based on actual data relating to the investments made, the assets withdrawn from the RAB, and inflation);</li> <li>the estimated capital costs included in the income which will be recovered in tariff charges.</li> </ul>
Income from the quantities of gas transported on the distribution network	100 %	Difference between: <ul style="list-style-type: none"> <li>income from the quantities of gas transported (calculated a posteriori based on the six-monthly gas quantities per tariff option that were actually transported during the period);</li> <li>income related to the quantities of gas transported, as forecast six-monthly for each tariff option (and as used to determine the tariff to apply during the period concerned).</li> </ul>
Fines for exceeding subscribed capacities	100 %	Value of fines invoiced during the period under consideration.
Financial service-quality incentives	100 %	Value of fines and/or bonuses associated with service-quality indicators linked to financial incentives (except that related to keeping appointments).

Variances for 2009 are calculated based on data for the second half year, except for capital costs, where the variance for the second half year is equal to 50% of the variances recorded over 2009 as a whole.

For 2010, 2011 and 2012, actual capital costs are calculated from the investments actually completed.

The initial CRCP balance calculated by the CRE is cleared linearly in annual instalments over a four-year period starting on 1 July 2011. It includes variances recognized for the second half of 2009 and for 2010.

The annual instalments of the CRCP balance that impact the tariff structure on 1 July of the years 2011 and 2012 determine the value of k.

At the end of the four-year tariff period, the CRE will calculate a new CRCP balance incorporating both the variances recognized for 2011 and 2012, and the remaining annual instalments from the initial CRCP balance; it will be used to define the tariff for the next tariff period.

Amounts included in the CRCP are updated at an interest rate equivalent to the risk-free rate used for this tariff proposal (i.e. a nominal pre-tax rate of 4.2% per year)

### 3.2. Reference values for income and expenditure accounts subject to the CRCP mechanism

Forecast capital costs:

Calculation of normative capital costs	€K	2009	2010	2011	2012
Return		3,540	3,543	3,573	3,608
Depreciation		1,938	1,937	1,946	2,012
<b>TOTAL</b>		<b>5,478</b>	<b>5,480</b>	<b>5,519</b>	<b>5,620</b>

Forecast quantities of gas transported (in MWh):

Tariff option	2009	2010	2011	2012	2013
T1	6,138	6,178	6,219	6,260	6,301
T2	494,123	497,373	500,649	503,952	507,282
T3	162,361	163,364	164,375	165,394	166,422
T4	236,788	236,788	236,788	236,788	236,788

### 3.3. Other reference values used to calculate k

Forecast average annual numbers of customers connected:

Tariff option	2009	2010	2011	2012	2013
T1	7,677	7,727	7,778	7,829	7,881
T2	24,089	24,247	24,407	24,568	24,730
T3	245	252	259	267	275
T4	13	13	13	13	13
TP	0	0	0	0	0

Forecast annual subscriptions for daily capacity (in MWh/day):

Tariff option	2009	2010	2011	2012	2013
T4	1,105	1,105	1,105	1,105	1,105
TP	0	0	0	0	0

Distance forecasts for the proximity tariff (in m):

Tariff option	2009	2010	2011	2012	2013
TP	0	0	0	0	0

### 3.4. Means of adjusting from annual to half-yearly forecasts:

Half-yearly breakdown of quantities of gas transported in year A for each tariff option:

Tariff option	1st half-year	2nd half-year
T1	53 %	47 %
T2	57 %	43 %
T3	58 %	42 %
T4	59 %	41 %

Half-yearly breakdown of numbers of customers connected in year A for each tariff option:

- the average number of customers connected in the 1<sup>st</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA-1}} + \text{number average customers}_{\text{yearA}}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

- the average number of customers connected in the 2<sup>nd</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}} + \text{number average customers}_{\text{yearA+1}}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

These two formulae are also used in an identical way to calculate from the annual values the half-yearly forecast annual subscriptions for daily capacity and for distance by tariff option.

## 4. Sharing extra productivity gains relating to operating expenses (OPEX)

The annual change factor of 2.0% applied to the schedule of tariff assumes that net operating expenses will change by an annual percentage equal to the CPI – 1.82% compared with the level defined in 2009.

At the end of the tariff period, and based on the OPEX thus defined, any additional productivity gains that Vialis may make over the target of 1.82% per year will be evaluated by comparing:

- the total value of Vialis's net operating expenses, calculated a posteriori from actual data for 2010, 2011 and 2012;
- the reference development path for Vialis's net operating expenses. This trajectory will be calculated for 2010, 2011 and 2012 at the end of each tariff period, by applying an annual percentage variation equal to CPI - 1.82% to the OPEX, starting with their 2009 value (€ 4,015.168K).

If the expenses incurred are below the reference trajectory, any extra productivity gains will be shared between Vialis and the network users. Vialis will retain 40% of the gains made. The remaining 60% will be used to reduce the figure for charges to be recovered in the next tariff.

## 5. Regulation mechanism for Vialis quality of service

Vialis's key activity areas are monitored for quality of service. This monitoring takes the form of indicators that Vialis sends to the CRE and publishes on its internet site.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

Indicators for monitoring quality of service that Vialis sends to the CRE must be certified by an external body. In addition, the system for monitoring Vialis's quality of service may be audited in any way the CRE considers appropriate.

### 5.1. Vialis service-quality monitoring indicators that offer financial incentives

#### a) Supplier-portal availability rates:

<b>Calculation:</b>	Weekly availability ratios to the end of month M, for complete weeks, sent on the 1 <sup>st</sup> of month M+2: <u>(Number of hours the portal was available during the week) / (Total number of projected hours portal open during the week)</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- supplier portal only, full functionality available to suppliers apart from Webservices</li> <li>- reasons for unavailability: any event preventing, hindering or slowing significantly the use of the supplier portal, whether or not scheduled</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: weekly</li> <li>- transmission frequency to the CRE: quarterly</li> <li>- publication frequency: quarterly</li> <li>- frequency of incentive calculations: weekly and annually</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 96% over the week</li> <li>- target objective: 99% over the year</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2010</li> <li>- incentives introduced: 1 January 2011</li> </ul>

#### b) Number of scheduled appointments missed by the GRD:

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the GRD and compensated during the quarter M-2 to M:</u> (or the two monitored values: - for T1/T2 customers, - for T3/T4/TP customers)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days by letter or email</li> <li>- except for appointments missed owing to exceptional circumstances</li> <li>- T1/T2 and T3/T4/TP customers are monitored separately</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: quarterly</li> <li>- transmission frequency to the CRE: quarterly</li> <li>- publication frequency: quarterly</li> <li>- frequency of compensation calculations: quarterly</li> </ul>
<b>Objective:</b>	Compensation for 100% of missed appointments reported by suppliers within 90 calendar days (complaint by letter or email)
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: for each missed appointment, an amount (based on the customer's tariff option) equal to the amount invoiced by Vialis if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li> <li>- payment: directly to the suppliers who request it</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

c) Rate of response to supplier complaints within 8 days.

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2:  <i>(Number of supplier complaints closed within 8 calendar days during the quarter M-2 to M) / (Total number of supplier complaints closed during the quarter M-2 to M)</i>  (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made by letter or email only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: quarterly</li> <li>- transmission frequency to the CRE: quarterly</li> <li>- publication frequency: quarterly</li> <li>- frequency of compensation calculations: quarterly</li> </ul>
<b>Objective:</b>	Compensation for 100% of written supplier complaints (letter and email), not processed within 8 days and reported by suppliers
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €25 per complaint not processed within 8 days and reported</li> <li>- debit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

**5.2. Other indicators for monitoring Vialis quality of service**

a) Indicators for quotations and call-outs:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Amount of compensation paid following complaints for appointments missed because of the GRD	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total amount of compensation paid to suppliers during the quarter M-2 to M, as a result of complaints for missed appointments</u></p> <p>(or the two monitored values: - T1/T2 customers, - T3/T4/TP customers)</p>	<p>- all appointments scheduled and thus confirmed by the GRD</p> <p>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days by letter or email</p> <p>- except for appointments missed owing to exceptional circumstances</p> <p>- T1/T2 and T3/T4/TP customers are monitored separately</p>	Quarterly	1 July 2009
Number of scheduled appointments missed by the customer	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Number of scheduled appointments missed by the customer and invoiced during the quarter M-2 to M:</u></p> <p>(or the two monitored values: - T1/T2 customers, - T3/T4/TP customers)</p>	<p>- all scheduled meetings made at the customer's or the supplier's request</p> <p>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the customer</p> <p>- T1/T2 and T3/T4/TP customers are monitored separately</p>	Quarterly	1 July 2009

b) Indicators for end-customer relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Call-centre accessibility rate for end consumers	Ratio sent for each call-centre number on the 1 <sup>st</sup> of month M+2: <u>(Number of calls taken during the quarter M-2 to M) / (Number of calls received during the quarter M-2 to M)</u> (or the two monitored values: - phone no. for Reception (all activities) - phone no. for Safety and Faults (gas))	<ul style="list-style-type: none"> <li>- all types of call taken/received during call-centre opening hours</li> <li>- all types of caller</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> <li>- phone no. for Reception (activities generally)</li> </ul>	Quarterly	1 July 2009 (phone no. for Safety and Faults)  1 January 2010 (all numbers)
Number of complaints from end customers by type	Values for each type of complaint sent on the 1 <sup>st</sup> of month M+2: <u>Total number of written complaints from end customers closed during the quarter M-2 to M</u> (or the five monitored values: - Total - Delivery - Performing services associated with delivery - Individual gas connections - Connection to the business gas market)	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the customer are out of scope)</li> <li>- all written complaints (letter, and email) but no others</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>	Quarterly	1 July 2009 (without distinguishing type)  1 January 2010 (distinguishing type)
Rate of response to end-customer complaints within 8 days	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(Number of written complaints from end customers closed within 8 calendar days during the quarter M-2 to M) / (Total number of written complaints from end customers closed during the quarter M-2 to M)</u> (or a monitored value)	<ul style="list-style-type: none"> <li>- closed complaint: complaint for which the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</li> </ul>	Quarterly	1 July 2009



c) *Indicators for supplier relationships:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from suppliers by type	Values for each type of complaint sent on the 1 <sup>st</sup> of month M+2: <u>Total number of written complaints from suppliers closed during the quarter M-2 to M</u> (or the six monitored values: - Total - Reception - Quality of supply and network - Service management and completion - Metering data - Follow up	- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope) - all written complaints made by letter or email only, including complaints about missed appointments - all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together	Quarterly	1 July 2009 (without distinguishing type) 1 January 2010 (distinguishing type)
Amount of compensation relating to complaints not processed within the standard time	Value sent on the 1 <sup>st</sup> of month M+2: <u>Amount of compensation resulting from complaints not processed within 8 calendar days and posted to the CRCP during the quarter M-2 to M</u> (or a monitored value)	- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)	Quarterly	1 July 2009

**VI - Equalised tariff for use of the public natural gas distribution network of Gédia (Dreux)**

The tariff for use of the public natural gas distribution networks of Gédia, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is equalised within the delivery zone of Gédia.

The tariff defined below applies for four years from 1 July 2009, with a predefined adjustment on 1 July in each year.

When a reading includes gas consumption payable at both the old and the new tariffs, it is divided in proportion to the number of days in each period.

### 1. Equalised Gédia tariff effective from 1 July 2009 to 30 June 2010

The tariff for use of the public natural gas distribution networks within the delivery zone of Gédia, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is as follows:

Tariff option	Annual subscription in €	Proportional price in €/MWh	Charge for annual subscription for daily capacity in €/MWh/day
T1	38.88	30.62	
T2	149.52	9.04	
T3	850.32	6.34	
T4	17,098.20	0.90	223.20

### "Proximity tariff" (TP) option

The tariff charges for the "proximity tariff" option are as follows:

Tariff option	Annual subscription in €	Charge for annual subscription for daily capacity in €/MWh/day	Annual charge based on distance in €/meter
TP	27,044.16	75.36	49.32

A multiplier is applied to the annual distance charge. It is equal to:

- 1 if the population density in the municipality is less than 400 inhabitants / km<sup>2</sup>;
- 1.75 if the population density in the municipality is between 400 and 4,000 inhabitants / km<sup>2</sup>;
- 3 if the population density in the municipality is greater than 4,000 inhabitants / km<sup>2</sup>.

### 2. Equalised Gédia tariff effective from 1 July 2010 to 30 June 2011

Gédia's schedule of tariff is adjusted automatically on 1 July 2010, when the following percentage change is applied to all tariff charges current on 30 June 2010:

$$Z_1 = \text{CPI} - X$$

The CPI is the inflation index corresponding to the average annual variation during 2009 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;

X is the annual change factor, set at 0.5%.

The CRE publishes the resulting schedule of tariff before 1 July 2010 and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

### 3. Equalised Gédia tariff effective from 1 July 2011

Gédia's schedule of tariff is adjusted automatically on 1 July 2011 and on 1 July 2012, when the following percentage change is applied to all tariff charges current on 30 June 2011 and 30 June 2012 respectively:

$$Z_2 = \text{CPI} - X + k$$

For an adjustment to the schedule of tariff on 1 July of year A, CPI is the rate of inflation corresponding to the average annual variation during the calendar year A-1 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France.

X is the annual change factor, set at 0.5%.

k (expressed as a percentage) is the change in the schedule of tariff resulting from clearing the balance on the CRCP.

The CRE publishes the resulting schedule of tariff before 1 July of each year and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

### 3.1. Calculating the balance on the CRCP

The CRE calculates the balance on the CRCP for each year of the tariff period, following the method described in the table below.

If the final value of a variance is not known with certainty when the calculation is made, it is estimated based on the best information available at the time. The estimate is corrected the following year using final values.

Item covered by the CRCP	Proportion of total amount covered by CRCP	Method of calculating the total for each item
Capital costs	100 %	Difference between: <ul style="list-style-type: none"> <li>the total value of capital costs (calculated a posteriori based on actual data relating to the investments made, the assets withdrawn from the RAB, and inflation);</li> <li>the estimated capital costs included in the income which will be recovered in tariff charges.</li> </ul>
Income from the quantities of gas transported on the distribution network	100 %	Difference between: <ul style="list-style-type: none"> <li>income from the quantities of gas transported (calculated a posteriori based on the six-monthly gas quantities per tariff option that were actually transported during the period);</li> <li>income related to the quantities of gas transported, as forecast six-monthly for each tariff option (and as used to determine the tariff to apply during the period concerned).</li> </ul>
Fines for exceeding subscribed capacities	100 %	Value of fines invoiced during the period under consideration.
Financial service-quality incentives	100 %	Value of fines and/or bonuses associated with service-quality indicators linked to financial incentives (except that related to keeping appointments).

Variances for 2009 are calculated based on data for the second half year, except for capital costs, where the variance for the second half year is equal to 50% of the variances recorded over 2009 as a whole.

For 2010, 2011 and 2012, actual capital costs are calculated from the investments actually completed.

The initial CRCP balance calculated by the CRE is cleared linearly in annual instalments over a four-year period starting on 1 July 2011. It includes variances recognized for the second half of 2009 and for 2010.

The annual instalments of the CRCP balance that impact the tariff structure on 1 July of the years 2011 and 2012 determine the value of *k*.

At the end of the four-year tariff period, the CRE will calculate a new CRCP balance incorporating both the variances recognized for 2011 and 2012, and the remaining annual instalments from the initial CRCP balance; it will be used to define the tariff for the next tariff period.

Amounts included in the CRCP are updated at an interest rate equivalent to the risk-free rate used for this tariff proposal (i.e. a nominal pre-tax rate of 4.2% per year)

### 3.2. Reference values for income and expenditure accounts subject to the CRCP mechanism

Forecast capital costs:

Calculation of normative capital costs	€K	2009	2010	2011	2012
Return		1,795	1,820	1,830	1,840
Depreciation		1,132	1,215	1,250	1,269
<b>TOTAL</b>		<b>2,927</b>	<b>3,035</b>	<b>3,081</b>	<b>3,110</b>

Forecast quantities of gas transported (in MWh):

Tariff option	2009	2010	2011	2012	2013
T1	7,501	7,464	7,426	7,389	7,426
T2	234,030	235,668	237,082	238,505	239,936
T3	155,525	155,525	155,525	155,525	155,525
T4	55,937	54,937	53,937	52,937	51,937

### 3.3. Other reference values used to calculate *k*

Forecast average annual numbers of customers connected:

Tariff option	2009	2010	2011	2012	2013
T1	3,109	3,062	3,016	2,971	2,926
T2	9,914	10,043	10,144	10,245	10,347
T3	144	142	140	137	135
T4	5	5	5	5	5
TP	0	0	0	0	0

Forecast annual subscriptions for daily capacity (in MWh/day):

Tariff option	2009	2010	2011	2012	2013
T4	305	305	305	305	305
TP	0	0	0	0	0

Distance forecasts for the proximity tariff (in m):

Tariff option	2009	2010	2011	2012	2013
TP	0	0	0	0	0

### 3.4. Means of adjusting from annual to half-yearly forecasts:

Half-yearly breakdown of quantities of gas transported in year A for each tariff option:

Tariff option	1 <sup>st</sup> half-year	2 <sup>nd</sup> half-year
T1	53 %	47 %
T2	57 %	43 %
T3	58 %	42 %
T4	59 %	41 %

Half-yearly breakdown of numbers of customers connected in year A for each tariff option:

- the average number of customers connected in the 1<sup>st</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}-1} + \text{number average customers}_{\text{yearA}}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

- the average number of customers connected in the 2<sup>nd</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}} + \text{number average customers}_{\text{yearA}+1}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

These two formulae are also used in an identical way to calculate from the annual values the half-yearly forecast annual subscriptions for daily capacity and for distance by tariff option.

## 4. Sharing extra productivity gains relating to operating expenses (OPEX)

The annual change factor of 0.5% applied to the schedule of tariff assumes that net operating expenses will change by an annual percentage equal to the CPI – 1.21% compared with the level defined in 2009.

At the end of the tariff period, and based on the OPEX thus defined, any additional productivity gains that Gédia may make over the target of 1.21% per year will be evaluated by comparing:

- the total value of Gédia's net operating expenses, calculated a posteriori from actual data for 2010, 2011 and 2012;
- the reference development path for Gédia's net operating expenses. This trajectory will be calculated for 2010, 2011 and 2012 at the end of each tariff period, by applying an annual percentage variation equal to CPI - 1.21% to the OPEX, starting with their 2009 value (€ 2,333.971K).

If the expenses incurred are below the reference trajectory, any extra productivity gains will be shared between Gédia and the network users. Gédia will retain 40% of the gains made. The remaining 60% will be used to reduce the figure for charges to be recovered in the next tariff.

## 5. Regulation mechanism for Gédia quality of service

Gédia's key activity areas are monitored for quality of service. This monitoring takes the form of indicators that Gédia sends to the CRE and publishes on its internet site.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

Indicators for monitoring quality of service that Gédia sends to the CRE must be certified by an external body. In addition, the system for monitoring Gédia's quality of service may be audited in any way the CRE considers appropriate.

### 5.1. Gédia service-quality monitoring indicators that offer financial incentives

a) *Number of scheduled appointments missed by the GRD:*

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the GRD and compensated during the six months M-5 to M:</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"><li>- all appointments scheduled and thus confirmed by the GRD</li><li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 30 calendar days by letter or email</li><li>- all types of customer (T1/T2/T3/T4/TP) taken together</li></ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"><li>- calculation frequency: half yearly</li><li>- transmission frequency to the CRE: half yearly</li><li>- publication frequency: half yearly</li><li>- frequency of compensation calculations: half yearly</li></ul>
<b>Objective:</b>	Compensation for 100% of missed appointments reported by suppliers within 30 calendar days (complaint by letter or email)
<b>Incentives:</b>	<ul style="list-style-type: none"><li>- fines: for each missed appointment, an amount equal to the amount invoiced by Gédia if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li><li>- payment: directly to the suppliers who request it</li></ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"><li>- start of monitoring: 1 July 2009 (half-yearly frequency), 1 July 2010 (quarterly frequency)</li><li>- incentives introduced: 1 July 2009</li></ul>

b) *Rate of response to supplier complaints within 30 days.*

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(Number of supplier complaints closed within 30 calendar days during month M) / (Total number of supplier complaints closed during month M)</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made by letter or email only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a “consistent” response (no acknowledgement of receipt)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	Compensation for 100% of written supplier complaints (letter and email), not processed within 30 days and reported by suppliers
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €25 per complaint not processed within 30 days and reported</li> <li>- debit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

**5.2. Other indicators for monitoring Gédia quality of service**

a) *Indicators for quotations and call-outs:*

<b>Name of indicator</b>	<b>Calculation of indicator</b>	<b>Scope of indicator</b>	<b>Frequency of transmission to CRE and publication</b>	<b>Implementation date</b>
Amount of compensation paid following complaints for appointments missed because of the GRD	Value sent on the 1 <sup>st</sup> of month M+2: <u>Total amount of compensation paid to suppliers during the six months M-5 to M, as a result of complaints for missed appointments</u> (or a monitored value)	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD’s agent on site and requiring the customer’s presence, that were missed because of the GRD and reported by suppliers within 30 calendar days by letter or email</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>	<p>Half-yearly (from 1 July 2009)</p> <p>Quarterly (from 1 July 2010)</p>	<p>1 July 2009 (half-yearly frequency)</p> <p>1 July 2010 (quarterly frequency)</p>

b) Indicators for end-customer relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Call-centre accessibility rate for end consumers	Ratio sent for each call-centre number on the 1 <sup>st</sup> of month M+2: $\frac{\text{(Number of calls taken during the quarter M-2 to M)}}{\text{(Number of calls received during the quarter M-2 to M)}}$ (or a monitored value) - phone no. for Reception	<ul style="list-style-type: none"> <li>- all types of call taken/received during call-centre opening hours.</li> <li>- all types of caller</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> <li>- phone no. for Reception for energies generally (gas and electricity)</li> </ul>	Quarterly	1 July 2009
Number of complaints from end customers by type	Values for each type of complaint sent on the 1 <sup>st</sup> of month M+2: $\text{Total number of written complaints from end customers closed during month M}$ (or a monitored value)	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the customer are out of scope)</li> </ul>	Monthly	1 July 2009
Rate of response to end-customer complaints within 15 days	Ratio sent on 1 <sup>st</sup> day of month M+2: $\frac{\text{(Number of written complaints from end customers closed within 15 calendar days during month M)}}{\text{(Total number of written complaints from end customers closed during month M)}}$ (or a monitored value)	<ul style="list-style-type: none"> <li>- all written complaints (letter, and email) but no others</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</li> </ul>	Monthly	1 July 2009



c) *Indicators for supplier relationships:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from suppliers by type	Values for each type of complaint sent on the 1 <sup>st</sup> of month M+2: <u>Total number of written complaints from suppliers closed during month M</u> (or a monitored value)	- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)	Monthly	1 July 2009
Amount of compensation relating to complaints not processed within the standard time	Value sent on the 1 <sup>st</sup> of month M+2: <u>Amount of compensation resulting from complaints not processed within 30 calendar days and posted to the CRCP during month M</u> (or a monitored value)	- all written complaints made by letter or email only, including complaints about missed appointments - all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together - closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)	Monthly	1 July 2009

## VII - Equalised tariff for use of the public natural gas distribution network of Caléo (Guebwiller)

The tariff for use of the public natural gas distribution networks of Caléo, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is equalised within the delivery zone of Caléo.

The tariff defined below applies for four years from 1 July 2009, with a predefined adjustment on 1 July in each year.

When a reading includes gas consumption payable at both the old and the new tariffs, it is divided in proportion to the number of days in each period.

## 1. Equalised Caléo tariff effective from 1 July 2009 to 30 June 2010

The tariff for use of the public natural gas distribution networks within the delivery zone of Caléo, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is as follows:

Tariff option	Annual subscription in €	Proportional price in €/MWh	Charge for annual subscription for daily capacity in €/MWh/day
T1	29.40	23.40	
T2	114.60	6.96	
T3	653.16	4.87	
T4	13,195.92	0.68	171.48

### "Proximity tariff" (TP) option

The tariff charges for the "proximity tariff" option are as follows:

Tariff option	Annual subscription in €	Charge for annual subscription for daily capacity in €/MWh/day	Annual charge based on distance in €/meter
TP	27,408.12	76.32	49.92

A multiplier is applied to the annual distance charge. It is equal to:

- 1 if the population density in the municipality is less than 400 inhabitants / km<sup>2</sup>;
- 1.75 if the population density in the municipality is between 400 and 4,000 inhabitants / km<sup>2</sup>;
- 3 if the population density in the municipality is greater than 4,000 inhabitants / km<sup>2</sup>.

## 2. Equalised Caléo tariff effective from 1 July 2010 to 30 June 2011

Caléo's schedule of tariff is adjusted automatically on 1 July 2010, when the following percentage change is applied to all tariff charges current on 30 June 2010:

$$Z_1 = \text{CPI} - X$$

The CPI is the inflation index corresponding to the average annual variation during 2009 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;

X is the annual change factor, set at 1.3%.

The CRE publishes the resulting schedule of tariff before 1 July 2010 and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

## 3. Equalised Caléo tariff effective from 1 July 2011

Caléo's schedule of tariff is adjusted automatically on 1 July 2011 and on 1 July 2012, when the following percentage change is applied to all tariff charges current on 30 June 2011 and 30 June 2012 respectively:

$$Z_2 = \text{CPI} - X + k$$

For an adjustment to the schedule of tariff on 1 July of year A, CPI is the rate of inflation corresponding to the average annual variation during the calendar year A-1 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France.

X is the annual change factor, set at 1.3%.

k (expressed as a percentage) is the change in the schedule of tariff resulting from clearing the balance on the CRCP.

The CRE publishes the resulting schedule of tariff before 1 July of each year and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

### 3.1. Calculating the balance on the CRCP

The CRE calculates the balance on the CRCP for each year of the tariff period, following the method described in the table below.

If the final value of a variance is not known with certainty when the calculation is made, it is estimated based on the best information available at the time. The estimate is corrected the following year using final values.

Item covered by the CRCP	Proportion of total amount covered by CRCP	Method of calculating the total for each item
Capital costs	100 %	Difference between: <ul style="list-style-type: none"> <li>the total value of capital costs (calculated a posteriori based on actual data relating to the investments made, the assets withdrawn from the RAB, and inflation);</li> <li>the estimated capital costs included in the income which will be recovered in tariff charges.</li> </ul>
Income from the quantities of gas transported on the distribution network	100 %	Difference between: <ul style="list-style-type: none"> <li>income from the quantities of gas transported (calculated a posteriori based on the six-monthly gas quantities per tariff option that were actually transported during the period);</li> <li>income related to the quantities of gas transported, as forecast six-monthly for each tariff option (and as used to determine the tariff to apply during the period concerned).</li> </ul>
Fines for exceeding subscribed capacities	100 %	Value of fines invoiced during the period under consideration.
Financial service-quality incentives	100 %	Value of fines and/or bonuses associated with service-quality indicators linked to financial incentives (except that related to keeping appointments).

Variances for 2009 are calculated based on data for the second half year, except for capital costs, where the variance for the second half year is equal to 50% of the variances recorded over 2009 as a whole.

For 2010, 2011 and 2012, actual capital costs are calculated from the investments actually completed.

The initial CRCP balance calculated by the CRE is cleared linearly in annual instalments over a four-year period starting on 1 July 2011. It includes variances recognized for the second half of 2009 and for 2010.

The annual instalments of the CRCP balance that impact the tariff structure on 1 July of the years 2011 and 2012 determine the value of  $k$ .

At the end of the four-year tariff period, the CRE will calculate a new CRCP balance incorporating both the variances recognized for 2011 and 2012, and the remaining annual instalments from the initial CRCP balance; it will be used to define the tariff for the next tariff period.

Amounts included in the CRCP are updated at an interest rate equivalent to the risk-free rate used for this tariff proposal (i.e. a nominal pre-tax rate of 4.2% per year)

### 3.2. Reference values for income and expenditure accounts subject to the CRCP mechanism

Forecast capital costs:

Calculation of normative capital costs	€K	2009	2010	2011	2012
Return		1,106	1,118	1,138	1,159
Depreciation		661	688	707	723
<b>TOTAL</b>		<b>1,767</b>	<b>1,806</b>	<b>1,845</b>	<b>1,882</b>

Forecast quantities of gas transported (in MWh):

Tariff option	2009	2010	2011	2012	2013
T1	3,644	3,764	3,884	4,004	4,124
T2	165,915	167,615	169,315	171,015	172,715
T3	181,350	182,350	183,350	184,350	185,350
T4	0	0	0	0	0

### 3.3. Other reference values used to calculate $k$

Forecast average annual numbers of customers connected:

Tariff option	2009	2010	2011	2012	2013
T1	2,999	3,019	3,039	3,059	3,079
T2	8,326	8,426	8,526	8,626	8,726
T3	54	56	58	60	62
T4	0	0	0	0	0
TP	0	0	0	0	0

Forecast annual subscriptions for daily capacity (in MWh/day):

Tariff option	2009	2010	2011	2012	2013
T4	0	0	0	0	0
TP	0	0	0	0	0

Distance forecasts for the proximity tariff (in m):

Tariff option	2009	2010	2011	2012	2013
TP	0	0	0	0	0

### 3.4. Means of adjusting from annual to half-yearly forecasts:

Half-yearly breakdown of quantities of gas transported in year A for each tariff option:

Tariff option	1 <sup>st</sup> half-year	2 <sup>nd</sup> half-year
T1	53 %	47 %
T2	57 %	43 %
T3	58 %	42 %
T4	59 %	41 %

Half-yearly breakdown of numbers of customers connected in year A for each tariff option:

- the average number of customers connected in the 1<sup>st</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}-1} + \text{number average customers}_{\text{yearA}}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

- the average number of customers connected in the 2<sup>nd</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}} + \text{number average customers}_{\text{yearA}+1}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

These two formulae are also used in an identical way to calculate from the annual values the half-yearly forecast annual subscriptions for daily capacity and for distance by tariff option.

## 4. Sharing extra productivity gains relating to operating expenses (OPEX)

The annual change factor of 1.3% applied to the schedule of tariff assumes that net operating expenses will change by an annual percentage equal to the CPI – 1.35% compared with the level defined in 2009.

At the end of the tariff period, and based on the OPEX thus defined, any additional productivity gains that Caléo may make over the target of 1.35% per year will be evaluated by comparing:

- the total value of Caléo's net operating expenses, calculated a posteriori from actual data for 2010, 2011 and 2012;
- the reference development path for Caléo's net operating expenses. This trajectory will be calculated for 2010, 2011 and 2012 at the end of each tariff period, by applying an annual percentage variation equal to CPI - 1.35% to the OPEX, starting with their 2009 value (€ 1,433.381K).

If the expenses incurred are below the reference trajectory, any extra productivity gains will be shared between Caléo and the network users. Caléo will retain 40% of the gains made. The remaining 60% will be used to reduce the figure for charges to be recovered in the next tariff.

## 5. Regulation mechanism for Caléo quality of service

Caléo's key activity areas are monitored for quality of service. This monitoring takes the form of indicators that Caléo sends to the CRE and publishes on its internet site.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

Indicators for monitoring quality of service that Caléo sends to the CRE must be certified by an external body. In addition, the system for monitoring Caléo's quality of service may be audited in any way the CRE considers appropriate.

### 5.1. Caléo service-quality monitoring indicators that offer financial incentives

#### a) Number of scheduled appointments missed by the GRD:

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the GRD and compensated during the six months M-5 to M:</u>  (or the two monitored values: - for T1/T2 customers, - for T3/T4/TP customers)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days by letter or email</li> <li>- T1/T2 and T3/T4/TP customers are monitored separately</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: half yearly</li> <li>- transmission frequency to the CRE: half yearly</li> <li>- publication frequency: half yearly</li> <li>- frequency of compensation calculations: half yearly</li> </ul>
<b>Objective:</b>	Compensation for 100% of missed appointments reported by suppliers within 90 calendar days (complaint by letter or email)
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: for each missed appointment, an amount (based on the flowrate of the customer's meter) equal to the amount invoiced by Caléo if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li> <li>- payment: directly to the suppliers who request it</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009 (half-yearly frequency), 1 July 2010 (quarterly frequency, and no requirement for suppliers to report)</li> <li>- incentives introduced: 1 July 2009</li> </ul>

b) *Rate of response to supplier complaints within 30 days.*

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(Number of supplier complaints closed within 30 calendar days during the six months M-5 to M) / (Total number of supplier complaints closed during the six months M-5 to M)</u>  (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made on the supplier portal only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a “consistent” response (no acknowledgement of receipt)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: half yearly</li> <li>- transmission frequency to the CRE: half yearly</li> <li>- publication frequency: half yearly</li> <li>- frequency of compensation calculations: half yearly</li> </ul>
<b>Objective:</b>	Compensation for 100% of written supplier complaints left on the supplier portal, not processed within 30 days and reported by suppliers
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €25 per complaint not processed within 30 days and reported</li> <li>- debit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 January 2010 (half-yearly frequency), 1 July 2010 (quarterly frequency)</li> <li>- incentives introduced: 1 January 2010</li> </ul>

## 5.2. Other indicators for monitoring Caléo quality of service

### a) Indicators for quotations and call-outs:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Amount of compensation paid following complaints for appointments missed because of the GRD	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total amount of compensation paid to suppliers during the six months M-5 to M, as a result of complaints for missed appointments</u></p> <p>(or the two monitored values: - T1/T2 customers, - T3/T4/TP customers)</p>	<p>- all appointments scheduled and thus confirmed by the GRD</p> <p>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days by letter or email</p> <p>- T1/T2 and T3/T4/TP customers are monitored separately</p>	<p>Half yearly (from 1 July 2009)</p> <p>Quarterly (from 1 July 2010)</p>	<p>1 July 2009 (half-yearly frequency)</p> <p>1 July 2010 (quarterly frequency)</p>
Number of scheduled appointments missed by the customer	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Number of scheduled appointments missed by the customer and invoiced during the six months M-5 to M:</u></p> <p>(or the two monitored values: - T1/T2 customers, - T3/T4/TP customers)</p>	<p>- all scheduled meetings made at the customer's or the supplier's request</p> <p>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the customer</p> <p>- T1/T2 and T3/T4/TP customers are monitored separately</p>	<p>Half yearly (from 1 July 2009)</p> <p>Quarterly (from 1 July 2010)</p>	<p>1 July 2009 (half-yearly frequency)</p> <p>1 July 2010 (quarterly frequency)</p>



b) Indicators for end-customer relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from end customers by type	<p>Values for each type of complaint sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total number of written complaints from end customers closed during the six months M-5 to M</u></p> <p>(or the five monitored values:</p> <ul style="list-style-type: none"> <li>- Total</li> <li>- Delivery</li> <li>- Performing services associated with delivery</li> <li>- Individual gas connections</li> <li>- Connection to the business gas market)</li> </ul>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the customer are out of scope)</li> <li>- all written complaints (letter, and email) but no others</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>	<p>Half yearly (from 1 July 2009)</p> <p>Quarterly (from 1 July 2010)</p>	<p>1 July 2009 (half-yearly frequency)</p> <p>1 July 2010 (quarterly frequency)</p>
Rate of response to end-customer complaints within 30 days	<p>Ratio sent on 1<sup>st</sup> day of month M+2:</p> <p><u>(Number of written complaints from end customers closed within 30 calendar days during the six months M-5 to M) / (Total number of written complaints from end customers closed during the six months M-5 to M)</u></p> <p>(or a monitored value)</p>	<ul style="list-style-type: none"> <li>- closed complaint: complaint for which the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</li> </ul>	<p>Half yearly (from 1 January 2010)</p> <p>Quarterly (from 1 July 2010)</p>	<p>1 January 2010 (half-yearly frequency)</p> <p>1 July 2010 (quarterly frequency)</p>

c) Indicators for supplier relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from suppliers by type	Values for each type of complaint sent on the 1 <sup>st</sup> of month M+2:  <u>Total number of written complaints from suppliers closed during the six months M-5 to M</u>  (or the six monitored values: - Total - Reception - Quality of supply and network - Service management and completion - Metering data - Follow up	- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)  - all written complaints made on the supplier portal only, including complaints about missed appointments  - all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together	Half yearly (from 1 January 2010)  Quarterly (from 1 July 2010)	1 January 2010 (half-yearly frequency)  1 July 2010 (quarterly frequency)
	Amount of compensation relating to complaints not processed within the standard time  <u>Amount of compensation resulting from complaints not processed within 30 calendar days and posted to the CRCP during the six months M-5 to M</u>  (or a monitored value)	- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)	Half yearly (from 1 January 2010)  Quarterly (from 1 July 2010)	1 January 2010 (half-yearly frequency)  1 July 2010 (quarterly frequency)

### VIII - Equalised tariff for use of the public natural gas distribution network of Gaz de Barr

The tariff for use of the public natural gas distribution networks of Gaz de Barr, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is equalised within the delivery zone of Gaz de Barr.

The tariff defined below applies for four years from 1 July 2009, with a predefined adjustment on 1 July in each year.

When a reading includes gas consumption payable at both the old and the new tariffs, it is divided in proportion to the number of days in each period.

### 1. Equalised Gaz de Barr tariff effective from 1 July 2009 to 30 June 2010

The tariff for use of the public natural gas distribution networks within the delivery zone of Gaz de Barr, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is as follows:

Tariff option	Annual subscription in €	Proportional price in €/MWh	Charge for annual subscription for daily capacity in €/MWh/day
T1	37.44	29.94	
T2	145.20	8.80	
T3	827.40	6.17	
T4	16,710.12	0.87	217.20

### "Proximity tariff" (TP) option

The tariff charges for the "proximity tariff" option are as follows:

Tariff option	Annual subscription in €	Charge for annual subscription for daily capacity in €/MWh/day	Annual charge based on distance in €/meter
TP	27,324.12	76.08	49.80

A multiplier is applied to the annual distance charge. It is equal to:

- 1 if the population density in the municipality is less than 400 inhabitants / km<sup>2</sup>;
- 1.75 if the population density in the municipality is between 400 and 4,000 inhabitants / km<sup>2</sup>;
- 3 if the population density in the municipality is greater than 4,000 inhabitants / km<sup>2</sup>.

### 2. Equalised Gaz de Barr tariff effective from 1 July 2010 to 30 June 2011

Gaz de Barr's schedule of tariff is adjusted automatically on 1 July 2010, when the following percentage change is applied to all tariff charges current on 30 June 2010:

$$Z_1 = \text{CPI} - X$$

The CPI is the inflation index corresponding to the average annual variation during 2009 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;

X is the annual change factor, set at 0.2%.

The CRE publishes the resulting schedule of tariff before 1 July 2010 and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

### 3. Equalised Gaz de Barr tariff effective from 1 July 2011

Gaz de Barr's schedule of tariff is adjusted automatically on 1 July 2011 and on 1 July 2012, when the following percentage change is applied to all tariff charges current on 30 June 2011 and 30 June 2012 respectively:

$$Z_2 = \text{CPI} - X + k$$

For an adjustment to the schedule of tariff on 1 July of year A, CPI is the rate of inflation corresponding to the average annual variation during the calendar year A-1 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France.

X is the annual change factor, set at 0.2%.

k (expressed as a percentage) is the change in the schedule of tariff resulting from clearing the balance on the CRCP.

The CRE publishes the resulting schedule of tariff before 1 July of each year and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

### 3.1. Calculating the balance on the CRCP

The CRE calculates the balance on the CRCP for each year of the tariff period, following the method described in the table below.

If the final value of a variance is not known with certainty when the calculation is made, it is estimated based on the best information available at the time. The estimate is corrected the following year using final values.

Item covered by the CRCP	Proportion of total amount covered by CRCP	Method of calculating the total for each item
Capital costs	100 %	Difference between: <ul style="list-style-type: none"> <li>the total value of capital costs (calculated a posteriori based on actual data relating to the investments made, the assets withdrawn from the RAB, and inflation);</li> <li>the estimated capital costs included in the income which will be recovered in tariff charges.</li> </ul>
Income from the quantities of gas transported on the distribution network	100 %	Difference between: <ul style="list-style-type: none"> <li>income from the quantities of gas transported (calculated a posteriori based on the six-monthly gas quantities per tariff option that were actually transported during the period);</li> <li>income related to the quantities of gas transported, as forecast six-monthly for each tariff option (and as used to determine the tariff to apply during the period concerned).</li> </ul>
Fines for exceeding subscribed capacities	100 %	Value of fines invoiced during the period under consideration.
Financial service-quality incentives	100 %	Value of fines and/or bonuses associated with service-quality indicators linked to financial incentives (except that related to keeping appointments).

Variances for 2009 are calculated based on data for the second half year, except for capital costs, where the variance for the second half year is equal to 50% of the variances recorded over 2009 as a whole.

For 2010, 2011 and 2012, actual capital costs are calculated from the investments actually completed.

The initial CRCP balance calculated by the CRE is cleared linearly in annual instalments over a four-year period starting on 1 July 2011. It includes variances recognized for the second half of 2009 and for 2010.

The annual instalments of the CRCP balance that impact the tariff structure on 1 July of the years 2011 and 2012 determine the value of *k*.

At the end of the four-year tariff period, the CRE will calculate a new CRCP balance incorporating both the variances recognized for 2011 and 2012, and the remaining annual instalments from the initial CRCP balance; it will be used to define the tariff for the next tariff period.

Amounts included in the CRCP are updated at an interest rate equivalent to the risk-free rate used for this tariff proposal (i.e. a nominal pre-tax rate of 4.2% per year)

### 3.2. Reference values for income and expenditure accounts subject to the CRCP mechanism

Forecast capital costs:

Calculation of normative capital costs	€K	2009	2010	2011	2012
Return		1,807	1,861	1,899	1,944
Depreciation		1,022	1,092	1,132	1,177
TOTAL		2,828	2,953	3,032	3,121

Forecast quantities of gas transported (in MWh):

Tariff option	2009	2010	2011	2012	2013
T1	1,190	1,154	1,119	1,086	1,053
T2	229,344	231,637	233,953	236,293	238,656
T3	129,217	129,217	129,217	129,217	129,217
T4	141,624	141,624	141,624	141,624	141,624

### 3.3. Other reference values used to calculate *k*

Forecast average annual numbers of customers connected:

Tariff option	2009	2010	2011	2012	2013
T1	1,041	999	959	921	884
T2	9,463	9,605	9,749	9,895	10,044
T3	164	165	167	169	170
T4	5	5	5	5	5
TP	0	0	0	0	0

Forecast annual subscriptions for daily capacity (in MWh/day):

Tariff option	2009	2010	2011	2012	2013
T4	1,044	1,044	1,044	1,044	1,044
TP	0	0	0	0	0

Distance forecasts for the proximity tariff (in m):

Tariff option	2009	2010	2011	2012	2013
TP	0	0	0	0	0

### 3.4. Means of adjusting from annual to half-yearly forecasts:

Half-yearly breakdown of quantities of gas transported in year A for each tariff option:

Tariff option	1 <sup>st</sup> half-year	2 <sup>nd</sup> half-year
T1	53 %	47 %
T2	57 %	43 %
T3	58 %	42 %
T4	59 %	41 %

Half-yearly breakdown of numbers of customers connected in year A for each tariff option:

- the average number of customers connected in the 1<sup>st</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}-1} + \text{number average customers}_{\text{yearA}}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

- the average number of customers connected in the 2<sup>nd</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}} + \text{number average customers}_{\text{yearA}+1}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

These two formulae are also used in an identical way to calculate from the annual values the half-yearly forecast annual subscriptions for daily capacity and for distance by tariff option.

## 4. Sharing extra productivity gains relating to operating expenses (OPEX)

The annual change factor of 0.2% applied to the schedule of tariff assumes that net operating expenses will change by an annual percentage equal to the CPI – 1.34% compared with the level defined in 2009.

At the end of the tariff period, and based on the OPEX thus defined, any additional productivity gains that Gaz de Barr may make over the target of 1.34% per year will be evaluated by comparing:

- the total value of Gaz de Barr's net operating expenses, calculated a posteriori from actual data for 2010, 2011 and 2012;
- the reference development path for Gaz de Barr's net operating expenses. This trajectory will be calculated for 2010, 2011 and 2012 at the end of each tariff period, by applying an annual percentage variation equal to CPI - 1.34% to the OPEX, starting with their 2009 value (€ 2,004.129K).

If the expenses incurred are below the reference trajectory, any extra productivity gains will be shared between Gaz de Barr and the network users. Gaz de Barr will retain 40% of the gains made. The remaining 60% will be used to reduce the figure for charges to be recovered in the next tariff.

## 5. Regulation mechanism for Gaz de Barr quality of service

Gaz de Barr's key activity areas are monitored for quality of service. This monitoring takes the form of indicators that Gaz de Barr sends to the CRE and publishes on its internet site.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

Indicators for monitoring quality of service that Gaz de Barr sends to the CRE must be certified by an external body. In addition, the system for monitoring Gaz de Barr's quality of service may be audited in any way the CRE considers appropriate.

### 5.1. Gaz de Barr service-quality monitoring indicators that offer financial incentives

#### a) Number of scheduled appointments missed by the GRD:

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the GRD and compensated during the quarter M-2 to M:</u>  (or the two monitored values: - for T1/T2 customers, - for T3/T4/TP customers)
<b>Scope:</b>	<ul style="list-style-type: none"><li>- all appointments scheduled and thus confirmed by the GRD</li><li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 30 calendar days by letter or email</li><li>- T1/T2 and T3/T4/TP customers are monitored separately</li></ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"><li>- calculation frequency: quarterly</li><li>- transmission frequency to the CRE: quarterly</li><li>- publication frequency: quarterly</li><li>- frequency of compensation calculations: quarterly</li></ul>
<b>Objective:</b>	Compensation for 100% of missed appointments reported by suppliers within 30 calendar days (complaint by letter or email)
<b>Incentives:</b>	<ul style="list-style-type: none"><li>- fines: for each missed appointment, an amount equal to the amount invoiced by Gaz de Barr if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li><li>- payment: directly to the suppliers who request it</li></ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"><li>- start of monitoring: 1 July 2009</li><li>- incentives introduced: 1 July 2009</li></ul>

b) Rate of response to supplier complaints within 30 days.

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(Number of supplier complaints closed within 30 calendar days during the quarter M-2 to M) / (Total number of supplier complaints closed during the quarter M-2 to M)</u>  (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- initially, all and only written complaints made by letter or email; then only complaints made via the supplier portal (once it is operational). Complaints include those about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a “consistent” response (no acknowledgement of receipt)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: quarterly</li> <li>- transmission frequency to the CRE: quarterly</li> <li>- publication frequency: quarterly</li> <li>- frequency of compensation calculations: quarterly</li> </ul>
<b>Objective:</b>	Compensation for 100% of written supplier complaints left on the supplier portal, not processed within 30 days and reported by suppliers
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €25 per complaint not processed within 30 days and reported</li> <li>- debit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 January 2010</li> <li>- incentives introduced: 1 January 2010</li> </ul>



**5.2. Other indicators for monitoring Gaz de Barr quality of service**

a) Indicators for quotations and call-outs:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Amount of compensation paid following complaints for appointments missed because of the GRD	Value sent on the 1 <sup>st</sup> of month M+2: <u>Total amount of compensation paid to suppliers during the quarter M-2 to M, as a result of complaints for missed appointments</u> (or the two monitored values: - T1/T2 customers, - T3/T4/TP customers)	- all appointments scheduled and thus confirmed by the GRD - all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 30 calendar days by letter or email - T1/T2 and T3/T4/TP customers are monitored separately	Quarterly	1 July 2009
Number of scheduled appointments missed by the customer	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the customer and invoiced during the quarter M-2 to M:</u> (or the two monitored values: - T1/T2 customers, - T3/T4/TP customers)	- all scheduled meetings made at the customer's or the supplier's request - all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the customer - T1/T2 and T3/T4/TP customers are monitored separately	Quarterly	1 July 2009

b) Indicators for end-customer relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from end customers by type	<p>Values for each type of complaint sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total number of written complaints from end customers closed during the quarter M-2 to M</u></p> <p>(or a monitored value)</p> <p>- Complaint relating to the GRD)</p>	<p>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the customer are out of scope)</p> <p>- all written complaints (letter, and email) but no others</p>	Quarterly	1 January 2010
Rate of response to end-customer complaints within 30 days	<p>Ratio sent on 1<sup>st</sup> day of month M+2:</p> <p><u>(Number of written complaints from end customers closed within 30 calendar days during the quarter M-2 to M) / (Total number of written complaints from end customers closed during the quarter M-2 to M)</u></p> <p>(or a monitored value)</p>	<p>- all types of customer (T1/T2/T3/T4/TP) taken together</p> <p>- closed complaint: complaint for which the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</p>	Quarterly	1 January 2010

c) Indicators for supplier relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from suppliers by type	<p>Values for each type of complaint sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total number of written complaints from suppliers closed during the quarter M-2 to M</u></p> <p>(or a monitored value)</p> <p>- Complaint relating to the GRD)</p>	<p>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</p> <p>- all written complaints made by letter or email only, including complaints about missed appointments</p>	Quarterly	1 January 2010
Amount of compensation relating to complaints not processed within the standard time	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Amount of compensation resulting from complaints not processed within 30 calendar days and posted to the CRCP during the quarter M-2 to M</u></p> <p>(or a monitored value)</p>	<p>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</p> <p>- closed complaint: complaint for which the GRD has sent the supplier a “consistent” response (no acknowledgement of receipt)</p>	Quarterly	1 January 2010

## IX - Equalised tariff for use of the public natural gas distribution network of Veolia Eau (Huningue, St Louis, Hégenheim and Village-Neuf)

The tariff for use of the public natural gas distribution networks of Veolia Eau, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is equalised within the delivery zone of Veolia Eau.

The tariff defined below applies for four years from 1 July 2009, with a predefined adjustment on 1 July in each year.

When a reading includes gas consumption payable at both the old and the new tariffs, it is divided in proportion to the number of days in each period.

### 1. Equalised Veolia Eau tariff effective from 1 July 2009 to 30 June 2010

The tariff for use of the public natural gas distribution networks within the delivery zone of Veolia Eau, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is as follows:

Tariff option	Annual subscription in €	Proportional price in €/MWh	Charge for annual subscription for daily capacity in €/MWh/day
T1	49.32	39.03	
T2	191.40	11.57	
T3	1,089.00	8.09	
T4	22,006.56	1.17	286.08

### "Proximity tariff" (TP) option

The tariff charges for the "proximity tariff" option are as follows:

Tariff option	Annual subscription in €	Charge for annual subscription for daily capacity in €/MWh/day	Annual charge based on distance in €/meter
TP	30,683.64	85.44	55.92

A multiplier is applied to the annual distance charge. It is equal to:

- 1 if the population density in the municipality is less than 400 inhabitants / km<sup>2</sup>;
- 1.75 if the population density in the municipality is between 400 and 4,000 inhabitants / km<sup>2</sup>;
- 3 if the population density in the municipality is greater than 4,000 inhabitants / km<sup>2</sup>.

### Customers without individual meters

End customers who do not have individual meters pay an annual fixed-rate tariff of € 93.36.

## 2. Equalised Veolia Eau tariff effective from 1 July 2010 to 30 June 2011

Veolia Eau's schedule of tariff is adjusted automatically on 1 July 2010, when the following percentage change is applied to all tariff charges current on 30 June 2010:

$$Z_1 = \text{CPI} - X$$

The CPI is the inflation index corresponding to the average annual variation during 2009 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;

X is the annual change factor, set at 1%.

The CRE publishes the resulting schedule of tariff before 1 July 2010 and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

## 3. Equalised Veolia Eau tariff effective from 1 July 2011

Veolia Eau's schedule of tariff is adjusted automatically on 1 July 2011 and on 1 July 2012, when the following percentage change is applied to all tariff charges current on 30 June 2011 and 30 June 2012 respectively:

$$Z_2 = \text{CPI} - X + k$$

For an adjustment to the schedule of tariff on 1 July of year A, CPI is the rate of inflation corresponding to the average annual variation during the calendar year A-1 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France.

X is the annual change factor, set at 1%.

k (expressed as a percentage) is the change in the schedule of tariff resulting from clearing the balance on the CRCP.

The CRE publishes the resulting schedule of tariff before 1 July of each year and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

### 3.1. Calculating the balance on the CRCP

The CRE calculates the balance on the CRCP for each year of the tariff period, following the method described in the table below.

If the final value of a variance is not known with certainty when the calculation is made, it is estimated based on the best information available at the time. The estimate is corrected the following year using final values.

Item covered by the CRCP	Proportion of total amount covered by CRCP	Method of calculating the total for each item
Capital costs	100 %	Difference between: <ul style="list-style-type: none"> <li>the total value of capital costs (calculated a posteriori based on actual data relating to the investments made, the assets withdrawn from the RAB, and inflation);</li> <li>the estimated capital costs included in the income which will be recovered in tariff charges.</li> </ul>
Income from the quantities of gas transported on the distribution network	100 %	Difference between: <ul style="list-style-type: none"> <li>income from the quantities of gas transported (calculated a posteriori based on the six-monthly gas quantities per tariff option that were actually transported during the period);</li> <li>income related to the quantities of gas transported, as forecast six-monthly for each tariff option (and as used to determine the tariff to apply during the period concerned).</li> </ul>
Fines for exceeding subscribed capacities	100 %	Value of fines invoiced during the period under consideration.
Financial service-quality incentives	100 %	Value of fines and/or bonuses associated with service-quality indicators linked to financial incentives (except that related to keeping appointments).

Variances for 2009 are calculated based on data for the second half year, except for capital costs, where the variance for the second half year is equal to 50% of the variances recorded over 2009 as a whole.

For 2010, 2011 and 2012, actual capital costs are calculated from the investments actually completed.

The initial CRCP balance calculated by the CRE is cleared linearly in annual instalments over a four-year period starting on 1 July 2011. It includes variances recognized for the second half of 2009 and for 2010.

The annual instalments of the CRCP balance that impact the tariff structure on 1 July of the years 2011 and 2012 determine the value of k.

At the end of the four-year tariff period, the CRE will calculate a new CRCP balance incorporating both the variances recognized for 2011 and 2012, and the remaining annual instalments from the initial CRCP balance; it will be used to define the tariff for the next tariff period.

Amounts included in the CRCP are updated at an interest rate equivalent to the risk-free rate used for this tariff proposal (i.e. a nominal pre-tax rate of 4.2% per year)

### 3.2. Reference values for income and expenditure accounts subject to the CRCP mechanism

Forecast capital costs:

Calculation of normative capital costs	€K	2009	2010	2011	2012
Return		1,512	1,547	1,596	1,641
Depreciation		904	939	981	1,006
TOTAL		2,416	2,487	2,577	2,647

Forecast quantities of gas transported (in MWh):

Tariff option	2009	2010	2011	2012	2013
T1	5,040	4,884	4,733	4,586	4,444
T2	103,947	106,754	109,636	112,596	115,636
T3	90,706	88,224	89,106	89,997	90,897
T4	89,025	89,025	89,025	89,025	89,025

### 3.3. Other reference values used to calculate k

Forecast average annual numbers of customers connected:

Tariff option	2009	2010	2011	2012	2013
Fixed charge	128	128	128	128	128
T1	2,856	2,855	2,855	2,854	2,854
T2	4,793	4,874	4,957	5,042	5,127
T3	80	80	81	82	83
T4	4	4	4	4	4
TP	0	0	0	0	0

Forecast annual subscriptions for daily capacity (in MWh/day):

Tariff option	2009	2010	2011	2012	2013
T4	676	676	676	676	676
TP	0	0	0	0	0

Distance forecasts for the proximity tariff (in m):

Tariff option	2009	2010	2011	2012	2013
TP	0	0	0	0	0

### 3.4. Means of adjusting from annual to half-yearly forecasts:

Half-yearly breakdown of quantities of gas transported in year A for each tariff option:

Tariff option	1 <sup>st</sup> half-year	2 <sup>nd</sup> half-year
T1	53 %	47 %
T2	57 %	43 %
T3	58 %	42 %
T4	59 %	41 %

Half-yearly breakdown of numbers of customers connected in year A for each tariff option:

- the average number of customers connected in the 1<sup>st</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}-1} + \text{number average customers}_{\text{yearA}}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

- the average number of customers connected in the 2<sup>nd</sup> half-year is calculated as follows:

$$\frac{((\text{number average customers}_{\text{yearA}} + \text{number average customers}_{\text{yearA}+1}) / 2 + \text{number average customers}_{\text{yearA}})}{2}$$

These two formulae are also used in an identical way to calculate from the annual values the half-yearly forecast annual subscriptions for daily capacity and for distance by tariff option.

#### **4. Sharing extra productivity gains relating to operating expenses (OPEX)**

The annual change factor of 1% applied to the schedule of tariff assumes that net operating expenses will change by an annual percentage equal to the CPI – 3.05% compared with the level defined in 2009.

At the end of the tariff period, and based on the OPEX thus defined, any additional productivity gains that Veolia Eau may make over the target of 3.05% per year will be evaluated by comparing:

- the total value of Veolia Eau's net operating expenses, calculated a posteriori from actual data for 2010, 2011 and 2012;
- the reference development path for Veolia Eau's net operating expenses. This trajectory will be calculated for 2010, 2011 and 2012 at the end of each tariff period, by applying an annual percentage variation equal to CPI - 3.05% to the OPEX, starting with their 2009 value (€ 1,259.931K).

If the expenses incurred are below the reference trajectory, any extra productivity gains will be shared between Veolia Eau and the network users. Veolia Eau will retain 40% of the gains made. The remaining 60% will be used to reduce the figure for charges to be recovered in the next tariff.

#### **5. Regulation mechanism for Veolia Eau quality of service**

Veolia Eau's key activity areas are monitored for quality of service. This monitoring takes the form of indicators that Veolia Eau sends to the CRE and publishes on its internet site.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

Indicators for monitoring quality of service that Veolia Eau sends to the CRE must be certified by an external body. In addition, the system for monitoring Veolia Eau's quality of service may be audited in any way the CRE considers appropriate.



## 5.1. Veolia Eau service-quality monitoring indicators that offer financial incentives

### a) Number of scheduled appointments missed by the GRD:

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the GRD and compensated during the six months M-5 to M:</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD</li> <li>- no requirement for the supplier to report</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: half yearly</li> <li>- transmission frequency to the CRE: half yearly</li> <li>- publication frequency: half yearly</li> <li>- frequency of compensation calculations: half yearly</li> </ul>
<b>Objective:</b>	Compensation for 100% of missed appointments
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: for each missed appointment, an amount equal to the amount invoiced by Veolia Eau if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li> <li>- payment: directly to suppliers</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009 (half-yearly frequency), 1 July 2010 (quarterly frequency)</li> <li>- incentives introduced: 1 July 2009</li> </ul>

### b) Rate of response to supplier complaints within 30 days.

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(Number of supplier complaints closed within 30 calendar days during the six months M-5 to M) / (Total number of supplier complaints closed during the six months M-5 to M)</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made by letter or email only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: half yearly</li> <li>- transmission frequency to the CRE: half yearly</li> <li>- publication frequency: half yearly</li> <li>- frequency of compensation calculations: half yearly</li> </ul>
<b>Objective:</b>	Compensation for 100% of written supplier complaints left on the supplier portal, not processed within 30 days and reported by suppliers
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €25 per complaint not processed within 30 days and reported</li> <li>- debit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 January 2010 (half-yearly frequency), 1 July 2010 (quarterly frequency)</li> <li>- incentives introduced: 1 January 2010</li> </ul>

## 5.2. Other indicators for monitoring Veolia Eau quality of service

### a) Indicators for quotations and call-outs:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Amount of compensation paid for appointments missed because of the GRD	Value sent on the 1 <sup>st</sup> of month M+2: <u>Total amount of compensation paid to suppliers during the six months M-5 to M, as a result of complaints for missed appointments</u> (or a monitored value)	- all appointments scheduled and thus confirmed by the GRD  - all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD  - all types of customer (T1/T2/T3/T4/TP) taken together	Half yearly (from 1 July 2009)  Quarterly (from 1 July 2010)	1 July 2009 (half-yearly frequency)  1 July 2010 (quarterly frequency)
Number of scheduled appointments missed by the customer	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the customer and invoiced during the six months M-5 to M:</u> (or a monitored value)	- all scheduled meetings made at the customer's or the supplier's request  - all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the customer  - all types of customer (T1/T2/T3/T4/TP) taken together	Half yearly (from 1 July 2009)  Quarterly (from 1 July 2010)	1 July 2009 (half-yearly frequency)  1 July 2010 (quarterly frequency)

b) Indicators for end-customer relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Call-centre accessibility rate for end consumers	Ratio sent on the 1 <sup>st</sup> of month M+2, for each call-centre number for each month N in the six months M-5 to M:  <u>(Number of calls taken during month N) / (Number of calls received during month N)</u>  (or the two monitored values: - phone no. for Customer Services: Gas Invoicing - phone no. for Gas Faults)	<ul style="list-style-type: none"> <li>- all types of call taken/received during call-centre opening hours.</li> <li>- all types of caller</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>	Half yearly (from 1 July 2009)  Quarterly (from 1 July 2010)	1 July 2009 (half-yearly frequency)  1 July 2010 (quarterly frequency)
Number of complaints from end customers by type	Values for each type of complaint sent on the 1 <sup>st</sup> of month M+2:  <u>Total number of written complaints from end customers closed during the six months M-5 to M</u>  (or the five monitored values: - Total - Delivery - Performing services associated with delivery - Individual gas connections - Connection to the business gas market)	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the customer are out of scope)</li> <li>- all written complaints (letter, and email) but no others</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>	Half yearly (from 1 January 2010)  Quarterly (from 1 July 2010)	1 January 2010 (half-yearly frequency)  1 July 2010 (quarterly frequency)
Rate of response to end-customer complaints within 30 days	Ratio sent on 1 <sup>st</sup> day of month M+2:  <u>(Number of written complaints from end customers closed within 30 calendar days during the six months M-5 to M) / (Total number of written complaints from end customers closed during the six months M-5 to M)</u>  (or a monitored value)	<ul style="list-style-type: none"> <li>- closed complaint: complaint for which the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</li> </ul>	Half yearly (from 1 January 2010)  Quarterly (from 1 July 2010)	1 January 2010 (half-yearly frequency)  1 July 2010 (quarterly frequency)

c) *Indicators for supplier relationships:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from suppliers by type	<p>Values for each type of complaint sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Total number of written complaints from suppliers closed during the six months M-5 to M</u></p> <p>(or the six monitored values:</p> <ul style="list-style-type: none"> <li>- Total</li> <li>- Reception</li> <li>- Quality of supply and network</li> <li>- Service management and completion</li> <li>- Metering data</li> <li>- Follow up</li> </ul>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made by letter or email only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> </ul>	<p>Half yearly (from 1 January 2010)</p> <p>Quarterly (from 1 July 2010)</p>	<p>1 January 2010 (half-yearly frequency)</p> <p>1 July 2010 (quarterly frequency)</p>
Amount of compensation relating to complaints not processed within the standard time	<p>Value sent on the 1<sup>st</sup> of month M+2:</p> <p><u>Amount of compensation resulting from complaints not processed within 30 calendar days and posted to the CRCP during the six months M-5 to M</u></p> <p>(or a monitored value)</p>	<ul style="list-style-type: none"> <li>- closed complaint: complaint for which the GRD has sent the supplier a “consistent” response (no acknowledgement of receipt)</li> </ul>	<p>Half yearly (from 1 January 2010)</p> <p>Quarterly (from 1 July 2010)</p>	<p>1 January 2010 (half-yearly frequency)</p> <p>1 July 2010 (quarterly frequency)</p>

**X - Common tariff for use of the natural gas distribution networks for ELD that do not publish unbundled accounts**

This includes the following ELD:

- Sorégies (Departement of Vienne);
- Énergies Services Lannemezan;
- Energis - Régie de Saint-Avold;
- Gazélec de Péronne;
- Energies et Services de Seyssel;
- ESDB - Régie de Villard Bonnot;

- Régie Municipale Gaz et Electricité de Bonneville;
- Régie Municipale Gaz et Electricité de Sallanches;
- Régie du Syndicat Électrique Intercommunal du Pays Chartrain;
- Énergies Services Lavaur;
- Énergies Services Occitans – Régie de Carmaux;
- Régie Municipale Multiservices de La Réole;
- Gascogne Energies Services;
- Régies Municipales d'Electricité, de Gaz, d'Eau et d'Assainissement de Bazas.

The usage tariff for these ELD's public natural gas distribution networks, other than those licensed under Article 25-1 of the French Law of 3 January 2003, as amended, is equalised within their delivery zone.

The tariff defined below applies for four years from 1 July 2009, with a predefined adjustment on 1 July in each year.

When a reading includes gas consumption payable at both the old and the new tariffs, it is divided in proportion to the number of days in each period.

#### 1. Equalised common tariff effective from 1 July 2009 to 30 June 2010

The tariff for use of the public natural gas distribution networks within the delivery zone of ELD who have not published unbundled accounts, other than those licensed under Article 25-1 of the French Law of 3 January 2003 (as amended), is as follows:

Tariff option	Annual subscription in €	Proportional price in €/MWh	Charge for annual subscription for daily capacity in €/MWh/day
T1	39.60	31.41	
T2	152.76	9.27	
T3	870.60	6.48	
T4	17,585.76	0.91	228.72

#### "Proximity tariff" (TP) option

The tariff charges for the "proximity tariff" option are as follows:

Tariff option	Annual subscription in €	Charge for annual subscription for daily capacity in €/MWh/day	Annual charge based on distance in €/meter
TP	28,387.92	79.08	51.72

A multiplier is applied to the annual distance charge. It is equal to:

- 1 if the population density in the municipality is less than 400 inhabitants / km<sup>2</sup>;
- 1.75 if the population density in the municipality is between 400 and 4,000 inhabitants / km<sup>2</sup>;
- 3 if the population density in the municipality is greater than 4,000 inhabitants / km<sup>2</sup>.

## 2. Equalised common tariff effective from 1 July 2010 to 30 June 2011

The schedule of tariff for ELD that have not published unbundled accounts is adjusted automatically on 1 July 2010, when the following percentage change is applied to all tariff charges current on 30 June 2010:

$$Z_1 = \text{CPI} - X$$

The CPI is the inflation index corresponding to the average annual variation during 2009 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France;

X is the annual change factor, set at 0.9%.

The CRE publishes the resulting schedule of tariff before 1 July 2010 and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

## 3. Equalised common tariff effective from 1 July 2011

The schedule of tariff for ELD that have not published unbundled accounts is adjusted automatically on 1 July 2011 and on 1 July 2012, when the following percentage change is applied to all tariff charges current on 30 June 2011 and 30 June 2012 respectively:

$$Z_2 = \text{CPI} - X + k$$

For an adjustment to the schedule of tariff on 1 July of year A, CPI is the rate of inflation corresponding to the average annual variation during the calendar year A-1 in the consumer price index excluding tobacco products, as calculated by INSEE for all households in the whole of France.

X is the annual change factor, set at 0.9%.

k (expressed as a percentage) is the arithmetic average of the changes to the schedules of tariff of the three unbundled-account ELD that distribute the smallest quantities of gas, derived from clearing the balance on the CRCP.

The CRE publishes the resulting schedule of tariff before 1 July of each year and sends it to the Ministers for Energy and for the Economy, so that they can publish it in the Official Journal (*Journal Officiel*) of the French Republic.

## 4. Regulation mechanism for the quality of service of ELD applying the common tariff

The key activity areas of each ELD applying the common tariff are monitored for quality of service. This monitoring takes the form of indicators that the ELD sends to the CRE and publishes on its internet site.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

The system for monitoring the ELD's quality of service may be audited in any way the CRE considers appropriate.

#### 4.1. ELD applying the common tariff: service-quality monitoring indicators that offer financial incentives

a) *Number of scheduled appointments missed by the GRD:*

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the GRD and compensated during the year M-11 to M:</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported within 90 calendar days</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: annual</li> <li>- transmission frequency to the CRE: annual</li> <li>- publication frequency: annual</li> <li>- frequency of compensation calculations: annual</li> </ul>
<b>Objective:</b>	Compensation for 100% of missed appointments reported within 90 calendar days
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: for each missed appointment, an amount equal to the amount invoiced by the GRD if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li> <li>- payment: directly to the suppliers who request it</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

#### 4.2. Another indicator for monitoring the quality of service of ELD applying the common tariff

a) *Indicator for quotations and call-outs:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Amount of compensation paid following complaints for appointments missed because of the GRD	Value sent on the 1 <sup>st</sup> of month M+2: <u>Total amount of compensation paid to suppliers during the year M-11 to M, as a result of complaints for missed appointments</u> (or a monitored value)	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported within 90 calendar days</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>	Annually	1 July 2009

## XI - Updating the mechanism of incentive-based regulation of quality of service of GrDF

GrDF's key activity areas are monitored for quality of service. This monitoring takes the form of indicators that GrDF sends regularly to the CRE. All the service-quality indicators defined for GrDF must be published on the internet sites for suppliers and the general public.

Indicators that are particularly important for correct market operation are linked to a system of financial incentives.

Indicators for monitoring quality of service that GrDF sends to the CRE must be certified by an external body. In addition, the system for monitoring GrDF's quality of service may be audited in any way the CRE considers appropriate.

### 1. GrDF service-quality monitoring indicators that offer financial incentives

#### a) Quality of the DD meter readings sent to the TSO for daily allocations at the PITDs:

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(Total for each day D of month M of the number of consumption values for remotely-metered customers (DD) included in the allocation calculations on D+1) / (Total for each day D of month M of the number of remotely-metered customers (DD) recorded in the OMEGA IS for day D)</i> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"><li>- all values actually read</li><li>- no default / replacement values included</li><li>- all suppliers, all ZETs(1), all TSOs(2) taken together</li></ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"><li>- calculation frequency: monthly</li><li>- transmission frequency to the CRE: monthly</li><li>- publication frequency: monthly</li><li>- frequency of incentive calculations: monthly</li></ul>
<b>Objective:</b>	<ul style="list-style-type: none"><li>- base objective: 90% per month</li><li>- target objective: 95% per month</li></ul>
<b>Incentives:</b>	<ul style="list-style-type: none"><li>- fines: €10,000 per percentage point under the base objective</li><li>- bonus: €10,000 per percentage point over the target objective</li><li>- debit/credit: to the CRCP</li></ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"><li>- has been in operation since 1 July 2008</li></ul>

(1) ZET: transmission balancing zone

(2) TSO: natural gas transmission system operator



b) *Timescale for sending the TSOs daily estimates of the quantities taken by suppliers at the PITDs;*

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of days in month M on which the GRD sent the forecast allocations calculated at D+1 within the time agreed between the TSOs and the GRD.</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all TSOs taken together</li> <li>- all days on which the agreed timescale was respected for both TSOs (the penalty is applied if either or both TSOs experience a delay)</li> <li>- all days on which the agreed timescale was not respected at the request of one or both TSOs (such days are counted as days when the GRD complied with the agreed timescale)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of incentive calculations: annual</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 330 days per year</li> <li>- target objective: 350 days per year</li> </ul>
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €20,000 per day under the base objective</li> <li>- bonus: €20,000 per day over the target objective</li> <li>- debit/credit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- has been in operation since 1 July 2008</li> </ul>

c) *Supplier-portal availability rates:*

<b>Calculation:</b>	Weekly availability ratios to the end of month M, for complete weeks, sent on the 1 <sup>st</sup> of month M+2: <u>(Number of hours the portal was available during the week) / (Total number of projected hours portal open during the week)</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- OMEGA portal only, full functionality available to suppliers apart from Webservices</li> <li>- reasons for unavailability: any event preventing, hindering or slowing significantly the use of the supplier portal, whether or not scheduled</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: weekly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of incentive calculations: weekly and annually</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 98% over the week</li> <li>- target objective: 99% over the year</li> </ul>
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €10,000 per week under the base objective</li> <li>- bonus: €100,000 per year under the target objective</li> <li>- debit/credit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- has been in operation since 1 July 2008</li> </ul>

d) *Number of scheduled appointments missed by the GRD:*

<b>Calculation:</b>	Value sent on the 1 <sup>st</sup> of month M+2: <i>Number of scheduled appointments missed by the GRD and compensated during month M:</i> (or the two monitored values: - for 6M customers, - for DD/DM/MM customers)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all appointments scheduled and thus confirmed by the GRD</li> <li>- all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days via the OMEGA portal</li> <li>- 6M customers and DD/DM/MM customers are monitored separately</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	Compensation for 100% of missed appointments reported by suppliers within 90 calendar days (complaint on the OMEGA portal)
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: for each missed appointment, an amount (based on the customer's tariff option) equal to the amount invoiced by GrDF if a scheduled service call is missed because of the customer or supplier (not at meeting place, etc).</li> <li>- debit: directly to the suppliers who request it</li> </ul>
<b>Implementation date:</b>	- has been in operation since 1 July 2008

e) *Rate of response to supplier complaints within 30 days.*

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(Number of supplier complaints closed within 30 calendar days during month M) / (Total number of supplier complaints closed during month M)</i> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made on the OMEGA portal only, including complaints about missed appointments</li> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a "consistent" response (no acknowledgement of receipt)</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	Compensation for 100% of written supplier complaints left on the OMEGA portal, not processed within 30 days and reported by suppliers
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €25 per complaint not processed within 30 days and reported</li> <li>- debit: to the CRCP</li> </ul>
<b>Implementation date:</b>	- has been in operation since 1 July 2008

f) Proportion of DD/DM readings published on OMEGA:

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(For the period between the 8<sup>th</sup> working day in month M and the 7<sup>th</sup> working day in month M+1, the total number of remotely-monitored PCE DD/DM readings that were received by and published on OMEGA during the same period) / (Total number of PCE DD/DM readings taken remotely that were received by OMEGA during the period)</i> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all existing DD/DM PCEs</li> <li>- all cyclic readings and readings for MHSs (readings for subscriptions are out of scope)</li> <li>- all suppliers taken together</li> <li>- calculated at D+7</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 95% per month</li> <li>- target objective: 97% per month</li> </ul>
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €20,000 per percentage point under the base objective</li> <li>- bonus: €20,000 per percentage point over the target objective</li> <li>- debit/credit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2008</li> <li>- incentives introduced: 1 January 2010</li> </ul>

g) Proportion of MM readings published on OMEGA:

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(For the period between the 8<sup>th</sup> working day in month M and the 7<sup>th</sup> working day in month M+1, the total number of PCE MM readings that were received by and published on OMEGA during the same period) / (Total number of PCE MM readings that were received by OMEGA during the period)</i> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all existing PCE MMs (not just remotely-read meters)</li> <li>- all cyclic readings and readings for MHSs (readings for subscriptions are out of scope)</li> <li>- all suppliers taken together</li> <li>- calculated at D+7</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 97.5% per month</li> <li>- target objective: 98.5% per month</li> </ul>
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €20,000 per percentage point under the base objective</li> <li>- bonus: €20,000 per percentage point over the target objective</li> <li>- debit/credit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2008</li> <li>- incentives introduced: 1 January 2010</li> </ul>

h) Proportion of 6M readings published on OMEGA:

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(The total number of PCE 6M readings that were received by and published on OMEGA during month M) / (Total number of PCE 6M readings that were received by OMEGA)</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all existing PCE 6Ms (not just remotely-read meters)</li> <li>- all cyclic readings and readings for MHSs (readings for subscriptions are out of scope)</li> <li>- all suppliers taken together</li> <li>- calculated at D+2</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- base objective: 98% per month</li> <li>- target objective: 99% per month</li> </ul>
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: €20,000 per percentage point under the base objective</li> <li>- bonus: €20,000 per percentage point over the target objective</li> <li>- debit/credit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2008</li> <li>- incentives introduced: 1 January 2010</li> </ul>

i) Variances outside the contractual scope of alternative suppliers:

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(Total number of alternative-supplier PCEs with variances on the last working day of month M) / (Total number of PCEs actually connected to the portfolios of alternative suppliers in OMEGA on the last working day of month M)</u> (or a monitored value)
<b>Scope:</b>	<ul style="list-style-type: none"> <li>- all existing PCEs for alternative suppliers</li> <li>- alternative suppliers only</li> </ul>
<b>Monitoring:</b>	<ul style="list-style-type: none"> <li>- calculation frequency: monthly</li> <li>- transmission frequency to the CRE: monthly</li> <li>- publication frequency: monthly</li> <li>- frequency of compensation calculations: monthly</li> </ul>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>- minimum objective: 1.5% per month</li> <li>- base objective: 1% per month</li> <li>- target objective: 0.5% per month</li> </ul>
<b>Incentives:</b>	<ul style="list-style-type: none"> <li>- fines: <ul style="list-style-type: none"> <li>o €40,000 per percentage point over the minimum objective</li> <li>o €20,000 per percentage point for values between the minimum and base objectives</li> </ul> </li> <li>- bonus: €100,000 per month if the percentage is less than or equal to the target objective</li> <li>- debit/credit: to the CRCP</li> </ul>
<b>Implementation date:</b>	<ul style="list-style-type: none"> <li>- start of monitoring: 1 July 2009</li> <li>- incentives introduced: 1 July 2009</li> </ul>

j) *Reject processing rate for month M in M+1:*

<b>Calculation:</b>	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(Number of rejects corrected during month M) / (Number of rejects generated during month M-1)</u> (or a monitored value)
<b>Scope:</b>	- all existing PCEs - all suppliers taken together
<b>Monitoring:</b>	- calculation frequency: monthly - transmission frequency to the CRE: monthly - publication frequency: monthly - frequency of compensation calculations: monthly
<b>Objective:</b>	100% of rejects in month M processed in month M+1
<b>Implementation date:</b>	- start of monitoring: 1 January 2010 - incentives introduced: 1 July 2010

## 2. Other GrDF service-quality monitoring indicators

a) *Indicator relating to the environment:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Greenhouse-gas emission into the atmosphere	Tonnes of greenhouse gas (CO <sub>2</sub> equivalent) emitted into the atmosphere		Quarterly	1 July 2009

b) *Indicators for quotations and call-outs:*

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Time taken to connect a service ( <i>mise en service - MES</i> )	Value sent on the 1 <sup>st</sup> of month M+2 for each interval of delay and for each customer type: <u>Number of MESs closed during month M</u> (or the nine monitored values: - ≤ scheduled timescale - > scheduled timescale and ≤ 2 x scheduled timescale - > 2 x scheduled timescale for: - 6M customers - MM customers - DD/DM customers)	- all MESs involving travel (with/without meter installation), except fast-track MESs  - all suppliers taken together  - 6M, MM and DD/DM customers are monitored separately	Monthly	1 July 2009

<p>Proportion of MESs completed in the scheduled time</p>	<p>Ratio sent for each customer type on the 1<sup>st</sup> of month M+2:</p> <p><u><i>(Number of MESs closed in month M within a time ≤ scheduled timescale) / (Total number of MESs closed during month M)</i></u></p> <p>(or the three monitored values:  - 6M customers  - MM customers  - DD/DM customers</p>	<ul style="list-style-type: none"> <li>- all MESs involving agent on site (with/without meter installation), except fast-track MESs</li> <li>- all suppliers taken together</li> <li>- 6M, MM and DD/DM customers are monitored separately</li> </ul>	<p>Monthly</p>	<p>1 July 2009</p>
<p>Time taken to disconnect a service (<i>mise hors service - MHS</i>)</p>	<p>Value sent on the 1<sup>st</sup> of month M+2 for each interval of delay and for each customer type:</p> <p><u><i>Number of MHSs closed during month M</i></u></p> <p>(or the nine monitored values:  - ≤ scheduled timescale  - &gt; scheduled timescale and ≤ 2 x scheduled timescale  - &gt; 2 x scheduled timescale  for:  - 6M customers  - MM customers  - DD/DM customers</p>	<ul style="list-style-type: none"> <li>- all MHSs following contract termination (except MHSs for failing to pay)</li> <li>- all suppliers taken together</li> </ul>	<p>Monthly</p>	<p>1 July 2009</p>
<p>Proportion of MHSs completed in the scheduled time</p>	<p>Ratio sent for each customer type on the 1<sup>st</sup> of month M+2:</p> <p><u><i>(Number of MHSs closed in month M within a time ≤ scheduled timescale) / (Total number of MHSs closed during month M)</i></u></p> <p>(or the three monitored values:  - 6M customers  - MM customers  - DD/DM customers</p>	<ul style="list-style-type: none"> <li>- 6M, MM and DD/DM customers are monitored separately</li> </ul>	<p>Monthly</p>	<p>1 July 2009</p>

<p>Time taken to switch a supplier</p>	<p>Value sent on the 1<sup>st</sup> of month M+2 for each interval of delay and for each customer type:</p> <p><u>Number of switches of supplier completed in month M</u></p> <p>(or the nine monitored values:  - ≤ scheduled timescale  - &gt; scheduled timescale and ≤ 2 x scheduled timescale  - &gt; 2 x scheduled timescale for:  - 6M customers  - MM customers  - DD/DM customers</p>	<p>- all switches of supplier  - all suppliers taken together  - 6M, MM and DD/DM customers are monitored separately</p>	<p>Monthly</p>	<p>1 July 2009</p>
<p>Proportion of supplier switches achieved within the scheduled time</p>	<p>Ratio sent for each customer type on the 1<sup>st</sup> of month M+2:</p> <p><u>(Number of supplier switches closed in month M within a time ≤ scheduled timescale) / (Total number of supplier switches closed during month M)</u></p> <p>(or the three monitored values:  - 6M customers  - MM customers  - DD/DM customers</p>	<p>- all connections  - only T1/T2 customers (taken together)</p>	<p>Monthly</p>	<p>1 July 2009</p>
<p>Time taken to complete a connection</p>	<p>Value sent on the 1<sup>st</sup> of month M+2:  <u>Average time taken to make a connection, for those completed during the quarter M-2 to M</u>  (or a monitored value)</p> <p>Value sent on the 1<sup>st</sup> of month M+2 for each interval of delay and for each customer type:</p> <p><u>Number of connections completed in month M</u></p> <p>(or the nine monitored values:  - ≤ scheduled timescale  - &gt; scheduled timescale and ≤ 2 x scheduled timescale  - &gt; 2 x scheduled timescale for:  - 6M customers  - MM customers  - DD/DM customers</p>	<p>- all connections  - 6M, MM and DD/DM customers are monitored separately</p>	<p>Quarterly</p> <p>Monthly</p>	<p>Up to 1 July 2010</p> <p>1 July 2010</p>

Proportion of connections completed to time	Ratio sent on 1 <sup>st</sup> day of month M+2: <u>(Number of connections completed to time during the quarter M-2 to M / (Number of connections completed during the quarter M-2 to M))</u> (or the three monitored values: - 6M customers - MM customers - DD/DM customers	- all connections - 6M customers from 1 July 2009 - 6M, MM and DD/DM customers are monitored separately from 1 July 2010	Quarterly (from 1 July 2009) Monthly (from 1 July 2010)	1 July 2009 (quarterly frequency, 6M customers) 1 July 2010 (monthly frequency, all types of customers)
Amount of compensation paid following complaints for appointments missed because of the GRD	Value sent on the 1 <sup>st</sup> of month M+2: <u>Total amount of compensation paid to suppliers during month M, as a result of complaints for missed appointments</u> (or the two monitored values: - 6M customers - DD/DM/MM customers	- all appointments scheduled and thus confirmed by the GRD - all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the GRD and reported by suppliers within 90 calendar days via the supplier portal - 6M customers and DD/DM/MM customers are monitored separately	Monthly	Already in operation
Number of scheduled appointments missed by the customer	Value sent on the 1 <sup>st</sup> of month M+2: <u>Number of scheduled appointments missed by the customer and invoiced during month M</u> (or the two monitored values: - 6M customers - DD/DM/MM customers	- all scheduled meetings made at the customer's or the supplier's request - all appointments to carry out work involving GRD's agent on site and requiring the customer's presence, that were missed because of the customer	Monthly	1 July 2009
Amount of penalties invoiced for appointments missed because of the customer	Value sent on the 1 <sup>st</sup> of month M+2: <u>Total amount of penalties invoiced during month M for appointments missed because of the customer</u> (or the two monitored values: - 6M customers - DD/DM/MM customers	- 6M customers and DD/DM/MM customers are monitored separately	Monthly	1 July 2009



c) Indicators for end-customer relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Call-centre accessibility rate for end consumers	Ratio sent for each call-centre number on the 1 <sup>st</sup> of month M+2: $\frac{\text{(Number of calls taken during month M)}}{\text{(Number of calls received during month M)}}$ (or the two monitored values: - general phone no. for Reception, Access to Gas (AGNRC no); - phone no. for Safety and Faults)	<ul style="list-style-type: none"> <li>- all types of call taken/received during call-centre opening hours.</li> <li>- all types of caller</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>	Quarterly (phone no. for Access to Gas) Monthly (phone no. for Safety and Faults)	Already in operation
Number of complaints from end customers by type	Values for each type of complaint sent on the 1 <sup>st</sup> of month M+2: $\frac{\text{Total number of complaints from end customers closed during month M}}{\text{(or the five monitored values:}}            - Total - Delivery - Performing services associated with delivery - Individual gas connections - Connection to the business gas market)  $	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the end customer (complaints where the supplier must answer to the customer are out of scope)</li> <li>- all (written or oral) means of communicating the complaint</li> <li>- all types of customer (T1/T2/T3/T4/TP) taken together</li> </ul>	Monthly	Already in operation
Rate of response to end-customer complaints within 30 days	Ratio sent on 1 <sup>st</sup> day of month M+2: $\frac{\text{(Number of complaints from end customers closed within 30 calendar days during month M)}}{\text{(Total number of complaints from end customers closed during month M)}}$ (or a monitored value)	<ul style="list-style-type: none"> <li>- closed complaint: complaint for which the GRD has sent the customer a “consistent” response (no acknowledgement of receipt)</li> </ul>	Monthly	Already in operation

d) Indicators for supplier relationships:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Number of complaints from suppliers by type	Values for each type of complaint sent on the 1 <sup>st</sup> of month M+2: <u>Total number of complaints from suppliers closed during month M</u> (or the six monitored values: - Total - Reception - Quality of supply and network - Service management and completion - Metering data - Follow up	<ul style="list-style-type: none"> <li>- all complaints where the GRD must answer to the supplier (complaints where the GRD must answer to the customer are out of scope)</li> <li>- all written complaints made on the OMEGA portal only, including complaints about missed appointments</li> </ul>	Monthly	Already in operation
Amount of compensation relating to complaints not processed within the standard time	Value sent on the 1 <sup>st</sup> of month M+2: <u>Amount of compensation resulting from complaints not processed within 30 calendar days and posted to the CRCP during month M</u> (or a monitored value)	<ul style="list-style-type: none"> <li>- all suppliers and all types of customers (T1/T2/T3/T4/TP) taken together</li> <li>- closed complaint: complaint for which the GRD has sent the supplier a “consistent” response (no acknowledgement of receipt)</li> </ul>	Monthly	Already in operation

e) Indicators relating to meter-reading and invoicing:

Name of indicator	Calculation of indicator	Scope of indicator	Frequency of transmission to CRE and publication	Implementation date
Rate of 6M (half-yearly) readings based on actual measures (read, or taken by the consumer)	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(Number of measures actually read or taken by the consumer at 6M PCEs during the quarter M-2 to M) / (Number of measures at PCE 6M sent during the quarter M to 2/M)</i> (or a monitored value)	<ul style="list-style-type: none"> <li>- all measures actually read or taken by the consumer for 6M PCEs<sup>(3)</sup></li> <li>- gas and electricity measures</li> </ul>	Quarterly	Already in operation
Publication timescale for DD/DM readings (read remotely each day)	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(For the period between the 8<sup>th</sup> working day in month M and the 7<sup>th</sup> working day in month M+1, the total number of PCE DD/DM readings read remotely, where the suppliers were sent the final value at the latest on the 7<sup>th</sup> working day of month M+1) / (Total for each day D in month M of the number of existing DD/DM PCEs to be read remotely in month M)</i> (or a monitored value)	<ul style="list-style-type: none"> <li>- all existing DD/DM PCEs</li> <li>- all cyclic readings and readings for MHSs (readings for subscriptions are out of scope)</li> <li>- all suppliers taken together</li> </ul>	Monthly	Already in operation
Publication timescale for MM readings (read monthly)	Ratio sent on 1 <sup>st</sup> day of month M+2: <i>(For the period between the 8<sup>th</sup> working day in month M and the 7<sup>th</sup> working day in month M+1, the total number of PCE MM readings taken, where the suppliers were sent the final value at the latest on the 7<sup>th</sup> working day of month M+1) / (Total for each day D in month M of the number of existing MM PCEs to be read in month M)</i> (or a monitored value)	<ul style="list-style-type: none"> <li>- all existing PCE MMs (not just remotely-read meters)</li> <li>- all cyclic readings and readings for MHSs (readings for subscriptions are out of scope)</li> <li>- all suppliers taken together</li> </ul>	Monthly	Already in operation

(3) PCE: metering or estimation point

## **XII - Tariff rules that apply to new concessions for natural gas distribution**

Any entity wishing to respond to an invitation to tender for the natural gas service for a new concession must use as a reference the GrDF schedule of tariff current at the time of the invitation to tender.

A single multiplier is applied to all the charges in this schedule of tariff. The resulting tariff charges (annual subscription, subscriptions for daily capacity and distance) must be divisible by 12 and defined to 2 decimal places.

The non-equalised schedule of the ATRD tariff for a new concession may change automatically only on 1 July of a given year A, and only by applying a percentage change determined by the following indices to all tariff charges current on 30 June of year A:

- an index representing coverage of the costs of transportation over the network of the GRD taking on the new concession;
- an index representing changes to the costs of transportation over the network of the upstream GRD;
- an index representing the cost of work and the workforce;
- an index representing the costs of constructing the network for the new concession;
- an index representing the costs of services associated with operating the network for the new concession;

The choice of indices and the percentage changes applied to them will be negotiated between the GRD and the licensing authorities.

The time between the date a non-equalised ATRD tariff comes into force and the date of the first change to the tariff may not be less than one year.

Once the non-equalised ATRD tariff is in force, it is adjusted for all changes to the reference schedule of tariff by applying the same multiplying factor for all charges in the new reference schedule of tariff.

Any operator with a new concession that is not directly connected to the transmission network is treated as a second-tier GRD, even if the upstream distribution network is managed by the same operator.

Each GRD shall publish the schedule of tariff for concessions that concern it on its internet site, indicating the municipalities involved and referring to the current tariff reference documents. For new concessions, this information shall appear at least one month before they are supplied with gas.

Paris, April 2, 2009

For the French Energy Regulatory Commission  
Chairman

Philippe de LADOUCKETTE