

Deliberation of the French Energy Regulatory Commission (CRE) dated March, 15th 2011 concerning the creation of a discussion group with regard to access conditions to regulated LNG terminals

Participating in the deliberation: Philippe de Ladoucette, Chairman, Olivier CHALLAN BELVAL, Frédéric GONAND and Michel THIOILLIERE, Commissioners.

1. Background

In France, Liquefied Natural Gas (LNG) imports represented 29% of natural gas consumption in 2010. They contribute to security of supply. They constitute an element of diversification of natural gas sourcing.

CRE is responsible for the regulation of third party access to the three French LNG terminals¹. The tariffs for use of these terminals have been established by the French Order dated 20 October 2009 adopted according to CRE's proposal.

2. CRE analysis

Over the recent past, several new shippers have booked an increasing share of the capacity offered on the French LNG terminals. Considering the presence of two different terminal operators, it is necessary to reconsider the modalities for elaborating the access conditions to regulated LNG terminals.

In the short term, discussions will focus on the definition of the rules to be used to share the access to terminals between shippers who have adopted the "continuous service". In a longer term, a consultation could be useful to evaluate the relevance of an evolution of services offered by LNG terminals (continuous, uniform or spot), as defined in the tariff French Order dated 20 October 2009.

On the basis of the positive feedback from the "Concertation Gaz" initiative created following CRE's deliberation of 18 September 2008 on the third party access rules to the gas transmission networks. CRE considers that the implementation of a similar consultation process, devoted to the access conditions to regulated LNG terminals, would likely strengthen competition by providing significant benefits to market players, in particular in terms of transparency. Such consultation body could also prevent the emergence of unjustified differences between the access conditions to the different terminals while taking in account the specific features of each terminal, mainly technical requirements.

3. CRE decision

CRE asks Elengy and STMFC to set up a discussion group for the access conditions to regulated LNG terminals. This body shall operate and be organised as follows:

- The plenary committee shall steer and define the work program. This committee must represent the various stakeholders appropriately. It shall be chaired by the terminal operators.

¹ Elengy, GDF Suez subsidiary, operates Montoir-de -Bretagne and Fos Tonkin terminals. STMFC, Elengy and Total subsidiary, operates Fos Cavaou terminal.

- Working groups designated by the plenary committee and led by the terminal operators shall discuss the various issues identified by the committee and will report to the committee with regard to their work.
- Each terminal operator shall submit to CRE the proposals concerning its own functioning resulting from the working groups. If CRE considers that issues come under its jurisdiction, under article 37-1 of French Law No. 2000-108 dated 10 February 2000, it shall determine the rules for access to LNG terminals. It shall also deliberate, where required, on the other issues submitted by the plenary committee.
- CRE participates to the plenary committee and working groups. It ensures proper representation of market players, consistency between the work program and any other work conducted for the entire French gas system, and progress on various projects in accordance with the work program.
- Elengy and STMFC shall prepare and organise the first meeting of the plenary committee by 15 May 2011 at the latest, in compliance with the principles defined above.

Paris, 15 March 2011

On behalf of the French Energy Regulation Commission,
The Chairman,

Philippe de LADOUCETTE