

Deliberation of the French Regulatory Commission of Energy of 11 December 2013 deciding on the evolution of the tariffs for the use of natural gas transmission networks as of 1 April 2014

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Given the French Energy Code and in particular Article L.134-2:

The tariffs for the use of the GRTgaz and TIGF natural gas transmission networks, known as the "ATRT 5 tariffs", came into effect on 1 April 2013 for a period of approximately four years. They provide for an update on April 1 of each year commencing 1 April 2014 in accordance with the procedures laid down in the tariff decision of the French Regulatory Commission of Energy (CRE) on 13 December 2012¹.

The main changes set out in this deliberation are as follows:

Change in the average tariff level:

The average increase in the GRTgaz tariff as of April 1, 2014 is 3.9%. It is consistent with the planned trajectory for the ATRT5 tariff period, i.e. an average annual increase of 3.8%. Compared with the ATRT5 tariff forecasts, there are several effects compensating each other:

- the inflation rate is lower, leading to a decrease of approximately 0.5%;
- energy costs are lower, resulting in a decrease of approximately 1%;
- capacity subscriptions are lower, resulting in an increase of approximately 1.5%.

The average increase in the TIGF tariff as of 1 April 2014 is 7.7%. This increase is much higher than the expected trajectory for the ATRT5 tariff period, which is an average annual increase of 3.6%. Compared with ATRT5 tariffs forecasts:

- the inflation rate is lower, leading to a decrease of approximately 0.5%;
- energy costs are higher, resulting in an increase of approximately 2.5%;
- capacity subscriptions are lower, resulting in an increase of approximately 2%.

Changes in the tariff structure:

The main changes in the tariff structure used by CRE are:

As of 1 April 2015, the date for a common marketplace for balancing TIGF and GRTgaz South zones to be set up, the tariff at the interface between GRTgaz South and TIGF zones will be nil, and tariffs at transmission-storage interface points (PITS) will have to be consistent. Given this deadline, the tariff update for 1 April 2014 changes the tariff charges involved.

In order to promote the integration of the French market into the European market, the prices of entries in France, the costs of transits from the north to Italy and Spain and interface tariffs with storage will be frozen

¹ Deliberation of the CRE of 13 December 2012 deciding on the tariff for the use of the natural gas transport network

in constant euros until the end of the ATRT5 tariff period.

Incentive regulation for the quality of service provided by gas transmission:

CRE introduced financial incentives relating to the quality of consumption forecasts published by the TSOs. These forecasts enable shippers to take corrective actions with a view to optimally balancing their portfolios. Improving their quality is essential in the context of moving towards the target balancing system and the application of the European network code on balancing in 2015.

In addition, in the perspective of creating a single marketplace in France, CRE introduced a financial incentive for GRTgaz to maximize the amount of capacity sold daily at the North-South link.

This deliberation will be submitted to the Superior Council of Energy for its opinion.

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METHODOLOGY

I. Regulatory framework: reminder of the ATRT5 tariff provisions

Tariffs for the use of GRTgaz and TIGF natural gas transmission networks, called the "ATRT5 tariffs", came into effect on 1 April 2013 for a period of around four years. They provide for an update on April 1 of each year according to rules laid down in CRE tariff decision of 13 December 2012².

The ATRT5 incorporates incentive regulation mechanisms relating to three different aspects:

- investment incentive regulation: it consists, firstly, of an incentive to make the necessary investments to improve the functioning of the French market and its integration into the European market and, secondly, of an incentive to control the costs of investment projects;
- an operating expenses incentive regulation: net operating expenses of the transmission system operators (TSOs) evolve each year, based on the 2013 level, according to inflation and an annual adjustment coefficient. This coefficient incorporates a productivity target relating to a constant perimeter of activity over the ATRT4 period. Any additional productivity gains that may be achieved beyond this trajectory are kept by each TSO. Equally, any additional costs are borne by the TSOs;
- a quality of service incentive regulation that aims to improve the quality of service provided to users of transmission networks in areas deemed important for the proper functioning of the market.

The ATRT5 renews the expense and revenue regulatory account (CRCP) that makes it possible to cover all or part of the differences in expenses or revenue recorded on certain predefined items. The reconciliation of this account's balance is performed by reducing or increasing the income to be collected through the tariffs. In order to ensure financial neutrality of the mechanism, the amounts taken into account in the CRCP are adjusted using an interest rate equivalent to the risk-free rate set at 4.0% per year, nominal pre-tax.

The tariff structure for the two TSOs changes on 1 April of each year commencing 1 April 2014 on the basis of the following principles:

- consideration of the authorised income trajectory laid down for four years and consisting of:
 - the capital expenses trajectory defined by CRE;
 - the operating expenses trajectory set by CRE which changes each year based on inflation and a predefined coefficient
 - updating the "Energy and CO2 quotas" item;
- updating of capacity subscription assumptions;
- reconciliation of a quarter of the overall balance of the CRCP;
- changes in tariff structure decided by CRE, in particular to reduce the number of marketplaces and implement the European network codes.

II. GRTgaz authorised income

A. Operating expenses (OPEX)

1. Net operating expenses excluding revision of energy costs

For 2013, the net operating expenses, excluding variations in energy costs, taken for the ATRT5 tariff was €766.7 M.

The GRTgaz ATRT5 tariff provides that, excluding variations in the cost of energy, "the net OPEX for the year 2014 are calculated by applying to the OPEX of the year 2013 a percentage change equal to the CPI - 1.45%, where the CPI corresponds to the actual annual average variation observed for the preceding

² [Deliberation of the CRE of 13 December 2012 deciding on the tariffs for the use of the natural gas transmission networks](#)

calendar year in the consumer price index excluding tobacco products, as calculated by INSEE for all households throughout France."

As the inflation forecast for 2013 on which the draft budget law (PLF) is based on for 2014 is +0.8%, net operating expenses for 2014³, excluding variations in the price of energy, will fall 0.65% compared with those adopted for the year 2013, i.e. €761.7 M. The difference between the inflation forecast for 2013 taken into account by CRE for updating the operating expenses of the TSOs and actual inflation will be covered by the CRCP.

2. Revision of energy costs

Under the ATRT5 tariff rules, CRE is changing the planned amount for GRTgaz's energy costs in 2014.

GRTgaz's energy needs for 2014 are broadly unchanged from 2013. Fuel energy remains at a high level because of forecasts of major North-South flows related to the LNG market situation.

GRTgaz's energy costs forecasts for 2014 are lower than those initially envisaged in the ATRT5 tariff. This is primarily due to optimizations undertaken by GRTgaz on gas flows on its network and technical balance sheet differences. In its 2014 forecast, CRE considered that GRTgaz would, in 2014, be able to achieve approximately 80% of the optimizations achieved in 2013, and so maintain an incentive for GRTgaz to achieve the maximum number of possible optimizations.

Furthermore, the energy item forecast for 2014 takes into account the introduction, under Article 20 of the draft budget bill for 2014 as adopted on its first reading by the French National Assembly on 19 November 2013, a climate energy contribution of €1.3 / MWh of natural gas consumption (plus €2.4 M).

	2013 – Estimate at exit point		2014 (forecast ATRT5 tariff)		2014 (forecast Nov 2013)	
	Volume	Amount	Volume	Amount	Volume	Amount t
Fuel gas	1808 GWh	45.9 M€	2196 GWh	€61.3 M	1882 GWh	€52 M
Technical balance difference	1065 GWh	27,1 M€	1325 GWh	€37 M	965 GWh	€25.5 M
Electricity	392 GWh	€25.9 M	293 GWh	€26.3 M	392 GWh	€26.6 M
Other (including CO2 quotas)	-	-€5.4 M	-	€0.8 M	-	€0 M
Total	-	€93.4 M	-	€125.4 M	-	€104.1 M

The update of the GRTgaz "energy and CO2 quotas" item leads to a decrease of €21.3 million to the costs forecast for this item for 2014.

3. Net operating expenses

After updating the "energy and CO2 quota" item for the year 2014, net operating expenses to be taken into account in GRTgaz's authorised income for 2014 is €740.4 million. These expenses are down €26.3 million compared to those used for 2013, i.e. -3.4%;

B. Capital expenses

The tariff decision of 13 December 2012 set the forecast capital expenses trajectory to be taken into account each year in updating the GRTgaz tariff. In accordance with this decision, GRTgaz's capital expenses forecast for 2014 is €973.8 million. This is up €80.2 million compared to 2013, i.e. 9%.

³ See the explanatory memorandum to the draft budget bill for 2014, No. 1395, filed September 25, 2013

C. CRCP reconciliation in 2013

At the end of 2012, the updated CRCP was € 7.9 million to be repaid to GRTgaz. This amount was based on a 2012 CRCP estimated in November 2012. Reconciliation of a quarter of this amount in 2013 led to a repayment of € 2.2m to GRTgaz.

The amount of the final CRCP for 2012 is lower than the estimate made in ATRT5 of €2.8 million. This difference is repaid to GRTgaz network shippers.

The CRCP for 2013 is estimated at - €18.4 M at the end of November.

in M€	2013 tariff	Forecast Nov 2013	Difference	Paid to CRCP
Downstream transmission revenue, 100% coverage	1149.4	1133.6	-15.8	15.8
Upstream transmission revenue, 50% coverage	481.3	473.1	-8.2	4.1
Normative capital expenses	893.6	881.8	-11.8	-11.8
Energy	125.3	93.4	-31.9	-25.5
Connection income	0.9	2.5	1.7	-1.7
Service contract between GRTgaz and TIGF	33.0	33.0	0.0	0.0
Payments related to the service quality incentive regulation mechanism	0.0	0.7	0.7	0.7
CRCP TOTAL				-18.4

The total CRCP amounts to €16.2 million to be taken from GRTgaz when adding the difference on the 2012 CRCP and the forecast for CRCP for 2013 CRCP.

In accordance with the current tariff rules, reconciliation of a quarter of this amount in 2014 lead to GRTgaz repaying € 4.5 million each year over four years.

in M€	2013	2014	2015	2016	2017
Amount of CRCP	+7.9	-16.2			
Reconciliation of a quarter of the overall total	+2.2	-4.5	-4.5	-4.5	-4.5

D. Authorised income

The total level of expenses to be covered by the GRTgaz tariff in 2014 is €1709.8 M, an increase of 2.8% compared to 2013:

in M€	2013	2014
Capital expenses	893.6	973.8
Trajectory of net operating expenses	766.7	761.7 ⁴
Revised energy costs	-	-21.3
Reconciliation of the CRCP	2.2	-4.5
Total authorised income	1662.4	1709.8

⁴ On the basis of inflation in 2013 forecast in the 2014 PLF

III. TIGF authorised income

A. Operating expenses (OPEX)

1. Net operating expenses excluding revision of energy costs

For 2013, net operating expenses, excluding changes in energy costs, included in the ATRT5 tariff were €64.2 million.

The ATRT5 tariff provides that, excluding variations in the cost of energy, "the net OPEX for the year 2014 are calculated by applying to the OPEX of the year 2013 a percentage change equal to CPI + 2.45%, where the CPI corresponds to the actual annual average variation observed for the preceding calendar year in the consumer price index excluding tobacco products, as calculated by INSEE for all households throughout France."

As the inflation forecast for 2013 on which the draft budget law (PLF) is based on for 2014 is +0.8%, net operating expenses for 2014 excluding variations in the price of energy, will increase of 3.25% compared with those adopted for the year 2013, i.e. €66.3 million. The difference between the inflation forecast for 2013 taken into account by CRE for updating the operating expenses of the TSOs and actual inflation will be covered by the CRCP.

2. Revision of energy costs

Under the ATRT5 tariff rules, CRE modifies the reference amount used for TIGF's energy costs in 2014.

For fuel gas, this amount is up € 4.2 million compared to the initial forecast for 2014 in ATRT5, mainly due to higher needs. In 2013, flows to Spain stayed at a very high level and no physical flows in the Spain to France direction were observed at the Larrau interconnection point. The forecast for 2014 is close to the values recorded in 2013, and there is no objective reason for predicting any change at the interconnection between France and Spain.

TIGF's fuel gas item for 2014 reflects the consequences of the introduction into the PLF of a climate and energy contribution of € 1.3 / MWh of natural gas consumption (€ 0.4 million).

	2013 – Estimate at exit point		2014 (ATRT5 forecast tariff)		2014 (forecast Nov 2013)	
	Volume	Amount	Volume	Amount	Volume	Amount
Fuel gas	304 GWh	8.7 M€	156 GWh	4.5 M€	289 GWh	8.7 M€
Technical balance difference	80 GWh	2.3 M€	0 GWh	0 M€	0 GWh	0 M€
Electricity	11 GWh	1.1 M€	10 GWh	0.8 M€	13 GWh	1.3 M€
Total	-	12.1 M€	-	5.3 M€	-	10 M€

The update of the "energy and CO2 quotas" item for TIGF, leads to an increase of € 4.7 M in the forecast for expenses relating to this item for the year 2014.

3. Net operating expenses

After reviewing the energy costs for the year 2014, net operating expenses to be taken into account in the authorised income for 2014 is €70.9 million. They are up €6.7 million compared to 2013, i.e. plus 10.5%.

B. Capital expenses

The tariff decision of 13 December 2012 set the forecast capital expenses trajectory to be used each year for the updated TIGF tariff. In accordance with this decision, TIGF's capital expenses forecast for 2014 is €157.3 million. It is up € 13.5 million compared to 2013, i.e. plus 9.4%.

C. Reconciliation of the CRCP in 2013

At the end of 2012, the updated CRCP was - €11.5 million to be refunded by TIGF. This amount was based on a 2012 CRCP estimated in November 2012. Reconciliation of a quarter of this amount in 2013 led to take back €3.2 million from TIGF.

The amount of the final CRCP for 2012 is higher than the estimate of € 1.7 million made in the ATRT5. This difference will be refunded to TIGF.

The provisional CRCP for 2013 is estimated at €4.2 million at the end of November.

in M€	2013 tariff	Estimate Nov2013	Difference	Paid to the CRCP
Downstream transmission revenue, 100% coverage	110.5	107.0	-3.5	3.5
Upstream transmission revenue, 50% coverage	91.3	90.5	-0.8	0.4
Normative capital expenses	143.8	139.6	-4.3	-4.3
Energy	6.3	12.1	5.8	4.6
Service contract between GRTgaz and TIGF	33.1	33.0	-0.1	0.1
Payments related to the service quality incentive regulation mechanism	0.0	-0.2	-0.2	-0.2
CRCP TOTAL				4.2

The total CRCP amounts to € 2.5 million to take back from TIGF after adding the difference between the 2012 CRCP and the provisional 2013 CRCP.

In accordance with the tariff rules, €0.7 million are taken back from TIGF in 2014 and each year over four years by reconciling a quarter of this amount.

in M€	2013	2014	2015	2016	2017
Amount of the CRCP	-11.5	-2.5			
Reconciliation of a quarter of the overall total	-3.2	-0.7	-0.7	-0.7	-0.7

D. Authorised income

The total level of expenses to be covered by the TIGF tariff in 2014 was € 227.5 million, up 11.1% compared to 2013:

in M€	2013	2014
Capital expenses	143.8	157.3
Trajectory of net operating expenses	64.2	66.3
Revision of energy costs	-	4.7
Reconciliation of the CRCP	-3.2	-0.7
Total Authorised income	204.9	227.5

IV. Transmission capacity subscription assumptions

A. GRTgaz

1. Main network

On the main network, the new subscription capacity assumptions for 2014 are on average down 0.7% compared to the forecasts used for the year 2013 in the ATRT5 tariff.

This decrease is mainly due to a decrease in the subscription capacity forecasts at the transmission-storage interface points (PITS) of approximately €10 million, i.e. - 30%. For 2014 CRE has selected the capacity subscription levels at the PITS observed on the storage year 2013/2014.

Several other items have also been revised down from the initial ATRT5 tariff forecasts: North-South link capacities from South to North and exit capacities at Taisnières and at Oltingue, market coupling, PEG revenue.

These decreases were partially offset by higher capacity subscriptions at Taisnières H at the end of 2013, following the open season in 2010.

2. Regional network

Exiting the main network to the regional network and on the regional network, the new capacity subscription assumptions are also down 1.2% compared to those used for 2013 in ATRT5:

- -0.7% for delivery capacities at interface transmission and distribution points (PITDs);
- -6.9% delivery capacities for industrial customers connected to GRTgaz, excluding highly modulated sites;
- -22.3% delivery capacity for highly modulated sites connected to the GRTgaz network.

3. Overall evolution in the capacity subscription assumptions

Overall, the new capacity subscription assumptions for 2014 were down by 1% compared to the forecast for 2013 adopted in the ATRT5. The subscription assumptions used by CRE for GRTgaz in the framework of establishing ATRT5 tariffs provide for an increase in capacity subscriptions of 0.2% between 2013 and 2014.

B. TIGF

1. Main network

On the main network, the new subscription capacity assumptions for 2014 are on average up 5% compared to the forecasts used for the year 2013 in the ATRT5 tariff.

This average increase is mainly due to the inclusion of a full year of new capacity subscriptions related to the development of interconnection capacity with Spain since 1 April 2013.

This increase was partially offset by lower subscription capacity forecasts at the PITS of about 10%. For 2014 CRE has selected the capacity subscription levels at the PITS observed on the storage year 2013/2014.

2. Regional network

On the regional network, capacity subscription assumptions at the PITDs and for industrial customers connected to the TIGF network are down 2.4% compared to the assumptions used for 2013 in ATRT5. This decrease is mainly due to a forecasting error on PITDs when setting the ATRT5 tariff.

3. Overall evolution of the capacity subscription assumptions

Overall, the new capacity subscription assumptions for 2014 were up 3% compared to the forecast for 2013 adopted in the ATRT5. This increase is lower than originally forecast between 2013 and 2014 in ATRT5 (+4.4%).

V. Average evolution in the GRTgaz and the TIGF tariffs

For GRTgaz, the forecasts used for 2014 lead to an increase of 2.8% in the authorised income and a 1% decrease in capacity subscriptions, compared to the levels used in the ATRT5 for 2013. This results in an average tariff increase for GRTgaz of 3.9% as from 1 April 2014.

For TIGF, the forecasts used for 2014 lead to an increase of 11% in the authorised income and of 3% in capacity subscriptions, compared to the levels used in the ATRT5 2013. This results in an average tariff increase for TIGF of 7.7% in 2014.

VI. Tariff structure

The methodology for establishing the ATRT5 tariffs adopted by CRE in its decision of 13 December 2012 provides for, in accordance with the French Energy Code and in particular Articles L.134-2 and L.452-3, the possibility of changing the tariff structure during the period, "[...] *in particular to reduce the number of marketplaces and implement the European network codes*".

In its decisions of 19 July 2012 and 13 December 2012⁵, CRE has laid down following guidance on the development of the organisation of the French wholesale market:

- creation of a common marketplace for GRTgaz South and TIGF zones by 1 April 2015 at the latest;
- objective of creating a single marketplace in France by 2018.

In addition, Regulation (EU) No 984/2013 relating to the establishment of a network code on capacity allocation mechanisms in gas transmission networks (the "CAM Code") came into effect on 4 November 2013 and will apply from 1 November 2015.

This tariff decision incorporates the structural changes needed to take account of these developments, changes designed to improve the integration of the French market into the European gas market and various technical developments.

CRE conducted a public consultation from 25 October to 10 November 2013 on the envisaged structural developments⁶. The non-confidential responses are available on the CRE website.

A. Reduction in the number of marketplaces

1. Creation of a common d GRTgaz South - TIGF marketplace

As at 1 April 2015, a common marketplace for balancing GRTgaz South and TIGF zones will be created, which requires:

- setting charges to 0 at the interface between GRTgaz South and TIGF zones;
- an alignment of tariffs at the PITS in the GRTgaz South and TIGF zones.

a) Link between the GRTgaz South and TIGF zones

In order to prepare for the creation of the common PEG, the ATRT5 provides for a gradual reduction of the tariff charges at the interface between GRTgaz South and TIGF zones to reach 0 by 1 April 2015. This charge has already decreased from € 140 / MWh / d per year to €100 / MWh / d per year as of 1 April 2013.

⁵ [Deliberation of the CRE of 13 December 2012 deciding on the tariffs for the use of natural gas transmission networks](#)

[Deliberation of the CRE of 19 July 2012 on the guidelines for the development of marketplaces gas in France](#)

⁶ [Public consultation on the update of the tariffs for the use of gas transmission networks of gas at 1 April 2014](#)

Contributors to the CRE public consultation are overwhelmingly in favour of a reduction in the tariff to €50 / MWh / d per year as of 1 April 2014.

Consequently, the tariff at the link between the GRTgaz South and TIGF zones as from 1 April 2014 is €50 / MWh / day per year, evenly divided between GRTgaz and TIGF.

b) Transmission-storage interface points (PITS)

- Level of tariffs at the PITS in GRTgaz South and TIGF zones

The creation of the common PEG on 1 April 2015 will lead to direct competition between the storage operators present on GRTgaz South and TIGF zones in the same market area.

In 2013, CRE asked the firm Pöyry to conduct a study on pricing the capacities at the PITS. The study, which results have been available on the CRE website since 24 October 2013, concluded that the presence of storage makes it possible to greatly reduce investment in transmission networks. To reflect costs, tariffs at the PITS must be lower than at other entry and exit points on the network.

Quantitative analyses undertaken by Pöyry show that the current level of tariffs for firm climate-related capacities at the PITS is within a range that makes it possible to properly reflect the costs generated on the GRTgaz transmission network, which is designed for climate-related storage operation.

The TIGF network is sized for firm operation of its storage and allows it to sell firm capacity at the PITS. To reflect the difference in the service offered by each TSO at the PITS, the study recommends that the tariff for firm capacity at the TIGF PITS be higher by a factor of between 1.33 and 2 relative to tariff for firm climate-related capacity at the GRTgaz PITS.

Contributors to the CRE public consultation agree overwhelmingly on the results of this study. However, they are divided about the level of the coefficient to be applied between the tariffs at the PITS on the GRTgaz and TIGF networks, within the 1.33 to 2 range.

CRE agrees with the Pöyry study findings. It considers that the data presented in the Pöyry study concerning the frequency and magnitude of interruptions of climate-related capacities at the GRTgaz PITS represent the maximum inconvenience that may be caused to shippers. Indeed, reductions or interruptions in capacity do not create inconveniences for a shipper if it did not have use of all the capacities it has subscribed. Accordingly, CRE has selected a coefficient of 1.33 as at 1 April 2015 to reflect the difference in the service offered by the two TSOs. The tariffs at the TIGF PITS will decrease on 1 April 2014 and 1 April 2015 to reach this coefficient.

- Structure of tariffs at the PITS in GRTgaz and TIGF zones

The Pöyry study also shows that tariffs at the PITS on the networks of other TSOs in Europe are higher on exiting the network to storage than on entering the network from storage. This tariff structure corresponds to that of TIGF. However, the tariff structure at the PITS on the GRTgaz network is reversed.

A vast majority of contributors to the CRE public consultation wanted a change in the tariff structure at the PITS on the GRTgaz network to become more like that of TIGF.

The entry and exit tariffs on the GRTgaz network at the PITS will evolve towards a tariff structure in line with that of the other European TSOs. In order to give sufficient time for shippers and storage operators to adapt, this change will take place on 1 April 2015.

2. Creation of a single PEG in France

The decisions of 19 July 2012 and 13 December 2012 provide for the objective of creating a PEG France for 2018. In these decisions, CRE:

- announced a cost-benefit study to set the optimal investment needed to achieve this objective;
- asked GRTgaz to study measures that would relax the constraint in the south during the transitional period.

In June 2013, CRE asked the firm Pöyry to conduct the cost-benefit study. The findings of this study were

presented to CRE in November 2013. They will be attached to the public consultation that CRE will launch on this subject in the first quarter of 2014.

a) Link between GRTgaz North and South zones

In the ATRT5, CRE continued to maintain the tariff charge in current euros at the North-South link with a view to the creation of a single marketplace in France in 2018.

A large majority of contributors to the public consultation conducted by CRE is in favour of continuing the measure.

For the tariff update as at 1 April 2014, CRE therefore maintains the tariff charge at the North-South link unchanged in current euros.

b) Additional transmission capacity at the link between GRTgaz's North and South zones

Since June 2013, GRTgaz has been selling additional firm capacities at the North-South link based on a service provided by Storengy.

This service made it possible to provide the market with up to 15 GWh / d of additional firm capacity per day between June and October 2013. Since November 2013, GRTgaz has marketed an equivalent service enabling it to offer up to 20 GWh / d of additional capacity at the North - South link and 20 GWh / d intended to strengthen the withdrawal capacity at the South Atlantic PITS.

As CRE proposed in its public consultation, 50% of the revenue from the sale of these capacities will be covered by the CRCP.

In addition, CRE considers that GRTgaz, in the context of creating a single marketplace in France, should be encouraged to maximize its firm capacity availability at the North-South link, in the North to South direction. To this end, it has introduced a new indicator, financially incentivized, in the framework of the operator service quality incentive regulation.

B. Implementation of the European gas market network and integration codes

1. Maintenance of entry and exit tariff charges on the TSOs' networks

The target European gas model⁷ as defined by the Council of the European Energy Regulators establishes the conditions necessary for the implementation of a competitive European gas market. In this respect, it provides, in particular, for the establishment of efficient marketplaces and their interconnection.

Currently entry tariffs in France are higher than in most neighbouring countries. Consequently, in its public consultation CRE proposed maintaining entry tariffs at the network interconnection points (PIRs), at the LNG terminals-transmission interface points (PITTM) and at transmission-storage interface points (PITS) in France at their current level in constant euros or in current euros. Such a change would also be applied to the transit costs from northern France to Spain and Italy.

Contributors to the public consultation conducted by CRE generally consider that the attractiveness of the French wholesale gas market is not satisfactory, mainly because of overly high entry tariff charges in France, and that it harms French market integration into the European market. They would like this issue be the subject of extensive work in Concertation Gaz.

The contributors are mostly favourable to the CRE proposal. They are nevertheless still divided about maintaining tariffs in constant euros or in current euros, a slight majority opting for maintaining, or even decreasing, the tariff in current euros. Some contributors ask that the transit costs not be affected by this measure and evolve in the same way as the rest of the tariff charges.

CRE retains the principle of maintaining tariff charges at the PIRs, the PITTM and the PITSs (regardless of the convergence of tariffs at TIGF's PITS) for the duration of the ATRT5. In order to limit the increase in revenue from the downstream network, these tariff charges will be maintained at their current level in constant euros. It will be the same for the cost of transit to Spain and Italy. In the case of transit to Spain,

⁷ [CEER Vision for a European Gas Target](#)

the reduction in the tariff at the Midi PIR will be offset by an equal increase in exit tariffs on the TIGF network at the Larrau and Biriadou PIRs.

Finally, until the end of the ATRT5 tariff, the entry tariff to the TIGF network at Larrau and Biriadou is aligned with that of land entries on the GRTgaz network.

2. Creating a virtual interconnection point with Spain

There are two interconnection points between France and Spain at Larrau and Biriadou. The annual capacity at Larrau was increased to 165 GWh / d firm in both directions on 1 April 2013. The Biriadou interconnection will be strengthened on 1 December 2015. The annual capacity will be increased to 60 GWh / d firm in the Spain to France direction and 60 GWh / d interruptible in the France to Spain direction (10 GWh / d will continue to be marketed in the form of firm capacity between April and October).

As of 1 October 2014, a virtual interconnection point, which will combine these two points, will be created and will bring together the firm and interruptible capacities of these two points.

3. Quarterly capacity tariff

The network code on transmission capacity allocation (CAM) provides that the capacities will be sold at auction in the form of grouped products in annual, quarterly, monthly, daily and intraday periods. It is therefore necessary to introduce a tariff for quarterly capacity products.

To encourage shippers to subscribe to annual capacities, CRE proposed in its public consultation that the quarterly capacity tariff be equal to:

- 1/3 of the annual capacity tariff if the point is not congested
- 1/4 of the annual capacity tariff if the point is congested.

The majority of the contributors to CRE public consultation were favourable to the guidelines proposed by CRE. A minority nevertheless would, for reasons of simplicity, like the reserve price not to depend on congestion at the point in question.

CRE has accepted the proposal made during its public consultation. The TSOs offer quarterly products at points where annual capacity is sold at auction, in accordance with the CAM network code. Under these conditions, a point will be considered congested if, during the allocation of annual products, the capacity selling price is strictly greater than the reserve price.

4. Replacement of seasonal products by standard capacity products as defined in the CAM code

The CAM network code does not provide for marketing seasonal capacity products.

The deliberation on the ATRT5 tariff of 13 December 2012 provides that the capacities available from 1 April 2014 at the link between the GRTgaz South and TIGF zones and at the interconnection with Spain will no longer be marketed as seasonal products.

The end of the marketing of the seasonal products will not affect the long-term commitments made by shippers at the interconnection with Spain and at the link between the GRTgaz South and TIGF zones in the form of seasonal capacity. For capacities that have already been subscribed, tariff charges applied to summer products and winter products will be respectively equal to 7/12ths and 5/12ths of the corresponding annual charge.

5. Redistribution of surplus auction revenue

In its deliberation of 17 October 2013⁸, CRE adopted the principle of redistributing, at least once per quarter, auction surpluses at the North- South link to shippers delivering to end-consumers in the GRTgaz South zone, in proportion to the volumes consumed in the South zone.

⁸ [Deliberation of the CRE of 17 October 2013 deciding on the rules for marketing of transmission capacities at the link between the GRTgaz North and South zones, at the interface between GRTgaz and TIGF, and at the interconnections with Spain](#)

CRE proposed applying the same principle to surplus revenue received by GRTgaz or TIGF at the cross-border interconnections. The contributions received during the public consultation conducted by CRE are largely in favour of this proposal. Nevertheless, several contributors pointed out that a solution that allocated these auction revenue surpluses to decongestion investment would be preferable to the proposed redistribution.

Some shippers delivering consumers in the TIGF zone stress that they have to use the North - South link to supply their customers. They therefore ask that the redistribution of surplus revenue at the North - South link include the volumes consumed in the TIGF zone.

CRE has decided on the approach proposed in its public consultation. As of 1 October 2014, surpluses received:

- at the North-South link in the North to South direction will be redistributed to shippers delivering end customers in the GRTgaz South zone, in proportion to the volumes consumed in the GRTgaz South zone. Volumes consumed in respect of capacity obtained between 1 October 2014 and 30 September 2018 by a gas intensive consumer or by a shipper appointed by a gas intensive consumer during the first phase of capacity allocation are not eligible for this redistribution;
- at the GRTgaz North zone interconnections will be distributed to shippers delivering end customers GRTgaz North zone, in proportion to the volumes consumed in the GRTgaz North zone;
- at the interconnection with Spain will be distributed to shippers delivering end customers in the TIGF zone in proportion to the volumes consumed in the TIGF zone.

For cross-border interconnection points, the distribution of surplus revenue between GRTgaz and TIGF and the neighbouring TSOs was established in conjunction with the national regulatory authorities concerned. The principle chosen for all interconnections is equal distribution between TSOs on both sides of the interconnection.

As of 1 April 2015, a common gas exchange point (PEG) to GRTgaz South and TIGF balancing zones will be created. CRE considers it is desirable that from this date, the surplus revenue at the North-South link and at the interconnection with Spain be pooled and redistributed to shippers delivering end customers in these two balancing zones. It has asked GRTgaz and TIGF to call on Concertation Gaz to determine how this pooling would be organized.

C. Other structural elements

1. Intraday flexibility service

In the ATRT4 tariff CRE introduced a service for highly modulated sites allowing them to adjust their consumption on a given day over several hours relative to their average daily consumption.

From the commissioning of the Arc de Dierrey and Hauts de France in 2016, GRTgaz will no longer need to approach the adjacent operators to provide the necessary flexibility for highly modulated sites. As a result, GRTgaz will no longer have external charges as of this date and the service tariff will be zero.

In its public consultation CRE proposed anticipating the end of invoicing the intraday flexibility service for highly modulated sites by two years. A majority of contributors welcomed this development.

CRE has adopted this change. It may in particular contribute to maintain gas powered electricity production stations that participate in the security of the electricity system and to amortizing GRTgaz's costs through their capacity subscriptions.

The initially anticipated revenue for this service, i.e. about € 2 M per year in 2014 and in 2015 will be pooled in the GRTgaz tariff.

2. Pricing at the point of entry into the GRTgaz network from the Dunkerque LNG terminal

In its decision of 12 July 2011 CRE established the conditions for connecting the terminal at Dunkirk to the GRTgaz⁹ network.

Given that the terminal is due to be commissioned in late 2015, an LNG terminals-transmission interface point (PITTM) will be created in the GRTgaz tariff.

The application of the economic test for setting the entry tariffs to the transmission network from LNG terminals led to retaining the principle of tariff equalisation for PITTM Dunkirk. This economic test takes into account the costs of connecting the terminal to the centre of the GRTgaz network, i.e. the Pitgam compression and interconnection station, as well as the level of capacity subscriptions at the Dunkirk PITTM. The annual tariff charge applied to the Dunkirk PITTM will therefore be equal to that of other PITTMs.

Operational rules for accessing the GRTgaz network at the Dunkirk PITTM will be set as of 1 April 2015 in line with those applicable to other existing PITTMs.

CRE requests that GRTgaz transmit a rules proposal before the end of the first half of 2014.

3. Pricing at the Veurne interconnection point between France and Belgium

The open season conducted by GRTgaz between 2010 and 2011 in coordination with Fluxys made it possible to make the investment needed to create a new interconnection at Veurne. This new interconnection will provide firm exit capacities from France (PEG North) to Belgium.

In its decision of 12 July 2011, CRE indicated that given the projected costs of developing these capacities, the tariff for the annual firm exit capacity subscription from PEG North to Belgium at the Veurne interconnection point would be € 45 / MWh / d per year. CRE also indicated that this tariff would be determined on the basis of the actual investment cost noted at the end of the works. The information provided by GRTgaz shows that the investment to date is in line with the budget.

CRE would request that GRTgaz, with Fluxys, study the rules for the management of this new interconnection point as well as how to create a virtual interconnection point between France and Belgium grouping the PIRs at Taisnières H and Veurne. Before the end of the first half 2014, GRTgaz will forward the results of this work to CRE.

4. Interruptible backhaul capacities at the Jura PIR

GRTgaz and the Swiss operator Gaznat are studying the feasibility of creating interruptible capacity at the Jura PIR. These capacities would allow gas to be contractually transmitted from Switzerland to France, under the condition that physical flows remain positive in the direction from Switzerland to France. This project would not require investment from GRTgaz. It would make it possible to marginally reduce the level of tension in the south of France.

GRTgaz indicates that the gas flows to France could be around 5 GWh / day in winter. The project could be implemented in the winter of 2014/2015

CRE supports the creation of these capacities. In line with the backhaul pricing at other interconnection points, the tariff for this product will be equal to 20% of the tariff for the France to Switzerland direction.

5. Quarterly capacity products at the PITS

Storengy asked CRE to introduce a quarterly capacity product at the PITS in the GRTgaz zone. Storengy would like the tariff to be equal to the annual tariff pro rata.

PITS pricing is based on the principle that the use of storage is climate related and thereby makes it possible to make savings on investment in transmission networks. The tariff for quarterly products at PITS should, based on the duration, therefore be higher than that of the annual products.

⁹ [Deliberation of the CRE of 12 July 2011 deciding on the conditions for connecting the LNG terminal in Dunkirk to the GRTgaz network and on the development of a new interconnection with Belgium at Veurne](#)

The tariff for the quarterly capacities at the PITS will therefore be equal to one third of the tariff for annual capacity at the PITS.

D. Summary of changes to the GRTgaz and TIGF tariff structure

The changes in structure described above generate loss of revenue and shortfalls that have to be offset:

- the loss of income due to lower tariffs at the GRTgaz South - TIGF link;
- the loss of income due to lower tariffs at the PITS in the TIGF zone;
- the shortfall related to maintaining the current euro tariffs for the North-South link;
- the shortfall related to maintaining the constant euro tariffs for entries, exits and the PITS.

The average increase of 3.9% in the GRTgaz tariff leads, after taking into account these structural effects, to an increase in other tariff charges of 7.2%. This increase is uniformly applied to all tariff charges involved.

The average increase of 7.7% in the TIGF tariff leads, after taking into account these structural effects, to an increase in other tariff charges of 22.1%. This greater effect on the TIGF tariff can be explained by the significant decrease in tariff charges representing a significant portion of TIGF transmission revenues (-28% for the PITS tariff, - 44% for the tariff for the GRTgaz South – TIGF link).

GRTgaz	Variation of the tariff as of 1 April 2014
Tariff fall	GRTgaz South-TIGF link (- 54%)
Maintaining in constant euros:	Entries to France: <ul style="list-style-type: none"> • PIR (Dunkirk, Taisnières, Obergailbach) • PITTM PITS Exits at PIR Oltingue
Maintaining in current euros:	North-South link
Increase in other tariff charges:	Jura PIR (+7%) Exit to the regional network (+7%) Transmission on the regional network (+7%) Delivery on the regional network (+7%)

(Percentages rounded)

For TIGF, in view of the creation of a single marketplace in the south of France as of 1 April 2015, the average increase of 22.1% is applied in order to bring the tariff charges of the TIGF downstream network in line with those of the GRTgaz downstream network:

- the exit capacity charge from the main network to the regional network in the TIGF zone will be equal to that of GRTgaz as of 1 April 2014;
- on 1 April 2014 the delivery capacity charges in the TIGF zone will increase more than the transmission tariff on the regional network in order to bring them closer to those of the GRTgaz tariff.

TIGF	Variation of the tariff as of 1 April 2014
Tariff fall	GRTgaz South-TIGF link (- 44%) PITS (- 28%)
Maintaining in constant euros:	Complete cost of transmission to Spain → increase in the exit to Spain (+14%) PITP Lacq
Tariff equalisation	PIR Spain entries aligned on the entries at the PIR in the GRTgaz zone (+7%)
Increase in other tariff charges:	Exit to the regional network (+7%) Transmission on the regional network (+26%) Delivery on the regional network PITD (+61%) Delivery on the regional network PIC (+65%)

(Percentages rounded)

E. Updating the incentive regulation for the TSOs' quality of service

The quality of service incentive regulation aims to improve the service provided to users of transmission networks in areas that are important for the proper functioning of the market.

The European network code relating to balancing rules was approved on 2 October 2013 by the Member States of the European Union following the comitology process. When implemented it provides that all daily imbalances will be offset at a market price. Because this system is in place, more constraining for shippers, the European network code provides for the TSOs and DSOs making more frequent and better quality information available to shippers regarding the tension in the system and their customers' consumption.

Many contributors to the CRE public consultation consider that the quality of data submitted by the TSOs has improved, but it may still be further enhanced. They ask that the incentive regulation be strengthened in particular for data relating to balancing, such as consumption forecasts published by the TSOs, and for maintenance programs.

For the tariff update on 1 April 2014, the main changes adopted by CRE are as follows.

1. Indicators related to balancing

In view of the changes in the GRTgaz and TIGF balancing systems towards the target balancing system, the main changes in the quality of service are as follows:

- establishment of a financial incentive on the indicator relating to the consumption forecast for the gas day (D), produced day-ahead (D-1) and updated throughout the day (D), for each balancing zone. These consumption forecasts represent essential information that enable shippers to take corrective action in order to reduce their imbalances ;
- adaptation of various existing indicators, to maintain the incentive.

2. Maintenance monitoring indicators

In accordance with the ATRT5 tariff decision, in Concertation Gaz in the 1st half of 2013 GRTgaz presented a report on the interruption at the North-South link, as well as its causes, for the years 2011 and 2012.

CRE asks that GRTgaz and TIGF conduct work in the first quarter 2014 in Concertation Gaz on the methods of calculating capacity reductions related to their maintenance programs and on the information made available to shippers on these capacity reductions, especially at the North-South link.

3. Incentive to maximize the firm capacity proposed at the North - South link

From 1 April 2014 CRE is introducing a financial incentive for GRTgaz to make additional firm capacity available to the market at the North-South link in the North to South direction, as it was for the JTS service.

TARIFFS FOR THE USE OF THE NATURAL GAS TRANSMISSION NETWORK

I. Definitions

Network Interconnection Point (PIR):

Physical or notional interconnection point between the main transmission networks of two transmission system operators (TSOs).

Regional Network Interconnection Point (PIRR):

Physical or notional interconnection point between a regional transmission network and a foreign operator's network.

LNG Terminal-Transmission Interface Point (PITTM):

Physical or notional interconnection point between a transmission network and one or more LNG terminals.

Storage-Transmission Interface Point (PITS):

Physical or notional interface point between a transmission network and a storage group.

Production-Transmission Interface Point (PITP):

Physical or notional interface point between a transmission network and a gas or biomethane production facility.

Distribution-Transmission Interface Point (PITD):

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

Main network entry charges:

TCE charge for entry capacity on the main network, applicable to the subscription of daily capacity at main network entry points from a PIR or PITTM;

TCES charge for main network entry capacity from storage facilities, applicable to the subscription of daily entry capacity on the main network from a PITS;

TCEP charge for main network entry capacity from a gas production facility, applicable to the subscription of daily entry capacity on the main network from a PITP;

Main network exit charges:

TCST charge for exit capacity at transmission network interconnection points, applicable to the subscription of daily exit capacity to a network interconnection point (PIR);

TCS charge for exit capacity from the main network, applicable to the subscription of daily exit capacity from the main network, except to a PITS or PIR;

TCSS charge for exit capacity from the main network to storage facilities, applicable to the subscription of daily exit capacity from the main network to a PITS;

TP proximity charge, applicable to quantities of gas injected at a transmission network entry point and withdrawn in an exit zone in the immediate proximity of this point;

Link capacity charge between balancing zones:

TCLZ link capacity charge, applicable to the subscription of daily link capacity between balancing zones of the main network of the same TSO;

Regional network transmission charge:

TCR charge for transmission capacity on the regional network, applicable to the subscription of daily transmission capacity on the regional network;

Delivery charge:

TCL charge for delivery capacity, applicable to the subscription of daily delivery capacity to a delivery point;

Firm capacity:

Gas transmission capacity which the TSO guarantees by contract to be non-interruptible.

Firm seasonal capacity:

Gas transmission capacity which the TSO guarantees by contract, depending on the season, to be non-interruptible. This definition applies in particular to injection and withdrawal capacity at the PITS sold by GRTgaz.

Backhaul capacity on the main network:

Capacity allowing the shipper to make nominations in the counter direction to the predominant flow when gas flow is only possible in one direction. It can only be used on a given day if the overall flow resulting from all shipper nominations is in the predominant flow direction.

Interruptible capacity:

Gas transmission capacity that can be interrupted by the TSO under conditions stipulated in the contract for use of the gas transmission network.

Returnable capacity:

Firm capacity which the shipper commits itself to returning to the TSO upon request at any time.

Shipper:

Natural or legal entity that signs a transmission contract with a TSO on the gas transmission network. Depending on the case, the shipper is the eligible customer, supplier or their agent.

“Subscribable” PDL:

Delivery point on the public distribution network coming under options T4 and TP of the current tariffs for use of distribution networks.

“Non-Subscribable” PDL:

Delivery point on the public distribution network coming under options T1, T2 and T3 of the current tariffs for use of distribution networks.

Authorised income:

The sum of forecast capital expenses and forecast operating expenses, plus or minus the CRCP annuity, retained to set the tariff structure of each TSO.

II. Tariff for the use of the GRTgaz network

The tariff for the use of GRTgaz's network defined below applies for approximately four years.

A. Authorized income trajectory

GRTgaz's authorised income trajectory for the ATRT5 period is as follows:

In M€	2013	2014	2015	2016
Capital expenses	893.6	973.8	1044.8	1142
Net operating expenses	766.7	740.4	IPC – 1.45 %	
Including the item "energy and CO ₂ quotas"	125.3	104.1	122.9	120.8
CRCP	2.2	-4.5	-4.5	-4.5
Authorised income	1662.4	1709.8		

B. Tariff structure for the use of GRTgaz's network applicable as of 1 April 2014

At entry points, excluding PITTM, exits at PIRs and the North-South link, GRTgaz may auction, in accordance with the CAM network code, firm and interruptible capacities.

1. Transmission on the main network

The tariff for the use of the GRTgaz's main network includes the following charges:

- charge for entry capacity on the main network (TCE);
- link capacity charge between balancing zones (TCLZ);
- charge for exit capacity at PIRs (TCST);
- charge for exit capacity from the main network, (TCS);
- proximity charge (TP);
- entry and exit charges at PITS (TCES and TCSS).

At the interface between the GRTgaz and the TIGF networks, seasonal products are no longer marketed. For previously subscribed seasonal capacity, the price is equal:

- for the summer season, to 7/12ths of the annual tariff;
- for the winter season, to 5/12ths of the annual tariff.

a) Charges for entry capacity on the main network:

The charges applicable to annual daily capacity entry subscriptions on the main GRTgaz are given in the following table:

Entry point	Balancing zone	TCE (€/MWh/day per year or per season) Firm subscriptions	TCE (coefficient on firm charge) Interruptible subscriptions
Taisnières B	North	88.38	50%
Taisnières H	North	113.62	50%
Dunkirk (PIR)	North	113.62	50%
Obergailbach	North	113.62	50%
Montoir	North	107.30	Not applicable

Fos	South	107.30	Not applicable
TIGF	South	25.00	75%

At the Montoir and Fos PITTMs:

- The holding of regasification capacity at an LNG terminal confers the right and obligation to book entry capacity on the transmission network that correspond in duration and level;
- all shippers subscribing to a continuous service with LNG terminal operators will be allocated firm daily capacity (C), for the corresponding regasification capacity subscription period, equal to:

$$C = (Q_{Aexp} / Q_{TM}) * C_{PITTM}$$

Where:

Q_{Aexp} = annual regasification capacity subscribed by the shipper at the terminals;

Q_{TM} = total firm annual regasification technical capacity of the Montoir LNG terminal for the Montoir PITTM or the sum of total firm annual regasification technical capacity of the Fos Cavaou LNG terminal and the total firm annual subscribed regasification capacity of the Fos Tonkin terminal for the Fos PITTM;

C_{PITTM} = firm daily entry capacity at the PITTM;

- all capacity bookings at the PITTM following the subscription to a continuous regasification service can only be made for a whole number of months;
- all shippers subscribing to a "banded" or "spot" service with LNG terminal operators will be allocated basic firm monthly capacity (C) equal to 1/30th of the regasification capacity subscribed with the LNG terminal operators. The price applicable is equal to 1/12th of the price for firm annual subscription;
- at the beginning of each month, the TSO calculates for each shipper the daily send-out for the previous month. If it exceeds the C capacity calculated according to the methods defined above, it bills the shipper for an additional daily capacity subscription equal to the sum of the positive difference between the daily send-out of the previous month and the C capacity, at a price equal to 1/240th of the price for firm annual subscription.

b) Charge for link capacity between balancing zones

The charges applicable to annual daily link capacity subscriptions between GRTgaz's balancing zones are defined in the table below:

Link between balancing zones	TCLZ (€/MWh/day per year) Firm subscriptions	TCLZ (coefficient for firm charge) Interruptible subscriptions
North → South	208.04	50%
South → North	50	50%

c) Charge for exit capacity at PIRs

The charges applicable to annual or seasonal subscriptions of daily exit capacity at the PIRs are defined in the table below:

Exit to PIR	Balancing zone	TCST (€/MWh/day per year or season) Firm subscriptions	TCST (coefficient for firm charge) Interruptible subscriptions
TIGF	South	25.00	90%
Oltingue	North	396.40	75%
Jura	South	93.95	75%

d) Charge for exit capacity from the main network

Each exit zone on GRTgaz's main network is defined by all of the delivery points attached to it.

For each shipper and in each exit zone, firm annual subscription, respectively interruptible, of main network exit capacity must be greater than or equal to the sum of the firm annual subscriptions, respectively interruptible, for delivery capacity in that exit zone.

The charge applicable to firm annual subscriptions, respectively interruptible, of daily exit capacity on GRTgaz's main network is equal for all exit zones to €89.32 MWh/day per year, respectively €44.66 MWh/day per year.

e) Proximity charge

The proximity charge is deducted from the monthly bill of each shipper concerned. It is applied for each shipper, to the quantity of gas equal, each day, to the minimum between the quantity of gas allocated at the transmission network entry point and the quantity of gas withdrawn in the associated exit zone.

The proximity charge applies to the following pairs of entry points / exit zones:

Balancing zone	Entry point	Associated exit zone	TP (€/MWh)
North	Taisnières B	Taisnières B region	0.19
North	Taisnières H	Taisnières H region	0.25
North	Dunkirk	Dunkirk region	0.25
North	Obergailbach	Obergailbach region	0.25

f) Charges for storage entry and exit capacity

Each of GRTgaz's balancing zones has several PITS:

- the North balancing zone has four PITS: North-Atlantic, North-West, North-East, North B (L gas);
- the South balancing zone has two PITS: South-Atlantic and South-East.

The charges (TCES and TCSS) applicable as of 1 April 2014 to the annual subscriptions to daily entry and exit capacity at the PITS are defined in the table below:

For the PITS in the GRTgaz North zone:

PITS	TCES (€/MWh/day per year)	TCSS (€/MWh/day per year)
	16.41	3.28

For the PITS in the GRTgaz South zone:

PITS	TCES (€/MWh/day per year)	TCSS (€/MWh/day per year)
	18.06	3.61

For annual or pluriannual products sold by storage operators, the annual entry and exit capacity at the PITS allocated by GRTgaz to each shipper is equal respectively to the nominal daily withdrawal capacity, to which is added where applicable the daily conditional withdrawal capacity, and to the nominal daily injection capacity, to which is added where applicable the daily conditional injection capacity, subscribed by that shipper with the storage operator, within the limit of the network's capacity.

Interruptible annual entry and exit capacity at the PITS is sold at the North Atlantic and South Atlantic PITS. This interruptible annual capacity is sold only when all firm annual capacity has been booked. The price applicable to interruptible annual subscriptions of daily entry capacity from the North Atlantic and South

Atlantic PITS is equal to 75% of the price for firm annual subscription of daily capacity. The price applicable to interruptible annual subscriptions of daily exit capacity from the North Atlantic and South Atlantic PITS is equal to 50% of the price for firm annual subscription of daily capacity.

g) Backhaul capacity on the main network

The price applicable to annual daily subscriptions of backhaul capacity is equal to 20% of the price of firm annual subscription of daily capacity in the predominant flow direction.

Backhaul capacity exists at the following points on GRTgaz's network:

Entry points	Taisnières H
	Obergailbach
Exits to PIR	Oltingue
	Jura

h) Returnable capacity on the main network

At the Dunkirk PIR, firm "returnable" capacity exists, which the shipper commits to returning at any time at the request of GRTgaz, for a duration of one, two, three or four years.

For any shipper that has subscribed more than 20% of the firm annual capacity sold at the Dunkirk PIR, a 20% fraction of the portion of that subscription exceeding 20% of the firm annual capacity sold at that point will be converted into returnable capacity.

The price of annual returnable capacity is equal to 90% of the price of the corresponding firm annual capacity.

The rules for the return and subscription of this capacity are defined by GRTgaz, on an objective and transparent basis, preventing any discrimination, and are published on its website.

2. **Regional network transmission**

The subscription of firm capacity, respectively interruptible, for transmission on the regional network is equal, for each point of delivery, to the subscription of firm capacity, respectively interruptible, of delivery at that point.

a) Firm annual subscription

The charge applicable to firm annual subscriptions of daily transmission capacity on the regional network is the product of the unit charge, set at €64.42 MWh/day per year, and the regional tariff level (NTR) of the delivery point in question:

	TCR (€/MWh/day per year)
GRTgaz	64.42 x NTR

The list of delivery points on GRTgaz's network, along with their exit zone and their NTR value, is contained in the annex of this document.

When a new delivery point is created, GRTgaz calculates the value of the NTR in a transparent and non-discriminatory fashion, on the basis of a calculation method published on its website, and communicates the result to CRE.

b) Interruptible annual subscription

For all interruptible annual transmission capacity subscribed on the regional network, the charge for the transmission capacity on the regional network is reduced by 50%.

The interruptibility conditions on the regional network are defined by GRTgaz, on an objective and transparent basis, preventing any discrimination, and are published on its website.

3. Delivery of gas

a) For customers connected to the transmission network and PIRRs

For shippers supplying end customers connected to the transmission network and PIRRs, the delivery charge is made up of:

- a fixed charge equal to €5,099.56/year and per delivery station;
- a charge applicable to daily delivery capacity subscriptions.

The charge applicable to firm annual subscriptions of daily delivery capacity subscriptions is defined in the table below:

	TCL (€/MWh/day per year)
Customers with strong flexibility needs*	27.63
Industrial customers	26.42
PIRR	33.92

* Customers with an average daily moderated volume higher than 0.8 GWh per operating day

For all interruptible annual delivery capacity booked, the charge for delivery capacity is reduced by 50%.

All shippers supplying one or more end customers connected to GRTgaz's transmission network will be allocated the delivery capacities corresponding to their needs.

If several shippers simultaneously supply an end customer connected to the transmission network or a PIRR, the fixed charge is divided in proportion to their delivery capacity subscriptions.

b) For the PITDs

For shippers supplying PITDs, the charge applicable to firm annual subscriptions of daily delivery capacity is defined in the table below:

	TCL (€/MWh/day per year)
PITD	33.92

In accordance with the standardised subscription system for transmission capacity at the PITDs, at each PITD, the firm annual delivery capacity ("standardised capacity") is allocated to each shipper by the TSOs. It is equal to the sum:

- of annual capacity subscribed on the distribution network for "subscribable" delivery points (PDL) supplied downstream of the PITD in question;
- of capacity calculated by GRTgaz for "non-subscribable" PDLs supplied downstream of the PITD in question, by multiplying the daily peak consumption of "non-subscribable" PDLs by the corresponding adjustment coefficient "A".

Changes to the A coefficients are possible on 1 April of each year as decided by CRE, on a proposal by the TSOs.

4. Summary of GRTgaz's tariff structure as of 1 April 2014

Annual capacities	Tariff charges in €/MWh/d per year
PITTM Montoir, Fos	107.30
PIR entries Taisnières H, Dunkirk, Obergailbach, Taisnières B	113.62 88.38
PIR exits Oltingue Jura	396.40 93.95
GRTgaz North zone PITS Entry Exit	16.41 3.28
GRTgaz South zone PITS Entry Exit	18.06 3.61
link GRTgaz North- GRTgaz South From North to South From South to North	208.04 50.00
Interface GRTgaz South - TIGF	25.00
Main Network Exit	89.32
Regional Network Transmission	64.42
Delivery Industrial clients Sites with strong flexibility needs PITDs, PIRRs	26.42 27.63 33.92

5. Subscription of quarterly capacity

GRTgaz offers quarterly products at the points where annual capacity is sold at auction, in accordance with the CAM network code.

The reserve price at the auction of quarterly revenue is equal to:

- 1/3 of the annual subscription tariff if the interconnection is not congested;
- 1/4 of the annual subscription tariff if the interconnection is congested.

A point will be considered congested if, when the annual products are allocated, the capacity selling price is strictly greater than the reserve price.

For products of less than one year duration marketed by storage operators, quarterly entry and exit capacities at the PITS equal to the nominal withdrawal and injection capacities are allocated to each shipper by GRTgaz. The price applicable to quarterly capacity subscriptions at the PITS is equal to 1/3 of the price of the corresponding annual subscription.

6. **Subscription of monthly capacities**

- At entry points, excluding PITTMs, at exits at PIRs and at the GRTgaz North-South link:

The charges applicable to firm monthly subscriptions of daily capacity at entry points, excluding PITTMs, at exits to PIRs and on the North-South link and at the GRTgaz South – TIGF link are equal to 1/8th of the corresponding annual charges.

Interruptible monthly capacity is sold by GRTgaz at the following contractual points:

- at entry points from the Dunkirk, Obergailbach, Taisnières H and Taisnières B PIRs;
- at exit points to the Oltingue PIR;
- at the link between GRTgaz's North and South balancing zones in both directions.

The tariff for this capacity is equal to 1/8th of the corresponding interruptible annual charges.

- At PITS:

For products with a duration of less than a quarter sold by storage operators, monthly entry and exit capacity at the PITS equal to the nominal withdrawal and injection capacity is allocated by GRTgaz to each shipper. The price applicable to monthly capacity subscriptions at the PITS is equal to 1/8th of the price for the corresponding annual subscription.

- At main network exits, on the regional network and as delivery capacity:

The charges applicable to firm monthly subscriptions of daily exit capacity from the main network, transmission capacity on the regional network and delivery capacity, are equal to the charges applicable to the corresponding firm annual subscriptions, multiplied by the following coefficients:

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

7. **Subscription of daily capacity**

- At entry points, excluding PITTMs, at exits at PIRs and on the North-South link:

The charges applicable to daily subscriptions of daily capacity at entry points excluding PITTMs, at exits to PIRs and on the North-South link are equal to 1/30th of the price of corresponding firm monthly subscriptions.

- At PITS:

The daily entry and exit capacity at the PITS allocated to each shipper by GRTgaz is equal, respectively, to the daily withdrawal capacity and the daily injection capacity allocated by the storage operator in addition to the corresponding annual capacities, within the limit of the network's capacity.

The charge applicable to daily subscriptions of daily capacity at the PITS is equal to 1/240th of the price of the firm annual subscriptions at those points.

- At main network exits, on the regional network and as delivery capacity:

Daily capacity subscriptions are sold by GRTgaz to meet a sporadic and exceptional need of an end customer.

The charges applicable to firm daily subscriptions of daily exit capacity from the main network, transmission capacity on the regional network and delivery capacity, are equal to 1/30th of the charges applicable to the

corresponding firm monthly subscriptions.

The charges applicable to interruptible daily subscriptions of daily exit capacity from the main network, transmission capacity on the regional network and delivery capacity, are equal to 50% of the tariff charge for the corresponding firm daily capacity.

Daily interruptible capacity is sold by GRTgaz, when all available firm daily capacity has been subscribed for the day in question.

8. Methods for short term selling of daily capacity

- “Use it and buy it” (UBI)

At the entry points excluding PITTMs, at exits to PIRs and on the North-South link, unsold capacity and capacity subscribed but not nominated the previous day for the following day are sold as interruptible capacity each day by GRTgaz at a price equal to 1/240th of the price for firm annual subscription.

The operating rules of the UBI service are defined by GRTgaz, on an objective and transparent basis preventing any discrimination, and published on its website.

Capacity at the GRTgaz and TIGF interface is sold and allocated in a coordinated manner by the two TSOs.

- Auctions

At entry points excluding PITTMs, at exits to PIRs and on the North-South link, GRTgaz is authorised to auction firm daily capacity that remains available at the end of the sales period for daily firm capacity at the regulated tariff.

The operating rules for the daily capacity auction mechanism are defined by GRTgaz, on an objective and transparent basis preventing any discrimination, and published on its website. The reserve price used for the auction mechanism is equal to 1/240th of the price for the corresponding firm annual capacity subscription.

9. Subscription of hourly delivery capacity

Hourly delivery capacity applies only to end customers connected to the transmission network.

All annual, monthly or daily subscriptions of daily delivery capacity confers the right to an hourly delivery capacity equal to 1/20th of the daily delivery capacity subscribed (except in particular cases where that hourly capacity is not available).

In order to receive, within the limits of the network’s possibilities, a greater hourly capacity, the shipper must pay an additional price p equal to:

$$p = (C_{max} - C) \times 10 \times (TCL + TCR)$$

Where:

C_{max} : Hourly delivery capacity requested by the shipper.

C : Hourly delivery capacity booked by means of the annual, monthly or daily subscription of daily delivery capacity.

TCL : Annual, monthly or daily charge for daily delivery capacity.

TCR : Annual, monthly or daily charge for daily transmission capacity on the regional network.

10. Short-notice-interruptible transmission service

An optional interruptible transmission offer is proposed to clients connected to GRTgaz’s H gas network that simultaneously meet the following conditions:

- the annual subscription of daily delivery capacity is greater than 10 GWh/d;

- the site's connection point on GRTgaz's network is located less than 50 km as the crow flies, from a PITTM or one of the Dunkirk, Taisnières H or Obergailbach entry points.

To access this offer, the client in question must commit to GRTgaz, before signing the connection contract, to subscribe or have a shipper subscribe to this offer.

This offer provides for a reduction in or interruption of the supply of the sites concerned at the request of GRTgaz, with a minimum notice of two hours, when the following two conditions are met:

- the quantity of gas physically injected into the network at the nearest entry point is less than the subscription of daily delivery capacity of the sites benefiting from this interruptible offer within the perimeter of this entry point,
- the day's temperature is lower than the average daily temperature statistically likely to be reached or negatively exceeded for more than 20 days per year, with a 2% risk.

Interruptibility conditions are defined by GRTgaz, on an objective and transparent basis, preventing any discrimination, and are published on its website.

Shippers subscribing to this offer receive a tariff reduction equal to the delivery capacity that they have subscribed for that delivery point multiplied by the sum of:

- 50% of the charge for main network exit capacity;
- 50% of the charge for main network entry capacity at the nearest entry point.

For the same site, a shipper cannot combine the tariff reduction granted under the terms of this optional offer with the tariff reductions granted under the terms of:

- interruptible transmission on the regional network;
- the proximity charge for customers located in the "Dunkirk region", the "Taisnières H region" and the "Obergailbach region" exit zones.

The cancellation of this optional offer is subject to a minimum notice of four years.

11. Daily subscription of short-notice daily delivery capacity

An optional offer for the subscription of short-notice daily delivery capacity is proposed to clients connected to GRTgaz's transmission network.

Under the terms of this offer, GRTgaz undertakes to meet a request for the subscription of daily delivery capacity with a shorter minimum notice period than that set out in the contract for the use of its transmission network.

Access to this offer is contracted between the client and GRTgaz for one year at a price of €2,000 per year. The offer is implemented under the following tariff conditions.

When the subscription request is made to GRTgaz with a notice:

- between the standard notice set out in the contract for the use of GRTgaz's transmission network and 9 a.m. on the second working day preceding the day concerned by the request, the applicable tariff is that defined in the present tariff;
- after 9 a.m. on the second working day preceding the day concerned by the request, the applicable tariff is increased by 20%.

12. Injection of gas into the network from a gas production facility

The applicable charges for annual subscriptions of daily entry capacity on GRTgaz's network from the transmission-production interface points (PITPs) are as follows:

- for the PITPs with an entry capacity on the network of less than 5 GWh/d, the applicable charge is €9.39 MWh/day per year;
- for the other PITPs, the applicable charge is determined following a specific study.

These conditions do not apply to biomethane injection capacity.

13. Gas quality conversion

a) Peak H gas to L gas conversion service:

A firm annual "peak" conversion service for H gas to L gas is sold by GRTgaz. This service is accessible to all shippers with H gas in the North balancing zone.

The level of this tariff is defined in the following table:

	Capacity charge (€/MWh/day/year)	Quantity charge (€/MWh)
"Peak" service	161.6	0.02

The operating rules of the H gas to L gas quality conversion service are defined by GRTgaz, on an objective and transparent basis preventing any discrimination, and are published on its website.

b) L gas to H gas conversion service

The L gas to H gas conversion service is accessible to all shippers providing their own L gas from the Taisnières B PIR or a PITP, within the limit of the physical quantities of B gas concerned.

The tariff for the L gas to H gas quality conversion service is as follows:

- for the annual offer, a charge proportional to the annual capacity subscription equal to €25.46 MWh/day per year;
- for the monthly offer, a charge proportional to the monthly capacity subscription equal to €3.18 MWh/day per year.

A retrospective check of quantities of L gas physically converted into H gas is carried out based on the calculation of the daily difference between quantities converted and quantities allocated at Taisnières B and at the PITPs of the L gas network, between 1 April of year Y and 31 March of year Y+1.

The quantities converted, from which are deducted the quantities allocated at Taisnières B and at the PITPs of the L gas network, between 1 April of year Y and 31 March of year Y+1, are recorded in a cumulated daily account:

- each day, if the balance of this cumulated account is positive, the shipper is billed a penalty of €1/MWh of the cumulated daily imbalance recorded, until the imbalance is reabsorbed;
- if the balance is positive as at 31 March of year Y+1, the balance is carried forward to the period from 1 April of the year Y+1 to 31 March of the year Y+2;
- if the balance is negative or nil as at 31 March of the year Y+1, the account is reset to zero as at 1 April of the year Y+1.

c) Retrospective contractual tariff for conversion of L gas to H gas

A contractual tariff for conversion of L gas to H gas is charged retrospectively to any shipper whose use of the Taisnières B PIR, the Sédiane B PITS and physical conversion tools (peak converter of H gas to L gas) leads to sending out on the L gas network a quantity of L gas that exceeds the total consumption of its clients connected to the L network.

This tariff applies to the difference calculated daily for each shipper, between the quantity of L gas injected into the network and the total consumption of its clients connected to the L gas network. However, this tariff does not apply to quantities of L gas injected at PITPs, or to shippers providing GRTgaz with an H gas to L gas swap service.

This tariff does not apply to L gas imbalances due to a revision of nominations following a request by GRTgaz as described in point d) below.

The level of this tariff is set at €1/MWh after application of the tolerance level below:

Delivery capacity subscribed on the L gas network	≤ 0.5 GWh/d	> 0.5 GWh/d and ≤ 1 GWh/d	> 1 GWh/d
Tolerance before application of the conversion tariff	15%	10%	2.5%

d) Verification of nominations on the L gas network's physical infrastructure

GRTgaz may, in circumstances in which the physical balancing of the L gas network requires it, oblige shippers that have capacity on the physical infrastructure of the L gas transmission network, to revise upwards or downwards their nominations on this infrastructure.

14. Optional balancing tolerance

GRTgaz offers an optional balancing service proportional to delivery capacity for which the tariff is equal to €22.82 MWh/day per year.

C. Development of GRTgaz's tariff structure as from 1 April 2015

In addition to the structural changes which may be decided by CRE, GRTgaz's tariff structure will be updated as at 1 April of each year starting from 1 April 2015 according to the methods below:

1. Updating of capital expenses

For the years 2015 and 2016, the capital expenses taken into account for updating the tariff structure as at 1 April of each year are those defined in the table in paragraph A "Authorised income trajectory".

2. Updating of net operating expenses

For the years 2015 and 2016, the net operating expenses (OPEX) will evolve as follows, in accordance with the ATRT5 rules:

- the net OPEX for the year 2015 (respectively 2016) are calculated by applying to the OPEX of the year 2014 (respectively 2015) a percentage change equal to CPI - 1.45%, where the CPI corresponds to the actual annual average variation observed for the preceding calendar year in the consumer price index excluding tobacco products, as calculated by INSEE for all households throughout France¹⁰. If the actual CPI value is not available when the tariff is updated, CRE will use the CPI forecast retained in the draft budget bill. The difference between actual inflation and inflation forecast in the draft budget will be covered fully by the CRCP;
- to this net OPEX for the year 2015 (respectively 2016) is added the difference between the forecast "energy and CO₂ quotas" item retained in the net OPEX trajectory (defined in the table in paragraph A "Authorised income trajectory") and the revision of the forecast for this item for the year 2015 (respectively 2016);
- to the net OPEX, for the years 2015 and 2016, are added, where applicable, the amounts retained by CRE under the revision clause.

¹⁰ The annual average variation for year Y-1 is equal to the rate of change in percentage of the annual average index, corresponding to the simple arithmetic mean of the 12 monthly indices of the year, i.e. from January to December, of consumer prices excluding tobacco products for all households throughout all of France (series No. 641194), between years Y-2 and Y-1.

If any expenses related to flexibility of the L gas network were to increase during the tariff period – in accordance with agreements signed between GRTgaz and GDF Suez, which CRE will have previously approved - these additional expenses will be taken into account during the annual modification following this increase.

3. Taking the CRCP balance into account

For the years 2015 and 2016, the updating of the tariff structure as at 1 April each year takes into account the reconciliation of a quarter of the overall CRCP balance.

The overall CRCP balance corresponds to the CRCP amount calculated for the past year, to which is added the CRCP not reconciled in previous years.

The CRCP is calculated by CRE for the previous year by taking into account, for each item concerned, the reference amounts and the coverage rates defined below:

M€	GRTgaz			
	2013	2014	2015	2016
Transmission income, 100% coverage	1,149.4	1,204.3		
Transmission income, 50% coverage	481.3	493.0		
Income from CCGT and CT connections, 100% coverage	0.9	3.3	12.3	14.5
Capital expenses, 100% coverage	893.6	973.8	1,044.8	1,142
Power expenses for compression and difference between income and expenses related to CO ₂ quotas, 80% coverage	125.3	104.1	122.9	120.8
Expenses related to the inter-operator contract, 100% coverage	33	33.6	34.2	34.8
Expenses related to flexibility of the L gas network, 100% coverage where applicable	0	0	0	0

An interest rate equivalent to the risk-free rate, i.e. 4% applies annually to the overall CRCP balance.

4. Updating of capacity subscription assumptions

For the years 2015 and 2016, the annual capacity subscription assumptions are revised for the updating of the tariff structure as at 1 April of each year.

III. Tariff for the use of TIGF's network

The ATRT5 tariff for the use of TIGF's network defined below applies for approximately four years.

A. Authorized income trajectory

TIGF's authorised income trajectory for the ATRT5 period is as follows:

In M€	2013	2014	2015	2016
Capital expenses	143.8	157.3	164.5	176.8
Net operating expenses	64.2	70.9	CPI + 2.45%	
of which "energy and CO ₂ quotas"	6.3	10	5.6	6
CRCP	-3.2	-0.7	-0.7	-0.7
Authorised income	204.9	227.5		

B. Tariff structure for the use of the TIGF network applicable as of 1 April 2014

At the entry and exit points at PIRs, TIGF may sell firm and interruptible capacity at auction, in accordance with the CAM network code.

1. **Transmission on the main network**

The tariff for the use of the TIGF's main network includes the following charges:

- charge for entry capacity on the main network (TCE);
- charge for exit capacity at PIRs (TCST);
- charge for exit capacity from the main network, (TCS);
- proximity charge (TP);
- entry and exit charges at PITS (TCES and TCSS).

At the interface between the GRTgaz and the TIGF networks, as well as at the interconnection with Spain, seasonal products are no longer marketed. For seasonal capacity previously purchased, the price is equal:

- for the summer season, to 7/12ths of the annual tariff;
- for the winter season, to 5/12ths of the annual tariff.

As from 1 October 2014, a virtual interconnection point with Spain will be created. The tariff that will apply at this point will be equal to the tariff applicable at Larrau and at Biriadou.

a) Charge for entry capacity on the main network:

The charges applicable to annual subscriptions of daily entry capacity on TIGF's main network are defined in the table below:

Entry point	TCE (€/MWh/day per year) Firm subscriptions	TCE (coefficient for firm charge) Interruptible subscriptions
	Annual	Annual
GRTgaz Sud	25.00	90%
Lacq	43.48	75%
Biriadou	113.62	75%
Larrau	113.62	75%

b) Charge for exit capacity at PIRs:

The charges applicable to annual subscriptions of daily exit capacity at the PIRs are defined in the table below:

PIR	TCST (€/MWh/day per year) Firm subscriptions	TCST (coefficient for firm charge) Interruptible subscriptions
	Annual	Annual
GRTgaz Sud	25.00	75%
Biriadou	442.88	75%
Larrau	442.88	75%

c) Charge for exit capacity from the main network:

Each of TIGF's main network exit zones is defined by all of the delivery points attached to it.

For each shipper and in each exit zone, firm annual subscription of main network exit capacity must be

greater than or equal to the sum of the firm annual subscriptions of delivery capacity in that exit zone.

The charge applicable to firm annual subscriptions of daily exit capacity from TIGF's main network is equal to €89.32 MWh/day per year for all exit zones.

In addition, TIGF sells interruptible annual main network exit capacity. For each shipper, the subscription of this capacity must be equal to the annual subscriptions of interruptible delivery capacity. Interruptible annual main network exit capacity will be sold at 50% of the tariff charge for the corresponding firm annual capacity, for the purposes of consistency with the price for interruptible capacity on the regional network.

d) Proximity charge

The proximity charge is deducted from the monthly bill of each shipper concerned. It is applied for each shipper, to the quantity of gas equal, each day, to the minimum between the quantity of gas allocated at the transmission network entry point and the quantity of gas withdrawn in the associated exit zone.

The proximity charge applies to the following pairs of entry points / exit zones:

Entry point	Associated exit zone	TP (€/MWh)
GRTgaz Sud	Hérault region / Dordogne region	0.37
Lacq	Lacq region	0.37

e) Charges for storage entry and exit capacity

TIGF's transmission network comprises a transport-storage interface point (PITS): *South-west storage facility*

The charges (TCES and TCSS) applicable to the annual subscriptions of daily entry and exit capacity at the PITS are defined in the table below:

PITS	TCES (€/MWh/day per year)	TCSS (€/MWh/day per year)
South-west storage facility	14.85	33.42

For annual or pluriannual products sold by storage operators, the annual entry and exit capacity at the PITS allocated by TIGF to each shipper is equal respectively to the nominal daily withdrawal capacity, to which is added where applicable the daily peak withdrawal capacity, and to the nominal daily injection capacity subscribed by that shipper with the storage operator, within the limit of the network's capacity.

No annual interruptible entry or exit capacity is sold at the PITS.

2. **Regional network transmission**

Subscription of firm transmission capacity, respectively interruptible, on the regional network is equal, for each delivery point, to the subscription of firm delivery capacity, respectively interruptible, at that point

a) Firm annual subscription:

The charge applicable to firm annual subscriptions of daily transmission capacity on the regional network is the product of the unit charge, set at €54.83 MWh/day per year, and the regional tariff level (NTR) of the delivery point in question:

	TCR (€/MWh/day per year)
TIGF	54.83 x NTR

The list of delivery points on TIGF's network, along with their exit zone and their NTR value, can be found in the annex of this document.

When a new delivery point is created, TIGF calculates the value of the NTR in a transparent and non-discriminatory fashion, on the basis of a calculation method published on its website, and communicates the result to CRE.

b) Interruptible annual subscription:

For all interruptible annual transmission capacity subscribed on the regional network, the charge for transmission capacity on the regional network is reduced by 50%.

The interruptibility conditions on the regional network are defined by TIGF, on an objective and transparent basis, preventing any discrimination, and are published on its website.

3. Delivery of gas

a) For customers connected to the transmission network

For shippers supplying end customers connected to the transmission network, the delivery charge is made up of:

- a fixed charge equal to €2,289.68/year and per delivery station;
- a charge applicable to daily delivery capacity subscriptions.

The charge applicable to annual firm daily delivery capacity subscriptions is defined in the table below:

	TCL (€/MWh/day per year)
TIGF	18.95

For all interruptible annual delivery capacity booked, the charge for delivery capacity is reduced by 50%.

All shippers supplying one or more end customers connected to TIGF's transmission network will be allocated the delivery capacity corresponding to its needs.

If several shippers simultaneously supply an end customer connected to the transmission network, the fixed charge is distributed in proportion to their delivery capacity subscriptions.

b) For the PITDs

For shippers supplying PITDs, the charge applicable to annual firm daily delivery capacity subscriptions is defined in the table below:

	TCL (€/MWh/day per year)
TIGF	24.63

For all booked interruptible annual delivery capacity, the charge for delivery capacity is reduced by 50%.

In accordance with the standardised subscription system for transmission capacity at the PITDs, at each PITD, the annual firm delivery capacity ("standardised capacity") is allocated to each shipper by the TSOs. It is equal to the sum:

- of annual capacity subscribed on the distribution network for "subscribable" delivery points (PDL) supplied downstream of the PITD in question;
- of capacity calculated by TIGF for "non-subscribable" PDLs supplied downstream of the PITD in question, by multiplying the daily peak consumption of "non-subscribable" delivery points by the corresponding adjustment coefficient "A".

The A coefficients applicable in each balancing zone may change, as proposed by the TSOs by means of a CRE deliberation.

4. Summary of TIGF's tariff structure as of 1 April 2014

Annual capacity	Tariff charges in €/MWh/d per year
PIR entries Larrau, Biriadou	113.62
PIR exits Larrau, Biriadou	442.88
TIGF PITS zone Entry	14.85
Exit	33.42
Interface GRTgazSouth - TIGF	25.00
Main Network Exit	89.32
Regional Network Transmission	54.83
Delivery Industrial clients	18.95
PITD	24.63

5. Subscription of quarterly capacity

TIGF offers quarterly products at the points where annual capacity is sold at auction, in accordance with the CAM network code.

The reserve price at the auction of quarterly revenue is equal to:

- 1/3 of the annual subscription tariff if the interconnection is not congested;
- 1/4 of the annual subscription tariff if the interconnection is congested.

A point will be considered congested if, when the annual products are allocated, the capacity selling price is strictly greater than the reserve price.

For products of less than one year duration marketed by storage operators, quarterly entry and exit capacities at the PITS equal to the nominal withdrawal and injection capacities are allocated to each shipper by TIGF. The price applicable to quarterly capacity subscriptions at the PITS is equal to 1/3 of the price of the corresponding annual subscription.

6. Subscription of monthly capacity

- At entry and exit points to PIRs:

The charges applicable to firm monthly subscriptions of daily capacity at entry and exit points to PIRs and at the GRTgaz South – TIGF link are equal to 1/8th of the corresponding annual charges.

Interruptible monthly capacity is sold by TIGF at the following contractual points:

- at entry points from the Larrau and Biriadou PIRs;
- at exit points to the Larrau and Biriadou PIRs;
- at the link with GRTgaz's South zone in both directions.

The tariff for this capacity is equal to 1/8th of the corresponding interruptible annual charges.

- At PITS:

For products with a duration of less than a quarter sold by storage operators, monthly entry and exit capacity at the PITS equal to the nominal withdrawal and injection capacity is allocated by TIGF to each shipper. The price applicable to monthly capacity subscriptions at the PITS is equal to 1/8th of the price for the corresponding annual subscription.

- At main network exits, on the regional network and as delivery capacity:

The charges applicable to firm monthly subscriptions of daily exit capacity from the main network, transmission capacity on the regional network and delivery capacity, are equal to the charges applicable to the corresponding firm annual subscriptions, multiplied by the following coefficients:

Month	Monthly charge in proportion to annual charge
January – February	8/12th
December	4/12th
March – November	2/12th
April – May – June – September – October	1/12th
July – August	0.5/12th

7. **Subscription of daily capacity**

- At entry and exit points to the PIRs:

The charges applicable to firm daily subscriptions of daily capacity at entry and exit points to PIRs are equal to 1/30th of the charges applicable to the corresponding firm monthly subscriptions.

Daily interruptible capacity may be sold by TIGF on entry or on exit at the Larrau and Biriadou PIRs and at the interface with GRTgaz South at a price equal to 1/30th of the corresponding price of the interruptible monthly subscription at those points.

- At PITS:

The daily entry and exit capacity at the PITS allocated to each shipper by TIGF is equal, respectively, to the daily withdrawal capacity and the daily injection capacity allocated by the storage operator in addition to the corresponding annual capacities, within the limit of the network's capacity.

The charge applicable to daily subscriptions of daily capacity at the PITS is equal to 1/240th of the price of the firm annual subscriptions at those points.

- At main network exits, on the regional network and as delivery capacity:

Daily capacity subscriptions are sold by TIGF to meet a sporadic and exceptional need of an end customer.

The charges applicable to firm daily subscriptions of daily exit capacity from the main network, transmission capacity on the regional network and delivery capacity, are equal to 1/30th of the charges applicable to the corresponding firm monthly subscriptions.

The charges applicable to interruptible daily subscriptions of daily exit capacity from the main network, transmission capacity on the regional network and delivery capacity, are equal to 50% of the tariff charge for the corresponding firm daily capacity.

Daily interruptible capacity is sold by TIGF, when all available firm daily capacity has been subscribed for the day in question.

8. Methods for short term selling of daily capacity

- “Use it and buy it” (UBI)

At the entry and exit points to PIRs, unsold capacity and capacity subscribed but not nominated the previous day for the following day are sold as interruptible capacity each day by TIGF at a price equal to 1/240th of the price for firm annual subscription at those points.

The operating rules of the UBI service are defined by TIGF, on an objective and transparent basis preventing any discrimination, and published on its website.

Capacity at the GRTgaz and TIGF interface is sold and allocated in a coordinated manner by the two TSOs.

- Auctions

At entry and exit points to PIRs, TIGF is authorised to auction daily capacity that remains available at the end of the sales period for daily capacity at the regulated tariff.

The operating rules for the daily capacity auction mechanism are defined by TIGF, on an objective and transparent basis preventing any discrimination, and published on its website. The reserve price used for the auction mechanism is equal to 1/240th of the price for the corresponding firm annual capacity subscription.

9. Subscription of hourly delivery capacity

Hourly delivery capacity applies only to end customers connected to the transmission network.

All annual, monthly or daily subscriptions of daily delivery capacity confers the right to an hourly delivery capacity equal to 1/20th of the daily delivery capacity subscribed (except in particular cases where that hourly capacity is not available).

In order to receive, within the limits of the network’s possibilities, a greater hourly capacity, the shipper must pay an additional price p equal to:

$$p = (C_{max} - C) \times 10 \times (TCL + TCR)$$

Where:

C_{max} : Hourly delivery capacity requested by the shipper.

C : Hourly delivery capacity booked by means of the annual, monthly or daily subscription of daily delivery capacity.

TCL : Annual, monthly or daily charge for daily delivery capacity.

TCR : Annual, monthly or daily charge for daily transmission capacity on the regional network.

10. Injection of gas into the network from a gas production facility

The charges applicable to annual subscriptions of daily entry capacity on TIGF’s network from the transmission-production interface points (PITPs) are as follows:

- for the PITPs with an entry capacity on the network of less than 5 GWh/d, the applicable tariff is €9.39 MWh/day per year;
- for the other PITPs, the applicable charge is determined following a specific study.

These conditions do not apply to biomethane injection capacity.

C. Development of TIGF’s tariff structure as from 1 April 2015

In addition to structural changes, TIGF’s detailed tariff structure will be updated as from 1 April of each year

starting from 1 April 2015 according to the methods below:

1. **Updating of capital expenses**

For the years 2015 and 2016, the capital expenses taken into account for updating the tariff structure as at 1 April of each year are those defined in the table in paragraph A "Authorised income trajectory".

2. **Updating of net operating expenses**

For the years 2015 and 2016, the net operating expenses (OPEX) will evolve as follows, in accordance with the ATRT5 rules:

- the net OPEX for the year 2015 (respectively 2016) are calculated by applying to the OPEX of the year 2014 (respectively 2015) a percentage change equal to CPI + 2.45%, where the CPI corresponds to the actual annual average variation observed for the preceding calendar year in the consumer price index excluding tobacco products, as calculated by INSEE for all households throughout France¹¹. If the actual CPI value is not available when the tariff is updated, CRE will use the CPI forecast retained in the draft budget bill. The difference between actual inflation and inflation forecast in the draft budget will be covered fully by the CRCP;
- to this net OPEX for the year 2015 (respectively 2016) is added the difference between the forecast "energy and CO₂ quotas" item retained in the net OPEX trajectory (defined in the table in paragraph A "Authorised income trajectory") and the revision of the forecast for this item for the year 2015 (respectively 2016);
- to the net OPEX for the years 2015 and 2016, are added, where applicable, the amounts retained by CRE under the revision clause.

3. **Taking the CRCP balance into account at the end of the tariff period**

For the years 2015 and 2016, the updating of the tariff structure as at 1 April each year takes into account the reconciliation of a quarter of the overall CRCP balance.

The overall CRCP balance corresponds to the CRCP amount calculated for the past year, to which is added the CRCP not reconciled in previous years.

The CRCP is calculated by CRE for the previous year by taking into account, for each item concerned, the reference amounts and the coverage rates defined below:

M€	TIGF			
	2013	2014	2015	2016
Transmission income, 100% coverage	110.5	120.3		
Transmission income, 50% coverage	91.3	103.3		
Income from CCGT and CT connections, 100% coverage	0	0	0	0
Capital expenses, 100% coverage	143.8	157.3	164.5	176.8
Power expenses for compression and difference between income and expenses related to CO ₂ quotas, 80% coverage	6.3	10	5.6	6
Expenses related to the inter-operator contract, 100% coverage	33.1	33.8	34.4	35.1

¹¹ The annual average variation for year Y-1 is equal to the rate of change in percentage of the annual average index, corresponding to the simple arithmetic mean of the 12 monthly indices of the year, i.e. from January to December, of consumer prices excluding tobacco products for all households throughout all of France (series No. 641194), between years Y-2 and Y-1.

An interest rate equivalent to the risk-free rate, i.e. 4% applies annually to the overall CRCP balance.

4. Updating of capacity subscription assumptions

For the years 2015 and 2016, the annual capacity subscription assumptions are revised for the updating of the tariff structure as at 1 April of each year.

IV. Redistribution of surplus auction revenue

Surplus revenue related to capacity auctions are equal to the difference in €/ MWh / d, between the price from the auction and the reserve price, multiplied by the capacity sold in MWh / d.

As of 1 October 2014, surpluses collected:

- at the North-South link in the North to South direction, will be redistributed to shippers delivering end customers in the GRTgaz South zone, in proportion to the volumes consumed in the GRTgaz South zone for the period concerned;
- at the North-South link in the South to North direction, will be redistributed to shippers delivering end customers in the GRTgaz North zone, in proportion to the volumes consumed in the GRTgaz North zone for the period concerned;
- at the GRTgaz North zone interconnections, will be distributed to shippers delivering end customers in the GRTgaz North zone, in proportion to the volumes consumed in the GRTgaz North zone for the period concerned;
- at the interconnection with Spain, will be distributed to shippers delivering end customers in the TIGF zone in proportion to the volumes consumed in the TIGF zone for the period concerned.

The surpluses will be distributed at least once per quarter. For the cross border interconnection points, the revenue surpluses between GRTgaz and TIGF and the neighbouring TSOs will be equally distributed between the TSOs on either side of the interconnection.

With regard to revenue surpluses generated at the North-South link in the North to South direction, volumes consumed in respect of capacity obtained between 1 October 2014 and 30 September 2018 by a gas intensive consumer or by a shipper appointed by a gas intensive consumer during the first phase of capacity allocation are not eligible for this redistribution. For each shipper, the volumes excluded from redistribution are calculated by multiplying:

- the total volume consumed by this site for the period concerned;
- by the capacity quotient obtained in phase 1 by the shipper for the site concerned and the total delivery capacity subscribed for the site from the operator to which it is connected (GRTgaz or DSO). If the site is connected to a distribution network, the DSO concerned will transmit GRTgaz the volume consumed by the site that is connected to its network.

If the large gas consumption site is connected downstream to another site directly connected to the GRTgaz network or a TSO, the shipper that obtained the capacity in phase 1 for the gas intensive consumer is subject to a revision of the volume of gas eligible for redistribution. The volumes excluded from redistribution are calculated by multiplying:

- the total volume measured by GRTgaz at the point of metering of the site directly connected to the network;
- by the capacity quotient obtained in phase 1 by the shipper for the large gas consumption site downstream of the site connected and the total delivery capacity subscribed for the site directly connected to the network. If the large gas consumption site is downstream from a site connected to a distribution network, the DSO concerned will transmit GRTgaz the volume consumed by the site that is connected to its network.

V. Transfer of transmission capacity on the GRTgaz and TIGF networks

The transmission capacity subscribed at the entry points, at the exits to the PIRs and at the links between balancing zones are freely transferable and without additional cost.

In the case of full transfer, the acquirer recovers all the rights and obligations related to those subscriptions.

In the event of a transfer of the right of use, the initial owner keeps the obligations vis-à-vis the TSO. The right of use transferred may be as small as a daily time slot, regardless of the duration of the initial subscription.

The right of use of downstream transmission capacity, between the title transfer point (PEG) and the point of delivery at an industrial site directly connected to the transmission network, is transferable in cases where the industrial customer concerned has subscribed this capacity with the TSO.

The conditions governing these transmission capacity transfers are defined by the TSOs, on an objective and transparent basis, preventing any discrimination, and are published by the TSOs on their websites.

VI. Penalties for exceeding capacity on GRTgaz's and TIGF's networks

A. Penalties for exceeding daily capacity

1. *Methods for calculating penalties for exceeding daily capacity*

Each day, exceeding daily exit capacity on the main network, transmission capacity on the regional network and delivery capacity is subject to penalties.

For the exceeding portion less than or equal to 3% of the daily capacity subscribed, no penalty will be applied.

For the exceeding portion greater than 3%, the calculation of penalties is based on the price of the firm daily subscription of daily capacity, as follows:

- for the exceeding portion comprised between 3% and 10%, the penalty is equal to 20 times the price of the firm daily subscription of daily capacity;
- for the exceeding portion greater than 10%, the penalty is equal to 40 times the price of the firm daily subscription of daily capacity.

The TSOs give shippers the possibility of rapidly adjusting their capacity subscriptions when the exceeding of the capacity limit is observed, subject to the network's availabilities.

2. *Methods for calculating exceeded daily capacity*

a) Exceeded daily regional network and delivery capacity for end customers connected to the transmission network and PIRs

For a given day, the value of the exceeded daily capacity that is taken into account is equal to the difference, if it is positive, between the quantity of gas delivered and the daily delivery capacity subscribed.

b) Exceeded daily regional transmission and delivery capacity for PITDs

For a given day, the value of the exceeded daily capacity that is taken into account is equal to the difference, if it is positive, between the two following values:

- the value of the difference between the daily quantity of gas delivered and the corresponding daily delivery capacity, if this difference is positive, or zero if this difference is negative;

- the value of the difference between the sum of the daily quantities delivered at “non-subscribable” PDLs and the sum of standardised capacity for the “non-subscribable” PDLs, if this difference is positive, or zero if this difference is negative.

c) Exceeded daily main network exit capacity

For a given day, the value of the exceeded daily capacity that is taken into account is equal to the difference, if it is positive, between the following two values:

- the value of the difference between the daily quantity of gas delivered and the corresponding daily main network exit capacity, if this difference is positive, or zero if this difference is negative;
- the value of the difference between the sum of the daily quantities delivered at the exit zone of “non-subscribable” PDLs and the sum for the standardised capacity exit zone for the “non-subscribable” PDLs, if this difference is positive, or zero if this difference is negative.

If interruptibility is exercised by the TSO, the calculations for exceeding capacity presented above are carried out by reducing the interruptible capacity from the interrupted portion requested by the TSO.

B. Penalties for exceeding hourly capacity

Each day, exceeding hourly transmission capacity on the regional network and delivery capacity, to supply end customers connected to the transmission network, is subject to penalties. For a given day, exceeded hourly capacity is calculated by considering the maximum value of the hourly average of quantities delivered at the delivery point in question over four consecutive hours.

For the exceeding portion less than or equal to 10% of the hourly capacity subscribed, no penalty will be applied.

For the exceeding portion greater than 10%, the calculation of penalties is based on the price of the daily subscription of hourly capacity, as follows:

- for the exceeding portion comprised between 10% and 20%, the penalty is equal to 45 times the price of the daily subscription of hourly capacity;
- for the exceeding portion greater than 20%, the penalty is equal to 90 times the price of the daily subscription of hourly capacity.

The penalties for exceeding hourly capacity are not applied by GRTgaz if the shipper corrects its annual subscription of hourly capacity to include the exceeding portion.

C. Annual redistribution of penalties for exceeding capacity

Each TSO redistributes the amount of penalties for exceeding capacity collected each year, at the latest during the month of June of the following year.

For each TSO, the amount of penalties to be redistributed is divided between shippers in proportion to the quantities of gas delivered to end customers connected to the transmission network and to PIRRs. Each TSO publishes on its website the unit amount of penalties distributed, expressed in euros per MWh consumed by end customers connected to the transmission network transport.

VII. Notional gas title transfer points on GRTgaz’s and TIGF’s networks

There is a notional gas title transfer point (PEG) in each balancing zone, offering shippers the possibility of exchanging quantities of gas.

The operating methods of PEGs are defined by the TSOs, on an objective and transparent basis, preventing any discrimination, and are published on their websites.

The access tariff for access to PEGs consists of:

- an annual fixed charge, equal to €6,000 per title transfer point;
- a charge proportional to exchanged quantities equal to €0.01/MWh.

Gas exchanges made through an electronic platform may be delivered at a PEG by an entity responsible for compensating the exchanges performed on the electronic platform. Nominations at PEGs made by such entities for compensation purposes, neutral with respect to the market, are not subject to the charge proportional to the quantities exchanged.

VIII. Incentive regulation mechanism for the TSOs' quality of service

In accordance with the principles defined in the methodology section of this tariff decision, a mechanism to monitor service quality was introduced for both TSOs in key fields of their activity. This monitoring consists of indicators sent monthly by the TSOs to CRE and published on their websites.

Some indicators that are particularly important for the proper functioning of the market are subject to a financial incentive system.

CRE may decide during the ATRT5 tariff period to make changes to the service quality incentive regulation mechanism on the basis of adequate feedback.

In addition, the TSO service quality monitoring system may be subject to any audit that CRE may deem useful.

Finally, in order to take account of the changes in the TSOs' information systems, CRE authorises them to neutralise the calculation of these indicators for one day per year, during the commissioning of a major version of an application contributing to the production of these indicators. In return, the operators are required to give the market players one month's notice of the planned date for the commissioning, and then confirm this date one week before the actual commissioning date.

A. TSO service quality monitoring indicators occasioning financial incentives

1. Quality of quantities measured at PITDs and sent to the DNOs the day before to calculate provisional allocations

Calculation:	Number of non-conforming days⁽¹⁾ per balancing zone and month (one value monitored per balancing zone: i.e. two values monitored by GRTgaz and one value monitored by TIGF)
Scope:	- all shippers - all DNOs - by ZET
Monitoring:	- frequency of calculation: monthly - frequency of transmission to CRE: monthly - frequency of publication: monthly - frequency of financial incentive calculation: monthly
Objective:	GRTgaz: - basic objective: 1 non-conforming day per month - target objective: 0 non-conforming day per month TIGF: - basic objective: 1 non-conforming day per month - target objective: 0 non-conforming day per month

Incentive:	<p>GRTgaz:</p> <ul style="list-style-type: none"> - penalties: <ul style="list-style-type: none"> • €15 K for the 2nd non-conforming day; • €10 K per non-conforming day, from the 3rd non-conforming day. - bonus: €12.5 K if the target objective is attained. - limit: the total annual amount, corresponding to the sum of penalties to be paid and bonuses to be received by GRTgaz, is limited to more or less €200 K per year per balancing zone. <p>TIGF:</p> <ul style="list-style-type: none"> - penalties: <ul style="list-style-type: none"> • €15 K for the 2nd non-conforming day; • €10 K per non-conforming day, from the 3rd non-conforming day. - bonus: €12.5 K if the target objective is attained. - limit: the total annual amount, corresponding to the sum of penalties to be paid and bonuses to be received by TIGF, is limited to more or less €200 K per year.
Implementation date of the modifications made	<ul style="list-style-type: none"> - 1 April 2014

(1): For a given balancing zone (ZET), day D of month M is non-conforming if the difference, in absolute value, between the following values is strictly greater than 2%:

- the provisional measurement of the quantity of gas delivered to all of the PITDs of the ZET on day D and sent to the DNOs on day D+1 of month M;
- the final measurement of the quantity of gas delivered to all of the PITDs of the ZET on day D and sent to the DNOs on the 20th of month M+1.

2. Quality of the quantities telemetered at delivery points of customers connected to the transmission network and transmitted the following day

Calculation:	<p>Number of conforming readings for telemetered industrial delivery points in the month⁽²⁾ / Total number of readings for telemetered industrial delivery points in the month</p> <p>(one value monitored by each TSO)</p>
Scope:	<ul style="list-style-type: none"> - all shippers - all ZETs - all telemetered industrial delivery points - rounded off to one decimal place
Monitoring:	<ul style="list-style-type: none"> - frequency of calculation: monthly - frequency of transmission to CRE: monthly - frequency of publication: monthly - frequency of financial incentive calculation: monthly

Objective:	GRTgaz: <ul style="list-style-type: none"> - basic objective: 98% per month - target objective: 99% per month TIGF: <ul style="list-style-type: none"> - basic objective: 97% per month - target objective: 98% per month
Incentive:	GRTgaz: <ul style="list-style-type: none"> - penalties: €2.5 K per tenth of a percentage point below the basic objective - bonus: €5 K per tenth of a percentage point above the target objective - limit: the total annual amount, corresponding to the sum of penalties to be paid and bonuses to be received by GRTgaz, is limited to more or less €500 K per year. TIGF: <ul style="list-style-type: none"> - penalties: €1.25 K per tenth of a percentage point below the basic objective - bonus: €2.5 K per tenth of a percentage point above the target objective - limit: the total annual amount, corresponding to the sum of penalties to be paid and bonuses to be received by TIGF, is limited to more or less €250 K per year.
Implementation date of the modifications made	<ul style="list-style-type: none"> - 1 April 2014

(2): For a given month M, a reading conforms if there are no more than 3 days in month M for which the provisional measurement of the energy of day D sent on day D+1 is of poor quality. A provisional measurement is considered poor quality if the difference, in absolute values, with the final measurement of the energy for the day D sent on the 20th of the month M is strictly higher than 1% and 100 kWh.

3. Availability rate of TSOs' user portals and public data platforms

Calculation:	Number of hours the user portal and the public data platform are available during the month / Total number of opening hours planned for the month for the two interfaces (one value monitored by each TSO)
Scope:	<ul style="list-style-type: none"> - calculated for a time slot from 7:00 a.m. to 11:00 p.m., 7 days a week - rounded off to one decimal place
Monitoring:	<ul style="list-style-type: none"> - frequency of calculation: monthly - frequency of transmission to CRE: monthly - frequency of publication: monthly - frequency of financial incentive calculation: monthly
Objective:	<ul style="list-style-type: none"> - basic objective: 99% per month - target objective: 100% per month
Incentive:	GRTgaz: <ul style="list-style-type: none"> - penalty: €1.5 K per tenth of a percentage point below the basic objective - bonus: €7.5 K if the target objective is attained TIGF: <ul style="list-style-type: none"> - penalty: €1 K per tenth of a percentage point below the basic objective - bonus: €5 K if the target objective is attained

Implementation date of the modifications made	- 1 April 2014
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4. Quality of the intraday quantities telemetered at delivery points of customers connected to the network and transmitted during the day

a) Quality of the intraday quantities telemetered at delivery points of customers connected to TIGF's network and transmitted during the day

Calculation:	Number of conforming intraday readings for telemetered industrial delivery points in the month⁽³⁾/ Total number of intraday readings for telemetered industrial delivery points in the month (one value monitored by TIGF per time slot)
Scope:	<ul style="list-style-type: none"> - all shippers - all telemetered industrial delivery points - calculated for the following time slots: 6:00 a.m.-10:00 a.m., 6:00 a.m.-2:00 p.m., 6:00 a.m.-6:00 p.m., 6:00 a.m.-10:00 p.m. and 6:00 a.m.-1:00 a.m. 7 days a week - rounded off to one decimal place
Monitoring:	<ul style="list-style-type: none"> - frequency of calculation: monthly - frequency of transmission to CRE: monthly - frequency of publication: monthly - frequency of financial incentive calculation: monthly
Objective:	<ul style="list-style-type: none"> - basic objective, 6:00 a.m.-10:00 a.m.: 65% per month - basic objective, 6:00 a.m.-2:00 p.m.: 70% per month - basic objective, 6:00 a.m.-6:00 p.m.: 75% per month - basic objective, 6:00 a.m.-10:00 p.m.: 80% per month - basic objective, 6:00 a.m.-1:00 a.m.: 85% per month - target objective for each time slot: 90% per month
Incentive:	<ul style="list-style-type: none"> - penalty: €1 K per percentage point (strictly) below the basic objective for each time slot - bonus: €1 K per percentage point (strictly) above the target objective for each time slot - limit: the total annual amount, corresponding to the sum, for all time slots, of penalties to be paid and bonuses to be received by TIGF, is limited to more or less €300 K per year.
Implementation date	- 1 April 2014

(3): For a given month M, a reading conforms if there are no more than 5 days in month M for which the measurement of the energy for the time slot of day D sent on day D is of poor quality. A measurement transmitted on day D is considered poor quality if the difference, in absolute values, with the measurement of the energy for the day D sent on the day D+1 is strictly higher than 3% and 100 kWh.

b) Quality of intraday quantities telemetered at delivery points of customers connected to GRTgaz's network and transmitted during the day

Calculation:	<ul style="list-style-type: none"> - Information rate of very good quality⁽⁴⁾ - Information rate of good quality - Information rate of poor quality <p>(three values monitored by GRTgaz for each time slot.</p>
Scope:	<ul style="list-style-type: none"> - calculation for the following time slots: 6:00 a.m.-10:00 a.m., 6:00 a.m.-2:00 p.m., 6:00 a.m.-6:00 p.m., 6:00 a.m.-10:00 p.m. and 6:00 a.m.-1:00 a.m - all shippers - all ZETs - all telemetered industrial points of delivery - rounded off to one decimal place
Monitoring:	<ul style="list-style-type: none"> - frequency of calculation: monthly - frequency of transmission to CRE: monthly - frequency of publication: monthly - frequency of financial incentive calculation: monthly
Incentive:	<p>The financial incentive applies to the average, of all time slots, of information rates of very good quality and of poor quality.</p> <ul style="list-style-type: none"> - penalties: €20 K per percentage point of poor quality information - bonus: €1 K per percentage point of very good quality information - limit: the total annual amount, corresponding to the sum, for all time slots, of the penalties to be paid and the bonuses to be received by GRTgaz, is limited to more or less €600 K per year.
Implementation date of the modifications made	<ul style="list-style-type: none"> - 1 April 2014

(4): information is considered to be of very good quality if the difference, in absolute value, between the measurement of the energy for the time slot for day D transmitted on day D and the measurement of the energy for the time slot for day D transmitted on day D+1 is strictly below 1%. If the difference is between 1% and 3% (respectively strictly above 3%), the value is considered to be good quality (respectively poor quality). If the difference is below 100kWh, the information is considered to be very good quality.

5. Quality of day-ahead and within-day global forecasts for gas day consumption

Calculation:	<ul style="list-style-type: none"> - Information rate of very good quality⁽⁵⁾ - Information rate of good quality - Information rate of poor quality <p>(one rate for each balancing zone for the day-ahead and within-day values, i.e. four values monitored by GRTgaz and two values monitored by TIGF)</p>
Scope:	<ul style="list-style-type: none"> - all shippers - one value for each ZET - rounded off to one decimal place

Monitoring:	<ul style="list-style-type: none"> - frequency of calculation: monthly - frequency of transmission to CRE: monthly - frequency of publication: monthly - frequency of financial incentive calculation: monthly
Incentives:	<p>The financial incentive applies to the average of information rates of very good quality and of poor quality.</p> <p>GRTgaz: For day-ahead values (D-1) and within-day values (D):</p> <ul style="list-style-type: none"> - penalties: €400 per percentage point of poor quality information - bonus: €100 per percentage point of very good quality information - limit: the total annual amount, corresponding to the sum, for all time slots, of the penalties to be paid and the bonuses to be received by GRTgaz, is limited to more or less €20 K per balancing zone and per indicator. <p>TIGF: For day-ahead values (D-1) and within-day values (D):</p> <ul style="list-style-type: none"> - penalties: €400 per percentage point of poor quality information - bonus: €100 per percentage point of very good quality information - limit: the total annual amount, corresponding to the sum, for all time slots, of the penalties to be paid and the bonuses to be received by TIGF, is limited to more or less €10 K per balancing zone and per indicator
Date of implementation	<ul style="list-style-type: none"> - 1 April 2014

(5): regarding day-ahead forecasts, a piece of information is considered to be of very good, respectively of good and poor, quality if the difference, in absolute value, between the following values is strictly lower than 4%, respectively comprised between 4% and 7% and strictly higher than 7%:

- forecast consumption for day D published the day before at 5:00 p.m.;
- the final measurement of the energy consumed on day D sent on the 20th day of month M+1.

Regarding within-day forecasts, information is considered to be of very good, respectively of good and poor, quality if the difference, in absolute value, between the following values is strictly lower than 3%, respectively comprised between 3% and 5% and strictly higher than 5%:

- forecast consumption for day D published on day D at 3:00 p.m.;
- the final measurement of the energy consumed on day D sent on the 20th day of month M+1.

The global consumption forecasts for the gas day used to calculate the indicator concerning industrial clients, excluding sites with strong flexibility needs, and public distribution networks connected to the TSO's network.

6. Incentive relating to availability of additional firm capacity at the North-South link proposed to the market

Calculation:	Cumulative annual volume of additional firm daily capacity marketed by GRTgaz at the North-South link in the North to South direction
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Scope:	<ul style="list-style-type: none"> - Cumulative volume of firm daily capacity commercialized above the level of 270 GWh / day - This volume does not include any conversions of interruptible capacity into firm capacity
Monitoring:	<ul style="list-style-type: none"> - frequency of calculation: monthly - frequency of transmission to CRE: monthly - frequency of publication: monthly - frequency of financial incentive calculation: annual
Incentives:	<ul style="list-style-type: none"> - no incentive for the first three cumulative TWh of firm daily capacity sold - €0.20 per additional MWh / day marketed beyond the threshold of 3 TWh
Date of implementation	<ul style="list-style-type: none"> - 1 January 2014

B. Other TSO service quality monitoring indicators

1. Indicators related to maintenance programmes

Description of the indicator	Calculation of the indicator	Frequency of transmission to CRE and of publication	Implementation date
Reduction of available capacity	<p>Firm capacity made available during work / firm technical capacity</p> <p>(one value per type of network point⁽⁵⁾ for each TSO)</p>	Monthly Indicator calculated for January to December	1 April 2009
Compliance with the annual maintenance programme published at the start of the year by the TSO	<p>Variation (in percentage) of the capacity made available between the forecast maintenance programme published at the beginning of the year and the actual maintenance programme followed</p> <p>(one value per type of network point⁽⁶⁾ for each TSO)</p>		1 April 2009
Compliance with the maintenance programme published at M-2 by the TSO	<p>Variation (in percentage) of the capacity made available between the forecast maintenance programme published at M-2 and the actual maintenance programme followed</p> <p>(one value per type of network point⁽⁵⁾ for each TSO)</p>		GRTgaz: mid 2009 TIGF: 1 April 2009

Compliance with the maintenance programme for interruptible capacity of the North-South link published at M-2 by GRTgaz	Example: Variation (in percentage) between the forecast maintenance programme for interruptible capacity published at M-2 and the actual maintenance programme followed at the North-South link <i>Specific methods to be defined within the framework of Concertation Gaz</i>		Implementation date to be defined within the framework of Concertation Gaz
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(6): five types of points selected:

- the North / South link in both directions,
- the PIRs in the predominant direction,
- the entry at the PITTMs;
- the entry and exit at PITS;
- the GRTgaz South / TIGF interface in both directions.

2. Indicators related to the relationship with shippers

Description of the indicator	Calculation of the indicator	Frequency of transmission to CRE and of publication	Objective / Implementation date
Monitoring of the time taken to complete connections	Ratio of the number of days overdue for supplying gas through the connection structures compared to the deadline set out in the contract with the client (Each TSO monitors one value for the DNOs, one for industrial customers and one for biomethane producers)	Quarterly	Objective: 0% Implementation date: 1 April 2013
Accuracy of information on client interfaces	Number of claims regarding accuracy of information (one value monitored per TSO)	Monthly	Objective: 0 claims Implementation date: 1 April 2013
Time taken to process capacity booking requests on the main network	Average processing time of booking requests (one value monitored per TSO)	Monthly	Objective: 2 working days per month Implementation date of the modifications made: 1 April 2010

3. Indicators related to the environment

Description of the indicator	Calculation of the indicator	Frequency of transmission to CRE and of publication	Implementation date
Greenhouse gas emissions	Monthly greenhouse gas emissions (CO₂ equivalent) (one value monitored per TSO)	Quarterly	1 January 2009
Greenhouse gas emissions in proportion to the volume of gas transported	Monthly greenhouse gas emissions / monthly volume of gas transported (one value monitored per TSO)		1 January 2009

4. Indicator related to the lead times for transmitting data

Description of the indicator	Calculation of the indicator	Frequency of transmission to CRE and of publication	Objective / Implementation date
Time taken to transmit files on offtakes at PITDs to DNOs	Number of days per month for which the TSO has sent the file related to provisional daily offtakes at PITDs to DNOs outside the deadline set between the TSO and the DNOs (one value monitored per TSO, all shippers, all ZETs, all DNOs)	Monthly	<i>Objective:</i> one file sent outside the deadline per month <i>Implementation date:</i> 1 January 2009

IX. Annexes

Annex 1: List of GRTgaz's gas transmission network delivery points classified by main network exit zone.

Annex 2: List of TIGF's gas transmission network delivery points classified by main network exit zone.

Paris, 11 December 2013

For the French Regulatory Commission of Energy,
Commissioner,

Olivier CHALLAN BELVAL