

Deliberation of the French Energy Regulation Commission of the 28th of May 2014, regarding the allocation rules for additional capacities marketed by Elengy at the Fos Tonkin LNG terminal for the period from the 1st of October 2014 to the 31st of March 2015.

Present: Philippe de LADOUCETTE, Chairman; Olivier CHALLAN BELVAL, Catherine EDWIGE and Jean-Pierre SOTURA, Commissioners;

Pursuant to Article L. 134-2 of the French Energy Code, "*the Energy Regulation Commission specifies, by means of a deliberation published in the Official Journal, the rules relating to: [...] 4) The conditions for the use [...] of liquefied natural gas installations [...]*".

This deliberation concerns the allocation rules for additional capacities marketed at the Fos Tonkin LNG terminal for the period from the 1st of October 2014 to the 31st of March 2015.

1. Context

The company Elengy, a subsidiary of GDF Suez, markets access capacities at the Fos Tonkin LNG terminal, which currently amount to 5.5 Gm³/year. Given that both tanks built from the beginning at the Fos Tonkin LNG terminal must be decommissioned, the terminal regasification capacity will be set to 3 Gm³/year.

In a memo addressed to CRE on the 11th of April 2014, Elengy indicates that the decommissioning of the two tanks, initially scheduled for autumn 2014, will only be absolutely necessary as from the summer of 2015. Considering this, Elengy proposes to extend the operation of these tanks, in order to offer an additional regasification capacity on the market for the winter 2014-2015.

2. Elengy proposal

Elengy presented a marketing project for these additional capacities at the Fos Tonkin LNG in an LNG Consultation on the 20th of May, 2014.

2.1. The product offered for sale

Elengy plans to offer for sale a capacity of 1,000 GWh for the month of October 2014 and then a capacity of 1,500 GWh per month from November 2014 to March 2015. These additional capacities will be marketed as "continuous" service or "uniform" service ("SMART-S" or "S-30" respectively), as defined by the CRE in the Deliberation of the 13th of December 2012 regarding the tariff for the use of regulated LNG terminals.

2.2. Allocation rules proposed

Elengy proposes to market these capacities on a "first come - first served" basis, while introducing a window of five working days at the beginning of the marketing period to give the interested shippers adequate time to prepare their subscription bid.

Elengy also proposes that the first marketing phase should begin on the 25th of June 2014 at 12:00 and should end on the 2nd of July 2014 at 12:00. Applications received during this period will be deemed to have been received simultaneously. Capacities will be allocated giving priority to the requests for the largest volumes (paramount criterion) and to those overall closest in time to the period from the 1st of October 2014 to the 31st of March 2015. In the event of there being requests with the same priority level, a random draw will be conducted by a bailiff.

Any capacities as yet not subscribed to as on the 2nd of July 2014 will be allocated on a "first come - first served" basis.

3. CRE analysis

The marketing method proposed by Elengy, based on over the counter sales and then on a "first come - first served" basis, is similar to the methods approved by CRE on the 27th of September 2012 for the allocation of short-term capacities marketed at the Fos Cavaou LNG terminal from the 1st of April 2013 to the 31st of March 2017.

For subscription requests received between the 25th of June 2014 at 12:00 and the 2nd of July 2014 at 12:00, the priority rules applied will be similar to those approved by CRE for the marketing of short-term capacities at Fos Cavaou. CRE considers that the five working day booking window proposed by Elengy, during which the applications received will be deemed to have been received simultaneously, ensures a transparent and non-discriminatory access to regasification capacities. In the event of there being requests for capacities higher to those offered, the criterion of greater priority given to requests for the highest volumes is likely to maximise the capacities sold.

Furthermore, CRE is in favour of applying a "first come - first served" principle, assuming that any capacities remain available at the end of the first marketing phase, allowing a transparent and non-discriminatory allocation of the regasification capacities at Fos Tonkin.

Pursuant to the Deliberation of the 13th of December 2012, 75% of the revenue related to such additional capacity subscriptions shall be remitted to the CRCP.

4. CRE decision

CRE approves the rules for the allocation of additional capacities marketed at Fos Tonkin for the period from the 1st of October 2014 – to the 31st of March 2015, submitted by Elengy on the 11th of April, 2014.

This deliberation will be published in the *Journal Officiel de la République Française*.

In Paris, on the 28th of May, 2014

For the Energy Regulation Commission CRE,
The Chairman,

Philippe de LADOUCETTE