

30 October 2014



Commission de Régulation de l'Energie
Consultations publiques
15, rue Pasquier
75379 Paris Cedex 08

London, 30th October 2014

RE. Statoil's response to the CRE public consultation on the evolution of balancing rules from April and October the 1st, 2015.

Dear Sir, Dear Madam,

Statoil would like to thank CRE for the opportunity to respond to the public consultation on the evolution of the balancing rules from April and October the 1st, 2015.

This response is not confidential and can be published by CRE.

Should you wish to discuss any aspect of this response, please contact me.

Yours sincerely,

Nahed Cherfa

Best regards,

Nahed Cherfa

Governmental and Regulatory Affairs Adviser

Gas Regulatory Affairs
NG SRS GRA
Statoil (U.K.) Limited

Mobile: +44 7841776412
Telephone: +44 2032043548
Email: nc@statoil.com

Visitor address: One Kingdom Street, London, W2 6BD, United Kingdom
Incorporation number: 1285743

www.statoil.com

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Question 1: Are you in favour of the principles suggested by GRT for the balancing regime as of 1st October 2015, suppression of the tolerances and important decrease of the buffer applied to the marginal price for cash out purposes?

Statoil is in favour of the principles that are suggested by the GRT regarding the end of tolerances and the concomittant decrease of the buffers.

Question 2: Are you in favour of GRTgaz proposal regarding the implementation of a buffer of 2,5% in the North zone?

Question 3: Are you in favour of the proposal of GRTgaz and TIGF regarding the implementation of a buffer of +/- 0,1€/MWh in the GRTgaz and TIGF, or do you consider that, as CRE that this level is insufficient?

Statoil in favour of GRTgaz proposal to decrease the buffer to 2,5% in the zone North.

However, Statoil support CRE's analysis that the buffer of +/- 0.1€/MWh suggested by GRTgaz and TIGF for the zones GRTgaz Sud and TIGF is insufficient. The suggested buffer is well below what has been suggested for the zone North. This will remove the incentive for the shippers to balance themselves as it might be more economical to rely on the GRT interventions. Statoil would therefore like to see the buffer increased for the zone GRTgaz Sud and TIGF.

Question 4: Are you in favour of the line pack utilization indicator suggested by GRTgaz?

Question 5: Are you in favour of the intervention rules suggested by GRTgaz and TIGF?

Question 6: Are you in favour of a single marginal price for the cash out of the zones TIGF and GRTgaz Sud

Statoil is in favour of the GRTgaz proposal to base its interventions on the line pack indicator provided that, the information regarding the indicator is easily accessible and of high quality.

Statoil welcome the suppression of intervention window for day-ahead products.

Furthermore Statoil would like to emphasize that the intervention of the GRT should not be the favoured solution to balance the French market. The marginal price represents a sufficient incentive for the shippers to balance themselves and this will, in turn, lead to a higher liquidity of the French market. Thus Statoil do not support the financial incentive introduced in order to replicate the average price as suggested by the regulator.

Statoil is in favour of a single marginal price for cash out in the zones TIGF and GRTgaz Sud.

Question 7: Are you in favour of the end of the SEJ following the implementation of the target model?

Statoil is not in favour of the continuation of the SEJ following the implementation of the target model. Statoil support CRE and GRTgaz analysis that this does not contribute to strengthening the market principles.

Question 9: Are you in favour of the GRTgaz and TIGF proposals regarding the early implementation of the balancing regime without tolerances and with lower beffers as of 1st April 2015 as well as maintaining the SEJ and optional tolerances (3%) until 1st October 2015?

Statoil is in favour of the GRTgaz and TIGF proposal regarding an early implementation of the balancing regime.

Furthermore Statoil do not view the SEJ and optional tolerances as critical in the interim period and would be satisfied to see these also ended by the 1st April 2015.

Question 10: Are you favourable to a settlement of the account of neutrality based on the delivered quantities?

Question 11: would you like to see the ventilation of the account of neutrality modified in order to compensate for the structural difficulties that have some shippers to balance themselves?

Statoil support the GRT proposal regarding the settlement of the account of neutrality based on the quantities of gas that are delivered.

Statoil is not favourable to the modification of the neutrality account ventilation.