



DELIBERATION NO. 2018-236

Deliberation by the French Energy Regulatory Commission (CRE) of 15 November 2018 reaching a decision on the changes to tariffs for the use of regulated LNG terminals for liquefied natural gas on 1 April 2019

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Translated from the French: only the original in French is authentic

The tariffs for the use of regulated LNG terminals at Montoir-de-Bretagne (Montoir) and Fos Tonkin, operated by the Elengy company, and for Fos Cavaou, operated by the Fosmax LNG company, which are known as "ATTM5 tariffs", entered into force on 1 April 2017 for a period of approximately four years. They provide for an update on 1 April 2019, in accordance with the modalities specified in the tariff decision of the French Energy Regulatory Commission (CRE) of 18 January 2017¹.

The present deliberation defines the changes that will take place on 1 April 2019, for an approximate period of two years, to the tariff schedules that apply to the regulated LNG terminals.

As part of the works relating to this change, the operators Elengy and Fosmax LNG have submitted their hypotheses on the use of capacities and on the net expenditure borne by the terminals to the CRE. The LNG terminal operators were interviewed by the CRE on 8 November 2018. The analysis of these requests by the CRE produces the following tariff changes:

- for the Montoir terminal, a reduction of 4.03% to the main unit tariff versus the first tariff period. The tariff averages at €0.81/MWh unloaded;
- for the Fos Tonkin terminal, a reduction of 5.07% to the main unit tariff versus the first tariff period. The tariff averages at €1.21/MWh unloaded;
- for the Fos Cavaou terminal, a reduction of 3.46% to the main unit tariff versus the first tariff period. The tariff averages at €1.39/MWh unloaded;

These reductions are mainly the result of the clearance of the revenues and expenses clawback account (CRCP) for the years 2017 and 2018.

¹ [Deliberation by the French Energy Regulatory Commission \(CRE\) of 18 January 2017 reaching a decision on the tariffs for the use of regulated methane terminals](#)

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1. RECAP OF THE GENERAL PRINCIPLES IN FORCE IN THE ATTM5 TARIFFS

Articles L.452-2 and L.452-3 of the French Energy Act regulate the tariff decision-making powers of the CRE. Thus Article L.452-2 stipulates that the CRE specifies those methods used to determine the tariffs for the use of liquefied natural gas installations. Article L. 452-3 states that *"The Energy Regulatory Commission shall deliberate on tariff changes with, where appropriate, changes to the level and structure of tariffs that it deems justified, in particular, in view of the analysis of operator accounting and foreseeable changes to operating and investment expenditure. These deliberations [...] may provide for a multi-year framework for tariff changes, as well as appropriate incentives in the short or long term with the aim of encouraging operators to improve their performance, particularly with respect to the quality of service provided, the integration of the domestic gas market, security of supply and research efforts relating to productivity. "*

The current tariffs for the use of regulated LNG terminals for liquefied natural gas, known as the "ATTM5 tariffs", came into effect on 1 April 2017 for a period of approximately four years.

The deliberation of 18 January 2017 forming a decision on the tariffs for the use of regulated LNG terminals stipulates a certain number of parameters for this period, notably:

- the trajectory for operational expenditure;
- the normative trajectory for capital expenditure;
- the revenue building principles for operators;
- the principles for the changes to the various tariff rates for LNG terminals at the time of the tariff update on 1 April 2019.

The ATTM5 tariffs also include incentive regulation mechanisms. These are in particular:

- an operating expenditure incentive regulation (excluding energy): The trajectory for the net operating expenditure of Elengy and Fosmax LNG is defined for the period 2017-2020. The additional productivity gains that could be achieved by operators above and beyond the trajectory set by the ATTM5 tariffs (excluding items covered by the CRCP) will be retained in full by the operators. At the same time, any possible additional expenditure will be borne in full by the operators;
- a regulation fostering the sale of additional capacities: The additional subscriptions to ship reloading and unloading operations are partially included in the accrued income and expenditure. Thus the revenues associated with the additional subscriptions versus the hypotheses used to set the ATTM5 tariffs are reimbursed via the CRCP to the users of the terminals at 75%, and retained by the operators at 25%.

The ATTM5 tariffs specify an update of the tariff schedule for the three terminals on 1 April 2019 in accordance with the modalities set out in the CRE's tariff decision of 17 January 2018:

- the revenue allowed for the years 2019 and 2020 is determined by taking into account:
 - the trajectory of normative capital expenditure, set for four years by the CRE in the deliberation of 18 January 2017, which is not revised when the tariff is updated;
 - the trajectory of net operating expenditure, set for four years by the CRE in the deliberation of 18 January 2017, which is not revised when the tariff is updated;
 - the energy expenditure update (electricity and CO₂) in view of the market conditions;
 - the clearance of half the balance of the CRCP at the end of the 2017-2018 period.
- updating of the capacity subscription hypotheses.

The deliberation of 18 January 2017 also states that the CRE may take the following into account during the mid-term tariff revision:

- the adjustment to the rates of gas in kind off-takes in line with the completed off-take statement;
- updating of the tariff and services structure, notably in order to take into account the proposed changes issued by the LNG Consultation Group;
- changes affecting the Fos Tonkin terminal depending on the decisions that will be taken regarding the future of the terminal beyond 2020.

DELIBERATION

15 November 2018

The evaluation by the CRE of the financial consequences for the tariffs relating to the dispute between Fosmax LNG and the STS group of companies.

The tariff rates will change on 1 April 2019, to enable the subscription revenue to cover the allowed annual revenue for the terminal operators for 2019 and 2020.

2. PARAMETERS AND CHANGES FOR THE TARIFFS FOR THE USE OF REGULATED LNG TERMINALS ON 1 APRIL 2019

2.1 Expenditure associated with the dispute between Fosmax LNG and STS

Construction of the LNG terminal at Fos Cavaou has been awarded to the Sofregaz, Tecnimont SpA and SAIPEM SA group of companies ("STS"). Disputes between STS and Fosmax LNG have led the latter to appeal to the arbitration tribunal, founded under the auspices of the International Chamber of Commerce (ICC), which issued its verdict on 13 February 2015. Via a decree of 9 November 2016², the Conseil d'Etat has partially annulled the named award.

Proceedings remain open in this dispute, as Fosmax LNG has requested new arbitration with the ICC, and a decision on this arbitration process is expected in 2019.

The CRE deems it inappropriate to deal with the consequences of this legal dispute on the tariff during the present tariff update, as the final impacts of this legal dispute have not yet been decided. Thus the CRE will examine the consequences on the tariffs when this dispute is finally ended and cleared of any claims.

2.2 Changes affecting the future of the Fos Tonkin terminal after 2020

Long-term capacity subscriptions for the Fos Tonkin terminal will come to an end at the end of 2020. Tariffs for the use of regulated LNG terminals have been developed based on an assumption that operation will terminate at the end of 2020. Pursuant to the provisions which were approved by the CRE deliberation of 7 July 2011³ and renewed by the deliberation of 18 January 2017, the depreciation period for the Fos Tonkin terminal assets has been adjusted to take into account a potential shutdown of the terminal on 1 January 2021.

The deliberation of 18 January 2017 stipulates that, if commercial operation of the Fos Tonkin terminal halts on 1 January 2021, the CRCP calculated at the time of the tariff update would be cleared over two years during the 2019-2020 period.

Elengy is exploring the possibility of selling a reduced volume of regasification capacities at the Fos Tonkin terminal and has launched a non-binding phase of a call for expressions of interest in the tender. If the attempt to renew the commercial operation the terminal fails, Elengy would then implement a plan to close the site in 2019. Elengy deems that no decision has been taken to terminate the commercial operation of Fos Tonkin, and therefore requests that the CRCP is not cleared over two years commencing 2019.

The CRE has decided to honour Elengy's request to clear the CRCP for Fos Tonkin over four years.

2.3 Allowed revenue for LNG terminals for the years 2019 and 2020

2.3.1 Capital expenditure

The trajectory for normative capital expenditure is fixed for the tariff period for the ATTM5 tariffs for the three LNG terminals, with no plans for revision during the mid-term update. Possible differences between the forecast and actual are 100% covered by the CRCP.

² Conseil d'Etat, ass. 9 November 2016, no. 38806, company Fosmax LNG

³ CRE deliberation of 7 July 2011 on the approval of the tender appeal procedure for the long-term maintenance project for the Fos Tonkin methane terminal

The forecast amounts for the capital expenditure to be covered for the ATTM5 period, provided for by the tariffs for each of the three terminals, are as follows:

Montoir

Current €M	2017	2018	2019	2020	Average for 2017-2020
Regulated Assets Base (RAB) (on 01.01.N)	270.2	271.5	258.8	240.8	260.3
Payment of the RAB	22.2	21.7	20.6	19.7	21.0
Depreciation of the RAB	24.9	24.7	25.0	25.3	25.0
Return of assets under construction	0.9	0.6	0.6	0.4	0.6
Normative capital expenditure	48.0	47.0	46.1	45.4	46.7

Fos Tonkin

Current €M	2017	2018	2019	2020	Average for 2017-2020
Regulated Assets Base (RAB) (on 01.01.N)	69.7	52.4	31.6	12.5	41.5
Payment of the RAB	5.3	3.9	2.3	0.6	3.0
Depreciation of the RAB	22.2	21.4	19.6	10.1	18.3
Return of assets under construction	0.0	0.0	0.0	0.0	0.0
Normative capital expenditure	27.5	25.3	21.9	10.7	21.3

Fos Cavaou

Current €M	2017	2018	2019	2020	Average for 2017-2020
Regulated Assets Base (RAB) (on 01.01.N)	715.0	695.8	676.7	666.5	688.5
Payment of the RAB	60.7	59.1	57.8	56.5	58.5
Depreciation of the RAB	28.2	28.5	29.0	29.4	28.8
Return of assets under construction	0.1	0.2	0.2	0.1	0.1
Normative capital expenditure	89.0	87.8	86.9	85.9	87.4

2.3.2 Net operating expenditure (excluding energy)

The gross operating expenditure (excluding energy) takes into account in particular the main expenditure borne by the operators Elengy and Fosmax LNG, the margin associated with the services billed by Elengy to Fosmax LNG, the provisions for decommissioning of the infrastructures, personnel costs and tax expenditure.

The net operating expenditure to be covered by the ATTM5 tariffs is obtained by deducting the projections for additional revenue earned independently of the tariffs for use of the LNG terminals from this gross expenditure and the projections for inventoried and capitalised production (excluding energy) from the gross operating expenditure of the operators.

These items are not subject to a mid-term tariff revision and consequently remain unchanged in relation to the ATTM5 tariff deliberation.

The forecast sums for the net operating expenditure (excluding energy) to be covered for the ATTM5 period for each of the three terminals are as follows:



Current €M	2017	2018	2019	2020	Average for 2017-2020
Montoir-de-Bretagne	49.4	46.2	46.0	45.8	46.8
<i>of which allocations for decommissioning operations</i>	0.8	0.8	0.9	0.9	0.9
Fos Tonkin	24.3	23.8	24.2	23.6	24.0
<i>of which allocations for decommissioning operations</i>	0.7	0.7	0.8	0.8	0.7
Fos Cavaou	40.4	44.2	45.0	45.7	43.8
<i>of which allocations for decommissioning operations</i>	1.1	1.1	1.1	1.1	1.1

2.3.3 Item "Energy and CO₂ quotas"

The energy expenditure for the three LNG regulated terminals essentially relating to the purchase of the electricity required for operation of the LNG regasification system pumps is taken into account in the operating expenditure to be covered by the tariffs. This expenditure is based on estimates of the electricity and CO₂ prices and on the usage hypotheses for the regasification capacities for each terminal.

The deliberation by the CRE of 18 January 2017 stipulates that the updates to the tariff schedules of 1 April 2019 will be able to integrate the changes to the energy expenditure items (electricity and CO₂). These changes will be implemented in light of the market conditions and will be based on the updated forecast trajectories where applicable.

2.3.3.1 Montoir-de-Bretagne

In its tariff proposal, Elengy estimates that the "Energy and CO₂" quotas item will be €3.2 million (of which €0.4 million is CO₂ quotas) in 2018, versus the level of €3.7 million (of which €0.1 million is CO₂ quotas) used in the tariff trajectory. Elengy explains that this change is due firstly to a cap on the Contribution to the Public Electricity Service (CSPE) of [confidential] on its unit total for the Montoir terminal, which was not provided for in the ATTM5 tariff decisions, and secondly, to a deferment of the purchases of CO₂ quotas from 2017 to 2018, linked to a higher price per CO₂ ton in 2018 than the price forecast in the tariff trajectory.

For 2019, Elengy anticipates an expenditure level of €4.2 million (of which €0.4 million is CO₂ quotas), versus the level of €3.8 million (of which €0.1 million is CO₂ quotas) used to determine the tariff trajectory. For 2020, Elengy anticipates an expenditure level of €4.7 million (of which €0.4 million is CO₂ quotas), versus the level of €3.9 million (of which €0.1 million is CO₂ quotas) used to determine the tariff trajectory. Elengy justifies its forecasts firstly based on a usage rate which has been higher than the tariff hypotheses, leading to a major increase in electricity consumption volumes, combined with the increase in the price of electricity observed over the past few months, and secondly, by an increase in the price per ton of CO₂.

Montoir-de-Bretagne – Requested energy expenditure

Item "Energy and CO ₂ quotas" (requested)	2017 (actual)		2018 (estimated)		2019 (forecast)		2020 (forecast)	
	Tariff	Actual	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Total energy expenditure	3.3	1.3	3.7	3.2	3.8	4.2	3.9	4.7

The CRE retains several adjustments to this request:

- the energy consumption volumes forecast for the year 2018 have been re-evaluated in line with the average volumes recorded from January to September 2018;
- the consumption volumes for 2019 and 2020 have been taken back to the 2019 tariff forecasts level, in order to bring the terminal emission levels in line with the forecast volume of unloading subscriptions, Elengy not having proposed a change to the volume of subscriptions versus the ATTM5 tariff forecasts.

Consequently the level applied by the CRE with respect to the energy expenditure is as follows:

Montoir-de-Bretagne – Applied energy expenditure

Item "Energy and CO ₂ quotas" (applied by the CRE)	2018		2019		2020	
	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Total energy expenditure	3.7	3.1	3.8	3.7	3.9	4.2

2.3.3.2 Fos Tonkin

In its tariff proposal, Elengy estimates that the "Energy and CO₂" quotas item will be €1.4 million in 2018, versus the level of €2.1 million, which is used in the ATTM5 tariff trajectory. Elengy explains this change by a cap on the CSPE of [confidential] on its unit total for the Fos Tonkin terminal, which was not provided for in the ATTM5 tariff decision.

For 2019, Elengy anticipates an expenditure level of €1.9 million versus the level of €2.1 million used in the tariff trajectory. For 2020, Elengy anticipates an expenditure level of €2.0 million versus the level of €2.3 million used in the tariff trajectory.

Elengy justifies its forecast electricity expenditure based on a reduction in electricity consumption volumes, linked to a usage rate of the terminal which is lower than the tariff hypotheses, combined with the cap on the CSPE.

Fos Tonkin – Requested energy expenditure

Item "Energy and CO ₂ quotas" (requested)	2017 (actual)		2018 (estimated)		2019 (forecast)		2020 (forecast)	
	Tariff	Actual	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Total energy expenditure	2.1	0.7	2.1	1.4	2.1	1.9	2.3	2.0

The CRE uses the following adjustment for this request: The consumption volumes for 2019 and 2020 have been taken back to the anticipated emission level for 2018, lowered by Elengy versus the tariff forecast in order to bring the terminal emission levels in line with the forecast volume of unloading subscriptions, for which all capacities are subscribed.

Consequently the level applied by the CRE with respect to the energy expenditure is as follows:

Fos Tonkin – Applied energy expenditure

Item "Energy and CO ₂ quotas" (applied by the CRE)	2018		2019		2020	
	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Total energy expenditure	2.1	1.4	2.1	1.7	2.3	1.9

2.3.3.3 Fos Cavaou

In its tariff proposal, Fosmax LNG estimates that the "Energy and CO₂" quotas item will be €2.9 million in 2018, versus the level of €3.9 million which is used in the ATTM5 tariff trajectory. Fosmax LNG explains this change by a cap on the CSPE of [confidential] on its unit total for the Fos Cavaou terminal, which was not provided for in the ATTM5 tariff decision.

For 2019, Fosmax LNG anticipates an expenditure level of €4.1 million versus the level of €4.3 million used in the tariff trajectory. For 2020, Fosmax LNG anticipates an expenditure level of €4.8 million versus the level of €4.5 million used in the tariff trajectory.

Fosmax LNG justifies its electricity expenditure by a usage rate which is higher than the tariff hypotheses, which leads to a major rise in the electricity consumption volume, combine with an increase in the price of electricity.



Fos Cavaou – Requested energy expenditure

Item "Energy and CO ₂ quotas" (requested)	2017 (actual)		2018 (estimated)		2019 (forecast)		2020 (forecast)	
	Tariff	Actual	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Total energy expenditure	4.1	1.8	3.9	2.9	4.3	4.1	4.5	4.8

The CRE uses the following adjustment in relation to this request: The consumption volumes for 2019 and 2020 have been taken back to the level of the 2019 and 2020 tariff forecasts respectively, in order to bring the terminal emission levels in line with the forecast number of unloading subscriptions, Fosmax LNG not having proposed a change to the volume of subscriptions versus the ATTM5 tariff forecasts.

Consequently the level applied by the CRE with respect to the energy expenditure is as follows:

Fos Cavaou – Applied energy expenditure

Item "Energy and CO ₂ quotas" (applied by the CRE)	2018		2019		2020	
	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Total energy expenditure	3.9	2.9	4.3	3.7	4.5	4.2

2.3.4 Calculation of the CRCP

The income and expenditure items included in the scope of the CRCP as part of the ATTM5 tariffs are as follows:

- the revenue associated with the additional regasification capacities subscriptions, covered at 75%;
- the capital expenditure borne by the operators, covered at 100%;
- the energy expenditure and products (electricity and CO₂ quotas) covered at 90%;
- the revenue associated with the access service at the LNG exchange point, covered at 50%;
- the revenue associated with the additional subscriptions to the vessel reloading service, covered at 75%;
- the expenditure and revenue associated with unregulated services, covered at 100%.

In accordance with the deliberation of 18 January 2017, the balance of the CRCP for the second ATTM4 period (2014_{achieved}-2016_{estimated}) is cleared as constant annuities from 2017 to 2020.

The balance of the CRCP for the first ATTM5 period (2016_{achieved}-2018_{estimated}) will be cleared over a period of four years, commencing in 2019, as continuous annuities, at an interest rate of 2.7% (corresponding to the nominal risk-free rate used in the tariff decision of 18 January 2017), applied annually.

The totals for the CRCP balance for each terminal for the year 2018 are provisional totals. The final totals will be taken into account when the next ATTM6 tariffs are drawn up.

Thus the totals taken into account to determine the provisional trajectories for allowed revenue are listed below for each terminal.

2.3.4.1 Montoir-de-Bretagne

In Elengy's request, the estimated total balance for the CRCP is -€14.0 million for the Montoir-de-Bretagne terminal. This sum must be returned to the terminal users via a reduction in the authorized revenue for the second period of the ATTM5 tariffs and is broken down as follows:



Montoir – Applied accrued income and expenditure balance

Item	Differences covered by the the CRCP 2016a-2018e [€M]
Revenue	-7.1
Normative capital expenditure	-3.4
Energy expenditure	-3.2
Total (updated using risk-free interest rates)	-14.0

The contributions to the CRCP for the first ATTM5 period are:

- the item relating to the revenue from the reloading subscriptions, linked to a number of reloading operations that exceed the tariff trajectory;
- the item relating to the income from unloading subscriptions, associated with the application of the regularity rates (termes de régularité (TR)) and the rates for use of regasification capacities (termes d'utilisation des capacités de regazéification (TUCR)) during Quarter 1 2017 (these rates disappeared on 1 April 2017);
- the item relating to normative capital expenditure, which is less than the forecast tariffs, associated with lower investments than those forecast;
- and the item relating to the energy expenditure as the terminal has benefited from a cap on the CSPE which was not provided for in the ATTM5 tariffs.

The CRE retains Elengy's request regarding the balance of the CRCP for the Montoir terminal, with the exception of an adjustment to the energy expenditure estimated by the operator for 2018. The CRE deems that this expenditure is too high with respect to the activity of the terminal and adjusts the total for the item relating to the additional energy expenditure of €77,000 in the CRCP balance.

The estimated total balance of the CRCP used by the CRE for the period 2016-2018 is -€14.0 million for the Montoir-de-Bretagne terminal. This sum must be returned to the terminal users via a reduction in the authorized revenue for the second period of the ATTM5 tariffs and is broken down as follows:

Montoir – Applied CRCP balance

Item	Differences covered by the CRCP 2016a-2018e [€M]
Revenue	-7.1
Normative capital expenditure	-3.4
Energy expenditure	-3.3
Total (updated using risk-free interest rates)	-14.0

The total CRCP 2016^{achieved}-2018^{estimated} will be cleared as four continuous annuities of -€3.6 million via a reduction of the allowed revenue. The addition of this annuity to the clearing of -€4.5 million specified by the ATTM5 tariffs for the years 2014 to 2016 brings an annual reduction to the expenditure of -€8.2 million, to be recovered by the tariffs for 2019 and 2020.

Annuity in current €M	2019	2020	2021	2022
CRCP 2014 ^{achieved} -2016 ^{estimated}	-4.5	-4.5	-	-
CRCP 2016 ^{achieved} -2018 ^{estimated}	-3.6	-3.6	-3.6	-3.6
Total annuities	-8.2	-8.2	-3.6	-3.6



2.3.4.2 Fos Tonkin

In Elengy's request, the estimated total balance for the CRCP for the period 2016-2018 is -€5.5 million for the Fos Tonkin terminal. This sum must be returned to the terminal users via a reduction in the authorized revenue for the second period of the ATTM5 tariffs and is broken down as follows:

Fos Tonkin – Requested CRCP balance

Item	Differences covered by the CRCP 2016a-2018e [€M]
Normative capital expenditure	-3.2
Energy expenditure	-2.3
Revenue	0.1
Total (updated using risk-free interest rates)	-5.5

The contributions to the CRCP for the first ATTM5 period are:

- the item relating to normative capital expenditure, which is less than the forecast tariffs, associated with lower investments than those forecast;
- and the item relating to the energy expenditure as the terminal has benefited from a cap on the CSPE which was not provided for in the ATTM5 tariffs.

The CRE has retained Elengy's request regarding the balance of the CRCP for the Fos Tonkin terminal.

The estimated total balance for the CRCP used by the CRE for the period 2016-2018 is -€5.5 million for the Fos Tonkin terminal. This sum must be returned to the terminal users via a reduction in the authorized revenue for the second period of the ATTM5 tariffs and is broken down as follows:

Fos Tonkin – Applied CRCP balance

Item	Differences covered by the CRCP 2016a-2018e [€M]
Normative capital expenditure	-3.2
Energy expenditure	-2.3
Revenue	0.1
Total (updated using risk-free interest rates)	-5.5

The total CRCP 2016_{achieved}-2018_{estimated} will be cleared as four continuous annuities of -€1.4 million via a reduction of the allowed revenue. The addition of this annuity to the clearing of -€1.3 million specified by the ATTM5 tariffs for the years 2014 to 2016 brings an annual reduction to the expenditure of -€2.7 million to be recovered by the tariffs for 2019 and 2020.

Annuity in current €M	2019	2020	2021	2022
CRCP 2014 _{achieved} -2016 _{estimated}	-1.3	-1.3	-	-
CRCP 2016 _{achieved} -2018 _{estimated}	-1.4	-1.4	-1.4	-1.4
Total annuities	-2.7	-2.7	-1.4	-1.4

2.3.4.3 Fos Cavaou

In Foxmax LNG's request, the estimated total balance for the CRCP for the period 2016-2018 is -€14.2 million for the Fos Cavaou terminal. This sum must be returned to the terminal users via a reduction in the authorized revenue for the second period of the ATTM5 tariffs and is broken down as follows:

Fos Cavaou – Requested CRCP balance

Item	Differences covered by the CRCP 2016a-2018e [€M]
Revenue	-9.0
Energy expenditure	-3.8
Normative capital expenditure	-1.2
Total (updated using risk-free interest rates)	-14.2

The contributions to the CRCP for the first ATTM5 period are:

- the item relating to the reloading subscriptions, linked to a number of reloading operations that exceed the tariff trajectory;
- the item relating to the revenue from unloading subscriptions associated firstly with the additional unloading operations, and secondly, with the application of the regularity rates (termes de régularité (TR)) and the rates for use of regasification capacities (termes d'utilisation des capacités de regazéification (TUCR)) in Quarter 1 2017 (these rates disappeared on 1 April 2017);
- the item relating to the energy expenditure as the terminal has benefited from a cap on the CSPE which was not provided for in the ATTM5 tariffs;
- the item relating to normative capital expenditure, which is less than the forecast tariffs, associated with lower investments than those forecast;

The CRE has retained Fosmax LNG's request regarding the balance of the CRCP for the Fos Cavaou terminal.

The estimated total balance for the CRCP for the period 2016-2018 is -€14.2 million for the Fos Cavaou terminal. This sum must be returned to the terminal users via a reduction in the authorized revenue for the second period of the ATTM5 tariffs and is broken down as follows:

Fos Cavaou – Applied CRCP balance

Item	Differences covered by the CRCP 2016a-2018e [€M]
Revenue	-9.0
Energy expenditure	-3.8
Normative capital expenditure	-1.2
Total (updated using risk-free interest rates)	-14.2

The total CRCP 2016_{achieved}-2018_{estimated} will be cleared as four continuous annuities of -€3.7 million via a reduction of the allowed revenue. The addition of this annuity to the clearing of -€4.8 million specified by the ATTM5 tariffs for the years 2014 to 2016 brings an annual reduction to the expenditure of -€8.5 million to be recovered by the tariffs for 2019 and 2020.

Annuity in current €M	2019	2020	2021	2022
CRCP 2014 _{achieved} -2016 _{estimated}	-4.8	-4.8	-	-
CRCP 2016 _{achieved} -2018 _{estimated}	-3.7	-3.7	-3.7	-3.7
Total annuities	-8.5	-8.5	-3.7	-3.7

2.3.4.4 Additional operator requests

The operators have achieved revenue that exceeds the tariff forecasts, which helps to increase the negative balance of the CRCP. Pursuant to the legislation in force, these amounts are returned to the users of the LNG terminal via a reduction in the allowed revenue for the second period of ATTM5.

The operators anticipate that tariffs will rise again from 2021, further to, firstly, a significant reduction in the long-term subscriptions at Montoir and secondly, due to a rise in the OPEX at the Fos Cavaou terminal associated with the repercussions of the potential closure of the Tonkin site.

The operators fear a major tariff difference between the second period of ATTM5 and ATTM6 and as a consequence, propose that the clearing of the CRCP recorded at the end of 2018 is deferred to the ATTM6 tariffs in order to soften the tariff changes and to provide greater market visibility.

The CRE observes that Montoir is the only terminal affected by a drop-off in long-term subscriptions throughout the next tariff period, and that it will also be necessary to carefully study the cost trajectories proposed by the operators for this period in view of the market conditions. Consequently the CRE does not retain this request and does not make any changes to the tariff framework defined by ATTM5. The balance of the CRCP is cleared over four years as constant annuities.

2.3.5 Allowed revenue for 2019-2020

The revenue allowed for the years 2019 and 2020 corresponds to the total:

- of the capital expenditure for the years 2019 and 2020, for which the trajectory is fixed via the ATTM5 deliberation;
- of the net operating expenditure for the years 2019 and 2020, for which the trajectory is fixed via the ATTM5 deliberation;
- of the variation in the total for the energy item between the forecast for 2019-2020 used by the CRE and the totals forecast by the ATTM5 tariffs for the same period;
- of the clearing of the CRCP, estimated at the end of 2018.

2.3.5.1 Allowed revenue for 2019-2020 for Montoir-de-Bretagne

Montoir – Applied allowed revenue

Montoir, in current €M	2019		2020	
	Tariff	Forecast	Tariff	Forecast
Net operating expenditure (excluding energy)*	46.0	46.0	45.8	45.8
Normative capital expenditure	46.1	46.1	45.4	45.4
Energy expenditure	3.8	3.7	3.9	4.2
Clearing of the CRCP	-4.5	-8.2	-4.5	-8.2
Allowed revenue	91.4	87.7	90.7	87.3

including allocations for decommissioning operations

2.3.5.2 Allowed revenue for 2019-2020 for Fos Tonkin

Fos Tonkin – Applied allowed revenue

Fos Tonkin, in current €M	2019		2020	
	Tariff	Forecast	Tariff	Forecast
Net operating expenditure (excluding energy)*	24.2	24.2	23.6	23.6
Normative capital expenditure	21.9	21.9	10.7	10.7
Energy expenditure	2.1	1.7	2.3	1.9
Clearing of the CRCP	-1.3	-2.7	-1.3	-2.7
Allowed revenue	47.0	45.1	35.3	33.4

including allocations for decommissioning operations

2.3.5.3 Allowed revenue for 2019-2020 for Fos Cavaou

Fos Cavaou – Applied allowed revenue

Fos Cavaou, in current €M	2019		2020	
	Tariff	Forecast	Tariff	Forecast
Net operating expenditure (excluding energy)*	45.0	45.0	45.7	45.7
Normative capital expenditure	86.9	86.9	85.9	85.9
Energy expenditure	4.3	3.7	4.5	4.2
Clearing of the CRCP	-4.8	-8.5	-4.8	-8.5
Allowed revenue	131.4	127.2	131.4	127.3

including allocations for decommissioning operations

2.4 Capacity subscription hypotheses for 2019 and 2020

The subscriptions used below to define the tariff levels include a "ship or pay" obligation of 100% for the three terminals.

2.4.1 Unloading operations

The subscription forecasts for the regasification capacities proposed by the terminal operators for the second ATTM5 tariff period correspond to the subscriptions already included in the portfolio; no new capacity has been subscribed to since the entry into force of the ATTM5 tariffs for 2019 and 2020, the forecasts are identical to those used in the deliberation of 18 January 2017.

Requested unloading subscriptions

(in TWh)	2017 (actual)		2018 (estimated)		2019 (forecast)		2020 (forecast)	
	Tariff	Actual	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Montoir-de-Bretagne Maximum technical capacity: 123 TWh	108.8	108.8	106.9	106.9	106.9	106.9	102.8	102.8
Fos Tonkin MTC: 35 TWh	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
Fos Cavaou MTC: 97 TWh	87.2	87.2	87.2	89.6	87.2	87.2	87.2	87.2

The current market conditions are uncertain for LNG. Until September 2018, the global market for LNG was characterised by strong Asian demand which absorbed the majority of LNG supplies. However, since September 2018, the Asian demand has declined and price differences are once again narrowing between Europe and Asia. Although liquefaction projects, particularly in the United States and Australia, should ultimately provide a supply of LNG that exceeds the Asian demand, the date that these will be put into operation remains uncertain.

In light of these factors, the CRE deems that the subscription hypotheses proposed by Elengy and Fosmax LNG are in line with the current market situation. The CRE has decided to use the portfolio subscriptions to calculate the tariffs for the second ATTM5 period.

In view of the above elements, the subscriptions used to calculate the unit tariff are as follows:

Applied loading subscriptions

(in TWh)	2018 (estimated)		2019 (forecast)		2020 (forecast)	
	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Montoir-de-Bretagne Maximum technical capacity: 123 TWh	106.9	106.9	106.9	106.9	102.8	102.8
Fos Tonkin MTC: 35 TWh	35.0	35.0	35.0	35.0	35.0	35.0
Fos Cavaou MTC: 97 TWh	87.2	89.6	87.2	87.2	87.2	87.2

2.4.2 Reloading operations

The reloading subscription forecasts proposed by the terminal operators for the second ATTM5 tariff period correspond to the subscriptions used in the deliberation of 18 January 2017.



Requested reloading subscriptions

(in TWh)	2017 (actual)		2018 (estimated)		2019 (forecast)		2020 (forecast)	
	Tariff	Actual	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Montoir-de-Bretagne	3.0	9.0	2.3	9.0	1.5	1.5	0.8	0.8
Fos Tonkin	-	-	-	-	-	-	-	-
Fos Cavaou	3.4	5.0	2.6	7.7	0.9	0.9	-	-

The reloading operation subscriptions are often the result of short-term arbitrations of the terminal users. Reloading activity in 2017 and 2018 has been much greater than the tariff forecasts. Reloading operations have benefitted from extremely favourable economic factors in 2017 and 2018. Firstly, the development of Yamal is ahead of schedule in 2018, whilst the Arctic fleet is undersized, and secondly, the commissioning of US liquefaction plants has been shifted to 2019, whilst China has faced an exceptional winter demand.

The decline in the Asian demand for LNG and the commissioning of US liquefaction plants in 2019 should facilitate a narrowing of price differences between Europe and Asia, making reloading operations in Europe destined for Asia less attractive.

In view of these factors, the CRE uses the trajectory proposed by the operators for 2019 and 2020 with regard to reloading operations:

Applied reloading subscriptions

(in TWh)	2018 (estimated)		2019 (forecast)		2020 (forecast)	
	Tariff	Est.	Tariff	Forecast	Tariff	Forecast
Montoir-de-Bretagne	2.3	9.0	1.5	1.5	0.8	0.8
Fos Tonkin	-	-	-	-	-	-
Fos Cavaou	2.6	7.7	0.9	0.9	-	-

2.5 Tariff changes on 1 April 2019

The analysis of the forecasts for subscriptions and the expenditure to be covered by the CRE leads to the following tariff changes:

- for the **Montoir-de-Bretagne** terminal, the allowed revenue and the capacity subscription forecasts used by the CRE lead to a change to the mean unit tariff of **- 4.03% on 1 April 2019** versus the first tariff period (compare with Elengy's request of - 3.36%);
- for the **Fos Tonkin Bretagne** terminal, the allowed revenue and the capacity subscription forecasts used by the CRE lead to a change to the mean unit tariff of **- 5.07% on 1 April 2019** versus the first tariff period (compare with Elengy's request of - 4.61%);
- for the **Fos Tonkin Cavaou** terminal, the allowed revenue and the capacity subscription forecasts used by the CRE lead to a change to the mean unit tariff of **- 3.46% on 1 April 2019** versus the first tariff period (compare with Fosmax LNG's request of - 3.01%).



3. TARIFFS FOR THE USE OF REGULATED LNG TERMINALS, APPLICABLE ON 1 APRIL 2019

3.1 Provisions common to the three terminals

3.1.1 Proposed unloading services

The subscription of regasification capacity results in the right and the obligation to book the corresponding capacities on the adjacent transmission network.

Basic service

This service is accessible to any shipper from the first booking.

The spread of the physical send-outs from the terminal between shippers is carried out according to the volumes of LNG unloaded and reloaded during the month at the LNG terminal, as well as the level of storage at the start of the month and the projected storage at the end of the month.

The rules for calculating the end-of-month storage of a shipper are the same for the three terminals:

- if an unloading operation is planned for month M+1, the end-of-month M level of storage for a shipper is determined by assuming a flat send-out of the last cargo unloaded during month M up to the day of unloading the first cargo of month M+1;
- if no unloading is planned for M+1, the end-of-month M level of storage for a shipper is determined by assuming a flat send-out of the last cargo unloaded during month M until the last day of month M+1.

In order to minimise the impact of an isolated cargo on the other terminal clients, the operators can anticipate on their initiative the start of sending out this cargo within a two-day limit. In this case, the shipper concerned is not obliged to hold a guarantee corresponding to the anticipated volumes of send-outs.

Spot service

This service is reserved for unloading subscriptions, for a given month M, after the 20th day of the month M-1.

The subscription is taken on the basis of the available capacities in the monthly schedule on the date of subscription.

The send-out profile of a spot cargo is determined by the operator upon the shipper's request, and calculated so as to correspond to the shipper's request, on condition that its impact on the send-outs of other shippers does not exceed 35 GWh/day, so as to make the space necessary in the tanks before the cargo arrival date.

As part of a spot unloading operation, the operator may decide, on its initiative, to anticipate the associated send-out, within a two-day limit, in order to limit the impact of this on other clients. In this case, the shipper concerned is not obliged to hold a guarantee corresponding to the anticipated volumes of send-outs.

Flat send-out option

The subscription to this option causes the send-out of a cargo in the form of a constant send-out band, over a period of 20 to 40 days from the date of unloading the cargo. This period is defined at the time of the subscription to the flat send-out option, on the basis of the request of the shipper concerned and according to the technical possibilities of the unloading terminal.

This option is accessible to any shipper who has a basic service subscription, from the publication of the annual unloading schedule by the operator and up to the request for the monthly schedule for the month of unloading (before the 20th day of month M-1), according to the first-come/first-served principle.

The flat send-out option is not accessible to the spot shipper during the month M of unloading. However, this shipper has access to it to send out the residual quantity of LNG for month M+1.

For each terminal, a shipper may subscribe at the most to one flat send-out-option cargo per month and an annual quantity of 12 TWh in flat send-out option.

For a given month, the total quantities unloaded with the flat send-out option cannot be greater than 20% of the total monthly regasification capacity of the terminal.

Dedicated storage

A dedicated storage service is offered at the Montoir and Fos Cavaou terminals. Dedicated storage is made available to clients proportionate to their subscriptions. Reallocations are performed in the event of new subscriptions to the basic service. Each week, clients submit their send-out flexibility requests for the following week and the operators confirm the feasibility of these to them.

The volume of storage available to shippers as part of this service is approximately 625 GWh at the Montoir terminal and approximately 100 GWh at the Fos Cavaou terminal. The operators may adjust this volume each year after having submitted an experience feedback to the LNG Consultation Group and obtained the agreement of the participants for such a change. They must notify CRE of such a change, and will be able to implement it, except if CRE expresses its refusal within two months from the notification. The detailed terms of this service are identical to those applied to the experiments initiated during the ATTM4 period.

The quantity of storage available is allocated to terminal clients in proportion to their subscriptions, the share of the dedicated storage corresponding to unsubscribed capacities therefore remains available.

The operators are able to market this residual capacity, each month for the following month, when drawing up the monthly schedules. Only subscribers to the terminal may access it. When this marketed dedicated storage capacity finds no taker, it is reincorporated in the pooled storage.

The shippers who hold dedicated storage have the option to transfer a part of it to third-party shippers.

Pooling

This service allows any shipper who has subscriptions in at least one of the three regulated terminals and who is not planning to use them in full in month M, to use a part of these capacities at one of the other regulated terminals, by accessing, based on a specific tariff, the capacities still available after the 20th day of month M-1 at this second terminal.

This service is extended, using the same modalities as those applied for the experiment, by changing the formula for calculating the reduction. The new applicable formula is:

$$P = (S - C) + 0.1 * C, \text{ with:}$$

- P: The price of the pooling operation
- C: The pooling credit of the shipper
- S: The price applicable to the subscription without pooling

The price of the pooling operation cannot be lower than the maximum between the TNA and 10% of the subscription price without pooling ($0.1 * S$).

Subscription account

The ATTM5 tariffs introduce a subscription account (Compte de Souscription or CS), which enables non-scheduled or cancelled operations to be credited with sufficient notice. This account can then be debited to schedule operations over the short-term.

The following modalities shall apply:

- the CS is credited with the fixed and variable values (number of unloading operations and unloaded quantities) of non-scheduled operations when the annual schedule is drawn up, as well as operations cancelled before the 20th day of month M-2 for month M;
- the CS is usable for a month M when the monthly schedule for this month is drawn up or intra-monthly;
- the CS can never be negative;
- the CS is reset to zero each year or at the end of each billing period, i.e. at least once a year;
- the CS is transferable by shippers on the secondary market.

3.1.2 Gas in kind off-takes

In the basic service, gas in kind off-takes are carried out by each operator according to the gas in kind rate TN applied to the quantity of LNG actually unloaded by each user from a terminal (expressed as MWh per year).

In addition to these standard provisions, the operator must draw up an annual statement (as a minimum) of the use of gas in kind off-takes. If this shows that the quantity of gas taken is greater than the quantity of gas consumed by the LNG terminal, the operator shall pay those shippers that have unloaded LNG at the terminal during the previous year for the gas surplus. Payment is either financial or in kind, and is proportional to the quantities unloaded. If this shows that the quantity of gas taken is insufficient to cover the terminal's consumption, the negative balance of year N will be carried over to the opening balance of year N+1.

Should the terminal operator forecast a send-out level less than the minimum level required to incorporate the evaporations, it could be required to increase the quantities of gas taken in excess of the TN rate set in this tariff decision. The operator must notify the CRE and the terminal users ahead of this increase.

3.1.3 Obligation to pay for subscribed capacity ("*ship or pay*")

Shippers have an obligation to pay the tariffs applied at 100% of the quantities and of the number of unloading and reloading operations booked.

3.1.4 Failure to stick to schedule

Any user cancelling during month M a scheduled unloading operation for month M is subject to an obligation to compensate, either in gas or financially, the shipper(s) whose send-outs are reduced as a result.

3.1.5 "*Use it or lose it*" mechanism

The holders of regasification capacity have to indicate to the operators, at the latest on the 20th day of month M-1, their requested monthly schedule of unloading operations for month M, as well as their draft unloading schedules for months M+1 and M+2.

The terminal operator publishes, on the 25th day of month M-1 for month M, the available capacity by taking into account the subscribed capacity that is not subject to a schedule request. For information, the operator also publishes this data for months M+1 and M+2. It updates this information daily.

If the schedule for month M shows no available unloading slot, each cancellation of an unloading operation without notice, unless for reasons of force majeure, is formally noted and the regulator informed. When the terminal's capacity is fully booked, the CRE may require the concerned shipper to release subscribed capacity on a case by case basis, in order to free capacity at the terminal.

If access to the terminal's regasification capacity is seen to be congested, the terminal operator will, upon the CRE's request, provide it with full information on subscription requests for the period of congestion.

In order to enable a proper functioning of the UIOLI mechanism, the operators must publish at least the following information on their website:

- the terminal's marketable capacity for the months M to M+5;
- the terminal's subscribed capacity for the months M to M+5;
- the projected number of available unloading slots for the months M to M+5.

This monthly publication will be supplemented by a publication of annual aggregate data:

- on the terminal's marketable capacity, at least for the years n+1 to n+20;
- on the terminal's available capacity, at least for the years n+1 to n+20.

The terminal operators provide the CRE with access to a commercial information system to control cancelled unloading operations, postponements, and anticipated send-outs.

3.1.6 Capacity release mechanism

The ATTM5 tariffs carry over the possibility for holders of regasification capacity to explicitly renounce the use of their capacity for months M+1 and M+2. This capacity remains payable by the initial holder under the "*ship or pay*" clause until it is booked by another shipper.

3.1.7 Management of send-out interruption periods related to a LNG shortage

Under some operational conditions, LNG terminals are likely to consume additional gas in kind. Indeed, below a minimum send-out rate, and in the absence of boil-off gas compressors, terminal operators are forced to flare some of the evaporations of LNG stored in the tanks if they are unable to reintroduce it in the gas send-out to the transmission network.

In this case, additional quantities of flared gas are allocated to all the users of the terminal in question, proportionate to the difference, for each user, between a threshold of 50% of the unloaded quantities planned in the annual schedule notified in December and the net quantities actually unloaded, i.e. by deducting the quantities reloaded, over the period considered.

In the event of a long-term lack of LNG unloading operations that may affect the conditions for keeping a terminal cold, the operator informs the CRE as soon as possible and proposes the measures planned after consulting the users.

At the Montoir terminal, a compressor is available from April 2017, in order to compress the boil-off gas to send it onto the transmission network. When using this compressor, the send-out is allocated between the clients according to their LNG quantities in storage on the first operating day of the compressor.

3.1.8 Secondary market in regasification capacity

The regasification capacities sold by the operators are transferable between users, in whole or in part. For this reason, the operators do not bill the buyer and/or to vendor for any sum.

3.1.9 LNG exchange point

Each LNG terminal has an LNG gas exchange point, so that users can exchange quantities of LNG between themselves.

The operators define how LNG exchange points are managed in practice, based on objective, transparent and non-discriminatory criteria, communicated to the CRE and made public on the operator's website.

The tariff for accessing an LNG exchange point includes:

- a fixed rate, no higher than €500 per month per exchange point;
- a rate proportional to the quantities exchanged, no higher than €0.01/MWh.

3.1.10 Specific tariff for small-scale LNG tanker unloading and reloading

A specific tariff for the unloading and reloading of small-scale LNG tankers (volumes less than 20 000 m³).

For small-scale tanker unloading operations, for the Montoir, Fos Tonkin, and Fos Cavaou terminals, the number of berthing operations rate (TNA) is fixed at €50,000. The other rates are identical to those applied to classic LNG tankers.

For the small-scale LNG tanker reloading service, a fixed rate of €50 k and a variable rate of €0.5/MWh apply.

The unloading and reloading operations of small-scale LNG tanker will be scheduled commencing on the 25th day of month M-1 for month M, based on those slots which are still vacant after the establishment of the monthly schedules.

3.1.11 Cargo reloading service

This service is billed, on the basis of user subscriptions, as follows:

- a fixed berthing rate (terme fixe d'accostage or TNA);
- a fixed reloading rate (terme fixe de rechargement or TFR);
- a variable rate: quantity reloaded rate (terme de quantité rechargée or TQR), according to the contractual reloaded quantity.

The "ship or pay" obligation as defined above applies to this service.

3.1.12 Cargo sharing service for unloading operations

This service allows several shippers to share an unloading operation.

This service is billed, on the basis of user subscriptions, as follows:

- a fixed rate, billed to each subscriber, equal to TNA/n :
 - where TNA is equal to the number of berthing operations rate in force for the terminal in question;
 - and n is equal to the number of users who subscribed to regasification capacity as part of the unloading operation in question;
- a variable rate, billed to each user, equal to $TQD \times Q_e$
 - where TQD is equal to the quantity unloaded rate in force for the terminal in question;
 - and Q_e is equal to the quantity subscribed by the user for the unloading operation in question.

The total quantities subscribed by each user must be equal to the total quantity unloaded.

The obligation to "ship or pay" subscribed capacity applies in the event of capacity subscribed as part of the cargo sharing service.

3.1.13 Specific services

The specific services proposed by operators, for instance the official authorisation of LNG tankers, are described in a catalogue of services published on the operator's website, together with the tariff that applies to each service.

3.2 Definitions of the tariff rates

The tariff rates applicable for the ATTM5 period include:

TNA	Rate for number of berthing operations, applied to each cargo loaded or unloaded on the LNG terminal, expressed in € per berthing operation;
TQD	Quantity unloaded rate, applied to the quantity of LNG unloaded, expressed in €/MWh;
TN	Gas in kind rate, intended to cover the gas consumed at the LNG terminal;
TFR	Fixed reloading rate, applied to each cargo loaded at the LNG terminal, expressed in € per loading operation;
TQR	Quantity reloaded rate, applied to the quantities of LNG reloaded, expressed in €/MWh;
TB	Optional flat send-out rate, applied to the quantity subscribed in flat send-out option, expressed in €/MWh;
TQS	Optional stored quantity rate, applied to the dedicated storage quantity subscribed, in €/MWh/month.

3.3 Detailed gas in kind off-take modalities

The Tonkin terminal is recording a rising gas deficit. The gas in kind off-take rate, set at 0.2% by the deliberation of 18 January 2017 is no longer enough to meet the needs of the terminal. The low replenishment of the terminal tanks and the erratic frequency of vessel arrivals has led Elengy to burn off large volumes of gas.

Elengy proposes that the gas in kind off-take rate is raised at the Fos Tonkin terminal to 0.5%, which would allow it to pay off the deficit from now through to 2020.

The CRE retains the increase in the off-take rate requested by Elengy as part of the conditions named in the present deliberation in paragraph 3.1.2 Gas in kind off-takes.

The volumes for gas off-takes at the Montoir-de-Bretagne and Fos Cavaou terminals are at the correct level, which is 0.3% and 0.2% respectively. Elengy and Fosmax are not asking for a change to the gas in kind off-take rates at these terminals.

3.4 Change to the tariff rates for the Montoir-de-Bretagne terminal on 1 April 2019

3.4.1 Allowed revenue trajectory

The allowed revenue trajectory for Elengy for the Montoir terminal is as follows:

Montoir, in current €M	2019	2020
Net operating expenditure (excluding energy)*	46.0	45.8
Normative capital expenditure	46.1	45.4
Energy and CO ₂ quota expenditure	3.7	4.2
Clearing of the CRCP balance	-8.2	-8.2
Allowed revenue	87.7	87.3

3.4.2 Tariff schedule on 1 April 2019

The tariff schedule below will enter into force on 1 April 2019 for a period of approximately two years. It is defined according to the mean of the revised rates (see table above) and the average capacity subscription hypotheses used by the CRE for the second period of ATTM5.

The tariff for use of the Montoir terminal is specified in the following table:

- Rates applicable to unloading operations:

TNA	$€90,000 \times (T + T_c)$
TQD	For the basic service : $€0.696 \times Q$ For the spot service : $€0.521 \times Q$
TN	$0.3\% \times Q$

- Rates applicable to reloading operations:

TNA	$€90,000 \times (T + T_c)$
TFR	$€60,000/\text{loading operation}$
TQR	$€0.32 \times Q_c$

- Applicable rates for ancillary services :

TB	$€0.07 \times Q_b$
TQS	$€1 \times S_d \times D_d$

With:

T = Number of cargoes unloaded per year

T_c = Number of cargoes loaded per year

Q = Quantity of LNG unloaded per year, expressed in MWh

Q_c = Quantity of LNG loaded per year, expressed in MWh

Q_b = Quantity of LNG unloaded per year with the flat send-out option, expressed in MWh

S_d = Quantity of dedicated storage subscribed, expressed in MWh

D_d = Subscription period to the dedicated storage, expressed in months

3.5 Tariff changes for the Fos Tonkin terminal on 1 April 2019

3.5.1 Allowed revenue trajectory

The allowed revenue trajectory for Elengy for the Fos Tonkin terminal is the following:

Fos Tonkin, in current €M	2019	2020
Net operating expenditure (excluding energy)*	24.2	23.6
Normative capital expenditure	21.9	10.7
Energy and CO ₂ quota expenditure	1.7	1.9
Clearing of the CRCP balance	-2.7	-2.7
Adjusted allowed revenue	45.1	33.4

3.5.2 Tariff schedule on 1 April 2019

The tariff schedule below will enter into force on 1 April 2019 for a period of approximately two years. It is defined according to the mean of the revised rates (see table above) and the average capacity subscription hypotheses used by the CRE for the second period of ATTM5.

The tariff for use of the Fos Tonkin terminal is specified in the following table:

- Rates applicable to unloading operations:

TNA	$€75,000 \times (T + T_c)$
TQD	For the basic service : $€1.072 \times Q$ For the spot service : $€0.804 \times Q$
TN	$0.5 \% \times Q$

- Rates applicable to reloading operations:

TNA	$€75,000 \times (T + T_c)$
TFR	$€40,000/\text{loading operation}$
TQR	$€0.32 \times Q_c$

- Applicable rates for ancillary services :

TB	$€0.07 \times Q_b$
TQS	$€1 \times S_d \times D_d$

With:

T = Number of cargoes unloaded per year

T_c = Number of cargoes loaded per year

Q = Quantity of LNG unloaded per year, expressed in MWh

Q_c = Quantity of LNG loaded per year, expressed in MWh

Q_b = Quantity of LNG unloaded per year with the flat send-out option, expressed in MWh

S_d = Quantity of dedicated storage subscribed, expressed in MWh

D_d = Subscription period to the dedicated storage, expressed in months

3.6 Tariff rates for the Fos Cavaou terminal on 1 April 2019

3.6.1 Allowed revenue trajectory

The allowed revenue trajectory for Fosmax LNG for the Fos Cavaou terminal is as follows:

Fos Cavaou, in current €M	2019	2020
Net operating expenditure (excluding energy)*	45.0	45.7
Normative capital expenditure	86.9	85.9
Energy and CO ₂ quota expenditure	3.7	4.2
Clearing of the CRCP balance	-8.5	-8.5
Adjusted allowed revenue	127.2	127.3

3.6.2 Tariff schedule on 1 April 2019

The tariff schedule below will enter into force on 1 April 2019 for a period of approximately two years. It is defined according to the mean of the revised rates (see table above) and the average capacity subscription hypotheses used by the CRE for the second period of ATTM5.

The tariff for use of the Fos Cavaou terminal is specified in the following table:

- Rates applicable to unloading operations:

TNA	$€100,000 \times (T + T_c)$
TQD	For the basic service: $€1,289 \times Q$ For the spot service: $€0.966 \times Q$
TN	$0.2 \% \times Q$

- Rates applicable to reloading operations:

TNA	$€100,000 \times (T + T_c)$
TFR	$€120,000/\text{loading operation}$
TQR	$€0.32 \times Q_c$

- Applicable rates for ancillary services :

TB	$€0.07 \times Q_b$
TQS	$€1 \times S_d \times D_d$

With:

T = Number of cargoes unloaded per year

T_c = Number of cargoes loaded per year

Q = Quantity of LNG unloaded per year, expressed in MWh

Q_c = Quantity of LNG loaded per year, expressed in MWh

Q_b = Quantity of LNG unloaded per year with the flat send-out option, expressed in MWh

S_d = Quantity of dedicated storage subscribed, expressed in MWh

D_d = Subscription period to the dedicated storage, expressed in months

DECISION

- 1 – In accordance with the deliberation by the French Energy Regulatory Commission (CRE) of 18 January 2017 reaching a decision on the tariffs for the use of regulated LNG terminals, the ATTM5 tariffs will change on 1 April 2019.
- 2 – The present deliberation defines the changes that will take place on 1 April 2019, for a period of approximately two years, regarding the tariff schedules that apply to the regulated LNG terminals.
- 3 – By way of application of the rules defined in paragraph 1.2.3 of the deliberation by the French Energy Regulatory Commission of 18 January 2017, the average unit tariff levels as applied by the CRE in the present deliberation are as follows:
 - for the Montoir terminal, a reduction of 4.03% to the average unit tariff compared to the first tariff period. The tariff averages at €0.81/MWh unloaded;
 - for the Fos Tonkin terminal, a reduction of 5.07% to the average unit tariff compared to the first tariff period. The tariff averages at €1.21/MWh unloaded;
 - for the Fos Cavaou terminal, a reduction of 3.46% to the average unit tariff compared to the first tariff period. The tariff averages at €1.39/MWh unloaded;
- 4 – The present deliberation will be published in the Official Journal of the French Republic and on the CRE website. It will be notified to Elengy and Fosmax LNG, and sent to the appointed government Minister, the Minister for Ecological and Inclusive Transition and to the Minister for the Economy and Finance.

Deliberated in Paris, 15 November 2018.

For the French Energy Regulatory Commission,

The Chairman,

Jean-François CARENCO