

14 September 2016

Commission de Régulation de l'Energie
15, rue Pasquier
F-75739 PARIS Cedex 08
By E-mail: Dr.cp7@cre.fr

Public consultation of 27th July
2016 on the next tariff for use of the
GRTgaz and TIGF natural gas
transmission networks

Dear Sir/Madam,

ExxonMobilⁱ is a longstanding participant in the European gas business involved across the supply value chain including upstream production, storage and processing, LNG receiving terminals and marketing. ExxonMobil also operate refineries and chemical plants in Europe, including facilities in France. As such we are keenly interested in on-going regulatory developments in the French wholesale gas market, and associated LNG terminals.

ExxonMobil welcomes initiatives that improve the functioning of the French gas market and promote further integration towards a single European gas market, in order to facilitate gas trade, increase market liquidity and enhance security of supply. We support measures which are market based and ensure a level playing field for all market participants and aim at harmonization of gas regulations across the EU. With this in mind, we have particular interest in regulatory developments at or relating to the LNG receiving terminals and would offer the attached perspectives in response to questions raised specifically on this area.

Question 39: Are you in favour of the creation of products of N consecutive days, with a ten-day minimum, at the PITTMs?

Answer: ExxonMobil supports the offering of flexible products to allow efficient use of infrastructure. The creation of products of N consecutive days would contribute to this goal. It adds flexibility to accommodate different send – out patterns, where previously short term market participants would have been penalised for send out periods other than those divisible by a 10 day period. A further enhancement, at least for short term capacity, could be a “fully bundled” product that would include regas capacity and entry capacity with alignment and consistency on the relevant terms and conditions governing the bundled capacity components. We understand this type of product exists already at some terminals in the EU.

Question 40: Are you in favour of capacity transfers at PITTMs being authorised at all French LNG terminals?

Answer: CEER in its February/May 2016 papers on EU LNG strategy emphasized the importance of functioning secondary capacity markets at LNG terminals to ensure effective access to terminals. ExxonMobil supports this view and the introduction of a secondary capacity market at the PITTMs. We believe this will add flexibility and facilitate, in the longer term, more efficient utilisation of entry capacity where parties can bilaterally agree to transfer entry capacity where it makes commercial sense

to do so. We believe GRTGaz should facilitate such a transfer free of charge consistent with the approach for the transfer of secondary regas capacity, for example, at the Fos Cavaou Terminal.

Question 42: Are you in favour of exceeded capacity being billed at 1/365th of the price of annual subscription?

Answer: We support cost reflective measures. Capacity oversubscription penalties are usually used to incentivize the shipper to re-nominate D-1. In the absence of this possibility, the penalty is not justified.

We hope the foregoing comments prove useful in the development of CRE's final position on the update of the tariffs. This response does not contain confidential information. For further information, or if you want to discuss the above, please don't hesitate to contact me.

Regards,

Peter Dorsett

ⁱ The term "ExxonMobil" may include the affiliated business stewarded by Exxon Mobil Corporation, as well as Exxon Mobil Corporation itself and does not refer to any one particular affiliate of the ExxonMobil group of companies.