



Q&A

1. Could you harmonize the names of the storages with Storengy names?

We are going to study this point with Storengy. If we merge the PITS North West and North East on the 1st of April 2020 it would be a good idea that they have the same name in GRTgaz and in Storengy offer. And we can also study the feasibility for Atlantic and South-East PITS.

2. Publication avant les enchères de juin?

This year it is not possible to publish a maintenance schedule for 2020 summer before June. We do not have enough information about the works that will take place. It is difficult to give reliable information about works several years in advance. Nevertheless we can work with you to see what kind of helpful information we could give you a long time in advance (for example a general figure on the whole season?).

3. Vous avez dit que le stockage Atlantique était le seul réduit par des maintenances super points cet été. Pourquoi le stockage de Lussagnet qui est plus au sud ne l'est pas ?

Atlantic PITS is the only one that is restricted in GRTgaz maintenance schedule. Lussagnet is also restricted (by NS3D, NS4D and S1D) but it is in Teréga maintenance schedule.

It is important to note that the LNG that will be brought in Fos and Montoir will benefit both to Atlantic and to Lussagnet.

4. it would be great to get the GRTgaz's plan of maintenance published before the storage auctions!!!

Yes, it is what we plan to do next winter (a first maintenance schedule in October). This is to be discussed in Concertation meeting.

5. Don't you think that if the PEG price keeps reducing there will be less cargo unloading to France compared to Spain and Italy?

It is difficult to answer that question. In the last months a lot of LNG came to France whereas the PEG price was lower than Spain and Italy price...

We want to work our PITTM offers, so that our PITTM are attractive.

6. Why is the spread localise at the bottom of the merit order? if it were at the top this might offer new commercial opportunities to the industry when it helps SoS!!!

The TRF mechanisms are only applied on the upstream offer in case of congestion (PIR, PITS, PITTM; and CCGTs are also eligible for locational spread). These mechanisms are not used for SoS.

The choice made by the CRE is first to use existing mechanism (= to cut the interruptible capacities only on PIR, and not on industrial customers downstream capacities), and then call the market through the locational spread.



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7. **Seeing the effect of e.g. maintenances on the PEG-TTF-Spread, how do you plan to reduce maintenances and to do these in a more market oriented manner? It seems that you are not properly incentivised as others bear the neg. effects of your deeds.**

We have already reduced our maintenance program by more than 50% between 2016 and 2019. We want to keep reducing it, for example by using the locational spread instead of reducing capacities; we have an action plan that is described in the presentation.

About the impact on the PEG: this winter's restrictions were on entry capacities (withdrawals), so that the PEG price increased a bit. The choice has been made for TRF to impact maintenance on downstream exits (and not upstream entries), in order to minimize the increase on PEG price.

8. **TRF... On aurait pu l'appeler PEG France...**

Yes...why not? 😊 But the choice has been made now!

9. **How will you manage bundle capacity products at the PIRs held by UK based companies without French gas licence in case of hard Brexit?**

In case of hard Brexit, UK based companies will not be authorized to nominate gas flows on capacity products, whether they are bundled or not. UK based companies will still be committed to these capacities from GRTgaz and will also keep the ability to assign these capacities to duly authorized third parties (full assignment or rights of usage)

10. **What happens to long term transport contracts of UK based shippers (if any)?**

See above: UK based companies will still be committed to these capacities from GRTgaz and will also keep the ability to assign these capacities to duly authorized third parties (full assignment or rights of usage)

11. **Le Brexit aura-t-il des conséquences positives ou négatives concernant les prix du gaz en France ?**

Based on contractual and organisational adjustments already implemented by the UK based companies subject to Brexit, we don't expect a significant impact from Brexit on prices.

12. **A combien estimez- vous le coût du TCS ? Sera t il appliqué à la consommation ou à la capacité de livraison ?**

Si par TCS vous voulez dire "Terme de Compensation Stockage" : le niveau du terme unitaire, comme le mode de calcul d'une éventuelle assiette de compensation stockage



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étendue aux clients raccordés au réseau de transport sont de la responsabilité de la CRE, qui consultera prochainement le marché à ce sujet.

If by "TCS" you mean "Storage Compensation Term" : the level of the unitary term, as the calculation method for a potential extension of the storage compensation basis to the clients connected to the transportation network, are under the responsibility of the CRE, who will consult the market on this subject soon.

13. Quelles sont vos prévisions pour 2019 concernant la consommation gazière en France ?

As a general consideration, the gas consumption in France in 2019 will differ from that of 2018 (470 TWh PCS) mainly due to a higher or a lower demand of CCGT.

It is worth noting that GRTgaz publishes forecasts scenarios at the 2035 horizon. <http://www.grtgaz.com/the-natural-gazery/natural-market-gazette/situation-and-perspectives.html>

These scenarios represent medium to long term states of the world and have no ambition to provide accurate forecasts for the short term. Nevertheless, according to the trajectory of the BLUE scenario, the gas consumption in 2019 will be of the order of 479 TWh PCS.

D'une façon générale, la consommation de gaz en France en 2019 va varier de celle de 2018 (470 TWh PCS) principalement du fait d'une plus forte/moindre sollicitation des cycles combinés au gaz.

A noter que GRTgaz publie des scénarios de Prévion à l'horizon 2035. <http://www.grtgaz.com/le-gaz-naturel/le-marche-francais-du-gaz-naturel/situation-et-perspectives.html>

Ces scénarios représentent des états du monde à moyen/long terme et n'ont pas ambition de fournir des prévisions précises dans le court terme. Néanmoins, selon la trajectoire du scénario BLEU, la consommation de gaz en 2019 sera de l'ordre de 479 TWh PCS.

14. À quand la refonte tant attendue de Transaction?!?

Le projet de refonte de T@ est lancé. Il s'appelle le projet RIO. Sa mise en œuvre sera progressive, avec un objectif annoncé de mise en œuvre intégrale pour 2023.

15. Avez-vous évalué la sécurité juridique de l'offre interruptible sur laquelle travaille GRTgaz? Quid si les textes réglementaires sont bloqués par la DG Comp ?

Soit l'arrêté pris par la DGE est publié, et GRTgaz l'appliquera, soit GRTgaz travaillera sur la base d'une demande de la CRE.

16. Doit-on comprendre de votre demande "d'attention" sur les factures de la compensation de stockage, qu'elles contiennent des erreurs?



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Nous nous engageons sur les calculs que nous effectuons à partir des données transmises par les opérateurs de distribution, mais celles-ci peuvent parfois être erronées oui.

We comit to calculating correctly the compensation based on the data received from the distribution operators, but this data can sometimes be erroneus.

17. Les règles de pérennité de souscription des capacités des PLC évolueront elles?

Il n'est pas prévu à l'heure actuelle de revenir sur la règle de pérennité.

It is currently not considered to modify the perrenity rule.

18. Any considerations of lower capacity costs but higher variable flow fees? this will lower the hurdle for shippers to commit to booking capacity, and the market spreads will then have to provide the premium to attract physical flows.

Our intent is to lower the market spreads in order to have a competitive PEG price, that is why we prefer fixed capacity cost only. Moreover, we think that in the near future, capacity will be booked only when it allows to secure a positive margin. So at the time of booking, full fixed + variable cost would be taken into consideration. Besides, the European Network Code Tariff indicates that the transportation subscription should be capacity-based.

19. Why not giving the possibility of reshuffling entry capacity with exit? (if PEG is anticipated to become cheaper and cheaper, for shippers exit capacity would be more interesting than entry)

In order to maintain a low PEG price, we prefer to give priority to entry.

20. Where is GRTGaz regarding the discussion on implicit allocations? Do you see the exchanges or PRISMA offering this service?

We know that both of them work on this topic. We have experimented the Market Coupling with the exchanges (PEGAS) on the North to South link with success. We think a combined solution PRISMA/Exchanges could be a good solution to implement implicit allocation on the same way on different IP in Europe.

21. Why not considering an integrated booking (regas plus entry) with a competitive allocation of the bundled service (italian model)?

Today, there is an automatic allocation of entry capacity when a shipper books regas capacity in a regulated terminal. So in theory, shippers don't have to worry about their PITTM capacity. However there is an issue with possible additional capacity cost depending on the actual send-out profile. We are working on improving that and we expect your support during the soon to come Regulator's Public Consultation.



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22. Cela fait déjà longtemps que les expéditeurs demandent le reshuffling...pensez-vous que cette fois ci ça va passer?

We think we have good arguments, this offer will increase the PEG competitiveness and liquidity. And we hope you will help us to convince CRE!

23. Pourquoi le reshuffling ne concerne pas les Pittm?

LNG and pipeline gas are very different markets, that is why we have 2 different offers: reshuffling for PIRs and pooling for PITTMM.

For example, if we proposed reshuffling on PITTMM, it could replace some capacity sales and it would reduce our revenue.

24. That's a great idea to have the PEG very low and lower than other markets ... so that you can be sure there won't be any flow from neighboring countries.... and ciao liquidity!

We don't expect PEG to be structurally lower than the neighbouring market places of Northern Europe. Our goal is to keep the spreads as low as possible but we expect them to be positive. Moreover, should the spreads reverse, liquidity could come from the reverse flows.

25. "TRF simplification": Could you elaborate a bit more on what you expect to do?

For example we are studying the merge of North East and North West PITS.

We also try to simplify our maintenance schedule. In summer 2020 only 2 superpoints will be activated for maintenance on GRTgaz network.

26. Le reshuffling devrait plutôt réduire vos revenus, non ?

This offer was designed to have a minimal impact on our revenue: it is only applicable on points which are not likely to be subscribed.

27. Pourquoi ne pas proposer une offre de wheeling entre le PiR et le Pittm à Dunkerque?

For the moment we propose reshuffling for PIRs and pooling for PITTMM. It is a first step. After we could study how to increase flexibility.

But in first approach, there could be a risk for us to have less revenue with such a wheeling offer.

28. Why not considering no multipliers at all for entry from lng to be more attractive for spot cargoes?



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There is no multiplier for the LNG entry capacity. However there is an issue with possible additional capacity cost depending on the actual send-out profile. We are working on improving that and we expect your support during the soon to come Regulator's Public Consultation.

29. The reshuffling has two inherent risk: discrimination and under recovery. Any proposal should ensure that access to the alternative capacity is granted on a competitive basis. With respect to the under recovery crosssubsidies should be avoided

The discrimination risk could exist, but reshuffling is only proposed on non-congested PIRs (Virtualys and Obergaillbach, which are never congested for maturities above the month). So the other shippers can still buy their capacities at the same price.

So we think that the benefit for the market (foster liquidity and reduce the increase of PEG price) is stronger than the risks.

30. Ne faudrait-il pas plutôt augmenter les multiplicateurs court-terme pour relancer les contrats long-terme?

We have few hope of seeing long-term contracts again. We don't expect players booking capacity beyond horizon of liquidity. That's why we focus on optimising the short- to medium-term horizon.

31. Why don't you just trust the market and do what must be done to increase liquidity at PEG by simplifying the general rules?

Increasing liquidity is one of our main objectives. The new offers we are proposing are in this spirit, allowing shippers to better optimize their capacities. However, any proposal to improve the system is welcomed.

32. Trying to limit PEG price increase sounds like market manipulation by GRTgaz. Doesn't it?

The approach we have is allowing the shippers to better optimize the capacities and bring more liquidity to the PEG. Our intent is to give to the market players the tools to keep gas as a competitive energy in France.

33. Why among the potential solutions offered there is consideration for changing the entry/exit split (less on entry, more on exit) as other countries have implemented or are considering?

The Tariff allocation is determined by the regulator and has to respect the European Network Code Tariff.



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34. Quels pourraient être les niveaux des spreads entre TTF et PEG selon vos simulations ?

We don't have quantitative simulations. Qualitatively, once the long-term capacity contracts have expired, the spread should be close to the transportation cost between the two hubs.

35. For « ATRT7 risks » I would have presented it the other way around... increase of GRTgaz tariff would mean less shippers in France, less liquidity at PEG, more volatility, higher prices for the end user...

It is indeed chicken and egg. However, our unitary tariff is strongly driven by the level of subscribed capacity. Thus decrease of the subscriptions is an important risk.

36. Pourquoi ce retour en arrière en zone B???

It is not a step backwards. We continue to use the H gas to L gas swap service which is efficient in terms of supply competition. This H gas to L gas swap service will be the only supply of L gas for all consumption on L zone. We also ensure the continued existence of this solution by extending the swap service until the end of L gas in France.

37. Quelle a été l'utilisation des nouvelles capacités à Oltingue ?

On entry direction, no capacities have been sold and used.

On exit direction, we sold the new firm capacity during within-day auctions only.

38. À quand une suppression des capacités restituables sur Dkk?

This subject will be discussed in 2019 in order to remove releasable for the beginning of ATRT7.