

CUSTOMS FORMALITIES

GRTgaz may not be held liable for the consequences arising from the use of the information below, which is provided solely for information purposes.

The process of importing natural gas into France is subject to the provisions laid down in the Community Customs Code and the French National Customs Code.

For all new forms of importing, or for any information on administrative formalities, it is the responsibility of each Shipper to contact the relevant authorities, in particular:

Bureau F2,

DIRECTION GENERALE DES DOUANES Bureau F2 23 bis rue de l'Université 75007 PARIS, France

Tel: +33 (0)1 44 74 45 78 Fax: +33 (0)1 55 04 65 69

in order to check what declarations they are obliged to make for the customs formalities described below:

1. Importing gas by land from a non-European Union member country

The quantities of gas imported by pipeline from a non-European Union member country, must be covered by a monthly Declaration of Release for Consumption in France (IM4 form for gas imported from a country that is not an EFTA member or otherwise form EU4). The local addresses where monthly declarations are to be sent are:

- for Dunkerque: Monsieur le Receveur Principal des Douanes Recette des Douanes de Dunkerque 1, quai Freycinet BP 631 59386 DUNKERQUE CEDEX 1 Tel: +33 (0)3.28.58.05.08
- for Taisnières: Monsieur le Receveur Principal des Douanes Recette des Douanes de Bettignies-Maubeuge CRD - Route de Mons 59600 BETTIGNIES Tel: +33 (0)3.27.67.93.33
- for Obergailbach: Monsieur le Receveur Principal des Douanes Administration des Douanes Recette Principale ZAC Carling BP 31 57501 SAINT AVOLD CEDEX Tel: +33 (0)3.87.92.67.71

2. Importing gas by land from a European Union member country

In order to take account of the new tax measures following the transposition into French law of EU directive 2003/92/CE on gas and electricity, ministerial order No. 2005-164 of February 17, 2005 lays down specific declaration procedures for intra-community natural gas flows through pipelines. As a result, companies conducting transactions in France relating to natural gas in a gaseous state flowing through pipelines, are no longer required to complete Declarations of Trade in Goods (DEB) on such operations carried out after January 1, 2005. Transmission system operators are now required to make monthly declarations of the physical flows of gas traded (natural gas in a gaseous state flowing through pipelines) between France and other member states to:
C.S.D. de Toulouse BP 1049 31023 TOULOUSE CEDEX Tel: +33 (0)5 62 11 23 88

3. Importing gas by sea.

Quantities of gas imported by sea must be declared at each unloading. This declaration must be sent to:

- for Montoir: Monsieur le Receveur Principal des Douanes de Saint Nazaire Rue des Morées BP 27 44550 MONTOIR DE BRETAGNE Tel: +33 (0)2.40.45.88.70
- for Fos: Monsieur le Receveur Principal des Douanes Centre Tertiaire MOLE-GRAVELEAU BP 141 13518 PORT SAINT LOUIS DU RHONE CEDEX Tel: +33 (0)4.42.11.74.40

4. Additional information

The Community Customs Code is available at the following Internet address:

http://europa.eu/legislation_summaries/other/l11010_fr.htm

The French National Customs Code is available at the following Internet address:
<http://www.douane.gouv.fr/>

TAXES

GRTgaz may not be held liable for the consequences arising from the use of the information below, which is provided solely for information purposes.

The delivery of natural gas within France is subject to tax arrangements under which specific taxes are collected: **TICGN** (Domestic Tax on Natural Gas Consumption) is a tax that applies to the quantities of natural gas delivered to a single user, defined as the end user or else the holder of a natural gas purchase contract. **TIFP** (Duty Payable to the French Petroleum Institute) is always applied on top of TICGN and under the same procedures. Certain deliveries can receive an exemption from these taxes, which users obtain by submitting a declaration to the Customs Authorities.

Exemptions apply to quantities of gas:

- used in the manufacture of certain chemical products,
- used as a raw material,
- used to supply cogeneration facilities,
- ...

TICGN and TIFP are payable at the time of issue of the invoice for the sale of gas. They are collected in one of the following ways:

- if a gas Supplier sells gas to an Eligible Customer, it is the said Supplier which collects the TICGN and TIFP from its Customer, on the basis of the information supplied by the said Customer with regard to any exemptions or deductions, and pays them to be Customs Authorities through its tax representative;
- if the Eligible Customer is itself an importer of the gas that it uses, it is up to the Operator (i.e. GRTgaz) to collect the TICGN and TIFP from the Customer and pay it to the Customs Authorities.

To get more information on TICGN and TIFP, you are advised to contact the Customs Authorities, using the contact details provided at the following website address:

<http://www.douane.gouv.fr/page.asp?id=140>

http://www.legifrance.gouv.fr/initRechCodeArticle.do;jsessionid=3B0380F90341737EB14771389D406220.tpdjo14v_2

RATE CONTRIBUTION ON TRANSMISSION

GRTgaz may not be held liable for the consequences arising from the use of the information below, which is provided solely for information purposes.

Summary:

- from January 1, 2005, the law introduced a “rate contribution on electricity and natural gas transmission and distribution services”, generally referred to as CTA (“Contribution Tarifaire sur l’Acheminement” [Rate Contribution on transmission]), payable to the Caisse Nationale des Industries Électriques et Gazières (CNIEG) [National electricity and gas industries fund];
- the CTA applies solely to transmission services for delivery to consumers in mainland France: the transmission of natural gas from a State other than France for delivery to a consumer connected to a distribution grid situated in another State is not subject to CTA;

- the CTA is paid to the CNIEG by the gas suppliers (or, in certain cases, by system operators), who collect it from their customers;
- for natural gas, the CTA calculation is based on the “proportion before tax of the part relating to the use of the transmission and distribution systems linked with gas withdrawal, independently of actual consumption”.

The **main legal documents** relating to the CTA are as follows:

- Decree No.2005-123, Official Journal of February 15, 2005: “Decree on the rate contribution on electricity and natural gas transmission and distribution services”
<http://www.legifrance.gouv.fr/WAspad/UnDocument?base=LEX&nod=1DE005123>
- Decree No.2005-278, Official Journal of March 27, 2005: “Decree on the resources of the Caisse Nationale des Industries Électriques et Gazières”
<http://www.legifrance.gouv.fr/WAspad/UnDocument?base=LEX&nod=1DS005278>
- Ministerial order of May 26, 2005, Official Journal of May 31, 2005: “Order on the level of the rate contribution on electricity and natural gas transmission and distribution services”
<http://www.admi.net/jo/20050531/INDI0505136A.html>

The **collection mechanism** for the CTA on natural gas provides that the party liable for payment (and collection) of this contribution to the CNIEG is generally the natural gas supplier: it collects the CTA by incorporating it into the selling price billed to its customers, then pays it to the CNIEG. NB: with regard to eligible end users who have exercised their rights and with whom the natural gas transmission and distribution system operators have signed a transmission contract for delivery on their systems, it is the system operators who collect the CTA in addition to the charges they bill to those end customers for using the systems, then pay it to the CNIEG.

The amount of CTA for the ‘gas transmission’ component is calculated by applying the given rate (cf. Ministerial order of May 26, 2005) to the set calculation basis (cf. Decree No.2005-123):

- the rate applicable for the ‘gas transmission’ component only is 4.71%, until amended by a subsequent order;
- in concrete terms, the monthly calculation basis (in €) is calculated as follows: $[TFL + ((CJFL + CJIL) \times PUACJSRP) + (CJFL + 0,5 \times CJIL) \times (PUACJL + PUACJARR)] / 12 + CJML \times (PUMCJSRP + PUMCJL + PUMCARR)$ with the following abbreviations: TFL = Fixed Delivery Term (annual) CJFL = Firm Daily Delivery Capacity (annual) CJIL = Interruptible Daily Delivery Capacity (annual) PUACJSRP = Annual Unit Price of the Daily Exit Capacity on the Main Transmission System PUACJL = Annual Unit Price of the Daily Delivery Capacity PUACJARR = Annual Unit Price of the Daily Transmission Capacity on the Regional Transmission System CJML = Monthly Daily Delivery Capacity

PUMCJSRP = Monthly Unit Price of the Daily Exit Capacity on the Main Transmission System PUMCJL = Monthly Unit Price of the Daily Delivery Capacity PUMCARR = Monthly Unit Price of the Daily Transmission Capacity on the Regional Transmission System

NB: the terms of entry, link and exit at the system interconnection points, and of entry/exit to/from the storage facilities, relating to transportation on the transmission system, do not form part of the ‘gas transmission’ calculation basis for the CTA.

As regards the **collection procedures** for the CTA:

- the gas supplier collects the CTA and incorporates it in the selling price billed to its customers;
- for customers connected to the transmission system, the ‘gas transmission’ component of the CTA – collected and incorporated in the selling price billed to each customer by the gas supplier – is calculated by the method shown above (rate and formula), on the basis of subscribed capacity and the fixed delivery term for the customer site in question;

- for consumers connected to a distribution system, the 'gas transmission' component of the CTA is:
 - calculated by the method shown above (rate and formula), on the basis of the fixed delivery terms and total capacity subscribed at the PITD (Transmission-Distribution Interface Points) by the gas supplier;
 - split by the gas supplier and billed to each of its customers as a fair proportion of their respective shares of CTA 'gas distribution' component.
- the CTA is subject to VAT.

The following **additional information** should be noted:

- the tariffs for access to the transmission system proposed by the CRE on October 27, 2004 and applied by GRTgaz since January 1, 2005 are exclusive of CTA (they take into consideration the reform of the Electricity and Gas Industries pension scheme);
- the CTA is declared and paid monthly, at the latest on the 24th day of the month following the previous complete calendar month (except for taxpayers whose CTA is less than €15,000, who are required to make quarterly declarations and payments);
- as with VAT, it is possible to pay the CTA on a debit basis (the CNIEG must then be notified that this option is being exercised);
- the CTA is payable on services provided from January 1, 2005: the first declaration (by collectors) must be submitted on June 24, 2005, for services provided since January 1, 2005 and collected (or invoiced, where the debit option is exercised) up to May 31 2005;
- the CTA declarations are entered on a form for which the template is supplied by the CNIEG (Caisse Nationale des Industries Électriques et Gazières), on the following website: <http://www.cnieg.fr/>
- gas suppliers who are not based in France must appoint a representative residing in France who will be personally responsible for making the declarations and paying the sums owed in respect of the CTA.