

Note describing the incentive discount system

(Version of January 26, 2012)

1 PURPOSE

This note describes the principles and implementation of the incentive discount system under the storage access contract which Storengy is offering its customers for the period from April 1, 2012 to March 31, 2013 for the sale of storage capacity within the framework of the allocation process.

2 GENERAL PRINCIPLES

The incentive discount is a temporary reduction in the charge rates for the reservation of storage capacity acquired in the allocation rounds, for which the acquisition procedures are described in the 2012 allocation rules for Storengy's storage capacity. The unit discount price (in €/MWh) is directly linked to the exercise rate of storage rights, expressed in working gas volume.

The amount of the discount (€) is calculated by multiplying the discount unit price (€/MWh) by the subscribed working gas volume (MWh), up to the maximum of storage rights expressed in working gas volume. It is deducted from the invoice on a monthly basis over the application period, i.e. from April 1, 2012 to March 31, 2013.

3 IMPLEMENTATION OF THE INCENTIVE DISCOUNT

3.1 Unit price of the incentive discount

Definitions

Working Volume Rights: "net" rights communicated by Storengy to each customer following Step 3 of the allocation process, plus – where applicable – the rights transferred during Step 2, except rights transferred pursuant to Article 5 of "Arrêté du 7 février 2007 relatif aux profils et aux droits unitaires de stockage".

Exercised Working Volume: rights "exercised", expressed in working gas volume, as communicated by Storengy to each customer following Step 7 of the allocation process, minus – where applicable – the capacity transferred pursuant to Article 8 of the contract.

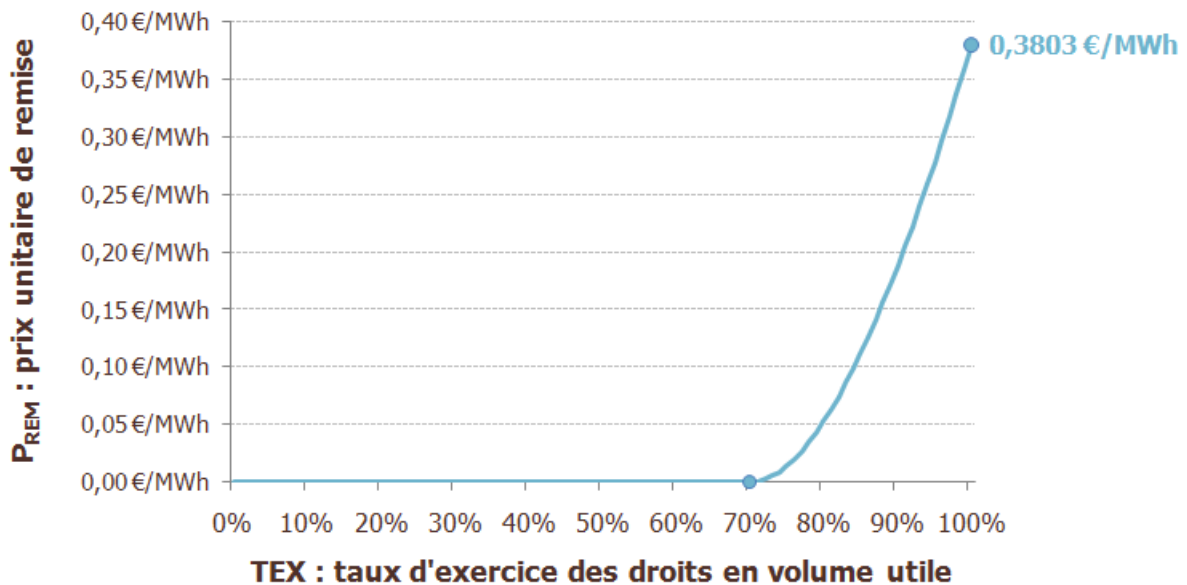
Exercise rate of working volume rights (TEX): ratio between Exercised Working Volume and Working Volume Rights, expressed as a percentage, capped at 100%. TEX is rounded up or down to 5 decimal points (i.e. 3 decimal points in percentage format).

Calculating the discount unit price "P_{REM}"

If $TEX \leq 70\%$: $P_{REM} = 0 \text{ €/MWh}$.

If $70\% < TEX \leq 100\%$: $P_{REM} = - 5.915 + 4.225 \times TEX + 2.0703 / TEX \text{ (€/MWh)}$

P_{REM} is rounded up or down to 4 decimal points.



3.2 Amount of the incentive discount

The monthly amount of the incentive discount m_{REM} is calculated by multiplying the unit price of the incentive discount (p_{REM} €/MWh) by the Exercised Working Volume (MWh), and by dividing the result by 12. It is expressed in Euros and rounded to 2 decimal points.

3.3 Calculation and updates

Storengy makes the calculations and notifies the customer of the elements needed for those calculations. A change to the discount does not require an amendment to the contract (the calculation mechanism is specified in the Special Terms and Conditions, but if an amendment is signed, the value of the new monthly discount is stated in the Special Terms and Conditions.

Calculation following the April allocation round

No later than the end of February 2012, Storengy will make the first calculation using the information obtained from the first allocation round. The amount of the incentive discount thus calculated will apply during the month of April 2012, May 2012 and June 2012. The amount is recorded in the Special Terms and Conditions of the contract.

Calculations and update following the July and November allocation rounds

No later than the end of May 2012, Storengy will update the amount using the information obtained from the second allocation round, if the Working Volume Rights and/or the Working Volume Subscription have changed. The amount thus calculated will apply for the months July 2012 to October 2012.

Likewise, no later than the end of September 2012, Storengy will update the amount using the information obtained from the third allocation round. The amount thus calculated will apply for the months November 2012 to March 2013.

Calculations and update following a transfer

In addition to updates following the July and November allocation rounds, the amount of the incentive is also updated if the following conditions are met :

- A transfer happens pursuant to Article 8 of General Terms and Conditions,
- The transferred capacity comes from rights exercised in working volumes in the allocation process.

The calculation is made on the same basis as in Article 3.1, but Exercised Working Volume is decreased by the sum of volumes transferred by the customer :

- That come from rights exercised in working volume,
- And that have been transferred since the previous allocation round.

3.4 Impact on billing

For a given month, an amount equal to amount of the incentive discount applicable for this month, rounded to two decimal points, is deducted from the invoice relating to the storage access contract.

4 EXAMPLE

On April 1, 2012, customer A subscribes 1,200,000 MWh of working gas volume, for 1,100,000 MWh of Working Volume Rights.

TEX = 100 % (capped at 100%)
 $P_{REM} = 0.3803 \text{ €/MWh}$
 $m_{REM} = 34,860.83 \text{ €}$

Even if the subscription exceeds the Working Volume Rights, TEX is equal to 100%.

Amount of discount

April 2012: 34,860.83 €
 May 2012: 34,860.83 €
 June 2012: 34,860.83 €

On July 1, 2012, following the second allocation round, customer A increases its subscription level, expressed in working volume, to 1,300,000 MWh for 1,400,000 MWh of Working Volume Rights.

TEX = 92.857 %
 $N_{REM} = 0.2378 \text{ €/MWh}$
 $m_{REM} = 25,761.67 \text{ €}$

The amount of the discount has decreased : even if the subscription has increased by 100,000 MWh, the Working Volume Rights have increased by 300,000 MWh.

Amount of discount:

July 2012: 25,761.67 €	September 2012: 25,761.67 €
August 2012: 25,761.67 €	October 2012: 25,761.67 €

On November 1, 2012, following the third allocation round, customer A keeps its subscription level unchanged at 1,300,000 MWh for 1,700,000 MWh of Working Volume Rights.

TEX = 76.471 %
 $N_{REM} = 0.0232 \text{ €/MWh}$
 $m_{REM} = 2,513.33 \text{ €}$

The amount of the discount has decreased, even if the subscription has not changed, because the Working Volume Rights have increased.

Amount of discount:

November 2012 2,513.33 €	December 2012: 2,513.33€
January 2013: 2,513.33 €	February 2013: 2,513.33€
March 2013: 2,513.33 €	