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MAKING IT CLEAR



STORAGE CAPACITIES

A look at the 2011 sales

As every year, Storengy marketed virtually all its storage capacities in France in early 2011. The phenomenon of the "gas bubble" encountered on the markets (which has appeared two years ago) has strongly marked the 2011/2012 marketing campaign.

In the first place, Storengy sold its "surplus" capacities as of 4 February 2011 (capacities exceeding the envelope of storage rights) during an auction of simplified products amounting to a total volume of 2.9 TWh⁽¹⁾. The success of this auction confirms the market's interest in this type of offer.

The next step was the allocation of the capacities contained in the envelope of storage rights on 1st April 2011, with a total volume of 108.4 TWh. In a market situation which is marked by an extremely low level of seasonal spread, 70% of these capacities were subscribed. 32.8 TWh remained available⁽²⁾.

In order to respond to its customers' demand, Storengy proposed several commercial offers to the market. Multi-annual products with price formulas that are partially linked to the seasonal spread, as well as a new one-year product (Sediane Littoral Plus) were proposed during

an open subscription period which was held from 9 to 14 March, 2011. Thus about 3.8 TWh were subscribed for periods ranging from 1 to 7 years as of 1st April 2011.

Storage product customisation

Storengy also proposed the "Sediane Littoral Plus" product once again in April for subscription starting as of 1st May, 2011. This open subscription period allowed for an additional subscription of 3.3 TWh of storage capacities. In June, this approach was also concretised by the sale of so-called "unbundled" capacities which are part of the Sediane Littoral and Serene Sud groups. Interested customers had the opportunity to buy separately volume, injection or withdrawal capacities from those storage groups. This storage product customisation approach is especially designed to enable customers who are already present in

these groups to adjust their storage capacity portfolio. This has led to an additional subscription of 3.4 TWh of volume, as well as 8.5 GWh/d of injection capacities and 2.0 GWh/d of withdrawal capacities.

Altogether, this approach allowed for the subscription of a little more than 80% of the storage capacities.

Guaranteeing our commitments, preserving mid-term performance

In parallel, and without waiting for the results of the different sales following the allocation procedure on 1st April 2011, Storengy implemented different actions to guarantee its contractual commitments while preserving the mid-term performance of its storage sites.

The immediate and future performance of aquifer storages (such as those which contain the capacities proposed within the Sediane Littoral and Serene Sud groups) depends on their annual cycle, i.e. performing a minimum movement between the levels of stocks that are attained successively at the end of the injection and withdrawal period.

Given the levels of subscription to these two groups, the amplitude of the related injection and withdrawal movement was rated insufficient to preserve the sites' performance in the mid-term, and to comply with contractual commitments in the short term. Storengy has thus performed purchasing/sales operations⁽³⁾ of "performance" gas with market operators who have responded to an invitation to tender and with whom EFET contracts were signed.

These operations, which were carried out at the PEG Nord, have led Storengy to sign a transmission contract with GRTgaz to ship gas from the PEG to the PITS.

In a rapidly changing environment (while Storengy's industrial facilities have a high inertia), these actions are a response to the requirements expressed by our customers while preserving the industrial facilities. ■

(1) Without reducing factors or stock tunnels.

(2) Entirely located within the Sediane Littoral and Serene Sud storage groups.

(3) Purchase and injection in 2011, withdrawal and re-sale in winter 2011-2012.



The first depleted reservoir storage in France

The underground storage of Trois Fontaines was filled with gas in November 2010 and has now finalised the performance tests of its facilities.

Storengy's newest storage site is also the first depleted reservoir storage ever created in France. Situated in the French department of Marne, it uses the geological structure of the reservoir that produced natural gas during two decades, until 2006. This reservoir has been converted into an underground gas storage thanks to Storengy's expertise.

80 million cm were developed during the first phase, but the potential of the Trois Fontaines storage site is much bigger. It is connected

to the North-East transportation route and completes the Serene Nord offer. It is remotely monitored from the underground storage site of Cerville, which is located near the city of Nancy. ■

Some important figures

- Depth: **1,700 m**
- **5 injection/withdrawal wells**
- Current working gas volume: **80 million cm**
- Peak flow rate: **23,000 cm/h**

In few words...

News from the Sales and Marketing Department

Valérie Beaudichon is the new Head of Storengy's Sales and Marketing Department. She joined the department on 1st April. Her tasks include the design and marketing of Storengy's commercial offer as well as operational contract management. Since 1st July, this department is part of the new Development & Commercial Division.



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Live

Storengy and the Third Energy Package

The Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 regarding the common rules for the internal natural gas market, also known as the 3rd Directive, as well as the gas regulation 715/2009 have entered into application on 3 March, 2011. Their objective is to create a truly integrated and competitive European gas market which is based on the principles of transparency and non-discrimination. Directive 73 provides for the legal and operational separation of storage activities from supply and production activities. It maintains the possibility for the Member States to choose a mode

of third-party access to storage (negotiated or regulated access). The transposition of the Directive into French law will be accomplished by the means of ordinance no. 2011-504, which confirms the principles of transparency and non-discrimination and ensures the competitiveness of the French market by maintaining the negotiated access system. Regulation 715 specifies the obligations of storage managing companies regarding third-party access, transparency, the principles of capacity attribution mechanisms, congestion management procedures and the secondary market. This text formalises the 2005 Guidelines

for Good Practice for Storage System Operators (GGPSSO) which Storengy subscribed to from the beginning. Thus Storengy offers its clients various services and ensures a very high level of transparency thanks to, among others, the publication of data concerning the availability of capacities as well as the publication of daily information about stock movements and levels. In order to facilitate the development of the secondary market, Storengy has also implemented means to exchange storage capacities. ■