

June 24th, 2011

STMFC's comments to ENTSOG's public consultation on the Ten-Year Network Development Plan (TYNDP) 2011-2020

STMFC welcomes the opportunity to take part in ENTSOG's public consultation on its Ten-Year Network Development Plan (TYNDP) 2011-2020.

STMFC is an infrastructure operator dedicated to LNG terminal activity only; STMFC owns the Fos Cavaou LNG terminal and would like to make the following comments.

- **LNG specificities should be taken in account**

In addition to its qualities with respect to Security of supply as well as to Diversity of supply, LNG presents a tremendous advantage compared to gas pipe line: LNG can be delivered directly at the nearest of the gas consumption area which is targeted, wherever the LNG is coming from and the gas liquefaction plant is located.

This specificity of LNG is particularly interesting for Europe, as Europe has large coastlines that stretch along the north, the west, the south and even part of the east side of the continent.

Thus, LNG terminals can be developed at locations, which are the most efficient to the needs.

But in its TYNDP 2011-2022, ENTSOG seems to only consider development of gas pipeline corridors, without even questioning alternatives. This approach could lead to erroneous conclusions of the study, in particular with respect to market integration scenarios, upon which decisions could be made which could lead to hamper the free functioning of the market to the detriment of certain LSOs and countries, to overcharge the community and to create stranded costs.

At least, ENTSOG should conduct a cost/benefit analysis between (i) laying down hundreds / thousands kilometres of high pressure pipelines, and (ii) developing LNG regasification facilities at the nearest of the targeted consumption area. In addition, any project that would be developed under the TYNDP will have to be based on market demand.

As the way this TYNDP has been developed could lead to consequences that would be detrimental to the future development of our Fos Cavaou LNG terminal, we hereby reserve all our rights.

- **Infrastructure Project hypothesis should be more consistent**

In the TYNDP 2011-2020, it seems that there is an inconsistency with respect to an infrastructure project in France: although no LNG terminal project is mentioned at Dunkirk (*Dunkerque*) (whatever FID or non-FID), a “*GRTgaz - Dunkerque LNG connection*” is taken into account (as a non-FID transmission project) in the TYNDP 2011-2020.

As the concerned infrastructures are far from being minor, this kind of inconsistency could lead to erroneous conclusions in the TYNDP 2011-2020.

- **ENTSOG’s questionnaire on Infrastructure Project should be clearer**

In its questionnaire on TYNDP infrastructure project, ENTSOG explicitly mentioned that “*ENTSOG will include all the projects in the TYNDP for which all the information has been submitted by the project sponsor(s). All such information will also be published*”. But finally, ENTSOG published only aggregated cost estimates per infrastructure type broken down per FID and non-FID projects.

ENTSOG should not change the rules regarding confidentiality during the questionnaire process, as some operators may decide to answer or not to answer some questions, depending on the rule which is announced, particularly when data are sensitive.

Moreover, because of the above mentioned confusion, ENTSOG should not point out who answered or not as it casts doubts on some LSOs, while the issue comes from the ENTSOG’s questionnaire itself.