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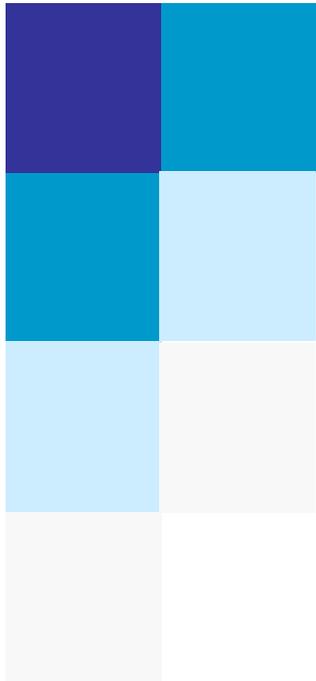
GTE comments on

Draft Explanatory Note on

Congestion Management Procedures

## Different kinds of capacity situations

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- DG TREN describes the following different kinds of possible capacity situations
  - (I) offer exceeds requests
  - (II) requests exceed offer (short term)
  - (III) requests exceed offer (long term)
  
- GTE would like to point out that with respect to resolving a congestion situation
  - the main issue is not the question whether a congestion can be classified as short term or long term
  - but whether the investment needed to remove the congestion is economically viable

## CMP for existing and new capacity

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- GTE supports the application of the following mechanisms when applied to:
  - Existing Capacity:

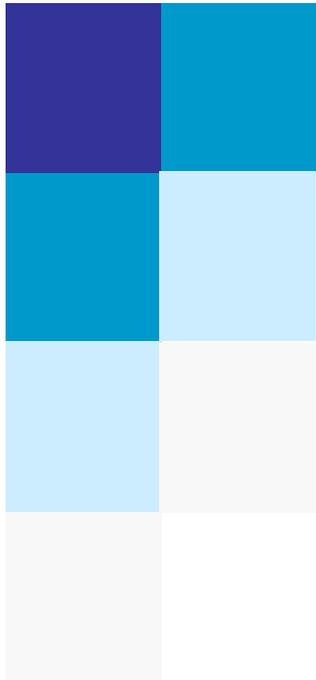
First-Committed-First-Served (FCFS), pro-rata allocation, auctions, open subscription period etc. as they guarantee transparency and non-discrimination.

Application of UIOLI principles and facilitation of secondary capacity markets.
  - New Capacity (increase of existing or developing new infrastructure):

Open season and auctions as they are well suited for new investments into infrastructure.

## Timing of capacity allocation

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- Timing of capacity allocation procedures should provide maximum flexibility to the market.
- In order to give as much flexibility as possible to the market players concluding sales / transportation contracts also for long term capacity contracts allocation systems (FCFS) and open subscription periods should be applied on a rolling basis (or at least several times a year)