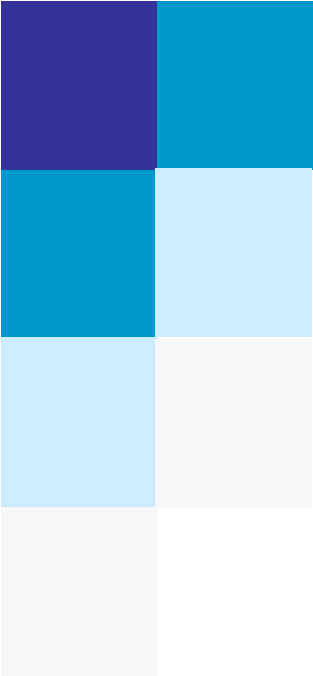


GTE comments on

Draft Explanatory Note on Congestion Management Procedures

Different kinds of capacity situations

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- A decorative graphic on the left side of the slide, consisting of a 4x2 grid of colored squares. The top row has a dark blue square and a medium blue square. The second row has a medium blue square and a light blue square. The third row has a light blue square and a light grey square. The bottom row has a light grey square and a light grey square.
- 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

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

- Existing Capacity:

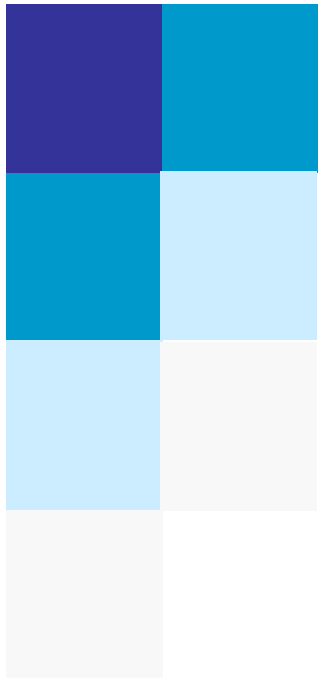
First-Committed-First-Served (FCFS), pro-rata allocation, auctions, open subscription period etc. as they guarantee transparency and non-discrimination.

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



- 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)