

1. Do you agree with the problems that ERGEG has identified with capacity allocation and congestion management ? Are there other aspects that should be taken into account ?

GSY: Yes. No other aspects

2. The scope of ERGEG's principles and of the derived proposals covers bringing capacity to the market where there is currently contractual congestion. Do you agree with this approach ?

GSY: Yes we agree with this approach and consider paramount to improve capacity accessibility for all especially where contractual congestion is experienced but also where there is physical congestion

3. In principle, European regulators consider FCFS allocation potentially discriminatory. Do you share this view? What do you think about the proposed mechanisms (OSP with subsequent pro-rata allocation or auctioning) ?

GSY: Yes. We think that FCFS mechanism should be used in particular situation and should be examined under high scrutiny. Furthermore we think that OSP and auction are fair and should bring better visibility on capacity prices, hence serving the market more efficiently.

4. In your view, what is the future importance of the proposed capacity products (firm, interruptible, and bundled) and of the proposed contract duration (intra-day up to multi-annual) ?

GSY: Already improvements of firm capacity availability at border crossing points with any time duration will be a major progress. Interruptibility should be fully transparent to better assess the associated risk when booking such product. Also a common definition of interruptibility has to be agreed by adjacent TSOs in order for shipper to mitigate the risks of interruption when transiting gas across border points. Ultimate target should be adjacent TSOs to offer unique bundled products both firm and interruptible (from intra-day up to multi-annual time duration) at Interconnection points, especially where contractual and physical congestion is experienced.

5. What is the role of secondary capacity trading?

GSY: Secondary capacity trading is the essential vector to the development of the capacity market liquidity and it will help releasing more capacity to the market. Sufficient incentives or penalties mechanisms have to be put in place to force shippers who are hoarding large volumes of capacity to release it to the market when they are not using it. Additionally secondary market when active and liquid should bring clear pricing signals and true value of the capacity.

6. How do you assess the proposed measures to enhance the availability of firm capacity and to improve short-term and long-term congestion management?

GSY: That should in any case improve the current situation and bring more capacity to the market. The proposed measures are very promising and the right ones.

7. What are your views on the proposals ? Do they address the problems ? Will they lead to more effective capacity allocation methods being developed ?

GSY: We think the proposals will address the contractual but also partly the physical capacity congestion problems at border crossing. Because it will optimize the use of the existing capacity and will enable to give clear and justified investment signals for more physical capacity expansion. It will certainly lead to a fairer and better allocation of the capacity amongst the participants.

8. Are the needs of shippers performing supply activities properly taken into account?

GSY: Yes

9. Are the proposed measures suitable to facilitate development of liquid markets?

GSY: Yes. It has always been expressed by the trading community that a fairer and more efficient access to the border crossing and interconnection capacity is a trigger to the markets liquidity development.

10. In your view, how important are compatible booking and operational procedures between adjacent systems?

GSY: paramount and it is a pre-requisite to the development of a harmonized and common European gas market.

11. Do the proposed measures increase the efficient use of system? What aspects would you support and like to see further developed?

GSY: releasing more capacity to the market and TSOs implementing better access to capacity and more efficient allocation process will certainly make the use of the system much more efficient and more reliable. We definitely would like to see bundled product developed at Interconnection point.