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**Reference: Response to the consultation BK9-19/612 (MARGIT 2021)**

Dear Mr Scholtyssek

Thank you for the opportunity to provide comments to the 'MARGIT 2021' consultation.

Shell Energy Europe Limited (SEEL) shares the Bundesnetzagentur's concerns that the gas market merger will increase general uncertainty along with the potential for a greater probability of interruption. To mitigate any negative outcomes arising from this uncertainty, it is paramount that gas market participants are given as much information as possible in timely manner to help them prepare and to ensure the transition to a single liquid gas market runs as smoothly as possible.

Whilst we acknowledge that the future is uncertain, without clear evidence to support increasing the contingency mark-up at one type of network point over another and at the same time increasing the tariff for firm capacity, we cannot support an increase to the discount for the standard interruptible capacity product at cross-border points at this time. German gas transportation tariffs are already higher than in many neighbouring markets, increasing them further without clear justification risks undermining the aim of the merger, which is to increase liquidity and the attractiveness of the German gas market.

As we have argued in previous consultation responses, there may be a greater justification for further increasing the discount for storage facilities and for reviewing the methodology for determining the probability of interruption as storage facilities make a significant contribution to security of supply and system flexibility, which is not currently reflected in the formula, nor the discount. Moreover, applying a discount to one type of network point without reviewing other network points at the same time risks creating undue discrimination between different types of network user.

Consequently, SEEL proposes that once evidence is gathered post the market merger, interruptible discounts for all relevant network points should be reviewed then. The first three winter months should provide a reasonable basis on which to consult further. A review of the methodology used to calculate interruptible capacity may also prove appropriate.

Please do not hesitate to contact me, should you wish to discuss any aspect of this response.

Yours sincerely



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