

DRAFT LEGAL TEXT CHANGES FOR IGT165 (as of 6th February 2025)

Further information on *IGT165 - Independent Shrinkage Expert and Independent Shrinkage Charge* can be found on the [IGT165 webpage](#).

DRAFTING KEY

Black: Existing IGT UNC provisions

Red: Draft legal text changes for IGT165

Please note that the Code Administrator has used the legal drafting for [UNC0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert](#) dated 12th December 2024 as reference. The Code Administrator will continue to review any further drafts of the UNC0843 text and advise of any potential amendments, should they be needed.

PROPOSED AMENDMENTS TO IGT UNC PART F – DAILY AND ANNUAL QUANTITIES AND SHRINKAGE

PART F - DAILY AND ANNUAL QUANTITIES ~~AND SHRINKAGE~~

1 General

3.1 For the purposes of this Part F the CSEP shall be treated as comprising separately;

- (a) a Connected System Exit Point in respect of all the NDM Supply Points (“**NDM CSEP**”);
- (b) a Connected System Exit Point in respect of all the DM Supply Points (“**DM CSEP**”).

.....

12 Pipeline shrinkage

12.1 For the purposes of this Code:

- (a) ~~“Pipeline Shrinkage”: means gas offtaken from the Large Transporter System at the CSEP which is lost from or unaccounted for as offtaken from the Pipeline, including gas lost or unaccounted for by reason of leakage, theft, meter error and meter correction.~~
- (b) ~~“Pipeline Shrinkage Factor”: is a factor calculated (as an average for all Days in the Gas Year), for any quantity to be offtaken from the Large Transporter System at the CSEP, as the sum of such quantity and the Pipeline Shrinkage attributable thereto divided by such quantity.~~

13 Calculation of Pipeline Shrinkage Factor

13.1 Not later than 1st August in each Gas Year the Pipeline Operator shall:

- (a) in good faith and as accurately as is reasonably practicable:
 - (i) assess whether the Pipeline Shrinkage Factor will in the current Gas Year have accurately reflected Pipeline Shrinkage; and
 - (ii) estimate (in accordance with Clause 13.2) the value of the Pipeline Shrinkage Factor to apply in the following and in each Gas Year;
- (b) provide to the Large Transporter such estimated value and assessment and details (sufficient to enable the Large Transporter to verify the same) of the basis on which such value was estimated and assessment was made.

13.2 The value of the Pipeline Shrinkage Factor to apply in a particular Gas Year shall be established so as to take account of the extent by which (in accordance with Clause 13.1(a)(i) it is assessed that Pipeline Shrinkage in the preceding year will be over or under-estimated.

13.3 Each Pipeline User acknowledges that the Pipeline Shrinkage Factor in respect of the First Gas Year is as set out in the IGTAD.

13.4 Each Pipeline User shall provide to the Pipeline Operator in a timely manner all relevant information in order to help the Pipeline Operator to comply with its obligations under clause 13.1(a).

Commented [TL1]: Paragraphs moved to new Part FI - “Shrinkage and Shrinkage Modal Error”

~~13.5 The Pipeline Operator shall negotiate in good faith with the Large Transporter in respect of the determination of the Pipeline Shrinkage Factor, and shall use (as far as is reasonably practicable) the information provided to the Pipeline Operator by Pipeline Users in accordance with Clause 13.4.~~

INTRODUCTION OF NEW IGT UNC PART FI – SHRINKAGE AND SHRINKAGE MODEL ERROR

PART FI - SHRINKAGE AND SHRINKAGE MODEL ERROR

1 General

1.1 Introduction

1.1.1 This **Part F1** sets out:

- (a) provisions relating to the Shrinkage and the calculation of Pipeline Shrinkage Factor; and
- (b) provisions relating to Shrinkage Model Error and the Independent Shrinkage Expert.

2 Pipeline shrinkage

2.1 Not later than 1st August in each Gas Year the Pipeline Operator shall

- (a) **"Pipeline Shrinkage"**: means gas offtaken from the Large Transporter System at the CSEP which is lost from or unaccounted for as offtaken from the Pipeline, including gas lost or unaccounted for by reason of leakage, theft, meter error and meter correction.
- (b) **"Pipeline Shrinkage Factor"**: is a factor calculated (as an average for all Days in the Gas Year), for any quantity to be offtaken from the Large Transporter System at the CSEP, as the sum of such quantity and the Pipeline Shrinkage attributable thereto divided by such quantity.

3 Calculation of Pipeline Shrinkage Factor

3.1 Not later than 1st August in each Gas Year the Pipeline Operator shall:

- (a) in good faith and as accurately as is reasonably practicable:
 - (i) assess whether the Pipeline Shrinkage Factor will in the current Gas Year have accurately reflected Pipeline Shrinkage; and
 - (ii) estimate (in accordance with Clause ~~13.2~~) the value of the Pipeline Shrinkage Factor to apply in the following and in each Gas Year;
- (b) provide to the Large Transporter such estimated value and assessment and details (sufficient to enable the Large Transporter to verify the same) of the basis on which such value was estimated and assessment was made.

3.2 The value of the Pipeline Shrinkage Factor to apply in a particular Gas Year shall be established so as to take account of the extent by which (in accordance with Clause ~~13.1(a)(i)~~) it is assessed that Pipeline Shrinkage in the preceding year will be over or under-estimated.

3.3 Each Pipeline User acknowledges that the Pipeline Shrinkage Factor in respect of the First Gas Year is as set out in the IGTAD.

Commented [TL2]: Text Moved from Part F, all unchanged.

Commented [TL3]: Text moved from Part F, all unchanged apart from updated cross references to reflect new paragraph numbers.

- 3.4 Each Pipeline User shall provide to the Pipeline Operator in a timely manner all relevant information in order to help the Pipeline Operator to comply with its obligations under Clause 13.1(a).
- 3.5 The Pipeline Operator shall negotiate in good faith with the Large Transporter in respect of the determination of the Pipeline Shrinkage Factor, and shall use (as far as is reasonably practicable) the information provided to the Pipeline Operator by Pipeline Users in accordance with Clause 13.4.

4 Shrinkage Model Error

- 4.1 For the purposes of Clauses 4 and 5 of this Part FI and in respect of matters relating to Shrinkage Model Error:
- (a) "Independent Shrinkage Statement" is the document established, maintained and published by the Independent Shrinkage Expert in accordance with paragraph 5 of Section N of the UNC;
 - (b) "Independent Shrinkage Expert" is the person appointed and whose role and terms of engagement are specified in accordance with paragraph 5 of Section N of the UNC;
 - (c) "Independent Shrinkage Model" is as defined in paragraph 5.1.1(i) of Section N of the UNC.

Each Pipeline Operator and each Pipeline User shall comply with the requirements in TPD Section N Paragraph 5 of the UNC in respect of Shrinkage Model Error. No requirements in the IGT UNC shall be deemed to prevent or interfere with each Pipeline Operator's and each Pipeline User's ability to comply with these provisions

5 Provision of Information

- 5.1 Each Pipeline Operator and each Pipeline User shall cooperate with and (subject to any restriction on disclosure) shall not unreasonably withhold information reasonably requested by the Independent Shrinkage Expert in connection with the preparation of the Independent Shrinkage Statement or otherwise required for the purposes of Shrinkage Model Error as set out in Clauses 4 and 5 of this Part FI (and each Pipeline Operator and each Pipeline User) acknowledge the Independent Shrinkage Expert may notify the Authority in the event any such requested information is not provided).
- 5.2 Each Pipeline Operator and each Pipeline User shall, to the extent provided for in the Independent Shrinkage Document, co-operate with and provide data to the Independent Shrinkage Expert in connection with the creation and on-going development of the Independent Shrinkage Model.