Consultation Response

IGT165: Independent Shrinkage Expert and Independent Shrinkage Charge

Responses invited by: 11 Jul 2025

Respondent Details

Name: Vicki Spiers

Organisation: ESP Pipelines Ltd

Support Implementation	☐
Qualified Support	☐
Neutral	☐
Do Not Support	X

Please briefly summarise the key reason(s) for your support / opposition

This modification seeks to place obligations on IGTs to comply with the Independent Shrinkage Expert (ISE) and provide data for use in the Independent Shrinkage Model Methodology (ISMM) – both of which are to be enabled by the UNC0843.

Whilst we support the goal of reducing greenhouse gas emissions and lowering customer bills, it is not clear to us that the establishment of a new body to develop a new methodology is an efficient or effective way to achieve those goals.

We have not seen evidence that the route to address these issues, using existing mechanisms and industry processes have been exhausted, and do not support the approach developed under UNC0843.

Given that we do not support the creation of the ISE, it follows that we do not support the implementation of an obligation to comply with it.

Self-Governance Statement

Do you agree with the Modification Panel's determination with respect to whether or not this should be a self-governance modification?

Yes, this change should be subject to authority decision.

Please state any new or additional issues that you believe should be considered

As outlined above, this Modification is predicated on the passing of UNC0843, and as such our opposition is largely related to the purpose of that proposal.

In summary, we are concerned that, rather than address any shortcomings in existing processes for the management of Shrinkage, this modification is seeking to establish an entirely new body. This will incur costs and time to procure the ISE, develop its methodology and establish appropriate governance. These costs are not defined or quantified.

The process as set out would require the Authority to approve the ISC each year to ensure it does not simply "roll over" leading to inaccurate charges being apportioned – an outcome this modification is seeking to avoid.

There is no discernible evidence that the new ISE would achieve better outcomes in terms of reducing greenhouse gas emissions or lowering consumer bills than could be achieve by a thorough review of current processes, potentially in a shorter time-frame and almost certainly at a lower cost.

Relevant Objectives

How would implementation of this modification impact the relevant objectives?

Relevant Objectives A and B would be **Negatively** impacted. It cannot be economic and efficient to replicate an existing process.

Relevant Objective C – **Neutral** impact overall, but would extend the time required to implement this modification as new licence conditions would need to be implemented to support changed requirements

Relevant Objective D – **Neutral**, we do not see this would have any impact on competition.

Relevant Objective E and G – **Negative**. There is no evidence that either of these Objectives would be better met by the implementation of this Modification.

Relevant Objective F – **Negative**. As this modification would create a duplicate process for management of Shrinkage there would be a challenge with overlapping governance and this would naturally lead to inefficiency.

Impacts and Costs

What development and ongoing costs would you face if this modification was implemented?

IGT165 does not stand alone and cannot be implemented without reference to UNC0843. Whilst IGT165 does not in itself impose costs on parties, the enabling Mod UNC0843 is likely to impose significant cost, albeit these cannot yet be quantified.

Examples of likely costs include: Procurement of ISE, Contract Management costs, System and internal process changes costs for impacted parties – none of which can be quantified at this point.

Implementation

What lead time would you wish to see prior to this modification being implemented, and why?

The timeline for implementation must be linked to the implementation of UNC0843, and the procurement of the ISE.

Legal Text

Are you satisfied that the legal text will deliver the intent of the modification?

No comment on the legal text

Further Comments

Is there anything further you wish to be taken into account?

Consideration should be given to whether all avenues to address the concerns raised by the proposer have been properly explored through existing mechanisms before a new body and associated costs are imposed on industry.

Responses should be submitted by email to IGTUNC@gemserv.com