IGT | UNC

Consultation Response

IGT165: Independent Shrinkage Expert and Independent Shrinkage Charge

Responses invited by: 11 July 2025

Respondent Details

Name: Cher Harris

Organisation: Indigo Pipelines Ltd

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

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

The proposer of IGT165 has requested that parties consider this Modification in isolation and on its own merits. However, we do not feel that IGT165 can be considered alone as it is intrinsically linked to UNC0843, as demonstrated in the extensive Workgroup discussions, and the Proposer's own rationale of the benefits of IGT165 which explicitly refer to UNC0843.

As we do not support UNC0843, we are therefore unable to support IGT165. It is our view that UNC0843 & IGT165 introduce unacceptable amounts of complexity and cost, and will not deliver the benefits suggested by the Proposer.

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?

We agree with the Proposer that this Modification should be subject to Authority decision, given its reliance on UNC0843, which is a material change requiring Licence changes.

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

When reviewing responses to IGT165, The Authority should also refer to Parties' responses to UNC0843

Relevant Objectives

How would implementation of this modification impact the relevant objectives?

We do not agree with the Proposer's view of the Relevant Objectives. We note that the Proposer has provided their view of the benefits of UNC0843 rather than IGT165, with a liberal interpretation of the existing Relevant Objectives.

Our view is that IGT165 & UNC0843 will have a Negative impact on Objectives A & B, as we feel it would be more efficient and cost effective to review and amend the existing Shrinkage mechanism, rather than scrap it and introduce a new process and a new external agent. This adds unnecessary complexity and cost, which will ultimately be born by consumers. There is no evidence to show a new external agent will provide a better quality of service than the current mechanism. The costs of procuring a Shrinkage expert, their operating costs and the costs of system changes required to enable the introduction of IGT165 & UNC0843 are unknown and uncapped and therefore introduce an unacceptable level of risk.

We agree with the IUNC Workgroup that Objectives C would be a Neutral impact, although we note that Licence changes will be required to enable UNC0843, which could potentially make it more difficult for Parties to discharge their Licence obligations.

IGT165 has a Neutral impact on Objective D, as the obligation to comply with the ISE falls on the IGTs, so would not impact competition between Shippers and Suppliers.

We share the IUNC Workgroup's view that the impact on Objective E would be Negative. The Proposer has interpreted this Objective as ensuring 'security of supply', however there is nothing in the modification that specifically improves security of supply, rather, the additional complexity of the new Shrinkage arrangements and the additional unquantified costs to the industry, would more likely increase the risks to security of supply due to the additional financial burden that would be placed on Parties.

Again, we share the IUNC Workgroup's view that the impact on Objective F would be Negative. This is because a Shrinkage mechanism already exists in Code so introducing a new mechanism could lead to dual governance issues.

We note that the Proposer links Objective G to the 'net-zero' regulations, such as the Paris Agreement and UK Climate Change Act. We agree with the IUNC Workgroup that IGT165 does not add to the existing Licence conditions that already incentivise transporters to comply with these regulations. There is no evidence presented to show that the new ISE would have a positive impact on Shrinkage or greenhouse gas emissions. The additional complexity and risk that UNC0843 & IGT165 introduce, not to mention the additional Licence changes need to enable them, are more likely to have a Negative impact on Parties' ability to comply with relevant Regulations.

Impacts and Costs

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

As the data required to be provided to the ISE, plus the method and timescales for transferring it, is unspecified, we cannot identify the costs and impact of compiling & providing it. The data would have to be at a fairly low granular level to have any meaningful input to the Shrinkage model, and therefore may be difficult to obtain; for example, if CDSP is required to provide any data to the ISE, it currently only provides Shrinkage data at LDZ level, which wouldn't be granular enough to identify and apportion costs to individual IGTs.

As the costs are currently unknown and uncapped, it poses an unacceptable risk.

Implementation

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

As IGT165 is so closely inter-linked with UNC0843, they should be implemented at the same time. The timeframe for implementing these Modifications must be led by the Authority's timeline for making the necessary Licence changes and the timeline for procuring and establishing the ISE. IGT 165 should not be implemented until the ISE is established and the data requirements are defined.

Legal Text

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

The draft legal text would deliver the intent of this Modification, in so far as it introduces the obligation for IGTs to comply with all reasonable requests for information from the ISE

Further Comments

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

We feel the Proposers aim of supporting net-zero and reducing shrinkage could be achieved more efficiently and cost effectively through the existing shrinkage arrangements.

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