

**CONCLUSION OF
UTILITY REGULATOR'S
REVIEW OF THE SSE
AIRTRICITY GAS
SUPPLY (NI) LTD
MAXIMUM AVERAGE
PRICE IN GREATER
BELFAST AND WEST
AREA**

(EFFECTIVE 1 OCTOBER 2025)

5 September 2025

About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; and Markets and Consumer Protection and Enforcement. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

OUR MISSION

To protect the short and long-term interests of consumers of electricity, gas and water.

OUR VISION

To ensure value and sustainability in energy and water.

OUR VALUES

ACCOUNTABLE:

We take ownership of our actions.

TRANSPARENT:

Ensuring trust through openness and honesty.

COLLABORATIVE:

Connecting and working with others for a shared purpose.

DILIGENT:

Working with care and rigour.

RESPECTFUL:

Treating everyone with dignity and fairness.

ABSTRACT

Protecting consumers is at the heart of the Utility Regulator's (UR) role and ensuring that customers pay the correct price for gas from the price regulated supplier SSE Airtricity Gas Supply (NI) Limited (SSE Airtricity) is a core part of our work.

We commenced a review of the maximum average price with SSE in August 2025. We have scrutinised the submission provided by SSE to ensure that the maximum average price approved is not more than the sum of costs allowed under the price control determination. This ensures that customers pay no more than the costs of purchasing and supplying gas, plus a pre-determined allowance for the operating costs of the business in addition to an agreed profit margin.

The maximum average price for SSE's domestic and small business customers in Greater Belfast and the West will decrease from 246.78 pence per therm to 225.87 pence per therm; which equates to a decrease of 8.47%.

AUDIENCE

This document will be of interest to consumers and consumer groups, political representatives, stakeholders and statutory bodies.

CONSUMER IMPACT

SSE Airtricity customers in Greater Belfast and West areas will see an average decrease of 8.67% in their annual bill. This change will affect all domestic customers and small business customers using less than 2,500 therms per annum and will take effect from 1 October 2025.

The impact of the tariff change on domestic credit customers with an average consumption of 12,000 kWh per annum, will be a decrease of approximately £94 per annum (including VAT) on their gas bill.

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1. Approval by Utility Regulator of the SSE Airtricity Gas Supply (NI) Ltd Maximum Average Price in the Greater Belfast and the West area

Summary and Key Messages

- 1.1 In August 2025 the Utility Regulator (UR) - in consultation with SSE Airtricity Gas Supply (NI) Limited (SSE Airtricity), the Department for the Economy (DfE) and the Consumer Council for Northern Ireland (CCNI) began a review of the SSE Airtricity maximum average price for domestic and small business customers using less than 2,500 therms per annum.
- 1.2 The current maximum average price has been effective from 1 April 2024. This review was initiated to establish the new maximum average price to become effective from 1 October 2025.
- 1.3 From 1 October 2025, the maximum average price for domestic and small business customers will be 225.87 pence per therm; decreasing from 246.78 pence per therm in the current tariff which was last set on 1 April 2024.
- 1.4 Table 1 summarises the changes since April 2024 to the annual bill payable by SSE Airtricity customers.

Table 1 - SSE domestic credit tariff (based on 12,000 kWh consumption)

Rates and bills (All incl. VAT)	April 2024	October 2025
Tariff Rate 1 (<2000 kWh) (p / kWh)	12.190	11.132
Tariff Rate 2 (>2000 kWh) (p / kWh)	8.352	7.627
Effective Annual Bill (£ / year) ¹	£1,079	£985

- 1.5 This tariff review reflects the downward trend in the cost of wholesale gas, resulting in a decrease in gas procurement costs, and an over recovery from this current tariff period, which can now be passed on to SSE Airtricity's customers.

¹ What the typical customer would pay.

- 1.6 Despite the decrease in wholesale gas costs, wholesale gas prices are subject to volatility and can be influenced by external factors such as geopolitical developments.
- 1.7 The average annual bill from 1 October 2025 will be c£985 inclusive of VAT. On this basis, a typical customer would pay approximately £94 (8.67%) less than April 2024 tariff which was £1,079 per annum. The reason for the different percentage rate being applied to the tariff rate is explained in section 4.5 to 4.7 of this briefing paper.
- 1.8 The new maximum average price has been modelled and forecast over a period of 12 months. However, it will be kept under constant review, we will continue to monitor gas prices to identify if an additional review is required within that time period. We will complete another formal review in advance of 1 April 2026.

Background

- 1.9 In Northern Ireland, there are three distinct distribution areas for natural gas. These are the Greater Belfast area, the Ten Towns area and the West area. Phoenix Energy Group Limited own and operate the distribution network in the Greater Belfast area, firmus energy (Distribution) Limited own and operate the distribution network in the Ten Towns area while Evolve² own and operate the distribution network in the West area.
- 1.10 In the Greater Belfast area, SSE Airtricity³ has operated as the incumbent gas supplier since 1996. Only one competing supplier has been active in the domestic gas market since 2010. SSE Airtricity is still the dominant and commissioning/default supplier in the Greater Belfast area and so the UR applies a price control which covers all domestic customers and small business customers using less than 2,500 therms (73,200 kWh) per annum. The market for business customers using more than 2,500 therms is more competitive and SSE Airtricity are not in a dominant position in that market so there is no price control for that sector.
- 1.11 In the West gas area, which covers amongst others the areas around Strabane and Enniskillen, SSE Airtricity are the commissioning/default supplier and as such we apply a supply price control to SSE Airtricity for domestic and small business customers.
- 1.12 Under the terms of SSE Airtricity's licence⁴ to supply gas, the UR ("The Authority") has the power to control the maximum amount that SSE

² Evolve is the trading name of SGN Evolve Network Ltd (former trading name was SGN Natural Gas Limited from April 2015 – September 2023).

³ In June 2012, Airtricity Energy Supply (Northern Ireland) Ltd purchased the entire issued share capital of Phoenix Supply Ltd and was subsequently renamed SSE Airtricity Gas Supply (NI) Limited (SSE Airtricity).

⁴ SSE Airtricity Licence for the supply of gas: [2023.04.01 SSE Airtricity Gas Supply NI Ltd \(PSL\) Supply Licence | Utility Regulator \(uregni.gov.uk\)](#)

Airtricity can charge for gas. These controls apply when customers are not protected by competition. This price control is included in SSE Airtricity's licence. SSE Airtricity's licence states the following:

Control over charges

"The Licensee shall take all reasonable steps to secure that in a Relevant Year the average price per unit of gas supplied by it to Regulated Premises shall not exceed the maximum price calculated in accordance with Condition 2.4.2".

- 1.13 The UR has established a price control determination which sets out SSE Airtricity's allowed costs. The price control determination sets out how each of the costs will be treated in the maximum average price.
- 1.14 The details of the operation of SSE Airtricity's supply price control are set out in its Licence. At present, the maximum allowed unit price of gas (Pst) for customers subject to price control is made up of a number of components:

$$\mathbf{Pst = Gt + Ut + St + Mt + Et - Kst}$$

- 1.15 The UR has established a price control determination which sets out SSE Airtricity's allowed costs. The price control determination sets out how each of the cost elements which make up the maximum average price will be treated.
- 1.16 SSE Airtricity uses the maximum average price to set the actual tariffs that are charged to customers. The tariffs are calculated on a weighted average basis, based on average usage and the number of customers using each tariff. SSE Airtricity cannot charge more than the maximum average price overall.
- 1.17 The UR carries out formal reviews of the SSE Airtricity maximum average price on a bi-annual basis (in advance of April and October). The UR can also initiate a further review at any stage should the wholesale cost of gas change significantly such that it would result in an increase or decrease of at least 5% to the maximum average price. On an ongoing basis we analyse the cost of wholesale gas on the forward curve, along with the forward purchases that SSE Airtricity has made to date.
- 1.18 The UR scrutinised SSE Airtricity's submission, ensuring that the maximum average charge per unit supplied is not more than the sum of the input costs allowed in the price control formula.
- 1.19 On 19 August 2025, the UR held a meeting with SSE Airtricity, CCNI and DfE. Here, the rationale behind the proposed change was discussed and any questions addressed. Following agreement, the UR then wrote to SSE

Airtricity stating that pursuant to condition 2.4.2 of the SSE Airtricity Gas Supply Northern Ireland Ltd licence for the supply of gas in Northern Ireland, we approved the decrease of the maximum average price per therm.

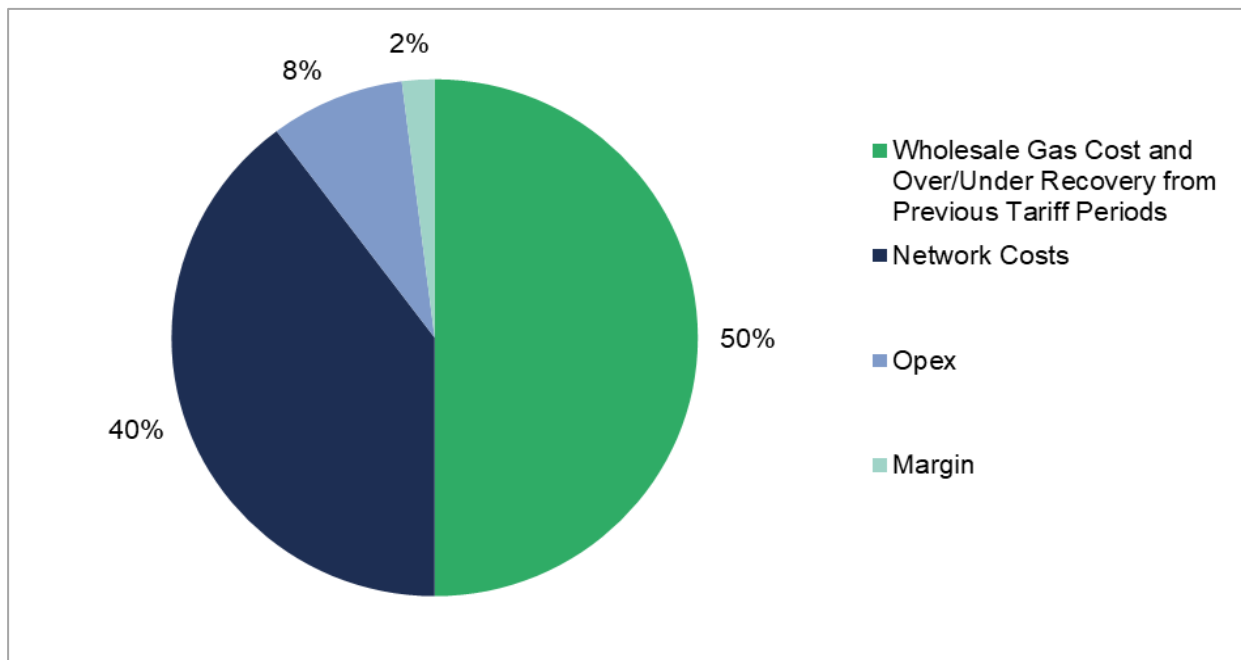
2. Elements of the Maximum Average Price

2.1 The maximum price is made up of the following costs:

- Operating costs and supply margin;
- Network costs; and
- Wholesale cost of gas.

2.2 The breakdown is shown in Figure 1 below.

Figure 1 - Makeup of the maximum average price from 1 October 2025



2.3 The UR has taken an active role in scrutinising the costs within each of the elements of the maximum average price of SSE Airtricity's submission. SSE Airtricity uses the maximum average price to set the actual tariffs that are charged to customers, and SSE Airtricity cannot charge more than the maximum average price overall.

Operating Costs and Supply Margin

2.4 Operating costs are the costs necessary for SSE Airtricity to run its supply business. These costs include the costs of billing, customer service, offices, meter reading, salaries and IT systems etc. The operating costs were determined under the price control.

- 2.5 The margin refers to the amount of profit SSE Airtricity is allowed to make. The margin is also determined within the price control and is set at 2% of allowable turnover from tariff customers. The Opex costs makes up to 8% of the bills from 1 October 2025.
- 2.6 In December 2022, the UR published the final determination for the SSE Airtricity price control⁵ which indicates the total amount of revenue that the Licensee can recover, in any relevant year, in respect of their gas supply business.
- 2.7 The price control determination runs from 1 April 2023 to 31 March 2027.

Network Costs

- 2.8 Network costs cover the charges for the use of the Northern Ireland transmission and distribution systems. These charges are reviewed and approved by the UR as part of the network price controls. From 1 October 2025 the network costs will make up 40% of a typical customer bill.
- 2.9 The SSE Airtricity price control determined that the transmission and distribution system charges will be treated as pass through charges which means that the customer pays no more or less than the actual cost of the network charges.
- 2.10 The costs for the transmission system are those costs involved in bringing gas from Scotland to Northern Ireland, via the Scotland to Northern Ireland Pipeline, and all the transmission pipelines within Northern Ireland. These costs are published on the [Gas Market Operator NI](#) and [National Grid](#) websites.
- 2.11 There has been a slight increase in transmission costs compared to the April 2024 tariff. This is due to an increase in the published transmission tariffs. This increase is being offset by a slight decrease in distribution costs.
- 2.12 The costs for the distribution system are those costs associated with moving gas throughout the Greater Belfast area and the West area to homes and businesses. On the 28 October 2022, the final determination on the price control for Northern Ireland's gas distribution networks for 2023-2028 (GD23), and associated licence modifications for consultation, were published. GD23 is the distribution price control for Phoenix Energy Group Limited, firmus energy (Distribution) Limited and Evolve which runs from 1 January 2023⁶. The distribution price control determines the amounts that Phoenix or Evolve can charge for suppliers to use the

⁵ [SSE Airtricity Gas Supply \(NI\) Ltd 2023-2027 Price Control Final Determination.](#)

⁶ [Final determination for the gas distribution price control, GD23.](#)

Greater Belfast or the West network. These can be found on the [Phoenix Energy Group Limited](#) and [Evolve](#) websites.

Wholesale Costs

- 2.13 As determined within the SSE Airtricity price control, the gas cost element of the maximum average price incorporates the wholesale cost of gas as well as charges for transporting gas through Great Britain and costs for securing credit cover associated with purchasing wholesale gas.
- 2.14 The SSE Airtricity price control determines that gas costs are treated as pass through which means that the customer pays no more or less than the actual cost of gas. Therefore, where wholesale gas costs decrease or increase over those set in the tariff, the resulting savings or additional costs are passed on to the customer.
- 2.15 SSE Airtricity has a gas purchasing strategy in place which means that they purchase a percentage of their forecast volumes in advance on an ongoing basis. This is known as hedging and limits the exposure to more short-term fluctuations in wholesale gas prices and therefore aims to create more stability in the gas price for customers. It is important to note that SSE Airtricity's hedging strategy will be specific to it, and due to the specific timing of forward gas purchases the price paid will be different from other suppliers who will purchase different volumes at different time periods (and hence at different prices as the gas market moves on a daily basis). Hence, the overall wholesale cost of gas for SSE Airtricity will likely always differ somewhat from that of other gas suppliers even though they are purchasing from the same gas market. However, over the medium-term, the gas cost element of the end customer bill will be broadly the same for the two regulated gas suppliers in Northern Ireland.
- 2.16 At the time of review, the overall cost of gas for the maximum average price is estimated based on a combination of actual gas purchases that have already been secured, along with forecast volumes of gas required, and the forecast wholesale cost of that gas which has yet to be bought (based on the gas price forward curve). Buying gas in advance (hedging) can help to reduce any over/under recoveries building up as the price of the hedged gas in the maximum average price is known when the price is set.
- 2.17 This tariff review has indicated that whilst wholesale gas prices are decreasing, they are now beginning to stabilise into the seasonal norms but remain elevated compared to historical averages.

Over/Under Recovery from Previous Tariff Periods

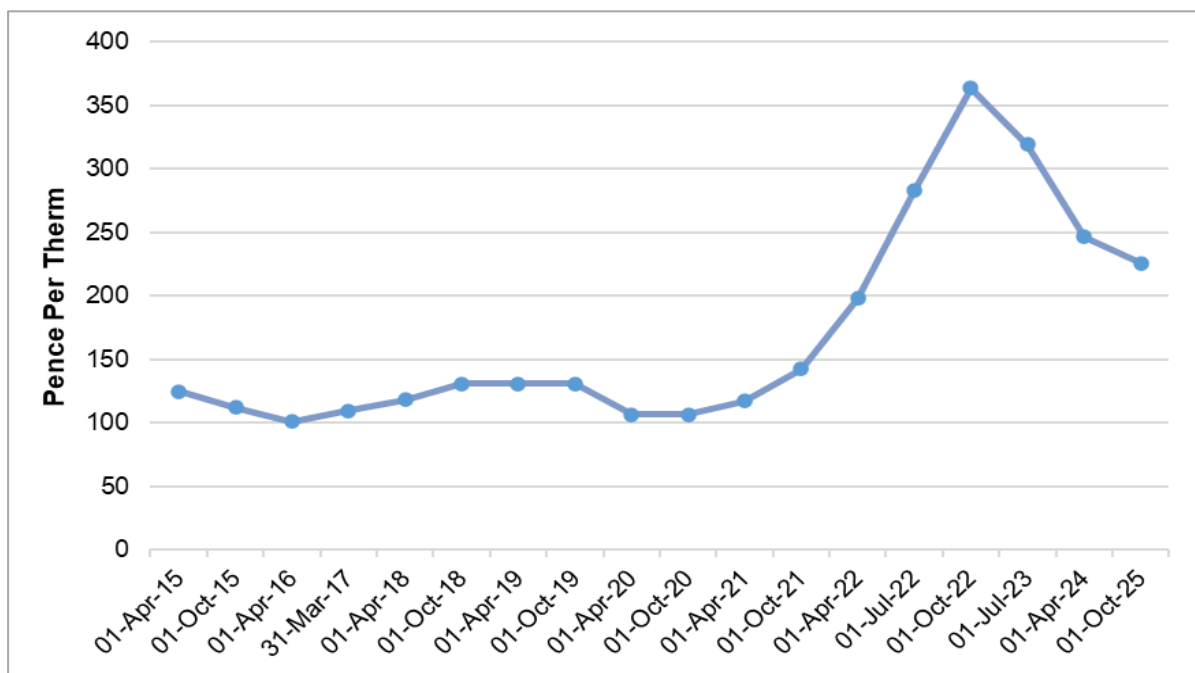
- 2.18 Wholesale gas costs make up a large component of the final maximum average price and as these costs can be volatile there will always be a difference between the outturn cost of the wholesale gas that has yet to be purchased compared to the forecast costs that were included when the maximum average price was set.
- 2.19 Where the wholesale gas costs out turn less than was forecast in the maximum average price, SSE Airtricity will 'over recover'. This means that they recovered more money from customers than they spent on gas costs and they will subsequently refund the over recovered difference to customers in the following tariff period.
- 2.20 Alternatively, where the wholesale gas costs turn out higher than forecast in the maximum average price, SSE Airtricity will 'under recover', this means they spent more on gas costs than they recovered from customers, and they will therefore be able to re-charge the under recovered difference to customers in the following tariff period. This ensures that customers only pay for the actual cost of gas.
- 2.21 Therefore, each maximum average price includes an amount of over or under recovery which was accumulated during the previous tariff period.
- 2.22 Both SSE Airtricity and the UR strive to keep the over/under recovered amount as low as possible in order to avoid distortion of the maximum average price. This is carried out through ongoing monitoring and tariff changes being put through when over or under recoveries are accumulating to such an extent that they would adversely affect the tariff.

3. Why is the Maximum Average Price for SSE Airtricity decreasing?

Historic Maximum Average Price

- 3.1 The maximum average price for SSE tariff customers in the Greater Belfast area and the West area will decrease to 225.87 p/therm from 1 October 2025. Figure 2 below shows the movement in the regulated maximum average price from April 2015 to date. Annex 1 provides a full breakdown of the historic maximum average price.

Figure 2 - Historic maximum average price



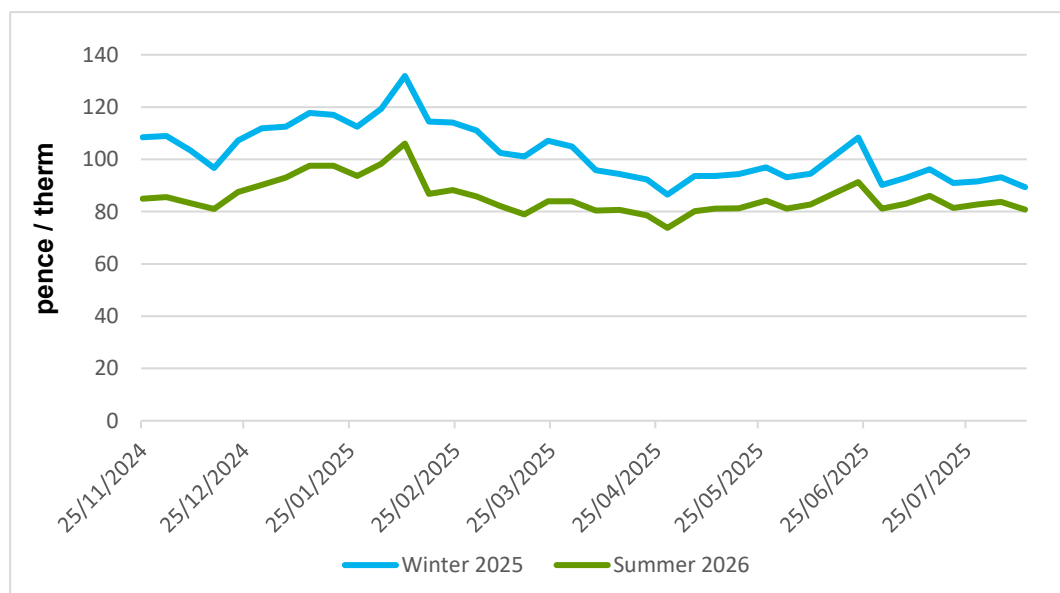
- 3.2 The overall decrease in SSE Airtricity's maximum average price is due to a combination of downward pressures in the cost of wholesale gas and adjustments in the delivery of gas to customers which resulted in an over recovery in the tariff period. These lower costs can now be returned to customers.

Wholesale Energy Cost and Over / Under recovery

- 3.3 Wholesale energy costs make up most of the customer bill in this review, with 50% of a typical customer bill being attributed to this element from 1 October 2025. The movement of forward curve illustrated in Figure 3

shows that wholesale gas prices leading up to October's review are steadily declining.

Figure 3 – Movement in forward curve of wholesale gas cost



Source: Intercontinental Exchange

- 3.4 The decrease in SSE Airtricity's Over/Under recovery costs and wholesale gas costs are the main drivers of the forthcoming SSE Airtricity tariff decrease of 8.47%. As can be seen in Table 2 below, SSE Airtricity's wholesale gas costs have fallen from 111.95 p/therm in the current tariff to 103.34 p/therm in the 1 October 2025 tariff. It is important to note that an element of the gas price included within the maximum average price for the 1 October 2025 tariff is a forecast cost and the actual outturn prices may be higher or lower. This element is the cost of the gas that has not already been bought (hedged) to date.

Table 2 – Wholesale Costs within Maximum Average Price

Elements within Maximum Average Price	April 2024 (p/therm)	October 2025 (p/therm)
Wholesale Gas Cost	111.95	103.34
(Over)/Under Recovery	21.25	9.61
Total Wholesale Gas Cost and (Over)/Under Recovery from Previous Tariff Periods	133.20	112.95

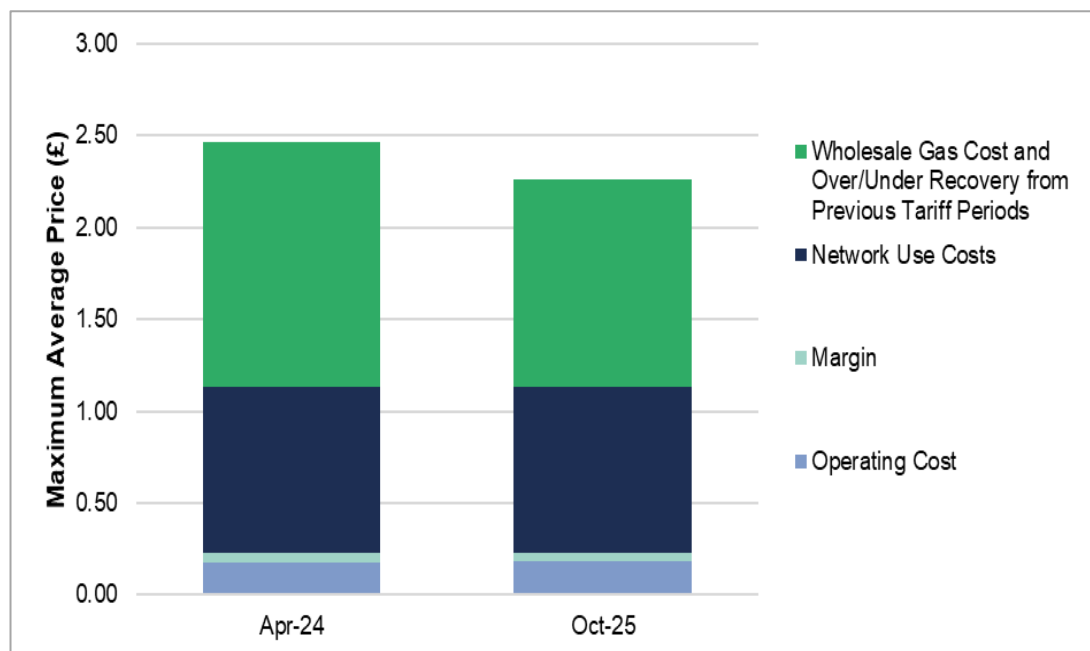
- 3.5 As shown in Table 2, the overall combined cost of wholesale gas and over/under recovery has decreased from 133.20 p/therm in the 1 April 2024 tariff to 112.95 p/therm in the 1 October 2025 tariff.

4. Breakdown of Maximum Average Price

Maximum Average Price Comparison

- 4.1 The graph shown in Figure 4 below compares the breakdown of the October 2025 maximum average price with a breakdown of the previous maximum average price set in April 2024. The decrease in the maximum average price is due to the combination of a decrease in the cost of wholesale gas and an over recovery which was mainly driven by lower-than-expected volumes, which is now being returned to customers.

Figure 4 – Breakdown of October 2025 maximum average price compared with previous maximum average price



Impact on Tariff

- 4.2 SSE Airtricity uses the maximum average price to set the actual tariffs charged to customers. The tariffs are calculated on a weighted average basis, based on average usage and the number of customers on each tariff. SSE Airtricity cannot charge more than the maximum average price.
- 4.3 The new unit rates for regulated tariff customers are shown in Table 3 on the next page.

**Table 4 : SSE Airtricity's tariff unit rates from 1 October 2025
(shown in p/kWh)**

SSE Airtricity Gas Supply (NI) Tariffs	Domestic (inc. 5% VAT)	PAYG (inc. 5% VAT)	IC1 (inc. 20% VAT)
Up to 2,000 kWh	11.132	8.099	12.722
Over 2,000 kWh	7.627	8.099	8.717
Direct Debit discount	22.05	-	22.05

- 4.4 SSE Airtricity's typical domestic credit (non-prepayment) bill will decrease to c£985 per annum⁷ from 1 October 2025. This equates to a decrease of 8.67% or approximately £94.00 per year compared with the existing tariff.
- 4.5 SSE Airtricity uses the maximum average price to set the actual tariffs that are charged to customers. The tariffs are calculated on a weighted average basis, based on average usage and the number of customers using each tariff. SSE Airtricity cannot charge more than the maximum average price overall.
- 4.6 Since April 2024, SSE Airtricity's regulated customer base has shown a downward trend in consumption. With lower usage, a greater proportion of consumption falls into the first 2,000 kWh tariff band. As a result, a larger percentage of reduction is needed to ensure the average price remains within the agreed maximum price per therm.
- 4.7 SSE Airtricity need to apply an 8.67% decrease to their tariff unit rate, otherwise they would be in breach of the agreed maximum price per therm.

Comparison with GB and Ireland

- 4.8 Figure 5 below shows the typical SSE Airtricity domestic standard credit tariff from 1 October 2025, compared with Bord Gáis⁸ in Ireland and the Default Tariff Cap⁹ level in GB. The average annual bill amounts in this graph have been calculated based on actual tariff unit rates (including VAT) and are based on average annual consumption of 12,000kWh.
- 4.9 Figure 5 illustrates that the SSE tariff for an average domestic standard credit customer in the Greater Belfast from 1 October 2025 will be 4.01%

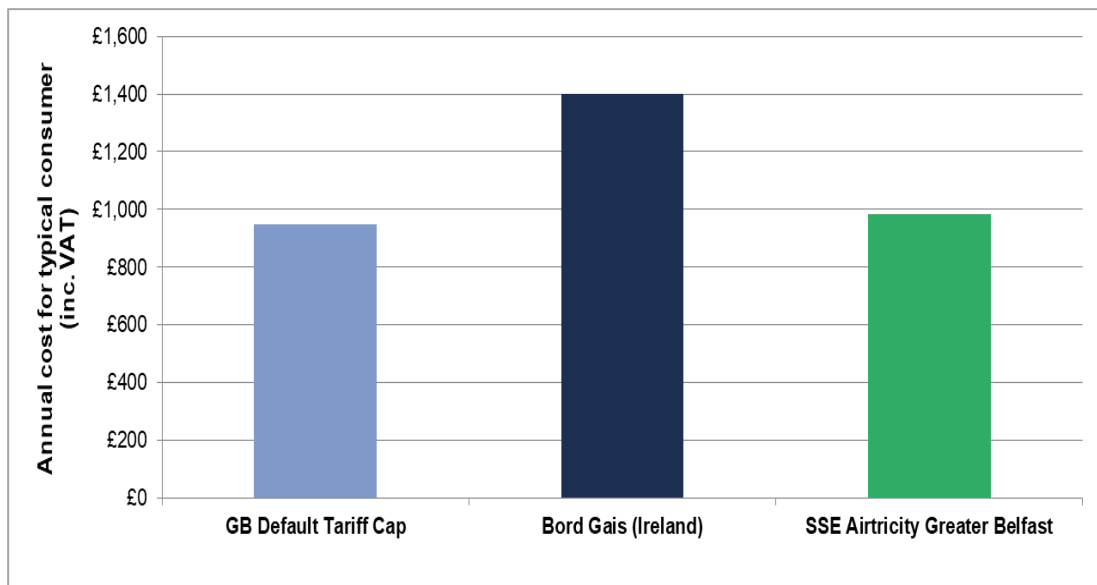
⁷ Based off a typical consumption of 12,000 kWh per annum. Including VAT. Excluding discounts.

⁸ [Our Tariffs & Prices | Bord Gáis Energy \(bordgaisenergy.ie\)](https://www.bordgaisenergy.ie/Our-Tariffs-&-Prices)

⁹ Default tariff cap level: 1 October 2025 to 31 December 2025 Average across all regions.

above the GB Gas Price Cap and 29.72% below the Bord Gais standard tariff in Ireland.

Figure 5 - Comparison of average annual domestic bills (based on standard domestic credit customers with estimated usage 12,000kWh per annum including VAT)



5. Conclusion

- 5.1 The UR has reviewed the maximum average price submission provided by SSE Airtricity and reviewed the forecasts against its own market analysis. The UR is satisfied that it is appropriate and justified to set a maximum average price of 225.87 p/therm for tariff customers in the Greater Belfast area and the West area for one year from 1 October 2025. This represents an average decrease of 8.47% in the maximum price per therm.
- 5.2 The UR continues to retain the flexibility to initiate a review of gas prices at any stage if it is in the interest of customers.

6. Annex 1 - Historic maximum average price

Effective from date	Approved Maximum Average Price (p/therm)
01-Apr-15	125.17
01-Oct-15	112.50
01-Apr-16	101.01
31-Mar-17	109.63
01-Apr-18	118.25
01-Oct-18	131.17
01-Apr-19	131.17
01-Oct-19	131.17
01-Apr-20	106.67
01-Oct-20	106.67
01-Apr-21	117.15
01-Oct-21	142.67
01-Apr-22	198.19
01-Jul-22	283.23
01-Oct-22	363.79
01-Jul-23	319.53
01-Apr-24	246.78
01-Oct-25	225.87