

**PRICE CONTROL  
FOR  
NORTHERN  
IRELAND'S GAS  
TRANSMISSION  
NETWORKS GT27**

**Business Plan Reporting Requirements  
26 February 2026**

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# 1. Introduction

- 1.1 This document sets out the instructions and guidance for completing the Business Plan Reporting Templates (BPRT) for the GT27 determination process.
- 1.2 The structure of the reporting templates for GT27 has remained consistent with the reporting templates developed at GT22 to ensure a level of consistency for the TSOs/GMO NI. We have produced separate templates for completion by each of the Transmission System Operators (TSOs) and the Gas market Operator for Northern Ireland (GMO NI) – templates for the three entities of the Mutual Energy Limited (MEL) group are grouped within a single workbook.
- 1.3 Worksheets within the template Excel file follow common formats such that the guidance in the remainder of this document for a particular Table number is equally applicable to any secondary or tertiary level i.e. a, b, c or I, ii, iii.
- 1.4 In line with the provision of separate templates we have structured this document as follows:
- Section 1: Guidance on the completion of BPRTs for MEL group companies and Gas Networks Ireland United Kingdom (GNI UK).
    - ◆ Where applicable, distinctions are made between the requirements for MEL and GNI (UK). For example, this may include the provision of information for MEL's three group companies (i.e. Premier Transmission Ltd., Belfast Gas Transmission Ltd. and West Transmission Ltd.) that does not pertain to GNI (UK).
  - Section 2: Guidance on the completion of the BPRT for the GMO NI.
    - ◆ We request that the TSOs jointly complete the return for the GMO NI. Aspects of the GMO NI template will also appear in TSOs individual submissions – where this is the case the relevant reference will be identified and TSOs should ensure accurate transcription.

## 2. Chapter 1 – MEL / GNI (UK)

### Supplementary table frontier shift

#### General purpose

- 2.1 This table forms the basis for TSOs' assessment of frontier shift (the combination of the impact of real price effects and productivity growth). In line with our approach for the two previous price controls we consider it appropriate that licence holders are challenged to meet the efficiency improvements inherent in the frontier shift. However, we will not set a catch-up efficiency challenge due to the lack of a suitable benchmark or comparator group.

#### Instructions

- 2.2 The table is structured to capture the inputs to the frontier shift calculation: nominal input price inflation, CPIH and productivity growth.
- 2.3 The table has 12 lines in total; lines 1-6 and line 9 require input from TSOs/GMO NI.
- 2.4 As frontier shift forms part of determinations for all licence holders and the GMO NI, and its calculation requires consideration of expenditure patterns for all 5 entities the assessment of frontier shift should be undertaken jointly. The same frontier shift efficiency challenge will then be applied in each of the 3 business plan submissions.
- 2.5 We have supplied weights for use in calculating nominal input price inflation. These weights were those arrived at for GT22 based on submissions at the time and our determinations. Licence holders should review the applicability of the weights and amend if necessary. They will be further updated based on the allowances we make at Draft and Final Determinations, allowing for the calculation of a final frontier shift efficiency challenge.
- 2.6 The calculation of productivity growth will require consideration of the inputs to the cost categories in lines 1-6. On the following page we have reproduced the list of proxy industries used at GT17 and GT22 to provide an approximation for the activities in gas transmission.

**Table 2.1: Cost categories and proxy industry**

TSO Activity	Proxy Industry
Administration	Financial and insurance activities Professional, scientific, technical, administrative and support service activities
Repex	Construction Professional, scientific, technical, administrative and support service activities
Maintenance	Construction Telecommunications Other manufacturing: repair and installation of machinery
System Operation (TSO)	IT and other information services Professional, scientific, technical, administrative and support service activities Telecommunications
System Operation (GMO NI)	IT and other information services Professional, scientific, technical, administrative and support service activities

### Company commentary

- 2.7 The company should appropriately evidence their calculation in arriving at an assessment of frontier shift, including an explanation of changes to weights and the source and rationale for their choice of forecasts of productivity growth and input price inflation.

### Frontier shift - line guidance

#### A Input Price Inflation

1	Labour	%	1 dp
Definition	The expected nominal input price inflation of labour costs.		
Processing rule	Input		

2	Administration	%	1 dp
Definition	The expected nominal input price inflation of administration costs.		
Processing rule	Input		

3	Repex	%	1 dp
Definition	The expected nominal input price inflation of costs associated with replacement activity.		

Processing rule	Input
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4	Maintenance	%	1 dp
Definition	The expected nominal input price inflation of maintenance costs.		
Processing rule	Input		

5	System Operation (TSO)	%	1 dp
Definition	The expected nominal input price inflation of the costs of system operation for TSOs (see Table 1, Section E for breakdown of cost categories).		
Processing rule	Input		

6	System Operation (GMO NI NI)	%	1 dp
Definition	The expected nominal input price inflation of the costs of system operation for the GMO NI NI (see Table 1, Section F for breakdown of cost categories).		
Processing rule	Input		

7	Total Nominal Input Price Inflation	%	1 dp
Definition	Expected average input price inflation across all cost areas.		
Processing rule	Calc: Sumproduct of category weights and inflation		

**B CPIH Inflation**

8	CPIH Inflation	%	1 dp
Definition	Forecast CPIH inflation		
Processing rule	Copied: copied from Inflation worksheet		

**C Productivity Growth**

9	Productivity Growth	%	1 dp
Definition	Expected weighted average productivity growth across activity all activity areas / proxy industries.		
Processing rule	Input		

**D Frontier Shift Calculation**

10	Frontier Shift	nr	1 dp
Definition	Calculation of annual frontier shift as compound effect of RPEs and productivity growth.		
Processing rule	Calc: $((1 + L1) / (1 + L8)) \times (1 - L9)$		

11	Frontier Shift (%)	%	1 dp
Definition	Calculation of annual frontier shift as compound effect of RPEs and productivity growth.		
Processing rule	Calc: $L10/100$		

12	Frontier Shift (Cumulative %)	%	1 dp
Definition	Cumulative impact of frontier shift		
Processing rule	Calc: $1 - ((1 - \text{previous yr } L12) \times (1 - L11))$		

### 3. Table 1 - Total Costs

3.1 Administration, Repex, Planned Maintenance, Unplanned Maintenance, System Operation (both TSO & GMO NI) and Uncontrollable Opex

#### General Purpose

3.2 The purpose of this table is to provide a consistent reporting template for TSOs. It will help provide comparability, certainty and an understanding of cost movements over time. This structure will also be used as the basis for ongoing annual cost reporting. The table is designed as a summary with more disaggregated information requested in follow-up tables.

#### Instructions

3.3 This table has 56 lines in total. It covers all costs, including the TSO's portion of GMO NI costs (L22 - L30) which are to be detailed more fully in the separate GMO NI BPRT.

3.4 All financial costs should be recorded in real terms (2025-26 prices) using the CPIH forecast and historic index figures provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (dp), unless otherwise stated.

3.5 Columns -5 to -3 should contain historic data which reconciles with regulatory accounts at the total level. Columns -2 to 5 will contain forecast information.

#### Company commentary

3.6 Alongside the tables the company should provide commentary detailing:

- Rationale for forecast costs in the price control period.
- Justification for any forecast increase above average GT17 levels for individual lines.
- Justification for any forecast real terms increase for overall costs.
- Explanation of the cost allocation methodology between TSO licensees (MEL) and any intra-company charges GNI (UK).
- The impact of single system operation.
- Any atypical or 'one-off' costs in the forecasts or historic costs.
- Any exchange rate figures or assumptions used GNI (UK).

- Any benchmarking or efficiency estimates proposed by the companies including catch-up efficiency, frontier shift or real price effects.

**Table 3.1: Audit Check**

Line	Audit Check
T1, L54	Line 34 should equal T2a, L16 plus T3, L15.
T1, L55	Line 35 should equal T6, L2
T1, L56	Line 36 should equal T2b, L16 plus T4 L24
T1, L67	Line 37 should equal T4, L25
T1, L58	Line 38 should equal sum of T1, section E
T1, L59	Line 39 should equal sum of T1, section F
T1, L60	Line 40 should equal sum of T1, section G
T1, L61	Line 41 should equal sum of T10, L2
T1, L62	Line 42 should equal sum of T1, section I

**Table 1 - Line Guidance****A Administration**

1	Pipeline Insurance	£m	3 dp
Definition	Insurance related solely to the pipeline assets and AGIs. This includes: Insurance premiums; Insurance contract negotiating and monitoring; Insurance risk management; and Payments relating to uninsured claims.		
Processing rule	Verify, amend if necessary		

2	Intra-Company Recharge	£m	3 dp
Definition	Recharge for cost/activity provided by another company group entity. This will include: Marketing; Audit/Finance/Regulation; Human Resources & Training;		

	IT & Telecoms; Property Management; Legal fees; Any other relevant charges.
Processing rule	Verify, amend if necessary

3	Other Overheads	£m	3 dp
Definition	Includes procurement of goods & services in the support of the business operations i.e. Tendering and contract negotiation; Establishing tender guidelines and monitoring supplier performance; Acquisition / warehousing / Transport costs of goods; Stock management. Also covers non-pipeline insurance, stationary and any other direct administration cost items e.g. consultancy support (not reported elsewhere).		
Processing rule	Verify, amend if necessary		

4	Support Staff costs	£m	3 dp
Definition	All support staff labour related costs incurred by the licence holder including inter-company recharges but excluding those labour costs which relate to engineering and the direct activity of the GMO NI. This includes: Gross salaries and wages of all employees; Bonus payments; Overtime, Standby and Other Allowances (specified within business plans); Employer's National Insurance contributions; Salary sacrifice payments (including National Insurance contributions); Training costs; Sick pay; Pension Costs; Sickness benefits; Private health insurance; (Non-pension related) retirement awards; Death in service benefits; Paid leave; Travel and Subsistence; Medical insurance costs;		

	Childcare assistance; Welfare costs; Car allowances; PSA – PAYE Settlement Agreement; Share based schemes; and Staff Entertainment; Other benefits in kind.
Processing rule	Verify, amend if necessary

5	Mutualisation Costs	£m	3 dp
Definition	Costs directly attributable to the management of the mutual bond including the provision of liquidity as well as legal and other professional fees required to manage the financiers. Not to be completed by GNI (UK) (UK).		
Processing rule	Verify, amend if necessary		

## **B Asset Replacement**

6	Asset Replacement	£m	3 dp
Definition	Captures forecast expenditure for replacement of (major) assets, e.g. due to expiry of design life and/or operational performance issues.		
Processing rule	Verify, amend if necessary		

## **C Planned Maintenance**

7	Asset Management & Compliance	£m	3 dp
Definition	Include a variety of activities such as: Engineering Compliance; Engineering management; Asset management; Work planning and management; System planning and design; HSQ&E management; and Agricultural liaison.		
Processing rule	Verify, amend if necessary		

8	Emergency Response	£m	3 dp
Definition	Includes: Fixed costs incurred to ensure 24/7/365 availability of the emergency response resources;		

	Variable costs from emergency response activities; Arrangements and service provider contractors to ensure emergency spares, materials and equipment; and Emergency training exercises.
Processing rule	Verify, amend if necessary

9	Pipeline Inspection	£m	3 dp
Definition	<p>Can include:</p> <p>Sub-sea survey (periodic) of underwater pipeline, including side scan sonar, multi beam echo sound, sacrificial anode stabbing, checking for spans, scars, cp system, debris etc;</p> <p>Land inspections often carried out by pigging the pipeline and sometimes known as Online Inspection (OLI).</p> <p>Walk / vantage point / river crossing surveys; and</p> <p>Aerial pipeline inspections.</p>		
Processing rule	Verify, amend if necessary		

10	Routine Maintenance	£m	3 dp
Definition	<p>Maintenance of the range of transmission system assets to ensure fitness for purpose and compliance with relevant regulations, industry recoGNI (UK)zed standards and best practice. Includes:</p> <p>The fixed costs associated with mobilization of resources at commencement of the contract operations;</p> <p>Cost charged by the contractor for ongoing management;</p> <p>Planned/routine maintenance e.g. surveillance, functional checks and maintenance, site husbandry.</p> <p>Maintenance activities not included in the foregoing e.g. investigations following OLI, Close Interval Potential Surveys (CIPS);</p> <p>Routine/planned inspection and maintenance of AGIs, metering assets and other assets;</p> <p>Routine inspection and maintenance of SCADA equipment and communication systems;</p> <p>Utilities costs associated with operation of the transmission system assets, e.g. electricity supply;</p> <p>Agricultural / Landowner liaison;</p> <p>Security related costs; and</p> <p>Provision of specialist maintenance services by equipment manufacturers / vendors, e.g. gas heating equipment / systems, pest control etc.</p>		
Processing rule	Verify, amend if necessary		

11	Engineering Staff Costs	£m	3 dp
Definition	<p>All engineering staff labour related costs incurred by the licence holder including inter-company recharges but excluding those labour costs which relate to support staff and the direct activity of the GMO NI. This includes:</p> <p>Gross salaries and wages of all employees;          Bonus payments;          Overtime, Standby and Other Allowances;          Employer's National Insurance contributions;          Salary sacrifice payments;          Training costs;          Sick pay;          Pension Costs;          Sickness benefits;          Private health insurance;          (Non-pension related) retirement awards;          Death in service benefits;          Paid leave;          Travel and Subsistence;          Medical insurance costs;          Childcare assistance;          Welfare costs;          Car allowances;          PSA – PAYE Settlement Agreement;          Share based schemes; and          Staff Entertainment.</p>		
Processing rule	Verify, amend if necessary		

#### **D Unplanned Maintenance**

12	Drainage	£m	3 dp
Definition	<p>Drainage and legal cost associated with drainage. Licence holder liable for drainage issues arising from original construction. Costs include actual drainage and legal cost to remove liability.</p>		
Processing rule	Verify, amend if necessary		

13	Fault Repairs	£m	3 dp
Definition	<p>Cost associated with ad hoc repairs of faulty equipment, vehicles, machinery etc.</p>		
Processing rule	Verify, amend if necessary		

14	Other Unplanned Costs	£m	3 dp
Definition	Any other unplanned costs such as vehicle fault repairs, plant repairs, communication issues etc.		
Processing rule	Verify, amend if necessary		

### E System Operation (TSO)

15	Contracts and Licences	£m	3 dp
Definition	Includes: The ongoing costs of IT licences; Server hosting and IT support; ENTSO-G Membership fee; Subscriptions; Postalised System Administrator Fee; and Moffat Agent.		
Processing rule	Verify, amend if necessary (MEL T1) / Input		

16	Grid Control	£m	3 dp
Definition	System control room services to monitor and control the operational performance of the transmission network, and manage the gas supply interface with the upstream and downstream transporters.		
Processing rule	Verify, amend if necessary (MEL T1) / Input		

17	Major IT System Development	£m	3 dp
Definition	Costs related to major system development projects as determined by the UR. This would include projects such as Single System Operation, Common Arrangements for Gas and compliance with the introduction of capacity auctions.		
Processing rule	Verify, amend if necessary (MEL T1) / Input		

18	Network Code Development	£m	3 dp
Definition	Includes cost associated with: Gas Capacity Statement - Annual preparation of this and other annual publications required for licence and Network Code compliance.		

	Energy Horizons report – Preparation of this publication required to develop long term whole system scenario planning. Development and support related to the grid control Gas Transmission Management System (GTMS), and gas transportation services IT systems. Shipper services and network code development; Management of Network Code developments, arrangements and processes.
Processing rule	Verify, amend if necessary (MEL T1) / Input

19	SCADA and Comms	£m	3 dp
Definition	Cost associated with SCADA and communications systems and equipment used to monitor the transmission system operational performance.		
Processing rule	Verify, amend if necessary (MEL T1) / Input		

20	European Compliance	£m	3 dp
Definition	Any costs arising from European directives or regulations.		
Processing rule	Verify, amend if necessary (MEL T1) / Input		

21	Cyber Security	£m	3 dp
Definition	Any costs arising from cyber security audit or regulations.		
Processing rule	Verify, amend if necessary (MEL T1) / Input		

## **F System Operation (GMO NI)**

22	GMO NI Staff Costs	£m	3 dp
Definition	All GMO NI staff labour related costs incurred by the licence holder including the general manager. This includes: Gross salaries and wages of all employees; Bonus payments; Overtime, Standby and Other Allowances; Employer's National Insurance contributions; Salary sacrifice payments; Training costs; Sick pay; Pension Costs; Sickness benefits; Private health insurance;		

	(Non pension related) retirement awards; Death in service benefits; Paid leave; Travel and Subsistence; Medical insurance costs; Childcare assistance; Welfare costs; Car allowances; PSA – PAYE Settlement Agreement; Share based schemes; and Staff Entertainment.
Processing rule	Input

23	GMO NI Administration & Finance	£m	3 dp
Definition	Includes all direct GMO NI operational costs such as: Head Office rent; Utilities & cleaning; Insurance, bank charges & fees etc.		
Processing rule	Input		

24	Market Operations & IT	£m	3 dp
Definition	Includes: The ongoing costs of IT licences; Server hosting and IT support; ENTSO-G Membership fee; Subscriptions; Delphi		
Processing rule	Input		

25	Market Development	£m	3 dp
Definition	Includes: Shipper services; External support & Legal Travel & Subsistence		
Processing rule	Input		

26	Network planning	£m	3 dp
Definition	Management cost of network analysis, network code developments, arrangements and processes. Also includes cost of the preparation of the Gas Capacity Statement and other annual publications required for licence and code compliance.		
Processing rule	Input		

27	Energy Transition	£m	3 dp
Definition	Energy Transition project costs		
Processing rule	Input		

### G Uncontrollable Costs

28	Business Rates	£m	3 dp
Definition	Annual property taxes paid to various levels of government, local regional and central. Also includes seabed wayleave costs.		
Processing rule	Verify, amend if necessary (MEL TI) / Input		

29	Licence Fees	£m	3 dp
Definition	Licence fees paid to the UR, CER or Ofgem.		
Processing rule	Verify, amend if necessary (MEL TI) / Input		

30	Fuel/Shrinkage/Imbalance Costs	£m	3 dp
Definition	Costs of gas for compressor stations.		
Processing rule	Verify, amend if necessary (MEL TI) / Input (MEL/PTL only)		

31	Scottish Costs	£m	3 dp
Definition	Charges associated with the arrangements in Scotland e.g. TA capacity payments; Beattock compressor station costs (excluding fuel); Beattock major capital works costs; and SWSOS pipeline maintenance or modification costs.		
Processing rule	Verify, amend if necessary (MEL TI) / Input (MEL/PTL only)		

32	Stranraer / Haynestown Income	£m	3 dp
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Definition	Any offsetting income received from the services provided to Stranraer or Dundalk. Should be recorded as a negative value.
Processing rule	Verify, amend if necessary (MEL T1) / Input (MEL/PTL only)

## H Energy Transition

33	Energy Transition	£m	3 dp
Definition	Energy Transition project costs.		
Processing rule	Verify, amend if necessary (MEL T1) / Input		

## I Totals

34	Administration	£m	3 dp
Definition	Total admin costs.		
Processing rule	Calc: Sum of L1:L5		

35	Asset Replacement	£m	3 dp
Definition	Total replacement costs.		
Processing rule	Copied: copied from L6		

36	Planned Maintenance	£m	3 dp
Definition	Total planned maintenance costs.		
Processing rule	Calc: Sum of L7:L11		

37	Unplanned Maintenance	£m	3 dp
Definition	Total unplanned maintenance costs.		
Processing rule	Calc: Sum of L12:L14		

38	System Operation (TSO)	£m	3 dp
Definition	Total system operation costs remaining in the network business.		
Processing rule	Calc: Sum of L15:L21		

39	System Operation (GMO NI)	£m	3 dp
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Definition	Total GMO NI costs.		
Processing rule	Calc: Sum of L22:L27		

40	Uncontrollable costs	£m	3 dp
Definition	Total pass through costs.		
Processing rule	Calc: Sum of L28:L32		

41	Energy Transition	£m	3 dp
Definition	Total Energy Strategy project costs.		
Processing rule	Copied: copied from L33		

42	Grand Total	£m	3 dp
Definition	Total costs.		
Processing rule	Calc: Sum of L34:L41		

### I Frontier Shift

43	Frontier Shift (Annual)	%	1 dp
Definition	Estimated annual impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L11		

44	Frontier Shift (Cumulative)	%	1 dp
Definition	Estimated cumulative impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L12		

### J Totals (Post-Efficiency)

45	Administration	£m	3 dp
Definition	Total admin costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L34 x (1 – L43)		

46	Asset Replacement	£m	3 dp
Definition	Total replacement costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L35 x (1 – L43)		

47	Planned Maintenance	£m	3 dp
Definition	Total planned maintenance costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L36 x (1 – L43)		

48	Unplanned Maintenance	£m	3 dp
Definition	Total unplanned maintenance costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L37 x (1 – L43)		

49	System Operation (TSO)	£m	3 dp
Definition	Total system operation costs remaining in the network business after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L38 x (1 – L43)		

50	System Operation (GMO NI)	£m	3 dp
Definition	Total GMO NI costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L39 x (1 – L43)		

51	Uncontrollable costs	£m	3 dp
Definition	Total pass through costs.		
Processing rule	Calc: L40 x (1 – L43)		

52	Energy Transition	£m	3 dp
Definition	Total Energy Transition project costs to support innovation which contributes to delivering the DfE Energy Strategy.		
Processing rule	Copy line L41. No efficiency challenge applied.		

53	Grand Total	£m	3 dp
Definition	Total costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: sum of L45:L52		

## 4. Table 2 - Staff Costs

4.1 Staff Numbers by Salary Band, Direct Staff Costs, Indirect Staff Costs and Agency Staff

### General Purpose

4.2 The purpose of this table is to provide more detailed reporting around one of the principal cost lines i.e. staff. It will help provide an understanding of cost and resource movements over time.

### Instructions

4.3 This table has 19 lines in total. It covers all direct and indirect staff cost elements. It further asks for full time equivalent (FTE) staff numbers by pay band. Tables 2a, 2b and 2c require FTE information and costs for support staff remaining in the TSO (T2a), engineering staff in the TSO (T2b) and those allocated to the GMO NI (T2c).

4.4 Table 2 is a summary table with all cells populated with formulae referencing the remaining Staff tables. No input is required to Table 2 by either MEL or GNI (UK). TSOs should, however, verify the totals contained therein and clearly note any amendments on the template and in accompanying commentary.

4.5 The Table 2 Staff tables should be used to record all staff costs. Any labour cost which might be recorded in other tables must be removed so as to avoid double counting.

4.6 All financial costs should be recorded in real terms (2025-26 prices) using the CPIH forecast and historic index figures provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (dp), unless otherwise stated.

4.7 FTE staff numbers should be reported to 1dp based on how resources are allocated.

4.8 Columns -5 to -3 should contain historic data. Columns -2 to 5 will contain forecast information.

### Company commentary

4.9 Alongside the tables the company should provide commentary detailing:

- Rationale for forecast costs and resources in the price control period.

- Justification for any real terms forecast increase/decrease in staff cost over the price control period.
- Impact of single system operation on staffing levels.
- Explanation of agency staff usage and costs.
- Detail on bonus payment criteria and justification.
- Information on pension scheme, employer's contribution percentage, shortfalls etc.
- Any other employee benefit schemes and their cost.
- Background on changes to forecast indirect staff costs.
- Examples of any staff training undertaken.
- Proportion of indirect cost related to travel and subsistence.

**Table 4.1: Audit Check**

Line	Audit Check
T2, L20	Line 6 should equal T2a, L6 + T2b, L6 + T2c, L6
T2, L21	Line 16 should equal T2a, L16 + T2b, L16 + T2c, L16.

**Table 2 - Line Guidance****A Number of Staff by Salary Band**

1	>= £100,000	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost greater than or equal to £100,000.		
Processing rule	Verify, amend if necessary / Input		

2	£80,000 - £99,999	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost between £80,000 and £99,999.		
Processing rule	Verify, amend if necessary / Input		

3	£60,000 - £79,999	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost between £60,000 and £79,999.		

Processing rule	Verify, amend if necessary / Input		
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4	£40,000 - £59,999	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost between £40,000 and £59,999.		
Processing rule	Verify, amend if necessary / Input		

5	£20,000 - £39,999	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost between £20,000 and £39,999.		
Processing rule	Verify, amend if necessary / Input		

6	Total FTE Employees	nr	1 dp
Definition	Total number of full time equivalent employees.		
Processing rule	Calc: Sum of L1:L5		

## **B Direct Staff Costs**

7	Staff Salaries & Overtime	£m	3 dp
Definition	Labour costs incurred by the licence holder including inter-company recharges which relates to: Gross salaries and wages of all employees; and Overtime, Standby and Other Allowances.		
Processing rule	Verify, amend if necessary / Input		

8	Bonus Payments	£m	3 dp
Definition	Labour costs incurred by the licence holder which relates to bonus payments.		
Processing rule	Verify, amend if necessary / Input		

9	Pension Costs	£m	3 dp
Definition	Labour costs incurred by the licence holder which relates to pension costs.		
Processing rule	Verify, amend if necessary / Input		

10	Other Direct	£m	3 dp
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Definition	Labour costs incurred by the licence holder which relates to other direct staff costs such as: Employer's National Insurance contributions; Salary sacrifice payments; Sick pay; Sickness benefits; Private health insurance; (Non-pension related) retirement awards; Medical insurance costs; Childcare assistance; Welfare costs; Death in service benefits; and Paid leave.
Processing rule	Verify, amend if necessary / Input

11	Total Direct Costs	£m	3 dp
Definition	Total direct staff costs.		
Processing rule	Calc: Sum of L7:L10		

### C Indirect Staff Costs

12	Training	£m	3 dp
Definition	Labour costs incurred by the licence holder which relates to staff training.		
Processing rule	Verify, amend if necessary / Input		

13	Other Indirect	£m	3 dp
Definition	Labour costs incurred by the licence holder which relates to other indirect staff costs such as: Car allowances; Share based schemes; Travel and subsistence; and Staff Entertainment etc.		
Processing rule	Verify, amend if necessary / Input		

14	Total Indirect Costs	£m	3 dp
Definition	Total indirect labour costs.		
Processing rule	Calc: Sum of L12 + L13		

**D Agency Staff**

15	Agency Staff	£m	3 dp
Definition	Cost of temporary and agency staff not permanently employed by the licence holder.		
Processing rule	Verify, amend if necessary / Input		

**E Totals**

16	Total Staff Costs	£m	3 dp
Definition	Total staff costs		
Processing rule	Calc: Sum of L11 + L14 + L15		

**F Frontier Shift**

17	Frontier Shift (Annual)	%	1 dp
Definition	Estimated annual impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L11		

18	Frontier Shift (Cumulative)	%	1 dp
Definition	Estimated cumulative impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L12		

**G Totals (Post-Efficiency)**

19	Total Staff Costs	£m	3 dp
Definition	Total staff costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L16 x (1 – L18)		

## 5. Table 3 - Administration Costs

5.1 Pipeline Insurance, Intra-Company Recharges, Other Overheads and Mutualisation Costs

### General Purpose

5.2 The purpose of this table is to provide more detailed reporting around centralised functions and how they are allocated to licence holders. It will help provide an understanding of cost movements over time.

### Instructions

5.3 This table has 18 lines in total. It covers centralised functions such as board costs, insurance, HR functions, audit, legal fees etc. For each of the TSOs, such activities are largely undertaken by the controlling company (MEL and GNI (UK)) and recharged to the licence holder. This table breaks down these costs and the allocation methodology.

5.4 Section D is focused specifically on mutualisation costs and management. It is therefore not required to be completed by GNI (UK).

5.5 All financial costs should be recorded in real terms (2025-26 prices) using the CPIH forecast and historic index figures provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (dp), unless otherwise stated.

5.6 Columns -5 to -3 should contain historic data. Columns -2 to 5 will contain forecast information.

### Company commentary

5.7 Alongside the tables the company should provide commentary detailing:

- Rationale for forecast costs in the price control period.
- Justification for any forecast real terms increase/decrease in cost over the price control period.
- Detail on any large costs in the other functions / overheads / mutualisation lines.
- Allocation methodology for intra-company recharges and the percentage value that the licence holder is required to bear.
- Activities associated with bond management and mutualisation costs (MEL only).

**Table 5.1: Audit Check**

Line	Audit Check
T3, L19	Line 1 should equal T1, L1.
T3, L20	Line 7 should equal T1, L2.
T3, L21	Line 10 should equal T1, L3
T3, L22	Line 14 should equal T1, L5.
T3, L23	Line 15 should equal T1, L37 less T1, L4.

**Table 3 - Line Guidance****A Pipeline Insurance**

1	Pipeline Insurance	£m	3 dp
Definition	Insurance related solely to the pipeline assets and AGIs used in pursuance of the licence objectives. This includes: Insurance premiums; Insurance contract negotiating and monitoring; Insurance risk management; and Payments relating to uninsured claims.		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

**B Intra-Company Recharges**

2	Board Members & Expenses	£m	3 dp
Definition	Cost associated with group management including: Board Members; Board and shareholder meetings; and Members travel and expenses.		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

3	Property Management	£m	3 dp
Definition	Cost of head office and buildings including: Rent / service charges; Utility bills; Cleaning; IT and telecoms; and Any other relevant costs.		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

4	Audit / Finance / Regulation	£m	3 dp
Definition	Performing the statutory, regulatory and internal management of cost and performance reporting requirements; and customary financial and regulatory compliance activities. This includes: Processing payments and receipts; Financial / Management / Investment accounting; Statutory and Regulatory reporting; Tax compliance and management; Internal / External audit; and Any other relevant costs.		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

5	Legal Fees	£m	3 dp
Definition	Costs of legal advice.		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

6	Other Functions	£m	3 dp
Definition	Any other relevant centralised functions such as: Marketing and advertising; HR Functions; Procurement; and Any other relevant costs.		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

7	Total Recharge Cost	£m	3 dp
Definition	Total cost of centralised services (excluding internal staff costs).		
Processing rule	Calc: Sum of L2:L6		

### **C Other Overheads**

8	Non-Pipeline Insurance	£m	3 dp
Definition	Non-pipeline related insurance costs including: Building and contents; Motor vehicles; Employers liability;		

	Insurance risk management; Payments relating to uninsured claims; Broker fees; and Any other associated costs.		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

9	Other Overheads	£m	3 dp
Definition	Any other overheads not covered e.g. consultancy support (not reported elsewhere).		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

10	Total Other Overheads	£m	3 dp
Definition	Total sum of other overheads.		
Processing rule	Calc: Sum of L8 + L9		

#### **D Mutualisation**

11	Bond Management	£m	3 dp
Definition	Costs directly attributable to the management of the mutual bond including the provision of liquidity.		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

13	Other Mutualisation Costs	£m	3 dp
Definition	Any other costs associated with mutualisation.		
Processing rule	Verify, amend if necessary (MEL T3) / Input		

14	Total Mutualisation Costs	£m	3 dp
Definition	Total mutualisation management costs.		
Processing rule	Calc: Sum of L11:L13		

#### **E Totals**

15	Total Admin Costs	£m	3 dp
Definition	Total administration costs.		
Processing rule	Calc: Sum of L1 + L7 + L10 + L14		

**F Frontier Shift**

16	Frontier Shift (Annual)	%	1 dp
Definition	Estimated annual impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L11		

17	Frontier Shift (Cumulative)	%	1 dp
Definition	Estimated cumulative impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L12		

**G Totals (Post-Efficiency)**

18	Total Admin Costs	%	1 dp
Definition	Total administration costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L15 x (1 – L17)		

## 6. Table 4 - Maintenance Costs

6.1 Asset Management & Compliance, Emergency Response, Pipeline Inspection, Routine Maintenance, Unplanned Maintenance and Planned / Unplanned Activity Levels

### General Purpose

6.2 The purpose of this table is to provide more detailed reporting around maintenance costs, activities and the split between pro-active and reactive work. It will help provide an understanding of cost drivers and movements over time.

### Instructions

6.3 This table has 42 lines in total. It covers all types of maintenance costs (both planned and unplanned) as well as activity levels which drive these costs. TSOs should specify any other maintenance activity not covered by the table which results in costs being incurred.

6.4 Lines in red italicised text (L19a-L19n & L35a-L35n) are for the TSOs to change and customise as required.

6.5 All financial costs should be recorded in real terms (2025-26 prices) using the CPIH forecast and historic index figures provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (dp), unless otherwise stated.

6.6 Sections G and H relate to activity levels (both planned and unplanned) in terms of maintenance tasks. Such activities will be the driver of costs and as such should be captured in the table.

6.7 Columns -5 to -3 should contain historic data. Columns -2 to 5 will contain forecast information.

### Company commentary

6.8 Alongside the tables the company should provide commentary detailing:

- Rationale for forecast costs in the price control period.
- Justification for any forecast real terms increase/decrease in cost over the price control period.
- Detail on methodology for undertaking planned maintenance e.g. inspection timings, format etc.

- Explanation of forecast unplanned activity rates e.g. failure probability rates, trend analysis etc.
- Information around the five most cost significant types of maintenance activity.
- Incidents of third party damages to the network.
- The historic average split of maintenance costs by planned and unplanned activity. This should include the forecast proportional split for the GT17 price control period.
- Incidents of gas escapes (historic and forecast).
- Emergency stand-by teams and arrangements in place.

**Table 6.1: Audit Check**

Line	Audit Check
T4, L43	Line 4 should equal T1, L7.
T4, L44	Line 9 should equal T1, L8.
T4, L45	Line 13 should equal T1, L9.
T4, L46	Line 20 should equal T1, L10.
T4, L47	Line 24 should equal T1, L36 less T1, L11.
T4, L48	Line 25 should equal T1, L40.

**Table 4 - Line Guidance****A Asset Management & Compliance**

1	Engineering Compliance	£m	3 dp
Definition	Activities necessary to ensure compliance with specific engineering legislation, regulations and standards, e.g. Development of Written Schemes of Examination (WSOE); Other operational policies / procedures under the Pressure Systems Safety Regulation (PSSR); Any other compliance related activity.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		
2	Work Planning	£m	3 dp

Definition	Processes for system planning and management of direct activities. This includes: Transmission system planning and design activities, for example: Development of network models to analyse demand, capacity growth issues and constraints. Design of system assets and modifications to existing assets. Management of Health Safety Quality & Environmental processes and activities, including: Development of policies and procedures. Audit processes to assess compliance with policies/procedures. Development of information systems to monitor/report HSQ&E performance. Internal and external awareness initiatives
Processing rule	Verify, amend if necessary (MEL T4) / Input

3	Asset Management	£m	3 dp
Definition	Interaction with and provision of asset information to third parties and other asset management activities, for example: Maintaining a comprehensive asset data base, asset management processes and information systems. Determination of optimum asset maintenance policies. Managing projects and contracts. Development of engineering procedures.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

4	Total Management & Compliance Costs	£m	3 dp
Definition	Total asset management and compliance costs.		
Processing rule	Calc: Sum of L1:L3		

## **B Emergency Response**

5	MERC Fixed Costs	£m	3 dp
Definition	Costs incurred to ensure 24/7/365 availability of the necessary emergency response resources appropriate to the scale of the transmission system and assets.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

6	MERC Variable Costs	£m	3 dp
Definition	Cost resulting from emergency response activities.		

Processing rule	Verify, amend if necessary (MEL T4) / Input
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7	Emergency Spares	£m	3 dp
Definition	Arrangements and service provider contractors to ensure availability of emergency spares, materials and equipment when required.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

8	Emergency Exercise	£m	3 dp
Definition	Cost of emergency simulation exercises.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

9	Total Emergency Costs	£m	3 dp
Definition	Total costs of emergencies.		
Processing rule	Calc: Sum of L5:L8		

### **C Pipeline Inspections**

10	Sub-Sea Surveys	£m	3 dp
Definition	Sub-sea surveys (periodic) of underwater pipeline, including side scan sonar, multi beam echo sound, sacrificial anode stabbing, checking for spans, scars, cp system, debris etc.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

11	On-Land Inspections	£m	3 dp
Definition	On land pipeline inspections (periodic) often carried out by pigging the pipeline and sometimes known as Online Inspection (OLI). Further includes walk, vantage point and river crossing survey costs.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

12	Aerial Inspections	£m	3 dp
Definition	Cost of aerial pipeline inspections.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

13	Total Pipeline Inspection Costs	£m	3 dp
Definition	Total costs of pipeline inspections.		
Processing rule	Calc: Sum of L10:L12		

#### D Routine Maintenance

14	Pipeline Maintenance	£m	3 dp
Definition	<p>Maintenance of the range of transmission system assets to ensure fitness for purpose. This includes:</p> <p>Contract Fixed Costs: The fixed costs associated with mobilization of resources at commencement of the contract operations.</p> <p>Management Fee: Cost charged by the contractor under the terms of the contract for ongoing management of contract operations</p> <p>Planned/routine maintenance: Frequently recurring, annually, maintenance of pipeline assets, e.g. regulator functional checks and maintenance, site husbandry.</p> <p>Other: Maintenance activities not included in the foregoing, e.g. work following on from OLI, Close Interval Potential Surveys (CIPS) etc.</p> <p>Metering: Routine/planned inspection and maintenance of metering assets.</p>		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

15	Sub-Sea Maintenance	£m	3 dp
Definition	Maintenance costs on the sub-sea pipeline.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

16	AGI Maintenance	£m	3 dp
Definition	Maintenance costs on the range of above ground installation assets.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

17	Landowner Liaison	£m	3 dp
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Definition	Routine liaison with landowners to ensure ongoing awareness of the presence of the transmission pipelines in terms of agricultural activities, e.g. avoidance of interference damage as a consequence of land drainage operations, and pipeline maintenance activities. Also includes easement / way leave management and administration processes.
Processing rule	Verify, amend if necessary (MEL T4) / Input

18	Specialist Equipment	£m	3 dp
Definition	Provision of specialist maintenance services by equipment manufacturers/vendors, e.g. gas heating equipment/systems, pest control etc.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

19	Non-MERC Contracts	£m	3 dp
Definition	Total sum of non-MERC contract costs.		
Processing rule	Calc: Sum of L19a:L19n		

19a	Non-MERC Contracts	£m	3 dp
Definition	TSOs to specify any maintenance contracts or costs not covered by MERC.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

20	Total Routine Maintenance Costs	£m	3 dp
Definition	Total routine maintenance costs.		
Processing rule	Calc: Sum of L14:L19		

## **E Unplanned Maintenance**

21	Drainage	£m	3 dp
Definition	Drainage and legal cost associated with drainage. Licence holder liable for drainage issues arising from original construction. Costs include actual drainage and legal cost to remove liability.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

22	Fault Repairs	£m	3 dp
Definition	Cost associated with ad hoc repairs of faulty equipment, vehicles, machinery etc.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

23	Other Unplanned Maintenance	£m	3 dp
Definition	Any other unplanned maintenance costs not captured by the other unplanned activity lines.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

### **F Cost Totals**

24	Total Planned Maintenance Costs	£m	3 dp
Definition	Total planned maintenance costs.		
Processing rule	Calc: Sum of L4 + L9 + L13 + L20		

25	Total Unplanned Maintenance Costs	£m	3 dp
Definition	Total unplanned maintenance costs.		
Processing rule	Calc: Sum of L21:L23		

### **G Planned Activity**

26	Online Inspections (OLI)	nr	0 dp
Definition	Number of inspections undertaken/forecast.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

27	Close Interval Protection Surveys	nr	0 dp
Definition	Number of surveys undertaken/forecast.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

28	Metering Asset Inspections	nr	0 dp
Definition	Number of inspections undertaken/forecast.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

29	SCADA Inspections	nr	0 dp
Definition	Number of inspections undertaken/forecast.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

30	Aerial Pipeline Inspections	nr	0 dp
Definition	Number of inspections undertaken/forecast.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

31	Sub-Sea Surveys	nr	0 dp
Definition	Number of surveys undertaken/forecast.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

32	Emergency Exercises	nr	0 dp
Definition	Number of emergency exercises undertaken/forecast.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

33	Other	nr	0 dp
Definition	Any other planned maintenance activities which impact on costs.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

## H Unplanned Activity

34	Emergency Call Outs	nr	0 dp
Definition	Number of emergency call outs.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

35	Fault Repairs	nr	0 dp
Definition	Total number of fault repairs.		
Processing rule	Calc: Sum of L35a:L35n		

35a	Fault Repairs	nr	0 dp
Definition	The number of different types of fault repairs, to be customised as required by TSOs.		

Processing rule	Verify, amend if necessary (MEL T4) / Input
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36	Other	nr	0 dp
Definition	Any other unplanned maintenance activity which results in costs being incurred.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

### I Network Data

37	Carbon Footprint	Tonnes CO2e	0 dp
Definition	Carbon footprint as recorded based on tonnes of carbon dioxide equivalent.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

38	Gas Shrinkage	kWh	0 dp
Definition	Losses of gas on the respective transmission networks due to leakage, theft etc. This should match the total of sections A-J of Table 9.		
Processing rule	Verify, amend if necessary (MEL T4) / Input		

### J Frontier Shift

39	Frontier Shift (Annual)	%	1 dp
Definition	Estimated annual impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L11		

40	Frontier Shift (Cumulative)	%	1 dp
Definition	Estimated cumulative impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L12		

### K Totals (Post-Efficiency)

41	Total Planned Maintenance Costs	£m	3 dp
Definition	Total planned maintenance costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L24 x (1 - L40)		

42	Total Unplanned Maintenance Costs	£m	3 dp
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Definition	Total unplanned maintenance costs after application of cumulative frontier shift efficiencies.
Processing rule	Calc: $L_{25} \times (1 - L_{40})$

## 7. Table 5 - Uncontrollable Costs

7.1 Business Rates, Licence Fees, Fuel Costs, Scottish Costs and Income

### General Purpose

7.2 The purpose of this table is to provide more detailed reporting around uncontrollable costs. It will help provide an understanding of the cost breakdown and the drivers of uncontrollable expenditure.

### Instructions

7.3 This table has 22 lines in total. It covers all types of uncontrollable costs including licence fees, rates, fuel, Scottish costs and offsetting income. Section C relates to the Beattock compressor fuel usage, price and cost. It also covers imbalance charges and shrinkage gas costs. MEL should detail the relevant cost attributed to this area. Some of these lines are not required to be completed by GNI (UK).

7.4 Section D (L13 – L16) covers the charges MEL incurs for access to the system in Scotland. These lines do not need to be completed by GNI (UK).

7.5 Line 17 relates to income received by MEL for supplying gas to Stranraer. It also covers forecast income GNI (UK) expects to receive for connecting RoI customers in Dundalk to the South North pipeline. This income should be recorded as a negative offsetting value in the table.

7.6 All financial costs should be recorded in real terms (2025-26 prices) using the CPIH forecast and historic index figures provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (dp), unless otherwise stated.

7.7 Columns -5 to -3 should contain historic data. Columns -2 to 5 will contain forecast information.

### Company commentary

7.8 Alongside the tables the company should provide commentary detailing:

- Rationale for forecast costs in the price control period.
- Justification for any forecast real terms increase/decrease in cost over the price control period.
- Detail around rateable value calculations.
- If any gas is used at pressure reduction stations.

- Detail around cost and activity of Scottish services (MEL only).
- Assumptions around forecast income.
- Any other relevant information to support the cost data projections.

**Table 7.1: Audit Check**

Line	Audit Check
T5, L23	Line 18 should equal T1, L31
T5, L24	Line 19 should equal T1, L32
T5, L25	Line 20 should equal T1, L33
T5, L26	Line 21 should equal T1, L34
T5, L27	Line 22 should equal T1, L35

**Table 5 - Line Guidance****A Business Rates**

1	Pipelines & Pipeline Assets	£m	3 dp
Definition	Business rates for the pipelines and network.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

2	Head Office	£m	3 dp
Definition	Business rates for the head office.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

3	Other Facilities	£m	3 dp
Definition	Business rates for other facilities.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

4	Seabed Wayleaves	£m	3 dp
Definition	Cost of access consent to the seabed. N.B. GNI (UK) (UK) should not complete this line.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

**B Licence Fees**

5	Utility Regulator	£m	3 dp
Definition	Licence fees charged by the Utility Regulator for Northern Ireland.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

6	CRU	£m	3 dp
Definition	Licence fees charged by the Commission for Regulation of Utilities.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

7	Ofgem	£m	3 dp
Definition	Licence fees charged by Ofgem.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

**C Fuel/Shrinkage/Imbalance Costs**

8	Fuel Volume	kWh	0 dp
Definition	Volume of compressor fuel required. N.B. GNI (UK) (UK) should not complete this line.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

9	Compressor Fuel Cost	£m	3 dp
Definition	Cost of compressor fuel. N.B. GNI (UK) (UK) should not complete this line.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

10	Compressor Fuel – Unit Cost	p/kwh	1 dp
Definition	Unit cost of compressor fuel. N.B. GNI (UK) (UK) should not complete this line.		
Processing rule	Calc: (L9 * 100,000,000) ÷ L8		

11	Shrinkage Costs	£m	3 dp
Definition	Costs of shrinkage gas for unaccounted losses.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

12	Imbalance Charges	£m	3 dp
Definition	Imbalance charges in relation to the upstream network. N.B. GNI (UK) (UK) should not complete this line.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

#### **D Scottish Costs**

13	TA Capacity Charge Payments	£m	3 dp
Definition	Capacity charges incurred by MEL through the Transportation Agreement. N.B. GNI (UK) (UK) should not complete this line.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

14	Beattock Operating Costs	£m	3 dp
Definition	Operating cost recharged in relation to Beattock Compressor Station. Fuel cost should be recorded separately in L9. N.B. GNI (UK) (UK) should not complete this line.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

15	Beattock Major Capital Works	£m	3 dp
Definition	Capital costs recharged in relation to Scottish facilities at Beattock. N.B. GNI (UK) (UK) should not complete this line.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

16	SWSOS Pipeline Costs	£m	3 dp
Definition	Cost recharged in relation to the SWSOS pipeline. This includes both opex and capex costs. N.B. GNI (UK) (UK) should not complete this line.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

**E Stranraer / Dundalk Income**

17	Stranraer / Haynestown Income	£m	3 dp
Definition	Income received by TSOs for transporting gas to Stranraer (MEL) and Haynestown [GNI (UK) (UK)] respectfully. N.B. This line should be recorded as a negative value.		
Processing rule	Verify, amend if necessary (MEL T5) / Input		

**F Totals**

18	Business Rates	£m	3 dp
Definition	Total rates costs and any seabed wayleaves.		
Processing rule	Calc: Sum of L1:L4		

19	Licence Fees	£m	3 dp
Definition	Total licence fee costs.		
Processing rule	Calc: Sum of L5:L7		

20	Fuel/Shrinkage/ Imbalance Costs	£m	3 dp
Definition	Costs of: Gas for compressor stations; Shrinkage gas for unaccounted losses; and Imbalance charges.		
Processing rule	Calc: Sum of L9 + L11 + L12		

21	Scottish Costs	£m	3 dp
Definition	Value of other uncontrollable Scottish cost items.		
Processing rule	Calc: Sum of L13:L16		

22	Stranraer / Haynestown Income	£m	3 dp
Definition	Income received by TSOs for transporting gas to Stranraer (MEL) and Dundalk [GNI (UK) (UK)] respectfully.		
Processing rule	Copied: copied from L17		

## 8. Table 6 - Repex projects

### 8.1 Large Replacement Expenditure Projects

#### General Purpose

8.2 The purpose of this table is to provide more detailed reporting around large asset replacement projects. It will help provide an understanding of the costs and the drivers of this expenditure as well as the benefits to consumers.

#### Instructions

8.3 This table has 5 lines in total. It covers large asset replacement projects which the TSO believes are required to maintain and update the network. By way of a guide, this table should focus on expenditure >£50,000, though TSOs are free to submit detail on smaller projects if they consider it appropriate.

8.4 Lines in red italicised text (L1a – L1n) are for the TSOs to change and customise as required. TSOs should also assign a project number to each replacement project included within the business plan to ease the process of identifying and tracking projects throughout the price control.

8.5 All financial costs should be recorded in real terms (2025-26 prices) using the CPIH forecast and historic index figures provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (dp), unless otherwise stated.

8.6 Columns -5 to -3 should contain historic data. Columns -2 to 5 will contain forecast information. Columns 11-12 should provide dates associated with the project start and the beneficial use. Column 13 should detail the output of the expenditure.

#### Company commentary

8.7 Alongside the tables the company should provide commentary detailing:

- High level overview of current approach to asset planning.
- Longer term views of asset replacement i.e. forecasts of total replacement costs over two price controls from 2027-28 to 2036-37.
- Rationale/objectives for forecast costs in the price control period by project.
- Any statutory or regulatory requirement driving expenditure.

- Needs assessment for individual projects.
- Risk/failure analysis on assets to be replaced including age/status/serviceability assessment etc.
- Any option analysis undertaken for different projects with rationale for preferred option (on a whole life cost basis).
- Breakdown of costs by key project components.
- Analysis of project monetary benefits, including any offsetting reductions to maintenance costs.
- Nominated outputs of each project and the subsequent benefit to consumers.
- Any other relevant information to support the cost data projections.
- TSO views on the efficiency challenge to be applied.

8.8 The level of detail on each project should be commensurate to the value of the projected spend.

**Table 8.1: Audit Check**

Line	Audit Check
T6, L3	Line 2 should equal T1, L6

**Table 6 - Line Guidance**

**A Replacement projects**

1a	Project Name	£m	3 dp
Definition	Cost of different asset replacement projects.		
Processing rule	Input		

2	Total Cost	£m	3 dp
Definition	Total of replacement project costs.		
Processing rule	Calc: Sum of L1a:L1k		

**B Frontier Shift**

3	Frontier Shift (Annual)	%	1 dp
Definition	Estimated annual impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L11		

4	Frontier Shift (Cumulative)	%	1 dp
Definition	Estimated cumulative impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L12		

**C Totals (Post-Efficiency)**

5	Total Cost	%	1 dp
Definition	Total costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L2 x (1 – L4)		

## 9. Table 7 - Asset Inventory

9.1 Pipelines, Entry & Exit Points, Block Valves, Pipeline Inspection Gauge (PIG) Traps and Above Ground Installations (AGIs).

### General Purpose

9.2 The purpose of this table is to provide a summary of transmission network assets.

### Instructions

9.3 This table has 6 lines in total across 5 columns. It covers network assets such as pipelines, entry and exit points, block valves, AGIs and PIG traps.

9.4 Lines in red italicised text (L1a – L6n) are for the TSOs to change and customise as required. All relevant assets up to the present date should be recorded in the table.

9.5 Column 1 should detail the construction completion date. Column 2 should provide the design life of the relevant asset. Columns 3 & 4 should detail the diameter (mm) and length (km) of pipelines / spurs respectively. Column 5 should provide the design pressure of the relevant asset.

### MEL BPRT

Table 7 should be used to append asset inventory details for the three MEL companies (from Tables 7a, 7b and 7c).

### Company commentary

9.6 Alongside the tables the company should provide commentary detailing:

- Whether any of the assets have been stranded or abandoned.

Table 7 - Line Guidance

**A Pipelines**

1a – 1n	Pipelines		
Definition	Name of company pipelines and requisite data i.e. date of construction, design life, pipeline diameter, pipeline length and design pressure.		
Processing rule	Input		

**B Exit Points**

2a – 2n	Exit Points		
Definition	Data on exit points and requisite information.		
Processing rule	Input		

**C Entry Points**

3a – 3n	Entry Points		
Definition	Data on entry points and requisite information.		
Processing rule	Input		

**D Block Valves**

4a – 4n	Block Valves		
Definition	Data on block valves and requisite information.		
Processing rule	Input		

**E Pig Trap**

5a – 5n	Pig Traps		
Definition	Data on pipeline inspection gauge traps and requisite information.		
Processing rule	Input		

**F AGIs**

6a – 6n	AGIs		
Definition	Data on above ground installations and requisite information.		
Processing rule	Input		

## 10. Table 8 - Cost of Capital

10.1 GNI (UK) (UK) Cost of Capital, Bond Repayments for PTL, BGTL and WTL.

### General Purpose

10.2 The purpose of this table is to provide more detailed reporting around the costs of capital. It will help provide an understanding of the companies view on returns to capital. It should also set out the bond repayments for PTL, BGTL and WTL.

### Instructions

10.3 This table has 7(MEL) / 5(GNI (UK)) lines in which TSOs should detail the relevant information in respect of financing repayments or cost of capital expectations as appropriate.

10.4 All GNI (UK) financial costs should be recorded in real terms (2025-26 prices) using the CPIH forecast and historic index figures provided in the Inflation tab. MEL bond repayments are tied to a fixed payment scheduled and will remain index linked to RPI. All bond repayment costs should be recorded in real terms (2025-26 prices) using the RPI figures provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (dp), unless otherwise stated.

10.5 MEL have been asked to provide an opening and closing debt liability figure for each pipeline. Columns 1-5 should contain forecast information. No historic data has been requested for this table.

### Company commentary

10.6 Alongside the tables the company should provide commentary detailing:

- Rationale for forecast cost of capital figures.
- Value of the company specific equity beta for the cost of equity.
- How estimates of the equity beta have been derived.
- Supporting information on the cost of debt.
- Any other relevant information to support the cost of capital projections.

Table 8 - Line Guidance

**A Bond Repayments – MEL**

1	PTL Bond Repayments	£m	3 dp
Definition	Outstanding debt liability and bond repayments for Premier Transmission Limited.		
Processing rule	Input		

2	BGTL Bond Repayments	£m	3 dp
Definition	Outstanding debt liability and bond repayments for Belfast Gas Transmission Limited.		
Processing rule	Input		

3	WTL Bond Repayments	£m	3 dp
Definition	Outstanding debt liability and bond repayments for Belfast Gas Transmission Limited.		
Processing rule	Input		

4	Total Bond Repayments	£m	3 dp
Definition	Sum of MEL bond repayments.		
Processing rule	Calc: Sum of L1:L3		

**A Cost of Capital – GNI (UK)**

1	Gearing	%	2 dp
Definition	The ratio measuring the extent to which the company is assumed to be financed through borrowing.		
Processing rule	Input		

2	Cost of Equity	%	2 dp
Definition	The post-tax cost of equity i.e. rate of return required by shareholders.		
Processing rule	Input		

3	Cost of Debt	%	2 dp
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Definition	The estimated interest rate or cost a company will expect to pay on its debt.
Processing rule	Input

4	Vanilla WACC	%	2 dp
Definition	The post-tax real weighted average cost of capital i.e. the rate of return expected on capital investment, including cost of debt and cost of equity.		
Processing rule	Calc: $(L2 * \{1 - L1\}) + (L3 * L1)$		

5	Regulatory Asset Value (RAV)	£m	3 dp
Definition	The value ascribed to the capital employed in the licensee's transmission business.		
Processing rule	Input		

## 11. Table 9 - Carbon Reporting

11.1 Buildings, Operational & Business Transport, Fugitive Emissions and Fuel Combustion for TSOs and Contractors

### General Purpose

11.2 The purpose of this table is to collect information on TSOs' non-shrinkage Business Carbon Footprint (BCF), in tonnes of CO<sub>2</sub> equivalent, in order for us to assess the environmental impact of operations.

11.3 We recognise that it may not be possible to follow exactly the detailed guidance below for forecast data – we expect, as far as possible, the same principles to be adopted, and any variances from the guidance to be explained in the commentary.

### Instructions

11.4 The sum of sections A-J of Table 9 should be input to Line 37 of Table 4.

11.5 The reporting methodology must be compliant with the principles of the Greenhouse Gas Protocol (GHG Protocol)<sup>1</sup>.

11.6 In summary, the BCF reporting must be:

- Relevant: the inventory must reflect the substance and economic reality of the company's business relationships, not merely its legal form;
- Complete: all relevant emission sources must be included (where in practice lack of data or cost of gathering could be a limiting factor, justification must be provided in the commentary to the business plan submission);
- Consistent: accounting approaches, inventory boundary and calculation methodology must be applied consistently over time;
- Transparent: information on the processes, procedures, assumptions and limitations of the BCF reporting must be disclosed in a clear, factual, neutral and understandable manner, enabling internal and external verifiers to attest to its credibility;

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<sup>1</sup> See World Business Council for Sustainable Development/World Resource Institute: [The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard](#) for further details.

- Accurate: GHG measurements, estimates, or calculations must be systemically neither over nor under the emissions value, as far as can be judged, and uncertainties be reduced as far as practicable.

11.7 It is anticipated that data will need to be estimated under two scenarios:

- When the type of emissions is not measured.
- When there is measurement data, but an estimate is required as the data is not at the same level of granularity as required by the summary BCF worksheet.

### Company commentary

11.8 The commentary to the business plan submission must include details of any auditing/certification completed to verify emissions data.

11.9 The commentary must also include details on the reporting boundaries and on any allocation model used to apportion emissions across a corporate group.

### Reporting boundaries

11.10 The licensee must report on all Scope 1 and Scope 2 emissions (and a subset of Scope 3 emissions, as detailed below) on an “operational control” basis, i.e. report all emissions from operations on which the licensee has full authority to introduce and implement its operating policy.

11.11 3.15 The licensee should also report, where data is available, on a subset of Scope 3 emissions (business travel and external contractors), to ensure that the reporting captures all of the emissions arising from the development and operation of the licensee’s transmission System, regardless of the legal entity carrying out each activity. According to this, we consider it valuable to focus on contractors emissions relating to the operational transport fleet and mobile power plants.

### Contractors

11.12 The exclusion of any contractors must be justified and any thresholds used for exclusion must be stated in the commentary.

11.13 The commentary must also include an indication of what proportion of contractors have been excluded. This figure could be calculated based on contract value.

11.14 As far as possible, the licensee must try to ensure that data provided from different contractors is based on consistent assumptions.

## Detailed reporting requirements

- 11.15 The licensee is given flexibility to set their own standards for:
- 11.16 Reporting year. We understand that calendar years is the current standard.
- 11.17 The use of estimates rather than direct measurement<sup>2</sup>, and any exclusion from the reporting based on (lack of) materiality considerations<sup>3</sup>. Any assumptions used to make estimates must be included in the commentary. It is anticipated that data will need to be estimated under two scenarios:
- a) When the type of emissions is not measured.
  - b) When there is measurement data, but an estimate is required as the data is not at the same level of granularity as required in Table 9.
- 11.18 As a general principle, DNOs must focus more on the first type of estimation.
- 11.19 The commentary must include data tables for each area of emissions (ideally at the same level of granularity as the DAERA conversion factors) containing the following information:
- a) the level of emissions (in tCO<sub>2</sub>e)
  - b) the data source and collection process<sup>4</sup>
  - c) the relevant physical units e.g. miles
  - d) the emission conversion factor used
  - e) the source of the emission conversion factor (this shall be DAERA unless there is a compelling case for using another conversion factor)
  - f) the Scope of the emissions i.e. Scope 1, 2 or 3
  - g) whether the emissions have been measured or estimated
  - h) any tools used in the calculation

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<sup>2</sup> In accordance with the principles of the GHG protocol and ISO14001, we expect a process of continual improvement, so that estimates are progressively replaced by direct measurement. More attention must be given to those estimates of emissions, which are likely to be significant.

<sup>3</sup> In cases where emissions have not been estimated, it is important that this is transparently documented and justified in the methodology.

<sup>4</sup> Collection processes requiring a more detailed explanation must be elaborated upon elsewhere in the commentary.

i) whether the emissions stem from contractors

- 11.20 The commentary must also include details of any auditing the licensee has performed to verify its emissions data.

### Guidance on emissions categories

#### **Buildings energy usage (Headquarters & associated operational buildings)**

- 11.21 Emission for electricity usage in buildings must be converted according to the factor for the “Grid Rolling Average”.
- 11.22 Natural Gas, Diesel and other fuels are all categorised as fuel combustion and must be converted to tCO<sub>2</sub>e on either a Gross Calorific Value (Gross CV) or Net Calorific Value (Net CV) basis. We expect that this element of the chosen approach is clearly stated in the commentary and that this is consistently applied over time.

#### **Transport**

- 11.23 DAERA guidelines provide for a range of emission conversion factors for transport means, with the aim to provide the best possible estimate of emissions from the vehicle portfolio owned and/or operated by the licensee. The reporting must, as far as reasonably practicable, use the full range of emission conversion factors available (as applicable to the range of means of transport actually used by the licensee).
- 11.24 DAERA allows for transport to be entered in terms of both mileage and fuel consumption. Reporting must be based upon mileage, using conversion factors at the greatest level of disaggregation that is reasonably practicable. Reporting can be based on fuel consumption only where detailed and reliable data is available, e.g. through fuel cards.
- 11.25 In cases where emission factors for specific transport means are not available (we are aware of this issue for helicopters, but there may be some other instances) the equivalent tonnes of carbon dioxide (tCO<sub>2</sub>e) must be estimated and summed to the closest means of transport (e.g. “air” for helicopters). The methodology and assumptions used for estimating/measuring these emissions must be included in the commentary.
- 11.26 Operational Transport is the transportation (often a fleet of vehicles) used in the day to day operation of the business – i.e. in the inspection and maintenance of the network.

- 11.27 Business Transport is that undertaken by staff travelling to locations that are other than their normal place of work or moving between sites for purposes such as meetings.

### **Fugitive Emissions**

- 11.28 This category caters for GHG emissions from a range of fuels that may be relevant to the licensee business. The commentary must identify which fugitive emissions have not been calculated or estimated.

### **Fuel combustion (emergency)**

- 11.29 This is to cover for emergency fuel usage, such as mobile plants and the stand-by and mobile generators that are deployed from time to time in response to planned outages or faults. DAERA emissions factors must be used. All mobile plant and generation used by the licensee, related and affiliate undertakings, contactors and sub-contractors must be included in so far as it is reasonably practicable. The methodology must describe the degree of estimation, and decisions to exclude any sources of emissions, applied.

## 12. Table 10 - Energy Transition

12.1 Energy Transition Projects

### General Purpose

12.2 The purpose of this table is to provide more detailed reporting around energy transition projects. It will help provide an understanding of the costs and the drivers of this expenditure as well as the benefits to consumers.

### Instructions

12.3 This table has 3 lines in total. It covers projects which the TSO believes are required to maintain or update the network to aid delivery of the DfE Energy Strategy. By way of a guide, this table should focus on projects which are strictly related to energy transition and not BAU repex projects outlined in Table 6.

12.4 Lines in red italicised text (1a-1k) are for the TSOs to change and customise as required. TSOs should also assign a project number to each energy transition project included within the business plan to ease the process of identifying and tracking projects throughout the price control.

12.5 All financial costs should be recorded in real terms (2025-26 prices) using the CPIH forecast and historic index figures provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (dp), unless otherwise stated.

12.6 Columns -5 to -3 should contain historic data for GT22 projects that are rolling over into GT27. Columns -2 to 5 will contain forecast information.

### Company commentary

12.7 Alongside the tables the company should provide commentary detailing:

- High level overview of energy transition projects planned for delivery throughout GT27.
- Rationale/objectives for forecast costs in the price control period by project.
- Any statutory or regulatory requirement driving expenditure.
- Needs assessment for individual projects.

- Any options analysis undertaken for different projects with rationale for preferred option (on a whole life cost basis).
- Breakdown of costs by key project components.
- Analysis of project benefits, including alignment with the DfE Energy Strategy.
- Nominated outputs of each project.
- Any other relevant information to support the cost data projections.

12.8 The level of detail on each project should be commensurate to the value of the projected spend.

**Table 12.1: Audit Check**

Line	Audit Check
T10, L3	Line 3 should equal T1, L41

**Table 10 - Line Guidance**

**A Projects**

1a	Project Number	£m	3 dp
Definition	Cost of energy transition projects.		
Processing rule	Input		

## 13. Chapter 2 – GMO NI

### Supplementary table frontier shift

#### General purpose

- 13.1 This table forms the basis for TSOs' assessment of frontier shift (the combination of the impact of real price effects and productivity growth). In line with our approach at GT17 and GT22 Final Determinations we consider it appropriate that licence holders are challenged to meet the efficiency improvements inherent in the frontier shift. However, we will not set a catch-up efficiency challenge due to the lack of a suitable benchmark or comparator group.

#### Instructions

- 13.2 The table is structured to capture the inputs to the frontier shift calculation: nominal input price inflation, CPIH and productivity growth.
- 13.3 The table has 12 lines in total; lines 1-6 and line 9 require input from TSOs/GMO NI.
- 13.4 As frontier shift forms part of determinations for all licence holders and the GMO NI, and its calculation requires consideration of expenditure patterns for all 5 entities the assessment of frontier shift should be undertaken jointly. The same frontier shift efficiency challenge will then be applied in each of the 3 business plan submissions.
- 13.5 We have supplied weights for use in calculating nominal input price inflation. These weights were those arrived at for GT22 based on submissions at the time and our determinations. Licence holders should review the applicability of the weights and amend if necessary. They will be further updated based on the allowances we make at Draft and Final Determinations, allowing for the calculation of a final frontier shift efficiency challenge.
- 13.6 The calculation of productivity growth will require consideration of the inputs to the cost categories in lines 1-6. On the following page we have reproduced the list of proxy industries used at GT22 to provide an approximation for the activities in gas transmission.

**Table 13.1: Cost Categories**

TSO Activity	Proxy Industry
Administration	Financial and insurance activities Professional, scientific, technical, administrative and support service activities
Repex	Construction Professional, scientific, technical, administrative and support service activities
Maintenance	Construction Telecommunications Other manufacturing: repair and installation of machinery
System Operation (TSO)	IT and other information services Professional, scientific, technical, administrative and support service activities Telecommunications
System Operation (GMO NI NI)	IT and other information services Professional, scientific, technical, administrative and support service activities

### Company commentary

- 13.7 The company should appropriately evidence their calculation in arriving at an assessment of frontier shift, including explanation of changes to weights and the source and rationale for their choice of forecasts of productivity growth and input price inflation.

### Frontier Shift - Line Guidance

#### A Input Price Inflation

1	Labour	%	1 dp
Definition	The expected nominal input price inflation of labour costs.		
Processing rule	Input		

2	Administration	%	1 dp
Definition	The expected nominal input price inflation of administration costs.		
Processing rule	Input		

3	Repex	%	1 dp
Definition	The expected nominal input price inflation of costs associated with replacement activity.		
Processing rule	Input		

4	Maintenance	%	1 dp
Definition	The expected nominal input price inflation of maintenance costs.		
Processing rule	Input		

5	System Operation (TSO)	%	1 dp
Definition	The expected nominal input price inflation of the costs of system operation for TSOs (see Table 1, Section E for breakdown of cost categories).		
Processing rule	Input		

6	System Operation (GMO NI NI)	%	1 dp
Definition	The expected nominal input price inflation of the costs of system operation for the GMO NI NI (see Table 1, Section F for breakdown of cost categories).		
Processing rule	Input		

7	Total Nominal Input Price Inflation	%	1 dp
Definition	Expected average input price inflation across all cost areas.		
Processing rule	Calc: Sumproduct of category weights and inflation		

## **B CPIH Inflation**

8	CPIH	%	1 dp
Definition	Forecast CPIH inflation		
Processing rule	Copied: copied from Inflation worksheet		

## **C Productivity Growth**

9	Productivity Growth	%	1 dp
Definition	Expected weighted average productivity growth across activity all activity areas / proxy industries.		
Processing rule	Input		

**D Frontier Shift Calculation**

10	Frontier Shift	nr	1 dp
Definition	Calculation of annual frontier shift as compound effect of RPEs and productivity growth.		
Processing rule	Calc: $((1 + L1) / (1 + L8)) \times (1 - L9)$		

11	Frontier Shift (%)	%	1 dp
Definition	Calculation of annual frontier shift as compound effect of RPEs and productivity growth.		
Processing rule	Calc: L10/100		

12	Frontier Shift (Cumulative %)	%	1 dp
Definition	Cumulative impact of frontier shift		
Processing rule	Calc: $1 - ((1 - \text{prev yr L12}) \times (1 - L11))$		

## 14. Table 1 - Total Costs

14.1 Staff, Administration, Market Operations & IT, Market Development, Network Planning, and Energy Transition.

### General purpose

14.2 The purpose of this table is to provide a consistent reporting template for single system operation. It will help provide an understanding of cost movements over time and the differing burdens on each party to the GMO NI. This structure will also be used as the basis for ongoing annual cost reporting.

### Instructions

14.3 This table has 31 lines in total. It covers all direct GMO NI cost elements. Centralised costs such as CEO, Board costs, HR functions etc should not be reported here. The table should be completed jointly by MEL and GNI (UK) and will cover all GMO NI costs. Tables 1a and 1b will provide the split between MEL and GNI (UK) (UK) respectively. Table 1 – GMO NI Costs is populated with formulae which will sum the inputs to Tables 1a and 1b.

14.4 Lines in red italicised text (L9a – L9c ) are for the TSOs to change and customise as required.

14.5 All financial costs should be recorded in real terms (2025-26 prices) using the CPIH forecast and historic index figures provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (dp), unless otherwise stated.

### Company commentary

14.6 Alongside the tables the company should provide commentary detailing:

- Rationale for forecast costs in the price control period.
- Justification for any forecast increase/decrease in cost over the price control period.
- Justification for any forecast real terms increase in overall industry system operation costs.
- Explanation of the GMO NI cost allocation methodology between licensees (MEL) and (GNI (UK)).

- Explanation of the GMO NI cost allocation methodology within MEL to its TSOs.
- Detail around activities and responsibilities allocated to each party.
- Explanation of system operation costs that remain with the TSO and have not moved to the GMO NI.
- Information on the costs/benefits, rationale and justification for any expenditure proposed.
- Efficiency estimates proposed by the companies.

**Table 14.1: Audit Check**

Line	Audit Check
T1, L32	Line 1 should equal T2, L16.
T1, L33	Line 1a should equal T2, L6.
T1, L34	Line 31 should equal T1a, L31 + T1b, L31

**Table 1 - Line guidance****A GMO NI Staff Costs**

1	Staff Costs	£m	3 dp
Definition	<p>All GMO NI staff labour related costs incurred by the licence holder including the general manager. This includes:</p> <p>Gross salaries and wages of all employees;            Bonus payments;            Overtime, Standby and Other Allowances;            Employer's National Insurance contributions;            Salary sacrifice payments;            Training costs;            Sick pay;            Pension Costs;            Sickness benefits;            Private health insurance;            (Non-pension related) retirement awards;            Death in service benefits;            Paid leave;            Travel and Subsistence;            Medical insurance costs;            Childcare assistance;            Welfare costs;</p>		

	Car allowances; PSA – PAYE Settlement Agreement; Share based schemes; and Staff Entertainment.		
Processing rule	Calc: Sum of T1a, L1 and T1b, L1		

1a	Total FTE Employees	nr	1 dp
Definition	Total number of full time equivalent employees.		
Processing rule	Calc: Sum of T1a, L1a and T1b, L1a		

### **B GMO NI Administration**

2	Office Costs	£m	3 dp
Definition	Any office or other costs associated with the GMO NI including Rent; Cleaning; Utilities etc. Any rates associated with a separate office should be reported in the uncontrollable cost table.		
Processing rule	Calc: Sum of T1a, L2 and T1b, L2		

3	Financial services, Legal & Bank charges	£m	3 dp
Definition	Direct administrative charges incurred by the GMO NI including: Financial services costs; Insurance; Bank charges; Legal charges; Any other costs.		
Processing rule	Calc: Sum of T1a, L3 and T1b, L3		

### **C Market Operations & IT**

4	PRISMA	£m	3 dp
Definition	Costs for the operation of PRISMA.		
Processing rule	Calc: Sum of T1a L4 + T1b L4		

5	Delphi Enhancements	£m	3 dp
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Definition	Costs to enhance Delphi software		
Processing rule	Calc: Sum of T1a L5 + T1b L5		

6	Cyber Security Enhancements and Support	£m	3 dp
Definition	Cost that support cyber security enhancement to IT systems arising from cyber security audit or regulations		
Processing rule	Calc: Sum of T1a L6 + T1b L6		

7	Corporate IT	£m	3 dp
Definition	Cost to run and maintenance GMO NI's corporate IT system.		
Processing rule	Calc: Sum of T1a L7 + T1b L7		

8	Delphi - Server Hosting & IT Support	£m	3 dp
Definition	Cost of hosting the Delphi server and any professional fees related to support and maintenance of this system.		
Processing rule	Calc: Sum of T1a L8 + T1b L8		

## **D Market Development**

10	Shipper Services, Events & Meetings	£m	3 dp
Definition	Includes the costs of shipper services, liaison and account management. This also includes the costs of events and meetings for the purpose of market development.		
Processing rule	Calc: Sum of T1a L10 + T1b L10		

11	External Support & Legal	£m	3 dp
Definition	Includes the cost of external advisors / consultancy support engaged to implement necessary code modifications. This also includes legal expense incurred as a result of market development activities.		
Processing rule	Calc: Sum of T1a L11 + T1b L11		

12	Travel & Subsistence	£m	3 dp
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Definition	Includes the travel and subsistence costs incurred to attend events or meetings for the purpose of market development.
Processing rule	Calc: Sum of T1a L12 + T1b L12

## E Network Planning

13	Network Planning	£m	3 dp
Definition	Management cost of network analysis, network code developments, arrangements and processes. Also includes cost of the preparation of the Gas Capacity Statement and other annual publications required for licence and code compliance		
Processing rule	Calc: Sum of T1a L13 + T1b L13		

## G Energy Transition

14	Project Costs	£m	3 dp
Definition	Energy Transition project costs.		
Processing rule	Calc: Sum of T1a L14 + T1b L14		

## H Totals

15	GMO NI Staff Costs	£m	3 dp
Definition	Total staff costs.		
Processing rule	Copied: copied from L1		

16	GMO Administration & Finance	£m	3 dp
Definition	Total admin costs.		
Processing rule	Calc: Sum of L2:L3		

17	Market Operations & IT	£m	3 dp
Definition	Total market operations and IT costs.		
Processing rule	Calc: Sum of L4:L9c		

18	Market Development	£m	3 dp
Definition	Total market development costs.		

Processing rule	Calc: Sum of L10:L12		
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19	Network Planning	£m	3 dp
Definition	Total network planning costs		
Processing rule	Copied: copied from L13		

20	Energy Transition	£m	3 dp
Definition	Energy Transition project costs.		
Processing rule	Copied: copied from L14		

21	Total GMO NI Costs	£m	3 dp
Definition	Total GMO NI costs		
Processing rule	Calc: Sum of L15:L20		

#### **F Network Data**

22	Carbon Footprint	Tonnes CO2e	0 dp
Definition	Carbon footprint as recorded based on tonnes of carbon dioxide equivalent.		
Processing rule	Input		

23	Gas Shrinkage	kWh	0 dp
Definition	Losses of gas on the respective transmission networks due to leakage, theft etc.		
Processing rule	Input		

#### **G Frontier Shift**

24	Frontier Shift (Annual)	%	1 dp
Definition	Estimated annual impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L11		

25	Frontier Shift (Cumulative)	%	1 dp
Definition	Estimated cumulative impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L12		

#### **H Totals (Post-Efficiency)**

26	GMO NI Staff Costs	£m	3 dp
Definition	Total staff costs. after application of cumulative frontier shift efficiencies		
Processing rule	Calc: L15 x (1 – L25)		

27	GMO NI Administration & Finance	£m	3 dp
Definition	Total admin costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L16 x (1 – L25)		

28	Market Operations & IT	£m	3 dp
Definition	Total Market Operations & IT costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L17 x (1 – L25)		

29	Market Development	£m	3 dp
Definition	Total market development costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L18 x (1 – L25)		

30	Network Planning	£m	3 dp
Definition	Total network planning costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L19 x (1 – L25)		

31	Energy Transition	£m	3 dp
Definition	Total energy transition project costs.		
Processing rule	Calc: L20 x (1 – L25)		

32	Total GMO NI Costs	£m	3 dp
Definition	Total GMO NI costs after application of cumulative frontier shift efficiencies.		
Processing rule	Calc: L21 x (1 – L25)		

## 15. Table 2 - Staff Costs

15.1 Staff Numbers by Salary Band, Direct Staff Costs, Indirect Staff Costs and Agency Staff Costs

### General Purpose

15.2 The purpose of this table is to provide more detailed reporting around one of the principal cost lines i.e. staff. It will help provide an understanding of cost and resource movements over time.

### Instructions

15.3 This table has 19 lines in total. It covers all direct and indirect staff cost elements. It further asks for full time equivalent (FTE) staff numbers by pay band. Tables 2a and 2b request the breakdown of costs and FTE contributed to the GMO NI by each of the TSOs (in this instance we ask for information from the MEL group rather than its separate TSOs). Table 2 populated with formulae which will sum the inputs to Tables 2a and 2b.

15.4 All GMO NI staff costs should be recorded in this table. Any labour cost which might be recorded in other tables must be removed so as to avoid double counting.

15.5 All financial costs should be recorded in real terms (2015-16 prices) using the RPI forecast and actual index numbers provided in the Inflation tab. Costs will generally be recorded in £ millions to 3 decimal places (DP), unless otherwise stated.

15.6 FTE staff numbers should be reported to 1dp based on how resources are allocated.

15.7 Columns -5 to -3 should contain historic data. Columns -2 to 5 will contain forecast information.

15.8 Inputs to Tables 2a and 2b can be copied to Table 2c of the separate MEL and GNI (UK) templates, respectively.

### Company commentary

15.9 Alongside the tables the company should provide commentary detailing:

- Rationale for forecast costs and resources in the price control period.
- Justification for any real terms forecast increase/decrease in staff cost over the price control period.

- Impact of single system operation on staffing levels.
- Explanation of agency staff usage and costs.
- Detail on bonus payment criteria and justification.
- Information on pension scheme, employer's contribution percentage, shortfalls etc.
- Any other employee benefit schemes and their cost.
- Background on changes to forecast indirect staff costs.
- Examples of any staff training undertaken.
- Proportion of indirect cost related to travel and subsistence.

**Table 15.1: Audit Check**

Line	Audit Check
T2, L20	Line 6 should equal T2a, L6 + T2b, L6
T2, L21	Line 11 should equal T2a, L11 + T2b, L11
T2, L22	Line 14 should equal T2a, L14 + T2b, L14
T2, L23	Line 16 should equal T2a, L16 + T2b, L16

**Table 2 - Line Guidance****A Number of Staff by Salary Band**

1	>= £100,000	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost greater than or equal to £100,000.		
Processing rule	Calc: Sum of Ta L1 + T2b L1		

2	£80,000 - £99,999	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost between £80,000 and £99,999.		
Processing rule	Calc: Sum of Ta L2 + T2b L2		

3	£60,000 - £79,999	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost between £40,000 and £79,999.		

Processing rule	Calc: Sum of Ta L3 + T2b L3		
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4	£40,000 - £59,999	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost between £40,000 and £59,999.		
Processing rule	Calc: Sum of Ta L4 + T2b L4		

5	£20,000 - £39,999	nr	1 dp
Definition	Number of full time equivalent (FTE) staff employed at a cost between £20,000 and £39,999.		
Processing rule	Calc: Sum of Ta L5 + T2b L5		

6	Total FTE Employees	nr	1 dp
Definition	Total number of full time equivalent employees.		
Processing rule	Calc: Sum of L1:L5		

## **B Direct Staff Costs**

7	Staff Salaries & Overtime	£m	3 dp
Definition	Labour costs incurred by the licence holder including inter-company recharges which relates to: Gross salaries and wages of all employees; and Overtime, Standby and Other Allowances.		
Processing rule	Calc: Sum of Ta L7 + T2b L7		

8	Bonus Payments	£m	3 dp
Definition	Labour costs incurred by the licence holder which relates to bonus payments.		
Processing rule	Calc: Sum of Ta L8 + T2b L8		

9	Pension Costs	£m	3 dp
Definition	Labour costs incurred by the licence holder which relates to pension costs.		
Processing rule	Calc: Sum of Ta L9 + T2b L9		

10	Other Direct	£m	3 dp
Definition	Labour costs incurred by the licence holder which relates to other direct staff costs such as: Employer's National Insurance contributions; Salary sacrifice payments; Sick pay; Sickness benefits; Private health insurance; (Non-pension related) retirement awards; Medical insurance costs; Childcare assistance; Welfare costs; Death in service benefits; and Paid leave.		
Processing rule	Calc: Sum of Ta L10 + T2b L10		

11	Total Direct Costs	£m	3 dp
Definition	Total direct staff costs.		
Processing rule	Calc: Sum of L7:L10		

### **C Indirect Staff Costs**

12	Training	£m	3 dp
Definition	Labour costs incurred by the licence holder which relates to staff training.		
Processing rule	Calc: Sum of Ta L12 + T2b L12		

13	Other Indirect	£m	3 dp
Definition	Labour costs incurred by the licence holder which relates to other indirect staff costs such as: Car allowances; Share based schemes; Travel and subsistence; and Staff Entertainment etc.		
Processing rule	Calc: Sum of Ta L13 + T2b L13		

14	Total Indirect Costs	£m	3 dp
Definition	Total indirect labour costs.		
Processing rule	Calc: Sum of L12 + L13		

**D Agency Staff**

15	Agency Staff	£m	3 dp
Definition	Cost of temporary and agency staff not permanently employed by the licence holder.		
Processing rule	Calc: Sum of Ta L15 + T2b L15		

**E Totals**

16	Total Staff Costs	£m	3 dp
Definition	Total staff costs		
Processing rule	Calc: Sum of L11 + L14 + L15		

**F Frontier Shift**

17	Frontier Shift (Annual)	%	1 dp
Definition	Estimated annual impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L11		

18	Frontier Shift (Cumulative)	%	1 dp
Definition	Estimated cumulative impact of frontier shift		
Processing rule	Copied: copied from Frontier Shift worksheet L12		

**G Totals (Post-Efficiency)**

19	Total Staff Costs	£m	3 dp
Definition	Total staff costs after application of cumulative frontier shift efficiencies		
Processing rule	Calc: L16 x (1 – L18)		