

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

**Business Plan Assessment Guidance  
26 February 2026**

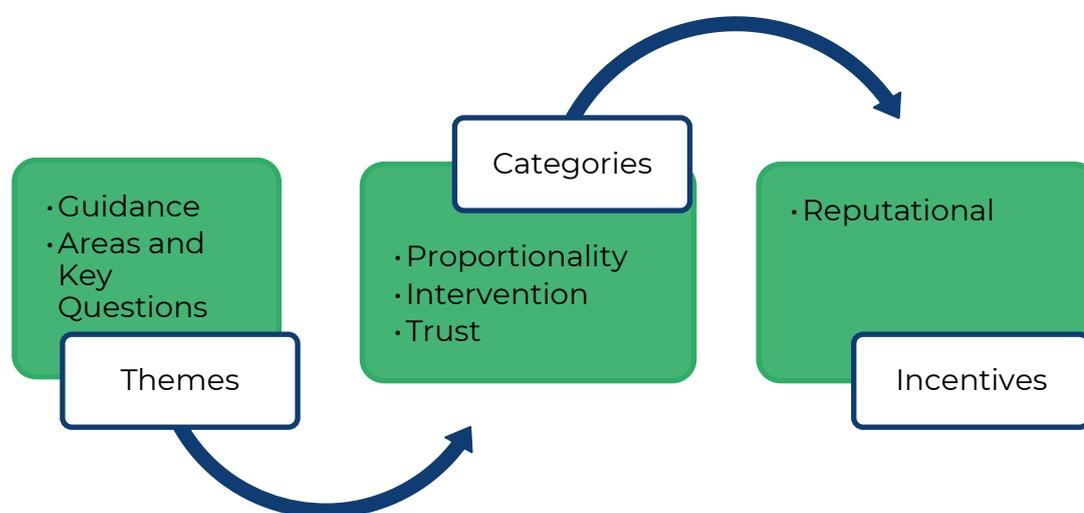
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## 1. Introduction

- 1.1 We set out below an approach to assessing the Transmission System Operators (TSO) and Gas Market Operator Northern Ireland (GMO NI) business plans. Our approach consists of areas which we will review (Themes), categories we will consider and based upon this our assessment of the quality of TSO/GMO NI business plans. The illustration below summarises the process and key features of the approach.

**Figure 1.1: Key features of the approach**



### Theme areas

- 1.2 The Themes can provide a strong basis for us to provide clear regulatory expectations and also policy priorities. They can also help us to work out how and where we dedicate assessment time, when we receive business plans from the TSOs/GMO NI (referred to hereafter as TSOs). We therefore expect that these features will be important given the time constraints involved in the price control process.
- 1.3 The themes have been structured according to four areas:
- Service contribution to good outcomes
  - Services and costs
  - Trust in delivery
  - Transition to net zero

- 1.4 In deciding on the number and type of theme areas, we are conscious of balancing the need of having enough distinct areas of key importance, whilst ensuring there are not too many such that overall focus is diminished. We also recognise that, such is the cross-cutting nature of a price control and the way businesses function, there will be links across many of the different theme areas.
- 1.5 We have designed areas to take account of linkages, as far as is practicable and where we feel it is important to do so. We have also taken account of issues which we feel are specific to the TSOs and which reflect some of our policy priorities. But we have done so to allow our approach to be sufficiently generic in many cases, so that it could also be applied to other sectors and price controls.
- 1.6 We will provide guidance for what would be an exceptional business plan, along with the accompanying questions for the TSO to answer in preparing its business plan. These are listed for completeness and ease of reference in Section 3 of this paper. We expect these to be instructive to TSOs but leave enough flexibility for them to take ownership of their business plan. We reserve our right to consider different factors where necessary.

## Categories

- 1.7 When we receive the TSO's business plan we will assess how it has performed. This assessment is built up from the categorisation below for each of the theme areas.
- 1.8 This is structured around several questions which we would ask when we assess the quality of the business plan submission. These are grouped under 4 key themes and areas which are set out below:
- Theme 1 - Service contribution to good outcomes.
    - (ii) Area 1: Delivering value for money for Consumers.
  - Theme 2 - Services and costs
    - (iii) Area 2: Delivering services and outcomes.
    - (iv) Area 3: Aligning Risk and Return.
  - Theme 3 - Trust in delivery
    - (v) Area 4: Engaging customers, consumers and other stakeholders.
    - (vi) Area 5: Ensuring resilience.

- (vii) Area 6: Accounting for past delivery.
- Theme 4 - Transition to net zero
  - (viii) Area 7: Aligning with government net zero policy
  - (ix) Area 8: Delivering outcomes which will contribute to net zero targets

1.9 The TSO's business role, services and activities should be well aligned with the interests of customers, consumers, other stakeholders, government policy and the wider energy system. We feel that the categorisation, when coupled with our framework and other expectations/guidance on business plans:

- Allows the TSO to take ownership of its plan. It should also be answerable to stakeholders for what follows from it.
- Clarifies that lesser regulatory intervention can be expected in the TSO's business plan if it is of higher quality.
- Gives the TSO greater opportunity to shape its role over the price control period, what activities and level of service is funded through the price control, and aspects of the regulatory framework.
- Clarifies that there will be a higher degree of trust in the TSO if its business plan is of higher quality.

1.10 We set out our categorisation expectations in the table on the following page. Further guidance on our view of what is an exceptional business plan (category A) is set out in section 3 of this paper.

**Table 1.1: Category expectations**

| Category       | Features  |
|----------------|---|
| A: Exceptional | <p>Exceptional and stretching business plan.</p> <p>Excellent responses across most test areas.</p> <p>Limited regulatory intervention to translate to price control package.</p> <p>Relatively high degree of trust in company.</p> <p>Adherence to page limits set out in the Business Plan Overarching Guidance.</p> |

|                                      |  |
|--------------------------------------|--|
| <p>B: Good</p>                       | <p>Good plan but falling short of being an exceptional and stretching plan.</p> <p>Excellent responses in some test areas.</p> <p>Some regulatory intervention and therefore less trust than category A.</p> <p>Adherence to page limits set out in the Business Plan<br/>Overarching Guidance.</p>  |
| <p>C: Meeting Basic Expectations</p> | <p>Plan does not evidence how best to serve customers and stakeholders.</p> <p>Significant concerns and lack of excellent responses across all test areas.</p> <p>Extensive regulatory intervention and therefore less trust than category B.</p> <p>Adherence to page limits set out in the Business Plan<br/>Overarching Guidance.</p>   |
| <p>D: Poor</p>                       | <p>Self-serving business plan with poor responses in multiple test areas.</p> <p>Extensive regulatory intervention to translate to price control package.</p> <p>Severe concerns about company's ability to deliver outcomes for stakeholders and consumers.</p> <p>Requirement for detailed monitoring of company during the price control period.</p> <p>Adherence to page limits set out in the Business Plan<br/>Overarching Guidance.</p> |

## 2. TSO self-assessment

2.1 We will ask TSOs to complete a self-assessment against the criteria set out in Section 3 as part of their business plan submissions. This should include:

- A brief statement setting out how the TSO has approached delivering an exceptional business plan in each theme area.
- A reference to the key documentation in the business plan which provides the supporting evidence to these statements.

### 3. Business plan assessment questions

**Table 3.1: Assessment Questions**

|   | Questions organised by Themes   | Further guidance on question where applicable   | Guidance on potential features of an exceptional plan  |
|---|---|---|--|
| <b>Area 1: Delivering value for money for Consumers</b> |   |   |  |
| Q1  | How well has the company demonstrated that its proposed services and tariffs requested for GT27 provide value for money?                    | This is an overarching question that brings together different elements of the business plan. | <p>The plan offers an exceptional and compelling proposition overall.</p> <p>Clear need or rationale of any proposed changes to costs/activities for GT27.</p>   |
| <b>Area 2: Delivering services and outcomes</b>         |   |   |  |
| Q2  | To what extent has the company set out and clearly described, in an accessible way, the full range of services that it proposes to provide. | Should include any services provided by the TSO to its customers.                             | <p>Focus on services rather than simply activities for example network planning, and whole system approach.</p> <p>Clear and comprehensive explanation of what services are covered by TSO control and what activities of the company fall outside its scope.</p> <p>Accessible explanations of TSO services which are tailored for different audiences.</p> <p>A high-degree of granularity provided in the explanation of proposed services.</p> <p>Demonstrate that the TSO has a plan in place to check/verify delivery of the right outcome for customers and environmental outcomes.</p> |

|   | Questions organised by Themes   | Further guidance on question where applicable   | Guidance on potential features of an exceptional plan   |
|---|---|---|---|
| <b>Area 3: Aligning risk and return</b> |   |   |   |
| Q3                                      | <p>To what extent has the company explained and justified its proposed Rate of Return.</p> <p>TO BE ANSWERED BY GNI (UK) ONLY</p>                       | <p>Response should include explanation of its proposed mix of equity and debt finance.</p> <p>Should include consideration on an approach to GNI (UK) future financial framework.</p>   | <p>Fresh perspective on Rate of Return, with clear and comprehensive explanation of assumptions.</p> <p>Evidence that proposed Rate of Return structure has been tested against possible alternatives, taking account of cost to customers and other factors.</p> <p>Well-presented and understandable supporting analysis as part of the submission.</p> <p>Consideration of how to align risk and return and provide a sustainable approach to financial framework in the context of paying down initial capital investments.</p> |
| Q4                                      | <p>What confidence has the company given about its financial resilience under its business plan proposals?</p> <p>NIL RESPONSE REQUIRED FROM GMO NI</p> | <p>GNI:</p> <p>Should include explanation of how planned financial structure differs from assumed notional efficient financial structure.</p> <p>Should include scenario risk analysis and stress testing for range of downside scenarios</p> | <p>Clear explanation of planned financial structure for 2027-32 period.</p> <p>High-quality scenario analysis and stress-testing.</p> <p>Clearly identified downside cost risks and analysis of any debt financeability issues.</p> <p>Strong evidence of financial resilience under planned financial structure.</p>   |

|   | Questions organised by Themes  | Further guidance on question where applicable  | Guidance on potential features of an exceptional plan   |
|---|--|--|---|
|   |  | <p>MEL:</p> <p>Recognising the debt financing of MEL group companies and regulatory framework for cost remuneration, TSOs' self-assessments/business plans should instead provide commentary on current financing arrangements, any refinancing due or likely to occur during the price control period, and an assessment of capital market conditions and any resultant financial impact.</p> |   |
| <b>Area 4: Engaging customers, consumers and other stakeholders</b> |  |  |   |
| Q5  | <p>What is the quality of the company's engagement with stakeholders on business plan development?</p> | <p>Engagement expected to include, but not be limited to:</p> <p>Customers.</p> <p>Suppliers.</p> <p>Shippers</p> <p>Consumer representatives.</p> <p>Environmental stakeholders.</p> <p>Northern Ireland Government.</p> <p>In each case, engagement should recognise diversity within each broad category and develop engagement to accommodate this.</p>                                    | <p>Demonstrates a clear understanding of different consumer and other stakeholders to engage with and the issues which are likely to matter most to them, and how engagement can be used effectively across the plan.</p> <p>Excellent engagement initiatives across a range of diverse consumer groups and other stakeholders, using a variety of approaches.</p> <p>Engagement tailored to the TSO's services, but drawing on tools and approaches from other regulated sectors and elsewhere.</p> <p>Engagement targeted and proportionate, which provides a platform for future improvements during the 2027-32 price control period and for the subsequent price control period.</p> |

|    | Questions organised by Themes   | Further guidance on question where applicable   | Guidance on potential features of an exceptional plan  |
|----|---|---|--|
|    |   |   | Plan(s) for how engagement will be used to effect changes/improvements that will result in better service.   |
| Q6 | How well has the company demonstrated that findings from its engagement have been incorporated into its business plan proposals?  | The TSO's business plan should be informed and improved by consumer and other stakeholder engagement, and the company should provide a clear explanation of this. | <p>A clear mapping of how its proposals across its plan have been shaped by engagement</p> <p>Compelling evidence that engagement has made a real difference across the business plan, in a way that will improve outcomes.</p> <p>Recognition of benefits and drawbacks of evidence from different types of engagement and demonstration of sound judgement in using engagement to inform the plan.</p>   |
| Q7 | How well has the company demonstrated that it will have ongoing engagement with stakeholders throughout the price control period? | Include explanation of how engagement has been used in the past and commitments for the incorporation of engagement as part of plans for the future.              | <p>The business plan gives confidence that engagement with consumer and other stakeholders lies at the heart of the company's approach to providing services.</p> <p>The plan should address the following areas:</p> <p>Frequency – How often is it reviewed?</p> <p>Quality – What type/depth of engagement and with who?</p> <p>Output - what evidence or reports are gathered and analysed from this engagement?</p> <p>Outcome- what has been put in place to ensure better services and appropriate protections?</p> |

|                                    | Questions organised by Themes   | Further guidance on question where applicable  | Guidance on potential features of an exceptional plan   |
|------------------------------------|---|--|---|
|                                    |   |  | Ongoing engagement used in an effective way, with genuine emphasis on improvement through deployment of engagement activities which support “actionable data”.  |
| <b>Area 5: Ensuring resilience</b> |   |  |   |
| Q8                                 | How well has the company demonstrated an understanding of the range of risks that could impact on its delivery, service quality, performance and costs? | This question concerns the risks that the company cannot deliver on the service and cost proposals provided in response to themes 1 and 2. | <p>High-quality risk analysis covering a diverse range of risks.</p> <p>Proposals for effective and proportionate mitigation of risks over the price control period.</p> <p>Risk assessment should include potential risks to customers, environment, public safety and other relevant outcomes.</p> <p>TSOs to include details on commitments or regulatory arrangements proposed to provide assurances to customers that they will manage the full range of risks identified well over the price control.</p> |

|   | Questions organised by Themes  | Further guidance on question where applicable  | Guidance on potential features of an exceptional plan   |
|---|--|--|---|
| <b>Area 6: Accounting for past delivery</b>             |  |  |   |
| Q9  | How well has the company given evidence for, and explained, its performance over the GT22 period?  | Any such adjustments must be clearly mapped to the relevant provisions of the GT22 price control and complemented with high-quality supporting evidence.   | Clear explanation and strong evidence for any adjustments/ changes during the GT22 period.  |
| Q10   | How has the company reviewed past forecasting against outturn actual costs and incorporated learnings into the budget process for future forecasts?  | The business plan should include an explanation of identified deficiencies in previous forecasting methods and detail of improvements implemented.   | The business plan provides comfort that best practice has been adopted and that opportunities to minimise forecast variances have been sought and actioned.   |
| <b>Area 7: Aligning with government net zero policy</b> |  |  |   |
| Q9  | How well has the company demonstrated that its business plan aligns with Northern Ireland's government net zero policy objectives and supports the transition to a low-carbon energy system? | Show clear alignment with Northern Ireland's net zero policy by linking proposed activities to government targets, providing measurable outcomes, and explaining how the plan supports the transition to a low-carbon energy system. | Provide a compelling, well-evidenced strategy that clearly links proposed actions to Northern Ireland's net zero targets, includes measurable outcomes, demonstrates innovation and resilience, and shows strong stakeholder engagement to support the transition to a low-carbon energy system.<br><br>Include a detailed approach to managing uncertainty (including policy uncertainty) while protecting customers in the short and long term. |

|  | Questions organised by Themes   | Further guidance on question where applicable  | Guidance on potential features of an exceptional plan   |
|--|---|--|---|
| <b>Area 8: Delivering outcomes which will contribute to net zero targets</b> |   |  |   |
| Q10  | How well has the company demonstrated that its proposed actions will deliver measurable outcomes contributing to Northern Ireland's net zero targets? | The company should show clear links between proposed actions and Northern Ireland's net zero targets, with measurable outcomes and timelines. Evidence should include defined metrics, realistic delivery plans, and cost-effectiveness, supported by analysis of how actions fit within the wider energy transition strategy. | Provides a compelling, well-evidenced strategy with clear metrics, strong alignment to net zero targets, and demonstrable impact on carbon reduction. |

## 4. Next Steps

- 4.1 Responses to the business plan assessment questions and themes will be expected on or before 11 June 2026, accompanying the full business plan submission of GT27.