

**CONCLUSION OF SSE
AIRTRICITY GAS
SUPPLY (NI) LTD
REGULATED TARIFF
REVIEW**

(EFFECTIVE 1 APRIL 2026)

27 February 2026

About the Utility Regulator

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

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

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

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

OUR MISSION

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

OUR VISION

To ensure value and sustainability in energy and water.

OUR VALUES

ACCOUNTABLE:

We take ownership of our actions.

TRANSPARENT:

Ensuring trust through openness and honesty.

COLLABORATIVE:

Connecting and working with others for a shared purpose.

DILIGENT:

Working with care and rigour.

RESPECTFUL:

Treating everyone with dignity and fairness.

ABSTRACT

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

We commenced a review of the maximum average price with SSE in February 2026, with current tariffs in place since October 2025. We have scrutinised the submission provided by SSE to ensure that the maximum average price that we approve is not more than the sum of costs allowed under the price control determination. This ensures that customers pay no more than the costs of purchasing and supplying gas, plus a pre-determined allowance for the operating costs of the business in addition to an agreed profit margin.

AUDIENCE

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

CONSUMER IMPACT

The key outcomes of this review will take effect on 1 April 2026. In summary:

- a) The current maximum average price will reduce to 207.59 pence per therm (which is a decrease from the current rate of 225.87 pence per therm);
- b) This means that a typical bill for an average domestic credit customer will reduce from around £985 to £905 per year;
- c) This equates to a decrease of approximately 8.1% or £80 per year (including VAT).

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

Summary and Key Messages

- 2.1 The current tariff rates for SSE Airtricity Gas Supply (NI) Limited (SSE Airtricity) customers have been in effect since 1 October 2025. In February 2026 the Utility Regulator (UR), in consultation with SSE Airtricity, the Department for the Economy (DfE) and the Consumer Council Northern Ireland (CCNI) began a review of SSE Airtricity's maximum average price for domestic customers and small business customers who use less than 2,500 therms of gas per year.
- 2.2 Following this process, the UR has approved a decrease of the maximum average price per therm¹ to take effect on 1 April 2026. This means the average annual bill for a domestic credit customer² will decrease by around £80.

Table 1 – SSE Airtricity Average Annual Bill (based on an average 12,000 kWh consumption)

Annual Bill (All incl. VAT)	Since 1 October 2025	From 1 April 2026	% change
Average Annual Bill (£ / year) for a domestic credit customer ³	£985	£905	8.1%

- 2.3 Table 2 summarises the changes to unit rates which will be payable by credit, pay-as-you-go (PAYG) and small business customers of SSE Airtricity:

¹ Pursuant to condition 2.4.2 of the SSE Airtricity Licence for the supply of gas: SSE Airtricity Gas Supply NI Ltd.

² Based on annual consumption of charge 12,000kWh.

³ What the typical customer would pay.

Table 2 - SSE unit rate comparison

Rates (All incl. VAT)		Since 1 October 2025	From 1 April 2026	% Change
Tariff Rate per unit (p / kWh, incl. 5% VAT) for a domestic credit customer ⁴	Tariff Rate 1 (<2000 kWh) (p / kWh)	11.132	10.23	8.1%
	Tariff Rate 2 (>2000 kWh) (p / kWh)	7.627	7.01	8.1%
Tariff Rate per unit (p / kWh, incl. 5% VAT) for a domestic PAYG customer	Tariff Rate 1 (<2000 kWh) (p / kWh)	8.099	7.443	8.1%
	Tariff Rate 2 (>2000 kWh) (p / kWh)	8.099	7.443	8.1%
Tariff Rate per unit (p / kWh, excl. VAT) for a small business customer ⁵	Tariff Rate 1 (<2000 kWh) (p / kWh)	12.722	11.692	8.1%
	Tariff Rate 2 (>2000 kWh) (p / kWh)	8.717	8.011	8.1%

Key Outcomes of the Review

- 2.4 The key outcomes of this review will take effect on 1 April 2026. In summary:
- a) The current maximum average price will reduce to 207.59 pence per therm (which is a decrease from the current rate of 225.87 pence per therm);
 - b) This means that a typical bill for an average domestic credit customer will reduce from around £985 to £905 per year;
 - c) This equates to a decrease of approximately 8.1% or £80 per year (including VAT).
- 2.5 The decrease in SSE Airtricity's maximum average price primarily reflects:
- a) The downward trend in the cost of wholesale gas, resulting in a decrease in gas procurement costs; and

⁴ For domestic customers paying by direct debit, a discount £22.05 per annum applies.

⁵ For small business customers, a Direct Debit discount of £22.05 per annum applies.

b) an over-recovery from this current tariff period.

2.6 Key outcomes and explanations for the changes are provided in subsequent sections of this Briefing.

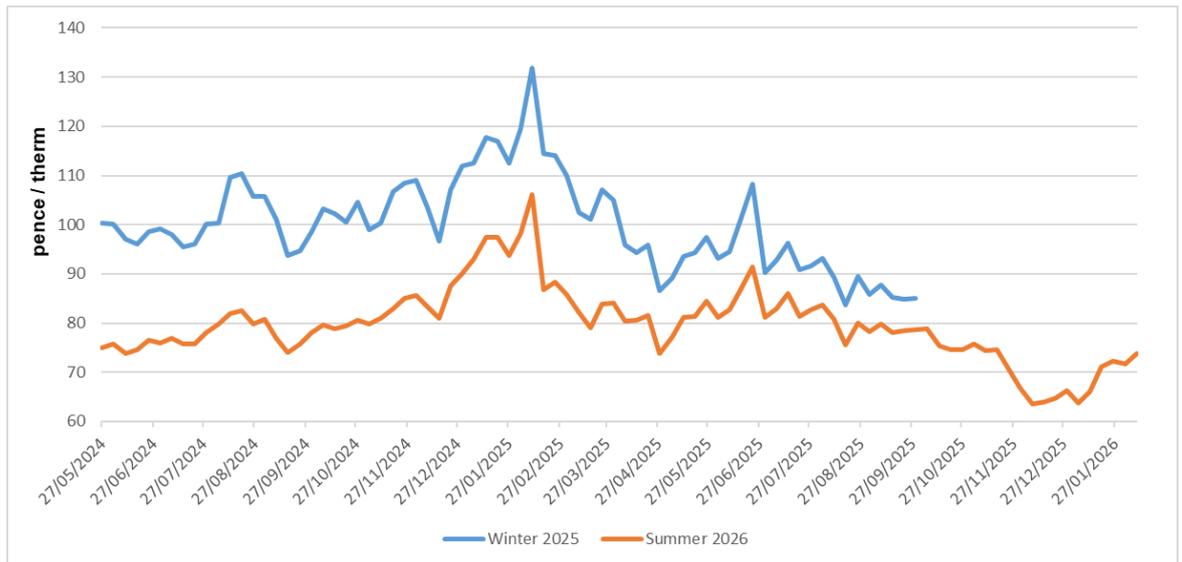
Reasons for the Change

Cost of wholesale gas

2.7 Since the current tariff came into effect on 1 October 2025, the forecasted cost of future wholesale gas has been decreasing, returning to seasonal norms. This is illustrated in Figure 1 below.

2.8 SSE's wholesale gas costs have fallen from 103.34 pence per therm in the current tariff to 84.98 pence per therm in the 1 April 2026 tariff.

Figure 1 – Movement in forward curve of wholesale gas cost



2.9 It is important to note that an element of the gas price included within the maximum average price for the 1 April 2026 tariff is a forecast cost and the actual outturn prices may be higher or lower. This element is the cost of the gas that has not already been bought (hedged) by SSE to date.

2.10 In addition, wholesale gas prices remain above long-term historical norms and subject to volatility. January 2026 saw wholesale gas prices rise due to colder than anticipated weather, which impacted Liquefied Natural Gas (LNG) supplies and European storage levels. Moreover, geo-political tensions continue to have an impact on the wholesale energy markets.

Over Recovery

- 2.11 The 'over-recovery' which has contributed to the latest tariff reduction means that SSE Airtricity has recovered more money from customers than they spent on gas, so will subsequently refund the 'over-recovery' to customers in this coming tariff period.
- 2.12 During this current tariff period, the forecast over/under recovery position has improved from a £7.3 million under-recovery to a forecast £2.7 million over-recovery. This is due to higher than forecasted volumes resulting from colder weather, combined with commodity costs outrunning lower than previously forecasted. As explained above, these costs can now be returned to SSE's customers in the next tariff period.
- 2.13 The over/under recovery element of the maximum average price has gone from an under-recovery of 9.61 pence per therm to an over-recovery of -3.84 pence per therm.
- 2.14 Overall, SSE Airtricity's combined cost of wholesale gas and over/under recovery has decreased from 112.95 p/therm in the 1 October 2025 tariff to 81.14 p/therm in the 1 April 2026 tariff as shown in Table 3.

Table 3 – Wholesale Costs within Maximum Average Price

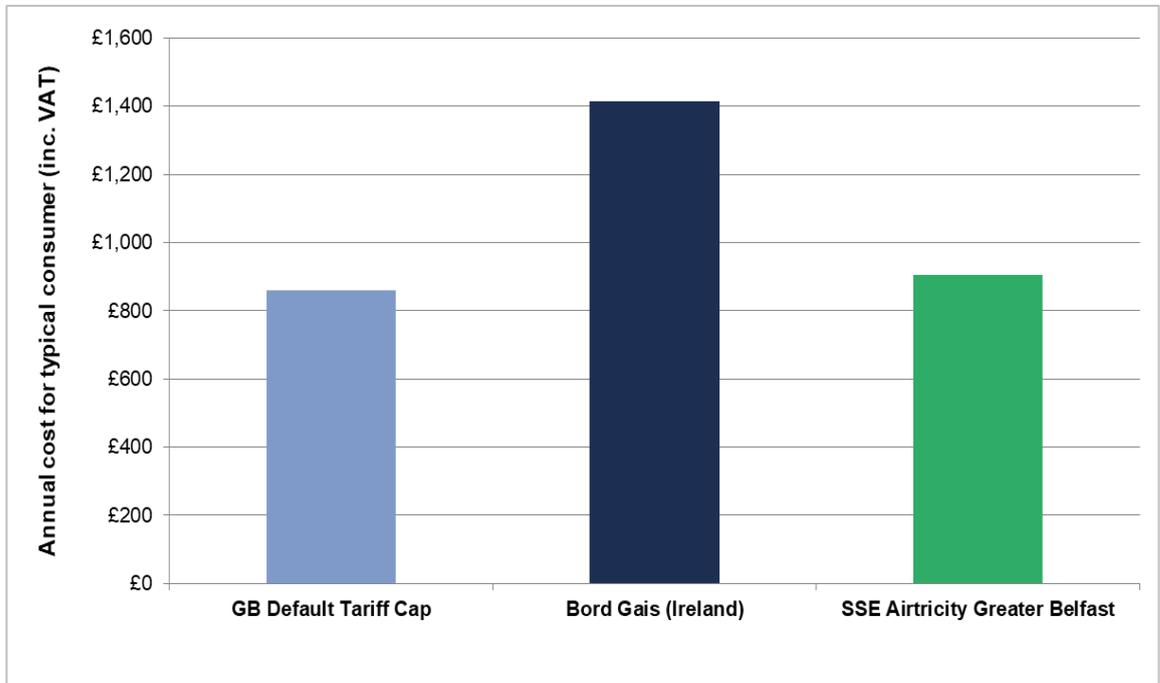
Elements within Maximum Average Price	October 2025 (p/therm)	April 2026 (p/therm)
Wholesale Gas Cost	103.34	84.98
(Over)/Under Recovery	9.61	-3.84
Total Wholesale Gas Cost and (Over)/Under Recovery from Previous Tariff Periods	112.95	81.14

How does a typical NI gas bill compare to GB and Ireland?

- 2.15 The SSE Airtricity tariff for an average domestic standard credit customer from 1 April 2026 will be 5% above the GB Gas Price Cap and 36% below the Bord Gas⁶ standard tariff in Ireland.

2.16 Figure 2 shows the typical SSE domestic standard credit tariff in Greater Belfast from 1 April 2026, compared with Bord Gais in Ireland and the Default Tariff Cap⁷ level in GB⁸.

Figure 2 - Comparison of average annual domestic bills



What happens next?

- 2.17 The new tariff will take effect on 1 April 2026.
- 2.18 The new maximum average price has been modelled and forecast over a period of 12 months. We will complete another review in advance of 1 October 2026, and we will continue to monitor gas prices to identify if any additional review is required before then.

⁷ Default tariff cap level: 1 April 2026 to 30 June 2026 Average across all regions.

⁸ The average annual bill amounts in this graph have been calculated based on actual tariff unit rates (including VAT) and are based on average annual consumption of 12,000kWh.

3. Useful Reference

Background

- 3.1 In Northern Ireland, there are three distinct distribution areas for natural gas. These are the Greater Belfast area, the Ten Towns area and the West area. Phoenix Energy Group Limited own and operate the distribution network in the Greater Belfast area, Kinecx Energy Limited⁹ own and operate the distribution network in the Ten Towns area while Evolve¹⁰ own and operate the distribution network in the West area.

Figure 3 - The gas network in Northern Ireland



- 3.2 In the Greater Belfast area, SSE Airtricity¹¹ has operated as the incumbent gas supplier since 1996. Only one competing supplier has been active in the domestic gas market since 2010. SSE Airtricity is still the dominant and commissioning/default supplier in the Greater Belfast area and so the UR applies a price control which covers all domestic customers and small business customers using less than 2,500 therms (73,200 kWh) per annum. The market for business customers using more than 2,500 therms is more competitive and SSE Airtricity are not in a dominant position in that market so there is no price control for that sector.
- 3.3 In the West gas area, which covers amongst others the areas around Strabane and Enniskillen, SSE Airtricity are the commissioning/default

⁹ Kinecx Energy Limited rebranded from Firmus Energy (Distribution) Limited on 17 September 2025.

¹⁰ Evolve is the trading name of SGN Evolve Network Ltd (former trading name was SGN Natural Gas Limited from April 2015 – September 2023).

¹¹ In June 2012, Airtricity Energy Supply (Northern Ireland) Ltd purchased the entire issued share capital of Phoenix Supply Ltd and was subsequently renamed SSE Airtricity Gas Supply (NI) Limited (SSE Airtricity).

supplier and as such we apply a supply price control to SSE Airtricity for domestic and small business customers.

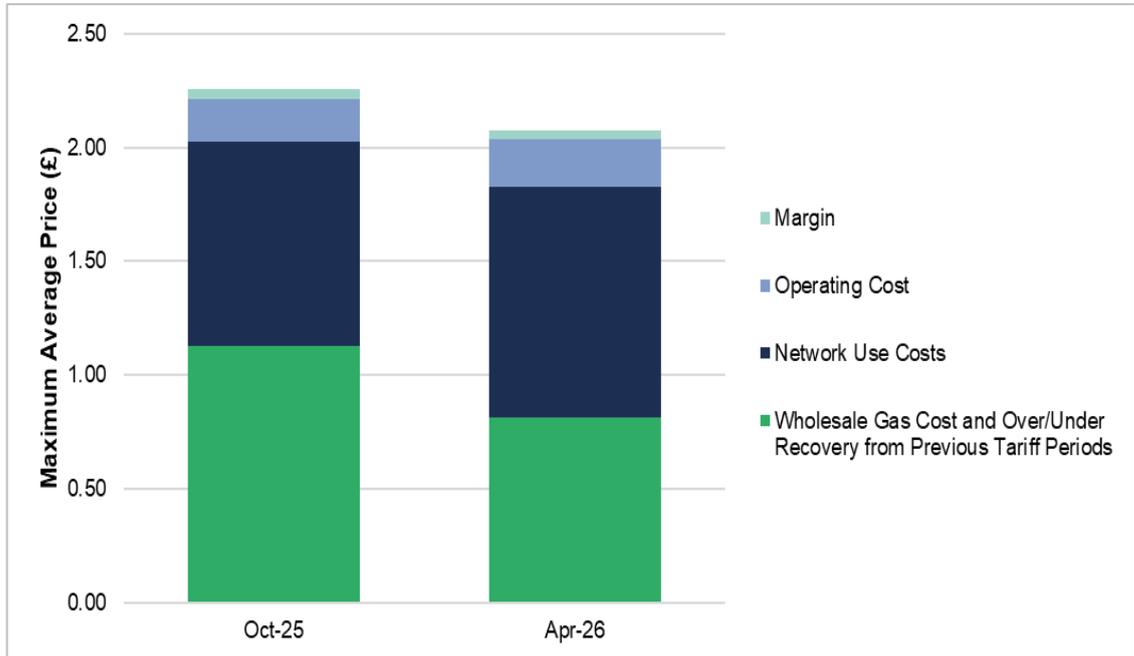
Regulatory Framework

- 3.4 UR has established a price control determination which sets out SSE Airtricity's allowed costs. The price control determination sets out how each of the cost elements which make up the maximum average price will be treated.
- 3.5 SSE Airtricity uses the maximum average price to set the actual tariffs that are charged to customers. The tariffs are calculated on a weighted average basis, based on average usage and the number of customers using each tariff. SSE Airtricity cannot charge more than the maximum average price overall.

Breakdown of Maximum Average Price

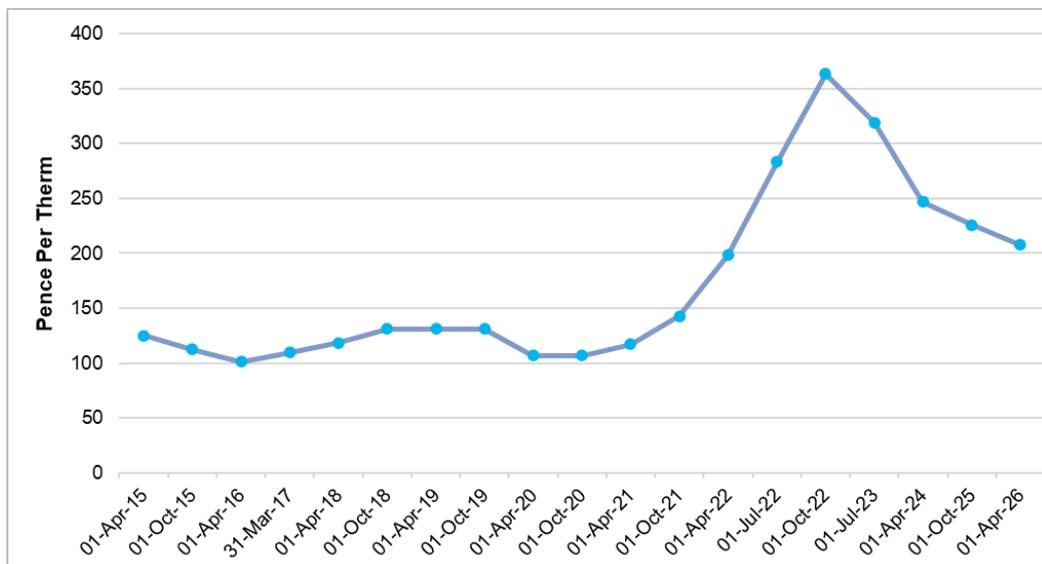
- 3.6 The UR carries out formal reviews of the SSE Airtricity maximum average price on a bi-annual basis (in advance of April and October). The UR can also initiate a further review at any stage should the wholesale cost of gas change significantly such that it would result in an increase or decrease of at least 5% to the maximum average price. On an ongoing basis we analyse the cost of wholesale gas on the forward curve, along with the forward purchases that SSE Airtricity has made to date.
- 3.7 The UR scrutinised SSE Airtricity's submission, ensuring that the maximum average charge per unit supplied is not more than the sum of the input costs allowed in the price control formula.
- 3.8 The graph shown in Figure 4 below compares the breakdown of the April 2026 maximum average price with a breakdown of the previous maximum average price set in October 2025.

Figure 4 – Breakdown of April 2026 maximum average price compared with previous maximum average price



3.9 The movement in the regulated maximum average price since April 2015 (the first SSE Airtricity regulated tariff) to date is depicted in Figure 5. This indicates that it was reasonably consistent until the end of 2021. At that time, the wholesale price of natural gas increased significantly mainly due to geo-political tensions of the Russia-Ukraine invasion. Demand for gas was high with a reliance on imports from across Europe, but that supply decreased. Since the end of 2022, the price has steadily reduced but remains higher than historic norms pre-2021. Annex 1 provides a breakdown of the historic maximum average price.

Figure 5 - Historic maximum average price



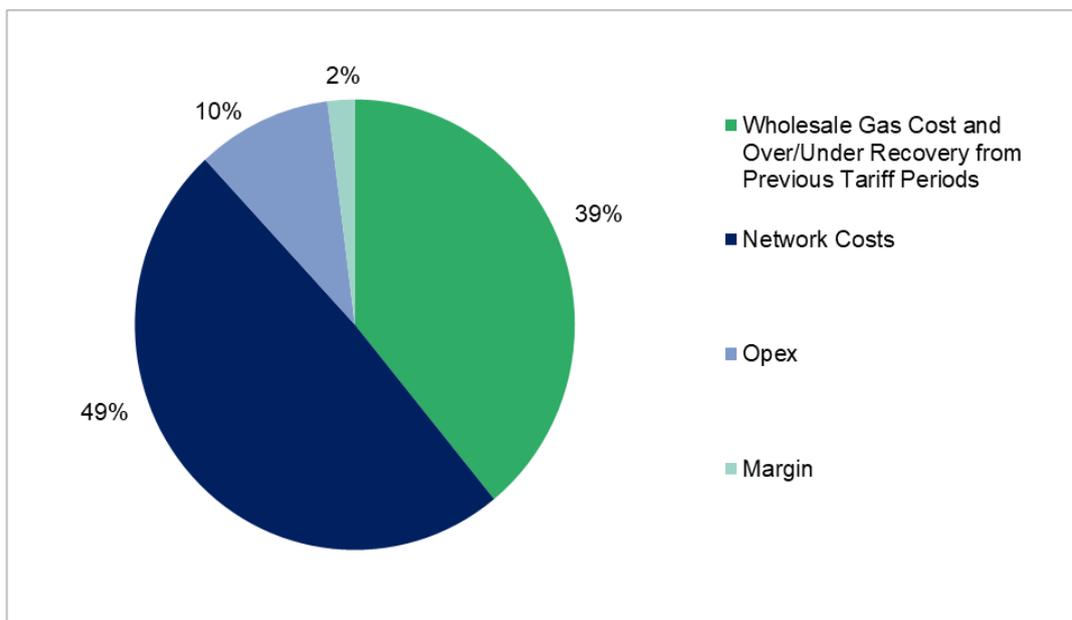
What makes up the ‘Maximum Average Price’?

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

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

3.11 The breakdown is shown in Figure 6 below.

Figure 6 - Makeup of the maximum average price from 1 April 2026



3.12 Each element is described in turn below.

Network Costs

3.13 Network costs cover the charges for the use of the Northern Ireland transmission and distribution systems. These charges are reviewed and approved by the UR as part of the network price controls. From 1 April 2026 the network costs will make up 49% of a typical customer bill.

3.14 The SSE Airtricity price control determined that the transmission and distribution system charges will be treated as pass through charges. This means that a customer pays no more or less than the actual cost of the network charges.

3.15 The costs for the transmission system are those costs involved in bringing gas from Scotland to Northern Ireland, via the Scotland to Northern

Ireland Pipeline, and all the transmission pipelines within Northern Ireland. These costs are published on the [Gas Market Operator NI](#) and [National Grid](#) websites.

- 3.16 There has been a slight increase in transmission costs compared to the October 2025 tariff. This is due to an increase in the published transmission tariffs.
- 3.17 The costs for the distribution system are those costs associated with moving gas throughout the Greater Belfast area and the West area to homes and businesses. On the 28 October 2022, the final determination on the price control for Northern Ireland's gas distribution networks for 2023-2028 (GD23), and associated licence modifications for consultation, were published. GD23 is the distribution price control for Phoenix Energy Group Limited, Kinecx energy Limited and Evolve which runs from 1 January 2023¹². The distribution price control determines the amounts that Phoenix or Evolve can charge for suppliers to use the Greater Belfast or the West network. These can be found on the [Phoenix Energy Group Limited](#) and [Evolve](#) websites.
- 3.18 In this tariff review, there has been an increase in distribution costs compared with the 1 October 2025 tariff. This is due to a reduction in forecast volumes.

Wholesale Costs

- 3.19 As determined within the SSE Airtricity price control, the gas cost element of the maximum average price incorporates the wholesale cost of gas as well as charges for transporting gas through Great Britain and costs for securing credit cover associated with purchasing wholesale gas.
- 3.20 The SSE Airtricity price control determines that gas costs are treated as pass through which means that the customer pays no more or less than the actual cost of gas. Therefore, where wholesale gas costs decrease or increase over those set in the tariff, the resulting savings or additional costs are passed on to the customer.
- 3.21 SSE Airtricity has a gas purchasing strategy in place which means that they purchase a percentage of their forecast volumes in advance on an ongoing basis. This is known as hedging and limits the exposure to more short-term fluctuations in wholesale gas prices and therefore aims to create more stability in the gas price for customers. It is important to note that SSE Airtricity's hedging strategy will be specific to it, and due to the specific timing of forward gas purchases the price paid will be different from other suppliers who will purchase different volumes at different time

¹² [Final determination for the gas distribution price control, GD23.](#)

periods (and hence at different prices as the gas market moves on a daily basis). Hence, the overall wholesale cost of gas for SSE Airtricity will likely always differ somewhat from that of other gas suppliers even though they are purchasing from the same gas market. However, over the medium-term, the gas cost element of the end customer bill will be broadly the same for the two regulated gas suppliers in Northern Ireland.

- 3.22 At the time of review, the overall cost of gas for the maximum average price is estimated based on a combination of actual gas purchases that have already been secured, along with forecast volumes of gas required, and the forecast wholesale cost of that gas which has yet to be bought (based on the gas price forward curve). Buying gas in advance (hedging) can help to reduce any over/under recoveries building up as the price of the hedged gas in the maximum average price is known when the price is set.

Over/Under Recovery from Previous Tariff Periods

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

Operating Costs and Supply Margin

- 3.27 In December 2022, the UR published the final determination for the SSE Airtricity price control¹³ which indicates the total amount of revenue that the Licensee can recover, in any relevant year, in respect of their gas supply business.
- 3.28 The Opex costs makes up to 10% of the bills from 1 April 2026.
- 3.29 Operating costs are the costs necessary for SSE Airtricity to run its supply business. These costs include the costs of billing, customer service, offices, meter reading, salaries and IT systems etc. The operating costs were determined under the price control.
- 3.30 The margin refers to the amount of profit SSE Airtricity is allowed to make. The margin is also determined within the price control and is set at 2% of allowable turnover from tariff customers.
- 3.31 The price control determination runs from 1 April 2023 to 31 March 2027.

¹³ [SSE Airtricity Gas Supply \(NI\) Ltd 2023-2027 Price Control Final Determination.](#)

4. Annex 1 - Historic maximum average price

Effective from date	Approved Maximum Average Price (p/therm)
01-Apr-15	125.17
01-Oct-15	112.50
01-Apr-16	101.01
31-Mar-17	109.63
01-Apr-18	118.25
01-Oct-18	131.17
01-Apr-19	131.17
01-Oct-19	131.17
01-Apr-20	106.67
01-Oct-20	106.67
01-Apr-21	117.15
01-Oct-21	142.67
01-Apr-22	198.19
01-Jul-22	283.23
01-Oct-22	363.79
01-Jul-23	319.53
01-Apr-24	246.78
01-Oct-25	225.87
01-Apr-26	207.59