An Coimisiún um Rialáil Fóntas
Commission for Regulation of Utilities

Gas Networks Ireland Transmission Tariff and Allowed Revenue 2025/26

Decision Paper

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CRU Strategic Plan 2025-27

Vision, Purpose, and Values

Executive Summary

This paper sets out the transmission network tariffs to apply from 01 October 2025 to 30 September 2026 (gas year 2025/26). Article 29 of the Tariff Network Code[1], requires that transmission reserve prices and a set of accompanying information are published 30 days ahead of the annual yearly capacity auctions. The annual yearly capacity auctions will be held on 07 July 2025. As such this information needs to be made available at the start of June. As the transmission and distribution tariffs are calculated together, the CRU also publishes the distribution tariffs at the same time in a separate paper (CRU202544). A more comprehensive transmission tariff paper, fulfilling Article 30 requirements, will be published closer to the start of the gas year.

Each year, the network tariffs are reviewed to ensure that Gas Networks Ireland (GNI) only recovers the necessary costs for efficient operation of the network. The review uses the most up to date revenue and demand data, as submitted by GNI. The fifth price control period (PC5) for gas network tariffs, initially set to start in October 2022, was paused due to significant market developments following the Russian invasion of Ukraine. These changes included high and variable market prices, a drive to reduce energy demand, and a push to decrease reliance on Russian gas. This pause allowed GNI to update its proposals and conduct further analysis to take account of these developments. After a consultation in July 2023, the final PC5 decision was published on 20 December 2023.

During this delay, 2022/23 and 2023/24 tariffs were based on PC4 revenues, adjusted for key drivers such as shrinkage, CO_2 costs, and inflation. These adjustments, together with the PC5 delays, were major factors in the level of under-recovered revenues, which reached €115 million, with outstanding k-factor balances of €83 million in transmission and €32 million in distribution up to the close-out of 2022/23.

To address the under-recoveries, in collaboration with GNI, the CRU temporarily raised the k-factor cap above the standard 105% when setting 2024/25 tariffs. The transmission k-factor was increased to 108.42% reducing the outstanding k-factor balance to €61.27 million up to the close-out of 2023/24 tariffs. This adjustment aimed to clear the under-recoveries within the PC5 period. The CRU acknowledged that the application of the 105% rule had contributed to the accumulation of revenue under-recoveries and noted the need for flexibility in future tariff setting, especially during market volatility.

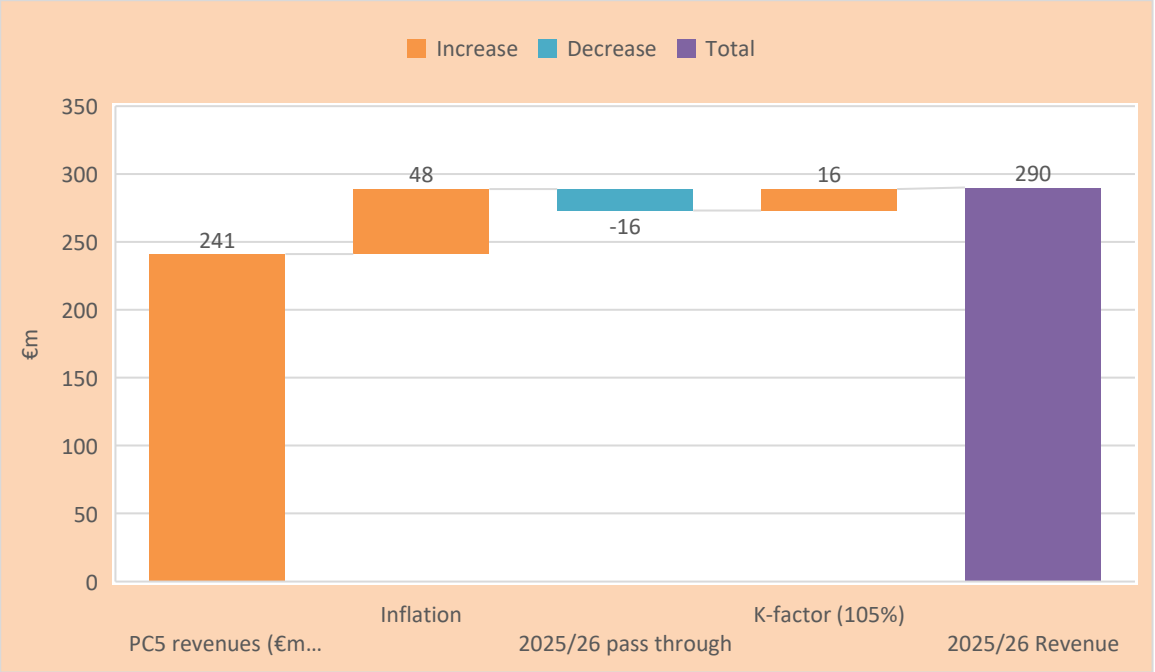
[1] Commission Regulation (EU) 2017/460 – 16 March 2017

With wholesale gas prices now declining and anticipated PC5 capex underspends, GNI proposed reverting the k-factor cap to 105%. The CRU has accepted this proposal for the 2025/26 tariff year, as it supports tariff stability for the remainder of the PC5 period.

Accordingly, the 2025/26 transmission revenues reflect several adjustments to the PC5 baseline, including inflation, updated passthrough costs, and a k-factor adjustment based on the reinstated 105% cap. These adjustments result in allowed transmission revenues of €290 million for 2025/26, a nominal increase of 2.1% compared to 2024/25.

These adjustments are shown in Figure 1. For more details, please see Section 2.2 of this paper.

Figure 1: Transmission 2025/26 Revenue



The above revenues combined with the latest demand forecast results in the following Transmission tariffs for 2025/26.

Table 1: Transmission Tariffs for 2025/26

Transmission Tariffs		**2025/26**
***Entry Capacity* (€/peak day MWh)**	Bellanaboy entry[2]	815.08
	RNG entry	228.22
	Moffat (IP) entry	436.79
	Inch Production	241.00
	Gormanston VRF	176.17
***Exit Capacity* (€/peak day MWh))**	Domestic exit	649.69
	Gormanston	627.48
	Moffat VRF	396.76
***Commodity* (€/MWh)**	Entry Commodity	0.169
	Exit Commodity	0.353
Cost of Transportation	UK Gas	1086.48

For comparison, Table 2 below provides the percentage change between 2024/25 and 2025/26 transportation costs from GB (Moffat entry capacity tariff + domestic exit capacity tariff). The transportation cost of GB gas is important as generally; Irish wholesale gas prices are set by the GB price of gas plus the cost of transporting gas from GB to Ireland via the interconnectors as GB is the marginal source of gas supply to Ireland. The transportation cost of GB gas to Ireland will increase in nominal terms by **4.86%** (3.42% in real terms[3]) relative to 2024/25.

Table 2: Simplified Comparison of the Cost of Transportation for Moffat from 24/25 to 25/26

	Cost of Transportation 2024/25	**Cost of Transportation 2025/26**	**% change between 24/25 and 25/26 (Nominal)**	**% change between 24/25 and 25/26 (Real)**
€ (per peak day MWh)	1036.17	1086.48	4.86%	3.42%

In terms of residential customer bill impact, when combined, despite the decrease in distribution tariffs (see CRU202544), the combined transmission and distribution network tariff charges lead to a slight increase in the average residential gas customer's annual bill.

Based on an annual consumption of 11,000 kWh, the CRU estimates this increase to be approximately €1.28 per annum, or less than 1%. The 11,000 kWh is the average annual consumption figure that suppliers are required to use to estimate their estimated annual bills; as per the CRU's Supplier Handbook.

[2] Bellanaboy entry capacity is composed of two elements; one to remunerate the transmission services revenue of GNI (€ 254.34/MWh) plus a Corrib Linkline Element (€560.74 per MWh), which will remunerate the revenues relating to the Corrib Linkline (Corrib Partners).
[3] Inflation of 1.39% netted off

However, GNI has indicated a continued decline in residential gas consumption in recent years. For 2025/26 tariff setting, GNI has revised its estimate of average residential demand from 9,500 kWh last year to approximately 9,300 kWh. If these revised lower consumption figures materialise for the 2025/26 tariff year, the CRU estimates a decrease in the average residential gas bill of approximately €5.33. This reduction is largely driven by the assumed drop in average domestic consumption rather than by lower tariffs.

Based on a derogation request from GNI on 01 May 2025, the CRU has decided not to apply the renewable and low carbon gas network tariff discounts set out in Article 18 of Regulation (EU) 2024/1789 at this time. This decision is based on the criteria in Article 18(5), which allow for exemptions to ensure a stable financial framework for existing investments and for the efficient operation of the gas transmission system. Renewable gas projects in Ireland have been assessed using the current entry capacity tariffs, and applying discounts now could undermine these projects and create uncertainty for investors. The CRU will continue to review the potential application of Article 18 discounts as part of the upcoming transmission tariff review required under Regulation (EU) 2017/460[4]. In doing so, the CRU may also consider the interaction with GNI's connection policy, recognising that isolated tariff changes could affect the viability of renewable gas projects.

The CRU is committed to supporting the decarbonisation of Ireland's energy system in line with national climate goals and the objectives of Regulation (EU) 2024/1789. This includes enabling the integration of renewable and low-carbon gases while carefully considering principles such as avoiding undue cross-subsidies, ensuring a stable financial framework for existing investments, and ensuring the efficient operation of the gas transmission system.

The tariffs outlined in this paper will take effect from 01 October 2025.

[4] The CRU aims to consult on the Transmission Tariff Methodology review in Q3/Q4 2025

Customer Impact Statement

The tariffs set out in this paper are charged to suppliers for use of Gas Network Ireland's transmission network – this network consists of the larger gas pipes, for example the gas pipes between larger cities and towns. The CRU conducts an annual review of transmission tariffs to ensure that only necessary costs are included in the calculation of these tariffs. This work has now been completed and the transmission tariffs to apply from 01 October 2025 to 30 September 2026 are published in this paper.

Transmission network tariffs are set to increase by c.**4.9%** on a nominal basis (3.4% in real terms) when compared to 2024/25 tariffs. As in previous years, the CRU is also publishing, today, the distribution network tariffs. The distribution tariffs are set to decrease by c.**1.4%** on a nominal basis (2.7% in real terms). Despite the decrease in distribution tariffs (see CRU202544), the combined transmission and distribution network tariff charges lead to a slight increase in the average residential gas customer's annual bill.

Based on an annual consumption of 11,000 kWh the CRU estimates this increase to be approximately €1.28, or less than 1%. The 11,000kWh is the average annual consumption figure that suppliers are required to use to estimate their estimated annual bills; as per the CRU's Supplier Handbook. It is assumed that the Gas Network Charges are fully passed onto the end customer – but this is ultimately a decision for the supplier themselves to pass these charges on fully.

However, GNI has indicated that there is evidence of declining residential gas consumption over the last number of years. The lower residential gas consumption has also been highlighted by CRU in its 2023 Energy Monitoring Report (CRU2024132[5]), where annual residential gas consumption has fallen by 12.5% from 6,843 GWh in 2022 to 5,991 GWh in 2023. The CRU noted that this is likely the result of persistently high domestic gas bills in 2023 driven by high wholesale gas prices throughout 2022.

Considering this context, for 2025/26 tariff setting, GNI has revised its estimate of average residential demand from 9,500 kWh last year to approximately 9,300 kWh. If these lower consumption figures materialise for the 2025/26 tariff year, the CRU estimates a decrease in the average residential gas bill of approximately €5.33. This reduction is largely driven by the assumed drop in consumption rather than by lower tariffs.

[5] Energy Monitoring Report for 2023

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Glossary of Terms and Abbreviations

Abbreviation or Term	Definition or meaning
Capex	Capital expenditure
CO_2	Carbon Dioxide
Correction Factor (K-factor)	An adjustment of revenue applied to rectify over or under recoveries.
CRU	Commission for Regulation of Utilities
EAB	Estimated Annual Bill
ESRI	Economic and Social Research Institute
Extra-over items	Work items not included in the Price Control
GB	Great Britain
GNI	Gas Networks Ireland
HICP	Harmonised Index of Consumer Prices
IP	Interconnection Point
NDM	Non-Daily Metered
NPV	Net Present Value
Opex	Operational expenditure
OTC Derivative	Over-the-counter derivative
Pass-through items	Work items that were included in the Price Control but the costs of which were not certain at the time.
PC4	Price Control 4 (October 2017- September 2022)
PC5	Price Control 5 (October 2022 – September 2027)
RNG	Renewable Natural Gas
ROI	Republic of Ireland
RPM	Reference Price Methodology
VAT	Value Added Tax
TAR NC	Tariff Network Codes
VRF	Virtual Reverse Flow

1. Introduction

1.1 The Commission for Regulation of Utilities

The Commission for Regulation of Utilities (CRU) is Ireland's independent energy and water regulator. The CRU was established in 1999 and now has a wide range of economic, customer protection and safety responsibilities in energy and water. Further information on the CRU's role and relevant legislation can be found on the CRU's website at www.cru.ie.

Under section 10A of the Gas Act 1976 (Gas Act) (as amended by 14 of the Gas (Interim) (Regulation) Act, 2002 and subsequent legislation), the CRU is responsible for regulating charges in the natural gas market and sets the basis for charges for transporting gas through the transmission or distribution system.

The CRU approves charges, each year, in May or early June. The timing, which is earlier than for electricity, is driven by European transmission capacity auctions held in July. The Irish reserve prices for those auctions are determined based on the transmission capacity charges approved by the CRU. Article 29 of the European Tariff Network Code[6] sets outs that those approved charges must be published 30 days ahead of the annual capacity auctions. This year, the charges must be approved and published by the 07 June 2025 as the auctions are to be held on the 07 July 2025. This paper outlines the CRU's decision in relation to the GNI allowed revenues and transmission tariffs that will apply from 01 October 2025 to 30 September 2026.

The calculation of transmission tariffs is based on price control (PC5) which established revenues for transmission over the five-year period from October 2022 to September 2027.

1.2 Purpose of this paper

This paper outlines the CRU's decision in relation to the GNI allowed revenues and transmission tariffs that will apply from 01 October 2025 to 30 September 2026.

Article 29 of the tariff network code[7] requires that transmission tariffs and a set of accompanying information are published 30 days ahead of the annual yearly capacity auctions. This year, the annual yearly capacity auctions will be held on Monday 07 July 2025. As, a result, the transmission tariffs and a set of accompanying information is being published on 06 June 2025. Although, it is

[6] Commission Regulation (EU) 2017/460 – 16 March 2017
[7] Commission Regulation (EU) 2017/460 - establishing a network code on harmonised transmission tariff structures for gas (europa.eu)

not required under Article 29, the CRU is publishing the distribution tariffs along with the transmission tariffs as the tariffs for both networks are calculated together.

Article 30 of the TAR NC requires certain tariff information to be published ahead of the upcoming tariff period (i.e. gas year 01 October 2025 – 30 September 2026). This includes detail on elements of the CRU's allowed revenue methodology, GNI's Matrix Model, and other additional information all of which is used either directly or indirectly to calculate GNI's allowed revenue and the transmission tariffs for the 2025/26 gas year. This information will be set out in a separate CRU paper which will be published by September 2025.

1.3 Related Documents

Documents related to this publication are as follows:

- CRU202545A Gas Transmission Revenue Model 2025/26
- CRU202544 Gas Distribution Tariffs 2025/26 Decision Paper
- CRU202447 Gas Transmission Tariffs 2024/25 Decision Paper
- CRU202448 Gas Distribution Tariffs 2024/25 Decision Paper
- CRU202449 Gas Transmission Revenue Model 2024/25
- CRU202348 Gas Transmission Tariffs 2023/24 Decision Paper
- CRU202349 Gas Distribution Tariffs 2023/24 Decision Paper
- CRU2023143 CRU Corrib Linkline Model
- CRU2023138 Decision on October 2022 to September 2027 Transmission Revenue for GNI
- CRU19060 Harmonised Transmission Tariff Methodology for Gas Decision Paper
- Establishing a Network Code on Harmonised Transmission Tariff Structures for Gas

1.4 Structure of the Paper

This decision paper is structured as follows:

- Section 1 provides an introduction and background;
- Section 2 provides a brief explanation of the CRU's tariff setting process and sets out the CRU's decision to grant a derogation from the renewable gas discount requirements under Regulation (EU) 2024/1789;
- Section 3 sets out the transmission tariffs for 2025/26; and
- Section 4 provides an appendix.

2. Tariff Setting Process for 2025/26

2.1 Introduction

In this section, the CRU sets out the allowed revenues for gas year 2025/26 and provides a brief overview of GNI's demand forecasts for the coming gas year. The allowed revenue is combined with the demand forecasts to calculate the network tariffs.

2.2 Allowed Revenue

2.2.1 Price Control 5

In December 2023, the CRU published its decision paper on the allowed revenue that GNI's transmission business may recover over the five-year period from 01 October 2022 to 30 September 2027 (PC5). This decision paper sets out the initial base revenue for each year of the price control period. The allowed revenue is set to ensure that GNI operate, maintain and invest in the network effectively. GNI as the transmission network operator, then recovers this allowed revenue on an annual basis through network tariffs, which are set by the CRU

2.2.2 Revenue for 2025/26

The allowed revenues for 2025/26 are calculated using a structured approach that includes several adjustments. It starts with the base revenue set by the PC5 decision, followed by an inflation adjustment to account for latest actual and forecast inflation. Passthrough costs, such as shrinkage gas, CO_2[8], and rates, are updated based on the most recent data such as volumes and market prices. A k-factor adjustment is then applied which corrects for past over- and under-recoveries. After applying all these adjustments, the final 2025/26 distribution revenues are determined

As part of the annual tariff setting process, the CRU analyses any additional revenue requests from GNI (passthrough costs and extra-over items), over/under recoveries in the previous years and updated demand projections. A summary of the revenues, along with the adjustments made to achieve the final revenues for 2025/26, is outlined in Table 3. A discussion of these items follows this table.

[8] GNI incurs CO_2 costs when operating compressor stations, requiring them to purchase CO_2 certificates (allowances) under the UK Emissions Trading Scheme (ETS).

Table 3: Revenues for 2025/26

Revenue	Transmission (€ million)
PC5 decision revenues (20/21 monies)	247.36
PC5 Revenues Reprofiled	241.06
Inflation adjustment %	*20.07%*
Inflation monetary value	48.37
Allowed revenue (2025/26 monies)	289.43
Forecast pass-through costs (e.g., shrinkage, CO_2)	-15.95
K-factor incl. interest	16.20
2025/26 revenue requirements	289.68
% Change in revenue relative to 2024/25 revenues of €284m	*2.07%*

For the gas year 2025/26, the PC5 base revenues are €247 million (20/21 monies) for transmission. To ensure tariff stability and reduce tariff increases, transmission revenues have been reprofiled between 2025/26 (€247 million) and 2026/27 (€233 million) while maintaining an NPV-neutral position. This adjustment smooths volatility by setting transmission base revenues at €241 million for 2025/26 and €240 million for 2026/27.

2.2.3 Inflation

The next step is the inflation adjustment which inflates the 2025/26 revenues from PC5 2020/21 monies to 2025/26 monies. The inflation rates applied by GNI to do this are shown in Table 4. The total inflation adjustment equates to a €48 million revenue requirement.

Table 4: Inflation Rates

Actual forecast when setting tariffs from 20/21 monies to 25/26		
HICP Forecast/Outturn	**Year**	**Rate**
HICP Outturn	21/22	6.90%
HICP Outturn	22/23	7.00%
HICP Outturn	23/24	1.70%
HICP Outturn	24/25	1.80%
HICP Forecast	25/26	1.39%
Total Cumulative	-	**20.07%**

The source of the outturn and forecast inflation figures have been checked, and they have been applied correctly. Regarding forecast inflation for 2025/26, GNI considered different approaches. GNI has proposed to apply an inflation rate of 1.39% from the OTC derivative, EUR Inflation Swap Zero Coupon 1Y as taken from Bloomberg on the 31st of March 2025. This is lower than the approach used last year, which took average forecasts from the ESRI, Central Bank of Ireland and the Department of Finance, resulting in an inflation rate of 2.05% if used again this year. GNI has proposed this approach with a view to supporting customers' affordability and minimising the impact of tariff increases.

2.2.4 Passthrough Costs and Extra-Over Items

As part of the annual tariff setting process, GNI submits requests for items that are either considered passthrough costs or extra-over items. Passthroughs are cost items that GNI has no control over or limited control over. As a result, GNI's ability to forecast these costs accurately at the time of the price control is limited. Extra-over items are generally new capex or opex work-items that could not have been reasonably foreseen at the time the price control was set.

GNI is forecasting total transmission pass-through costs of €53.62 million, which is €15.95 million lower than the PC5 allowance. This reduction is primarily driven by lower shrinkage and CO_2 costs. Shrinkage gas costs are forecast to decrease, driven by updated demand forecasts and lower wholesale gas prices leading to a lower shrinkage cost than initially anticipated in PC5. Lower CO_2 costs are driven by lower CO_2 prices, decreased emissions volumes and additional free allowances.

GNI did not request extra over items for 2025/26.

2.2.5 Correction Factor (K-factor)

The correction factor (or k-factor) is a revenue adjustment applied to correct for over or under recoveries of revenue by GNI in previous gas years. It is based on the difference between the actual inflation, interest rates, revenues collected and passthrough costs incurred by GNI; versus the ex-ante projections for such items. The k-factor closes out the year K t-1, i.e. when setting the tariffs for the year 2025/26, the CRU closes out the year 2023/24.

Any over-recovery in excess of 105% of allowed revenues is returned in the following gas year i.e. any 2023/24 k-factor > 105% is returned in gas year 2026/27 and not gas year 2025/26. K-factors are subject to key regulatory rules, as outlined in CER/03/170[9]:

- The 105% rule – Any over-recovery returned through the k-factor cannot exceed 5% of allowed revenues in a single year. If it does, any excess is carried forward and returned the following year.
- Interest charges – Any over- or under-recovery of revenue up to 103%, incurs an interest rate of Euribor +2%, while any over-recovery exceeding 103% of revenue attracts a higher rate of Euribor +4% and any under-recovery exceeding 103% of revenue attracts an interest rate of Euribor + 2%.

[9] Commission's Decision on Distribution Use of System Revenue Requirement and Tariff Structure 1 October 2003 – 30 September 2007

Due to delays in the PC5 decision, tariffs for 2022/23 and 2023/24 were based on adjusted PC4 revenues. To mitigate the impact of high and volatile wholesale gas prices during this period, GNI and the CRU implemented number of mitigation measures. While the mitigation measures helped protect gas customers from high tariff increases at the time, they also led to significant revenue under-recoveries for GNI. To address these under-recoveries, the CRU temporarily raised the k-factor cap above the standard 105% when setting 2024/25 tariffs, allowing a transmission k-factor of 108.42%. This reduced the outstanding balance from €83.29 million to €61.27 million, with the intention of clearing it during the PC5 period. At the time, the CRU acknowledged that the application of the 105% rule had contributed to the accumulation of revenue under-recovery. It also noted the need for flexibility in future tariff setting, particularly during market volatility. With wholesale gas prices now declining[10] [11] and anticipated PC5 capex underspends, GNI proposed reverting the k-factor cap to 105%. The CRU has accepted this proposal for the 2025/26 tariff year, as it supports tariff stability for the remainder of the PC5 period.

When closing out the 2023/24 tariffs, the total transmission correction factor for 2025/26 tariffs is a €17.68 million give-back to customers. This over-recovery was primarily driven by lower-than-expected shrinkage gas and CO_2 costs. After applying the 105% k-factor rule, the 2025/26 transmission k-factor adjustment amounts to an increase of €16.20 million in 2025/26 revenues. The over-recovered revenue from 2023/24 is returned to consumers and helps reduce the outstanding k-factor balances in transmission. Since transmission did not experience under-recovery, the outstanding transmission k-factor balance is reduced as some of this can be included in the revenue requirement when setting 2025/26 tariffs. Following 2025/26 tariff adjustments, the outstanding k-factor balance for transmission will decrease from €61.27 million to €29.73 million (see Table 5). This amount will be addressed through future tariff-setting and the PC6 process.

Table 5: Outstanding K-Factor following the 2025/26 k-factor adjustments

€ million (Nominal)	2017/18	2018/19	2020/21	2021/22	2022/23	2023/24	Total (€ million)
Transmission	-	-	-	28.35	1.39	-	**29.73**

2.2.6 Allowed revenue

The CRU has updated the base revenue set out in its PC5 decision to allow for the changes in section 2.2.1 to 2.2.4 and for the k-factor set out in section 2.2.5. This results in an allowed revenue

[10] CRU Market Modelling Group Commodity Update April 2025, States: *'Natural Gas Prices moderated down significantly across all key global markets in April'*

[11] Key developments in European electricity and gas markets - 2025 ACER Monitoring Report

of €290 million for gas year 2025/26, which is a nominal increase of 2.1% (0.70% real increase) on the 2024/25 allowance.

2.3 Demand Forecasts

In addition to information relating to expenditure, demand forecasts are also estimated through the price control process for each of the five years of the price control period. As part of the annual tariff setting process GNI submits updated demand figures, which are anchored to GNI's draft 2024 Network Development Plan forecasts, that take into consideration the latest forecasts.

In order to establish demand forecasts for 2025/26, GNI has analysed recent trends and then applied these learnings to elements it typically draws from to forecast gas demand for the coming year. The table below represents GNI's transmission network demand forecasts (commodity and capacity) for gas year 2025/26. For context these forecasts are presented alongside GNI's actual demand for 2023/24, the 2024/25 forecast for tariff setting and GNI's most up to date forecast for 2024/25. Highlighting the forecast demands for the upcoming gas year, against the demands forecast when setting the tariffs last year is particularly useful, as higher/lower demand relative to last year will lead to upward/downward pressure for the upcoming year.

Table 6: Transmission Commodity Demand

Commodity Demand (MWh)	23/24 Actual Demand	24/25 Tariff Forecast	24/25 Actuals + Forecast		25/26 Demand Forecast	Var vs 23/24	Var vs 24/25 Tariff	Var vs 24/25 Update
Entry Commodity	54,198,710	57,724,972	57,130,918		56,680,379	5%	-2%	-1%
Exit Commodity	51,967,689	56,272,272	55,272,861		54,981,842	6%	-2%	-1%

Note: The Exit Commodity total is lower than the Entry Commodity total due to the Isle of Man offtake, and shrinkage which is not included in the Exit Commodity.

For the forthcoming year, total transmission entry commodity forecasts are 5% higher than the actual outturn commodity demand for 2023/24, 2% lower than the forecasted demands used when setting 2024/25 tariffs, and 1% lower than the 2024/25 updated forecast. In terms of exit GNI's forecast commodity for 2025/26 is 6% higher than the outturn for 2023/24, 2% lower than the 2024/25 forecast used when setting tariffs and 1% lower than the 2024/25 updated forecast.

The lower commodity demand forecast is mainly due to reduced gas demand for power generation, driven by increased renewable electricity generation and higher electricity imports through

electricity interconnectors. The differential between EU and UK carbon prices is also influencing flows through electricity interconnectors[12].

Table 7: Transmission Demand Forecast Summary - MWh

Capacity Demand (MWh)	23/24 Actual Demand	24/25 Tariff Forecast	24/25 Actuals + Forecast		25/26 Demand Forecast	Variation vs 23/24	Variation vs 24/25 Tariff	Variation vs 24/25 Update
Corrib	33,522	30,510	29,709		27,720	-17%	-9%	-7%
Moffat	189,203	184,588	199,315		180,383	-5%	-2%	-9%
Biogas	133	501	273		861	548%	72%	216%
WA[13] Total Entry Capacity	222,940	215,599	229,298		208,964	-6%	-3%	-9%
WA Total Exit Capacity	274,254	276,521	287,206		268,867	-2%	-3%	-6%

Note: The Entry Capacity is lower than the Exit Capacity as NDM customers are required to book for 1 in 50 at Exit.

GNI's forecasted weighted annualised entry capacity is 6% lower than the actual for 2023/24, 3% lower than the forecasted demands used when setting 2024/25 tariffs, and 9% lower than the updated forecast for 2024/25. GNI's forecasted weighted annualised exit capacity is 2% lower than the 2023/24 outturn, 3% lower than the forecasted demand used in setting 2024/25 tariffs, and 6% lower than the updated forecast for 2024/25.

The lower entry capacity is primarily due to reduced exit demand, driven by increased electricity imports and lower usage from non-daily metered (NDM) customers. The 2025/26 forecast is also lower than the updated 2024/25 forecasts. Higher weighted capacity actual and forecast in 2024/25 (6 months actual and 6 month's forecast) was realised at periods of lower wind than forecast, including during the cold snap in January, and also as a result of unplanned outages resulting in other power generators adjusting their capacity bookings. The 2025/26 forecast assumes a return to normal booking practices by generators. On the exit side, the lower forecasts reflect lower demand/capacity bookings from the power generation and residential sectors, based on the most recent booking data.

2.4 Tariff Network Code

In line with Article 29 of the Tariff Network Code[14], this section includes the accompanying information which the CRU is required to publish along with the transmission tariffs.

[12] Climate Change Advisory Council - Annual Review 2025 – Electricity

[13] WA stands for weighted annualised. Shorter-term bookings, which can occur at different times of year (different costs) are adjusted for representation as an equivalent annual amount so that the overall demand can be compared more easily across years.

[14] Commission Regulation (EU) 2017/460 – 16 March 2017

2.4.1 Multipliers and Seasonal Factors

Multipliers and seasonal factors are applied to the reference prices to set the tariffs for non-yearly capacity products. Table 8 below outlines the multiplier and seasonal factor profile for gas year 2025/26. The CRU decided to not to change the profile for gas year 2025/26 as set out in its annual tariff network code Article 28 paper (CRU202539).

Table 8: Seasonal Multipliers

Month	Quarterly %	Monthly %	Daily %
October	38.43%	12.81%	0.64%
November		12.81%	0.64%
December		17.08%	1.14%
January	80.69%	29.89%	1.99%
February		34.16%	2.28%
March		25.62%	1.71%
April	13.27%	12.81%	0.64%
May		0.97%	0.05%
June		0.97%	0.05%
July	2.61%	0.97%	0.05%
August		0.97%	0.05%
September		0.97%	0.05%
Total	**135.0%**	**150.0%**	**279.44%**

2.4.2 Interruptible Discounts – Virtual Reverse Flow

Virtual Reverse Flow (VRF) is a 'reverse flow' service offered on a virtual interruptible basis, at the Interconnection Points, to enable shippers to virtually flow gas from Ireland via Moffat and into Ireland via Gormanston.[15] In accordance with the CRU's TAR NC decision paper, for gas year 2019/20, a new tariff was introduced for VRF, which replaced the previous registration fee approach. The calculation of the VRF tariffs at Moffat and Gormanston are now based on the TAR NC principles and requirements for standard interruptible capacity products. Art.16 of TAR NC

[15] For example, if there is a total nomination of 100 units of gas for delivery from GB to ROI and a gas shipper in Ireland wishes to virtually transport 10 units of gas from ROI to GB, these 10 units are netted off the 100 units, resulting in the delivery of 90 units into the ROI gas network.

specifies the calculation of reserve prices for standard interruptible capacity products by applying an adjustment to the reserve prices for the corresponding standard firm capacity products.

Full details on how the CRU sets the VRF tariffs for Moffat and Gormanston and the reasoning for its approach, can be found in section 3.11 of the CRU's TAR NC decision paper (CRU/19/060)[16], in summary:

- The VRF tariffs are based on the Moffat exit point and Gormanston entry point reference prices, as calculated by the Matrix RPM;
- A pro factor of 8% is applied to the Moffat and Gormanston VRF products;
- A risk premium of 10% is applied to both the Moffat and Gormanston VRF products; and
- A market interaction factor of 30% applies to the Moffat VRF product only to bring the price below that of the equivalent forward flow tariff for reasons of cross-border trade.

These inputs result in an A-factor (i.e. overall adjustment) of 6 for Moffat VRF and an A-factor of 2.25 for the Gormanston VRF.

Table 9: Virtual reverse flow (VRF) tariffs for 2025/26

	Gormanston VRF Entry	Moffat VRF Exit
Capacity - €/peak day MWh	176.176	396.758
Commodity - €/MWh	0.169	0.353

2.5 EU Regulation 2024/1789 – RNG Discounts

Based on a derogation request from GNI on 01 May 2025, the CRU has decided not to apply the renewable gas tariff discounts set out in Article 18 of Regulation (EU) 2024/1789 at this time. This decision is based on the criteria in Article 18(5), which allow for exemptions to ensure a stable financial framework for existing investments and for the efficient operation of the gas transmission system. Renewable gas projects in Ireland have been assessed using the current entry capacity tariffs, and applying discounts now could undermine these projects and create uncertainty for investors. Renewable gas connection appraisals currently factor in entry capacity charges, based on GNI's Connections Policy. Under this policy, the connecting party pays 30% of the connection cost upfront, with the remaining 70% recovered through GNI's RAB over time, subject to an economic test. These appraisals rely on projected revenues including entry capacity bookings. Introducing tariff discounts now could reduce expected revenue flows, lowering the NPV of projects

[16] Harmonised Transmission Tariff Methodology for Gas | CRU.ie

and potentially causing the economic test to fail, triggering a requirement for the connecting party to make a supplementary financial contribution.

Ireland is also not physically connected to another EU member state and does not have gas storage facilities, making some of the discount provisions inapplicable. In addition, applying the discounts may require complex system and process changes, which would take time to implement. This approach is in line with developments across the EU, five countries have already granted derogations under Article 18(5), and other countries are actively considering similar steps.[17] These decisions reflect national policies, market conditions, and the stage of renewable gas development.

Looking ahead, the CRU remains committed to supporting the decarbonisation of Ireland's energy system in line with Ireland's climate and energy goals and the objectives of Regulation (EU) 2024/1789. This includes ensuring a stable financial framework for existing investments and for the efficient operation of the gas transmission system, as provided for under Article 18(5). Although the Article 18 tariff discounts are not being applied at this time, the CRU will continue to evaluate their potential role as part of a broader transmission tariff review required under Regulation (EU) 2017/460[18]. This review may also consider the interaction with GNI's connection policy, recognising that isolated tariff changes could affect the viability of renewable gas projects.

Consistent with the regulation's intent, this means facilitating the integration of renewable and low-carbon gases while also addressing key considerations such as avoiding undue cross-subsidies, ensuring a stable financial framework for existing investments, and the efficient operation of the gas transmission system. By considering these and other principles set out in Regulation (EU) 2024/1789, the CRU seeks to support a just and orderly transition to a low-carbon gas sector that aligns with Ireland's climate and energy goals.

[17] ACER - Implementation of the Hydrogen and decarbonised gas market package, Madrid Forum May 2025
[18] The CRU aims to consult on the Transmission Tariff Methodology review in Q3/Q4 2025

3. CRU Decision on Transmission Tariffs for 2025/26

3.1 Transmission tariffs for 2025/26

GNI has calculated transmission network tariffs for the period 01 October 2025 and 30 September 2026 based on the allowed revenue and demands set out in the previous section. The CRU's decision is that GNI implement the tariffs set out in Table 9 and Table 10 for gas year 2025/26.

With these updated tariffs, the transportation cost of GB gas to Ireland (Moffat entry tariff + domestic exit tariff) will increase in nominal terms by 4.86% (3.42% in real terms[19]) relative to 2024/25.

Table 10: Transmission tariffs comparison for 2025/26

Transmission Tariff Comparison					
		2024/25	**2025/26**	**% Variance (nominal)**	**% Real Variance**
***Entry Capacity* (€/peak day MWh)**	Bellanaboy entry[20]	789.96	815.08	3.18%	1.77%
	RNG entry	208.70	228.22	9.35%	7.85%
	Moffat (IP) entry	417.27	436.79	4.68%	3.24%
	Inch Production	221.48	241.00	8.81%	7.32%
	Gormanston VRF	160.17	176.17	9.99%	8.49%
***Exit Capacity* (€/peak day MWh))**	Domestic exit	618.9	649.69	4.97%	3.54%
	Gormanston	596.75	627.48	5.15%	3.71%
	Moffat VRF	380.78	396.76	4.20%	2.77%
***Commodity* (€/MWh)**	Entry Commodity	0.162	0.169	3.95%	2.53%
	Exit Commodity	0.338	0.353	4.47%	3.03%
Cost of Transportation	UK Gas	1036.17	1086.48	4.86%	3.42%

To illustrate the cost impacts of these tariffs, the cost of transportation from GB (Moffat entry capacity tariff + domestic exit capacity tariff) is provided. This is given as the example as it is the marginal source of gas for Ireland. Generally, Irish wholesale gas prices are set by the GB price of gas plus the cost of transporting gas from GB to Ireland via the interconnectors. For 2025/26 the calculation shows a 4.9% increase on a nominal basis (3.4% in real terms) relative to 2024/25.

[19] Inflation of 1.39% netted off

[20] Bellanaboy entry capacity is composed of two elements; one to remunerate the transmission services revenue of GNI (€ 254.34/MWh) plus a Corrib Linkline Element (€560.74 per MWh), which will remunerate the revenues relating to the Corrib Linkline (Corrib Partners).

3.2 Impact on a Residential Customer's Bill

Transmission network tariffs are set to increase by c.**4.9%** on a nominal basis (3.4% in real terms) when compared to 2024/25 tariffs. As in previous years, the CRU is also publishing, today, the distribution network tariffs. The distribution tariffs are set to decrease by c.**1.4%** on a nominal basis (2.7% in real terms). When combined, despite the decrease in distribution tariffs (see CRU202544), the combined transmission and distribution network tariff charges lead to a slight increase in the average residential gas customer's annual bill.

Based on annual consumption figure of 11,000 kWh[21] the CRU estimates the combined transmission and distribution tariffs will result in an increase of €1.28 (or less than 1%) in the average residential gas customer's annual bill[22]. To calculate the gas network charge element of the indicative bill, both transmission (capacity & commodity) and distribution (capacity & commodity) tariffs are used. The relevant capacity tariffs for both transmission and distribution are applied against a 'peak day capacity (kWh's)'. The peak day capacity element has been calculated based on an annual consumption estimate of 11,000 kWh and a load factor of 3 (ref table 11.2 of document 'CER15/057'[23]). The relevant commodity tariffs for both transmission and distribution are applied to the annual consumption estimate of 11,000 kWh. The capacity and commodity charges calculated are then combined to give the 'Gas Network Charge' element of the overall customer bill. The percentage increase is based on the estimated annual bill (EAB) of €1536 including VAT (as calculated by the CRU in May 2025. The EAB calculation was based on standard domestic offerings by all supplier in May, weighted based on their market share (customer numbers). It is assumed that the Gas Network Charges are fully passed onto the end customer – but this is ultimately a decision for the supplier themselves to pass these charges on fully.

However, GNI has indicated that there is evidence of declining residential gas consumption over the last number of years, which has been driven by warmer than average weather and reduced customer usage likely driven by high prices. The lower residential gas consumption has also been highlighted by CRU in its 2023 Energy Monitoring Report (CRU2024132)[24], where annual residential gas consumption has fallen 12.5% from 6,843 GWh in 2022 to 5,991 GWh in 2023. The CRU noted that this is likely the result of persistently high domestic and non-domestic gas bills in 2023 driven by high wholesale gas prices throughout 2022.

[21] This is the average annual consumption figure that suppliers are required to use to estimate their estimated annual bills; as per the CRU's Supplier Handbook.
[22] The percentage increase is based on the EAB of €1536 calculated in May. The EAB calculation was based on standard domestic offerings by all suppliers in April, weighted based on their market share (customer numbers)
[23] Future of Gas Entry Tariff Regime – Draft Decision
[24] Energy Monitoring Report for 2023

Considering this context, for 2025/26 tariff setting, GNI has revised its estimate of average residential demand from 9,500 kWh last year to approximately 9,300 kWh for 2025/26. If these revised lower consumption figures materialise for the 2025/26 tariff year, the CRU estimates a decrease in the average residential gas bill of approximately €5.33. This reduction is largely driven by the assumed drop in consumption rather than by lower tariffs.

4. Next Steps

These tariffs will take effect from 01 October 2025

Under Article 30 of the Tariff Network Code, a more detailed paper on the transmission network will be published 30 days ahead of the tariff period, however the tariffs will not change. That paper will include:

- Methodology parameters related to technical characteristics of the transmission system;
- Transmission System Operator revenue information;
- Additional information related to tariff evolution; and
- The publication of a simplified transmission tariff model.

Appendix A

Cost of Transportation for Moffat from 24/25 to 25/26

	Cost of Transportation 2024/25	Cost of Transportation 2025/26	% change between 2024/25 and 2025/26 (Nominal)	% change between 2024/25 and 2025/26 (Real)
€ (per peak day MWh)	1,036.17	1,086.48	4.86%	3.42%

Forecast Inflation (25/26)	**1.39%**

			2024/25 Tariffs		2025/26 Tariffs	% change between 2024/25 and 2025/26 (Nominal)	% change between 2024/25 and 2025/26 (Real)
			2024/25 Monies	*2025/26 Monies*	*2025/26 Monies*		
Entry Capacity	*Corrib Linkline Element*	€ per peak day MWh	*555.138*	*562.854*	*560.743*	1.01%	-0.38%
	Transmission Services Revenue of GNI	€ per peak day MWh	*234.817*	*238.081*	*254.338*	8.31%	6.83%
	Bellanaboy	€ per peak day MWh	789.955	800.935	815.080	3.18%	1.77%
	Moffat	€ per peak day MWh	417.270	423.071	436.791	4.68%	3.24%
	Inch Production	€ per peak day MWh	221.482	224.560	241.002	8.81%	7.32%
	RNG	€ per peak day MWh	208.700	211.601	228.220	9.35%	7.85%
	Gormanston VRF	€ per peak day MWh	160.169	162.395	176.176	9.99%	8.49%
Exit Capacity							
	Exit	€ per peak day MWh	618.899	627.502	649.688	4.97%	3.54%
	Gormanston	€ per peak day MWh	596.748	605.042	627.484	5.15%	3.71%
	Moffat VRF	€ per peak day MWh	380.776	386.068	396.758	4.20%	2.77%
Commodity							
	Entry Commodity	per MWh	0.162	0.165	0.169	3.95%	2.53%
	Exit Commodity	per MWh	0.338	0.343	0.353	4.47%	3.03%
	Cost of Transportation of UK Gas	€ per peak day MWh	1036.169	1050.572	1086.479	4.86%	3.42%

Appendix B

K- factor Outstanding

As noted, under-recoveries have accumulated since the gas year 2017/18, primarily due to the application of the 105% rule. From 2021/22 onward, the impact of volatile wholesale gas prices and delays in the PC5 decision have compounded under-recoveries, significantly contributing to the outstanding k-factor balance. Table below outlines the outstanding transmission k-factor amounts. These figures reflect under- or over-recoveries[25] that precede the 2025/26 tariff-setting process.

Table 11: Outstanding K-Factors prior to the 2025/26 tariffs-setting process

€ million	2017/18	2018/19	2020/21	2021/22	2022/23	Total € million
Transmission	-4.06	-0.57	5.92	58.6	1.39	**61.27**

When setting the 2025/26 transmission tariff, we also close out the 2023/24 tariff year. For 2023/24, an over-recovery of €17.68 million was identified, which is to be returned to customers. In addition, under the 105% K-factor rule, GNI is allowed to recover €13.85 million. Both of these amounts are used to reduce the outstanding K-factor balance of €61.27 million. After applying these adjustments, the K-factor balance is reduced to €29.73 million as seen in table below.

Table 12: Outstanding K-Factor following the 2025/26 k-factor adjustments

€ million	2017/18	2018/19	2020/21	2021/22	2022/23	2023/24	Total € million
Transmission	-	-	-	28.35	1.39	-	**29.73**

25 Positive values are under-recoveries, and negative values are over-recoveries.