

Questions?

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Feedback?

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BSUoS Draft Tariffs for 2027/28

Draft Tariff 9 (Apr 27 – Sep 27)

Draft Tariff 10 (Oct 27 – Mar 28)

1 October 2026

Agenda

1. Timetable
2. Draft Tariffs 9 and 10
3. Latest View
4. Reporting
5. Next Steps
6. Questions and Answers

Supporting the webinar today				
				
Nick Everitt	Katie Clark	Edward Adofo	Nicky White	Tobi Odusanya
Revenue Manager Tariff Setting	Senior Revenue and Charging Analyst	Revenue and Charging Analyst	Revenue and Charging Analyst	Revenue and Charging Analyst

BSUoS Fixed Tariff Timetable

• Upcoming Publication Dates:

• December 2026

- Final Tariff 9 (Apr 27 – Sep 27) and Final Tariff 10 (Oct 27 – Mar 28)

Publish Final Tariff (FT)

Effective Tariff Period

Draft Tariff (DT)

2026/27												2027/28												2028/29		
Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	Jan 27	Feb 27	Mar 27	Apr 27	May 27	Jun 27	Jul 27	Aug 27	Sep 27	Oct 27	Nov 27	Dec 27	Jan 28	Feb 28	Mar 28	Apr 28	May 28	Jun 28
Fixed Tariff 7 in effect																										
						Fixed Tariff 8 in effect																				
					DT9			FT9					Fixed Tariff 9 in effect													
					DT10			FT10										Fixed Tariff 10 in effect								
															DT11			FT11				Fixed Tariff 11				
																DT12			FT12							

Draft Tariffs 9 and 10

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Draft Tariffs 9 and 10

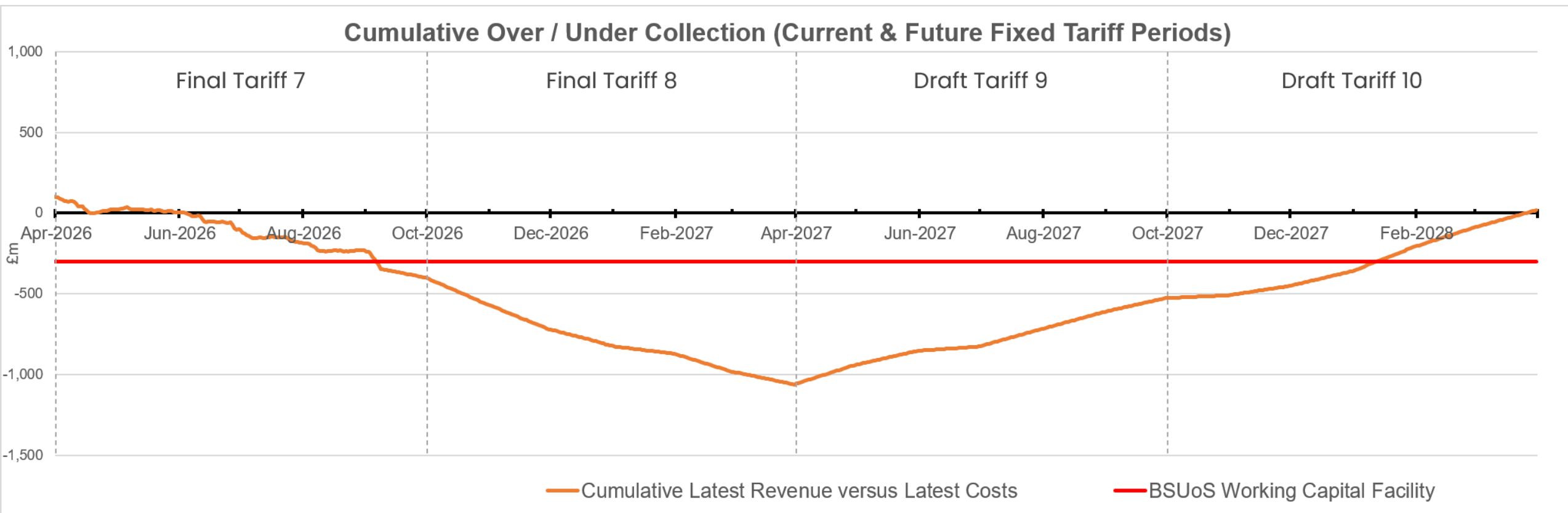
Draft Tariff 9

Financial Year 2027/28 – BSUoS Draft Tariff 9		
BSUoS Draft Tariff 9 Apr 27 – Sep 27	Description	BSUoS Draft Tariff
	Balancing Cost Forecast £m	1,623.8
	Internal Costs £m	398.9
	Forecast under-recovery to the end of FT8, split between DT9 and DT10 £m	531.0
	CMP398 Costs £m	24.0
	SO-TO Costs £m	2.0
	Total Costs £m	2,579.6
	BSUoS Volume Forecast TWh	119.0
	BSUoS Tariff £/MWh	£21.67

Draft Tariff 10

Financial Year 2027/28 – BSUoS Draft Tariff 10		
BSUoS Draft Tariff 10 Oct 27 – Mar 28	Description	BSUoS Draft Tariff
	Balancing Cost Forecast £m	1,753.0
	Internal Costs £m	398.9
	Forecast under-recovery to the end of FT8, split between DT9 and DT10 £m	531.0
	CMP398 Costs £m	24.0
	SO-TO Costs £m	2.0
	Total Costs £m	2,708.9
	BSUoS Volume Forecast TWh	147.1
	BSUoS Tariff £/MWh	£18.42

Forecast Cash Position



*All values as of 10 September 2026

Under-Recovery Adjustment

We are continuing our previous Forecast approach for the treatment of over/under-recovery, with the aim of returning to a cash-neutral position by the end of Draft Tariff 10

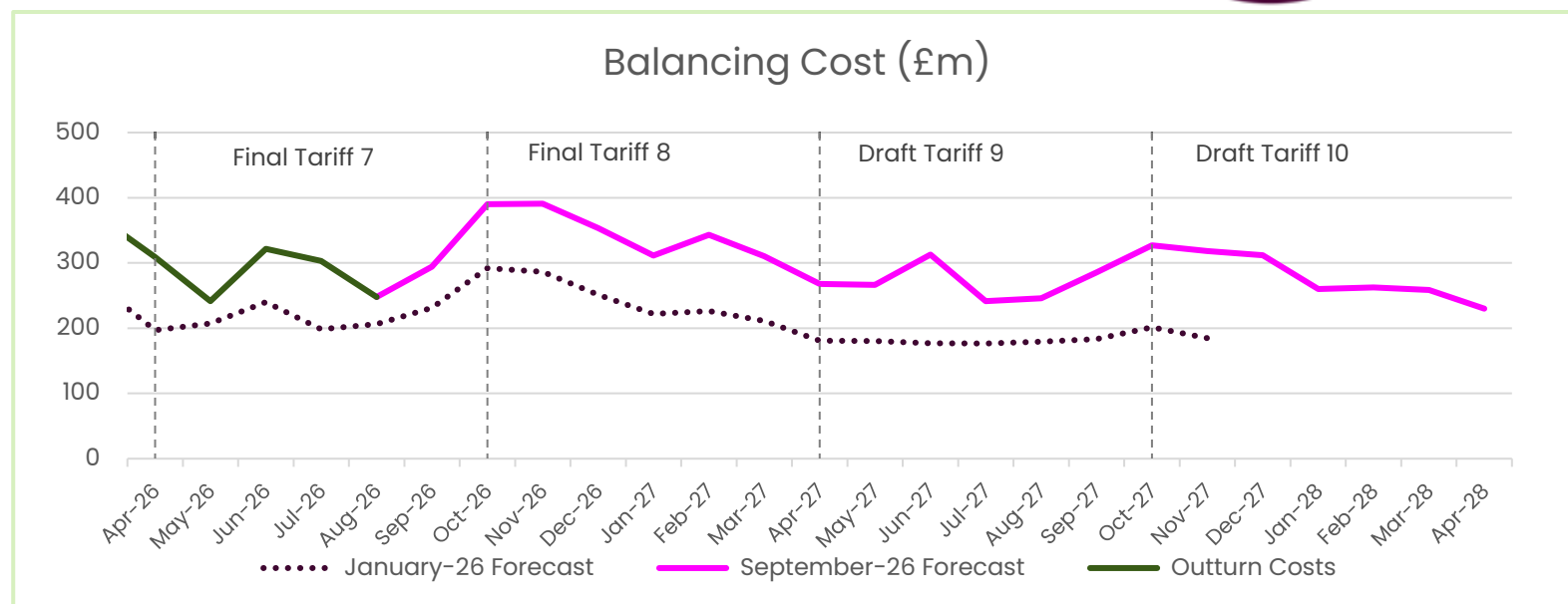
Draft Tariffs 9 and 10 includes forecast under-recovery to the end of Final Tariff 8

Fixed Tariff	Tariff Period Starting Cash Position (£m)	(Over)/Under Recovery Adjustment in Tariff (£m)	Tariff Period Over/(Under) Recovery (£m)	Tariff Period End BSUoS Cash Position (£m)
Fixed Tariff 7 (Apr 26 – Sep 26)	64.2	(69.8)	(419.0)	(424.6)
Fixed Tariff 8* (Oct 26 – Mar 27)	(424.6)	(69.5)	(567.6)	(1061.7)
Draft Tariff 9* (Apr 27 – Sep 27)	(1061.7)	531.0	4.4	(526.3)
Draft Tariff 10* (Oct 27 – Mar 28)	(526.3)	531.0	14.5	19.2

*Forecast as of 10 September 2026

Balancing Cost Forecast

Balancing Costs forecast are based on October 2026 Monthly Forecast



- **Balancing Cost forecasts for Draft Tariffs 9 and 10 are £1,623.8m and £1,753.0m respectively**
- **Year-on-year comparison (vs Final Tariffs 7 and 8):**
 Draft Tariff 9 vs Final Tariff 7: ↑26% (£1,285.2m → £1,623.8m)
 Draft Tariff 10 vs Final Tariff 8: ↑18% (£1,489.8m → £1,753.0m)
- **Forecast increases reflect higher constraint costs and wholesale prices**
 Draft Tariff 9: Constraint costs ↑32% and wholesale prices ↑33%
 Draft Tariff 10: Constraint costs ↑14% and wholesale prices ↑52%
- Forecast are based on an average of forward price curve derived between 1-5 September 2026.

Other Costs

Internal costs, SO-TO Outage Costs and CMP398 forecasts to be reviewed ahead of Final Tariffs

Internal Costs

- **£797.7m** forecast for 2027/28, based on the 2025 Funding Model.
- Final Tariffs will reflect the 2026 Funding Model, due November 2026.

SO-TO Outage Costs

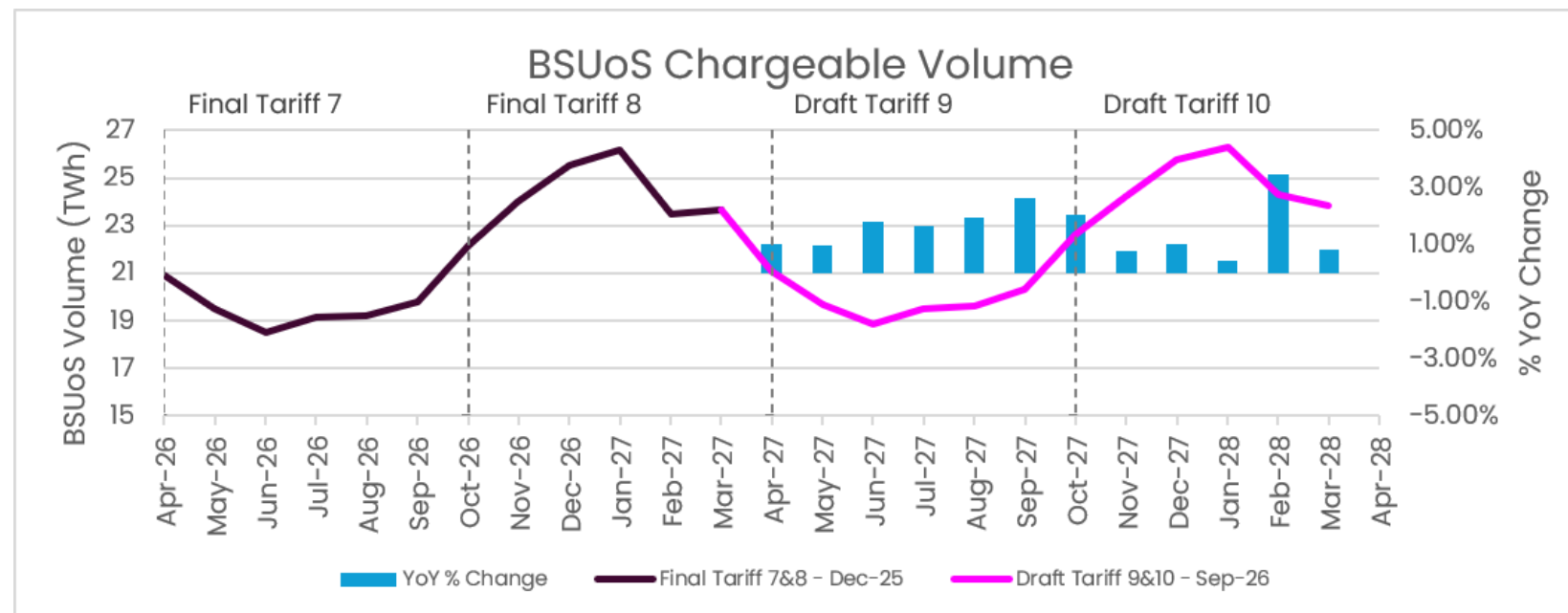
- **£4m** included for 2027/28 under STCP 3-11 and STCP 3-14.
- Covers transmission outage changes and enhanced service provision.

CMP398/CMP412

- **£48m** forecast for 2027/28, split equally between the two tariff periods; no formal claims received to date.
- Costs remain uncertain and could rise towards £86m; the forecast will be reviewed before Final Tariffs.

Chargeable Volume

Chargeable volumes are forecast using a linear regression of National Demand and historic BSUoS volumes.



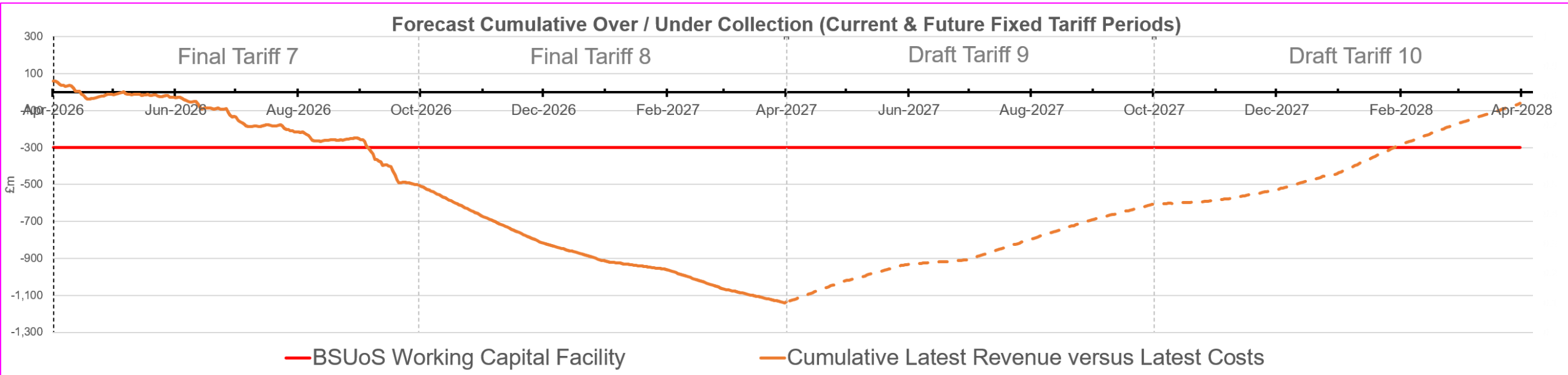
- Volume forecasts for Draft Tariffs 9 and 10 are 119.0 TWh and 147.1 TWh respectively
- Year-on-year comparison (vs Final Tariffs 7 and 8)
 - Draft Tariff 9 vs Final Tariff 7: ↑1.7% (117.1 TWh → 119.0 TWh)
 - Draft Tariff 10 vs Final Tariff 8: ↑1.4% (145.0 TWh → 147.1 TWh)

Latest View

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Latest View: Revenue vs Cost Report



Fixed Tariff	Cash Position Latest View (24/09/2026)
Final Tariff 7	-£503.4m
Final Tariff 8	-£1,140.5m
Draft Tariff 9	-£606.7m
Draft Tariff 10	-£61.1m

CUSC Tariff Reset Rules

When a tariff reset can take place

If before or during a Fixed Price Period, The Company forecasts that it will neither recover sufficient funds through BSUoS Charges nor will it hold sufficient funds in BSUoS Working Capital Facility to meet balancing costs during that Fixed Price Period, the Company has the **right to set a revised Fixed BSUoS Price for the entirety of or remainder of that Fixed Price Period.**

What costs can the tariff reset cover

The revised Fixed BSUoS Price only covers costs for the remainder of the Fixed Price Period.

Working Capital Facility

The BSUoS Working Capital Facility would be built back up in subsequent Fixed Price Periods, via the Fixed BSUoS Prices calculated for those Fixed Price Periods.

Notice Period

Minimum of 5 working days

In Flight Modifications

CMP474

Awaiting Decision

Sets out when fixed BSUoS tariffs can be reset.

CMP475

Awaiting Decision

Allows NESO to reforecast fixed BSUoS tariffs and recovery of the working capital fund.

CMP453

Awaiting Decision

Removes BSUoS charges for BSC Trading Unit customers where net connection flows are exports.

CMP456

Workgroup Stage

Enables generators to recover the cost of producing legacy plant models required under GC0168.

CMP469

Awaiting Decision

Extends the GC0186 cost-recovery arrangements by one year for affected CUSC parties.

Reporting

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Reporting

Report	Description	Link to Webpage	Webpage Location
BSUoS Monthly Forecast Report	Monthly forecast for month-ahead and a rolling 24-month period	https://www.neso.energy/information/charging/balancing-services-use-system-bsuos-charges	BSUoS Monthly Forecast
BSUoS Monthly Outturn Report	Monthly outturn report for the previous 12 months		BSUoS Monthly Forecast
Revenue vs Cost Report	Weekly view of latest II, SF and forecast revenue and cost data		Current BSUoS Data
Payment Calendar	This tells you which settlement days are being billed on a particular day and the payment day.		Useful Information and Documents
Monthly BSUoS Forecast Summary	Provides forecast costs and volumes of BSUoS by month and service	https://www.neso.energy/data-portal/bsuos-monthly-forecast	Monthly BSUoS Forecast Dataset
Daily Web Prices	II, SF and RF cost data at half-hourly granularity		Daily Web Prices Dataset

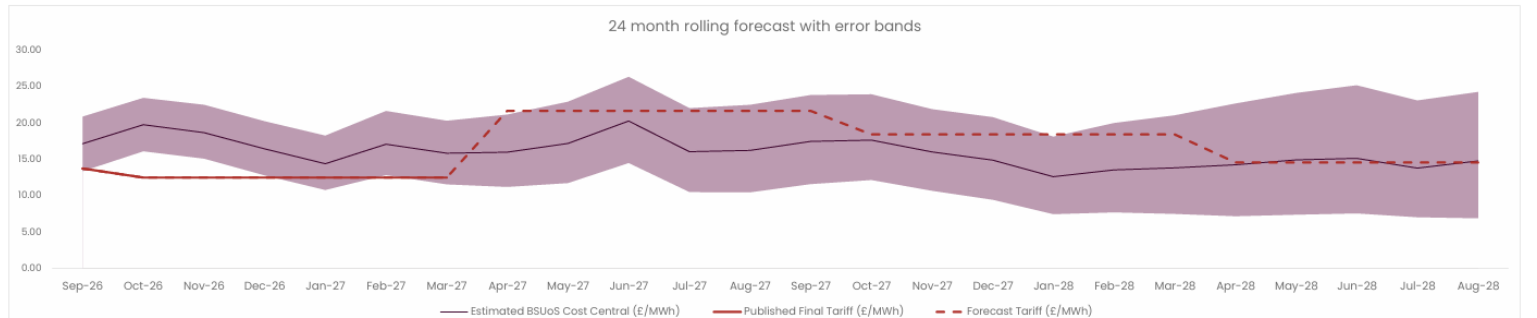
Monthly Reporting

Following industry feedback, our monthly BSUoS forecast now includes an indicative tariff forecast, based on the latest monthly cost, volume and BSUoS cash position forecasts.

Public

BSUoS Forecast for Oct-2026

NESO



	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28
Balancing Costs (Central) £m	294.5	390.3	390.9	353.7	311.6	343.4	310.5	268.0	266.6	312.8	241.6	246.1	285.4	327.0	318.4	312.0	260.1	262.3	258.5	230.0	226.7	219.3	200.1	222.1
Balancing Costs (Upper) £m	373.0	476.2	483.5	450.6	412.7	451.4	417.0	377.2	378.9	427.1	358.1	368.9	414.4	469.2	460.7	464.8	404.5	418.7	430.2	404.0	407.6	408.0	380.1	408.3
Balancing Costs (Lower) £m	214.2	305.1	302.7	259.4	215.7	241.9	207.6	166.3	159.0	203.5	132.8	132.8	165.3	202.5	188.3	170.9	124.1	119.5	106.8	83.0	77.8	76.2	68.2	67.4
Estimated Internal BSUoS & NESO Incentive £m	65.6	67.8	65.6	67.8	67.8	61.2	67.8	65.4	67.6	65.4	67.6	67.6	65.4	67.6	65.4	67.6	67.6	63.2	67.6	65.4	67.6	65.4	67.6	67.6
Winter Security of Supply Cost £m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CMP398/412 Claim Costs £m	-	-	-	-	-	-	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-	-	-	-
Interest Repayment £m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total BSUoS (Central) £m	360.1	458.1	456.5	421.5	379.4	404.6	378.3	337.4	338.2	382.2	313.2	317.7	354.8	398.6	387.8	383.6	331.7	329.5	330.1	295.4	294.3	284.7	267.7	289.7
Total BSUoS (Upper) £m	438.6	544.0	549.1	518.4	480.5	512.6	484.8	446.6	450.5	496.5	429.7	440.5	483.8	540.8	530.1	536.4	476.1	485.9	501.8	469.4	475.2	473.4	447.7	475.9
Total BSUoS (Lower) £m	279.8	372.9	368.3	327.2	283.5	303.1	275.4	235.7	230.6	272.9	204.4	204.4	234.7	274.1	257.7	242.5	195.7	186.7	178.4	148.4	145.4	141.6	135.8	135.0
Estimated BSUoS Volume (TWh)	21.0	23.2	24.4	25.6	26.3	23.7	23.9	21.1	19.7	18.9	19.5	19.6	20.3	22.6	24.2	25.8	26.3	24.3	23.9	20.7	19.7	18.8	19.4	19.6
Estimated BSUoS Cost Central (£/MWh)	17.14	19.75	18.68	16.44	14.40	17.07	15.84	15.98	17.19	20.27	16.07	16.22	17.47	17.64	16.01	14.88	12.61	13.56	13.84	14.26	14.93	15.14	13.80	14.77
Estimated BSUoS Cost Upper (£/MWh)	20.88	23.46	22.48	20.22	18.24	21.63	20.30	21.15	22.90	26.34	22.05	22.49	23.82	23.94	21.88	20.80	18.10	19.99	21.04	22.66	24.11	25.17	23.08	24.26
Estimated BSUoS Cost Lower (£/MWh)	13.32	16.08	15.07	12.76	10.76	12.79	11.53	11.16	11.72	14.48	10.49	10.43	11.55	12.13	10.64	9.40	7.44	7.68	7.48	7.16	7.38	7.53	7.00	6.88
BSUoS Tariff Forecast																								
Published Final Tariff (£/MWh)	13.74	12.49	12.49	12.49	12.49	12.49	12.49																	
Carried Forward Over/Under-Recovery (as of 10 Sep 2026)	-	-	-	-	-	-	-	87.0	90.0	87.0	90.0	90.0	87.0	90.0	87.0	90.0	90.0	84.1	90.0	0.0	0.0	0.0	0.0	0.0
Total Forecast Tariff Costs (£m)	-	-	-	-	-	-	-	425.3	429.0	470.1	404.0	408.5	442.7	491.3	477.6	476.3	424.4	416.4	422.8	295.4	294.3	284.7	267.7	289.7
Forecast Tariff (£/MWh)								21.67	21.67	21.67	21.67	21.67	21.67	18.42	18.42	18.42	18.42	18.42	18.42	14.57	14.57	14.57	14.57	14.57

[Download the October BSUoS Forecast](#)

Next BSUoS Tariff Publications

October 2026

Webinar Slides, Recording and Q&A Published
November BSUoS Forecast Report
September Outturn Report

November 2026

December BSUoS Forecast Report
October Outturn Report

December 2026

January BSUoS Forecast Report
November Outturn Report
BSUoS Final Tariffs 9 and 10 (Apr 27 – Sep 27 & Oct 27 – Mar 28)

Q&A

- Please enter your questions in Slido.
Go to: www.slido.com
Event code: #BSUOS
- If you would like to ask a question verbally then please raise your hand so you can be unmuted.



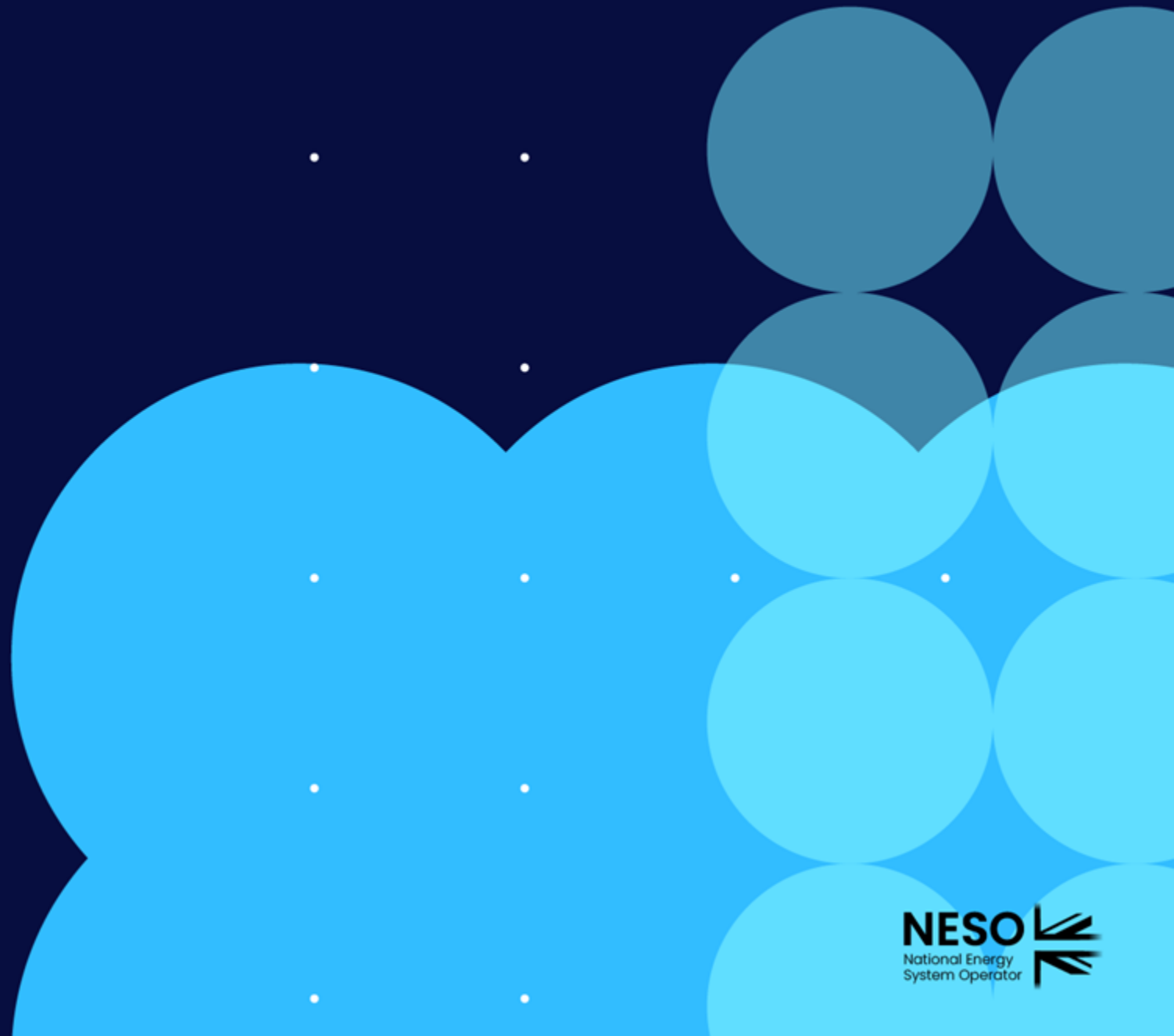
Thank you!

Please provide your feedback using the link
[BSUoS Tariffs Feedback Form](#) or QR Code below



Or please send any other feedback you have via
email: BSUoS.queries@neso.energy

Appendix

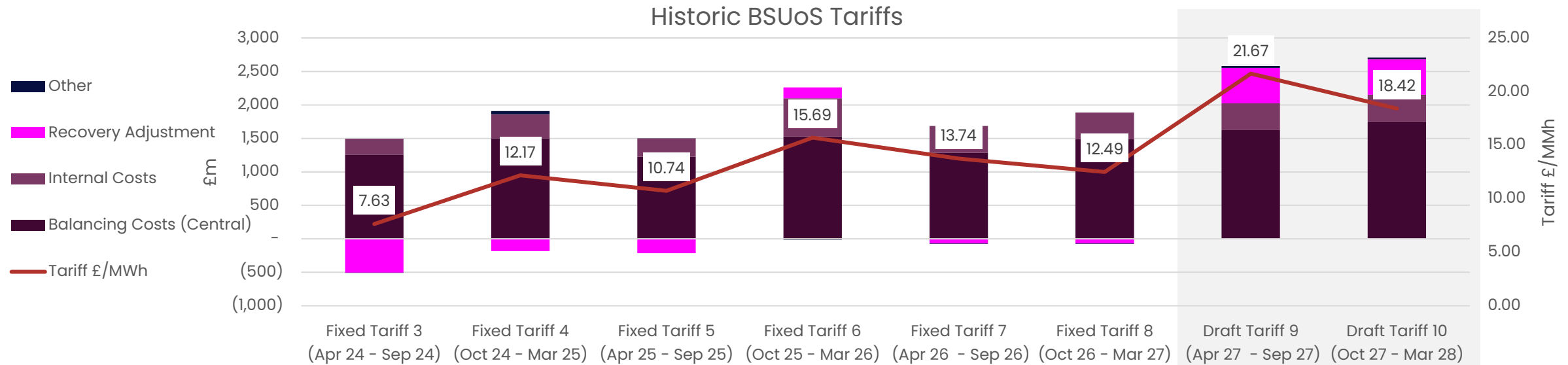


BSUoS Fixed Tariff Recap

Document or Webpage	Links
CMP308 – BSUoS charged on final demand only from 2023/24	Web link
BSUoS Fixed Tariff Model Methodology	Download
BSUoS Fixed Tariff Model Q&A	Download
BSUoS Fixed Tariff Model Consultation 2	Download
CMP361/362 – Ofgem minded-to 21/09/2022	Web link
CMP361/362 – Ofgem update on minded-to 15/11/2022	Web link
Draft BSUoS Fixed Tariff for 2023–24 Published 11/10/2022	Download
CMP406/407 – Raised but rejected	Web link
Draft Tariff 2023–24 Webinar Held 23/11/2022	Download
Ofgem Decision CMP361	Download
CMP408 Raised – Change tariff notice period to 3 months	Web Link
Final BSUoS Fixed Tariff 2023–24 Published 31/01/2023	Download

Document or Webpage	Links
Final BSUoS Fixed Tariff 2024–25 Published 07/07/2023	Download
BSUoS Final Tariff 4 Published 22/12/2023	Download
BSUoS Final Tariff 5 Published 28/06/2024	Download
Ofgem Decision CMP408	Web Link
Ofgem Decision CMP415	Web Link
BSUoS Fixed Tariff 6 Update and Modification Implementation Impact Webinar – 28/11/2024	Download
BSUoS Final Tariff 6 Published 20/12/2024	Download
BSUoS Final Tariffs 7 and 8 Published 29/12/2025	Download
BSUoS Draft Tariffs 9 and 10 Published 21/09/2026	Download

Previously Published BSUoS Tariffs

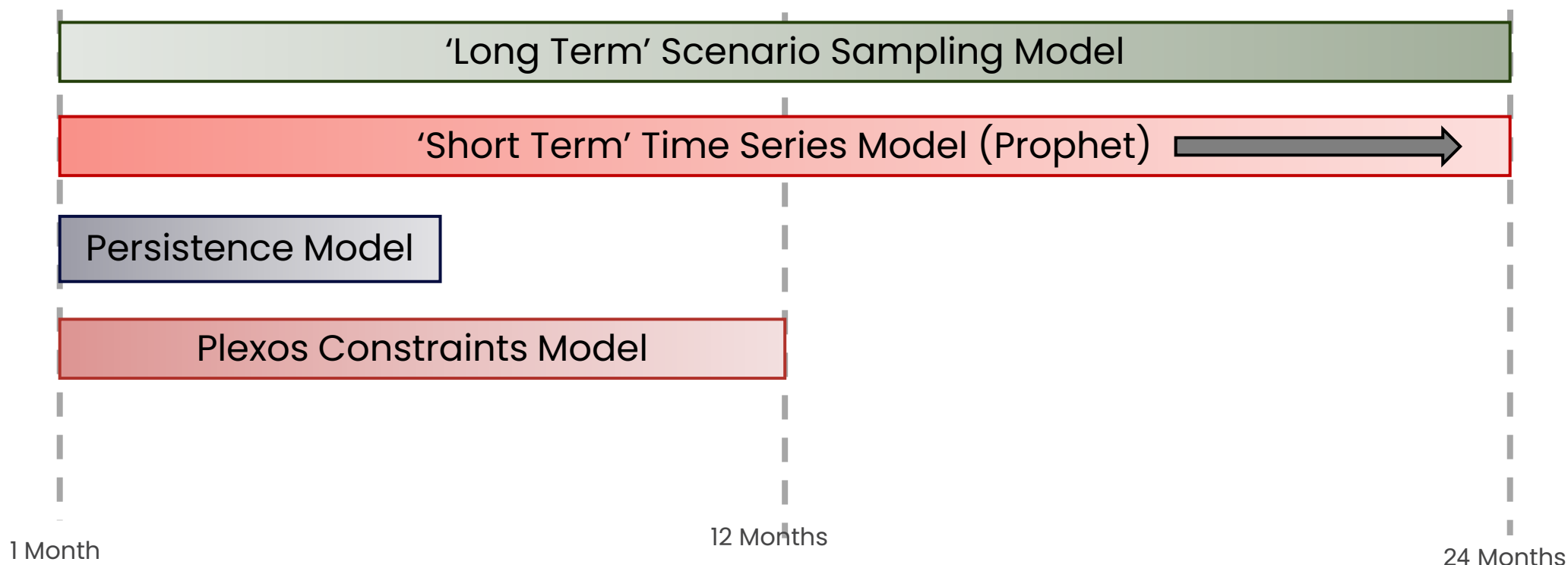


BSUoS Tariff Input	Fixed Tariff 3	Fixed Tariff 4	Fixed Tariff 5	Fixed Tariff 6	Fixed Tariff 7	Fixed Tariff 8	Draft Tariff 9	Draft Tariff 10
Balancing Costs (Central)	1,259.3	1,502.5	1,225.5	1,528.0	1,285.2	1,489.8	1,623.8	1,753.0
Internal Costs	236.4	359.2	271.9	569.7	400.0	397.8	398.9	398.9
Recovery Adjustment	- 504.2	- 182.0	- 215.0	164.3	- 69.8	- 69.5	531.0	531.0
Other	- 0.0	46.7	4.3	- 13.8	- 6.1	- 6.1	26.0	26.0
Total	991.5	1,726.4	1,286.6	2,248.2	1,609.3	1,812.0	2,014.8	2,217.6
Tariff (£/MWh)	7.63	12.17	10.74	15.69	13.74	12.49	21.67	18.42

All values £m unless stated

Forecast Blends

To take advantage of model diversity benefits from different data sources and approaches, we blend different models, with the weights changing depending on the lead time.



Indicative Model Blending (for illustration only)

Tariff Reset Process

