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April Forecast TNUoS Tariffs for 2026/27 – Webinar v2.0

Q&A Summary – 15/05/2025

Updated after input from onshore Transmission Owners

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Purpose	To summarise the questions asked as part of the April Forecast TNUoS Tariffs for 2026/27 webinar and the answers provided by the presenters.
Date	15/05/2025

Introduction

A webinar was held on 15 May 2025 to outline the April Forecast TNUoS tariffs for 2026/27.

You can download the slide deck from this webinar **HERE**
You can view a recording of this webinar **HERE**

The following questions were asked, and answers provided during the webinar Q&A session:

Update 30 May 2025 - *Please see pages 5 & 6 for answers provided by the onshore transmission owners.*

#	Questions	Answers
Topic: REVENUE		
1.	One point to note is that NGET revenues are still based on RIIO-2 adjusted for inflation. Was there a specific reason for this, such as NGET being unwilling or unable to share a view based on its	We had some discussions with NGET, but ultimately, it is their decision on what basis their submitted revenue numbers are. In this case, they chose to submit numbers based on RIIO-2 adjusted for inflation. The Uncertainty Mechanism of the Pipeline log and numerous other variables yet to be determined within the RIIO-3 financial framework meant that, at this stage, they did not believe they could provide a more

	RIIO-3 business plan? Additionally, do you know when we might expect this to change? Will this change only follow the Ofgem Draft Determinations or some other decision/milestone? Do you think the next 5-year tariff forecast in August is likely to include this updated view?	accurate view of their future revenue positions. Therefore, they requested that we keep to FY26 adjusted for inflation numbers. We will be using this feedback to have further discussions with TOs ahead of the 5-year view publication later this year. We want the best information possible to feed into the 5-year view. Obviously, NGET's, and the other on-shore TOs draft RIIO-ET3 business plan have been published (links provided in Question 3), so it is easy to come up with some other numbers based on those plans or by increasing their revenues in line with what SPT and SHET have already done. However, hopefully, ahead of the 5-year view, we will get updated numbers. If we do not get updated numbers from NGET, one option available to us is to do some sensitivities based on publicly available information.
2.	Why hasn't NGET provided RIIO-3 revenue figures for the 5-year forecast? When will this be available?	Please Refer to the answer provided for Question 1 above.
3.	The Scottish Power Revenue Forecast has increased by 71% compared to the 5-year forecast published in April 2024. What are the key drivers behind this significant increase?	The previous 5-year view of allowed revenues received from Scottish Power transmission assumed a continuation of the RIIO-T2 methodology and was an indicative view of the next price control period. The latest revenue submission is based on the Draft Business Plan. Further information on the Draft Business plans can be found on the onshore TO websites: NGET: riiot3.nationalgrid.com SSEN Transmission: ssen-transmission.co.uk/information-centre/RIIO-T3/ Scottish Power Transmission: spenergynetworks.co.uk/pages/riio_t3_business_plan.aspx. **Update 30 May 2025**- Please see pages 5 &6 for answers provided by the onshore transmission owners.
4.	Are the revenues for 2026/27 and beyond likely to be the maximum possible if Ofgem agrees with your business plan?	As previously mentioned, we anticipate there may be changes to the 2026/27 allowed revenues upon receipt of any additional information from NGET. Regarding changes for the other TOs, it is difficult to confirm the scale of any changes at

		this stage. However, we will continue to engage with the onshore TOs to provide updates as they become available. **Update 30 May 2025**- Please see page 5 for answers provided by the onshore transmission owners
5.	Once again, can we please have the TOs come here and present like the DNOs are required to do? I know this has been asked previously.	We have previously invited them and did so again for this webinar, but availability was challenging. We have again relayed this feedback to the onshore Transmission Owners and will extend an invitation for our Five-Year view webinar, expected in September. We have included links to the latest ET3 draft business plans for each of the onshore TO's, see question 3 above.
Topic: DEMAND & GENERATION ZONE MAPS		
6.	Can NESO improve/enhance the maps in the TNUoS Statement/Tariffs report?	We acknowledge and would like to apologise that the current published maps are very low resolution. The maps, both the demand zone map and the generation zone map, in the next publication (TNUoS 5-Year View in August) and the charging statement will be significantly improved. We are already working on that! In the meantime, we would like to direct people to the Appendix A document (System schematics and geographic drawings of the current NETS) in the Electricity Ten Year Statement (ETYS) which contains much higher resolution maps.
Topic: CUSC MODIFICATIONS		
7.	Is the proposed TNUoS cap and floor expected to impact the 2026/27 generator wider tariffs? If so, how much variation can we expect by the next quarterly update?	CMP444 is a modification proposal that aims to introduce a temporary cap and floor mechanism to wider generation TNUoS charges. This modification seeks to reduce investment uncertainty for generators and developers. The modification timetable aims for implementation in April 2026, there are numerous working group alternatives and although the analysis performed to date has shown there to be minimal impacts in 2026/27 we will update our impact analysis to reflect the latest view of 2026/27 tariffs in the coming weeks.
8.	You mentioned that the Ofgem decision on CMP444 is expected in September, but the	This aligns with the timelines stated within NESO Modification Tracker, which is published on a monthly basis. An update was provided 28/03/2025, with the expected decision date for

	industry has been informed that it will be on 1st July. Could you please confirm the correct date?	CMP444 set for 1 July 2025. However, please note Ofgem's latest update provided on 20/05/2025 below. The September reference was a general reference following the implementation of modification CMP392, which Introduced a Section 8 cut-off date for changes to the Charging Methodologies as the end of September prior to start of each charging year. This helps to allow NESO time to reflect approved changes before setting tariffs. Harriet Harman, Head of Transmission Charges, Ofgem also reiterated this during the webinar. "Ofgem's intention is to make the decision before the September deadline. As explained, if a charging modification proposal is expected to be implemented, our approval should be provided to NESO no later than the 30 September. Ofgem can deviate from this if circumstances require, but we don't expect the CMP444 decision to be made that late." Since the webinar has taken place, please see Authority Update 20 May 2025. Ofgem has decided to delay their original timetable for making a decision on this code modification. They now expect to publish a minded-to decision in late June to early July 2025. Please also note the impact on the timing of CMP432 decision.
Topic: CHARGING BANDS		
9.	You updated your charging band split based on the updated bands. Has the demand volume forecast been adjusted accordingly? If not, won't this cause a mismatch?	There may be a mismatch, but this is intentional and part of the methodology. We use the actual consumption data for each charging band provided by the DNOs once per year, which sets the consumption proportion recovered from each band. However, the site counts are updated monthly. We've updated our site count forecast for each band to reflect the re-banding exercise that the DNOs are conducting ahead of the new price control starting in April 2026. So, while there is a disconnect, it is deliberate and part of how the methodology works.
10.	When will the consumption bandings for TDR be updated next? Will it be in 2027/28?	The new charging band thresholds for the RIIO-ET3 period have already been published and will come into effect from April 2026. These thresholds have been reflected in the latest forecast and will remain in place for the duration of the price control. The next review of these band groupings is expected to take place for RIIO-ET4, which is anticipated to be for April 2031/32.

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Onshore Transmission Owner Responses

After the webinar, we also received the following responses from the onshore TOs on the below questions:

Scottish Power Transmission		
1.	Allowed revenue for 2026/27 has increased since the publication of the April 2024 5 Year View (based on the January 2024 STCP24.1 submissions). Is there any additional information you can provide on the key drivers behind this increase?	The increase in totex was driven by our T3 process and our business plan which sets out the requirements we are required to deliver for the period. The T3 Business Plan was published in December 2024, which is underpinned by the NESO Clean Power report 2030, published in November 2024 [neso.energy/publications/clean-power-2030]. In comparison to our previous view where we did not have certainty of the data. This has now been assured and bottom-up in line with our T3 timelines to ensure we have confidence in the costs before publishing. Other drivers to the increased allowed revenue were updated inflation.
2.	Are the revenues for 2026/27 and beyond likely to be the maximum possible if Ofgem agree with your business plan?	This depends on the price control methodology from Ofgem and the remainder of the T3 process. We built our business plan on a balance set of assumptions which are required to ensure we can deliver our requirement investment aligned with the NESO Clean Power 2030 report. Ofgem price controls are built to be flexible to changing requirements/volumes, we have built our business plan on the best view of projects and volumes expected during the new T3 period. However, these can flex over the period.

Scottish and Southern Electricity Networks Transmission		
1.	Allowed revenue for 2026/27 has increased since the publication of the April 2024 5 Year View (based on the January 2024 STCP24.1 submissions). Is there any additional information you can provide on the key drivers behind this increase?	The 2026/27 increase takes account of an updated forecast which reflects the business's latest confidence in the timing of ASTI [Accelerated Strategic Transmission Investment] and LOTI [Large Onshore Transmission Investment] spend compared to January 2024. There have been numerous delays on works due to planning/consenting and constrained supply chain which has moved a portion of works from late T2 to early T3. An example would be the Skye project which has been waiting on government consent for over 2 years. ASTI/LOTI projects have continued to progress through project assessments with Ofgem. Further to this, an all-encompassing process was undertaken to develop the T3 business plan – the T3 plan was not in place at the time of the previous 24-1 submission. This also includes an update for financial parameters which we could adopt on the basis of Ofgem's early view via the T3 sector specific methodology. Prior to this point, a conservative approach was updated on allowed revenues, which included an inflationary assumption. The current forecast now aligns to the forecast provided as part of the business plan committed spend case. We would note that a lot can change in even 12 months given the volatility in the supply market, planning and consenting and this challenge is heightened when negotiating the uncertainty in crossing price control periods.
2.	Are the revenues for 2026/27 and beyond likely to be the maximum possible if Ofgem agree with your business plan?	The figures provided are not a maximum but relate to our committed case per the Business plan at ~£22bn (23/24 prices) – this includes all Base, ASTI and LOTI projects which are committed in the regulatory license. There is an additional c.£9bn in uncommitted spend per the business plan we have not included within our 5-year revenue forecast on the basis of uncertainty and subject to Ofgem's determination on our T3 plan. We note that the majority of the additional £9bn is forecasted to the back end of the T3 and so is unlikely to impact FY27.

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Document Revision History

Version Number	Date of Issue	Notes
1.0	23 May 2025	Initial publication of April Forecast Tariffs for 2026-27 Webinar Q&A Internal v1
2.0	30 May 2025	Additional section added to include answers from onshore Transmission Owners SSE and SPT.