



## **Revenue & Charging Forum 2025**

# In-person & Online Q&A Summary

**Contributors** Revenue Team

**Purpose** To provide a summary of the questions raised during the Revenue and Charging

Forum 2025, along with the answers given by the presenters.

**Date** 10/11/2025

#### Introduction

You can download the slide deck and view the recording from this webinar <a href="https://www.neso.energy/document/369096/download">https://www.neso.energy/document/369096/download</a>

The following questions were asked, and answers provided during the webinar Q&A session. It is worth noting that the written answers provided below may differ, be more detailed or include additional information that we were not able to provide during the live webinar or in person session.

Тор	Topic: REVENUE		
#	Questions	Answers	
1.	Given the large increases we are seeing in TNUoS allowed revenues for 26/27 will there be any grace period adopted to help supplier lodge the correct cover?	There's no grace period for Use of System securities. But the final tariffs for 26/27 will be published end January 2026, and there is a lag because the security calculation looks back at actual billed values. So users will be able to anticipate the effect of the higher tariffs several months before the security is requested.	





Topi	Topic: TNUoS TARIFFS		
#	Questions	Answers	
2.	Is there a diagram depicting the MITS, I understand that the MITS can grow/shrink over time?	I'm afraid we don't have a diagram of the Main Interconnected Transmission System (MITS), as defined using the charging definition in CUSC section 14.  The MITS does change over time, as it all depends on how many transmission circuits are connected to each node within the relevant charging year, so as more generators connect, a node may become part of the MITS (or vice versa if a transmission circuit is removed).	
3.	Slide 29: why do carbon generators pay less than low carbon ones? Isn't this contrary to decarbonisation targets?	The terminology "carbon" and "low carbon" are outdated, but are the terms still define in CUSC. In reality, the categories are intended to be a reflection of how flexible the generation is and how they use the system year-round – this is what drives the tariffs that are applicable to them.	
4.	Can you elaborate pls "Local Substation"? Is this the substation on our generation site, or is it existing Substation where you extend your network from to connect us?	A local substation is any substation that is not part of the Main Interconnected Transmission System (MITS), using the definition that is within CUSC Section 14. If it has fewer than five transmission circuits connected to the substation, or if it has demand and fewer than two transmission circuits, then it would be deemed a local substation, as you would be using a local circuit to transport your power to the MITS.	
5.	How are TNUOS calculated for new power plants with no historical data?	The only part of the TNUoS Tariff calculation that uses historical data is the Annual Load Factor (ALF). A brand-new power station will use the generic ALF for its fuel type from the point of connection. Once it has connected, but has fewer than three years of data available, then we use the generic ALF for that fuel type, alongside their own partial data, to build a specific ALF for that generator.	
6.	Slide 34: Do OFTOs pay the offshore local tariffs or is it the offshore generator?	It is the offshore generators that pay the Offshore Local Tariffs. The OFTO is the Offshore Transmission Owner who owns the system that is being used by the offshore generator, and we collect revenue, via tariffs, on the OFTO's behalf.	
7.	Can I check why it was decided to band	The bands were determined and approved by OFGEM following their TCR Decision.	



Topi	c: TNUoS TARIFFS	
#	Questions	Answers
	demand charges by 40th, 70th and 85th percentiles in the DCUSA and CUSC?	The TCR documentation can be found at:  Targeted Charging Review: Decision and Impact Assessment   Ofgem  It is worth noting that a significant amount of analysis was undertaken to determine these percentiles.
8.	How do you apply to be an embedded generator?	It depends on size of generation and what type of agreement you want.  If you're a small embedded generator you can just apply to the DNO and they deal with any potential consequential impacts on the transmission system directly with us.  If you are a large embedded generator (100MW or more in England and Wales, 30MW or more in SPT's area or 10MW or more in SHET's area), then as well as applying to the DNO for the physical connection, you also need to apply to NESO for a direct agreement – either a BEGA (Bilateral Embedded Generation Agreement) or a BELLA (Bilateral Embedded Licence exemptible Large power station Agreement).  More details on connections can be found here:  Connections   National Energy System Operator  Please note that as a result of Connections Reform, there is a pause on most new applications at the moment.  Connections Reform   National Energy System Operator
9.	How is the 100MW determined and aggregated?	The amount of capacity that is held by an embedded generator is determined in their contract (a BEGA) and then reflected in the Transmission Entry Capacity (TEC) register. We use the TEC register (adding any stages, where appliable for the relevant year) when we're assessing the amount of capacity a generator has.  This 100MW threshold has existed in the CUSC for a long time and is likely to have originally been linked to the threshold for requiring a generation licence. Over the years there have been proposals to reduce this threshold, but no changes were made.
10.	Slide 28: do DNOs get charged any tariff? They tend to re-charge	DNOs do not pay TNUoS charges, which are billed directly to suppliers and (where applicable) embedded generators.



Topi	Topic: TNUoS TARIFFS		
#	Questions	Answers	
11.	generators so would like to know what they are charged. Why do the demand triads not include consecutive days? What is the benefit of	DNOs pay Connection Charges and one-off charges for works relating to a new connection, which they may seek to pass on to embedded generators.  The Triad does not include consecutive days in order to ensure that any measure of peak consumption occurs throughout the winter instead of a single cold spell.	
12.	the 10-day gap? So, is it possible for there to be more than 1 "Local Substation"? If the MITS is quite far away?	Yes, there could be more than one local substation on your route to the MITS. It won't make a difference to your local substation tariff as you only pay the tariff for the first substation that you use, i.e. your connection substation. However, it is worth noting that your local circuit tariff will represent each local circuit that you use on the route to the MITS.	
13.	It came to my attention, that some stations less than 100MW are taken into calculations in the transport and tariffs tool, could you please elaborate that?	The 100MW threshold for paying TNUoS Tariffs is only applicable to embedded generators (those that have a Bilateral Embedded Generation Agreement). If a generator is directly connected (and has a Bilateral Connection Agreement) then they are liable for TNUoS Charges, no matter what value of Transmission Entry Capacity they hold and will be part of our model.	
14.		NESO receives a forecast from each TO for its allowed revenue for the year, however it is not split out by expenditure type.  More detail on how the onshore TOs allow revenue is calculated can be found in Ofgem's Price Control Financial Model (PCFM):  Electricity transmission price control financial model: RIIO-2    Ofgem	
15.	Appetite for Solar in Scotland is high, TNUoS charges are making projects unviable. Any future adjustments planned to allow progression of investment?	We are not aware of any current Connection and Use of System Code (CUSC) modifications that would directly address the issue that you mentioned. It's worth noting though that there will likely be significant changes made to the CUSC and the methodologies that apply to network charges as part of the ongoing Reform of Electricity Market Arrangements (REMA).	
16.	Is there much of a difference between the	Usually, we aim to lock down the locational TNUoS tariffs in our Draft Tariffs Publication, however since this is a year ahead of a price control which means there are a number of parameters	



Topi	Topic: TNUoS TARIFFS		
#	Questions	Answers	
	26/27 draft and final TNUoS tariffs?	and tariffs that must be recalculated in line with CUSC and Ofgem's Final RIIO-ET3 determinations are not due to be published until December, it means that unfortunately change can be expected to each of the tariffs when we publish the Final Tariffs in January.	
17.	£/MWh? And if so, if generators/demand use less than envisaged, how do you recoup what TOs need in overall pound value?	Transmission Demand Residual Charges are charged on a £/day basis, while most other TNUoS tariffs are based on capacity (£/kW). Only the Non-Half-Hourly Demand Tariff is based on energy (p/kWh).  The Onshore Transmission Owners (ONTOs) initially carry the cash flow risk for any shortfall or over-recovery in collected TNUoS Revenue. They then feed it into the "K" factor in their allowed revenue, which allows them to adjust their revenue in a future year.	
18.	For NHH business and domestic users, how is the 4-7pm usage measured when they might not have AMR/SMART?	Elexon provide NESO with volume data for all NHH. Initially Elexon calculate this based on pre-defined consumption profiles, but as data comes in from meter reads, the volume data is updated in later run types.	
19.	For Annual Load Factors - how to calculate if a power station is new?	A brand-new power station will use the generic ALF for its fuel type from the point of connection. Once it has connected, but has fewer than three years of data available, then we use the generic ALF for that fuel type, alongside their own partial data, to build a specific ALF for that generator. More details and example calculations can be found in our latest ALFs publication.	
20.	Could you explain the impact on current NHH customers moving to HH due to MHHS from a TNUoS locational charges perspective please?	There is only a small proportion of Non Half-Hourly customers who are moving to HH for purposes of TNUoS charging.  To move from NHH to HH they need a specific metering configuration, as slide 47 shows.  Customers affected can ask us for the impact of this change separately.  All Domestic customers, who are currently charged on the 4-7pm regime will remain on this method.	



Topi	Topic: TNUoS BILLING		
#	Questions	Answers	
21.	For TNUoS TDR, can you please explain the reconciliation process for HH sites that obtain non- final demand status	When we receive the final demand site count for actual settlement dates, we also receive reconciliation run types of site counts for older settlement dates. These reconciliation run types will carry any corrections or changes done by the DNO to their portfolio. So, if a final demand site is made Non Final Demand (NFD) by the DNO in a later run type, we would use the latest reported Final demand site count to recalculate the annual liability and charge the remaining liability to be billed in the year. So, any overcharges billed during monthly billing prior to getting the corrected number will be credited back in equal instalments over the remaining months in the charging year.	
		If the correction comes to us after the monthly billing for the charging year is done, then the reconciliation would only be done during the initial demand reconciliation (3 months after charging year) or the final demand reconciliation (18 months after charging year).	
22.	For generation and storage users. You mentioned they didn't need to pay TDR charges. Is this process automatic or what process is required for this?	This is not automatic. All sites are considered as a final demand site until and unless a non-final demand declaration is submitted. Please find the guidance on NFD declaration process in the below link.  https://www.neso.energy/document/276541/download	
23.	•	Tariffs are based on the latest expected network model, nodal generation and demand, and allowed revenue. The five-year view is our best indicator for future tariffs and charges, though a ten-year projection was also provided in 2023. However, these forecasts come with caveats due to information being less predictable as you look further out. Charges will be volatile for both generators and suppliers due to existing methodologies and upcoming reforms like REMA. Balancing predictability and the costs of transmission build-out programmes will be challenging in the coming years.	
24.	For the TDR calculations, how does a connection at 33kV get classed as EHV rather than HV?	We receive distribution-connected customer data directly from the Distribution Network Operators (DNOs). If there is an issue with the classification of a 33kV site, you will need to contact the relevant DNO to correct any inaccuracies in site allocation. Our role is to use the distribution-connected site information provided by	



Topi	Topic: TNUoS BILLING		
#	Questions	Answers	
		the DNOs, and we do not have any input on how these sites are allocated to different bands.	
25.	Do commodity trading companies pay TNUoS for power plants or retail suppliers? If they have a 100% offtake or supply contract?	Transmission Network Use of System (TNUoS) is charged to the generator or licensed electricity suppliers, not to commodity trading companies who might buy the offtake.	
26.	For new generators, as annual load factor is taken from other plants. Is there reconciliation of charges upon its own ALF calculation.	There is no reconciliation for ALF. Since new generators lack historical output data, NESO assigns a generic ALF based on the generator's technology type (e.g., gas, wind, solar)	
27.	What are the exemption documents required to be completed to avoid unnecessary charges?	Please find the guidance on NFD declaration process in the below link.  https://www.neso.energy/document/276541/download	
28.	Are lower TNUoS applicable to generators with a non-firm grid connection?	No, TNUoS charges are not lower for non-firm grid connections.  It is for a user to choose if they are prepared to connect earlier with a non-firm connection, or wait for the firm connection. But there's no impact on TNUoS charges from this decision.	
29.	What is the expectation for supplier cost recovery for fully fixed contracts where the TNUoS increase shown in the recent 5-year forecast is not priced in?	This is primarily a matter for suppliers. If they have set contracts to run over a long period at a fixed rate, it is their responsibility. From recent conversations with suppliers, there have been instances where contracts include provisions for certain variable aspects. For example, they might fix the wholesale price but include clauses for TNUoS or BSUoS charges, which are built into the contract. This means that while some aspects are fixed, others include pass-through elements.  However, this is not something NESO can control or comment on directly, it is best to speak to individual suppliers for specific details.	



Topi	ic: TNUoS BILLING	
#	Questions	Answers
30.	What are TNUoS HH and NH charges?	Please refer to the TNUoS Demand section of the slide pack.
31.	How can we forecast the rate that we're charged for TNUoS?	The slides which have been presented explain which tariffs are applicable to each type of customer. Using this information, in addition to our regular forecasts of TNUoS tariffs (which can be found on our website), you can build a forecast of what you can expect to pay.  Further information about how the charges work can be found on the charging guidance section of our charging documentation webpage and each of our forecast publications contains guidance within Appendix A.  If you have a specific question that you would like help with, please contact us at TNUoS.Queries@neso.energy.
32.	In the new MHHS world, how would we differentiate which meter would be charged using the NHH methodology, if the meter has migrated already to HH	Please see the slide in the pack that shows the breakdown.  It depends on whether the customer has a CT meter and a Domestic indicator.
33.	Given TDR is 97% of the bill, why is it called "residual"? Could be showing my ignorance here.	It is called "residual" because it is the amount left to recover after the locational charge is calculated and represents the residual amount of charges to be recovered that are not location driven.
34.	Slide 74 - formula states a division by number of months remaining, does it not take account of number of days in each month?	CUSC requires a division by months, so if nothing changes mid- year, the bill for every month is the same.
35.	Is it possible to check sites at MPAN level instead of using BM Unit IDs? Is there a list that exists somewhere?	NESO does not have any MPAN level detail. You will need to contact the relevant DNO for this information. Please refer to the slide with DNO contact information.





Тор	Topic: TNUoS BILLING	
#	Questions	Answers
	Or is this a question	
	for Elexon/DNO's.	

Topi	Topic: AAHEDC		
#	Questions	Answers	
36.	For AAHEDC, is it possible for NESO to publish the draft rate a bit sooner than 31st March?	We can review the AAHEDC timelines. The draft forecast is published to give suppliers a view of the upcoming charges for the following Tariff Year.  Publishing earlier will increase the number of uncertainties.  Suggestions from Industry for the timing of any earlier forecast would be appreciated.  From a forecasting perspective the amount collected through the tariff is increased each year by inflation. If a forecast is required, we would suggest taking a view of inflation with no assumption for over or under recovery.	

Тор	Topic: CONNECTION CHARGING		
#	Questions	Answers	
37.	Can you elaborate on which connection assets are included within connection charging? I understand new circuits >2km are not included?	Please refer to CUSC for the exact definition.  It depends on whether the assets are "potentially shareable". So generally, if they're sole use for the generator, they will be connection assets. You are correct that circuits over 2km cannot be connection assets. It's something that the TO assess and it will be identified in the connection agreement the asset classification.	
38.	How often do you update the costs of connection assets during the precommissioning period, bearing in mind typical timescales of 7-8yrs	The user will very often submit modification applications after the initial application has been signed and before the user connects. The costs will be updated as part of each of these modification applications.  Also, if the TO becomes aware at any point that the costs have significantly changed from the signed position, they should provide a notice to update the costs, and NESO would give a notice to the user.	



Торі	Topic: CONNECTION CHARGING		
#	Questions	Answers	
	from offer		
	acceptance?		
39.	How do "One-off	One-off works are defined in the CUSC as works that the TO may	
	Works" differ from	be required to carry out on the transmission system that, although	
	Connection Assets?	directly attributable to the connection, may not give rise to	
	Can you give some	additional connection assets. It gives examples as costs which	
	examples of One-	cannot be capitalised, non-standard incremental costs from a	
	Off Works please?	user request and costs associated with write-offs.	
	·	This can be things such as for intertrip / overload management	
		schemes required to allowed the generator to connect, or if the	
		user requests (for example) a cable instead of overhead line.	
		It will be set out in the connection agreement the one-off works	
		and the costs.	
40.	Do I need to provide	Yes, but you would only be securing the maintenance element of	
	post commissioning	the connection charges, so that would be a very much reduced	
	securities if I have	security requirement.	
	paid for the		
	connection assets		
	upfront/capital		
	payment?		

Тор	Topic: BSUoS TARIFFS		
#	Questions	Answers	
41.	Can you explain the £73.9[m] of energy imbalance costs given market participants pay cash out price x volume if they are long or short against contracted position?	Within the model, we forecast each component individually using a probabilistic model, with one of the key inputs being historic outturn data.	

Topic: BSUoS BILLING		
#	Questions	Answers



42.	Is the Trading unit	Yes, that's correct. There was a +1 / -1 flag used before 1 April 2023.		
	position e.g. off	Current BSUoS methodology (at time of recording) does not take		
	taking or delivering,	the trading unit into account.		
	no longer part of the			
	BSUoS charge			
	calculation? I recall			
	there used to be a			
	+1/-1 flag.			
43.	Where a site moves	For BSUoS, if a BMU is Supplier Volume Allocation (SVA), please		
	from Final to Non-	contact Elexon. If Central Volume Allocation (CVA), please contact		
	Final Demand, how	NESO. Under current methodology, any non-final demand BMU,		
	can a Supplier	should not receive BSUoS charges.		
	validate the site is	It is the customers responsibility to fill in the Non-Final Demand		
	no longer attracting	form.		
	BSUoS Costs?			
44.	Can you explain a	Elexon provides the data that BSUoS bills on. Namely the files, P0210		
	little about what is	& 1014 (S0142). We are required by the CUSC to bill according to the		
	Elexon in the BSUoS?	data contained in these files.		
45.	Is there a reason	A large part of BSUoS costs relate to the payment to Elexon, which		
	(be it process or	includes costs for constraints. Elexon also run the BSC settlement		
	financial) that	daily, so it helps to align cashflows.		
	BSUOS is invoiced			
	on a daily basis?			

Тор	Topic: GENERAL			
#	Questions	Answers		
46.	Please, could NESO publish on their website an overview of all charges due by behind-the meter and standalone (front-of themeter) battery storage?	In this session we have gone through all the transmission charges and how they are billed. We also have further guidance documents on our website.  The charges for batteries will depend on a number of factors such as size, connection type / voltage and how the batteries are being used (final demand or non-final demand).  If there are any aspects that are still not clear, please contact us with more details on the specifics of your connection.		
47.	If you increase TNUoS in some areas to send stronger locational signals as part of REMA	The TNUoS tariffs model factors in the limiting regulation when calculating TNUoS tariffs. Although tariffs may become higher in areas further from demand, the amount collected from all generators will still be within the €0-2.50/MWh range on average. If more is recovered, generators are credited back through the		



Topi	Topic: GENERAL			
#	Questions Answers			
	considerations, could you explain what impact the EUR 2.50 cap will have	adjustment tariff (and vice versa). The €2.50 cap is an average, so the same amount is recovered overall. There are many considerations with REMA, and the €2.50 cap has remained unchanged for years. It's a complex issue with no straightforward answer.		
48.	Are all the TEC register stations connected to the Transmission network? if not, is there any way to check which ones are connected?	The Transmission Entry Capacity (TEC) register shows all the currently connected generators with TEC, in addition to any planned increases/decreases for those existing generators, and brand-new generators that are planned to connect in the future. This means that you can filter via the project status to see what is currently connected and you can also look ahead to what is expected to be connected in future years. Please note that the data held in the TEC register is subject to change if contracts are changed or new ones are signed.		
49.	What is the audit process for all charges to ensure that all charges are correct? Assuming the audit charges would be quite high where would this cost then sit?	Given the values we are billing, we have lots of controls on our processes, and for some of the more significant financial controls we also have external auditors who test we have properly performed them.  All our billing is now out of a new, more robust billing system, STAR, which performs all the billing calculations and as much as possible the data inputs are automated.  But there are still risks, as the charge rules are complicated and there are some processes than can't be fully automated, so occasionally mistakes can be made. We would always advise customers to check their invoices and to contact us immediately if there is something that doesn't look right – whether that is an under or over billing.		
50.	If a DNO connected generator cannot get a non-final demand classification what options are available to challenge the DNO? Can NESO intervene?	If the generator can't resolve the issue directly with the DNO, the generator would need to raise a formal dispute under the DCUSA (potentially to the DCUSA disputes committee?). The DNO should be able to advise you on this – sorry, we are not involved in that process.		



Ton	Taxia OFNEDAL			
	ic: GENERAL			
#	Questions	Answers		
51.	Please can you share a link to the slides?	For future (in case of a change of version), they are found on the below page of the website - <a href="https://www.neso.energy/industry-information/charging/charging-documentation">https://www.neso.energy/industry-information/charging/charging-documentation</a>		
52.	TNUoS Task Force: no longer active, please could you confirm?	The TNUoS Task Force, is no longer active, the task force reached its conclusions and a number of modifications were raised.		
53.	Will you provide another ten-year estimate of charges	This is not something we were able to provide this year due to the additional work that is currently going on for REMA and the new price control. We understand that the industry would value a longer-term projection of TNUoS charges and appreciate the feedback received on this, so it is something we would consider doing in future once there is the time available to commit to it.		
54.	Do you have any early indication of how this or its applicability I.e. distribution level generation may change in the forthcoming review?	Unfortunately, we have no early indication of what to expect in the ongoing reviews.		
55.	Why is it SHE and not SSE for the transmission customer?	Scottish Hydro Electricity Transmission plc (SHET) is the formal licensed entity. They are owned by the SSE group and are part of the SSEN (Scottish & Southern Electricity Networks) business. So sometimes the terms are used interchangeably.		
56.	suggest Triads could better be managed through market products / services such as the Demand Flexibility Service?	The TNUoS Demand Residual fixed charge was a deliberate move by Ofgem to separate revenue collection from the Triad billing as TNUoS charging is not intended to send an operational signal the Triad is a measure of user's capacity usage at peak times. So yes, the management of demand at peak times is undertaken by the control rooms using other products and services that can be activated at the times and locations required.		
57.	If an asset is being built for 2 upcoming sites, then would be infrastructure asset, but if one cancels construction other site is liable for a connection asset?	That is correct, there can be a reclassification from infrastructure to connection asset, or vice versa, as other users contract for a connection or terminate their agreement.		





Topi	Topic: FEEDBACK RECEIVED			
#	Questions	Answers		
58.	For the data portal, it would be very useful to have standardised naming conventions and column headers within files. For example, the BSUoS monthly forecast.	Thanks for the feedback, and apologies for the changes you've seen in the table headers, particularly for the BSUoS Monthly Forecast. We are reviewing our processes to reduce any changes in naming conventions, and ensure that any required changes are communicated in advance. If you have any more comments please let us know through our email address at BSUoS.Queries@neso.energy		
59.	,	Thanks for the feedback, we do find that really useful and we do take that into account when trying to plan what we can do across the forthcoming year. We have got a few challenges already next year, but we understand that the industry would value a longerterm projection of TNUoS charges and so it is something we would consider doing in future once there is the time available to commit to it.		

Document Revision History			
Version Number	Date of Issue	Notes	
1.0	10/11/2025	Revenue & Charging Forum 2025 - Q&A	