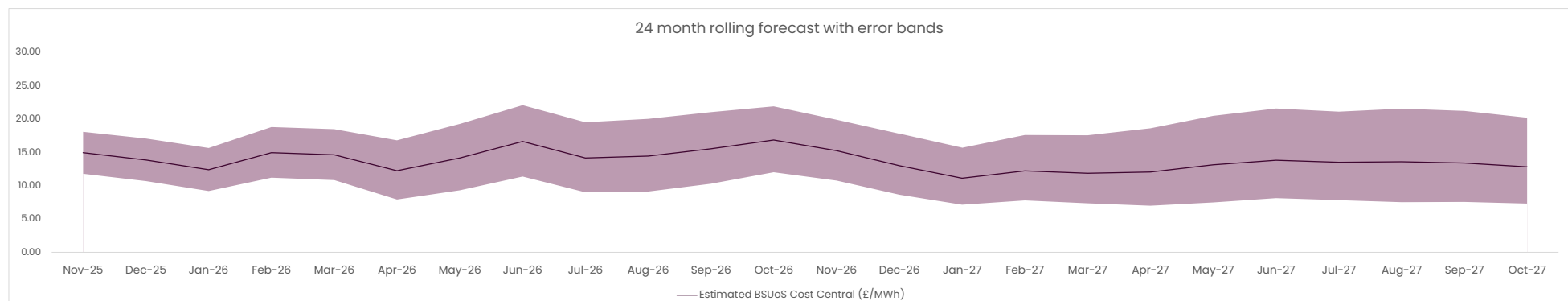


# BSUoS Forecast for Dec-25



	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	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
Balancing Costs (Central) £m	275.4	257.2	229.5	265.7	253.3	183.3	200.2	234.8	196.3	202.2	234.5	297.9	294.0	257.3	216.9	219.2	206.1	176.4	174.6	176.1	176.5	180.0	187.0	204.3
Balancing Costs (Upper) £m	352.7	339.8	315.0	356.7	345.8	278.0	299.5	334.9	298.4	308.9	342.5	409.4	405.3	379.7	336.3	345.1	340.3	312.6	315.1	317.0	318.4	330.5	339.6	365.7
Balancing Costs (Lower) £m	197.0	176.4	144.8	177.0	162.8	93.2	106.5	137.9	98.0	100.4	131.2	191.2	186.4	146.5	112.9	115.5	99.5	71.2	66.7	73.4	70.0	65.8	73.4	83.7
Estimated Internal BSUoS & NESO Incentive £m	93.9	97.0	97.0	87.7	97.0	71.2	73.6	71.2	73.6	73.6	71.2	73.6	71.2	73.6	73.6	66.5	73.6	71.1	73.4	71.1	73.4	73.4	71.1	73.4
Winter Security of Supply Cost £m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CMP398/412 Claim Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Interest Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total BSUoS (Central) £m	369.3	354.2	326.5	353.4	350.3	254.5	273.8	306.0	269.9	275.8	305.7	371.5	365.2	330.9	290.5	285.7	279.7	250.3	250.9	250.0	252.8	256.3	260.9	280.6
Total BSUoS (Upper) £m	446.6	436.8	412.0	444.4	442.8	349.2	373.1	406.1	372.0	382.5	413.7	483.0	476.5	453.3	409.9	411.6	413.9	386.5	391.4	390.9	394.7	406.8	413.5	442.0
Total BSUoS (Lower) £m	290.9	273.4	241.8	264.7	259.8	164.4	180.1	209.1	171.6	174.0	202.4	264.8	257.6	220.1	186.5	182.0	173.1	145.1	143.0	147.3	146.3	142.1	147.3	160.0
Estimated BSUoS Volume (TWh)	24.7	25.6	26.3	23.6	24.0	20.8	19.4	18.4	19.1	19.1	19.7	22.0	24.0	25.5	26.1	23.4	23.6	20.8	19.1	18.1	18.7	18.9	19.5	21.9
Estimated BSUoS Cost Central (£/MWh)	14.95	13.85	12.40	14.95	14.62	12.25	14.15	16.64	14.16	14.45	15.54	16.85	15.25	12.99	11.12	12.21	11.87	12.05	13.13	13.81	13.51	13.58	13.39	12.82
Estimated BSUoS Cost Upper (£/MWh)	18.08	17.08	15.64	18.80	18.48	16.80	19.28	22.08	19.52	20.03	21.03	21.91	19.90	17.80	15.69	17.59	17.56	18.61	20.49	21.59	21.10	21.56	21.22	20.20
Estimated BSUoS Cost Lower (£/MWh)	11.78	10.69	9.18	11.20	10.85	7.91	9.31	11.37	9.00	9.11	10.29	12.01	10.76	8.64	7.14	7.78	7.35	6.99	7.48	8.13	7.82	7.53	7.56	7.31

Please note: As a result of the approval of CMP308, BSUoS charges have been removed from Generation from 1 April 2023. Therefore the chargeable volume approximately halved and the BSUoS charge (£/MWh) approximately doubled

As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023. Fixed Tariff 1 (Apr 2023 – Sep 2023) and Fixed Tariff 2 (Oct 2023 – Mar 2024) were published at the end of January 2023.

[BSUoS Fixed Tariff 2023-24 – Final – January 2023](#)

Fixed Tariff 3 (Apr 2024 – Sep 2024) was published at the end of June 2023.

[BSUoS Fixed Tariff 2024-25 Final and Draft – July 2023](#)

Fixed Tariff 4 (Oct 2024 – Mar 2025) and Draft Tariff 5 (Apr 2025 – Sep 2025) were published 22 December 2023.

[BSUoS Fixed Tariff 2024-25 Final and Draft – December 2023](#)

Fixed Tariff 5 (Apr 2025 – Sep 2025) and Draft Tariff 6 (Oct 2025 – Mar 2026) were published 28 June 2024

[BSUoS Fixed Tariff Final and Draft – June 2024](#)

Fixed Tariff 6 (Oct 2025 – Mar 2026) was published 20 December 2024

[BSUoS Fixed Tariff Final – December 2024](#)

Initial Forecast Tariff 7 and 8 (Apr 2026 – Sep 2026 and Oct 2026 – Mar 2027) was published 27 June 2025

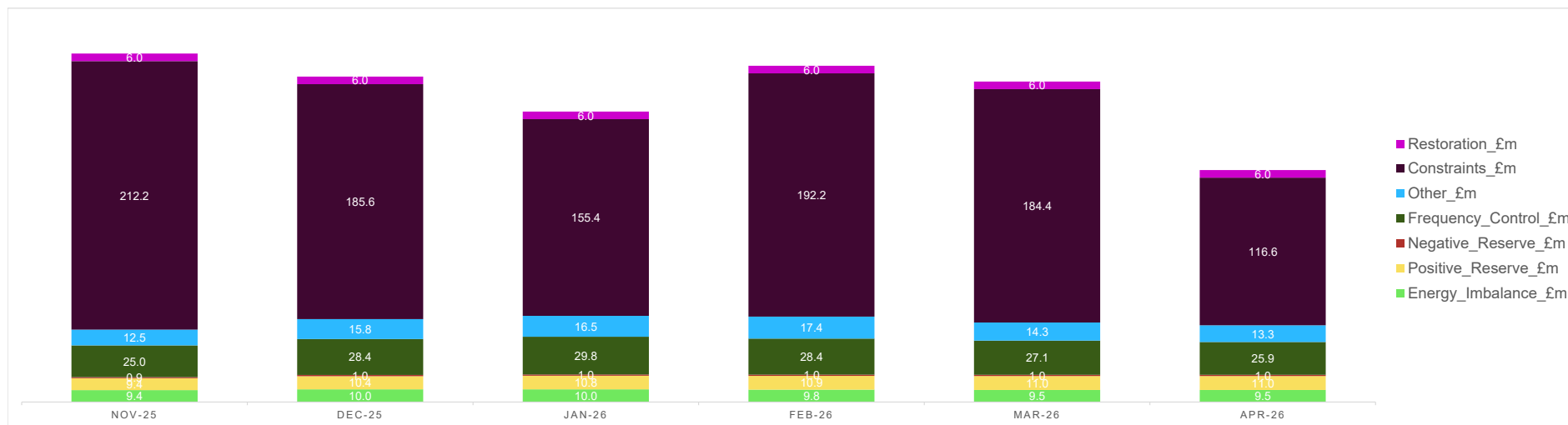
[BSUoS Initial Forecast Tariff 7 and 8 – June 2025](#)

Draft Tariff 7 and 8 (Apr 2026 – Sep 2026 and Oct 2026 – Mar 2027) was published 02 October 2025

[BSUoS Draft Tariff 7 and 8 – September 2025](#)

If you have any questions on this report, please contact us at [BSUoS.Queries@neso.energy](mailto:BSUoS.Queries@neso.energy)

## Balancing Costs Central Forecast Breakdown for next 6 months



	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Energy_Imbalance_£m	9.4	10.0	10.0	9.8	9.5	9.5
Positive_Reserve_£m	9.4	10.4	10.8	10.9	11.0	11.0
Negative_Reserve_£m	0.9	1.0	1.0	1.0	1.0	1.0
Frequency_Control_£m	25.0	28.4	29.8	28.4	27.1	25.9
Constraints_£m	212.2	185.6	155.4	192.2	184.4	116.6
Other_£m	12.5	15.8	16.5	17.4	14.3	13.3
Restoration_£m	6.0	6.0	6.0	6.0	6.0	6.0
Total_£m	275.4	257.2	229.5	265.7	253.3	183.3

## BSUoS Forecast for Dec-25

<b>Balancing Costs</b>	Forecast for December 2025 = £257 million
<b>Energy model considerations</b>	<p>The Balancing Costs model uses historical patterns of costs, which are then adjusted for changes in prices and changes in wind outturn/forecast to create a baseline which can then be projected forward and shaped based on an understanding of the shaping of costs throughout the year.</p> <p>The forecast for December is 4% (£11m) higher than the month-ahead forecast for December published on 15 October (£246m). This change reflects 5% (£8m) increase in the constraints forecast, and a £2m increase in other costs.</p> <p>The average wholesale electricity market price forecast for December is £75/MWh, a 5% increase since the forecast published previously on 15 October. This forecast was produced based on an average of the forward price curves derived between 1-5 November 2025.</p> <p>A consistent change in the wholesale electricity forward curve of <math>\pm 20\%</math> would lead to a change in the central forecast over the next 12 months of approximately <math>\pm 9-13\%</math>.</p> <p>No new planned or current outages on interconnectors or the Western link.</p>
<b>Constraint model considerations</b>	<p>The constraints forecast is one of the inputs into the model that we use for forecasting BSUoS. From the December 2023 forecast, an updated constraints model has been used to forecast constraints costs. The updates came about because of an in-depth annual review that resulted in changes to how the HVDC interconnectors with Europe are modelled, and the overnight voltage machine requirements set in the model. There are some noticeable changes to the 2-year-ahead Constraint Forecast because of this. The new constraint forecast is available on our data portal along with further information on the changes that have been made.</p>
<b>Estimated internal BSUoS</b>	<p>Internal Costs are now calculated in the National Energy System Operator Financial Model (NESO FM) as published by NESO in November of each year. The costs are the latest version of the NESO FM under the RII0-2 network price controls, based on NESO's publication on 27 November 2024. The sheet "Live Results" in the NESO FM spreadsheet shows the allowed revenue for 2025/26. For 2026/27, we have assumed a continuation of the allowed revenue for 2025/26, with a 3% uplift for inflation, as 2026/27 falls outside the latest NESO FM publication. It is important to note that we are now operating under 100% fast money, meaning we as NESO can seek to recover the full forecast spend within a financial year. Previously, £236.4m for the impact of NESO framework and an interest repayment of £52m were included in Draft Tariff 6 and were called out on separate line items. Both impact of NESO framework and interest repayment costs were included in our internal revenue figure for Fixed Tariff 6 and will continue to be going forward. Therefore, these line items are forecasted as zero within this forecast.</p> <p><a href="#">NESO Regulatory Finance</a>  <a href="#">NESO PCFM 2024 - November 2024</a></p>
<b>Winter Security of Supply Contracts</b>	<p>In anticipation of a possible requirement to put additional enhanced actions in place for Winter 2024/25 we included £25m for Winter Security Supply across Fixed Tariff 4 (Oct 24 -Mar 25). We are not anticipating any additional costs for Winter Security of Supply in Winter 2025/26. Therefore, we are not forecasting any costs to be included in Fixed Tariff 6, 7 and 8.</p>

<b>CMP398/412 Claims</b>	<p>CMP398/412 follows the Grid Code Modification 0156, and provides a cost recovery mechanism for CUSC parties who do not currently hold contracts with the ESO to provide restoration services. Validated claims will be passed through the BSUoS tariff.</p> <p>Claims can only be submitted during September 2024, September 2025, and December 2025, with successful claims being paid out in 12 equal monthly instalments from the following April. In September 2024, no successful claims were submitted, therefore we are returning the £4.3m included in Fixed Tariff 5 in Fixed Tariff 6. Therefore, we have no forecast costs for April 2025 to March 2026. No formal claims were submitted in September 2025, therefore we have revised our view of April 2026 to March 2027 to £0m.</p> <p>Forecast costs are currently based on a survey conducted by BEIS (now DESNZ)</p>
<b>CMP408/415</b>	<p>CMP408 and WACMI of CMP415 has been approved by OFGEM to begin on 1 April 2025. Fixed Tariff 4 and 5 will continue to run their course, and Fixed Tariff 6 (Oct 25 – Mar 26) was published in December 2024. The first tariffs to be published under the new methodology will be Fixed Tariff 7 (Apr 26 – Sep 26) and Fixed Tariff 8 (Oct 26 – Mar 27). The Initial Forecast of these tariffs was published on 27 June 2025, followed by the Draft Tariffs on 02 October 2025. The Final Tariffs will be published in December 2025.</p>
<b>Interest Repayment</b>	<p>Interest repayment reflects monies due following the over-recovery of BSUoS revenue from Fixed Tariff 1 (Apr 23 – Sep 23) and Fixed Tariff 2 (Oct 23 – Mar 24). The repayment of interest may be included as legacy term within the National Energy System Operator (NESO) license, and is dependent on the timing of the publication. As the newly established NESO, for Apr 25 to Mar 26, the interest repayment is now included in the internal NESO costs. Therefore, forecast costs for this line item are zero.</p>
<b>Estimated BSUoS Volume</b>	<p>From April 2023, the code modification CMP308 came into effect which moved the charging of BSUoS from generation and demand to “Final Demand” only. Final Demand is currently defined as electricity consumed other than for the purposes of generation or export onto the electricity network. The BSUoS chargeable volume has been estimated using a simple linear regression using the NESO national demand forecast as the explanatory variable. The relationship is estimated using only BSUoS chargeable volume and national demand from after April 2023.</p>
<b>BSUoS Reform</b>	<p>As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023. Fixed Tariff 1 for Apr 23 – Sep 23 and Fixed Tariff 2 for Oct 23 – Mar 24 were published by the end of January 2023. Fixed Tariff 3 for Apr 24 – Sep 24 was published at the end of June 2023.</p> <p>Fixed Tariff 4 for Oct- 24 to Mar- 25 was published on 22 December 2023.</p> <p>Fixed Tariff 5 for Apr 25 – Sep 25 and Draft Tariff 6 for Oct 25 – Mar 26 were published on 28 June 2024.</p> <p>Fixed Tariff 6 for Oct 25 – Mar 26 was published on 20 December 2024</p> <p>Initial Forecast Tariff 7 and 8 (Apr 26 – Sep 26 and Oct 26 – Mar 27) were published on 27 June 2025.</p> <p>Draft Tariff 7 and 8 (Apr 2026 – Sep 2026 and Oct 2026 – Mar 2027) was published 02 October 2025</p> <p>This report shows the forecast costs for the next 24 months, not the recovery against the fixed tariff.</p> <p><a href="#">BSUoS Fixed Tariff 2023-24 – Final – January 2023</a></p> <p><a href="#">BSUoS Fixed Tariff 2024-25 Final and Draft – July 2023</a></p> <p><a href="#">BSUoS Fixed Tariff 2024-25 Final and Draft – December 2023</a></p> <p><a href="#">BSUoS Fixed Tariff Final and Draft – June 2024</a></p> <p><a href="#">BSUoS Fixed Tariff Final – December 2024</a></p> <p><a href="#">BSUoS Initial Forecast Tariff 7 and 8 – June 2025</a></p> <p><a href="#">BSUoS Draft Tariff 7 and 8 – September 2025</a></p>