

Public

Draft TNUoS Tariffs for 2026/27 Webinar

Q&A Summary – 08/01/2026

Contributors Nick Everitt, Sarah Chleboun, Alan Fradley, Priya Chigullapalli, Tobi Odusanya, Dan Hickman, Nicky White, Katie Clark & Edward Adofo

Purpose To summarise the questions asked as part of the Draft TNUoS Tariffs for 2026/27 Webinar and the answers provided by the presenters.

Date 08/01/2026

Introduction

A webinar was held on 08 January 2026 to outline the Draft 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. 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.

Topic: REVENUE		
#	Questions	Answers
1.	When will we get an updated 5-year MAR?	We included an updated view of Maximum Allowed Revenue (MAR) on slide 11 of the slide pack, based on the RIIO-ET3 PCFM as published on 16 December. We hope to include an updated five-year revenue table as part of our Final Tariff webinar, based on the latest STC submissions from the Transmission Owners and Interconnectors, ahead of our next Five-Year view report.

Public

Topic: REVENUE		
#	Questions	Answers
2.	Have Ofgem published the Final determination changes they made on the 16th of December?	The PCFM used for the Maximum Allowed Revenue (MAR) input was published as part of the RIIO-3 Statutory Consultation on Proposed License Modifications on the 16 December. Further detail on the updates made may be found here: ofgem.gov.uk/consultation/modifications-riio-3-licences-and-associated-documents
3.	Total TO income from TNUoS increases from £6.4b (26) to £12b (30). The increase rate is startling. How are these values determined? G vs D revenue % is consistent	The allowed revenue is ultimately determined by Ofgem under the RIIO framework. Discussions will have been ongoing between the onshore TOs and Ofgem ahead of the final determinations, based on their submitted business plans.

Topic: GENERATION		
#	Questions	Answers
4.	Could you please elaborate on the process for arriving at the "Modelled" TEC?	The Modelled Transmission Entry Capacity (TEC) is our expectation of Contracted TEC that we use within the forecasts that we published before the 31 October. For this year, it was used within the April and August publications to represent what we expected the contracted TEC to be by 31 October 2025. We establish the Modelled TEC by taking the Contracted data within the TEC register (published on the NESO website) and we discuss with each of the contract managers which projects are currently expected to connect within the relevant year and whether they are aware of any customers that are likely to delay or terminate their contract and any modification applications that are underway. This was not used in the Transport Model for the Draft tariffs, because we're now past 31 October, and under CUSC we have to use the Contracted TEC, as per the customer contracts at that

Public

Topic: GENERATION		
#	Questions	Answers
		<p>time to set locational tariffs. However, we do still use it within the chargeable TEC, after removing the interconnector capacity, to form our generation charging base.</p>

Topic: DEMAND/CHARGING BANDS		
#	Questions	Answers
5.	Where can I find the definition of a "site" in the context of TNUoS TDR please?	<p>For distribution level connections a Final Demand Site means: (a) Domestic Premises; or (b) a Single Site (as defined in DCUSA Schedule 32) at which there is Final Demand, as determined in accordance with Paragraphs 1.10 and 5 of Schedule 32.</p> <p>https://document.dcusa.co.uk/dcusa-document/144/599436?view=navigation</p>
6.	From a customer perspective, how does NESO see future regional strategic grid planning feeding into residual demand charges under TCR? In particular, do you expect regional planning outputs to influence banding methodologies or the way non-commodity charges are set over time?	<p>That stretches beyond the remit of the tariff setting team. If you would like to contact us at TNUoS.queries@neso.energy we will put you in touch with the relevant team within NESO that can discuss this.</p>
7.	What is now the typical % increase in TNUoS bills for demand for 2026/27 vs 2025/26?	<p>98% of demand revenue is collected through the residual charge and the current forecast is that the charges for 2026/27 will be on average 65% higher for the residual charge than 2025/26.</p>

Public

Topic: DEMAND/CHARGING BANDS

#	Questions	Answers
8.	It was mentioned that the banding kVA thresholds for demand residual charges are fixed for the duration. Does that mean the 26-27 period or all the way up until 2030?	The thresholds have been set for 2026/27. And yes, they endure for the entire of the RIIO-ET3 price control period. So, they wouldn't be reset until 2031.
9.	Has the impact of DCP466 changing the residual band change requirements been considered in revenue recovery?	No, it hasn't been. We believe that's still going through the workgroup process and so we wouldn't incorporate that into our forecast unless it had been approved by Ofgem.
10.	For Demand Residual Charges, the proportion of demand per band is fixed. Therefore, are site count and revenue demand the only factors to affect final tariffs?	We don't expect to change the forecast of site counts because it is based upon the latest site counts that we are currently billing, and the trends that we've seen in that data. The only factor that would impact the residual tariffs are changes to the revenue to be collected via the residual charges, either due to changes in the total allowed revenue to be collected or as a consequence of variance in the revenue to be collected through the locational elements of TNUoS.
11.	Will the regional strategic grid plans influence banding methodologies or the way non commodity charges are set over time?	Please see the answer to question 6.

Public

Topic: GENERAL		
#	Questions	Answers
12.	Have you got a table that compares 2026/27 to 2025/26?	<p>Typically, when we do the draft tariffs what we're comparing to is the prior tariffs, which in this case was the five-year view. Most of what you'll see in this presentation as such is referencing the change from the five-year view numbers to the updated draft numbers that we've published in this report.</p> <p>Thank you for the feedback though, we will have a look into how we could add some retrospective views to the prior year's tariffs for our future presentations.</p>
13.	When can we expect a reissue of the 5-year forecasts without Active X controls	Thank you for your patience with this. We will be sending out communications in the week commencing 19 January, asking anyone who wishes to receive the updated Transport and Tariff model to please get in touch. Going forward, all external models issued will be created without ActiveX.
14.	Will you be sending out the transport model used for November drafts soon?	The External models were released on 16 January.
15.	Is there an expected timeline for the 10-year projection report?	We are currently looking at what is possible, mainly driven by when the necessary data would become available. By the end of this month, when we publish the TNUoS Tariffs Publication Timetable, we will have a plan for the publications for year ahead which will include what is possible regards a longer term TNUoS Tariffs projection.
16.	What is the value of doing a 10-year forecast when we	We appreciate that there are significant uncertainties regarding longer term projections and understand your concern regarding it stretching into future price controls, since the further out you go,

Public

Topic: GENERAL		
#	Questions	Answers
	don't know the details surrounding the potential for RIIO 4?	the greater those uncertainties are. However, we have received feedback from various parts of the industry that they see real value in a longer projection of TNUoS Tariffs. The purpose of a longer-term projection would be to illustrate the future trend of TNUoS tariffs, if the methodology were to remain unchanged, and to help inform ongoing changes and reform to network charging.
17.	Do you know the impact of the final determinations from 16th December instead of 4th Dec? Will all charges be going up?	We haven't finalised the calculations yet, but our current expectation is that the affected parameters and tariffs that are updated ahead of the price control would see a small reduction. However, this means that there would also be a small consequential increase to the expected TDR charges.
18.	Are the slides available, please?	Yes, a PDF of the webinar slides has been published at the below link. https://www.neso.energy/document/375476/download