

BSUoS Final 2026/27 Tariffs

Fixed Tariff 7 (Apr 26 – Sep 26)

Fixed Tariff 8 (Oct 26 – Mar 27)

15 January 2026

[Click here to view the webinar recording](#)

Agenda

1. Recap
2. Timetable
3. Final Tariffs 7 and 8
4. Latest View
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 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 Published 31/10/2022 | Download |
| CMP406/407 – Raised but rejected | Web link |
| Draft Tariff 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 Published 31/01/2023 | Download |

| Document or Webpage | Links |
|--|--------------------------|
| Final BSUoS Fixed Tariff Published 31/01/2023 | Download |
| Final Tariff Webinar Held 07/02/2023 | Download |
| BSUoS Fixed Tariff 3 Published 30/06/2023 | Download |
| BSUoS Fixed Tariff 4 Published 22/12/2023 | Download |
| BSUoS Fixed 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 | Download |
| BSUoS Fixed Tariff 6 Published 20/12/2024 | Download |
| BSUoS Initial Forecast Tariff 7 and Tariff 8 Published 27/06/2025 | Download |
| BSUoS Draft Tariffs 7 and 8 Published 2/10/2025 | Download |
| BSUoS Final Tariffs 7 and 8 Published 29/12/2025 | Download |

CMP408 and CMP415 (WACM 1)

- CMP408 and WACM 1 of CMP415 have come into effect as of 1 April 2025
- This is NESO's first final seasonal tariffs (BSUoS Fixed Tariffs 7 and 8) published under the new arrangements, 3 months before Fixed Tariff 6 ends, covering a 12-month period. Subsequent tariffs will then be published every December.
- Implementation will be complemented by clear tariff reset mechanisms adopted by NESO, and incorporated into CUSC

BSUoS Fixed Tariff Timetable

- Upcoming Publication Dates: Tariffs for 2027/28

- September 2026

- Draft Tariffs 9 and 10

- December 2026

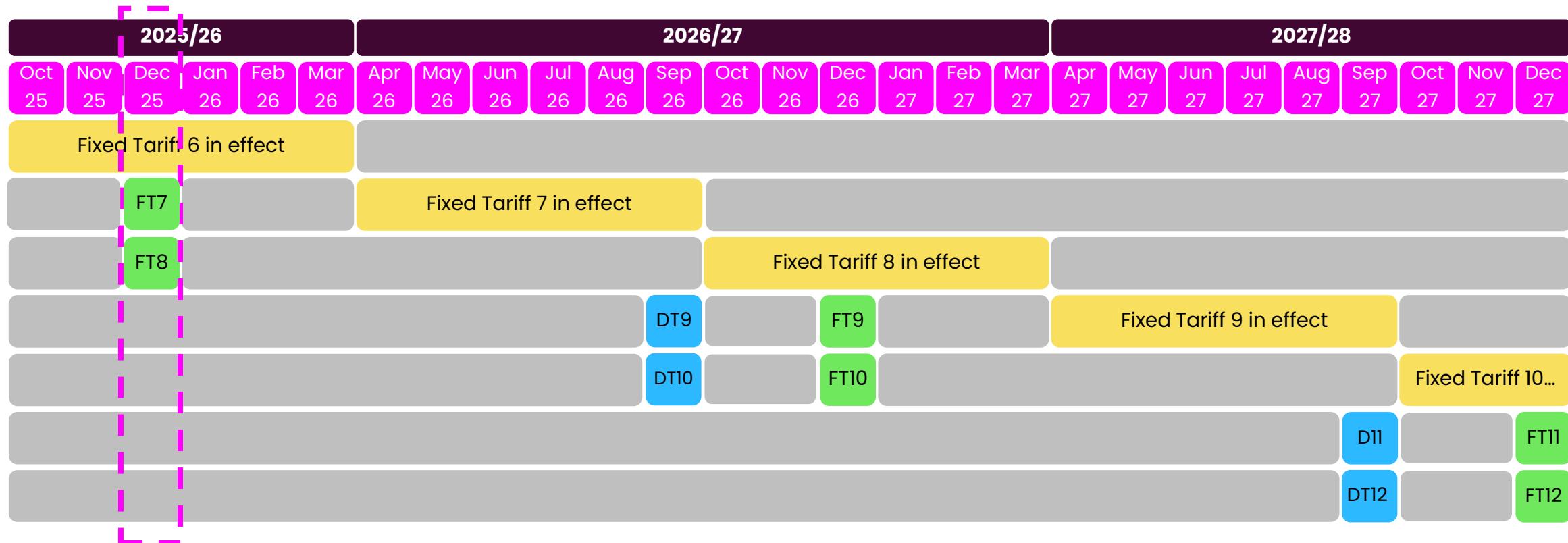
- Final Tariffs 9 (Apr 27 – Sep 27) and Tariff 10 (Oct 27 – Mar 28)

Publish Final Tariff (FT)

Effective Tariff Period

Initial Forecast

Draft Tariff



Final Tariffs 7 and 8

Final Tariffs 7 and 8

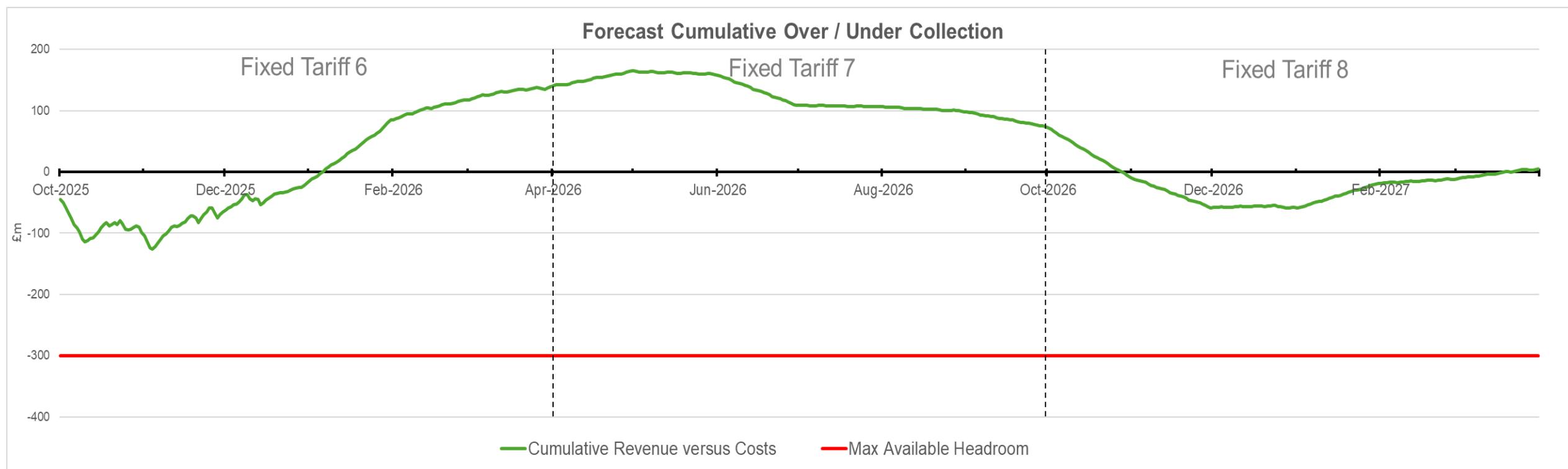
Final Tariff 7

| Financial Year 2026/27 – Fixed Tariff 7 – Final Tariffs | | |
|---|---|---------------|
| | Description | Final Tariffs |
| Fixed Tariff 7 Apr 26 - Sep 26 | Balancing Cost Forecast £m | 1,285.2 |
| | Internal Costs £m | 400.0 |
| | Forecast over-recovery to the end of FT6, split between FT7 and FT8 £m | (69.8) |
| | CMP398 Costs £m | - |
| | RF Income Adjustment £m | (11.6) |
| | SO-TO Costs £m | 2.0 |
| | Prior Year Costs £m | 3.5 |
| | Total Costs £m | 1,609.3 |
| | BSUoS Volume Forecast TWh | 117.1 |
| | BSUoS Tariff £/MWh | 13.74 |

Final Tariff 8

| Financial Year 2026/27 – Fixed Tariff 8 – Final Tariffs | | |
|---|---|---------------|
| | Description | Final Tariffs |
| Fixed Tariff 8 Oct 26 - Mar 27 | Balancing Cost Forecast £m | 1,489.8 |
| | Internal Costs £m | 397.8 |
| | Forecast over-recovery to the end of FT6, split between FT7 and FT8 £m | (69.5) |
| | CMP398 Costs £m | - |
| | RF Income Adjustment £m | (11.6) |
| | SO-TO Costs £m | 2.0 |
| | Prior Year Costs £m | 3.5 |
| | Total Costs £m | 1,812.0 |
| | BSUoS Volume Forecast TWh | 145.0 |
| | BSUoS Tariff £/MWh | 12.49 |

Forecast Over Recovery Position



*All values as of 15 December 2025

Over-Recovery Adjustment

We are continuing our Initial and Draft Forecast approach for treatment of over/under-recovery, to return to a cash neutral position by the end of Fixed Tariff 8

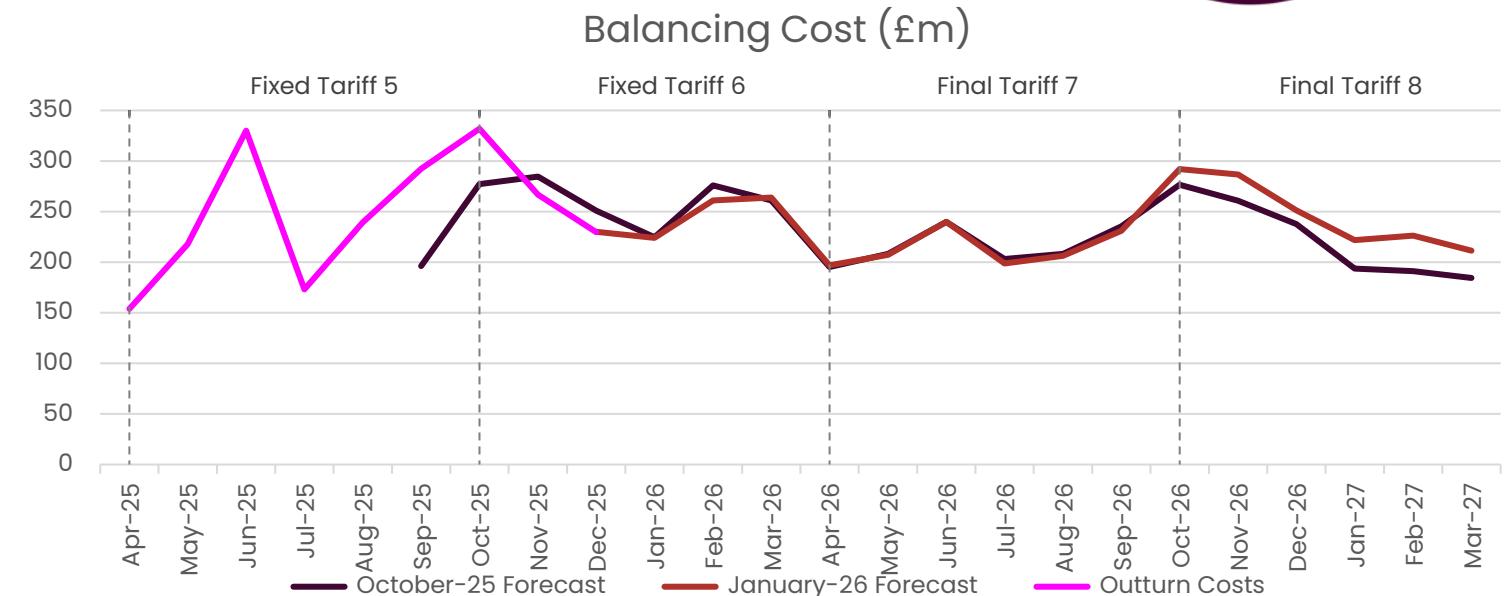
Tariffs 7 and 8 includes forecast over-recovery to the end of Fixed Tariff 6

| Fixed Tariff | Tariff Period Starting Cash Position (£m) | (Over)/Under Recovery Adjustment in Tariff (£m) | Tariff Period Over/(Under) Recovery (£m) | Tariff Period End Cash Position (£m) |
|--|---|---|--|--------------------------------------|
| Fixed Tariff 5* (Apr 25 – Sep 25) | 310.5 | (215.0) | (136.6) | (41.1) |
| Fixed Tariff 6* (Oct 25 – Mar 26) | (41.1) | 164.3 | 16.1 | 139.3 |
| Fixed Tariff 7* (Apr 26 – Sep 26) | 139.3 | (69.8) | 4.8 | 74.3 |
| Fixed Tariff 8* (Oct 26 – Mar 27) | 74.3 | (69.5) | 0.1 | 4.9 |

*Forecast as of 15 December 2025

Balancing Cost Forecast

Balancing Costs based on January 2026 Monthly Forecast



- **Balancing Cost forecasts for Final Tariffs 7 and 8 are £1,285.2m and £1,489.8m respectively**
- **Since September 2025, the Balancing Cost forecasts have changed:**
 - Final Tariff 7: ↓0.5% from Draft Forecast (£1,292.0m)
 - Final Tariff 8: ↑10.5% from Draft Forecast (£1,347.9m)
- **Year-on-year comparison (vs Last Year's Tariffs)**
 - Final Tariff 7 vs Tariff 5: ↑4.9% (£1,225.5m → £1,285.2m)
 - Final Tariff 8 vs Tariff 6: ↓2.5% (£1,528.0m → £1,489.8m)
- Forecast are based on an average of forward price curve derived between 1-5 December 2025.

Internal NESO Costs

Internal costs for Final Tariffs 7 & 8 are derived from the NESO FM using the 2025 Financial Model

Internal Costs are calculated in the NESO Financial Model : [Regulatory finance | National Energy System Operator](#)

Table below shows 2026/27 Internal Costs, and movement from 2025/26.

| | Internal Costs (£m) |
|-----------------------------------|---------------------|
| December 2024 PCFM – 2025/26 | 841 |
| NESO Spend | 55 |
| National Grid Separation | -14 |
| Interest | -19 |
| Prior year true up | -69 |
| Other | 4 |
| Forecast Total for 2026/27 | 798 |

Forecast Internal costs for 2026/27 total £797.7m, down £43.8m compared with 2025/26 and £65.1m below Draft Tariffs figure

Further information on the effects of the financial framework can be found here: [National Energy System Operator Financial Handbook decision | Ofgem](#)

Other Costs

There is a total £12.1m reduction in other costs for Fixed Tariffs 7 and 8.

RF Income Adjustment

- £23.2m negative adjustment for RF income from 2023/24 and 2024/25.

SO-TO Costs

- £4.0m forecast for additional SO-TO outage costs.

Prior Year Costs

- £7.1m relating to prior-year ancillary services and trading costs.

Other Costs

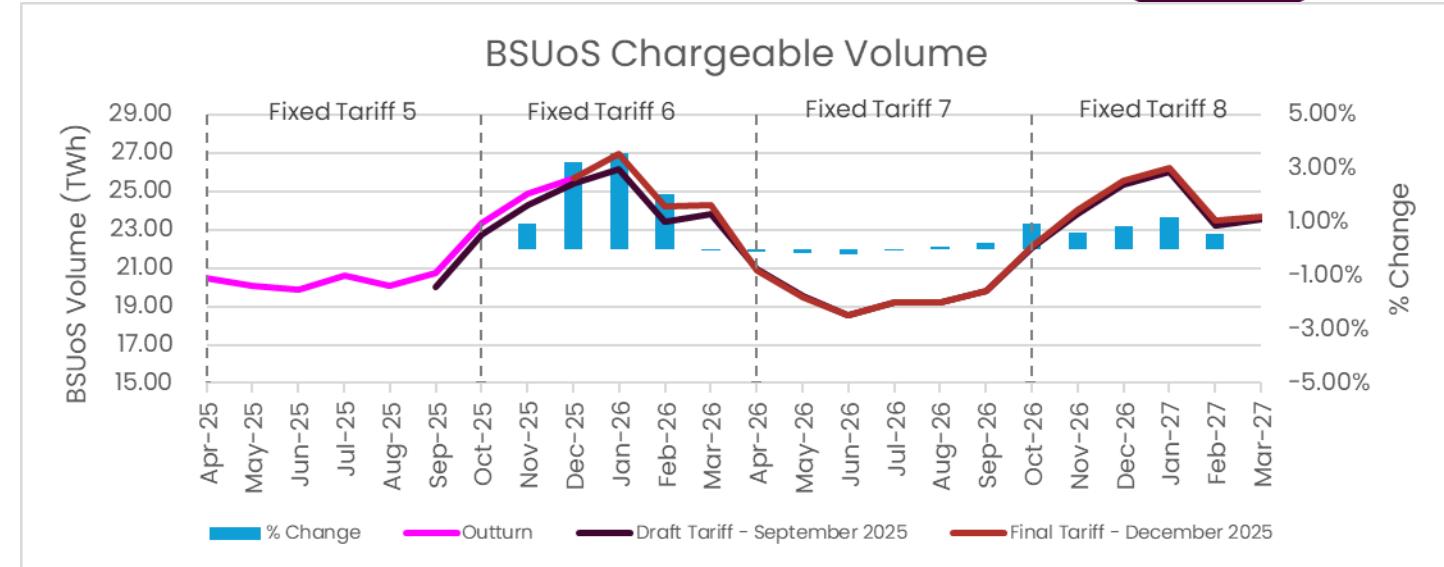
No Payments
Required for
CMP398/CMP412
Costs for Fixed Tariffs
7 and 8

CMP398/CMP412

- This modification was required to implement Grid Code Mod 0156 by providing a cost recovery mechanism for CUSC parties who do not hold contracts with NESO to provide Restoration Services.
- No claims were submitted in the September 2024 or September 2025 windows, so no payments are due for 2025/26 and the 2026/27 charge is currently forecast at £0m.
- A forecast of £48m is expected to be charged between April 2027 and March 2028.
- As resilience reporting is new and costs remain uncertain, total expenses could still reach the original £85m estimate.

Chargeable Volume

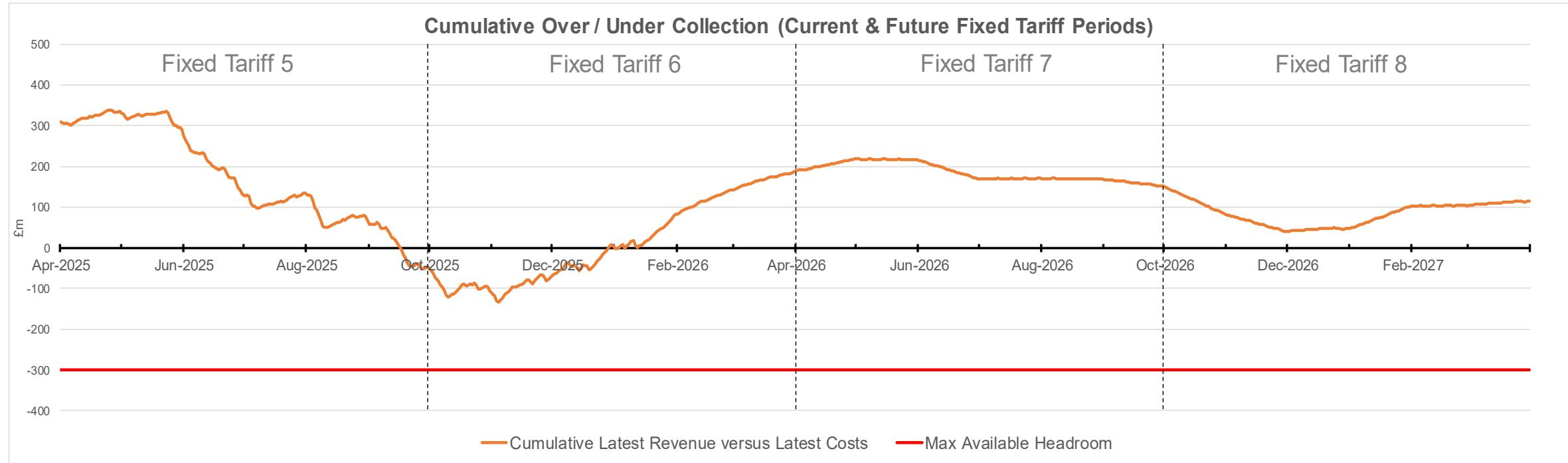
Chargeable volumes are forecast using a linear regression of National Demand and historic BSUoS volumes.



- Volume forecasts revised since September 2025
 - Final Tariff 7: ↓0.1% from Draft Forecast (119.80 TWh → 117.10 TWh)
 - Final Tariff 8: ↑0.7% from Draft Forecast (143.30 TWh → 145.04 TWh)
- Year-on-year comparison (vs last year's tariffs)
 - Final Tariff 7 vs Tariff 5: -2.3% (119.80 TWh → 117.10 TWh)
 - Final Tariff 8 vs Tariff 6: +1.2% (143.30 TWh → 145.04 TWh)

Latest View

Latest View: Revenue vs Cost Report



| Fixed Tariff | Final Tariffs Setting Position (15/12/2025) | Cash Position - Latest View (15/01/2026) | Change so far |
|----------------|---|--|---------------|
| Fixed Tariff 5 | -£41m | -£47m | -£6m |
| Fixed Tariff 6 | £139m | £188m | £49m |
| Fixed Tariff 7 | £74m | £152m | £78m |
| Fixed Tariff 8 | £5m | £114m | £109m |

Reporting

| Report | Description | Link to Webpage | Webpage Location |
|------------------------------------|--|--|----------------------------------|
| BSUoS Monthly Forecast Report | Monthly forecast for month-ahead and a rolling 24 month period | | 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 | Balancing Services Use of System (BSUoS) charges NESO | Current BSUoS Data |
| Daily Web Prices | II and SF cost data at half-hourly granularity | | 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 Balancing Services Summary | Provides the costs and volumes of BSUoS by month and service | System balancing reports National Energy System Operator | |

Next Steps

w/c 19
December

Webinar Slides, Recording and Q&A Published

September
2026

Publish Draft Tariffs 9 and 10
(Apr 27 – Sep 27 and Oct 27 – Mar 28)

Q&A

A Q&A session was held during the webinar where these slides were presented. The Q&A document can be found [HERE](#)

If you have any further questions, please contact us at BSUoS.queries@neso.energy



Thank you!

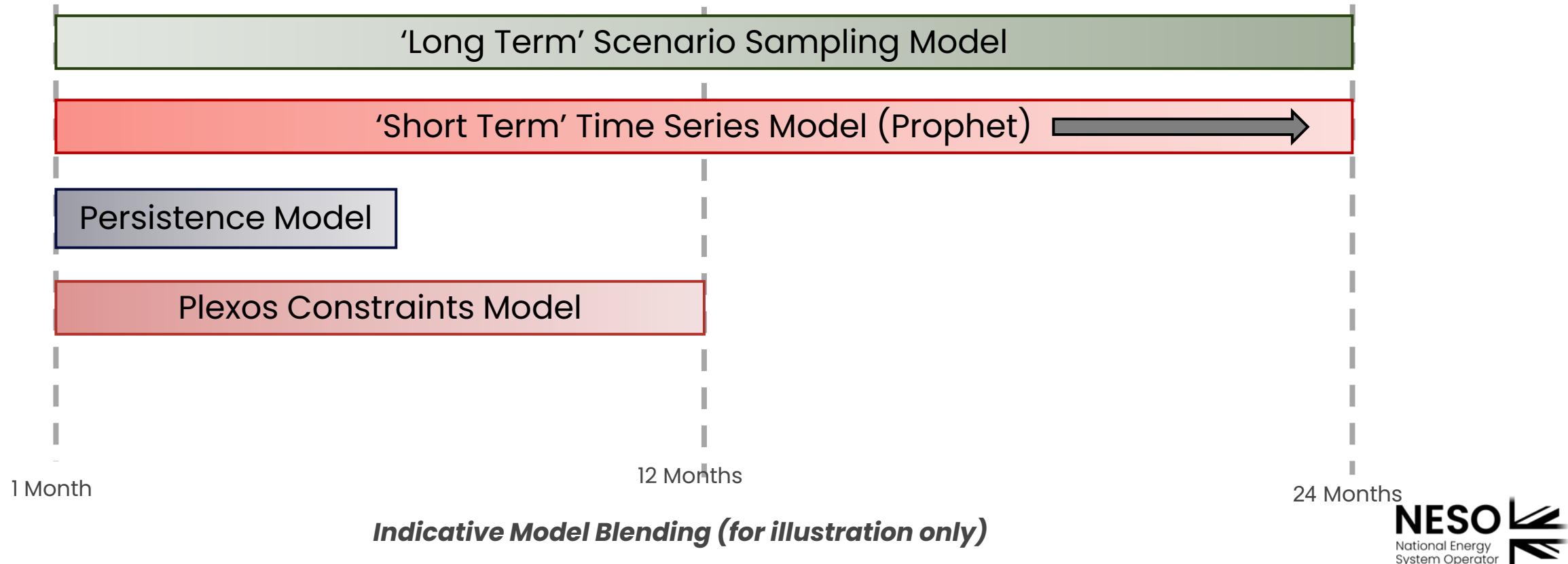
Please send any feedback you have via email

BSUoS.queries@neso.energy

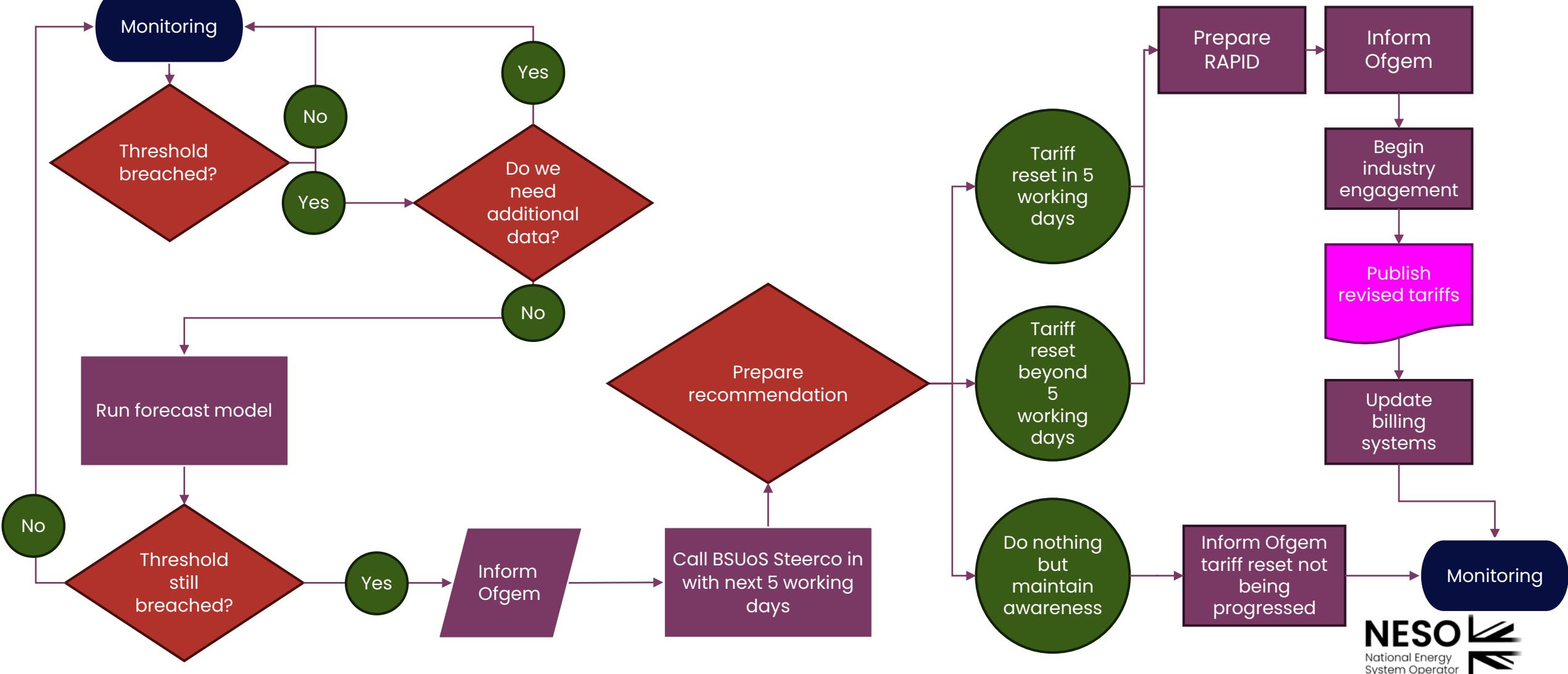
Appendix

Forecast Blends

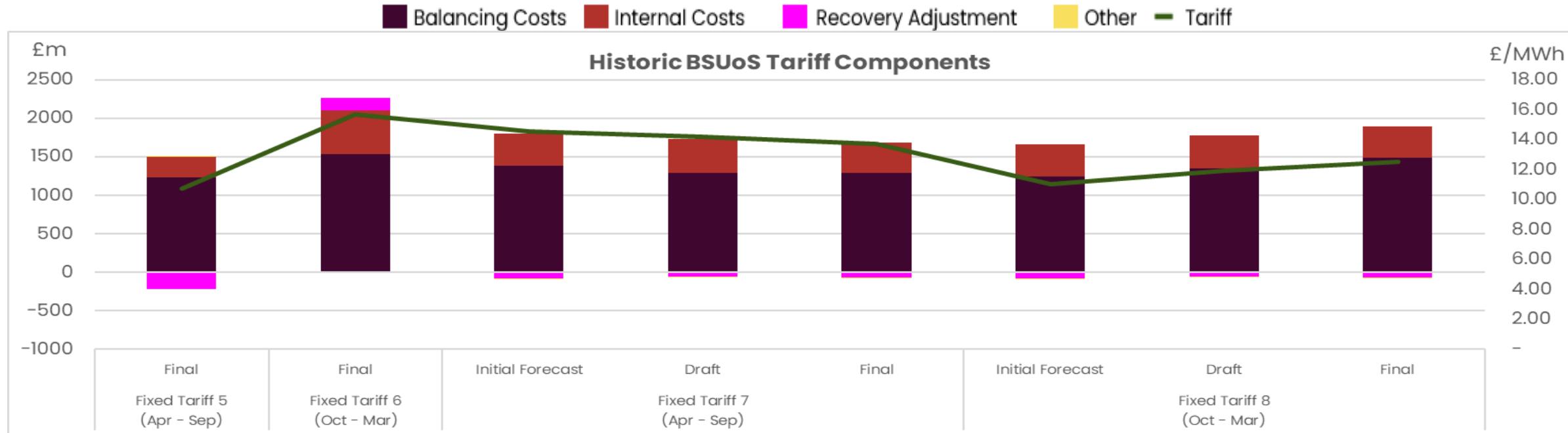
To take advantage of model diversity benefits from different data sources and approaches, we blend different models, with the weights changing depending on the lead time.



Tariff Reset Process



Previously Published BSUoS Tariffs



| All values £m unless stated | 2025/26 | | 2026/27 | | | | | |
|----------------------------------|-------------------------|-------------------------|-------------------------|---------|---------|-------------------------|---------|---------|
| | Tariff 5 (Apr - Sep) | Tariff 6 (Oct - Mar) | Tariff 7 (Apr - Sep) | | | Tariff 8 (Oct - Mar) | | |
| | Final | Final | Initial Forecast | Draft | Final | Initial Forecast | Draft | Final |
| Balancing Costs (Central) | 1,225.5 | 1,528.0 | 1,379.1 | 1,292.0 | 1,285.2 | 1,238.5 | 1,347.9 | 1,489.8 |
| Internal Costs | 271.9 | 569.7 | 421.9 | 434.6 | 400.0 | 419.6 | 432.2 | 397.8 |
| Recovery Adjustment | - | 215.0 | 164.3 | - | 78.8 | - | 58.5 | - |
| Other | 4.3 | - | 13.8 | - | 0.4 | - | 3.1 | - |
| Total | 1,286.6 | 2,248.2 | 1,721.8 | 1,664.7 | 1,609.3 | 1,579.4 | 1,718.4 | 1,812.0 |
| Volume (TWh) | 119.8 | 143.3 | 118.3 | 117.2 | 117.1 | 143.2 | 144.0 | 145.0 |
| Tariff £/MWh | 10.74 | 15.69 | 14.55 | 14.21 | 13.74 | 11.03 | 11.93 | 12.49 |