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Initial Forecast of TNUoS Tariffs for 2027/28 Webinar

Q&A Summary – 20/05/2026

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Purpose	To summarise the questions asked as part of the Initial Forecast of TNUoS Tariffs for 2027/28 Webinar and the answers provided by the presenters.
Date	20/05/2026

Introduction

A webinar was held on 20 May 2026 to outline the Initial forecast TNUoS tariffs for 2027/28.

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.	Was it mentioned that the revenue forecast is based on a Jan 2026 TO submission? When is the next revenue forecast due?	Yes, the current TO revenue forecast is based on the January 2026 forecast submission. Under STC procedure 24-1, the next forecast submission will be received in October 2026 and will inform our Draft Tariffs. However, we intend to engage with them further in the lead up to the September publication.
2.	Please send a note with the explanations mentioned on slide 11 with regards to what the TO submissions were	<p>NGET allowed revenue is forecast in line with the allowed revenue as published in the RIIO-ET3 Final Determinations, with updates to inflation.</p> <p>SPT allowed revenue forecast reflects the RIIO-ET3 final determination, with post final determinations adjustments agreed with Ofgem. Generally, allowances determined by Ofgem are</p>

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	based on. NGET's was based on FD. other 2 please?	<p>shown; and SPT also include forecasts for anticipated future Ofgem determinations in respect of the Iteration adjustment reflecting the latest view of totex, changes to allowed totex, inflation and Weighted Average Cost of Capital (WACC).</p> <p>SHET allowed revenue forecasts include an increase in base allowed totex compared to the final year of RIIO-T2. These uplift drives higher fast money, depreciation and return, resulting from an increase in the Company's regulated asset value (RAV). The forecast for 2027/28 also reflects the current best estimate of delivery, based on the business's best view of circumstances both within and outside their control.</p> <p>2031/32 falls outside the current RIIO-ET3 price control, therefore for that year, forecasts for all three onshore TOs are based on previous year revenues, adjusted for inflation.</p>
3.	Are you aware of any re-openers from TOs please?	Since the webinar took place NGET have published a number of reopeners that can be found at the following link: RIIO-T3 Re-openers RIIO-T3 . These have not been considered as part of our Initial Tariffs Publication.

Topic: GENERATION		
#	Questions	Answers
4.	Is there a plan for which version of the TEC register will be used to set final tariffs if the October cut-off date is not updated for connection reform?	There are currently no plans to vary which version of the TEC register is used in the 2027/28 tariff setting. However, there are discussions ongoing internally regarding the information that we need within the TEC Register, and of course our 31st October deadline has been made clear in those conversations.
5.	Is the intention to change Generation TNUoS charges zonally, linked to the SSEP and will this be driven by technology?	The general view is that future charging methodology should align with the Strategic Spatial Energy Plan (SSEP), but there are multiple options under consideration. It is too early to confirm what the change will be.

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Topic: LOCAL TARIFFS		
#	Questions	Answers
6.	Is Substation "rating" the sum of its transformer ratings?	The substation "rating" is based on the aggregate Transmission Entry Capacity (in MW) held by Generators at the substation.
7.	I missed the explanation as to what makes a local substation redundant or non-redundant? Please explain again?	Redundancy simply means whether there is a redundant route to get power out when, for example, a substation is on maintenance. Typically, a double busbar substation will be in the redundancy category. Likewise, a single switch mesh would have no redundancy.
8.	Could you explain difference between a MITS substation (node) and a non-MITS substation (node) please?	Please see CUSC paragraph 14.15.33 for the charging specific definition: Main Interconnected Transmission System (MITS) nodes are defined as: <ul style="list-style-type: none"> • Grid Supply Point connections with 2 or more transmission circuits connecting at the site; or • connections with more than 4 transmission circuits connecting at the site.

Topic: DEMAND/CHARGING BANDS		
#	Questions	Answers
9.	What's the estimated retail price impact (£/MWh)? Important for non-domestic consumers.	The forecast average £/MWh for non-domestic is £30.68/MWh, an increase of £5/MWh from 2026/27.
10.	Will the allocation of TDR sites between bands vary much as they are currently based on hypothetical splits of 40%, 30%, 15% and 15% across the 4 bands?	It is difficult to say at this stage as actual data is still coming in. However, significant variation is not expected because the thresholds were set using the same actual data as used for assigning each site to a residual band. Changes would mainly arise from disputed bandings or new sites.

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#	Questions	Answers
11.	How likely is CMP440 to be approved and when will it be introduced? (Re-introduction of Demand TNUoS locational signals by removal of the zero-price floor)	We have no view on likelihood; approval will depend on whether it aligns with wider reforms to national pricing and policy direction.
12.	Will NESO be making any developments with Mixed Demand? It seems fair generators who also import at times are discounted in some way from TNUoS	<p>To clarify, if the question is referring to potential changes to the TNUoS charging methodology relating to mixed demand, any such developments would typically be progressed through the existing governance framework.</p> <p>The current methodology is defined within the CUSC, and there is an established open governance process through which stakeholders can raise concerns or propose changes. If there are perceived issues—such as potential unfairness in how mixed demand is treated—these would normally be submitted as a modification proposal by external parties, rather than being initiated directly by NESO.</p> <p>That said, if the question is intended in a different context or relates to a specific aspect of mixed demand, please clarify, and we would be happy to investigate it further.</p>
13.	What are NESOs views on DCP412?	This is about discounts for peaky customers and whether they should be put in a different band or have some other discount applied to the residual charge because of the disproportionate effect of their low usage, but high-capacity requirements. It's difficult to say from our point of view. The methodology was put in place based upon capacity because it's the agreed capacity of the site that is defining how much network needs to be put in place to ensure that capacity is met for them. So, we don't have any strong views on that. But from an implementation perspective it is simpler if the DNO assigns them to a lower band rather than some other type of discount.

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14.	I see that tariff data is provided through a data portal. Are there plans to include all tables from the excel report in the data portal? This would be useful.	We currently publish all the tariff information tables on the data portal. We will consider which other tables may be useful to add in future. Thanks for your feedback on this topic.
15.	What are NESO's views on RII03 being used to re-allocate bands based on current capacity (or changes are in progress)? with reference to <50% rule	This issue was discussed at TCMF on 4 September 2025. Stakeholders highlighted that the current rules, including the requirement for a capacity reduction of more than 50%, can prevent fair band changes when sites lower agreed capacity. NESO's steer was that this issue sits under DCUSA rather than CUSC, so any change to residual band reallocation would need to be progressed through the distribution code rather than through RII0-3.
16.	When do we anticipate the next price control period will be?	The current RII0-ET3 price control runs from 1 April 2026 to 31 March 2031. The next price control will start on 1 April 2031.
17.	The final 26/27 tariff was wildly different to the Sep forecast. Can we expect the same level of change next year?	It depends on changes to inputs and assumptions that have been used in the forecasting process. If inputs remain stable and no major methodology changes occur, then large changes would not be expected.
18.	I appreciate we need to wait for the 5-year tariff, but are TNUoS rates expected to remain as high beyond the RII03 period or is this short term?	This is uncertain and depends largely on future transmission owner revenues and pricing reforms. We are hoping to provide further insight on this in the 5-Year View, due to be published in September this year.

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19.	What is your confidence on the current 2027-28 forecasts remaining stable between now & the final publications?	It depends on changes to inputs and assumptions within the forecast. If inputs remain stable and no major methodology changes occur, large changes would not be expected.
20.	Is there an indication of how long the longer-term forecast accompanying the 5y forecast in Sep will be? Appreciate dependent on inputs but aiming for 10y etc?	The base will be five years, with additional years included depending on the availability of input data. The exact length cannot be confirmed yet, but the aim is to include as many years as possible subject to the data being available for us to model the tariffs on.
21.	Is it possible to have NESOs perspective on the current DCP466?	If approved, changes to distribution banding would flow through automatically to TNUoS for distribution-connected sites. It would also be logical to align methodology for transmission-connected sites, if this were approved for distribution connected sites.
22.	Will there also be another 10-year forecast?	The goal later this year is to provide a 10-year projection of TNUoS Tariffs, but we've specifically called it a five year plus, because it will be dependent on what years' worth of data is available. If we get enough data for 10 years, then we would love to produce another 10-year projection, but it will be five-years plus any extra years we are able to put in there.
23.	Where will your take aways from this session be published/shared?	A copy of the Q&A document is published on the NESO website, we typically aim to do this within 5 working days of the webinar. You can always check our publications for TNUoS charges here: <u>Transmission Network Use of System (TNUoS) Charges National Energy System Operator</u>
24.	When will we be expecting the T&T model?	It was released Wednesday 20 May after the webinar. Therefore, this should be with you now, please contact us if you haven't received this.