Public

Tim Aldridge
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

National Energy System Operator
Faraday House
Gallows Hill
Warwick
CV34 6DA

nick.everitt@neso.energy
07866 982328
www.neso.energy

30 October 2026

Notification to change Use of System Charges for 2027/28

Dear Tim,

Condition E10.6(a) of the National Energy System Operator's (NESO) Electricity System Operator Licence requires NESO to give the Authority 150 days' notice of any proposal to change Use of System Charges. This letter gives notice of our intention to change Use of System Charges for the 2027/28 financial year.

We will also update our Statement of Use of System Charges. This includes Application Fees and Charge-Out Rates for applications to connect to and/or use of system.

**Transmission Network Use of System Charges**

Transmission Network Use of System (TNUoS) tariffs will be amended with effect from 1 April 2027 in accordance with Section 14 of the Connection and Use of System Code (CUSC). Section 14 describes the methodology and principles by which NESO sets tariffs for TNUoS charges to recover allowed revenue for the electricity Transmission Owners.

The transport model used to calculate TNUoS tariffs will be amended to ensure tariffs reflect:

- Changes in network topography
- Use of the network by demand as advised by Distribution Network Owners and NESO's own forecasts
- Use of the network by generation as advised by contracted Transmission Entry Capacity and NESO's own forecasts

The tariff model for TNUoS tariffs will be amended to reflect:

- Latest forecast revenues for onshore Transmission Owners using licence formulae and the Price Control Financial Model Variables determined by the Authority by November 2026.
- Anticipated payments to new and existing Offshore Transmission Owners.
- Payments to Transmission Licensees and Electricity Distribution Licensees under the Strategic Innovation Fund using indicative figures provided by UK Research and Innovation in January 2027.
- Limits on average annual generation charges under the Limiting Regulation[1].

**Expected TNUoS tariffs for 2027/28**

NESO published an initial view of TNUoS 2027/28 tariffs in April. These have been updated periodically with the latest forecast published in October 2026.

Draft tariffs will be published by the end of November 2026 and final tariffs by 31 January 2027 in line with the CUSC requirements.

**Application Fees and Charge-Out Rates**

Our Statement of Use of System Charges also details fees and charge-out rates for applications to connect to and/or use of system. NESO will update these fees and rates incorporating the latest data from each of the Transmission Owners and adjust for our own updated staff costs and inflation in January 2027.

If you have any questions on any of the above, please do not hesitate to contact me.

Yours sincerely

**Nick Everitt**

Revenue Manager

[1] https://www.legislation.gov.uk/eur/2010/838/contents - Commission Regulation (EU) 838/2010, as adopted in UK legislation.