Public

TNUoS Tariffs Five-Year View for 2027/28– 2031/32 Webinar

Q&A Summary – 14/10/2026

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Purpose	To summarise the questions asked as part of the TNUoS Tariffs Five-Year View for 2027/28– 2031/32 Webinar and the answers provided by the presenters.
Date	14/10/2026

Introduction

A webinar was held on 14 October 2026 to outline the TNUoS Tariffs Five-Year View for 2027/28–2031/32.

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: ADVANCE QUESTIONS		
#	Questions	Answers
1.	Which inflation forecast was used within the latest TO revenue submissions? If this was still the OBR forecast from March (itself done prior to the Iran War) then, all else being equal, can we expect a potentially large increase in Allowed Revenue if the end of October OBR inflation forecast is included during the Draft/Final Tariffs?	We have updated the January submissions that we received from the onshore Transmission Owners, to include actual CPIH up to August 2026, and a longer term 2% inflation assumption. The inflation index that we used for this can be found in table TC of the tables file.

Topic: ADVANCE QUESTIONS		
#	Questions	Answers
2.	Can a link be shared for the latest ET-3 PCFMs? It's mentioned in the report that Ofgem published a version in February but I'm struggling to find it.	The February PCFM doesn't have a dedicated Ofgem webpage; it is available within the PCFM documents on the Final Determinations webpage, where the previous publication was updated. Please see link below: **Modifications to the RIIO-3 licences and associated documents**
3.	Are there any general pros/cons between the different revenue approaches used in the sensitivities, i.e. would the PCFM figures be more reflective of final tariffs given they are more recent than the January submissions from the TOs?	The February PCFM is not necessarily more representative of what the Final Tariffs revenue will be simply because it was published later. The January revenue submissions reflected the Transmission Owners' latest view of allowed revenues after the RIIO-ET3 Final Determinations and remain the STCP24-1 basis. The PCFM was included as a useful sensitivity because it provides an alternative view based on Ofgem's published model, but there were concerns that it may not fully reflect the latest revenue expectations of the TOs. Ahead of our Draft Tariffs, we will be receiving updated revenue forecasts from the Transmission Owners.
4.	Could something similar to the 'Key Inputs for TNUoS Tariffs' slide be included in future updates but specifically focussing on Allowed Revenue and the drivers of this? I.e. How much of the inflation indexation is actuals/forecast data, how is under/over-recovery tracking and when each assumption is locked down for tariffs for a given year etc.	Thank you for the suggestion. The level of detail that can be provided will depend on the inputs received from Transmission Owners and Interconnectors, but we will look at what can be done in future to improve revenue reporting.

Topic: REVENUE		
#	Questions	Answers
5.	Can we have more detail on the items creating the increase in TO revenues? Is the increase due to approvals of reopeners, or underlying factors, e.g. inflation?	The changes beyond 2027/28 are due to the updated inflation assumptions we have used, to reflect the latest CPIH outturns up to August. For 2027/28, we have also included a c.£190m adjustment to reflect forecast under-recovery from the 2026/27 tariffs. The key drivers are therefore inflation and the under-collection assumption from the previous year.
6.	What are the differences between the 'Correction Term' (Table 'TC') plus the 'Adjustment Term' and 'NESO other pass-through items' (both Table 'T38')?	The "Correction Term" relates to over- or under-collection of onshore TO revenue from a previous charging year. A forecast under-collection of 2026/27 onshore TO revenue is being included through the correction term. "NESO other pass-through items" cover other costs collected, including the Strategic Innovation Fund, Network Innovation Competition Fund, bad debt and the licence fee. The "Adjustment Term" addresses over- or under-collection for those other items in future years and was previously referred to as the K factor.
7.	What was the main driver for under-recovery of TNUoS over 2026-27, leading to an increase in forecast pass-through costs for 2027-28?	The main driver was uncertainty regarding the number of sites in each band at the start of the price control. When actual site counts began coming through for April 2026 (following the re-banding for RIIO-ET3), there were fewer sites than expected in Band 4 at each voltage level, resulting in less revenue being collected than expected.
8.	Can you publish a view of possible 'uncertainty mechanism' revenue that could possibly be added to future revenue? A form of project register?	The tariff team does not receive that level of project detail from the onshore Transmission Owners (TOs). The onshore TOs publish information in their business plans and in price control reopeners. The team is not currently feeding that project-level detail into the tariff publication, but we appreciate the feedback and we will feed this back to the TOs.

Topic: GENERATION		
#	Questions	Answers
9.	Can you explain why the forecast adjustment generation tariff is so much	All of the inputs that affect the wider tariffs have been updated since last year. The most significant change to inputs is in the network model, where in last year's Five-Year View the two

Topic: GENERATION		
#	Questions	Answers
	smaller than the previous 5-year forecast for 2029?	Eastern Green Links (EGL1 & EGL2) had been expected in 2029/30, but are now expected in 2030/31. When the two Eastern Green Links become operational it is expected to cause an increase in the revenue that we will collect via the three wider Locational Tariff components, which in turn increases the magnitude of the adjustment tariff which is needed to ensure that generation charges are compliant with the limiting regulation. The delay in the Eastern Green Links being built means that this impact to the adjustment tariff is seen a year later than was previously expected.
10.	Is the modelled Best View TEC from table 20 used to derive both locational tariffs and Adjustment Element each year or only the Adjustment Element?	For this publication, the Modelled Best View of TEC has been used to set the locational tariffs. Please note that this will not be the case for Draft and Final tariffs since the contracted TEC will be finalised using the 31 October TEC Register, in line with CUSC. The calculation of the adjustment element uses Chargeable TEC, this differs from the Modelled Best View of TEC because capacity associated with interconnectors is removed, since they are not chargeable for TNUoS.

Topic: LOCAL TARIFFS/HVDC		
#	Questions	Answers
11.	Can you tell us which new HVDC circuits are assumed in each year, for example EGL1, 2, 3 & 4	The network model in this publication is based on the 2025 ETYS Appendix B. Table 5 (2025 ETYS Appendix B V2.xlsx) shows the HVDC circuits. The 2030 circuits in this table were included in the year 2030/31. The circuits included in this Five-Year View are Eastern Green Link 1 and 2, the Western Isles link, and the PSDC link.
12.	Would it be possible to flag which of the local circuit tariffs are based on flows, rather than being radial, so	Thanks for this suggestion, we will consider what it would be possible to include in future publications. In the meantime, if there is a specific Local Circuit Tariff that you are interested in, please contact us (TNUoS.Queries@neso.energy).

<table>
<tr><th colspan="3">Topic: LOCAL TARIFFS/HVDC</th></tr>
<tr><th>#</th><th>Questions</th><th>Answers</th></tr>
<tr><td></td><td>we know which can have dramatic changes?</td><td></td></tr>
<tr><td>13.</td><td>What data has been used to determine the circuit specific expansion factor for the new HVDC links?</td><td>An updated cost forecast for these future HVDC links has been used. This is the same calculation methodology that was used for the HVDC links that were stabilised under CMP463, although the RIIO-ET3 financial data has been used for the future HVDC Links.</td></tr>
<tr><td>14.</td><td>Alongside providing the HVDC circuits for each year, could you also indicate which ones were delayed and the years from which and to which they were deferred?</td><td>Please see the table below showing when the future HVDC circuits were included in both the 2025 and 2026 Five-Year Views.
<table>
<tr><th>Main 5 year View HVDC Circuits</th><th>2025 Effective Date</th><th>2026 Effective Date</th></tr>
<tr><td>Eastern Green Link 2</td><td>2029/30</td><td>2030/31</td></tr>
<tr><td>Eastern HVDC Link 1</td><td>2029/30</td><td>2030/31</td></tr>
<tr><td>PSDC HVDC Link</td><td>2030/31</td><td>2030/31</td></tr>
<tr><td>Western Isles HVDC Link</td><td>2030/31</td><td>2030/31</td></tr>
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Topic: DEMAND/CHARGING BANDS		
#	Questions	Answers
15.	Can you please confirm the source of the demand assumptions used in the 2026 TNUoS 5-year forecast and how this has changed from the 2025 5-year forecast?	For the transport model nodal demand there is an annual refresh of the Week 24 demand data. The data was refreshed last year for the November draft tariffs, and that same data has been used for this Five-Year View, using the relevant years from that forecast. The demand residual consumption proportion has also been updated to take account of the latest available actual data (Oct 2024 to Sep 2025) and the most recent forecast of demand trends from the Future Energy Scenarios. The zonal demand forecasts of demand over the Triads and consumption between 4pm and 7pm each day have been updated using latest zonal demand and seasonal normal weather pattens, using our Monte Carlo demand model.
16.	Is it possible to change the demand residual calculation? The amount by which the site number count changes across band is very problematic forecast to forecast	The methodology for setting the banded residual charges is set out in CUSC, which is under open governance, so a proposal to change the methodology can be submitted. Recent forecast uncertainty was driven by the re-banding of all sites ahead of the new price control that started in April. A proposal is due to be taken to the DNOs at the Distribution Charging Methodologies Development Group (DCMDG) to seek

Topic: DEMAND/CHARGING BANDS		
#	Questions	Answers
		improved data provision ahead of the next price control and reduce forecast movements.
17.	Why did the domestic TDR value increase in this 5YV relative to last year's 5YV, when the TDR decreased between forecasts for the rest of Dx level TCR bands?	The reduction in domestic demand has slowed slightly. Domestic consumers are therefore not reducing consumption each year to the same extent as previously, so the proportion of demand taken by domestic households is expected to increase compared with last year's view.

Topic: GENERAL		
#	Questions	Answers
18.	Can you identify what impact Mod CMP463 has had on the updated forecasts, as I believe this wasn't modelled in the previous 5-year update.	The previous Five-Year View (2025) included the RIIO-ET3 impact on the Specific Expansion Factors (SEF's) for all relevant circuits, whilst CMP463 subsequently stabilised the existing SEF's (i.e. those already calculated and in use) at the RIIO-ET2 levels for the duration of ET3. At a high level, the impact of CMP463 reduced Generation tariffs in the northern generation zones and increased Generation tariffs in the Southern zones. Table 1 (below, at the end of this document) shows the impact for 2029-30 for each of the zones with the 2026 position against the 2025 RIIO-ET3 Indicative SEF's (pre-CMP463 implementation). Any further breakdown into regional movements when comparing 2025 against 2026 Five-Year view is more complex because of the other model inputs also changing, including ETYS circuit data (i.e. the Network Model), Week 24 demand and generation inputs.
19.	Can I confirm this? "4 OFTO providers will reach the end of their term by 2029/30, it is assumed their pass through will continue at 50% of historic?	Yes, four Offshore Transmission Owners are expected to reach the end of their regulatory revenue periods between year 3 and year 5 of our publication. Each project will have their own discussions, and it is currently too early to know what the future arrangements will be. We have assumed, for each of the affected projects, that their base revenue, which is the majority

Topic: GENERAL		
#	Questions	Answers
		of their total revenue, will continue at 50% of its original value, with inflation continuing to apply each year.
20.	Can you expand on the end of OFTO TRS assumption (50%)? Please explain the basis of this assumption.	It is very early in the process of agreeing the future of these projects. The 50% assumption was chosen because revenue is expected to reduce since it will largely be linked to operation and maintenance of the system rather than the original asset build. There is no specific knowledge for each project at this stage, and the views will be updated as more information becomes available from Ofgem.
21.	When will the updated T&T models be made available?	The external versions of the T&T model for the five years of our publication were made available on Monday 2 November. Please contact us (TNUoS.Queries@neso.energy) if you would like to sign up to receive copies of our models.
22.	What are the inflation assumptions by year (particularly between 26/7 charging year and 27/8), but across all years would be useful.	For Onshore TO revenues, a long-term 2% inflation forecast has been used for future years, with further detail available in table TC of the tables file. Offshore TO (OFTO) revenues and associated offshore local tariffs are linked to either RPI or CPI as defined in the individual OFTO licences. The expansion constant, AGIC and onshore local substation tariffs are linked to CPIH, using the year-on-year change in average May-to-October CPIH. Actual inflation data was updated to August for each of these indexes. Beyond that, an internal forecast from our finance department is used, with an assumption of 2% for CPI and CPIH and 3% for RPI for the remaining years.
23.	Will you publish 10-year models this year instead of five-year models? What will be the main differences to the long-term models? Will they have a different network?	The network model will continue to evolve from the recent ETYS publication, with more HVDC links, an increased generation base and circuit upgrades from ETYS data in the later years. The publication was originally intended as a five-year-plus/10-year projection but this was not achieved in time for this report. We are still committed to releasing external models which will cover a 10-year period, as soon as we are able to.

Topic: GENERAL		
#	Questions	Answers
24.	You need a mathematics degree to be able to interpret all of these numbers. Does NESO have any plans to start presenting data in a consumer-friendly format?	The team is always looking for different ways to present the information in a consumer-friendly way. The charging methodology has become increasingly complicated over time as modifications have added elements. There is a hope that RNP may simplify things. We are open to suggestions on how publications can be made simpler and more user-friendly.
25.	Do the new TNUoS charges encourage investment in the Western Isles of Scotland, or should investors build in Ireland to lower costs?	We cannot comment on investment decisions. TNUoS tariffs are a function of the methodology and its inputs; we don't have information on equivalent tariffs in Ireland.
26.	Similar to DUOS, could we have a webinar where each TO explain updates to the Allowed Revenues forecasts. Under DCUSA each DNO provides an update to industry.	We have received a similar suggestion before, and we fed it back to the onshore Transmission Owners (TOs). It also forms part of our STC modification proposal PM0158, which is currently awaiting decision from Ofgem. The Onshore TOs are invited to our webinars, and this suggestion will be fed back to the TOs again.
27.	For the final tariff publication, do you expect to use the flat 2% CPIH inflation forecast, or will this be replaced by another source (i.e. OBR)?	For Onshore TO revenues, NESO is required to use inflation values provided by the TOs, based on Ofgem's assumptions in the latest Price Control Financial Model (PCFM). For Offshore TO revenue and inflation used in other TNUoS Parameters and tariffs (e.g. AGIC or the expansion constant) the values will be finalised using actual data published by ONS before the Final Tariffs publication, rather than forward looking forecasts.
28.	Which OFTOs have contracts ending? Are you able to name them?	The four affected projects are Barrow, Robin Rigg, Gunfleet and Walney 1. The licences are available on the Ofgem website.
29.	Where can we find the 10-year model when published?	Communications will be issued to those that have signed up to receive the model. If you would like to receive this model, please contact the team at TNUoS.Queries@neso.energy.
30.	Can the link to sign up for comms be shared please?	We encourage stakeholders to sign up to the NESO mailing list and select to receive Charging/TNUoS communications. If you are not already subscribed to our mailing list, you can **subscribe here**

Topic: GENERAL		
#	Questions	Answers
31.	Do you have delayed EGL circuit delivery dates, has this also been delayed in the TO revenues - surely there is a link?	The tariff team do not receive transmission owner revenues at that level of project granularity. Ofgem is responsible for regulating TO revenues and considers what is built and when. The team uses the submitted revenue data rather than assessing individual project delays against TO revenue.
32.	On the EGL delays, I was asking about the fact that in your model the ETYS has delayed delivery dates. Is this reflected in the TO revenue forecasts you use?	Please see the answer to question 31.

Additional information relating to question 18

Table 1

Table 1 below shows the impact to the wider Generation Tariffs in 2029/30, if CMP463 had not been implemented.

This compares the 2026 model for 2029/30 with the Specific Expansion Factors (SEF's) stabilised under CMP463, against the corresponding SEF's that were used in the 2025 Five-Year View.

In summary, the Generation tariffs are now lower in the Northern Zones (Scottish) and less negative in the Southern (England and Wales).

		2026 5 yr View 2029-30			2026 5 yr View 2029-30 with PRE CMP463 SEF's			Tariff impact of CMP463		
Zone No.	Zone Name	40% Conventional Carbon	75% Conventional Low Carbon	45% Intermittent	40% Conventional Carbon	75% Conventional Low Carbon	45% Intermittent	40% Conventional Carbon	75% Conventional Low Carbon	45% Intermittent
1	North Scotland	£ 22.95	£ 46.33	£ 32.12	£ 28.26	£ 58.49	£ 41.93	-£ 5.31	-£ 12.16	-£ 9.81
2	East Aberdeenshire	£ 14.13	£ 28.28	£ 17.20	£ 14.62	£ 29.01	£ 16.33	-£ 0.49	-£ 0.72	£ 0.87
3	Western Highlands	£ 20.65	£ 38.33	£ 23.27	£ 22.37	£ 42.46	£ 26.21	-£ 1.72	-£ 4.13	-£ 2.94
4	Skye and Lochalsh	£ 24.25	£ 47.27	£ 32.17	£ 25.97	£ 51.39	£ 35.10	-£ 1.71	-£ 4.12	-£ 2.93
5	Eastern Grampian and Tayside	£ 18.67	£ 33.33	£ 18.81	£ 19.70	£ 36.01	£ 20.63	-£ 1.03	-£ 2.68	-£ 1.81
6	Central Grampian	£ 19.30	£ 35.18	£ 20.66	£ 20.53	£ 38.30	£ 22.84	-£ 1.23	-£ 3.12	-£ 2.17
7	Argyll	£ 20.49	£ 38.46	£ 24.79	£ 23.45	£ 45.89	£ 31.27	-£ 2.95	-£ 7.43	-£ 6.48
8	The Trossachs	£ 15.08	£ 26.53	£ 13.92	£ 16.32	£ 29.65	£ 16.09	-£ 1.23	-£ 3.12	-£ 2.18
9	Stirlingshire and Fife	£ 12.09	£ 23.57	£ 13.98	£ 12.96	£ 25.94	£ 15.56	-£ 0.87	-£ 2.36	-£ 1.58
10	South West Scotlands	£ 13.25	£ 25.58	£ 15.19	£ 14.41	£ 28.53	£ 17.18	-£ 1.16	-£ 2.94	-£ 2.00
11	Lothian and Borders	£ 10.15	£ 18.16	£ 7.97	£ 10.77	£ 19.75	£ 8.62	-£ 0.62	-£ 1.59	-£ 0.64
12	Solway and Cheviot	£ 7.53	£ 15.01	£ 8.30	£ 7.85	£ 16.26	£ 9.08	-£ 0.32	-£ 1.25	-£ 0.78
13	North East England	£ 6.35	£ 10.90	£ 4.11	£ 6.19	£ 11.16	£ 4.17	£ 0.16	-£ 0.26	-£ 0.06
14	North Lancashire and The Lake	£ 3.46	£ 6.74	£ 2.01	£ 3.09	£ 6.49	£ 1.56	£ 0.37	£ 0.25	£ 0.45
15	South Lancashire, Yorkshire an	£ 3.82	£ 5.05	-£ 0.65	£ 3.25	£ 4.48	-£ 1.20	£ 0.57	£ 0.57	£ 0.55
16	North Midlands and North Wa	£ 0.82	£ 1.05	-£ 1.98	£ 0.06	£ 0.11	-£ 2.76	£ 0.76	£ 0.94	£ 0.78
17	South Lincolnshire and North	-£ 1.14	£ 0.52	-£ 0.14	-£ 1.76	-£ 0.14	-£ 0.76	£ 0.61	£ 0.66	£ 0.62
18	Mid Wales and The Midlands	-£ 1.13	-£ 0.05	-£ 0.89	-£ 1.81	-£ 0.84	-£ 1.58	£ 0.68	£ 0.78	£ 0.69
19	Anglesey and Snowdon	£ 2.75	£ 2.21	-£ 2.97	£ 1.59	£ 0.53	-£ 4.20	£ 1.15	£ 1.68	£ 1.23
20	Pembrokeshire	£ 1.79	-£ 1.97	-£ 7.11	£ 1.09	-£ 2.81	-£ 7.83	£ 0.71	£ 0.84	£ 0.73
21	South Wales & Gloucester	-£ 4.49	-£ 8.65	-£ 7.63	-£ 5.19	-£ 9.49	-£ 8.36	£ 0.70	£ 0.83	£ 0.72
22	Cotswold	-£ 6.87	-£ 14.49	-£ 15.48	-£ 7.57	-£ 15.35	-£ 16.27	£ 0.70	£ 0.86	£ 0.79
23	Central London	-£ 6.03	-£ 8.00	-£ 6.08	-£ 6.68	-£ 8.73	-£ 6.73	£ 0.65	£ 0.73	£ 0.66
24	Essex and Kent	-£ 2.77	-£ 1.44	-£ 0.56	-£ 3.43	-£ 2.17	-£ 1.22	£ 0.65	£ 0.74	£ 0.66
25	Oxfordshire, Surrey and Susse	-£ 4.56	-£ 6.11	-£ 4.26	-£ 5.24	-£ 6.89	-£ 4.95	£ 0.67	£ 0.78	£ 0.69
26	Somerset and Wessex	-£ 9.76	-£ 11.97	-£ 5.12	-£ 10.44	-£ 12.76	-£ 5.82	£ 0.68	£ 0.79	£ 0.70
27	West Devon and Cornwall	-£ 15.38	-£ 21.42	-£ 10.05	-£ 16.07	-£ 22.24	-£ 10.76	£ 0.69	£ 0.81	£ 0.71

Document Revision History

Version Number	Date of Issue	Notes
1.0	05 November 2026	Five-Year View of TNUoS Tariffs for 2027/28 – 2031/32 Webinar Q&A