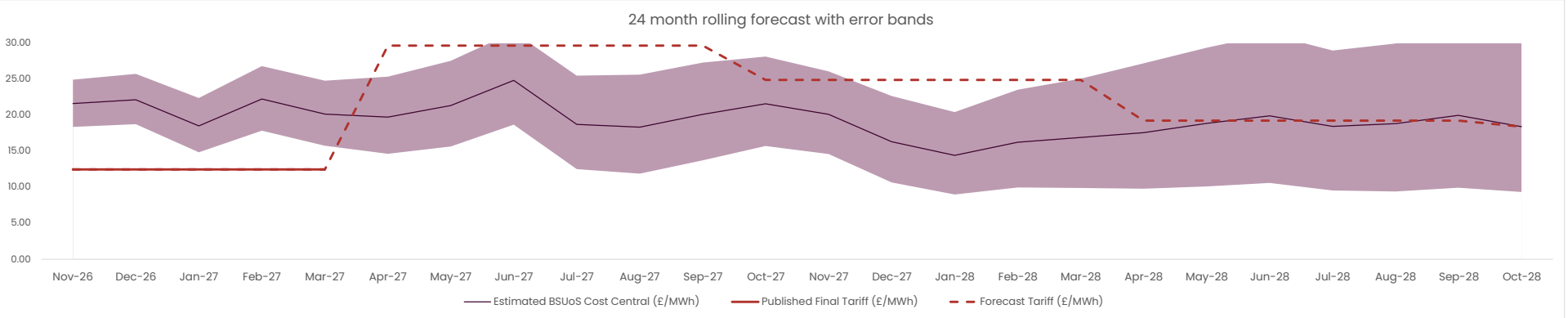
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BSUoS Forecast for Dec-26



	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28
Balancing Costs (Central) £m	471.7	516.1	424.9	464.4	412.3	342.6	341.3	390.1	286.8	283.5	335.4	415.0	414.2	349.0	306.2	324.7	328.6	295.0	298.2	301.9	283.9	297.4	335.1	349.0
Balancing Costs (Upper) £m	554.2	611.0	527.9	573.2	522.6	459.6	461.8	514.3	416.4	424.0	480.3	562.7	557.9	513.3	463.3	500.1	521.0	492.9	501.7	511.4	484.8	512.9	588.4	627.8
Balancing Costs (Lower) £m	391.3	427.1	327.3	360.8	307.8	236.6	231.6	276.2	168.1	158.5	207.1	282.6	281.8	203.4	163.8	172.9	162.9	135.4	128.3	129.9	114.2	114.5	133.9	143.3
Estimated Internal BSUoS & NESO Incentive £m	65.6	67.8	67.8	61.2	67.8	65.4	67.6	65.4	67.6	67.6	65.4	67.6	65.4	67.6	67.6	63.2	67.6	65.4	67.6	65.4	67.6	67.6	65.4	67.6
Winter Security of Supply Cost £m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CMP398/412 Claim Costs £m	-	-	-	-	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-	-	-	-	-	-	-
Interest Repayment £m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total BSUoS (Central) £m	537.3	583.9	492.7	525.6	480.1	412.0	412.9	459.5	358.4	355.1	404.8	486.6	483.6	420.6	377.8	391.9	400.2	360.4	365.8	367.3	351.5	365.0	400.5	416.6
Total BSUoS (Upper) £m	619.8	678.8	595.7	634.4	590.4	529.0	533.4	583.7	488.0	495.6	549.7	634.3	627.3	584.9	534.9	567.3	592.6	558.3	569.3	576.8	552.4	580.5	653.8	695.4
Total BSUoS (Lower) £m	456.9	494.9	395.1	422.0	375.6	306.0	303.2	345.6	239.7	230.1	276.5	354.2	351.2	275.0	235.4	240.1	234.5	200.8	195.9	195.3	181.8	182.1	199.3	210.9
Estimated BSUoS Volume (TWh)	24.8	26.3	26.6	23.6	23.8	20.8	19.3	18.5	19.1	19.3	20.1	22.5	24.0	25.8	26.2	24.1	23.6	20.5	19.4	18.4	19.0	19.3	20.0	22.6
Estimated BSUoS Cost Central (£/MWh)	21.66	22.16	18.55	22.27	20.19	19.76	21.36	24.87	18.75	18.38	20.14	21.62	20.15	16.33	14.44	16.28	16.95	17.59	18.89	19.93	18.47	18.86	20.01	18.45
Estimated BSUoS Cost Upper (£/MWh)	24.98	25.77	22.42	26.87	24.83	25.38	27.59	31.60	25.53	25.66	27.35	28.19	26.14	22.70	20.45	23.56	25.10	27.25	29.40	31.30	29.03	30.00	32.67	30.80
Estimated BSUoS Cost Lower (£/MWh)	18.42	18.78	14.87	17.88	15.80	14.68	15.68	18.71	12.54	11.91	13.76	15.74	14.64	10.67	9.00	9.97	9.93	9.80	10.12	10.60	9.55	9.41	9.96	9.34
BSUoS Tariff Forecast																								
Published Final Tariff (£/MWh)	12.49	12.49	12.49	12.49	12.49																			
Carried Forward Over/Under-Recovery (as of 12 Nov 2026	-	-	-	-	-	174.67	180.5	174.7	180.5	180.5	174.7	180.5	174.7	180.5	180.5	168.8	180.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Forecast Tariff Costs (£m)	-	-	-	-	-	588.9	595.6	636.4	541.1	537.8	581.7	670.1	661.3	604.1	561.3	563.8	583.7	366.4	371.8	373.3	357.5	371.0	406.5	416.6
Forecast Tariff (£/MWh)						29.71	29.71	29.71	29.71	29.71	29.71	24.94	24.94	24.94	24.94	24.94	24.94	19.26	19.26	19.26	19.26	19.26	19.26	18.45

Please note that the Forecast Tariffs are highly indicative and should be regarded as such until Final Tariffs are published in December each year.

As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023.

Final Tariffs 7 and 8 (Apr 2026 - Sep 2026 and Oct 2026 - Mar 2027) was published 29 December 2025

Draft Tariffs 9 and 10 (Apr 2027 - Sep 2027 and Oct 2027 - Mar 2028) was published 21 September 2026

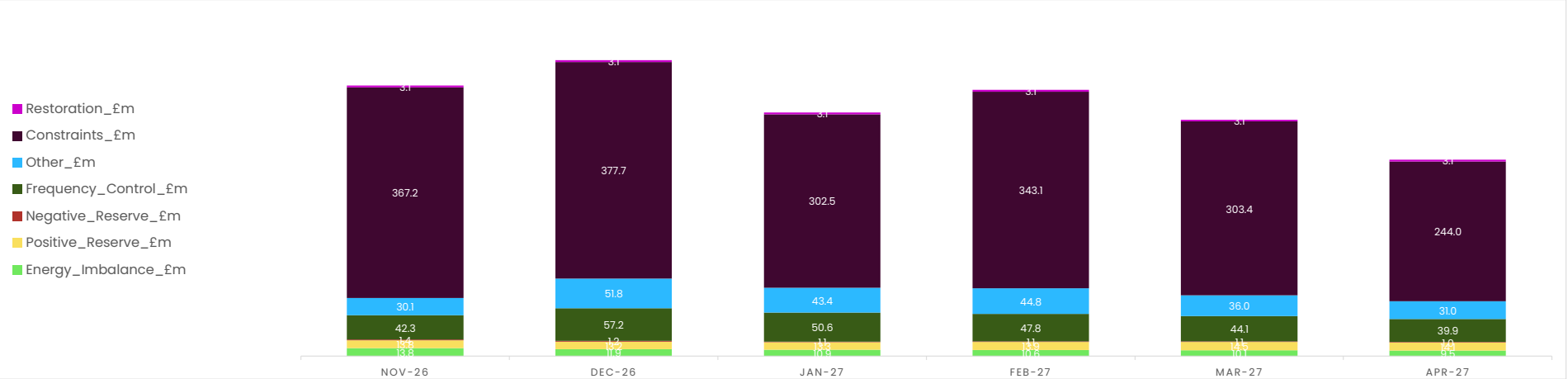
BSUoS Final Tariffs 7 and 8 - December 2025

BSUoS Draft Tariffs 9 and 10 - September 2026

Historic BSUoS Fixed Tariff publications can be found on our website: neso.energy/industry-information/charging/balancing-services-use-system-bsuos-charges

If you have any questions on this report, please contact us at BSUoS.Queries@neso.energy

Balancing Costs Central Forecast Breakdown for next 6 months



	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27
Energy_Imbalance_£m	13.8	11.9	10.9	10.6	10.1	9.5
Positive_Reserve_£m	13.8	13.2	13.3	13.9	14.5	14.1
Negative_Reserve_£m	1.4	1.2	1.1	1.1	1.1	1.0
Frequency_Control_£m	42.3	57.2	50.6	47.8	44.1	39.9
Constraints_£m	367.2	377.7	302.5	343.1	303.4	244.0
Other_£m	30.1	51.8	43.4	44.8	36.0	31.0
Restoration_£m	3.1	3.1	3.1	3.1	3.1	3.1
Total_£m	471.7	516.1	424.9	464.4	412.3	342.6

Public

BSUoS Forecast for Dec-26

We recognise the worry and impacts that current events are causing for people across the world. If the current spike in prices endures, it will affect the cost of energy and on prices more broadly. We are beginning to see some of those cost pressures feed through to the cost generators are bidding into the market for balancing the electricity system, as well as forecasted wholesale prices. The extent to which this situation affects energy prices is dependent on how long prices remain elevated.

Balancing Costs	Forecast for December 2026 = £516 million
Energy model considerations	The Balancing Costs model uses historical patterns of costs, which are then adjusted for changes in prices and changes in wind outturn/forecast to create a baseline which can then be projected forward and shaped to reflect how costs typically vary throughout the year.
	The December forecast is 32% (£124m) higher than the prior forecast published on 15 October (£392m). This change reflects a 30% (£87m) increase in the constraints cost forecast and a 36% (£37m) increase in other costs. The proportion of demand forecast to be met by renewables has decreased to 44%, compared with 45% in the prior forecast. The average wholesale electricity market price forecast for December has been revised to £205/MWh, representing a 36% (£54/MWh) increase from the prior forecast of £150/MWh published on 15 October.
	This forecast was produced based on an average of the forward price curves derived between 1-5 November 2026. A consistent change in the wholesale electricity forward curve of ± 20% would lead to a change in the central forecast over the next 12 months of approximately ± 9-13%. No new planned or current outages on interconnectors or the Western link.
Constraint model considerations	The constraints forecast is one of the inputs into the model that we use for forecasting BSUoS. The constraint model was updated in March 2026 to use a new set of boundary limits for the two-year forecasting period. These limits were derived from the new Year-Ahead plan, which starts delivery in April 2026. Many of the updated limits are lower than those in the previous Year Ahead plan due to a challenging outage plan, required to enable the Transmission Owners to deliver the work needed to maintain and upgrade their network, resulting in an increase in the forecast constraint costs. Additionally, there has been also been an update to the historic wind profile used within the model. The revised wind profile has a more consistent spread of wind from month-to-month. The latest constraints forecast is available on the NESO data portal.
Estimated internal BSUoS	Internal Costs are calculated in the National Energy System Operator Financial Model (NESO FM) as published by NESO in November of each year, and can be seen within the sheet "Live Results". The costs for 2025/26 are as per the 2024 Funding Model, published in November 2024. The costs for 2026/27 and 2027/28 are as per the 2025 Funding Model, published in November 2025. It is important to note that we are now operating under 100% fast money, meaning we as NESO can seek to recover the full forecast spend within a financial year. Previously, £236.4m for the impact of NESO framework and an interest repayment of £52m were included in Draft Tariff 6 and were called out on separate line items. Both impact of NESO framework and interest repayment costs were included in our internal revenue figure for Fixed Tariff 6 and will continue to be going forward. Therefore, these line items are forecasted as zero within this forecast. NESO Regulatory Finance
Winter Security of Supply Contracts	In anticipation of a possible requirement to put additional enhanced actions in place for Winter 2024/25 we included £25m for Winter Security Supply across Fixed Tariff 4 (Oct 24 -Mar 25). We are not anticipating any additional costs for Winter Security of Supply in Winter 2025/26. Therefore, we are not forecasting any costs to be included in Fixed Tariff 6, 7 and 8.
CMP398/412 Claims	CMP398/412 follows the Grid Code Modification 0156, and provides a cost recovery mechanism for CUSC parties who do not currently hold contracts with the ESO to provide restoration services. Validated claims will be passed through the BSUoS tariff. Claims can only be submitted during the September 2024, September 2025, and December 2025 windows, with successful claims paid out in 12 equal monthly instalments from the following April. No claims were submitted in the September 2024 or September 2025 windows. As a result, we forecast no payments for 2025/26, and the 2026/27 charge is forecast at £0m. For 2027/28, £48m is forecast to be charged between April 2027 and March 2028. Forecast costs are currently based on a survey conducted by BEIS (now DESNZ)

CMP408/415	CMP408 and WACM1 of CMP415 has been approved by OFGEM to begin on 1 April 2025. Fixed Tariff 4 and 5 will continue to run their course, and Fixed Tariff 6 (Oct 25 - Mar 26) was published in December 2024. The first tariffs to be published under the new methodology will be Fixed Tariff 7 (Apr 26 - Sep 26) and Fixed Tariff 8 (Oct 26 - Mar 27). The Initial Forecast of these tariffs was published on 27 June 2025, followed by the Draft Tariffs on 02 October 2025. The Final Tariffs were published in December 2025.
Interest Repayment	Interest repayment reflects monies due following the over-recovery of BSUoS revenue from Fixed Tariff 1 (Apr 23 - Sep 23) and Fixed Tariff 2 (Oct 23 - Mar 24). The repayment of interest may be included as legacy term within the National Energy System Operator (NESO) license, and is dependent on the timing of the publication. As the newly established NESO, for Apr 25 to Mar 26, the interest repayment is now included in the internal NESO costs. Therefore, forecast costs for this line item are zero.
Estimated BSUoS Volume	From April 2023, the code modification CMP308 came into effect which moved the charging of BSUoS from generation and demand to "Final Demand" only. Final Demand is currently defined as electricity consumed other than for the purposes of generation or export onto the electricity network. The BSUoS chargeable volume has been estimated using a simple linear regression using the NESO national demand forecast as the explanatory variable. The relationship is estimated using only BSUoS chargeable volume and national demand from after April 2023.

BSUOS Tariff Forecast

BSUoS Reform	As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023. Fixed Tariff 6 for Oct 25 - Mar 26 was published on 20 December 2024 This report shows the forecast costs for the next 24 months, not the recovery against the fixed tariff.
Published Fixed Tariffs (£/MWh)	Final Tariff 7 and 8 (Apr 2026 - Sep 2026 and Oct 2026 - Mar 2027) was published 29 December 2025.
	Draft Tariffs 9 and 10 (Apr 2027 - Sep 2027 and Oct 2027 - Mar 2028) was published 21 September 2026
	BSUoS Fixed Tariff 6 - December 2024
	BSUoS Final Tariff 7 and 8 - December 2025
	BSUoS Draft Tariff 9 and 10 - September 2026
Carried Forward Over/Under-Recovery (£)	As a result of the Fixed Tariff methodology, costs and revenue are now disconnected. Any over/under-recovery from one Fixed Tariff will be carried forward into future fixed tariffs. For this forecast, we have assumed that the forecast cash position at the end of the last Final Fixed Tariff published will be adjusted for across both the subsequent tariff periods, based on the number of days in each tariff period. **Please note, the treatment of over/under-recovery at the point of Final Tariff setting will be dependent on our forecast cash position at that time, and may differ from the approach used in this forecast.** Over/under recovery is monitored through our Revenue vs Cost report, which is published weekly on our website. An extract of the report used for this forecast can be found on the "Revenue vs Cost Report Extract" tab
	Revenue vs Cost Report
Total Forecast Tariff Costs (£m)	Tariff costs are based on a six-month forecast, while the costs presented in this report are forecast monthly. This results in differences between tariff costs and the aggregate costs shown in this forecast.
Forecast Fixed Tariff (£/MWh)	Forecast Fixed Tariff shows the sum of the six-monthly Total BSUoS Central (£m) and Carried Forward Over/Under-Recovery (£m), divided by the sum of Chargeable BSUoS volume over each six-month period. **Please note, the forecast tariffs are highly indicative, and do not reflect the Final Tariff that will be charged over this time period. Final Tariffs will be published in December each year**.

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Please Note: This Report contains a mixture of actual outturn costs and revenue as well as forecasts of both costs and revenue to produce a projection of what costs v revenue may be in the future. It's important to note that these are projections based on forecast information and final positions could differ significantly based on market/system conditions, weather and other factors.

Today's Date		12/11/2026	Last date Control Room data available	11/11/2026
Latest Revenue in Fixed Period to date		12,359,275,510	Last date II data entered	04/11/2026
Latest Costs in Fixed Period to date		13,541,213,061	Last date SF data entered	20/10/2026
Over / (Under) Recovery to Date	-	1,181,937,551	Latest published forecast	December 26

