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STCP Modification Proposal Form

PM158: Changes to TNUoS timings Protocols

Overview: This change looks to update the process for provision of revenue forecasts from Transmission Owners to NESO for the use in Transmission Network Use of System (TNUoS) Tariff forecast calculations

Modification process & timetable

1	Initial STCP Proposal Form 09 June 2026
2	Approved STCP Proposal Form 24 June 2026
3	Implementation TBC

Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on whether the modification should be implemented.

This modification is expected to have a: Medium impact
Transmission System Owners, Transmission System Operators

Proposer's assessment of materiality

A material change – Authority decision
This change requires changes to all Parties systems

Who can I talk to about the change?

Proposer:
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What is the issue?

STCP24-1 outlines the data exchange of revenue forecasts from Transmission Owners (both onshore and offshore) to NESO. The revenue forecasts provided inform, alongside other inputs, the Transmission Network Use of System (TNUoS) charges as defined and payable by Users (as defined in CUSC) in accordance with CUSC. NESO also publish quarterly forecasts of the TNUoS charges and rely on the information provided by the Transmission Owners to meet our goals of producing quality forecasts and tariffs. STCP14-1 outlines the same provision for OFTOs.

Over the last few years, growing complexities have highlighted several issues with the existing process and have identified where the code procedure is not particularly well aligned to NESO goals, due to the timing, granularity and detail provided not enabling NESO to perform our duties within sufficient tolerances.

Firstly, the due date of the final Offshore Transmission Owner revenues submission is 25 January (or the next Business Day if 25 January is not a Business Day), the latest possible date being the 27 January. In accordance with CUSC, Final TNUoS Tariffs are due for publication by the 31 January. Therefore, the lead time between final Offshore Transmission Owner revenue submission and Final TNUoS Tariff publication has grown increasing time constrained and complex as the number of Offshore Transmission Owners has increased over the years, therefore increasing the risk of error during validation and utilisation of their revenue data.

Additionally, there have been several requests from Suppliers and Generators for improvements to the TNUoS tariff forecasts and revenue information provision. This includes a longer-term (beyond Financial Year Y+6) projections of TNUoS tariffs, and increased transparency of the revenue assumptions that are used within the tariff publications.

Why change?

Amendments to improve the provision of revenue forecast information would enable NESO to be able to provide improved, more informed and timely information in the provision of the TNUoS forecasts. This in turn, will aid Suppliers and Generators in their assessment of risk of TNUoS revenues changing and modelling their own revenue and cost assumptions. Stability and modelling requirements have grown in importance to Suppliers since the introduction of the

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retail Energy Price Cap, and better TNUoS forecast data has been a key request from these energy colleagues.

Changes to the timing of the Offshore Transmission Owner revenue submission will also alleviate pressure on the TNUoS Final Tariff publication process and reduce the risk of material errors which could be caused by time constraints.

What is the Proposer's solution?

NESO is proposing that the headline date for final submission for Offshore Transmission Owners be moved back 10 days,

STCP24-1:

- 3.4 Timescales
 - Submission Deadline for Offshore Transmission Owners
 - Changing the Offshore TO submission date for final revenue for FY+1 and updated forecasts for FY+2 – FY+6 to 15 January¹, unless the OFTO has a Licence Revenue Indexation adjustment term calculation which requires a December price index, in which case the submission date will remain as 25 January².

STCP 14-1:

- 3.4.4 By the 7 th of January each Financial Year Y onshore TOs will update and provide a final forecast of TToT for Financial Year Y+1.
- 3.4.5 By 25th (15th) of January each Financial Year Y OFTOs will update and provide a final forecast of TOFTOT for Financial Year Y+1.
- 3.4.6 By the 14th of January each Financial Year Y, The Company will share the indicative final TNUoS tariffs with TOs for Financial Year Y+1 and will publish them in accordance with CUSC requirements.

NESO is also proposing the allowed use of substitute data sources if deemed necessary to provide more accurate data to industry (similar working to STCP14-14 Use of Substitute Data).

¹ or the next Business Day if 15 January is not a Business Day.

² or the next Business Day if 25 January is not a Business Day.

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STCP24-1:

4. Use of Substitute Data

- Allow the use of substitute data sources if deemed necessary to provide more accurate data to industry (similar wording to STCP14-1 4 Use of Substitute Data).

NESO is also proposing including provisions to enable additional requests for forecast revenue information to be provided.

STCP24-1:

- 3.2 Forecast Revenue Information Provision
 - Include provision that an additional forecast can be requested from both Onshore and Offshore Transmission Owners, where [60 days] notice has been given by The Company.
 - Include provision that an additional longer-term forecast (beyond FY+6) can be requested from both Onshore and Offshore Transmission Owners, where [60 days] notice has been given by The Company.
 - Include provision that a high and low sensitivity forecast for allowed revenues can be requested.
- 3.3 Forecast Revenue & TNUoS Tariff Publication
 - Include provision that oral commentary to be provided from the Onshore Transmission Owners to industry at [quarterly] intervals (similar to DCUSA 35A.7).

Legal text

Please see **Annex 01**

What is the impact of this change?

The changes are largely within NESO processes, but the process and dates for data transfer from the TOs and OFTOs shifts 14 days.

Proposer's assessment against STC Objectives

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Relevant Objective	Identified impact
(a) efficient discharge of the obligations imposed upon Transmission Licensees by Transmission Licences and the Electricity Act 1989;	Neutral The change of 10 days is not overly onerous. Stating assumptions increases transparency. Also the se additional days de-risk the process for all stakeholders
(b) efficient discharge of the obligations imposed upon the licensee by the Electricity System Operator licence, the Energy Act 2023 and Electricity Act 1989;	Positive Positive NESO staff face immense pressure to finalise calculations in 4 days if 25 January falls on a Saturday. This change would increase our confidence and allow additional assurance checks to be made, as well as provide asked for future modelling.
(c) development, maintenance, and operation of an efficient, economical, and coordinated system of electricity transmission;	Neutral We believe increasing forecast accuracy will aid all Parties, as well as stakeholders such as Energy Suppliers modelling prices in future years.
(d) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity;	Positive We believe enhanced forecasting will aid Suppliers' planning abilities and re-risk the process for all stakeholders
(e) protection of the security and quality of supply and safe operation of the National Electricity Transmission System	Neutral Greater time for calculations will provide additional checks to be carried out

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insofar as it relates to interactions between Transmission Licensees and the licensee*;	
(f) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC;	Positive We believe the de-risking of the calculation process, increasing the likelihood of avoiding mistakes, increases the efficiency of the administration of the process
(g) facilitation of access to the National Electricity Transmission System for generation not yet connected to the National Electricity Transmission System or Distribution System; and	Neutral No impact
(h) compliance with the Electricity Regulation and any Relevant Legally Binding Decisions of the European Commission and/or the Agency.	Neutral No impact

* See *Electricity System Operator Licence*

Proposer's assessment against the STCP change requirements ¹	Proposer's assessment
(a) the amendment or addition falls within the terms and arrangements set out in condition E4 of the ESO Licence Standard Condition B12 of the Transmission Licence; and	Requirement met
(b) the amendment or addition does not impair, frustrate or invalidate the provisions of the Code	Requirement met
(c) the amendment or addition does not impose new obligations or liabilities or restrictions of a material	Requirement met

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nature on Relevant Parties which are not subsidiary to the rights and obligations of the Relevant Parties under the Code	
(d) the amendment or addition is not inconsistent or in conflict with the Code, ESO Licence or Transmission Licence Conditions or other relevant statutory requirements; and	Requirement met
(e) the Relevant Party Representatives deem that the amendment or addition is appropriate to support compliance with the Code	Requirement met

When will this change take place?

Implementation date:

01 September 2026

Implementation approach:

This Modification will be implemented on 01 September 2026

Interactions

☐ Grid Code ☐ BSC ☐ CUSC ☐ SQSS
☐ European ☐ Other ☐ Other
 Network Codes modifications

No interactions

Panel Determination

Party	Determination
National Energy System Operator (NESO)	To be updated following Panel determination

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National Grid (TO)	To be updated following Panel determination
Offshore Transmission Owners (OFTOs)	To be updated following Panel determination
Scottish Hydro Electric Transmission plc (SHET)	To be updated following Panel determination
SP Transmission Limited (SPT)	To be updated following Panel determination

Acronyms, key terms and reference material

Acronym / key term	Meaning
PM	Procedure Modification
CUSC	Connection and Use of System Code
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
TNUoS	Transmission Network Use of System
TTot	means the value as defined in Special Condition 9.11 of the Transmission Owner (TO) licence for NGET as 'TNGETt', SHET as 'TSHTt', and SPT as 'TSPT'
TOFTot	means the total of the amounts notified to the licensee by each Offshore Transmission Owner pursuant to their Transmission Licences;

Annexes

Annex	Information
Annex 01	PM0158 Legal text