Public

Meeting Summary

Transmission Charging Methodologies Forum

Date:	09/07/2026	Location:	MS Teams
Start:	10:00am	End:	11:30am

#	Topics to be discussed	
1.	Introduction, meeting objectives and review of previous actions	Alastair Owen, NESO
2.	CUSC Section 14.4.6 wording	Morgan Donnelly, Reg Power
3.	Post Commissioning Connection Security	Nick George, Revenue Billing Manager, NESO
4.	Code Administrator Update	Catia Gomes, Code Administrator NESO
5.	AOB and Meeting Close	Alastair Owen, NESO

Discussion and details

These notes are produced as an accompaniment to the slide pack presented which can be found here; https://www.neso.energy/industry-information/codes/connection-and-use-system-code-cusc/cusc-forum

#	Topics to be discussed
1.	**Introduction, meeting objectives and review of previous actions - Alastair Owen, NESO** Alastair Owen opened the meeting, providing an overview of the agenda items for discussion and led a review of the action log. • Alastair Owen (AO) provided an update on previous actions. For the first 3 actions AO advised that these are dependent on the new connections queue being formed. As soon as the queue has been formed TCMF will be provided with an update. • Open action 4 – This action was picked up by Ofgem in the AOB
2.	**CUSC Section 14.4.6 wording - Morgan Donnelly, Reg power** Morgan Donnelly (MD) from Reg Power highlighted ambiguity in CUSC Section 14 regarding one-off works payments, particularly around the timing and structure of payments in connection contracts and the gap between the CUSC wording and current practice.

Ruth Kemsley (RK) and Nick George (NG) explained that payment schedules are usually set out clearly in bilateral agreements and appendices, often requiring staged payments in advance despite what the CUSC text may imply.

Matthew Paige-Stimson (MPS) and Paul Jones (PJ) clarified that the clause provides flexibility, allowing payment upfront, at commissioning, or over time as a transmission charge, depending on negotiation and user preference. Unless otherwise agreed, the default position is a lump-sum payment at commissioning.

Lauren Jauss (LJ), as a CUSC Panel member, questioned whether the clause's ambiguity constitutes a defect requiring a CUSC modification. She emphasised the need to define the defect clearly, noting the challenge of prioritising modifications amid the current backlog. MPS added that the clause does not limit payment arrangements, the TO charging statement supports all options, and any modification should preserve flexibility for both generation and demand users.

Full details on the update can be found on the slides.

3. Post Commissioning Connection Security – Nick George, Revenue Billing Manager, NESO

Nick George (NG), Revenue Billing Manager at NESO, presented TCMF slides providing an overview of Post-Commissioning Connection Securities.

NG explained that security is calculated using the End of Year Net Asset Value (NAV), plus either six or twelve months of connection charges depending on the security period. NG also noted that security statements are issued twice a year, with the CUSC requiring NESO to give 75 days' notice and users to lodge security at least 45 days before the relevant charging period starts.

Kyran Hanks (KH) asked how users can pay 100% capital contributions. NG explained that users can elect to make full or partial capital contributions either before commissioning, at commissioning, or subsequently through the relevant contractual modification process. NG further noted that once the capital element has been fully paid, the NAV reduces to zero and termination security is typically limited to the ongoing maintenance-related connection charges associated with the assets.

Ruth Kemsley (RK) noted that cash securities for cancellation charges can be transferred after connection to cover termination securities, although the amounts may vary due to different calculation methods. NG confirmed this.

RK and Morgan Donnelly (MD) asked where termination security requirements are shown in contract documentation. NG advised users to check their contract appendices for NAV and GAV values and referred them to website guidance documents and models for further information.

MD asked how asset life aligns with depreciation periods. NG explained that termination amounts are based on the remaining NAV of the connection assets. NG noted that if assets are decommissioned or a connection is terminated before the asset value is fully depreciated, termination charges may apply. NG also noted that Users should consider the chosen depreciation period when assessing their long-term charging profile and potential termination liabilities.

Full details on the update can be found on the slides.

4. CUSC Administrator Update – Catia Gomes, Code Administrator NESO

Catia Gomes (CG) gave the code administrator update.

- CG provided updates on new modifications, decisions, implementations, and consultations, as well as information on the upcoming panel meetings and submission deadlines.

Full details on the update can be found on the slides.

5. AOB and Meeting Close - Alastair Owen, NESO

- **Update on Reformed National Pricing (RNP) programme.**
  Ofgem's Bartosz Slota (BS) and Daniel Ffrench-Mullen (DFM) gave an update on the RNP programme. They noted that Ofgem received 78 responses to the RNP call for input, which are being reviewed over the summer, with responses expected to be published later this year and further updates to follow as policy development progresses.

  DFM updated TCMF on the Charging Transitional Arrangements Group (CTAG), which has met several times to discuss eligibility and the case for change, focusing on fixed charges and eligibility criteria at the point of competition. Meeting papers are publicly available, and a wider industry consultation is planned for Q1 2027.

  Sallyann Young (SY) asked about decision timelines. DFM confirmed that CTAG aims to conclude by year-end, with consultation planned for early 2027. BS added that enduring arrangements will depend on broader strategic direction and business publications.

  KH requested links to CTAG materials and asked when consultation responses would be published. BS confirmed they would be published in the coming weeks.

- **Revenue and Charging Forum Announcement and Tariff Sensitivities**
  Nick Everitt (NE) outlined the in-person and online Revenue and Charging Forum sessions, which will provide an overview of TNUoS, BSUoS, AAHEDC and connection charging, including registration details and session content. Participants were asked to submit suggested sensitivities for the five-year TNUoS tariff forecast.

- **Manifest Error in 2025-26 Tariffs and Communication**
  SY and Nicola Fitchett (NF) asked about a manifest error in the 2025-26 tariffs. NE explained that incorrect TEC register information triggered tariff adjustments and reconciliation invoices for affected parties. Those impacted were contacted directly, and NE agreed to provide further detail, raise awareness, and share actions taken and lessons learned at the next TCMF.

  SY asked about missing long-term data and maps in the 2025 ETYS. NE noted that the data is expected later this year, with Appendix B due on 31 July.

The meeting was closed.