

# TNUoS FAQ Document

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## 1) What are TNUoS charges?

**TNUoS (Transmission Network Use of System)** charges are fees built into your electricity bill that help pay for the upkeep and expansion of Britain's high-voltage power grid, ensuring electricity can be moved reliably from power stations— including an increasing amount of offshore and remote renewable generation— to homes and businesses. These costs are set by the National Energy System Operator (NESO) and vary by region, with suppliers passing them on to customers mostly through standing charges.

## 2) What's changing with TNUoS?

The sharp rise in TNUoS charges for 2026/27 is mainly driven by a big increase in the amount of money needed to strengthen and expand the UK's electricity transmission network.

NESO have significantly increased the Transmission Demand Residual (TDR)—the fixed part of the charge that every supply is charged—almost doubling it from about £3.8 billion to £7.5 billion in one year, reflecting major investment demands.

Several factors are driving these changes:

### a) **Major Investment in the Transmission Network**

The need to reinforce and expand the national transmission network, particularly to support renewable and offshore generation, is one of the main reasons for the increase. As the UK moves towards greener energy, these upgrades are necessary to ensure efficient electricity transmission.

### b) **RIIO-ET3 Price Control Allowances**

Changes in the regulatory framework (the move into the RIIO-T3 price control period) allow transmission companies to recover more of their costs through TNUoS, meaning these rising grid costs flow directly into customer standing charges from April 2026 onwards.

### c) **Adjustments to Charging Methodology**

Changes to locational and residual charging will shift more of the cost recovery to fixed standing charges.

### d) **Ongoing Methodology Reforms**

Reforms are underway to change how sites are banded and billed for TNUoS, which may further adjust charges for customers.

## 3. Why are TNUoS charges increasing?

Increasing TNUoS charges supports the long-term strategy to fund the UK's transition to a more reliable electricity system. Overall long-term outcomes will include:

- A more capable & reliable transmission network
- Meeting the growing demand for cleaner electricity as part of the UK's transition to renewable energy and net-zero infrastructure
- A more predictable and stable charging framework
- Reduce the risks of system instability, delays and supply constraints

#### **4. What impact will this have on my bills & when?**

The increases are influenced by locality & size of supply, so some businesses may see lower or higher increases. However Ofgem state that, on average, businesses may face between 5-15% increase in annual electricity costs due to the TNUoS changes.

Customers who agreed a contract with YGP before the 20<sup>th</sup> of February will see this increase in their daily standing charge from the 1<sup>st</sup> of April 2026. We will be communicating with all customers to detail specific increases.

Customers who agreed a contract after the 20<sup>th</sup> of February already have this increase included within the prices quoted.

#### **5. How will this affect renewals and future energy contracts?**

Since TNUoS is set centrally by NESO and applies to all suppliers, energy prices will rise across all suppliers. This includes renewals & contracts agreed after supplies assess the impact of the published forecast & update their prices.

The long term goal is to stabilise energy bills for customers after several years of turbulent prices, however it's likely bills will remain high for the short to mid-term.

We know the increase in energy bills put financial pressure on businesses, so YGP remain committed to offering as competitive rates as we possibly can for all existing & future customers.

#### **6. What can I do to keep my bills low?**

As these charges are centrally led by NESO and energy suppliers like YGP have no control over the changes, there is no way of avoiding the increase directly. However we know the recent turbulence of energy prices and other economic pressures pushing bills up, make it difficult to manage business, so below are some recommendations on how you can stay ahead of rising energy costs:

- **Plan Ahead:** Keep an eye on TNUoS tariff updates published by NESO. These will help you anticipate any future changes and adjust your energy budget accordingly.
- **Stay informed:** Ensure you know what tariff you are on and any likely impact of future increases. Some contracts are fully fixed, with no changes, some allow adjustments under specific circumstances, whilst others have charges passed through entirely.
- **Energy Efficiency:** Consider improving energy efficiency to reduce your overall energy usage, which could help mitigate the impact of rising charges.

#### **7. Can I leave my contract with YGP?**

No, this change does not affect your contractual agreement with YGP. The increased TNUoS charges will be passed through on your bill pursuant to the whole of clause 6.6, including clauses 6.6.4 and 6.6.6, of your terms and conditions a copy of which can be found online at: [www.ygp.co.uk](http://www.ygp.co.uk)

TNUoS charges have increased across the industry, affecting all energy suppliers & increasing prices industry-wide. Moving suppliers will not avoid the recent increases.

**8. I agreed a fixed rate contract, so why is my standing charge changing?**

As this is an industry-wide increase that is out of the control of YGP, the charges have been passed through to customers on the daily standing charge. This is in accordance with the whole of clause 6.6 of the terms and conditions of the contract.

For transparency, YGP will not profit from this industry led increase. We continue our commitment to providing great value to our customers, including competitive rates & great customer service.