Dear BSUoS customer,

The RIIO-ET1 Price Control Financial Model (‘PCFM’) is used to calculate values for the Base Revenue (the term MOD) that appears in the formula for each licensee’s Base Transmission Network Revenue and SO Opening Base Revenue. The calculations are carried out as part of the Annual Iteration Process for the PCFM.

The 2018 process has just been completed and Ofgem have published the results of the process at the link below.


**What does this mean to BSUoS?**

The MOD term for the ESO is one of the costs that makes up the overall amount that is recovered via the BSUoS charge. The values making up the 2019/20 scheme year are significantly different to those from previous years and from what we previously been forecasting for 2019/20 scheme year.

An updated monthly forecast for BSUoS will be published by the 14th December 2018 which will include revised figures considering the MOD values recently agreed with Ofgem.

Additional to the above, the next BSUoS forecast will also make allowances for the suspension of the capacity market that was announced last month following a ruling in the General Court of the Court of Justice of the European Union. Further information on this ruling at the link below.


**BSUoS Circulars**

If you wish to receive BSUoS circulars via email, please send an email to BSUoS.Queries@nationalgrid.com asking to be added to our distribution list. Please mark your email with the subject line “Please ADD me to BSUoS Circulars”

If you receive BSUoS circulars but no longer wish to do so, please email BSUoS.Queries@nationalgrid.com asking to be removed from the distribution list. Please mark your email with the subject line “Please REMOVE me from BSUoS Circulars”

**Further Questions**

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1 Please help us keep our records up to date by informing us of any changes in contact details via the email address