

To:

Electricity Distribution,
Gas Distribution, Gas
Transmission, Electricity
Transmission; Network
Operators; and
Stakeholders

Date: 28 April 2023

Dear Company Secretaries and Stakeholders,

Proposal to modify the Regulatory Instructions and Guidance

We propose to make modifications to RIGs - the Network Operators' Price Control Pension Costs – Regulatory Instructions and Guidance ("the Pension RIGs").

Please find enclosed the Notices setting out our proposed changes issued pursuant to the relevant Licence Conditions for each sector.

Pension RIGs

The Pension RIGs provide the reporting requirements for the licensee allowing the Authority to carry out the 2023 triennial Pensions Reasonableness Review ("Pensions Reasonableness Review").

As part of the enclosed Notices, we provide the following documents:

- Pension RIGs guidance – a marked up version with proposed changes and a 'clean' version;
- Pension RIGs template; and
- 2023 Pensions Reasonableness Review - Licensee questionnaire.

Proposed modifications

We are proposing a number of minor updates and modifications to the Pension RIGs template and guidance to align them with the RIIO-2 special licence conditions. These include:

- General updates to input data and parameters for the 2022/23 reporting year

- Updating cross references from RIIO-1 to RIIO-2 Licences and other RIIO-2 RIGs documents
- Removing sheets and related guidance no longer required under RIIO-2

Timeline

If we implement these proposed modifications to the Pension RIGs, they will take effect from 1 July 2023. For the avoidance of doubt, this means that the data submitted in July 2023 (in respect of the 2022/23 reporting year) would use the RIGs as modified.

We welcome representations on our proposed modifications by 26 May 2023, and the details for responding are contained in the enclosed Notice.

Yours faithfully,

Mick Watson

Interim Chief Financial Advisor, Analysis and Assurance

Duly authorised on behalf of the Authority

28 April 2023

Cadent Gas Limited
Northern Gas Networks Limited
Scotland Gas Networks plc
Southern Gas Networks plc
Wales & West Utilities Limited

(each one a "Licensee", and together, "the Licensees")

**Notice under paragraph 10 of the Standard Special Condition A40
(Regulatory Instructions and Guidance) ("SSC A40") of the Gas Transporter
Licence (the "Licence") granted to the Licensees under section 7 of the Gas
Act 1986 (the "Act").**

The Gas and Electricity Markets Authority (the "Authority")¹ hereby gives notice under paragraph 10 of SSC A40 as follows:

Proposal to modify the Regulatory Instructions and Guidance

1. The Authority proposes to modify the Regulatory Instructions and Guidance (the "RIGs") under SSC A40 of the Licence. The RIGs are the primary means by which the Authority directs the Licensees to collect and provide information to the Authority, to enable it to administer the Special Conditions of the Licence and, where not referenced in the Licence, the RIIO-GD2 Final Determinations.²
2. SSC A40 sets out the process for issuing and modifying the RIGs. In accordance with paragraph 10 of SSC A40, the Authority hereby gives notice to the Licensees that it proposes to modify the RIGs in the manner indicated in the documents that can be accessed via the hyperlinks in the Appendices to this Notice.
3. The proposed modifications to the RIGs consist of revisions to existing tables and guidance. These proposed modifications are to clarify the existing reporting requirements.
4. The proposed modifications refer specifically to information required to be submitted to the Authority in the following areas:
 - The Pension Regulatory Instruction and Guidance excel template and guidance document

¹The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

²<https://www.ofgem.gov.uk/publications-and-updates/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator>

5. The proposed modifications are summarised below:
- General updates to input data and parameters for the 2022/2023 reporting year
 - Updating cross references from RIIO-1 to RIIO-2 Licences and other RIIO-2 RIGs documents
 - Removing sheets and related guidance no longer required under RIIO-2
6. The Licensees must complete and return the reporting pack referred to above as part of the 2022/23 RIGs process.

Further information

7. The RIIO Pension Regulatory Instruction and Guidance, and Template Version 3.1 published alongside this notice show the proposed modifications as incorporated.
8. Copies of this Notice and other documents referred to in it are available on the Ofgem website (www.ofgem.gov.uk).
9. Any representations on the proposed modifications must be made on or before 26 May 2023 to David Simpson by email to david.simpson@ofgem.gov.uk
10. Our normal practice is to publish responses on our website. We prefer to receive responses in an electronic form for publication on our website. However, if you do not wish for your response to be made public then you should clearly mark your response as “not for publication”.

Mick Watson

Interim Chief Financial Advisor, Analysis and Assurance

Duly authorised on behalf of the Authority

28 April 2023

National Grid Gas plc (with respect to its gas transmission network) (the “Licensee”)
Notice under paragraph 10 of the Standard Special Condition A40
(Regulatory Instructions and Guidance) SSC A40 of the Gas Transporter
Licence granted to the Licensee under section 7 of the Gas Act 1986 (the “Act”).

The Gas and Electricity Markets Authority (the “Authority”)³ hereby gives notice under paragraph 10 of SSC A40 as follows:

Proposal to modify the Regulatory Instructions and Guidance

1. The Authority proposes to modify the Regulatory Instructions and Guidance (the “RIGs”) under SSC A40 of the Licence. The RIGs are the primary means by which the Authority directs the Licensee to collect and provide information to the Authority, to enable it to administer the Special Conditions of the Licence and, where not referenced in the Licence, the RIIO-GT2 Final Determinations.⁴
2. SSC A40 sets out the process for issuing and modifying the RIGs. In accordance with paragraph 10 of SSC A40, the Authority hereby gives notice to the Licensee that it proposes to modify the RIGs in the manner indicated in the documents that can be accessed via the hyperlinks in the Appendices to this Notice.
3. The proposed modifications to the RIGs consist of revisions to existing tables and guidance. These proposed modifications are to clarify the existing reporting requirements.
4. The proposed modifications refer specifically to information required to be submitted to the Authority in the following areas:
 - The Pension Regulatory Instruction and Guidance excel template and guidance document
5. The proposed modifications are summarised below:
 - General updates to input data and parameters for the 2022/2023 reporting year
 - Updating cross references from RIIO-1 to RIIO-2 Licences and other RIIO-2 RIGs documents

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⁴<https://www.ofgem.gov.uk/publications-and-updates/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator>

- Removing sheets and related guidance no longer required under RIIIO-2
6. The Licensees must complete and return the reporting pack referred to above as part of the 2022/23 RIGs process.

Further information

7. The RIIIO Pension Regulatory Instruction and Guidance, and Template Version 3.1 published alongside this notice show the proposed modifications as incorporated.
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28 April 2023

National Grid Electricity Transmission plc
National Grid Electricity System Operator Limited
SP Transmission plc
Scottish Hydro Electric Transmission plc

(each one a "Licensee", and together, "the Licensees")

Notice under paragraph 10 of Standard Condition B15 (Regulatory Instructions and Guidance) ("SC B15") of the Electricity Transmission Licence (the "Licence") granted to the Licensees under section 6(1)(b) of the Electricity Act 1989 (the "Act").

The Gas and Electricity Markets Authority (the "Authority")⁵ hereby gives notice under paragraph 10 of SC B15 as follows:

Proposal to modify the Regulatory Instructions and Guidance

1. The Authority proposes to modify the Regulatory Instructions and Guidance (the "RIGs") in accordance with SC B15 of the Licence. The RIGs are the primary means by which the Authority directs the Licensees to collect and provide information to the Authority, to enable it to administer the Special Conditions of the Licence and, where not referenced in the Licence, the RIIO-T2 Final Determinations.⁶
2. Paragraph 10 of SC B15 sets out the process for issuing and modifying the RIGs. In accordance with SC B15, the Authority hereby gives notice to the Licensees that it proposes to modify the RIGs in the manner indicated in the documents that can be accessed via the hyperlinks in the Appendices to this Notice.
3. The proposed modifications to the RIGs consist of revisions to existing tables and guidance. These proposed modifications are to clarify the existing reporting requirements.
4. The proposed modifications refer specifically to information required to be submitted to the Authority in the following areas:

⁵ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

⁶ <https://www.ofgem.gov.uk/publications-and-updates/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator>

- The Pension Regulatory Instruction and Guidance excel template and guidance document
5. The proposed modifications are summarised below:
- General updates to input data and parameters for the 2022/2023 reporting year
 - Updating cross references from RIIO-1 to RIIO-2 Licences and other RIIO-2 RIGs documents
 - Removing sheets and related guidance no longer required under RIIO-2
6. The Licensees must complete and return the reporting pack referred to above as part of the 2022/23 RIGs process.

Further information

7. The RIIO Pension Regulatory Instruction and Guidance, and Template Version 3.1 published alongside this notice show the proposed modifications as incorporated.
8. Copies of this Notice and other documents referred to in it are available on the Ofgem website (www.ofgem.gov.uk).
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Electricity North West Ltd (ENWL)
Northern Powergrid (Northeast) Ltd (NPgN)
Northern Powergrid (Yorkshire) plc (NPgY) London
Power Networks plc (LPN)
South Eastern Power Networks plc (SPN) Eastern
Power Networks plc (EPN)
SP Distribution plc (SPD)
SP Manweb plc (SPMW)
Scottish Hydro Electric Power Distribution plc (SSEH)
Southern Electric Power Distribution plc (SSES)
National Grid ElectricityDistribution (West Midlands) plc (WMID)
National Grid ElectricityDistribution (East Midlands) plc (EMID)
National Grid ElectricityDistribution (South Wales) plc (SWALES)
National Grid ElectricityDistribution (South West) plc (SWEST)
(each one a "Licensee", and together, "the Licensees")

Notice under part C of Standard Licence Condition 46 (Regulatory Instructions and Guidance) ("SLC 46") of the Electricity Distribution Licence (the "Licence")

The Gas and Electricity Markets Authority (the "Authority")⁷ hereby gives notice under part C of the SLC 46 (Regulatory Instructions and Guidance) ("SLC 46") as follows:

Proposal to modify the Regulatory Instructions and Guidance

1. The Authority proposes to modify the Regulatory Instructions and Guidance (the "RIGs") under PART C of SLC 46 of the Licence. The RIGs are the primary means by which the Authority directs the Licensees to collect and provide information to the Authority, to enable it to administer the Special Conditions of the Licence and, where not referenced in the Licence, the RIIO-ED2 Final Determinations.⁸
2. Part C of SLC 46 sets out the process for issuing and modifying the RIGs. In accordance with SLC 46.10, the Authority hereby gives notice to the Licensees that it proposes to modify the RIGs in the manner indicated in the documents that can be accessed via the hyperlinks in the Appendices to this Notice.
3. The proposed modifications to the RIGs consist of revisions to existing tables and guidance. These proposed modifications are to clarify the existing reporting requirements.

⁷ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

⁸ <https://www.ofgem.gov.uk/publications/riio-ed2-final-determinations>

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 - The Pension Regulatory Instruction and Guidance excel template and guidance document
5. The proposed modifications are summarised below:
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Further information

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