

To:
National Energy System Operator Limited

Date: 27 June 2025

Dear Company Secretary,

Decision to modify NESO Regulatory Instructions and Guidance ("RIGs") and the Regulatory Reporting Pack ("RRP") for RIIO-2

We¹ are issuing a Direction under both National Energy System Operator Limited's ("NESO") Electricity System Operator Licence and Gas System Planner Licence to modify the RIGs and the RRP.

Please find attached the Direction setting out the modifications that we made pursuant to the aforementioned licences.

RIGs and RRP

The RIGs and RRP are the principal means by which we collect cost, volume, allowed expenditure and output delivery information from licensees to monitor performance against their RIIO-2 objectives and hold them to account.

As part of the enclosed Direction, we provide the modified versions of the following documents (clean and marked up versions):

1. RIIO-2 NESO - Regulatory Instructions and Guidance: Version 3.2; and,
2. RIIO-2 NESO - Regulatory Reporting Template: Version 3.2.

Decision

We have decided to make a number of modifications to the RIGs and RRP to reflect the transition from National Grid Electricity System Operator to NESO, the new ESO and GSP licences and new RRP tables.

Summary of Consultation Responses

We have received one response which agrees with the proposed modifications and further suggests additional changes to the RIGs which we have agreed with and implemented. A Direction modifying the RIGs and RRP is attached as an Annex to this decision letter.

Timeline

The modifications to the RIGs and RRP will take effect from 27 June 2025.

¹ References to 'the Authority', 'GEMA', 'Ofgem', 'we', 'us' and 'our' are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets. Ofgem is the office of the Authority which supports GEMA.

Yours faithfully,

David Beaumont
Head of NESO Framework Development
Institutions for Net Zero, Energy Systems Management and Security
Duly authorised on behalf of the
Gas and Electricity Markets Authority

27 June 2025

Annex

National Energy System Operator Limited

(a “Licensee”)

Direction under Part A of Condition G3 (Regulatory Instructions and Guidance) of the Electricity System Operator Licence and the Gas System Planner Licence.

Whereas -

The Gas and Electricity Markets Authority (the “Authority”)² hereby gives notice as follows:

1. The Licensee holds both an Electricity System Operator Licence granted or treated as granted under section 6(1)(da) of the Electricity Act 1989 and a Gas System Planner Licence granted under section 7AA of the Gas Act 1986 and is subject to the conditions contained in both of the aforementioned licences.
2. The Regulatory Instructions and Guidance (“RIGs”) and the Regulatory Reporting Pack (“RRP”) 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 conditions of both the Electricity System Operator Licence and the Gas System Planner Licence.
3. Part A of Condition G3 sets out the process for issuing and modifying the RIGs. In accordance with Part A of Condition G3, the Authority gave notice to the Licensee on 30 April 2025³ that it proposed to modify the RIGs, as set out in that notice.
4. The Notice required any representations on the proposals to be made on, or before, 29 May 2025.
5. The Authority received a response from the Licensee with proposals to amend the RIGs and RRP. The Authority has considered the representations and has made a number of changes to the relevant documents.
6. The modifications refer specifically to information required to be submitted to the Authority on or before 30 September 2025 in relation to:
 - RIIO-2 NESO - Regulatory Instructions and Guidance: Version 3.2; and,
 - RIIO-2 NESO - Regulatory Reporting Template: Version 3.2.

² 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.

³ [NESO Regulatory Instructions and Guidance and Reporting Pack: proposed changes | Ofgem](#)

7. The modifications are summarised in the letter to which this Direction is attached and can be seen in the versions of the documents specified above and published alongside this Direction.

Now Therefore -

8. Pursuant to Part A of Condition G3 of both the Electricity System Operator Licence and the Gas System Planner Licence, the Authority hereby directs that the RIGs and RRP be amended in the manner specified in the documents published alongside this Direction.
9. The modifications will take effect on 27 June 2025.
10. This Direction and the letter constitute the reasons for the Authority's decision pursuant to section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986.

David Beaumont

Head of NESO Framework Development

Institutions for Net Zero, Energy Systems Management and Security

Duly authorised on behalf of the

Gas and Electricity Markets Authority

27 June 2025