



Making a positive difference
for energy consumers

To:
Electricity Distribution
Network Operators and
interested Stakeholders

Date: 02 March 2026

Dear Company Secretaries and Stakeholders,

Proposal to modify the Regulatory Instructions and Guidance (“RIGs”) and Regulatory Reporting Pack (“RRP”) for RIIO-ED2¹

Based on the experience of the second year of the RIIO-ED2 price control, we² have reviewed the reporting requirements and engaged with the Electricity Distribution (ED) licensees to seek views on further improvements to the functionality of the RRP and to improve the supporting RIGs.

We are proposing to amend the following documents³ for the ED licensees:

- RIIO-ED2 Regulatory Instructions and Guidance v2.1
- RIIO-ED2 Reporting Pack Templates v2.1
- RIIO-ED2 Commentary v2.1

Please find enclosed the Notice setting out our proposed changes issued pursuant to the Electricity Distribution Licence Standard Condition 46.

If we decide to implement these changes, we propose that they will take effect in April 2026.⁴ For the avoidance of doubt, this means that the data to be submitted in July 2026 (in respect of the 2025-26 reporting year) should comply with the RIGs as modified in accordance with our published Decision Notice.

RIGs

The RIGs and the 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-ED2 objectives and hold them to account.

As part of the enclosed Notice, we provide the following documents with proposed modifications:

- RIIO-ED2 Regulatory Instructions and Guidance v2.1
- RIIO-ED2 Reporting Pack Templates v2.1
- RIIO-ED2 Commentary v2.1

¹ This is the second electricity distribution price control using the Revenue = Incentives + Innovation + Outputs (RIIO) price control model.

² 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.

³ We are consulting on version 2.1 of the RRP and RIGs documents. Any changes made following this consultation will be incorporated into version 3.0 of the documents, which will be published as the decision pack for Year 3 reporting.

⁴ We propose to modify the RIGs in a direction on or after 31 March 2026.

Proposed Modifications

We are proposing several modifications to the RIGS and the RRP. These include:

- changes and corrections to the RRP pack;
- making consequential updates to the RIGs to clarify the existing reporting requirements of the licensee;
- expanding Annex B, the Costs, Volumes and Revenue (CVR) reporting pack to incorporate information that has previously been submitted using the Load Related Expenditure (LRE) Volume Drivers Workbook;
- new reporting requirements:
 - table T7 Totex Performance (Annex B)
 - Connection Reform Costs added to pass-through tables (Annex B)
 - table CC10 Low Carbon Technology (LCT) connection data (Annex G); and
- reducing Annex J to streamline the Innovation Measurement Framework (IMF) tables.

As part of the RIGs consultation last year, we said that our aim is to include a table that sets out company RIIO-ED2 allowances, adjusted for uncertainty mechanisms (such as volume drivers and reopeners). We have worked with licensees to develop a consistent way of reporting the adjusted allowances. We now propose to include table T7 (Totex Performance) in Annex B (the CVR reporting pack).

In response to DNO feedback, we propose to expand Annex B (the CVR reporting pack) to include three tables (VD_Ref Data, VD_SRVD Flex Calcs and VD_SRVD & LVSVD). These tables cover information on LRE volume drivers which was previously submitted as part of the annual RRP process using a separate workbook (the LRE Volume Drivers Workbook).

We propose adding a new reporting requirement for Connection Reform Costs to reflect a new pass-through item in Electricity Distribution Special Licence Condition 6.1.⁵ To implement this licence modification, we have updated Annex B (the CVR reporting pack), including changes to tables C22, R6 (Pass-Through) and I3 (Licence Values), as well as updates to the relevant RIGs documents.

We propose adding a new table, CC10 (LCT Connections), to Annex G (the Connections reporting pack). It will collect information on LCT connections, including the number of connections and time to complete enabling works.

In response to DNO feedback, we propose to remove tables IMF3 (Outcome measures) and IMF4 (Secondary Indicators tables) from Annex J (the Environment and Innovation reporting pack).

We set out the effect of and the reasons for these modifications below.

General updates

We have included a few updates and corrections to the RRP and RIGs. The updates were identified during discussions with network companies to clarify existing reporting requirements and align them with recent changes made to the special licence conditions.

Additional reporting requirements

We have included table T7 (Totex Performance) so that performance can be reviewed against an adjusted allowance that accounts for uncertainty mechanisms. This new requirement ensures that licensees report adjusted allowances in a consistent way which will improve comparability and provide a clearer view of cost performance across all networks.

⁵ [Modifications to electricity distribution licence Special Conditions to enable TMO4+ connections reform | Ofgem](#)

Data that is required for the LRE Volume Drivers Workbook is already contained within the RRP Annex B Costs, Volumes and Revenue workbook and memo tables. To avoid duplication, reduce the risk of manual error and provide a more streamlined approach to reporting information, we have included the volume driver tables in Annex B (the CVR reporting pack). As part of our LRE volume driver consultation (February 2026), we are consulting on removing the requirement for DNOs to report this information as part of the LRE Volume Drivers Workbook.

Changes to the pass-through tables in Annex B (the CVR reporting pack) reflect modifications to Special Licence Condition 6.1 and it will enable DNOs to report and pass through eligible connections reform costs.

A new reporting requirement for LCT connections has been introduced to support our work on the connections end-to-end review⁶ and the Government's Warm Homes Plan.⁷ Collecting this data will help improve information on network connection times, upgrade delivery and readiness of the electricity networks to support the rollout of LCTs.

Update on IMF tables

Work to improve the way innovation data is collected and reported is ongoing. However, the final version of the refreshed tables has not been completed in time to be incorporated in this consultation. Our aim is to introduce an improved version of this reporting requirement in next year's submission.

In the meantime, and to streamline and simplify the reporting requirements for the 2025-26 reporting period, we propose the following changes to Annex J:

- retain the IMF tables that continue to provide useful information
- correct formula errors in two tables - IMF8 (Project Supporters) and IMF9 (Project Partners); and
- remove two tables - IMF3 (Outcome measures) and IMF4 (Secondary Indicators) reflecting concerns raised by licensees on the limited usefulness of the information currently collected.

For further details on changes to the RRP, please refer to the Change Log tab at the front of the packs. For changes to the RIGs, please see the tracked changes within the document.

We welcome representations on our proposed modifications on or before Monday 30 March 2026, and the details for responding are contained in the enclosed Notice.

Yours faithfully,

Elly Shafran
Head of Electricity Costs and Monitoring
Electricity Distribution Network Price Controls

⁶ [Connections end-to-end review: updated proposals and next steps | Ofgem](#)

⁷ [Warm Homes Plan - GOV.UK](#), page 76.

**To: Electricity North West Ltd (ENWL)⁸
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)
Western Power Distribution (West Midlands) plc (WMID)
Western Power Distribution (East Midlands) plc (EMID)
Western Power Distribution (South Wales) plc (SWALES)
Western Power Distribution (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 of proposed modifications to the Regulatory Instructions and Guidance for RIIO-ED2

The Gas and Electricity Markets Authority (the "Authority"⁹) hereby gives notice in accordance with Part C of 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 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 to in the Licence, the RIIO-ED2 Final Determinations.
2. SLC 46 sets out the process for issuing and modifying the RIGs. In accordance with Part C of SLC 46, 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 on its website and published alongside this Notice.
3. The proposed modifications refer specifically to information required to be submitted to the Authority on or before 31 July 2026 in relation to:
 - RIIO-ED2 Regulatory Instructions and Guidance v2.1
 - RIIO-ED2 Reporting Pack Templates v2.1
 - RIIO-ED2 Commentary v2.1
4. The proposed modifications to the RIGs consist of general amendments to the templates and guidance to correct labelling, calculations and referencing errors.
5. The purpose of the proposed modifications is to clarify the existing reporting requirements on the Licensees and provide greater insight into their performance

⁸ Following Iberdrola's acquisition of Electricity North West Ltd (ENWL) in October 2024, the company has adopted the trading name SP Electricity North West (SP ENW) as part of the ScottishPower group. For RIIO-ED2 reporting purposes, SPEN and SP ENW remain separate DNO groups to maintain comparability across the price control period, as RIIO-ED2 allowances and outputs were set on this basis. The licensed entity continues to be Electricity North West Ltd.

⁹ 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.

under RIIO-ED2. The effect of the proposed modifications would be to require the licensees to provide more accurate, consistent and complete information to the Authority to enhance the quality and the accuracy of the information available to the Authority.

6. The Authority proposes that these modifications should take effect in April 2026.
7. The licensees must complete and return the reporting pack referred to above as part of the 2025/26 RIGs process.

Further information

8. The RIIO-2 RRP templates and RIIO-2 RIGs documents published alongside this notice show the proposed modifications as incorporated.
9. Copies of this Notice and other documents referred to in it are available on the Ofgem website (www.ofgem.gov.uk).
10. Any representations on the proposed modifications must be made on or before 30 March 2026 by email to zoe.cornish@ofgem.gov.uk.
11. Our normal practice is to publish responses on our website. We would prefer to receive responses in an electronic form so that they can be easily published on our website. If you do not wish your response to be published, please clearly mark it as "not for publication".

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Elly Shafran
Head of Electricity Costs and Monitoring
Electricity Distribution Network Price Controls

Duly authorised on behalf of the Authority
02 March 2026