

Decision

Modifying the Electricity Distribution Regulatory Instructions and Guidance and the Regulatory Reporting Pack

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This document confirms our¹ decision to modify the Regulatory Instructions and Guidance (RIGs) and annual data Regulatory Reporting Packs (RRP).

These changes are intended to support the onshore Electricity Distribution (ED) licensees in completing the annual reporting requirements, in accordance with the provisions under ED Standard Licence Condition 46 (Regulatory Instructions and Guidance), relating to year three (2025/26) of the RIIO-2 price control framework.²

This document provides guidance on best practice for conducting and reporting cost, volume, allowed expenditure and output delivery information, to ensure complete, accurate and timely data is submitted to Ofgem. It also specifies the format, content, scope, and timing of reporting to Ofgem.

¹ References to the “Authority”, “Ofgem”, “we” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

² This is the second electricity distribution price control using the Revenue = Incentives + Innovation + Outputs (RIIO) model.

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Background

On 2 March 2026, we issued a consultation seeking views on proposed amendments to the RIGs for the six electricity Distribution Network Operators (DNOs):³

- National Grid Electricity Distribution (NGED);
- Northern Powergrid (NPG);
- Scottish and Southern Electricity Networks (SSEN);
- SP Electricity North West (SP ENW);
- SP Energy Networks (SPEN); and
- UK Power Networks (UKPN).

The updates were informed by developments as part of the RIIO-2 price control framework, licensee proposed changes and general updates to the annual RIGs and RRP data reporting templates.

The RIGs are the principle means by which we collect cost, volume, allowed expenditure and output delivery information from licensees. As part of our annual performance framework, we use this information to scrutinise delivery and hold companies accountable during the price control period. It enables us to assess progress, embed safeguards against inefficient costs, monitor performance throughout the RIIO-2 period and use the data to inform future price controls.

We are issuing our decision under Electricity Distribution Standard Licence Condition 46 (Regulatory Instructions and Guidance) in relation to the following documents for Electricity Distribution licensees:

- RIIO-ED2 Regulatory Instructions and Guidance v3.0;
- RIIO-ED2 Reporting Pack templates v3.0;
- RIIO-ED2 Commentary v3.0; and
- RIIO-ED2 PCFM Guidance

The Price Control Financial Model (PCFM) Guidance provides licensees with information on how to fill in the inputs in the Revenue sheets of the RIGs, which feed into the PCFM and are used in setting the licensees' Allowed Revenues through the Annual Iteration Process (AIP).

³ [Notice proposing modifications to the Regulatory Instructions and Guidance \(RIGs\) RIIO-2 Year 3 for electricity distribution | Ofgem](#)

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1. Introduction

This decision sets out the updates we are making to the Electricity Distribution RIGs and RRP templates for the 2025/26 reporting year. These documents form the basis for how we collect information from the Electricity Distribution Networks to monitor licensee performance under RIIO-2 and ensure licence obligations are being met.

Context and related publications

On 2 March 2026, we published a consultation proposing a series of updates and corrections to the ED RIGs and RRP templates.⁴ These updates included:

- Minor changes and corrections to the RRP packs;
- Consequential updates to the RIGs to clarify the existing reporting requirements;
- Expanding Annex B, the Costs, Volumes and Revenue (CVR) reporting pack, to incorporate information that was previously 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) connections data (Annex G)
- Streamlining the Innovation Measurement Framework (IMF) tables (Annex J).

The consultation remained open until 30 March. Stakeholders had the opportunity to comment on the proposed changes. This decision reflects the responses we received and the changes we consider necessary following that process.

The updated RIGs, RRP templates and commentary templates have been published alongside this decision document. Licensees will use these documents to submit data in July 2026 for the 2025/26 regulatory reporting year.

Decision-making stages

Stage 1 Consultation proposing modifications to the Year 3 RIGs and RRP templates for electricity distribution opens: 2 March 2026

Stage 2 Consultation closes (awaiting decision). Deadline for responses: 30 March 2026

Stage 3 Responses reviewed: during early April 2026

Stage 4 Consultation outcome (decision): 17 April 2026

⁴ [Notice proposing modifications to the Regulatory Instructions and Guidance \(RIGs\) RIIO-2 Year 3 for electricity distribution | Ofgem](#)

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2. Responses to Our Statutory Consultation

We received eight responses to our RIGs consultation. All six DNOs responded and we also received responses from:

- Greenfield Energy Developments Ltd
- AMP Clean Energy.

We have summarised the substantive comments and issues raised by respondents in the following section.

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Table 1: Summary of key issues raised⁵

Issue	Respondent	Modification Proposal	Response & Action
Incorporating the Load Related Expenditure (LRE) Volume Drivers Workbook into Annex B	All DNOs	<p>All DNOs supported the proposal to incorporate the LRE Volume Drivers Workbook into Annex B, the Cost, Volume and Revenue (CVR) reporting pack. Respondents agreed that this approach would reduce duplication of reporting, lower the risk of manual error, and provide a more streamlined and efficient method for reporting volume driver information.</p> <p>SPEN and SP ENW suggested minor amendments to the VD_SRVD & LVSVD sheet, including the removal of the ‘No Growth’ lines to mitigate the risk of double counting.</p>	<p>Our decision is that LRE volume driver information will be reported through Annex B of the CVR reporting pack from the 2025/26 reporting year onwards.</p> <p>In response to comments from SPEN and SP ENW, we have incorporated minor amendments to the VD_SRVD & LVSVD sheet.</p>
Addition of T7 Totex Performance (Annex B)	All DNOs	<p>Ofgem worked with licensees to develop a consistent approach to reporting adjusted allowances and proposed a new Table T7 (Totex Performance) to be included in Annex B of the CVR reporting pack. The purpose of this table is to enable cost performance to be assessed against allowances that more accurately reflect the funding available once uncertainty mechanisms are taken into account.</p> <p>All DNOs supported the proposal to improve assessment of cost performance by reporting RIIO-ED2</p>	<p>Our decision is to introduce table T7 (Totex Performance) in the CVR reporting pack from the 2025/26 reporting year onwards.</p> <p>We consider that reporting against adjusted allowances provides a more meaningful assessment of cost performance. The introduction of table T7 will promote consistent reporting across licensees and support improved comparability and transparency of performance across the sector.</p>

⁵ Minor changes proposed by stakeholders are not included in this summary table.

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Issue	Respondent	Modification Proposal	Response & Action
		<p>allowances adjusted for the impact of uncertainty mechanisms, such as volume drivers and reopeners.</p> <p>SPEN and SP ENW suggested reverting the variance calculation in T7 to “Forecast minus Allowance”, so that underperformance is presented as negative values and overperformance as positive values.</p>	<p>We also agree that underperformance is more clearly reported as a negative value and overperformance as a positive value and have updated the table accordingly.</p>
<p>Addition of Connection Reform Costs (Annex B)</p>	<p>All DNOs</p>	<p>We consulted on amendments to the pass-through tables in Annex B of the Costs, Volumes and Revenue (CVR) reporting pack to reflect changes to Special Licence Condition 6.1. These changes were intended to enable DNOs to report and recover eligible Connection Reform costs through the existing pass-through arrangements.</p> <p>Respondents supported the proposal, with comments limited to minor clarifications. NGED suggested adding guidance in Annex B (C22) to confirm that Connection Reform costs should only be reported where they exceed the materiality threshold and are incurred in line with the Connections Reform Governance Document.</p>	<p>Our decision is to incorporate Connection Reform costs into Annex B for the purposes of 2025/26 reporting and subsequent years.</p> <p>We agree with NGED’s suggestion to include additional guidance in Annex B (C22) and have incorporated this in the RIGs.</p>
<p>Strategic Performance Overview</p>	<p>All DNOs</p>	<p>We consulted on new Strategic Commentary requirements, including performance reporting for the Consumer Vulnerability Incentive (CVI) and Distribution System Operation (DSO), alongside RAG rating guidance</p>	<p>We agree with NGED’s comments and have updated the RAG methodologies for CVI and TTC to support both overall RAG assessment (for section 2a) and RAG performance assessment at an individual measure level.</p>

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Issue	Respondent	Modification Proposal	Response & Action
		<p>for each, to support more standardised annual reporting.</p> <p>NGED provided detailed feedback, suggesting minor amendments for DSO and highlighting that the existing RAG methodology for CVI (and similarly for Time to Connect (TTC)) applies at an overall licence level and is not suitable for assessing performance at an individual measure level.</p>	<p>We have also identified a similar issue in relation to DSO. We have therefore updated the RAG methodology accordingly, to ensure it supports both overall RAG assessment (for Section 2a) and RAG performance assessments at the individual measure level.</p>
<p>Guaranteed standards of performance (GSOP) payment values (annex G and GSOP reporting pack)</p>	<p>All DNOs</p>	<p>DNO’s highlighted GSOP payments were not up to date for 2026 and 2027 in the guidance and reporting packs.</p>	<p>The most recent GSOP payment figures for 2027 were published on 13 March 2026, after the RIGs consultation. All relevant documents have been updated to reflect the most up to date information.</p>
<p>Relief from time to connect/quote incentive during qualifying events (Annex G, 2.139-2.141)</p>	<p>SSEN</p>	<p>We consulted on the addition of relief from time to connect/quote for the total number of workdays that were impacted for qualifying events.</p> <p>SSEN responded that the list of qualifying events that are specified in Annex G2.141 should also include situations where the customer is not ready to schedule works. It said that that limiting exemptions solely to the scenarios currently captured in the guidance does not fully reflect</p>	<p>No changes have been made to the qualifying events proposed during the consultation.</p> <p>The relief mechanism is a direct response to Grid Code Modification 0176 and follows Ofgem's letter to DNOs dated 28 November 2025 on Rota Load Disconnection and Demand Control Rotation Protocol events. It provides an exemption to events that meet criteria for</p>

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Issue	Respondent	Modification Proposal	Response & Action
		the range of factors outside the DNO’s control that can materially affect delivery timelines.	emergency events in DESNZ national emergency plan. Situations where customers are not ready to schedule works is a change in policy intent and not covered in the scope of relief mechanisms in 2.141.
Addition of CC10 (Annex G)	All DNOs	<p>A new reporting requirement for LCT connections was proposed to help improve information on network connection times, upgrade delivery and readiness of the electricity networks to support the rollout of LCTs.</p> <p>DNOs responded with comments including:</p> <ul style="list-style-type: none"> i) Consideration to be given to a grace period or delaying the new reporting requirement where reporting processes are not in place to begin reporting for 2025/26 ii) Guidance included new terminology that needed clearer definitions for consistent interpretation. iii) Potentially duplicative information captured in other tables in the reporting packs. iv) Historical years of RIIO-2 are not clearly excluded. v) Lack of clarity on request for total volumes of works types being carried out for LCT connections. vi) A DNO raised Load/export Limiting devices (LLD/ELD) approach should be to record the 	<ul style="list-style-type: none"> i) A grace period has been agreed for 2025/26 to allow DNOs to report on a best endeavours basis. (See section below for further detail). ii) Additional terminology for CC10 has been added to Annex A Glossary and the guidance has been expanded to clarify terminology, examples have been included. iii) CC10 is for collection of information to support the development of ED3 reporting and the Warm Homes plan and is considered in isolation, and not used for comparison, to other tables used for ED2 reporting. iv) No requirement for previous years reporting. Submission of historical information is at DNOs discretion. v) This has been reworked and is now denoted as section A to distinguish this is a different metric that is being considered from the remainder of the table which is now denoted as

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Issue	Respondent	Modification Proposal	Response & Action
		<p>delta between import/export capacity requested and the capacity that was approved.</p> <p>vii) Further to LLD/ELD, it was raised the issues of DNO notification when devices are removed or settings changed.</p> <p>viii) A DNO did not support the inclusion of 3-phase upgrade works as considered this does not represent LCT enablement</p> <p>ix) A clearer definition of unlooping was sought</p>	<p>section B. Volumes of works are no longer disaggregated by LCT types.</p> <p>vi) The objective for CC10 data gathering on LLD/ELD is to establish the extent and volumes of works for installing discrete LLD/ELD are carried out for consumers LCT connections, and not for monitoring the constraint and network readiness.</p> <p>vii) We are not considering recording the removal or modification of LLD/ELDs. Where we ask for temporary LLD/ELD in CC10 this is to capture where these are installed with intent to remove at an undisclosed future date.</p> <p>viii) The scope of CC10 is to establish the works that consumers installing LCTs may be expected.</p> <p>ix) Unlooping has been redefined as reactive unlooping to clarify that we are interested in unlooping activities that are initiated in direct response to a LCT connection application.</p>
Annex J	All DNOs	Changes to Estimated Distribution Losses benefits over 'Baseline Scenario', regarding how units installed within a reporting year do not have losses counted for that year to prevent overestimation. It was raised by DNOs that the guidance in this area was contradictory with worked	Guidance in this area has been updated so that it is now consistent with the approach to not count losses for units installed within the reporting year.

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Issue	Respondent	Modification Proposal	Response & Action
		<p>examples still counting losses from new units ‘in year’. A question was also raised on whether losses for units installed in ED year 5 will be carried over to ED3 year 1.</p>	<p>We acknowledge and are aware of the concerns on losses for units installed in ED2 year 5. We intend to revisit this issue in next year’s submission.</p>
<p>Streamlining Innovation Measurement Framework (IMF) tables (Annex J)</p>	<p>All DNOs</p>	<p>Work to improve the collection and reporting of innovation data is ongoing, with refreshed IMF tables expected to be introduced from next year. For the 2025/26 reporting period, we proposed to streamline Annex J by retaining the most informative IMF tables, correcting formula errors in IMF8 and IMF9, and removing IMF3 and IMF4 in response to licensee concerns about their limited value. All DNOs supported the proposed changes in Annex J.</p>	<p>Our decision is to adopt the simplified Annex J for the purposes of 2025/26 reporting.</p> <p>Work to improve the way innovation data is collected and reported is ongoing. Our aim is to introduce an improved version of this reporting requirement in next year’s submission.</p>

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3. Decision

We have carefully considered the consultation responses in reaching our final decision. Table 1 sets out our decisions on substantive issues raised by stakeholders. Where respondents identified minor issues with the RIGs and / or RRP data templates (e.g. typographical or minor errors), we have made the appropriate updates.

Updates to Annex G: the Connections reporting pack

Minimum entry requirements for embedded demand

Changes were proposed to Annex G (connections) to update the minimum information required for a metered quotation and for a Standard licence Condition (SLC) 15 quotation. These changes were made in response to our November 2025 demand connections update⁶ which set an expectation for DNOs to gather additional information from applicants that better demonstrates project maturity.

DNOs are expected to implement the updated minimum information requirements set out in Annex G as soon as reasonably practical. We consider that the updated requirements set out in Annex G can be applied to all customer groups (those applying for a metered connection and for a SLC 15 quotation).

We consider that there is benefit in amending the SLC to complement and provide clearer licence alignment with the updated requirements, and we intend to progress this in due course to improve licence clarity.

A new reporting requirement for LCT connections

Table CC10 LCT connections was proposed to support our work on the connections end-to-end review⁷ and the Government's Warm Homes Plan.⁸ We said that 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.

We received mixed views from licensees on introducing this new reporting requirement for the 2025/26 reporting period. We acknowledge that some licensees may need to implement new processes or update existing reporting systems to collect, verify and submit this information for the 2025/26 reporting period.

We have decided to include table CC10 in the Annex G Connections reporting pack, but with relaxed reporting requirements for 2025/26 to allow licensees to provide this information on a best endeavours basis.

For example, some licensees have told us that processes may not be in place for the start of the 2025/26 reporting period and retrospective reporting would not be possible.

⁶ [Demand Connections Update, 6 November 2025 | Ofgem](#)

⁷ [Connections end-to-end review: updated proposals and next steps | Ofgem](#)

⁸ [Warm Homes Plan - GOV.UK](#), page 76.

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We will accept submissions where a full year of data is not available and licensees should make clear in the associated table commentary the length of period the data covers.

The relaxed reporting requirements apply to the 2025/26 reporting year only. Table CC10 will continue to be included as a reporting requirement for the final years of RIIO-2, and we expect full reporting of this information to commence in 2026/27 and continue in 2027/28.

4. Timeline

The modifications to the RIGs and RRP will take effect on 17 April 2026. For the avoidance of doubt, this means that the data to be submitted by 31 July 2026 (in respect of the 2025/26 reporting year) will use the RRP and RIGs as modified.⁹

The appendix to this document contains the Direction setting out the changes made pursuant to the relevant Licence Conditions.

If you have any questions regarding our decision, please contact RIIOED2@ofgem.gov.uk.

5. Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this decision. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

⁹ DNOs are required to submit a QoS Interruptions Stage Data file by 30 April 2026, a Reinforcement Load Index file by 30 September 2026 and a QoS HV Disaggregation file by 30 November 2026. These data submissions will use the modified RRP and RIGs.

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Appendix 1. Decision Notice

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 Electricity Distribution (West Midlands) plc (WMID)

National Grid Electricity Distribution (East Midlands) plc (EMID)

National Grid Electricity Distribution (South Wales) plc (SWALES)

National Grid Electricity Distribution (South West) plc (SWEST)

(each one a “Licensee”, and together, “the Licensees”)

Direction under paragraph C of Standard Licence Condition 46 (Regulatory Instructions and Guidance) (“SLC 46”) and paragraph granted to the Licensees under section 6(1)(c) of the Electricity Act 1986 (the “Act”).

Whereas –

1. The Licensees each hold an Electricity Distribution Licence (the “Licence”) granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 (the “Act”) and are subject to the conditions contained in the Licence.
2. The RIIO-ED2 Electricity Distribution Price Control - Regulatory Instructions and Guidance (the “RIGs”) and the Regulatory Reporting Pack (the “RRP”) are the primary means by which the Gas and Electricity Markets Authority (“the Authority”)¹⁰ directs the Licensees to provide information required by the Authority to administer the conditions of the Licence and, where not referenced in the Licence, the RIIO-ED2 Final Determinations.¹¹
3. In accordance with paragraph 46.10 of SLC 46, the Authority gave notice¹² to the Licensees on 2 March 2026 that it proposed to modify the RIGs and RRP for RIIO-ED2.

¹⁰ 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.

¹¹ [RIIO-ED2 Final Determinations | Ofgem](#)

¹² [Notice proposing modifications to the Regulatory Instructions and Guidance \(RIGs\) RIIO-2 Year 3 for electricity distribution | Ofgem](#)

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4. The notice required any representations by licensees on the proposals to be made on, or before, 30 March 2026.
5. Prior to the consultation closing, the Authority received eight representations proposing changes and clarifications to the RIGs and RRP. The Authority has considered the representations and has made a number of changes to the RIGs and RRP proposed as part of the consultation.
6. The 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: Version 3.0
 - RIIO-ED2 – Regulatory Reporting templates: Version 3.0;
 - RIIO-ED2 – Commentary documents: Version 3.0; and
 - RIIO-ED2 – PCFM Guidance: Version 3.0.
7. The modifications are summarised in this Decision and can be seen in the versions of the RIGs and RRP template documents specified above and published alongside this Direction.

Now Therefore

8. Pursuant to paragraph Part C of SLC 46 of the Licence, the Authority hereby modifies the RIGs in the manner specified in the attached accompanying letter.
9. The reason for the amendments set out in this Direction is to introduce with immediate effect the new reporting requirements set out in the RIGs which will allow the Authority to track and monitor company performance against their RIIO-2 price control settlement and to ensure consistency with the principles. This decision also aligns the template and guidance with the latest special licence conditions and Price Control Financial Instruments.
10. This document constitutes notice of the Authority's reasons for the Direction as required by section 49A of the Act.
11. The modifications will take effect on 17 April 2026.
12. The Licensees must complete and return the reporting pack referred to above as part of the 2025/26 RIGs process.

James Veaney

Deputy Director - Electricity Distribution Network Price Controls

Duly authorised on behalf of the Authority

17 April 2026