

# Decision

## Modifying the Pensions Regulatory Instructions and Guidance

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Publication date:	03 July 2026
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This document confirms our<sup>1</sup> decision to modify the Pensions Regulatory Instructions and Guidance.

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<sup>1</sup> 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.

## Decision Modifying the Pensions Regulatory Instructions and Guidance

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## Decision Modifying the Pensions Regulatory Instructions and Guidance

### Background

- 1.1 On the 22 May 2026, we issued a consultation seeking views on proposed amendments to the Pensions Regulatory Instructions and Guidance.
- 1.2 These modifications are for the purposes of clarifying the existing reporting requirements and include general updates to input data and parameters in advance of the 2026 Pensions Reasonableness Review.
- 1.3 We are issuing our decision under Electricity Transmission Standard Licence Condition B15 (Regulatory Instructions and Guidance), Gas Transporter Standard Special Condition A40 (Regulatory Instructions and Guidance) and Electricity Distribution Standard Licence Condition 46 (Regulatory Instructions and Guidance), in relation to the following documents for Electricity Transmission, Gas Transporter and Electricity Distribution licensees:
  - Pensions Regulatory instructions and Guidance
  - Pensions Reporting Pack Template
  - 2026 Pensions Reasonableness Review – License Questionnaire

### Decision-making stages

- 1.4 The key stages of our decision-making process are summarised below:
  - **Stage 1** Consultation open: 22 May 2026
  - **Stage 2** Consultation closes (awaiting decision). Deadline for responses: 20 June 2026
  - **Stage 3** Responses reviewed and further engagement with stakeholders (as applicable): 21 June 2026 to 2 July 2026
  - **Stage 4** Decision: 3 July 2026

### Responses to Our Consultation

- 1.5 We received six responses to the consultation. Non-confidential responses are published alongside this Decision Notice. A summary of the issues raised by respondents and our responses is set out in the published issues log accompanying this Decision Notice.

### Decision

- 1.6 We have decided to modify the Pensions Regulatory Instructions and Guidance as set out in the appendices to this Direction.
- 1.7 The modifications to the Pensions Regulatory Instructions and Guidance will take effect on 3 July 2026.

## Decision Modifying the Pensions Regulatory Instructions and Guidance

- 1.8 The appendices to this document contain the Directions setting out the changes made pursuant to the relevant Licence Conditions.
- 1.9 If you have any questions regarding our decision, please contact [david.simpson@ofgem.gov.uk](mailto:david.simpson@ofgem.gov.uk)

## Send us your feedback

1.10 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](mailto:stakeholders@ofgem.gov.uk)

## Appendix 1. Decision Notice

**National Gas Transmission plc**  
**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”)

**Direction 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”).**

1. Each of the companies to which this Direction is addressed (together the “licensees”) is the holder of a Gas Transporter licence (the “licence”) granted or treated as granted under section 7 of the Gas Act 1986 (the “Act”).

## Decision Modifying the Pensions Regulatory Instructions and Guidance

2. The Gas and Electricity Markets Authority (the “Authority”<sup>2</sup>) gave Notice<sup>3</sup> on 22 May 2026 (the “Notice”) that it proposed to make changes to the pension regulatory instructions and guidance (“RIGs”). The Notice required any representations on the proposals to be made on or before 20 June 2026.
3. Prior to the consultation period closing the Authority received 6 responses. All non-confidential responses are published on our website and can be found in the link in Appendix 4. Our response to these comments is set out in Appendix 5<sup>4</sup>
4. Appendix 5 to this Direction also provides a link to the following documents, which incorporate all the modifications, including those made in light of consultation responses:
  - Pension RIGs Guidance and template
  - 2026 Pensions Reasonableness Review – Licensee questionnaire
5. In Appendix 5, the modifications to the RIGs Guidance Documents are shown in tracked changes. Modifications to the RIGs Template are noted in the “changes log” tab of the template. For clarity, only the changes stated in Appendix 5 have been made.
6. Unless otherwise stated in the RIGs, the amendments to the RIGs will take effect from 3 July 2026. Data submitted in respect of the 2025/26 reporting year should use the RIGs as modified.

Now therefore -

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<sup>2</sup>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.

<sup>3</sup> [Notice proposing modifications to the Pension Regulatory Instructions and Guidance](#)

<sup>4</sup> Appendix 5 shows the modifications as set out in the consultation. It also includes responses to the consultation and our decision.

## **Decision Modifying the Pensions Regulatory Instructions and Guidance**

7. In accordance with the powers under paragraph 10 of Standard Special Condition A40, the Authority hereby issues the modified RIGs in the form specified in the documents that can be accessed via the hyperlink in Appendix 5. Licensees are required to report in accordance with these modified RIGs for the purpose of regulatory reporting.
8. This document constitutes a Direction issued by the Authority under paragraph 10 of Standard Special Condition A40 and notice of the Authority's decision for the purposes of section 49A of the Act.

**Mick Watson**  
**Deputy Director, Regulatory Finance**  
**Duly authorised on behalf of the Authority**  
**03 July 2026**

## **Appendix 2. Decision Notice**

**National Grid Transmission plc**  
**SP Transmission plc**  
**Scottish Hydro Electric Transmission plc**

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

**Direction under paragraph 8 of the 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").**

1. Each of the companies to which this Direction is addressed (together the "licensees") is the holder of an Electricity Transmission licence (the "licence") granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 (the "Act").

## Decision Modifying the Pensions Regulatory Instructions and Guidance

2. The Gas and Electricity Markets Authority (the “Authority”<sup>5</sup>) gave Notice<sup>6</sup> on 22 May 2026 (the “Notice”) that it proposed to make changes to the pension regulatory instructions and guidance (“RIGs”). The Notice required any representations on the proposals to be made on or before 20 June 2026.
3. Prior to the consultation period closing the Authority received 6 responses. All non-confidential responses are published on our website and can be found in the link in Appendix 4. Our response to these comments is set out in Appendix 5<sup>7</sup>
4. Appendix 5 to this Direction also provides a link to the following documents, which incorporate all the modifications, including those made in light of consultation responses:
  - Pension RIGs Guidance and template
  - 2026 Pensions Reasonableness Review – Licensee questionnaire
5. In Appendix 5, the modifications to the RIGs Guidance Documents are shown in tracked changes. Modifications to the RIGs Template are noted in the “changes log” tab of the template. For clarity, only the changes stated in Appendix 5 have been made.
6. Unless otherwise stated in the RIGs, the amendments to the RIGs will take effect from 3 July 2026. Data submitted in respect of the 2025/26 reporting year should use the RIGs as modified.

Now therefore -

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<sup>5</sup> 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.

<sup>6</sup> [Notice proposing modifications to the Pension Regulatory Instructions and Guidance](#)

<sup>7</sup> Appendix 5 shows the modifications as set out in the consultation. It also includes responses to the consultation and our decision.

## **Decision Modifying the Pensions Regulatory Instructions and Guidance**

7. In accordance with the powers under paragraph 8 of standard Condition B15 of the licence, the Authority hereby issues the modified RIGs in the form specified in the documents that can be accessed via the hyperlink in Appendix 5. Licensees are required to report in accordance with these modified RIGs for the purpose of regulatory reporting.
8. This document constitutes a Direction issued by the Authority under paragraph 8 of Standard Condition B15 of the licence and notice of the Authority's decision for the purposes of section 49A of the Act.

**Mick Watson**

**Deputy Director, Regulatory Finance**

**Duly authorised on behalf of the Authority**

**03 July 2026**

## **Appendix 3. Decision Notice**

**SP Electricity North West Ltd (SPENWL)**  
**Northern Powergrid (Northeast) plc (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 Part C of the Standard Condition 46 (Regulatory Instructions and Guidance) ("SLC 46") of the Electricity Distribution Licence (the "Licence") granted to the Licensees under section 6(1)(c) of the Electricity Act 1989 (the "Act").**

## Decision Modifying the Pensions Regulatory Instructions and Guidance

1. Each of the companies to which this Direction is addressed (together the “licensees”) is the holder of an Electricity Distribution licence (the “licence”) granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 (the “Act”).
2. The Gas and Electricity Markets Authority (the “Authority”<sup>8</sup>) gave Notice<sup>9</sup> on 22 May 2026 (the “Notice”) that it proposed to make changes to the pension regulatory instructions and guidance (“RIGs”). The Notice required any representations on the proposals to be made on or before 20 June 2026.
3. Prior to the consultation period closing the Authority received 6 responses. All non-confidential responses are published on our website and can be found in the link in Appendix 4. Our response to these comments is set out in Appendix 5<sup>10</sup>
4. Appendix 5 to this Direction also provides a link to the following documents, which incorporate all the modifications, including those made in light of consultation responses:
  - Pension RIGs Guidance and template
  - 2026 Pensions Reasonableness Review – Licensee questionnaire
5. In Appendix 5, the modifications to the RIGs Guidance Documents are shown in tracked changes. Modifications to the RIGs Template are noted in the “changes log” tab of the template. For clarity, only the changes stated in Appendix 5 have been made.

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<sup>8</sup> 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.

<sup>9</sup> [Notice proposing modifications to the Pension Regulatory Instructions and Guidance](#)

<sup>10</sup> Appendix 5 shows the modifications as set out in the consultation. It also includes responses to the consultation and our decision.

## **Decision Modifying the Pensions Regulatory Instructions and Guidance**

6. Unless otherwise stated in the RIGs, the amendments to the RIGs will take effect from 3 July 2026. Data submitted in respect of the 2025/26 reporting year should use the RIGs as modified.

Now therefore -

7. In accordance with the powers under Part C of Standard Condition 46 of the licence, the Authority hereby issues the modified RIGs in the form specified in the documents that can be accessed via the hyperlink in Appendix 5. Licensees are required to report in accordance with these modified RIGs for the purpose of regulatory reporting.
8. This document constitutes a Direction issued by the Authority under part C of Standard Condition 46 of the licence and notice of the Authority's decision for the purposes of section 49A of the Act.

**Mick Watson**  
**Deputy Director, Regulatory Finance**  
**Duly authorised on behalf of the Authority**  
**03 July 2026**

## **Appendix 4. Stakeholder representations**

On 22 May 2026, we published our Notice proposing modifications to the Pension RIGs. Responses to this Notice can be found here:

[Notice proposing modifications to the Pension Regulatory Instructions and Guidance](#)

## **Appendix 5. Response to representations**

Our response to stakeholder representations and reasons for any differences between the proposed RIGs in the Notice and those in this Direction are in the issues log found in the link below. The Pension RIGs are also available on the Authority's website at:

[Notice proposing modifications to the Pension Regulatory Instructions and Guidance](#)