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UK Power Networks
(Operations) Limited

David Simpson
Ofgem
10 South Colonnade
London
E14 4PL

13 November 2026

By email only to: david.simpson@ofgem.gov.uk

Dear David

Notice of provisional revised pension allowance values for RIIO network operators and 2026 reasonableness review and draft GAD report

On behalf of Eastern Power Networks plc, London Power Networks plc and South Eastern Power Networks plc, thank you for the opportunity to respond to the provisional revised pension allowances letter from Mick Watson dated 30 October 2026 and also the draft GAD report issued on 2 November 2026.

In response to the letter of 30 October 2026 with the notice of provisional revised pension allowance values:

- We welcome the confirmation that Ofgem is proposing not to make any changes to the base Pension Scheme Established Deficit values and Pension Payment History values submitted by network operators and to not apply any adjustment factor to pension allowances.
- We note that Ofgem intends to continue working with GAD to consider the implications of emerging pension scheme surpluses and how consumers can receive an appropriate share of any resulting benefits. It would be helpful to understand Ofgem's intended timeline for sharing further conclusions from this work and engaging with network operators to consider their implications.
- Ofgem has outlined seven provisional recommendations to network operators and further guidance on these recommendations (including clarity on any reporting or evidence required) would be beneficial.

We have also identified a small number of points in GAD's draft report on the 2026 Reasonableness Review that we believe merit clarification in the final version of GAD's report:

- Table 2 on page 13 shows the standard employer contribution rates and directional changes since the previous valuation. We believe the positions of UKPNPS and UKPNESPS in this table are misleading. This is because GAD has not allowed for the revised (lower) contribution rates taking effect from 1 January 2027 as agreed in the most recent valuation. The contribution rates currently reflected in Table 2 are those agreed in the previous valuation, whereas the revised contribution rates are substantially lower.

- The table in Appendix C (Summary of representation of consumer interests) reports liability management actions for UKPNESPS as “None”. However, for consistency with other pension schemes shown in this table, we believe the reported action should be “Pension increase cap” as reported in our questionnaire submission to Ofgem.
- The table in Appendix C also reports PPF levy management actions for UKPNPS and UKPNESPS as “Certify DRCs, time S179 submission”. However, for consistency with other pension schemes shown in this table, we believe the reported actions should be “No risk-based levy”.

If you have any queries please do not hesitate to contact me in the first instance.

Yours sincerely



Paul Measday
Regulatory Reporting and Compliance Manager
UK Power Networks

Copy Mick Watson, Deputy Director, Regulatory Finance, Ofgem
James Hope, Head of Regulation and Regulatory Finance, UK Power Networks
Vickii Burton, Head of Pensions, UK Power Networks