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Contract

## **RIIO ED2 Strategic Legal Support**

UK POWER NETWORKS (OPERATIONS) LIMITED

F06: Contract award notice – utilities

Notice identifier: 2021/S 000-002787

Procurement identifier (OCID): ocds-h6vhtk-02924a

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### **Section I: Contracting entity**

#### **I.1) Name and addresses**

UK POWER NETWORKS (OPERATIONS) LIMITED

Newington House,237 Southwark Bridge Road

LONDON

SE16NP

#### **Contact**

Patrick Tobin

#### **Email**

[patrick.tobin@ukpowernetworks.co.uk](mailto:patrick.tobin@ukpowernetworks.co.uk)

#### **Country**

United Kingdom

#### **NUTS code**

UKI - LONDON

**Internet address(es)**

Main address

<https://www.ukpowernetworks.co.uk/>

**I.6) Main activity**

Electricity

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

RIIO ED2 Strategic Legal Support

#### **II.1.2) Main CPV code**

- 79100000 - Legal services

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

Provision for Strategic Legal Support on the UKPN RIIO ED2 Business Plan Submission.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 79111000 - Legal advisory services

#### **II.2.3) Place of performance**

NUTS codes

- UKI - LONDON

Main site or place of performance

London

#### **II.2.4) Description of the procurement**

The RIIO-ED2 price control will set the allowed revenues, finance parameters, incentives, outputs and customer commitments for the period 2023-2028. As a regulated entity, UK Power Networks will have to operate within these arrangements for the five-year period. In the current RIIO-ED1 price control, UK Power Networks is successfully delivering its

outputs, performing strongly on incentives, notably customer service, reliability and delivering sector-leading cost outperformance. Ofgem, the industry regulator, has already made several decisions for RIIO-ED2, which will lead to changes compared to the current price control; one of these is a return to a five-year control rather than an eight-year deal. Ofgem still has key decisions to take on the details underpinning RIIO-ED2, which UK Power Networks is already heavily involved in developing through consultation responses, RIIO-ED2 Working Groups, and bi-lateral meetings.

In parallel with the development of the details for RIIO-ED2 on areas such as incentive mechanisms, cost assessment methodologies, scenario arrangements, and financing, UK Power Networks is developing its business plan for RIIO-ED2. This work will involve extensive engagement with a large cross-section of our customer and stakeholder base as well as leveraging the learning gained from RIIO-ED1 and insights from developments elsewhere, including the RIIO-GD2/T2 price controls and the PR19 water price control.

The revenues at stake are significant. In RIIO-ED1 UK Power Networks was allowed £6bn for the period, with a suite of strong incentives, providing the opportunity to earn an additional £70m per annum. RIIO-ED1 also saw an increase in the totex sharing factor to 53 percent for UK Power Networks.

UK Power Networks is seeking a Strategic Partner to assist with:

Strategic legal advice having regard to insights from regulatory settlements in the water, gas transmission and distribution, and electricity transmission sectors. We are looking for a partner with broad and in-depth industry knowledge, experience of advising regulated utilities in successfully challenging regulatory decisions where necessary and also in structuring the utility's own submissions so as to minimise the risk of outside challenge.

### **II.2.11) Information about options**

Options: Yes

Description of options

1-year extension option available

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Negotiated procedure with prior call for competition

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: No

### **IV.2) Administrative information**

#### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2019/S 212-521277](#)

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## **Section V. Award of contract**

A contract/lot is awarded: Yes

### **V.2) Award of contract**

#### **V.2.1) Date of conclusion of the contract**

11 January 2021

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

UK Power Networks

London

SE1 6NP

Country

United Kingdom

