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Contract

RIO ED2 Strategic Legal Support

UK POWER NETWORKS (OPERATIONS) LIMITED

F06: Contract award notice – utilities

Notice identifier: 2021/S 000-002787

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

Published 11 February 2021, 11:06am

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

Country

United Kingdom

NUTS code

UKI - LONDON

Internet address(es)

Main address

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

I.6) Main activity

Electricity

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

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](#)

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

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

UK Power Networks

London

SE1 6NP

Country

United Kingdom

