

NOTICE OF REVOCATION OF A LICENCE PURSUANT TO SECTION 7A WITH REASONS PURSUANT TO SECTION 38A OF THE GAS ACT 1986

Date: 15 December 2021

Notice of Revocation

Whereas

1. Contract Natural Gas Limited (company registration number 02897253), having its registered office at 2 Victoria Avenue, Harrogate, North Yorkshire, England, HG1 1EL, is the holder of a Gas Supply Licence (the "**Licence**") granted or treated as granted under section 7A(1)(a) of the Gas Act 1986 (the "**Act**").
2. Section 7B(3) of the Act provides that a licence granted or treated as granted under the Act may be revoked in accordance with any term contained in it.
3. Schedule 2(1)(f)(i) to the Licence provides that the Gas and Electricity Markets Authority (the "**Authority**") may at any time revoke the Licence on giving not less than 24 hours' notice where the licensee is unable to pay its debts (within the meaning of section 123(1) or (2) of the Insolvency Act 1986).
4. On 17 September 2021, a creditor of the Company served upon it a statutory demand under section 123(1)(a) of the Insolvency Act 1986 for the sum of £2,792,573.15. Schedule 2(2) to the Licence extends the limit set in section 123(1)(a) to £100,000. The Company was unable to pay the full amount within the three weeks allowed by section 123(1)(a).
5. The Authority notes that sums claimed have not been discharged and that the Company has not contested the statutory demand.
6. Accordingly, the Authority deems that, under the terms of section 123(1)(a) of the Insolvency Act 1986:
 - a. the Company is unable to pay its debts (within the meaning of section 123(1)(a) of the Insolvency Act 1986); and
 - b. therefore the condition, as set out in Schedule 2(1)(f)(i) of the Licence, is satisfied.

Reasons for Decision

- 7. The Company is not active in the market, and is not supplying gas to customers. However, given that the Company is unable to pay its debts, the Authority is not satisfied that the Company would be able to provide or otherwise procure the services necessary for supplying gas to customers or to pay charges under the industry arrangements.
- 8. The Authority has, therefore, decided that, in order to protect the interests of consumers, it is appropriate to give notice to revoke the Licence (with effect from 05:01 on 17 December 2021) in accordance with Schedule 2(1)(f)(i) to the Licence.

Therefore

- 9. The Authority hereby gives notice that, unless the Authority otherwise directs, with effect from 05:01 on 17 December 2021, the Licence shall be revoked.

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Lesley Nugent

**Duly authorised on behalf of the Gas and
Electricity Markets Authority**

15 December 2021