

**Consent given by the Gas and Electricity Markets Authority pursuant to Standard Condition 9 (Claims for Last Resort Supply Payment) of the Gas Supply Licence granted or treated as granted under section 7A of the Gas Act 1986 to E.ON Next Energy Limited.**

**To: E.ON NEXT ENERGY LIMITED (Company Number: 03782443)**

**Whereas:**

- A. E.ON NEXT ENERGY LIMITED (the “**Licensee**”) is the holder of a gas supply licence (the “**Licence**”) granted or treated as granted under section 7A of the Gas Act 1986.
- B. On **1 October 2021** The Gas and Electricity Markets Authority (the “**Authority**”) issued the Licensee with a direction to supply gas to the customers of:

**IGLOO ENERGY SUPPLY LIMITED (company registration number 09812716)**

with effect on and from **3 October 2021** under paragraph 1 of Standard Condition 8 of the Licence (the “**Last Resort Supply Direction**”).<sup>1</sup>

- C. On **1 December 2021** the Authority published its decision to introduce a temporary multi-claim process for claims under Standard Condition 9 of the Licence for a Last Resort Supply Payment.<sup>2</sup>
- D. On 29 October 2021 and **17 December 2021** the Authority gave its conditional consent under Standard Condition 9.6 the Licence<sup>3</sup> to the Licensee to make claims for a Last Resort Supply Payment.
- E. In accordance with the conditions of that consent, the Licensee entered into a binding commitment, in the form of a deed of agreement (the “**True-up Agreement**”), to:
  - (a) on the date or dates specified by the Authority, declare where the amount calculated in this Last Resort Supply Payment has, when re-calculated on that date in accordance with SLC 9.4, changed,
  - (b) provide any supporting confirmation, information or evidence (such information or evidence to be for the purposes of and in accordance with SLC 5) requested by the Authority in respect of such recalculation;
  - (c) repay any amount then determined by the Authority acting reasonably as being in excess of the relevant amount under SLC 9.4 (including interest on working capital) following such declaration;

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<sup>1</sup> [Igloo - SoLR Direction \(E.ON Next\) - gas \(ofgem.gov.uk\)](https://www.ofgem.gov.uk/publications/decision-letter-supplier-last-resort-levy-claims)

<sup>2</sup> [www.ofgem.gov.uk/publications/decision-letter-supplier-last-resort-levy-claims](https://www.ofgem.gov.uk/publications/decision-letter-supplier-last-resort-levy-claims)

<sup>3</sup> [SoLR Levy Claim Consent - Gas - Enstroga Limited, Symbio Energy Limited, Igloo Energy Supply Limited - E.ON Next Energy Limited \(ofgem.gov.uk\)  
https://www.ofgem.gov.uk/sites/default/files/2021-12/E.on%20Energy%20Solutions%20Limited%20-%20Gas%20Consent%20-%20for%20Igloo%20Energy%2C%20Symbio%20Energy%2C%20Enstroga.pdf](https://www.ofgem.gov.uk/sites/default/files/2021-12/E.on%20Energy%20Solutions%20Limited%20-%20Gas%20Consent%20-%20for%20Igloo%20Energy%2C%20Symbio%20Energy%2C%20Enstroga.pdf)

- (d) to do so when and in the manner directed by the Authority, following consultation with the Licensee.
- F. On **20 December 2022** the Authority gave its consent under Standard Condition 9.6 of the Licence<sup>4</sup> to the Licensee to make a subsequent claim for a Last Resort Supply Payment subject to the Licensee confirming that:
- a) the claim for which the consent was given was a Subsequent Levy Claim for the purposes of the True-up Agreement executed by the Licensee on 1 March 2022 and
  - b) the terms of the True-up Agreement continue to apply to that claim and subsequent claims in respect of the Last Resort Supply Direction.
- G. The decision to give that consent was the subject of judicial review proceedings, which concluded on 17 November 2023, Mr Justice Bright finding that the Authority had erred in law in treating the Licensee's conditional offer to contribute £15 million towards the costs associated with complying with the Last Resort Supply Direction, as a commitment under Standard Condition 8.3.
- H. Standard Conditions 9.5 and 9.6 of the Licence state that the Authority will give its consent for the Licensee to make the claim notified to it if it considers it appropriate in all the circumstances of the case, or the Authority may determine that an amount other than the one calculated by the Licensee is a more accurate calculation of the relevant amount for the Last Resort Supply Payment.
- I. In light of the Administrative Court's declaration, the Authority has revisited the December 2022 decision and has decided to reverse its decision to reduce by £15,000,000 the amount that the Licensee could recover as a Last Resort Supply Payment. The reasons for the Authority's decision can be found in its decision document.

**Therefore:**

- J. Pursuant to Standard Condition 9.6 of the Licence, the Authority hereby consents for the Licensee to claim for a Last Resort Supply Payment of up to **£6,750,000** from the relevant gas transporters, as set out in Schedule 1, subject to the following conditions:
- 1. *That the Licensee confirms that:*
    - 1.1 *The claim for which this consent is given is a Subsequent Levy Claim for the purposes of the True-up Agreement executed by the Licensee on 1 March 2022; and*
    - 1.2 *The terms of the True-up Agreement continue to apply to this and subsequent claims in respect of the Last Resort Supply Direction.*

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<sup>4</sup> <https://www.ofgem.gov.uk/publications/decision-last-resort-levy-true-claims-2022>

- K. This amount shall be reduced by 45% of any amounts the Licensee recovers from the liquidation of **IGLOO ENERGY SUPPLY LIMITED**.
- L. Pursuant to Standard Condition 9 of the Licence, relevant gas transporters are gas transporter licensees in whose transportation area there were premises supplied under the Last Resort Supply Direction, excluding independent gas transporters.
- M. This consent shall take effect on and from **14 December 2023**.

**Dated: 12 December 2023**



**Rohan Churm**

**Director, Financial Resilience and Control**

**Duly authorised on behalf of the Authority**

**Schedule 1 – Allocation to Networks**

GDN	Customers	
	#	Proportion
Cadent - East	4,045,865	18.3%
Cadent - London	2,227,058	10.1%
Cadent - North West	2,702,892	12.2%
Cadent - West Midlands	1,973,830	8.9%
NGN	2,558,656	11.6%
SGN - Scotland	1,849,337	8.4%
SGN - Southern	4,148,117	18.8%
WWU	2,569,237	11.6%
<b>Total</b>	<b>22,074,992</b>	<b>100%</b>