

**NOTICE OF REVOCATION OF A LICENCE PURSUANT
TO SECTION 6 OF THE ELECTRICITY ACT 1989
WITH REASONS PURSUANT TO SECTION 49A**

Date: 15 October 2021

Notice of Revocation and Reasons for Decision

Whereas

1. Colorado Energy Limited (company registration number 11042663), having its registered office at 86-90 Paul Street, London, England, EC2A 4NE (the "**Company**"), is the holder of an Electricity Supply Licence (the "**Licence**") granted or treated as granted under Section 6(1)(d) of the Electricity Act 1989 (the "**Act**").
2. Section 6(8) 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 22 September 2021, the Authority served upon the Company a statutory demand under section 123(1)(a) of the Insolvency Act 1986 for the sum of £261,406.12. 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. Accordingly, the Authority deems that under the terms of section 123(1)(a) of the Insolvency Act:
 - 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.

6. The Authority notes that sums have not been fully discharged and that the Company has not contested the statutory demands.
7. For the following reasons, the Authority has decided that, in order to protect the interests of consumers, it is appropriate to give notice to revoke the Licence (with effect from 00:01 on 17 October 2021) in accordance with Schedule 2(1)(f)(i) to the Licence:
 - 7.1. given that the Company is unable to pay its debts, the Authority is not satisfied that the Company will be able to continue to provide or otherwise procure the services necessary for supplying electricity to its customers or to pay charges under the industry arrangements;
 - 7.2. the Authority has decided to initiate the process to appoint a supplier of last resort ("**SoLR**") pursuant to its powers under condition 8 of the Standard Conditions for Electricity Supply, in order to ensure continuity of supplies of electricity to the Company's customers, and payment of appropriate charges from the date on which the SoLR direction takes effect; and
 - 7.3. the revocation of the Licence would ultimately be necessary for SoLR arrangements to come into effect.

Therefore

8. The Authority hereby gives notice that, unless the Authority otherwise directs, with effect from 00:01 on 17 October 2021, the Licence shall be revoked.

Lesley Nugent

Duly authorised on behalf of the Gas and Electricity Markets Authority

15 October 2021