

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

**Date: 5<sup>th</sup> November  
2021**

**Notice of Revocation and Reasons for Decision**

**Whereas**

1. CNG Electricity Limited (company registration number 09263237), having its registered office at 2 Victoria Avenue, Harrogate, North Yorkshire, England, HG1 1EL (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 4 November 2021, the Authority made an application to the Chancery Division of the High Court (the "**Court**") under Part 8 of the Civil Procedure Rules for a declaration to the effect that:
  - 4.1. the Company is unable to pay its debts (within the meaning of section 123(1)(e) and (2) of the Insolvency Act 1986); and
  - 4.2. therefore the condition as set out in Schedule 2(1)(f)(i) to the Licence is satisfied.
5. On 5 November 2021, the Court issued an order making a declaration to the effect set out in paragraph 4 above and, therefore, the Authority is satisfied that Schedule 2(1)(f)(i) to the Licence applies.

6. 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 7 November 2021) in accordance with Schedule 2(1)(f)(i) to the Licence:

6.1. 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;

6.2. 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

6.3. the revocation of the Licence would ultimately be necessary for SoLR arrangements to come into effect.

**Therefore**

7. The Authority hereby gives notice that, unless the Authority otherwise directs, with effect from 00:01 on 7 November 2021, the Licence shall be revoked.

**Lesley Nugent**

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

5<sup>th</sup> November 2021