

**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 Shipper Licence (the "**Licence**") granted or treated as granted under section 7A(2) 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. Given that the Company is unable to pay its debts, the Authority is not satisfied that the Company will be able to continue the arrangements with any gas transporter for gas to be introduced into, conveyed by means of or taken out of a pipe-line system operated by such gas transporter in accordance with the Licence 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