

**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 Scottish Power Energy Retail Limited**

**To: Scottish Power Energy Retail Limited (Company Number: SC190287)**

**Whereas:**

A. **Scottish Power Energy Retail 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 **29 November 2021** the Gas and Electricity Markets Authority (the “**Authority**”) issued the Licensee with a direction(s) to supply gas to the customers of:

(a) **Orbit Energy Limited (Company Number: 09933313)**

with effect on and from **1 December 2021** under paragraph 1 of standard condition 8 of the Licence (the “**Last Resort Supply Direction**”).

C. On **6 December 2021**, the Licensee gave notice to the Authority under standard condition 9.3 of the Licence of its claim for a payment of the relevant amount (as defined in standard condition 9.4) (a “**Last Resort Supply Payment**”) to compensate for any additional costs it incurred in complying with a Last Resort Supply Direction.

D. 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.

E. The Authority has made a decision on the relevant amount it will consent for the Licensee to recover as a Last Resort Supply Payment, taking into account the evidence provided by the Licensee in support of the claim. The reasons for the Authority’s decision can be found in its decision document.

**Therefore:**

F. 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 **£18,595,303.47** from the relevant gas transporters, as set out in Schedule 1, subject to the following condition(s):

(a) *That the Licensee enters into a binding commitment, in a form satisfactory to the Authority, to:*

- i. 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,*
- ii. 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;*
- iii. 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; and*
- iv. to do so when and in the manner directed by the Authority, following consultation with the Licensee.*

*(b) That in making its claim to the relevant gas transporters, the Licensee shall comply with any directions from the Authority in respect of the instalments by which that claim should be paid.*

G. 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(s), excluding independent gas transporters. This amount shall be reduced by 45% of any amounts the Licensee recovers from the liquidation of Orbit Energy Limited.

This consent shall take effect on and from **17 December 2021**.

**Dated: 17 December 2021**

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Signed



**Neil Lawrence,**

**Director of Retail**

**Duly authorised on behalf of the Authority**

### Schedule 1 – allocation to networks

GDN	Customers	
	#	Proportion
Cadent - East	4,034,304	18.40%
Cadent - London	2,276,095	10.30%
Cadent - North West	2,697,884	12.20%
Cadent - West Midlands	1,969,130	8.90%
NGN	2,550,486	11.60%
SGN - Scotland	1,841,084	8.30%
SGN - Southern	4,135,849	18.70%
WWU	2,556,415	11.60%
<b>Total</b>	<b>22,061,247</b>	<b>100.00%</b>