

Consent given by the Gas and Electricity Markets Authority pursuant to Standard Condition 9 (Claims for Last Resort Supply Payment) of the Electricity Supply Licence granted or treated as granted under section 6 of the Electricity Act 1989 to British Gas Trading Limited

To: British Gas Trading Limited (Company Number: 03078711)

Whereas:

A. British Gas Trading Limited (the “**Licensee**”) 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.

B. On 29 January 2021 the Gas and Electricity Markets Authority (the “**Authority**”) issued the Licensee with a direction to supply electricity to the customers of:

(a) Simplicity Energy Limited (Company Number: 10611082)

with effect on and from 31 January 2021 under paragraph 1 of standard condition 8 of the Licence (the “**Last Resort Supply Direction**”).¹

C. On **7 October 2022**, the Licensee gave notice to the Authority under standard condition 9.3 of the Licence of its claim for a payment to compensate for 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 consulted on its determination of the amount it considered appropriate for the Licensee to recover.

F. The Authority has made a final 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 and representations from interested parties. The reasons for the Authority’s decision can be found in its decision document.

Therefore:

G. 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 **£1,663,297.18** from the relevant distributors, as set out in Schedule 1.

H. This amount shall be reduced by 55% of any amounts the Licensee recovers from the liquidation of Simplicity Energy Limited.

I. Pursuant to standard condition 9 of the Licence, relevant distributors are electricity distribution licensees in whose distribution areas there were premises supplied under the Last Resort Supply Direction, excluding independent distribution network operators.

¹ <https://www.ofgem.gov.uk/publications/direction-appoint-british-gas-trading-limited-electricity-supplier-last-resort-0>

J. This consent shall take effect on and from 20 December 2022.

Dated: 19 December 2022.

Signed

A handwritten signature in black ink, appearing to read 'Neil L', with a stylized flourish at the end.

Neil Lawrence,

Director of Retail

Duly authorised on behalf of the Authority

Schedule 1 – Allocation to Networks

Distribution Licensee	Total Number of Premises	Proportion of Total Number of Premises
Electricity North West Limited	2,412,196	8.0%
Northern Powergrid (Northeast) plc	1,616,140	5.4%
Northern Powergrid (Yorkshire) plc	2,322,737	7.7%
Scottish Hyrdro Electric Power Distribution plc	788,261	2.6%
Southern Electric Power Distribution plc	3,127,424	10.4%
SP Distribution plc	2,016,358	6.7%
SP Manweb plc	1,527,950	5.1%
Eastern Power Networks plc	3,678,637	12.2%
London Power Networks plc	2,384,532	7.9%
South Eastern Power Networks plc	2,327,062	7.7%
Western Power Distribution (East Midlands) plc	2,686,722	8.9%
Western Power Distribution (South Wales) plc	1,151,120	3.8%
Western Power Distribution (South West) plc	1,646,359	5.5%
Western Power Distribution (West Midlands) plc	2,515,482	8.3%
Total	30,200,980	100%