

## **The Electricity Act 1989**

### **Revocation Order under section 25(2) of the Electricity Act 1989 and 28(2) of the Gas Act 1986**

To: Foxglove Energy Supply Ltd (“Foxglove”), company number 09689035 of 16 North Mills, Frog Island, Leicester, Leicestershire, England, LE3 5DL, holder of an electricity supply licence issued by the Gas and Electricity Authority (“the Authority”) under section 6(1)(d) of the Electricity Act 1989 and holder of a gas supply licence issued by the Authority under section 7A (1) of the Gas Act 1986.

#### **WHEREAS:**

- A. As a holder of gas and electricity supply licences granted by the Authority, Foxglove is required to comply with the “relevant conditions” for the purpose of the Electricity Act 1989 and the Gas Act 1986 (“The Acts”).
- B. Standard Licence Condition (“SLC”) 4B of the gas and electricity supply licences requires licensees to at all times manage responsibly costs that could be Mutualised<sup>1</sup>, and relevantly provides:

*4B.1 The licensee shall at all times manage responsibly costs that could be Mutualised and take appropriate action to minimise such costs.*

#### **Meeting the financial responsibility principle**

4B.2 The licensee shall at all times have adequate financial arrangements in place to meet its costs at risk of being Mutualised.

- C. On 25 February 2022, the Authority issued a Request for Information (“RFI”) to Foxglove seeking the provision of information relating to Foxglove’s financial management, position and arrangements (“Stress Testing RFI”).
- D. On 22 June 2022, due to ongoing concerns about Foxglove’s financial management, position and arrangements, its compliance with SLC 4B and due to its failure to respond to a Management Control Framework (“MCF”) RFI also issued on 25 February 2022, the

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<sup>1</sup> Has the meaning given to it as SLC 1 of the gas and electricity supply licences.

Authority issued a further letter to Foxglove highlighting its concerns and reminding Foxglove of its obligations to comply with the MCF RFI ("22 June Letter").

- E. Based on the information Foxglove provided to the Authority in response to the Stress Testing RFI and 22 June Letter, and based on other information the Authority obtained in its engagement with Foxglove, it appeared to the Authority that Foxglove was contravening or likely to contravene SLC 4B;
- F. Foxglove failed to improve its financial position sufficiently to demonstrate compliance with the requirements of the Provisional Order (all as more fully set out in the Notice of Reasons for decision to confirm the PO) and, after consultation, the Authority decided on 4 October 2022 to confirm the PO (the "Confirmed Provisional Order") with modifications.
- G. On 9 June 2023 the Authority gave notice pursuant to section 26(6) of the EA89 and 29(5) of the GA86 that it proposed to revoke the Provisional Order, it appearing to the Authority that the Provisional Order was no longer requisite due to Foxglove's improved financial position.
- H. The Authority has received no representations on or objections to its proposal to revoke the Provisional Order.

## **NOW THEREFORE:**

The Authority, pursuant to section 25(7)(c) of the EA89 and 28(7)(c) of the GA86, revokes the Provisional Order.

Dated: 21 July 2023

Signed:

Signed for and on behalf of:

MEGHAN FORBES (Chair)

ULRIKE HOTOPP

**Enforcement Decision Panel**

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