

## LAST RESORT SUPPLY DIRECTION

### Direction and Notice of Reasons made by the Gas and Electricity Markets Authority under standard condition 8 of the gas supply licence granted or treated as granted under section 7A(1) of the Gas Act 1986 to Hudson Energy Supply UK Limited

To: Hudson Energy Supply UK Limited (Company number 07489042)

#### *Whereas*

- (A) The Gas And Electricity Markets Authority (the "**Authority**") has the principal objective under section 4AA(1) of the Gas Act 1986 (the "**Act**") to protect the interests of consumers in relation to gas conveyed through pipes.
- (B) The Authority's general duties include the duty under section 4AA(2)(a) of the Act to have regard to the need to secure that all reasonable demands for gas are met.
- (C) Circumstances have arisen which would entitle the Authority to revoke the gas supply licence of National Gas and Power Limited (company registration number 09523569) ("**NGP**").
- (D) Hudson Energy Supply UK Limited (the "**Licensee**") is the holder of a gas supply licence (the "**Licence**") granted or treated as granted under section 7A(1) of the Act.
- (E) The Authority has the power under paragraph 1 of standard condition 8 (the "**Condition**") of the Licence to direct the Licensee to supply gas to the customers of another gas supplier.
- (F) The Authority considers that the Licensee could comply with this last resort supply direction in respect of customers of NGP without significantly prejudicing its ability to continue to supply its existing customers and to fulfil its contractual obligations for the supply of gas.

#### **Therefore:**

Pursuant to the Condition of the Licence, the Authority hereby directs the Licensee to supply gas to all legal and natural persons which were being supplied by NGP in its capacity as a licensed gas supplier at the time and date which immediately precedes the time and date this direction takes effect ("**Relevant Persons**"), and otherwise in accordance with the terms of this direction, the terms of the Condition and any information or instructions which may be provided by the Authority for the purposes of identifying Relevant Persons.

This direction shall take effect on and from 05:01 hours on 26 July 2018 and shall continue in force for a period of six months on and from the date on which this direction takes effect.

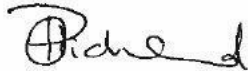
## **Reasons for the Direction**

The Authority having had regard to its guidance and the small number of gas customers affected by this case, decided to revoke NPG's gas licence and appoint the Licensee as supplier of last resort in order to ensure continuity of supplies of gas to NPG's customers and payment of charges.

The Authority decided not to request expressions of interest from suppliers to act as the supplier of last resort given the small number of NPG customers and as the Licensee already has a relationship with a significant number of the customers affected. The Authority further notes that the Licensee previously had a white label relationship with NPG. The Authority considers that these pre-existing links will allow for a smooth transition of NPG customers to the Licensee.

In light of this, and viewed more generally in light of the Authority's principal duty to protect the interests of consumers, the appointment of Hudson Energy Supply UK Limited as supplier of last resort was decided upon.

Signed

A handwritten signature in black ink, appearing to read 'Philippa Pickford', written in a cursive style.

**Philippa Pickford**

Authorised on behalf of the Gas and Electricity Markets Authority

Dated: 24 July 2018