

**NOTICE OF REVOCATION OF A LICENCE PURSUANT TO SECTION 7A OF THE GAS ACT 1986 WITH REASONS PURSUANT TO SECTION 38A**

**Date:** 7 August 2019

**Notice of Revocation and Reasons for Decision**

**Whereas**

1. Cardiff Energy Supply Limited (company registration number 09054885), having its registered office at Cardiff Business Technology Centre, Senghennydd Road, Unit 209, Cardiff, Wales CF24 4AY, ("**Cardiff**"), is the holder of a Gas Supply Licence (the "**Licence**") granted or treated as granted under Section 7A (1)(a) 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 it is unable to pay its debts (within the meaning of section 123(1) or (2) of the Insolvency Act 1986).
4. On 15 April 2019 Contract Natural Gas Limited, a creditor, served a statutory written demand under section 123(1)(a) of the Insolvency Act 1986 for the sum of £304,564.63. Schedule 2(2) to the Licence extends the limit set in s.123(1)(a) to £100,000. Cardiff was unable to pay the full amount within the three weeks allowed by s.123(1)(a). Accordingly, the Authority deems that under the terms of section 123(1)(a) of the Insolvency Act:
  - a. Cardiff 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.

5. The Authority notes that sums have not been fully discharged.
6. For the following reasons, the Authority has 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 9 August 2019) in accordance with Schedule 2 (1)(f)(i) of the Licence:
- a. given that Cardiff is unable to pay its debts, the Authority is not satisfied that the company will be able to continue to provide or otherwise procure the services necessary for supplying gas to its customers or to pay charges under the industry arrangements;
  - b. the Authority has decided to appoint a supplier of last resort ("**SoLR**") pursuant to its powers under condition 8 of the Standard Conditions for Gas Supply, in order to ensure continuity of supplies of gas to Cardiff's customers, and payment of appropriate charges from the date on which the SoLR direction takes effect; and
  - c. the revocation of the Licence would ultimately be necessary for SoLR arrangements to come into effect.

**Therefore**

5. The Authority hereby gives notice that, unless the Authority otherwise directs, with effect from 05:01 on 9 August 2019, the Licence shall be revoked.

**The Official seal of the Gas and Electricity  
Markets Authority here  
affixed is authenticated by –**



**Philippa Pickford  
Authorised in that  
behalf by the Authority  
7 August 2019**