

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 Ovo Electricity Ltd

To: Ovo Electricity Limited (Company Number 06858121)

Whereas:

A. Ovo Electricity Ltd (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. The Gas and Electricity Markets Authority (the "**Authority**") issued the Licensee with a direction to supply electricity to the customers of Spark Energy Supply Limited with effect on and from 28 November 2018 under paragraph 1 of standard condition 8 of the Licence (the "**Last Resort Supply Direction**").

C. The Licensee gave notice to the Authority on 2 April 2019 of its claim¹ for a payment to compensate for any additional costs it incurred in complying with a Last Resort Supply Direction (a "**Last Resort Supply Payment**") under standard condition 9.3 of the Licence.

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 representations from interested parties. The reasons for the Authority's decision can be found in its decision document.²

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 £6,804,783 from the relevant distributors. 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. This amount shall be reduced by 55% of any amounts the Licensee recovers from the liquidation of Spark Energy Supply Limited.

H. This consent shall take effect on and from 22 January 2020.

¹ <https://www.ofgem.gov.uk/publications-and-updates/consultation-last-resort-supplier-payment-claim-ovo-energy>

² https://www.ofgem.gov.uk/system/files/docs/2020/01/decision_on_ovo_energy_lrsp_claim.pdf

Dated: 22 January 2020

Signed

Lesley Nugent
Deputy Director, Licensing Frameworks
Duly authorised on behalf of the Authority