

Consent given by the Gas and Electricity Markets Authority pursuant to Standard Condition 9 (Claims for Last Resort Supply Payment) of the Gas Supply Licence granted or treated as granted under section 7A of the Gas Act 1986 to Ovo Gas Ltd

To: Ovo Gas Ltd (Company Number 06752915)

Whereas:

- A. Ovo Gas Ltd (the "**Licensee**") is the holder of a gas supply licence (the "**Licence**") granted or treated as granted under section 7(A)(1) of the Gas Act 1986.
- B. The Gas and Electricity Markets Authority (the "**Authority**") issued the Licensee with a direction to supply gas 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 to the Licensee recovering 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 document².

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 £5,567,549 from the relevant gas transporters. Pursuant to standard condition 9 of the Licence, relevant gas transporters are gas transporter licensees in whose transportation areas there were premises supplied under the Last Resort Supply Direction, excluding independent gas transporters. This amount shall be reduced by 45% 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