

Baglan group of companies – Official Receiver progresses power supply termination

Update 7 October 2022

Following on from previous updates, former customers of the company have now secured alternative electricity supplies and therefore the appeals brought against the intended actions of the Official Receiver to terminate the electricity supply have been discontinued by the applicants. The Official Receiver has been engaging with specialist contractors and the site has now been de-energised and disconnected from the National Grid.

The liquidation process has continued and the Official Receiver has been working closely with specialist partners and stakeholders to ensure an orderly wind down of the companies' affairs.

On 7 October 2022, the Official Receiver disclaimed any interest in the site.

The Official Receiver has been working with key stakeholders to ensure they are aware of the actions taken as part of the closure plan and disclaimer of the Baglan site and associated assets.

On [24 March 2021](#), upon the petition of the directors, winding-up orders were made against the Baglan group of Companies, which include:

- Calon Energy (Baglan Bay) Limited;
- Baglan Generating Limited;
- Baglan Pipeline Limited; and
- Baglan Operations Limited.

The court appointed the Official Receiver, Gareth Jonathan Allen, as Liquidator. Upon the Official Receiver's application, the court appointed David John Pike and Michael Robert Pink from Interpath Advisory as Special Managers to assist with the liquidation.

Background

The Baglan group of companies comprise of a gas turbine power station located in Baglan Bay, South Wales. In June 2020 the ultimate parent company entered administration and in July 2020 the power station ceased generating electricity. Power is supplied to customers, which includes the Baglan Energy Park, through a substation on the site, known as the private wire network.

Baglan Energy Park, a 180-acre site, remains home to a large number of other businesses and organisations, and the Official Receiver has striven to ensure all key stakeholders have been kept abreast of developments.

Liquidation

A liquidator's statutory duties are set out in insolvency legislation and their primary role is to ensure the assets of the companies are realised and distributed to creditors. The legislation also sets out that a liquidator is only empowered to carry on the business of a company where it is necessary for the beneficial winding up of the company. In order to facilitate an orderly wind-down of operations at the site, the Official Receiver has maintained the supply of electricity the Energy Park from the private wire network since his appointment in March 2021. This included the maintenance and operation of the high voltage electricity lines with all the associated risks to health and life, for which the Official Receiver is personally liable.

The Official Receiver and Special Managers have worked tirelessly with key stakeholders to keep them informed of developments in real time and explained the limits of the Official Receiver's statutory powers as liquidator to continue electricity supply, stressing the urgency for customers and stakeholders to develop contingency plans.

This has been and continues to be a complex and challenging liquidation. As part of the closure plan the Official Receiver has also carried out other significant activities at the site, including removing hazardous substances and depressurising the 11.8 km high pressure gas pipeline.

Latest developments

Following applications to court challenging the Official Receiver's decision to terminate the supply of electricity, the Court determined the applications and handed down its judgment, dismissing the applications and granting the applicants leave to appeal. A date for the appeal hearing is yet to be confirmed. The court also ordered that the supply of electricity to customers must continue until conclusion of the appeal process or customers request the disconnection of electricity supply.

The Official Receiver is pleased to announce that the Baglan customers have now sourced alternative electricity supply via connection to the new Western Power Distribution network, or by utilising temporary generators.

Following the receipt of customer disconnection requests, as of 8 July 2022, the Baglan group of Companies no longer supply electricity to customers. The Official Receiver is now engaging with contractors to carry out the de-energisation works and complete remaining closure activities, upon which the site will be disclaimed.

The Official Receiver thanks the employees of the Baglan group of Companies for their commitment throughout the course of the liquidations and the safe delivery of operations and closure activities at the Baglan site.

If you are a customer or creditor of the Baglan group of companies, please contact the Special Managers via email: baglancustomers@interpathadvisory.com.