



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** A-5-10

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Direct Energy (B.C.) Limited
for Approval of its Initial Gas Marketer Licence

BEFORE: D. A. Cote, Commissioner
 L. F. Kelsey, Commissioner April 15, 2010

O R D E R

WHEREAS:

- A. On October 29, 2009 the BC Utilities Commission (Commission) issued Direct Energy Marketing Limited a licence (A-23-09) on an interim basis noting that non-compliance with its previous licence requirements with respect to Working Capital and the Current Ratio of assets to liabilities was identified in reviewing the Application. Direct Energy Marketing Limited, by letter dated December 18, 2009, advised the Commission that it intended to establish a British Columbia entity to remedy the non-compliance. Direct Energy (B.C.) Limited, a subsidiary of Direct Energy Marketing Limited, was incorporated on March 25, 2010; and
- B. On March 31, 2010 Direct Energy (B.C.) Limited, applied to the Commission for approval of an initial Gas Marketer Licence (Application). The Application included the payment of the \$1,000 Application Fee and a \$250,000 Letter of Credit, pursuant to items 2 and 3 respectively, of the Licence Requirements; and
- C. The Application contemplates transfer of Direct Energy Marketing Limited's BC residential and small commercial customers under the Customer Choice Program to Direct Energy (B.C.) Limited upon issuance of a gas marketer licence; and
- D. The Commission has reviewed Direct Energy (B.C.) Limited's Application and relying upon the information and representations made by Direct Energy (B.C.) Limited, finds that approval of a Gas Marketer Licence, subject to conditions, is warranted.

NOW THEREFORE pursuant to section 71.1(6) of the *Utilities Commission Act* the Commission orders as follows:

- 1. The Commission issues to Direct Energy (B.C.) Limited a Gas Marketer Licence for the period of April 15, 2010 to October 31, 2010.
- 2. The Commission approves the transfer of Direct Energy Marketing Limited's customers under the Customer Choice Program to its subsidiary, Direct Energy (B.C.) Limited, in accordance with Article 29 of the Code of Conduct for Gas Marketers.

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3. Direct Energy (B.C.) Limited must comply with the Current Ratio and Working Capital requirements of 1.10 and \$50,000 respectively, immediately upon the transfer of Direct Energy Marketing Limited's customers to Direct Energy (B.C.) Limited.
4. The Gas Marketer Licence is subject to the following conditions:
 - 4.1 Direct Energy (B.C.) Limited will carry out the undertakings as set out in the Application for a Licence to Market Natural Gas dated March 31, 2010 and the Rules for Gas Marketers.
 - 4.2 Direct Energy (B.C.) Limited will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terasen Gas Inc.
 - 4.3 Direct Energy (B.C.) Limited will maintain a Letter of Credit or acceptable substitute in full force and effect for the duration of the Licence.
 - 4.4 Direct Energy (B.C.) Limited will maintain a Working Capital position of at least \$50,000 and a Current Ratio of Assets to Liabilities of at least 1.10.
 - 4.5 The Commission may, at any time and without prior notice to Direct Energy (B.C.) Limited, amend or impose new terms and conditions on, suspend, or cancel the Gas Marketer Licence for reasons the Commission, in its sole discretion, deems and considers sufficient.
 - 4.6 The Gas Marketer Licence and all copies of it shall remain the property of the Commission and Direct Energy (B.C.) Limited will return these documents forthwith upon written request from the Commission.
 - 4.7 Direct Energy (B.C.) Limited must file with the Commission unaudited monthly financial statements no later than 30 days after the end of the relevant month.
 - 4.8 Direct Energy (B.C.) Limited must file with the Commission copies of municipal licenses to carry on business in British Columbia, once available.
 - 4.9 Direct Energy (B.C.) Limited shall ensure that its employees, salespersons or other representatives of its products and services comply with the standards required of a Gas Marketer as set out in the Code of Conduct for Gas Marketers. Direct Energy (B.C.) Limited shall be responsible for the non-compliance of its employees, salespersons or other representatives of its products and services with the Code of Conduct for Gas Marketers.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of April 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner

Attachment



LICENCE No. A-5-10

GAS MARKETER LICENCE

Direct Energy (B.C.) Limited

is granted a licence for the purpose of providing advice to, or acting on behalf of, a low volume consumer ⁽¹⁾ purchasing gas directly in the Province of British Columbia subject to the terms and conditions contained in Commission Order A-5-10, which are set out in the reverse of the Licence.

BRITISH COLUMBIA UTILITIES COMMISSION

Original Signed by:

D.A. Cote, Commissioner

ISSUED: April 15, 2010

EXPIRES: October 31, 2010

(1) As described in the Rules for Gas Marketers

4. The Gas Marketer Licence is subject to the following conditions:

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- 4.2 Direct Energy (B.C.) Limited will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terasen Gas Inc.
- 4.3 Direct Energy (B.C.) Limited will maintain a Letter of Credit or acceptable substitute in full force and effect for the duration of the Licence.
- 4.4 Direct Energy (B.C.) Limited will maintain a Working Capital position of at least \$50,000 and a Current Ratio of Assets to Liabilities of at least 1.10.
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