



LETTER NO. L-81-09

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ERICA M. HAMILTON
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September 21, 2009

Chad Painchaud
Manager, Compliance
Government & Regulatory Affairs
Suite 1000, 111-5th Avenue S.W.
Calgary, Alberta T2P 3Y6

Dear Mr. Painchaud:

Re: Direct Energy Marketing Limited ("DEML")
Licence Renewal Application

The British Columbia Utilities Commission ("Commission") is writing with regard to its letter dated September 1, 2009 (L-65-09) and DEML's reply dated September 21, 2009.

In its reply, DEML indicated two reasons why it could not comply with the Commission's information request contained in L-65-09. It stated, in part, that given "DEML's corporate structure production of monthly or quarterly financial statements is not feasible." It also noted that "Due to the above noted corporate structure, and in particular the strength of the parent organization, DEML itself does not maintain a working capital position or asset to liability ratio that meets the BCUC's license renewal requirements."

The Commission, through Letter L-65-09, requested a report detailing the working capital and Current Ratio of Current Assets to Current Liabilities on a stand-alone basis specifically for DEML on a month-to-month basis from January 2007 to present. This information has not been provided. As noted in L-65-09, the Chief Financial Officer must confirm that the financial information contained in the report has been prepared by management in accordance with accounting principles generally accepted in Canada and within the framework of the company's significant accounting policies.

With regard to DEML's application to renew a licence as a Natural Gas Marketer, condition No. 5 of the application instructions requires the applicant to provide a copy of the audited financial statement from the most recently ended fiscal year and copies of all subsequent unaudited quarterly statements for each concluded financial quarter following the most recently ended fiscal year.

The Commission requires a copy of the audited financial statement as set out in condition 5 in the Licence Requirements and Application Instructions. If you fail to provide the audited financial statement as required, your renewal will not be processed and your licence will expire.

The Commission requires delivery of both the report detailing the working capital and Current Ratio of Current Assets to Current Liabilities as requested in Letter L-65-09 and a copy of the audited financial statement from the most recently concluded fiscal year by no later than **Tuesday, October 20, 2009** so that they can be reviewed prior to the expiry of your current licence on October 31, 2009.

Upon receipt of your submissions, the Commission will consider what, if any, further action it deems to be necessary.

Yours truly,

Original signed by: J. Torres

For: Erica M. Hamilton

Jt