



LETTER NO. L-94-09

ERICA M. HAMILTON
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VIA EMAIL

October 15, 2009

KJoseph@mxenergy.com

Ms. Keenia Joseph
Paralegal
MXenergy (Canada) Ltd.
Suite 300, 595 Summer Street
Stamford, Connecticut 06901-1407

Dear Ms. Joseph:

Re: MXenergy (Canada) Ltd.
Application for Gas Marketer Licence

On September 4, 2009, MXenergy (Canada) Ltd.'s ("MXenergy") filed its Application to renew its Gas Marketer Licence with the British Columbia Utilities Commission ("Commission").

The Commission has reviewed the Application and finds that MXenergy is not in compliance with Condition 2.4 of its current licence. Consequently, the Commission rejects MXenergy's Application to renew its Gas Marketer Licence at this time, and until the information below can be submitted which shows compliance with the licence renewal requirements, specifically, Condition 2.4 of Commission Order A-18-08 which states that MXenergy: *"...will maintain a Working Capital position of at least \$50,000 and a Current Ratio of Current Assets to Current Liabilities of at least 1.10."*

For reference, Condition 2.5 of the aforementioned Commission Order states that:

"The Commission may, at any time and without prior notice to MXenergy, 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."

MXenergy's parent company, MXenergy Holdings Inc. files its financial reports with the US Securities and Exchange Commission. These financial reports have a separate column pertaining to the Balance Sheet of its Canadian subsidiary. In its Application, the pages relating to MXenergy (Canada) Ltd.'s

financial position were filed with the Commission. Based on unaudited quarterly financial statements ending December 2008 and March 2009 filed with the Commission, MXenergy's Working Capital and Current Ratio were below the required minimum of \$50,000 and 1.10, respectively.

In order to review the Application, the Commission requires the Licence holder, MXenergy (Canada) Ltd., to provide the following information:

1. Provide a report detailing the Working Capital and the Current Ratio of Current Assets to Current Liabilities for MXenergy based on quarterly statements covering the period from June 2009 to September 2009; and
2. The Chief Financial Officer must confirm that the financial information contained in the report was prepared by management in accordance with accounting principles generally accepted in Canada and within the framework of the companies' significant accounting policies.; and
3. If the report demonstrates that MXenergy has not been in compliance with condition 2.4 of Commission Order A-18-08, please indicate what action(s) the Commission should take as appropriate penalty or remedy to the non-compliance.

Please provide the requested information on or before **October 26, 2009**.

Yours truly,

Original signed by:

Erica M. Hamilton

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