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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER A-27-10**

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

and

**An Application by MXenergy (Canada) Ltd.
for renewal of its Gas Marketer Licence
under the Customer Choice Program**

BEFORE: D.A. Cote, Commissioner
L.F. Kelsey, Commissioner

October 28, 2010

O R D E R

WHEREAS:

- A. On August 31, 2010, MXenergy (Canada) Ltd. (MXenergy) applied to the British Columbia Utilities Commission (Commission) for renewal of its Gas Marketer Licence. The Application for renewal of its Licence to Market Natural Gas (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;
- B. The Commission has reviewed MXenergy's Application and notes that non-compliance with its previous licence requirements with respect to Working Capital and the Current Ratio of current assets to current liabilities has been identified for the year ended June 30, 2010, based on the audited financial statement of its parent company MXenergy Holdings Inc., which includes a separate balance sheet for the licence holder;
- C. In its Application, MXenergy provided a written statement confirming that the amount listed under "intercompany accounts payable" will not be called upon in the next 12 months;
- D. The Commission has reviewed MXenergy's Application and relying upon the information and representations made by MXenergy finds that renewal of its 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 MXenergy a Gas Marketer Licence for the period November 1, 2010, to February 1, 2011.
- 2. The Gas Marketer Licence is subject to the following conditions:

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- a. MXenergy will carry out the undertakings as set out in the Application for a Gas Licence to Market Natural Gas dated August 31, 2010 and the Rules for Gas Marketers.
- b. MXenergy will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terasen Gas Inc. MXenergy 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 and MXenergy shall be responsible for any non-compliance of its employees, salespersons or other representatives of its products and services.
- c. MXenergy will maintain a \$250,000 Letter of Credit or acceptable substitute in full force and effect for the duration of the Licence.
- d. 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.
- e. 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.
- f. The Gas Marketer Licence and all copies of it shall remain the property of the Commission and MXenergy will return these documents forthwith upon written request from the Commission.
- g. MXenergy must file with the Commission unaudited monthly financial statements no later than 30 days after the end of the relevant month, and these statements must reflect compliance with the Commission's financial requirements at the licence holder level. The Chief Financial Officer for MXenergy must confirm that the financial information contained in the unaudited financial statements were prepared by management in accordance with the accounting principles generally accepted in Canada and within the framework of the company's significant accounting policies.
- h. MXenergy must file with the Commission its audited financial statement, on a stand-alone basis, for the recently concluded year as soon as available or 90 days after the end of the fiscal year.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of October 2010.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachment



LICENCE No. A-27-10

GAS MARKETER LICENCE

MXenergy (Canada) Ltd.

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-27-10, which are set out in the reverse of the Licence.

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Original signed by:

L.F. Kelsey, Commissioner

ISSUED: November 1, 2010

EXPIRES: February 1, 2011

(1) As described in the Rules for Gas Marketers

The Gas Marketer Licence is subject to the following conditions:

- a. MXenergy will carry out the undertakings as set out in the Application for a Gas Licence to Market Natural Gas dated August 31, 2010 and the Rules for Gas Marketers.
- b. MXenergy will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terasen Gas Inc. MXenergy 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 and MXenergy shall be responsible for any non-compliance of its employees, salespersons or other representatives of its products and services.
- c. MXenergy will maintain a \$250,000 Letter of Credit or acceptable substitute in full force and effect for the duration of the Licence.
- d. 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.
- e. 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.
- f. The Gas Marketer Licence and all copies of it shall remain the property of the Commission and MXenergy will return these documents forthwith upon written request from the Commission.
- g. MXenergy must file with the Commission unaudited monthly financial statements no later than 30 days after the end of the relevant month, and these statements must reflect compliance with the Commission's financial requirements at the licence holder level. The Chief Financial Officer for MXenergy must confirm that the financial information contained in the unaudited financial statements were prepared by management in accordance with the accounting principles generally accepted in Canada and within the framework of the company's significant accounting policies.
- h. MXenergy must file with the Commission its audited financial statement, on a stand-alone basis, for the recently concluded year as soon as available or 90 days after the end of the fiscal year.