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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER A-37-10**

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**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 an Amendment to its Gas Marketer Licence  
under the Customer Choice Program**

**BEFORE:** D.A. Cote, Commissioner  
L.F. Kelsey, Commissioner  
N.E. MacMurchy, Commissioner  
D. Morton, Commissioner  
December 9, 2010

**O R D E R**

**WHEREAS:**

- A. On October 21, 2010, the British Columbia Utilities Commission (Commission) issued Order A-26-10, which approved the renewal of a Gas Marketer Licence for Direct Energy (B.C.) Limited (Direct Energy), carrying on business as Direct Energy Business for commercial customers and Direct Energy for residential customers;
- B. Item 2 of the Gas Marketer Licence stated that "Direct Energy will file an amended Letter of Credit by November 30, 2010 with an expiry date of October 31, 2011 and upon the Commission's receipt of the amended Letter of Credit, it will extend the effective period of the Gas Marketer Licence to October 31, 2011";
- C. Item 3 of the Gas Marketer Licence stated, in part, that "Direct Energy must file copies of all required licences to carry on business in the province 30 calendar days from the date of this Order, pursuant to item 7 of the Licence Requirements";
- D. On November 29, 2010, Direct Energy filed with the Commission an amended Letter of Credit, which extends the expiry date to September 30, 2011 from March 25, 2011, in compliance with item 2 of Licence A-26-10;
- E. Direct Energy also filed copies of its business licences issued by the City of Vancouver and the Township of Langley in compliance with item 3 of its Gas Marketer Licence. The Commission notes that copies of these licences were received by the Commission on November 29, 2010, beyond the due date of November 21, 2010.
- F. The Commission has reviewed Direct Energy's submissions.

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

- 1. Should Direct Energy wish to renew its Gas Marketer for 2011-2012, it must submit a complete licence renewal application, including a Letter of Credit with an expiry date of October 31, 2012, by August 1, 2011.

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2. The Commission issues to Direct Energy an amended Gas Marketer Licence for the period of December 9, 2010 to September 30, 2011.
3. The Gas Marketer Licence is subject to the following conditions:
  - a. Direct Energy will carry out the undertakings as set out in the Application for a Licence to Market Natural Gas dated August 26, 2010 and the Rules for Gas Marketers.
  - b. Direct Energy will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terasen Gas Inc. Direct Energy 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 Direct Energy shall be responsible for any non-compliance of its employees, salespersons or other representatives of its products and services.
  - c. Direct Energy will maintain a \$250,000 Letter of Credit or acceptable substitute in full force and effect for the duration of the Licence.
  - d. Direct Energy 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 Direct Energy, 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 Direct Energy will return these documents forthwith upon written request from the Commission.
  - g. Direct Energy must file with the Commission unaudited quarterly financial statements no later than 45 days after the end of the relevant quarter, pursuant to item 5 of the Licence Requirements.
  - h. Direct Energy must submit to the Commission copies of all training plans, procedures, and manuals, including door-to-door sales and customer service scripts, before soliciting new residential customers.

**DATED** at the City of Vancouver, in the Province of British Columbia, this    9<sup>th</sup>                      day of December 2010.

BY ORDER

*Original signed by:*

D.A. Cote  
Commissioner

Attachment



LICENCE No. A-37-10

# GAS MARKETER LICENCE

*Direct Energy (B.C.) Limited*

Operating as:

*Direct Energy Business (Commercial Customers)*

*Direct Energy (Residential Customers)*

is granted a licence for the purpose of providing advice to, or acting on behalf of, a low volume consumer <sup>(1)</sup> purchasing gas directly in the Province of British Columbia subject to the terms and conditions contained in Commission Order A-37-10, which are set out in the reverse of the Licence.

**BRITISH COLUMBIA UTILITIES COMMISSION**

*Original signed by:*

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D.A. Cote, Commissioner

ISSUED: December 9, 2010

EXPIRES: September 30, 2011

(1) As described in the Rules for Gas Marketers

The Gas Marketer Licence is subject to the following conditions:

- a. Direct Energy will carry out the undertakings as set out in the Application for a Licence to Market Natural Gas dated August 26, 2010 and the Rules for Gas Marketers.
- b. Direct Energy will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terasen Gas Inc. Direct Energy 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 Direct Energy shall be responsible for any non-compliance of its employees, salespersons or other representatives of its products and services.
- c. Direct Energy will maintain a \$250,000 Letter of Credit or acceptable substitute in full force and effect for the duration of the Licence.
- d. Direct Energy 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 Direct Energy, 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 Direct Energy will return these documents forthwith upon written request from the Commission.
- g. Direct Energy must file with the Commission unaudited quarterly financial statements no later than 45 days after the end of the relevant quarter, pursuant to item 5 of the Licence Requirements.
- h. Direct Energy must submit to the Commission copies of all training plans, procedures, and manuals, including door-to-door sales and customer service scripts, before soliciting new residential customers.