

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** A-38-10

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

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



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

and

An Application by AltaGas Ltd.
for Approval of its Initial Gas Marketer Licence
and Transfer of its Consumer Agreements
under the Customer Choice Program

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner December 16, 2010
N.E. MacMurchy, Commissioner
D. Morton, Commissioner

O R D E R

WHEREAS:

- A. On November 18, 2010, the British Columbia Utilities Commission (Commission) issued AltaGas Energy Limited Partnership a Gas Marketer Licence (A-35-10) valid until December 31, 2010;
- B. Licence A-35-10 noted that AltaGas Energy Limited Partnership's parent company, AltaGas Income Trust, converted to a corporation from a trust structure. It also noted that AltaGas's parent company under the new corporate structure, AltaGas Ltd., will apply for a Gas Marketer Licence under the Customer Choice Program and will submit the required audited financial statement for the year-ended December 31, 2010 by March 31, 2011;
- C. On December 1, 2010, AltaGas Ltd. 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;
- D. The Application also included unaudited statements for AltaGas Ltd. for the second and third quarters of 2010;
- E. On December 13, 2010, further to its Licence Application, AltaGas Ltd. requested approval to transfer the consumer agreements of AltaGas Energy Limited Partnership to AltaGas Ltd.;
- F. The Commission has examined the unaudited financial statements filed by AltaGas Ltd. Based on the information in these statements, AltaGas Ltd. is non-compliant in that it does not meet the Current Ratio and Working Capital licensing requirements of the Commission due in part to the servicing of a long-term debt;
- G. AltaGas Ltd. has previously advised the Commission that it expects to be compliant with the financial requirements of the Commission by 2011 as it has significantly reduced the amount of its debt;

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** A-38-10

2

- H. The Commission has reviewed AltaGas Ltd.'s Application for an initial Gas Marketer Licence and its request to transfer its consumer agreements from AltaGas Energy Limited Partnership to the Applicant, AltaGas Ltd.

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

1. The Commission issues to AltaGas Ltd. a Gas Marketer Licence for the period of December 16, 2010 to August 22, 2011.
2. Due to continuing non-compliance with certain financial requirements, AltaGas Ltd. is not permitted to enrol new customers under the Customer Choice Program.
3. AltaGas Ltd. will file an amended Letter of Credit by January 31, 2011 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.
4. The Commission approves the transfer of AltaGas Energy Limited Partnership's consumer agreements under the Customer Choice Program to AltaGas Ltd. All affected customers must be notified of this transfer in accordance with Article 29 of the Code of Conduct for Gas Marketers.
5. The Gas Marketer Licence is subject to the following conditions:
 - a. AltaGas Ltd. will carry out the undertakings as set out in the Application for a Licence to Market Natural Gas dated December 1, 2010 and the Rules for Gas Marketers.
 - b. AltaGas Ltd. will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terason Gas Inc. AltaGas Ltd. 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 AltaGas Ltd. shall be responsible for any non-compliance of its employees, salespersons or other representatives of its products and services.
 - c. AltaGas Ltd. will maintain a \$250,000 Letter of Credit in full force and effect for the duration of the Licence.
 - d. AltaGas Ltd. 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 AltaGas Ltd., 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. AltaGas Ltd. will return these documents forthwith upon written request from the Commission.
 - g. AltaGas Ltd. is not permitted to enrol new customers under the Customer Choice Program.
 - h. AltaGas Ltd. must file with the Commission its audited financial statement for the year-ended December 31, 2010 by March 31, 2011.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** A-38-10

3

- i. AltaGas Ltd. will file with the Commission unaudited monthly financial statements no later than 30 days after the end of each month.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of December 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner

Attachment



LICENCE No. A-38-10

GAS MARKETER LICENCE

AltaGas 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-38-10, which are set out in the reverse of the Licence.

BRITISH COLUMBIA UTILITIES COMMISSION

Original signed by:

D.A. Cote, Commissioner

ISSUED: December 16, 2010

EXPIRES: August 22, 2011

(1) As described in the Rules for Gas Marketers

The Gas Marketer Licence is subject to the following conditions:

- a. AltaGas Ltd. will carry out the undertakings as set out in the Application for a Licence to Market Natural Gas dated December 1, 2010 and the Rules for Gas Marketers.
- b. AltaGas Ltd. will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terasen Gas Inc. AltaGas Ltd. 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 AltaGas Ltd. shall be responsible for any non-compliance of its employees, salespersons or other representatives of its products and services.
- c. AltaGas Ltd. will maintain a \$250,000 Letter of Credit in full force and effect for the duration of the Licence.
- d. AltaGas Ltd. 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 AltaGas Ltd., 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. AltaGas Ltd. will return these documents forthwith upon written request from the Commission.
- g. AltaGas Ltd. is not permitted to enrol new customers under the Customer Choice Program.
- h. AltaGas Ltd. must file with the Commission its audited financial statement for the year-ended December 31, 2010 by March 31, 2011.
- i. AltaGas Ltd. will file with the Commission unaudited monthly financial statements no later than 30 days after the end of each month.