



LETTER NO. L-79-09

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ERICA M. HAMILTON
COMMISSION SECRETARY
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September 21, 2009

Michael Stedman
Vice President
402 – 390 Brant Street
Burlington, Ontario L7R 4J4

Dear Mr. Stedman:

Re: Active Renewable Marketing Limited
Licence Renewal Application

The British Columbia Utilities Commission ("Commission") is writing with regard to its letter dated September 1, 2009 (L-64-09) and the e-mail reply from Nancy Patterson of Active Renewable Marketing Limited ("Active Renewable") dated September 11, 2009 enclosing a copy of the letter also dated September 11, 2009 from Bazar McBean LLP, Chartered Accountants.

With regard to the Active Renewable 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 letter from Bazar McBean LLP indicates that it prepared a review engagement report for the Active Energy ULC financial statement for the December 31, 2008 year end. The letters also sets out the differences between a review engagement and an audit conducted in accordance with Canadian Generally Accepted Auditing Standards.

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 the audited financial statement as requested in Letter L-64-09 by no later than **Tuesday, October 20, 2009** so that it can be reviewed prior to the expiry of your current licence on October 31, 2009.

The second issue to be addressed relates to item 2 of Letter L-64-09. The Commission requested a report detailing the working capital and Current Ratio of Current Assets to Current Liabilities on a stand-alone basis specifically for Active Renewable on a month-to-month basis from January 2007 to present. This information has not been provided. However, the unaudited quarterly statement for the quarter ending June 30, 2009 indicates that the Current Ratio of Current Assets to Current Liabilities fell below the level of 1.10. Specifically, it indicates that the ratio was 0.81.

The Marketer Licence issued to you for the period ending October 31, 2009 is subject to the following condition, amongst others:

Active Renewable 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. [emphasis added]

The ratio for the period ending June 30, 2009 is not in compliance with the above condition. Please provide your explanation as to why the ratio was not maintained as required by a condition of your licence. Kindly advise as to what steps, if any, have been taken to remedy this non-compliance.

Please provide your explanation for the non-compliance with the required ratio and the remedial measures, if any you have taken in writing to the attention of the Commission Secretary by no later than **Thursday, September 24, 2009**. Failure to do so could result in a suspension or cancellation of your current licence prior to October 31, 2009. Further, please confirm if the ratio is currently below the level you are required to maintain.

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

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