

LETTER NO. L-112-09

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VIA EMAIL paul.kerr@shell.com

December 10, 2009

Mr. Paul Kerr Manager, Market Affairs Shell Energy North America (Canada) Inc. 90 Sheppard Avenue East, Suite 600 Toronto, ON M2N 6Y2

Dear Mr. Kerr:

Re: Shell Energy North America (Canada) Inc.

<u>Application for Exemption from Certain Licence Requirements</u>

The British Columbia Utilities Commission ("Commission") has reviewed your letter dated December 7, 2009 seeking an exemption from certain Licence Requirements ("Application"); specifically, but not exclusively, an exemption from items 5 and 6 as they relate to the provision of financial statements and meeting working capital requirements at the licence holder level, respectively.

In its Application, Shell noted that if the Commission determines that no exemptions are to be granted, Shell requests that its interim Licence A-16-09 be permitted to expire on its expiry date of December 31, 2009.

The Commission maintains that all licence requirements of the Application for a Licence to Market Natural Gas must be met in order for a Licence to be issued. If Shell does not comply with these Licence Requirements, its current Licence A-16-09 will expire on December 31, 2009. Should Shell require more time for the filing of the requested documents, in accordance with its current Licence, it should advise the Commission immediately.

Yours truly,

Original signed by:

Erica M. Hamilton

/jt