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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER A-31-10**

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

and

An Application by Superior Energy Management Gas LP  
for renewal of its Gas Marketer Licence  
under the Customer Choice Program

**BEFORE:** L.F. Kelsey, Commissioner  
D.A. Cote, Commissioner  
October 28, 2010

#### **O R D E R**

#### **WHEREAS:**

- A. On August 30, 2010, Superior Energy Management Gas LP (Superior Energy) 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 Application was accompanied by Superior Energy's audited financial statement for the year-ended December 31, 2009 and financial statements for subsequent quarters ending March 31 and June 30, 2010 pursuant to item 5, of the Licence Requirements;
- C. The Commission notes that Superior Energy does not meet the Current Ratio and Working Capital requirements of 1.10 and \$50,000, respectively, due largely to the reported unrealized losses on financial instruments and the non-recording of unrealized gains related to the customer contracts to sell gas. Through the Commission's information request, Superior Energy provided additional financial details that demonstrate that there is a low probability that the unrealized losses will be realized in the future and that it has sufficient liquidity to fund ongoing operations until at least August 31, 2011.

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

1. The Commission issues to Superior Energy a Gas Marketer Licence for the period November 1, 2010, to August 31, 2011.

2. The Gas Marketer Licence is subject to the following conditions:
- a. Superior Energy will carry out the undertakings as set out in the Application for a Licence to Market Natural Gas dated August 30, 2010, and the Rules for Gas Marketers.
  - b. Superior Energy will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terasen Gas Inc. Superior 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 Superior Energy shall be responsible for any non-compliance of its employees, salespersons or other representatives of its products and services.
  - c. Superior Energy will maintain a \$250,000 Letter of Credit or acceptable substitute in full force and effect for the duration of the Licence.
  - d. Superior 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 Superior 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 Superior Energy will return these documents forthwith upon written request from the Commission.
  - g. Superior Energy will continue to file a quarterly salesperson activity report with the Commission which must be filed within 15 business days following the last date of the reporting period. The report must contain sales activity information with respect to all active and inactive salespersons employed by Superior Energy within the reporting period. The information to be provided by Superior Energy is outlined in the MS Excel template, attached as Appendix A to Order A-22-08A.
  - h. Superior Energy must make contact with a customer within 3 business days, upon receipt of a verbal or written enquiry or complaint. A record of the response, either in writing or as a recording, will be made available by Superior Energy upon request from the Commission.
  - i. Superior Energy will record and maintain all of its inbound and outbound communications. The digital recordings will be made available by Superior Energy within three days of the initial recording and must be provided upon request of the Commission.
  - j. Upon receipt of a web enrolment for service, Superior Energy will forward its written agreement to enrol for service and obtain from the customer a signed agreement in return. An electronic signature must be obtained from the customer via Superior Energy's website, however Superior Energy must be in

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receipt of a signed hard copy of the agreement before the customer is registered with Terasen Gas Inc. All documents must be maintained on file and available to the Commission in accordance with the Code of Conduct.

- k. Superior Energy will complete a Third Party Verification call, in accordance with the Code of Conduct for Gas Marketers, for all customers who enrol for service by internet marketing. The Third Party Verification must take place after the signed written agreement is received from the customer and before the enrolment of the customer is registered with Terasen Gas Inc.
- l. Superior Energy must file with the Commission its unaudited quarterly financial statements consisting of a balance sheet and income statement for the period then ended. Further, Superior Energy will provide the Commission with a description of its liquidity and cash position at the end of each quarter and a liquidity outlook for the next twelve months. This information shall be filed with the Commission no later than 45 days after the end of the relevant quarter.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 29<sup>th</sup> day of October 2010.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner

Attachment



LICENCE No. A-31-10

# GAS MARKETER LICENCE

## *Superior Energy Management*

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-31-10, which are set out in the reverse of the Licence.

### **BRITISH COLUMBIA UTILITIES COMMISSION**

*Original signed by:*

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L.F. Kelsey, Commissioner

ISSUED: November 1, 2010

EXPIRES: August 31, 2011

(1) As described in the Rules for Gas Marketers

The Gas Marketer Licence is subject to the following conditions:

- a. Superior Energy will carry out the undertakings as set out in the Application for a Licence to Market Natural Gas dated August 30, 2010, and the Rules for Gas Marketers.
- b. Superior Energy will comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of Terason Gas Inc. Superior 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 Superior Energy shall be responsible for any non-compliance of its employees, salespersons or other representatives of its products and services.
- c. Superior Energy will maintain a \$250,000 Letter of Credit or a acceptable substitute in full force and effect for the duration of the Licence.
- d. Superior 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 Superior 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 Superior Energy will return these documents forthwith upon written request from the Commission.
- g. Superior Energy will continue to file a quarterly salesperson activity report with the Commission which must be filed within 15 business days following the last date of the reporting period. The report must contain sales activity information with respect to all active and inactive salespersons employed by Superior Energy within the reporting period. The information to be provided by Superior Energy is outlined in the MS Excel template, attached as Appendix A to Order A-22-08A.
- h. Superior Energy must make contact with a customer within 3 business days, upon receipt of a verbal or written enquiry or complaint. A record of the response, either in writing or as a recording, will be made available by Superior Energy upon request from the Commission.
- i. Superior Energy will record and maintain all of its inbound and outbound communications. The digital recordings will be made available by Superior Energy within three days of the initial recording and must be provided upon request of the Commission.
- j. Upon receipt of a web enrollment for service, Superior Energy will forward its written agreement to enrol for service and obtain from the customer a signed agreement in return. An electronic signature must be obtained from the customer via Superior Energy's website, however Superior Energy must be in receipt of a signed hard copy of the agreement before the customer is registered with Terason Gas Inc. All documents must be maintained on file and available to the Commission in accordance with the Code of Conduct.
- k. Superior Energy will complete a Third Party Verification call, in accordance with the Code of Conduct for Gas Marketers, for all customers who enrol for service by internet marketing. The Third Party Verification must take place after the signed written agreement is received from the customer and before the enrolment of the customer is registered with Terason Gas Inc.
- l. Superior Energy must file with the Commission its unaudited quarterly financial statements consisting of a balance sheet and income statement for the period then ended. Further, Superior Energy will provide the Commission with a description of its liquidity and cash position at the end of each quarter and a liquidity outlook for the next twelve months. This information shall be filed with the Commission no later than 45 days after the end of the relevant quarter.