



LETTER NO. L-5-10

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VIA EMAIL

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January 14, 2010

Ms. Susannah Robinson
Vice President, Energy Procurement and Strategy
Superior Energy Management Gas LP
2001-6860 Century Avenue, East Tower
Mississauga, ON L5N 2W5

Dear Ms. Robinson:

Re: Superior Energy Management Gas LP
Audited Financial Statement and Request for Additional Financial Information

The Commission is in receipt of Superior Energy Management Gas LP's ("Superior Energy") audited financial statement for year-ended December 31, 2008, which was received on December 30, 2009. The Commission notes that the financial statement does not appear to be in compliance with Condition 2.4, the Current Ratio and Working Capital requirements, of Superior Energy's Licence A-20-09.

However, the Commission recognizes that the Balance Sheet item on unrealized gains/losses on financial instruments included in the audited financial statement may justify further evaluation to assess the financial position of Superior Energy. As mentioned in the Note to Reader from VP of Finance Inder Minhas, for consideration with the financial statement, which states that, "...in the Balance Sheet the reader will notice current and long-term portions of unrealized gains/losses on financial instruments, these are the measurement of the market value of fixed price contracts with suppliers on the balance sheet date, and do not include those related to customers..." The note proceeds to state that, "Since these are non-cash and the measurement of only supply positions this should be considered as non-cash when performing any financial metrics on these financial statements. When excluding these balances the working capital ratio is 1.22 to 1."

In order to exercise due diligence in reviewing Superior Energy's financial position as it relates to the Current Ratio and Working Capital requirements, the Commission requests that Superior Energy provide the Commission with its unaudited statements for the third and fourth quarters of 2009.

If these unaudited statements include an item on the "current portion of unrealized gains/losses on financial instruments," please provide responses, with explanation, to the following:

1. What is the total current portion of the total unrealized loss on financial instruments as at the end of third and fourth quarters of 2009?

2. Does this amount represent a current liability as defined by Canadian Generally Accepted Accounting Principles?
3. What portion of this unrealized loss related entirely to the supply of gas for distribution to customers?
4. What percentage of this gas supply has been contracted for sale to retail customers by way of executed customer contracts?
5. What percentage of this gas supply is not committed, by an executed customer contract, for sale to retail customers?
6. What percentage of the currently committed gas supply does Superior Energy estimate will be uncommitted in the year due to a customer cancellation?
7. What is the rate, as a percentage, of contract cancellation that was incurred in fiscal 2009?
8. What amounts would Superior Energy anticipate in offsetting any realized loss (such as corresponding contract cancellation fees)?
9. When does Superior Energy anticipate to comply with the Current Ratio and Working Capital Licence requirements without having to exclude the portion on unrealized gains/losses on financial instruments?

Superior Energy does not appear to be in compliance with the Commission's Current Ratio, defined to be a factor of current assets and current liabilities as defined by Canadian Generally Accepted Accounting Standards, and Working Capital requirements.

Please provide this information to the Commission on or before **January 31, 2010**.

Yours truly,

Original signed by:

Erica M. Hamilton

JT/yl