



6345 Dixie Road, Suite 200
Mississauga, Ontario L5T 2E6

T 1-866-587-8674
F 1-888-548-7690

October 22, 2012

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 400 North Street
2nd Floor, Room N 201
Harrisburg, PA 17102

RECEIVED
2012 OCT 22 PM 3:48
PA PUC
SECRETARY'S BUREAU

Re: Just Energy Pennsylvania Corp. Natural Gas Supplier, Broker/Marketer, Aggregator License Application, Docket No. A-2009-2098011

Dear Secretary Chiavetta:

Just Energy Pennsylvania Corp. ("Just Energy") filed an application to expand its natural gas supplier ("NGS") license to all utility service territories throughout the Commonwealth of Pennsylvania in June 2011. In the Pennsylvania Public Utility Commission's ("Commission") Order of December 28, 2009 at this Docket, submission of a Status Report describing Just Energy's compliance history for itself and its affiliates over an eighteen (18) month period was set as a condition of its' initial NGS License. Just Energy submits that the Status Report should be considered officially due on December 10, 2012, which is sixty days prior to the end of the eighteen (18) month period. In view of the proximity of this due date, Just Energy is submitting an Interim Status Report on its' compliance history at this time and will submit to the Commission a final version of the Status Report on or around December 10, 2012. Just Energy is also providing required documentation from natural gas utilities stating the company has met the sufficient bonding/financial security requirements to begin operating in their service territories. Finally, due to the passage of time since the filing of this application, it is necessary to update the information provided in the application with several amendments to the application. One of those amendments revises the application from a request for state wide authority, to an expansion of Just Energy's license to specific additional natural gas distribution company territories. Therefore, in accordance with 52 Pa. Code §§ 5.91(a), 54.34 and the Commission's Final Order of December 28, 2009 in Docket No. A-2009-2098011, attached is an original of the following documents. **Please note that several of these documents, in part, contain information that is proprietary and confidential. Under Commission procedures, this information should be treated by the Commission as confidential and should not be included in the Commission's public document folder. Unredacted versions of these documents are being submitted in a sealed envelope marked "Proprietary and Confidential":**

- Status Report referenced in the December 28, 2009 Commission Order in Docket No. A-2009-2098011 (**Proprietary and Confidential**);
- The following amendments to Just Energy Pennsylvania Corp.'s NGS license expansion application filed in June 2011 in accordance with 52 Pa. Code §§ 5.91(a), 62.105:
 - 1 Predecessor
 - 2 (a) Contact
 - 2 (b) Contact-Pennsylvania Emergency Management Agency
 - 6 Affiliates operating in Pennsylvania
 - 6 Explanation of affiliation
 - 6 Predecessors
 - 8 Proposed operations
 - 10 Proposed NGDC Service Territories
 - 11 Customers to which applicant proposes to provide service
 - 12 Proposed start date
 - 16 Contact for customer service complaints
 - Appendix A - Officers included in Tax Certification Statement
 - Appendix B - Staff approved Disclosure Statement
 - Appendix F - Compliance (**Proprietary and Confidential**)
 - Appendix H - Experience of Key Operating Personnel
 - Appendix J - Proof of Natural Gas Distribution System Bonding Requirements

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,



Charles C.S. Iannello
Director, U.S. Regulatory Affairs
(217) 899-2537
ciannello@justenenergy.com

CC: Mr. James Shurskis (w/Proprietary and Confidential materials)
Mr. Paul Diskin
Mr. Anthony Rametta
Mr. David Mick
Mr. Daniel Mumford

RECEIVED
2017 OCT 22 PM 3:48
PA PUC
SECRETARY'S BUREAU

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

RECEIVED
2012 OCT 22 PM 3:50
PA PUC
SECRETARY'S BUREAU

License Application of Pennsylvania Energy :
Savings Corp. for Approval to Offer, Render, :
Furnish or Supply Natural Gas Services as a : Docket No. A-2009-2098011
Supplier, Broker/Marketer and Aggregator :
Engaged in the Business of Supplying Natural :
Gas :

**INTERIM STATUS REPORT OF
JUST ENERGY PENNSYLVANIA CORP.**

I. Introduction

By Order entered December 28, 2009, Just Energy Pennsylvania Corp. ("Just Energy" or "Company") was granted a Natural Gas Supplier ("NGS") license in this docket. As part of that license, Just Energy is required to file with the Pennsylvania Public Service Commission ("Commission") a Status Report ("Report"). The Commission's December 28, 2009 Order ("Order"), directed as follows:

Not less than sixty days before the expiration of the probationary period, JEPC will file a status report with the Commission describing its compliance history in Pennsylvania, as well as updated information regarding the compliance history of JEPC's affiliates in other states.¹

The Commission set the starting date of the 18 month period as the entry date of the Order, December 28, 2009. However, on June 21, 2012, the Commission issued a Final Order in Docket No. A-2009-2097544 granting Just Energy's request to expand their Electric Generation Supplier license ("EGS License Expansion Final Order"). In the EGS License Expansion Final Order, the Commission addressed the due date of the Status Report required pursuant to Just Energy's EGS license stating,

¹ Order at 10.

We also believe that the term of the conditions should begin with the date that JECF acquired or acquires its first Pennsylvania customer under its electric generation supplier license. We also note that the staff recommendation that was mandated by the December 23, 2009 Order is moot.²

Staff reviewing this Application for expanded NGS rights also requested that the information provided in Section 15, Compliance, of the Application be updated through the date of the filing of the Status Report and in accordance with the Commission's Final Order in Docket No. A-2009-2098011. Given the proximity of the due date for the Status Report and Staff's request regarding compliance information, Just Energy is submitting this Interim Status Report at this time. Just Energy will also submit a final Status Report at the required time which updates this compliance information. Therefore, Just Energy commits to file a final Status Report no less than sixty days prior to the eighteenth month after the day it signed its first customer. This final Status Report will be filed at both the Company's EGS and NGS docket numbers. Just Energy signed its first customer on August 10, 2011. Therefore, Just Energy will file its final Status Report on or around December 10, 2012.

II. Compliance with the Public Utility Code, Commission Orders and Regulations and with the Order.

Just Energy did not initiate any door-to-door marketing until November, 2011. Just Energy is currently in the process of amending its NGS license to market in additional jurisdictions in Pennsylvania. Just Energy will abide with all laws rules and regulations of the Pennsylvania Public Utility Code, Commission Orders and specifically with the Order in Docket No. A-2009-2098011.

² Order at 6.

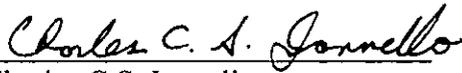
III. Information Regarding Lawsuits, Investigations, and State Commission Proceedings

The Commission's Final Order of December 28, 2009 in Docket A-2009-2098011 required an update of lawsuits, investigations and state commission proceedings to be included in a Status Report. Staff requested that Just Energy include an update to the information included in Section 15 of the Application. Just Energy has filed amendments to the Application concurrent with this Interim Status Report and has included the similar information provided in the amended Application in Attachment I to this Interim Status Report.

IV. Conclusion

Just Energy appreciates the opportunity to inform the Commission of the progress it has made.

Respectfully Submitted,


Charles C.S. Iannello
Charles C.S. Iannello
Director, U.S. Regulatory Affairs 
6345 Dixie Road, Suite 200
Mississauga, Ontario L5T 2E6
217-899-2537
ciannello@justenergy.com

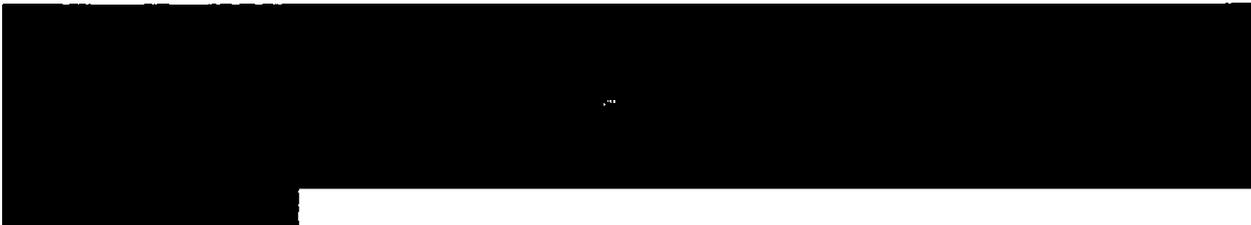
RECEIVED
2012 OCT 22 PM 3:50
SECRETARY'S BUREAU
I/A PUC

Attachment I

As a large corporation and with more than a thousand employees and multiple lines of business operating in nearly all U.S. States and Canadian provinces that are open to energy competition, Just Energy Group, Inc., the parent company of Just Energy Pennsylvania Corp., and its subsidiaries are regularly subject to a number of corporate reviews and suits involving a variety of corporate issues that are not related to its provision of energy service to retail customers. Just Energy has only included in this report matters relating to its provision of customer energy service and regulatory compliance.

Just Energy Group, Inc.'s subsidiaries serve nearly two million customers and, like all companies of this size, receive a number of informal inquiries and complaints from individual customers across all jurisdictions. Informal inquiries and complaints are not included in this response as Section 5, Compliance, only requires "formal" or "escalated" matters.

Below are pending matters related to business in U.S. jurisdictions:



Just Energy Illinois Corp. formerly known as Illinois Energy Savings Corp. ("IESC"): In March 2008, in ICC Docket No. 08-0175, the Citizens Utility Board ("CUB") and other parties filed a complaint against IESC alleging violations of Article XIX of the Illinois Public Utilities Act and other laws and administrative code. In April 2010, the Illinois Commerce Commission issued its Final Order in Docket No. 08-0175, which found eight individual violations of subsection 19-115(c) of the Illinois Public Utilities Act, by failing to obtain verifiable authorization of a switch, a single violation of subsection 19-115(f) for inaccurate price disclosures in marketing materials, and a single violation of the Standards of Conduct in gas utility tariffs. There was no finding of a violation of the Consumer Fraud and Deceptive Business Practices Act. Further, there was a finding that IESC had not violated the common law prohibition against unreasonable liquidated damages. IESC was ordered to pay a fine of \$90,000, undergo an audit, and implement corrective measures to ensure future adherence to Illinois laws and regulations. After a one year delay due to administrative matters on the side of the State, the audit commenced April 2011 and concluded January 2012. Just Energy filed its response to the audit agreeing to adopt all audit recommendations and is in the process of finalizing this matter.

Below are resolved matters related to business in U.S. jurisdictions:

Just Energy Illinois Corp. formerly known as Illinois Energy Savings Corp. (“IESC”) – Illinois Attorney General (ILAG) – In February 2009, the ILAG brought suit against IESC related to allegations that IESC used deceptive sales tactics and promised savings to customers, which conduct, if proven, would in ILAG's view have amounted to conduct in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act. This complaint contained substantially the same allegations as the complaint filed by Citizens Utility Board in Docket No. 08-0175 before the Illinois Commerce Commission. In May 2009, the ILAG and IESC entered into a settlement agreement. The ILAG and IESC agreed to a stipulated final judgment and consent decree. Although IESC denied the allegations in the suit, it agreed to: i) pay restitution to Illinois consumers; ii) provide eligible consumers with notice of the settlement within 30 days and notice regarding the submission of claim forms to access the restitution funds; iii) allow current eligible customers to cancel contracts without paying an early termination fee; iv) ensure that all marketing material had full disclosures regarding the type of product, the conditions of service and any existence of early contract termination fees; v) cap any early termination fees at \$50; and vi) investigate and terminate sales representatives who were proven to have misled consumers, to have provided false information during solicitations or to have forged contracts or agreements. No violations of the Consumer Fraud and Deceptive Business Practices Act were found in this proceeding.

Just Energy Indiana Corp. formerly known as Indiana Energy Savings Corp. (“IESC”) – Pamela Tillman vs. U.S. Energy Savings Corp. 1:08-cv-01641 (United States District Court, Northern District of Illinois, Eastern Division) – On March 20, 2008, an Indiana resident filed a proposed consumer class action against IESC in Illinois also based on allegations similar to those made by the Illinois Attorney General. The matter was voluntarily dismissed with prejudice. Considered resolved by both parties.

Just Energy New York Corp. formerly known as New York Energy Savings Corp. – New York Attorney General (NYAG) – In February 2008, the NYAG conducted an informal review related to consumer complaints alleging that independent contractors representing NYESC had made promises of savings to consumers. A voluntary settlement resulted in an Assurance of Discontinuance which was accepted in July 2008 (AOD-08-84), in which NYESC agreed to cancel customers without fees, make a one-time payment of \$100,000 and an additional \$100,000 payment in costs to NYAG. NYESC also agreed to; i) provide to every new customer a letter setting out the contract cancellation period and early termination fees; ii) confirm all details and qualifiers of its agreements with consumers either by recorded call or in writing; iii) obtain background and/or reference checks for all potential sales contractors; iv) review all consumer complaints and provide a response within 30 days of receipt; v) terminate any independent contractor who was proven to have misled consumers more than twice; and vi) waive termination fees for any consumer who cancelled an agreement within 60 days of the date of the AOD.

Hudson Energy Services, LLC (“Hudson Energy”) – (This matter occurred prior to Just Energy Group Inc.’s acquisition of Hudson Energy Services) This matter involved allegations of billing errors on the part of Hudson Energy in New Jersey, which caused approximately 2000 of its customers to be overcharged seven percent for energy services supplied by Hudson Energy from December 2008 - August 2009. Upon review the Staff of the New Jersey Board of Public Utilities alleged that the Hudson Energy did not comply with the Board’s requirements related to New Jersey Offices as set out in N.J.A.C. 14:4-5.2(a)-(b). Hudson Energy submitted an Offer of

Settlement to resolve the outstanding violations alleged by Board Staff. The Offer of Settlement included credits and refunds totaling \$86,853.00 as well as other minor compliance remedies. The Board did find that Hudson Energy's Offer of Settlement resolved the outstanding allegations, accepted it for the purpose of the proceeding and ordered the investigation that initiated the matter closed. Hudson Energy also relocated its principal place of business in New Jersey.

Universal Energy Corporation ("UEC") – (This matter occurred prior to Just Energy Group, Inc.'s acquisition of UEC) Michigan Public Utilities Commission (MPUC) – In February 2008, Commission Order No. U-15509 directed a formal investigation into the marketing and customer service practices of Universal Gas and Electric Corporation (UGE) (which is an affiliate of UEC and was acquired by Just Energy along with UEC in 2009). The primary catalyst for this investigation was the number of complaints received by the Commission relating to the marketing practices of UGE. The bulk of the allegations in these complaints were that independent contractors were not describing the product offering fully or in a manner that a customer could understand. The Commission and UGE reached a settlement in which UGE agreed to; i) offer to terminate without charge contracts with certain customers or, alternatively, provide a \$50 credit to those of the affected customers who chose to remain with UGE; ii) reimburse certain customers for their time; iii) reimburse the State of Michigan \$300,000; iv) submit its marketing materials to the MPUC staff for review; and v) change certain products and marketing practices. Universal also agreed to file a quarterly report, for a period of two years (ending February 2010), with the MPUC outlining the number of customer complaints, types of concerns, resolutions and any reimbursements paid, and to include in such reports proposals for improvement in its processes to address any systemic issues found to give rise to such complaints.

Commerce Energy, Inc. dba Just Energy – Public Utility Commission of Ohio (PUCO) Case No. 02-1828-GA-CRS. In April 2010, Just Energy received a letter from the PUCO Staff indicating that Just Energy had 25 informal complaints through the first quarter of 2010. Despite that this represented a complaint ratio of less than one tenth of one percent, Staff recommended that Just Energy take corrective action. Staff then published a report outlining activities relating to door-to-door solicitations that Staff recommended should be corrected. PUCO Staff, the Ohio Consumers Counsel, and Just Energy entered into a Joint Stipulation and Recommendation ("Stipulation"). According to the Stipulation, Just Energy would have to pay \$100,000 if, in any three month rolling period, there were two months with 10 or more verified allegations related to door-to-door sales and an additional \$100,000 for two such occurrences. Just Energy was also required to provide all customers who have signed up between April and September 2010 to leave or alter their contract without fees. As part of the settlement, Just Energy agreed to retrain all sales agents to assure compliance and also revised its Compliance Matrix for the Ohio market. In addition, new TPV processes were implemented and additional quality assurance agents that are independent from the sales group were hired to review sales calls. The settlement also required Just Energy to make adjustments to its contracts. The requirement to maintain complaint levels was in effect through December 2011. Just Energy fulfilled all obligations of the settlement agreement and maintained complaint levels below the thresholds that would have triggered additional payments or further action. This matter is now closed.

Below are pending matters related to business in Canadian jurisdictions:



Below are resolved matters related to business in Canadian jurisdictions:

Universal Energy Corporation (“UEC”) – (This matter occurred prior to Just Energy Group, Inc.’s acquisition of UEC) British Columbia Utilities Commission (BCUC) – March 2008. In Commission Order No.G-47-08, UEC was found in violation of Articles 14 & 29 of the Commission’s *Code of Conduct*. The incident in question involved allegation that an independent agent representing UEC conducted himself in an aggressive manner towards a customer. UEC acknowledged the incident, and was ordered to pay a penalty of \$7,000.00, re-train and certify all agents in British Columbia within 14 days of the Order, and train all new agents in accordance with the Order.

Universal Energy Corporation (“UEC”) – (This matter occurred prior to Just Energy Group, Inc.’s acquisition of UEC) Ontario Energy Board (“OEB”) – EB – 2009-0005 – January 20th 2009. Pursuant to section 112.7 of OEB Act, 1998 and as part of the OEB reaffirmation audit, it was determined that misleading statements were used during reaffirmations completed within the time frame of March 2007 to June 2008. The misleading statements included “the cap will be removed in May 2008” and “RPP is currently subsidized by the government”. For a period of 18 months Universal committed to report on any disciplinary action taken as a results of it quality assurance audits of all positive reaffirmation calls. UEC was ordered to pay an initial penalty of \$200,000 later reduced to \$127,500.

Universal Energy Corporation (“UEC”) – (This matter occurred prior to Just Energy Group, Inc.’s acquisition of UEC) Ontario Energy Board (“OEB”) EB – 2009-0118 – April 29th 2009. Pursuant to section 112.5 of OEB Act, 1998 a penalty pertaining to two specific instances of making false and misleading statements, and one instance of a breach of section 2.3 of the Code of Conduct for Gas Marketers related to natural gas supply submission without the consumers written permission. UEC was fined \$60,000.

Just Energy Ontario L.P. (“Just Energy”) – Ontario Energy Board (“Board”) EB – 2011-03-12 – Following the enactment of the Energy Consumer Protection Act 2010, the Board initiated a series of compliance inspections of all electricity and natural gas retailers in Ontario. The Board found minor deficiencies in Just Energy’s marketer id badges, contract renewal form content, price comparison documents, and calls related to renewals. Just Energy entered into an Assurance of Voluntary Compliance and paid a \$50,000 administrative penalty. This matter has been closed.

Matters in State of Texas:

The Staff of the Public Utility Commission of Texas (“Staff”) routinely issues requests for information to licensed entities and audits Retail Electric Providers in the State of Texas. Such requests for information (“RFIs”) and audits are not conducted pursuant to any official direction from the Public Utility Commission of Texas (“PUCT”) and, therefore, are considered to be informal. These Staff-initiated RFIs and audits, which are fairly common and sometimes directed toward all market participants in a particular segment, could potentially lead to a formal docketed PUCT investigation or other type of formal proceeding. However, no Staff-initiated RFI or audit of a Just Energy Pennsylvania Corp. affiliate has ever led to any official sanction or formal action by the PUCT. Informal investigations may also lead to settlements between Staff and Retail Electric Providers, which would ultimately be recognized by the PUCT itself. Below is information regarding RFIs and audits of Just Energy Pennsylvania Corp. affiliates that led to settlement agreements between Staff and the Retail Electric Provider in question:

Just Energy Texas LP (“Just Energy”) – On March 26, 2010, PUCT Staff conducted an audit of Just Energy’s general compliance with the Public Utility Regulatory Act (PURA) and Chapter 25, Subchapter R, of the Electric Customer Protection Rules. Staff alleged deficiencies with: (1) the Letter of Authorization included in Just Energy’s contract expiration and renewal notice, (2) disclosures regarding how to obtain information about the price that would apply on the next bill; (3) certain disclosures required for contract expiration and renewal offers; (4) the right of rescission disclosure in a separate paragraph/box on the Terms Of Service; (5) disclosure of the term of certain customers’ agreements in the Electricity Fact Label; 6) notice of amount of deposit on customer bill or in receipt; and (7) disclosures on the disconnection notice. Both parties entered into a settlement agreement to resolve the alleged issues identified by PUCT Staff whereby Just Energy agreed to pay an administrative penalty of \$17,250. There was no finding of violation or any wrongdoing by Just Energy as a result of this compliance audit. PUCT Staff conducted similar audits of all Retail Electric Providers in the State of Texas to measure compliance with changes to the Electric Customer Protection Rules that went into effect in August 2009.

Fulcrum Retail Energy LLC dba Amigo Energy (Amigo Energy was acquired by Just Energy Group, Inc. in October 2011. This matter occurred prior to Just Energy’s acquisition of Amigo Energy) – In 2009, PUCT Staff issued an RFI to Amigo Energy after customers experienced billing issues. It was found that during a mass transfer of customers from Retail Electric Provider National Power to Amigo Energy, a critical field relating to National Power Customers

was left unpopulated in Amigo Energy's system. Staff alleged the following violations: (1) Failure to bill customers within 30 days of service in July and August 2008; (2) Billing certain customers who switched away from Amigo Energy prior to July 2, 2008 based on incorrect rates; and (3) Printed bills that did not match corresponding Energy Facts Labels (EFLs). The Commission found that Amigo sought in good faith to conform to the Consumer Protection Rules and worked aggressively to resolve the problems and manage the impact on customers. PUCT Staff and Amigo Energy entered into a settlement agreement in which Amigo Energy agreed to pay an administrative penalty of \$15,000.

Fulcrum Retail Energy LLC dba Amigo Energy (Amigo Energy was acquired by Just Energy Group, Inc. in October 2011. This matter occurred prior to Just Energy's acquisition of Amigo Energy) – On September 24, 2010, PUCT Staff conducted an audit of Amigo Energy's general compliance with the Public Utility Regulatory Act (PURA) and Chapter 25, Subchapter R, of the Electric Customer Protection Rules. The audit concluded that Amigo Energy was not in compliance with several provisions of the Commission's customer protection rules including: (1) the provision of required explanations during internet enrollment; (2) inclusion of a required statement during internet enrollment; (3) informing the consumer enrolling online of the option to request a copy of the Terms of Service be sent via U.S. Mail; (4) providing the notice of a customer's right of rescission during online enrollment; (5) issuance of certain refunds as required by rule relating to security deposits; and (6) inclusion of a toll-free number in bold-face on one of the company's bills. The alleged violations were not considered "significant" by the PUCT Staff, and Amigo Energy corrected all of the issues prior to settlement. In the settlement between PUCT Staff and Amigo Energy, Amigo Energy agreed to pay an administrative penalty of \$13,000. PUCT Staff conducted similar audits of all Retail Electric Providers in the State of Texas to measure compliance with changes to the Electric Customer Protection Rules that went into effect in August 2009.

Tara Energy LLC (Tara Energy was acquired by Just Energy Group, Inc. in October 2011. This matter occurred prior to Just Energy's acquisition of Tara Energy) – In April 2010, PUCT Staff conducted an audit of Tara Energy's general compliance with the Public Utility Regulatory Act (PURA) and Chapter 25, Subchapter R, of the Electric Customer Protection Rules. PUCT Staff alleged several areas of non-compliance with consumer protections including: (1) a discrepancy between written contract language (English) and language in which the sale was conducted (language other than English); (2) the website did not contain required explanation regarding who may enroll online; (3) Website did not contain the ability to obtain the name of an authorized agent; (4) failure to provide copies of a signed letter of authorization (LOA) to customers who may wish to mail in the LOA; (5) terms of service did not indicate the type of product offering using the prescribed terms; (6) failure to provide a deposit refund to customers who paid for service for 12-consecutive months; (7) failure to express the calculation of the average price unit as cents per kilowatt-hour; (8) Use of the word "base charge" on billing without providing a definition on the company's website; and (9) Use of the term "kWh" on billing without providing a definition on the company's website. These alleged violations were not deemed "significant" and Tara Energy corrected the issues prior to settlement. In the settlement, Tara Energy agreed to pay an administrative penalty of \$13,000. PUCT Staff conducted similar audits of all Retail Electric Providers in the State of Texas to measure compliance with changes to the Electric Customer Protection Rules that went into effect in August 2009.