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April 9, 2013

**VIA HAND DELIVERY**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

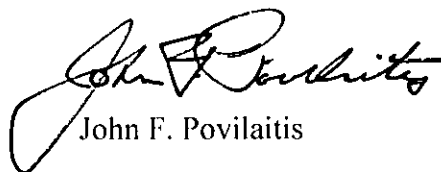
On behalf of Just Energy Pennsylvania Corp. ("Just Energy"), I have enclosed for filing a public version of the required Status Report in the above-captioned matter.

Confidential and proprietary material redacted from the public version of the Status Report is being supplied as a confidential version of the Status Report in a separate sealed envelope pursuant to the Pennsylvania Public Utility Commission's procedures. Please maintain the confidential version of the report in a separate file, not available to the public.

Additionally, Just Energy is requesting that the conditions on its Natural Gas Supplier license be lifted, based on the substance of its Status Report.

Please contact me if you have any questions regarding this matter.

Very truly yours,

  
John F. Povilaitis

JFP/kra  
Enclosure  
cc: James R. Shurskis, Technical Utility Services  
Dan Mumford, Bureau of Consumer Services

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PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265

License Application of Pennsylvania  
Energy Savings Corp. for Approval to  
Offer, Render, Furnish or Supply Natural  
Gas Services as a Supplier,  
Broker/Marketer and Aggregator Engaged  
in the Business of Supplying Natural Gas

Docket No. A-2009-2098011

**Status Report of Just Energy Pennsylvania Corp.**

**I. Introduction**

On December 17, 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 Utility Commission ("Commission") a Status Report ("Report"). Per the Commission's December 17, 2009 Order ("Order"), Just Energy shall:

...file a status report with the Commission describing its compliance with the Public Utility Code, Commission Orders and Regulations, and the conditions set forth herein. The status report shall also include updated information regarding lawsuits, investigations, and state commission proceedings involving its affiliates in other jurisdictions. A copy of this status report shall be provided to Paul Diskin in the Commission's Bureau of Fixed Utility Services and David Mick in the Commission's Bureau of Consumer Services.<sup>1</sup>

Commission staff originally requested that Just Energy submit the Report with a status update as of August 17, 2011, in conjunction with the Company's pending application for state-wide NGS authority to serve customers in the Commonwealth of Pennsylvania ("Application"). Staff also

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<sup>1</sup> Order page 13.

requested that the information provided in Section 5, Compliance, of the Application be updated through the date of filing of the Report and in accordance with the Commission's Final Order in Docket No. A-2009-2098011. On January 10, 2013, the Commission issued a Final Order in Docket No. A-2009-2098011 granting Just Energy's request to amend its Natural Gas Supplier License ("NGS License Expansion Final Order"). In the NGS License Expansion Final Order, the Commission addressed the due date of the Status Report required pursuant to Just Energy's NGS license stating,

"We believe that the date on which the 18 month period began for JEPC's NGS license should be based on the date the Company acquired its first gas customer, not on the date the Company acquired its first electric customer. Therefore, we will direct that the 18 month period for JEPC's NGS license began on December 9, 2011, the date of its first NGS customer. That would set the due day for JEPC's NGS status report as April 9, 2013."

The Commission, in their order, goes on to state,

"That a license be issued authorizing Just Energy Pennsylvania Corp. to begin to offer, render, furnish or supply natural gas supply services as a supplier to residential, small commercial (less than 6000 MCF demand), large commercial (6000 MCF and over demand), industrial and governmental customers in the natural gas distribution company service territories of Columbia Gas of Pennsylvania, Inc., PECO Energy Company, National Fuel Gas Distribution Corp., UGI Utilities, Inc., UGI Penn Natural Gas, and UGI Central Penn Gas; subject to the conditions as previously stated in the Commission's Order, entered December 28, 2009, at this docket number, which will apply for a term of eighteen months from the date Just Energy Pennsylvania Corp. acquired its first customer in the Commonwealth of Pennsylvania, as a natural gas supplier, as set forth in this order."

Just Energy signed its first NGS customer on December 9, 2011. Pursuant to the Commission's directives that the status report should be filed no less than 60 days prior to the 18<sup>th</sup> month after the Company signed their first customer in the Commonwealth of Pennsylvania, Just Energy is filing this status report.

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

Just Energy has complied with all requirements under the Public Utility Code, applicable Commission Orders, Regulations and specifically with the conditions set forth in the Order in Docket No. 2009-2098011. Additionally, Just Energy has applied the conditions set forth in Docket No. 2009-2098011 to the marketing activities of its independently licensed affiliate, Commerce Energy, Inc., which markets in PECO's electric and natural gas service territory.

**A. Sales Representatives**

Pursuant to the Order in Docket No. 2009-2098011, Ordering Paragraph 3.a., Just Energy has utilized employees, not independent contractors, as sales representatives for door to door marketing. Background checks are conducted on all employees that engage in door-to-door solicitation. Docket No. 2009-2098011, Ordering Paragraph 3.d. and Interim Guidelines for Marketing and Sales Practices ("IGMSP"), Docket No. M-2010-2185981, Annex A (B)(1)).

**B. Employee Training**

Prior to marketing, sales representatives undergo training that complies with the requirements set forth in both the Order in Docket No. 2009-2098011, Appendix, A. 2.b. and the IGMSP, Annex A (C). According to Docket No. 2009-2098011, Appendix, A. 2.c, sales representatives are required to undergo training at least once every six months. Just Energy takes this requirement further and conducts daily meetings in our sales offices where sales representatives receive up-to-date information regarding acceptable marketing practices as well as on Just Energy products and services. Additionally, sales representatives participate in role play activities that are then peer-reviewed. During training, as well as in the daily meetings, sales representatives are directed to observe any "no solicitation signs" that may appear at a customer's residence. IGMSP Annex A (O). In accordance with this same rule, Just Energy

maintains an internal “do not solicit list” for customers who request not to be visited from Just Energy sales representatives.

**C. Scripts**

Pursuant to the Order in Docket No. 2009-2098011, Appendix, A.2., Just Energy sales representatives are trained with Company- approved scripts that contain the verbal disclosures required in Appendix, A.1. and those required in IGMSP Annex G(1-2). Just Energy’s scripts do not contain any statements that might mislead the customer with regard to the levels of Just Energy’s customers’ past savings. Docket No. 2009-2098011 Appendix, A.1.k. Additionally, all sales are conducted in the language that is spoken and understood by the customer.

**D. Appearance of Sales Representative**

All sales representatives marketing for Just Energy wear badges that meet the requirements set forth in the IGMSP Annex (F)(1) and (G)(1). Additionally, sales representatives are prohibited from wearing blue clothing (Docket No. 2009-2098011 Ordering Paragraph 3.k.) and instead wear shirts, hats or jackets with the Just Energy logo readily visible. IGMSP Annex (F)(3).

**E. Presentation of Printed Promotional Materials**

Upon first contact, Just Energy sales representatives present customers with brochures that meet the requirements set forth in the IGMSP Annex (F)(2), as well as those required by the conditions in Docket No. 2009-2098011 Appendix, B.1. Additionally, all brochures and customer facing materials are provided to Commission staff for comment five days prior to use. Docket No. 2009-2098011 Ordering Paragraph 3.b.

**F. Contracts and Disclosure Statement**

The contract and disclosure statement used by Just Energy was developed in cooperation with the Commission's Bureau of Consumer Services. Docket No. 2009-2098011 Ordering Paragraph 3.j. Any Company edits to the contract or disclosure statement are provided to BCS staff for comment at least five days prior to their use. Docket No. 2009-2098011 Ordering Paragraph 3.b. Staff evaluates Just Energy's contracts for compliance with all applicable rules set forth in the Order at Docket No. 2009-2098011, the IGMSP, and 52 Pa. Code §62.67. Customers are provided with the disclosure statement language at the time of sale. IGMSP Annex (L)(1).

**G. Third Party Verifications**

After a contract is executed by a customer, a verification call is conducted pursuant to the Order in Docket No. 2009-2098011. Appendix, C.1.a. Just Energy uses a non-affiliated third party service to conduct the verification (per the Order in Docket No. 2009-2098011, Appendix, C.1.a.i.). The verification portion of the call is conducted only after the sales representative has left the customer's property, per the IGMSP, Annex A (D)(4). The information garnered during the verification call complies with the Order in Docket No. 2009-2098011, Appendix, C.1.a.iv. Additionally, the verification is conducted in the same language that was used in the sales transaction and is recorded in its entirety (Order in Docket No. 2009-2098011, Appendix, C.1.a.vi.). Third party verifiers are not permitted to market Just Energy products or services (Order in Docket No. 2009-2098011, Appendix, C.1.a.vii.) and must adhere to a very precise Company-provided script.

**H. Welcome Letter**

Just Energy abides by the conditions set forth in the Order in Docket No. 2009-2098011, Appendix F.1., and sends welcome letters to all new customers within 20 days from the date that Just Energy receives confirmation from the utility that the customer will be switched. Welcome letters contain the information required under the same Order in Docket No. 2009-2098011.

**I. Customer Complaint Response Process**

Pursuant to Just Energy's licensing conditions set forth in Docket No. 2009-2098011 (Ordering Paragraph 3.e.) and the IGMSP Annex A (P)(1), Just Energy maintains a single point of contact and escalation contacts for Commission staff for resolution of consumer inquiries and/or complaints received by the Commission's Bureau of Consumer Services (BCS). Just Energy responds to all consumer inquiries and complaints in accordance with the Order in Docket No. 209-2098011, Appendix, G. and the IGMSP Annex A (P)(2).

**J. Compliance**

Just Energy adheres to the compliance licensing conditions set forth in the Order in Docket 2009-2098011, Appendix, H. Persons who oversee Just Energy's compliance with all applicable rules, regulations, Commission orders or secretarial letters are not compensated based on commission. Just Energy maintains a code of compliance which sets forth acceptable marketing and solicitation practices for sales representatives. This code of compliance is consistent with the licensing conditions set forth in Docket 2009-2098011, 52 Pa. Code Chapter 62, all relevant secretarial letters and board orders and any applicable federal and state laws. The company's code of compliance is reviewed through annual meetings with corporate personnel as well as periodically in the sales offices' morning briefing meetings. During their training, sales representatives are provided with copies of the company's code of conduct and compliance. Just

Energy employs an individual in Pennsylvania whose sole responsibility is to monitor and evaluate the operation of Just Energy's sales offices, including the conduct and compliance of Just Energy's sales representatives.

Violations of the code of conduct by the sales representatives as well as regional managers are tracked and consequences are assigned as-needed based on the severity of violations. Consequences for violations are compliant with the conditions set forth in the Order in Docket No. 2009-2098011, Appendix, H.10.-12.

**K. Annual Letter**

Just Energy has been marketing to customers in Pennsylvania for just over one year. Pursuant to the conditions in Docket No. 2009-2098011, Ordering Paragraph 3.n., Just Energy sent correspondence to each of its customers and included the information set forth in that condition. The Company also applied this condition to its Commerce Energy, Inc. customers.

**L. Monthly Meetings with Bureau of Consumer Services Staff**

Just Energy's Regulatory Manager, Compliance Manager and Corporate and Consumer Relations Specialist hold monthly calls and in-person meetings with staff from the Bureau of Customer Service to review the previous month's sales representative complaint statistics and call center metrics (Docket No. 2009-2098011 Ordering Paragraph 3.c.). In advance of the call, Just Energy provides a report to staff that details the complaints the company received by category, the complaint rate against sales volumes as well as the customer service reporting levels including call answer time and call abandon rate.

**M. Local Ordinances**

Just Energy, in accordance with the IGMSP, Annex A (J), obtains all required local solicitation permits in accordance with local municipal and/or city codes in the areas in which



the company is marketing. The company employs a Permit Coordinator in Pennsylvania whose exclusive duty is to research local codes and obtain required permits for sales representatives.

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

The Commission's Order in Docket No. A-2009-2098011 requires an update of lawsuits, investigations and state commission proceedings to be included in the Report. This update can be found in Attachment 1.

### **IV. Conclusion**

Through this status report as well as through the monthly calls with the Bureau of Consumer Services, Just Energy has operated in good faith and compliance with the conditions set forth in Docket No. A-2009-2098011 as well as all applicable Commission rules, orders and state and federal laws. Additionally, the company has maintained a Complaint Ratio in Pennsylvania of less than 2% of sales for both Just Energy Pennsylvania Corp. and Commerce Energy, Inc since it began marketing to customers in 2011. The complaint ratio measures the number of internal and external sales-related complaints received by Just Energy relative to the number of sales over the same time period. Just Energy has reported this statistic to the Bureau of Consumer Services at the monthly meeting required under the Conditions. Finally, Just Energy and Commerce Energy have each met the call center requirements in Docket No. A-2009-2098011 Appendix, G.1. which requires the average answer time for any call into the call center not to exceed 60 seconds and the abandon rate for calls placed not to exceed 10%. The call center metrics are also reported to the Bureau of Consumer Services on a monthly basis.

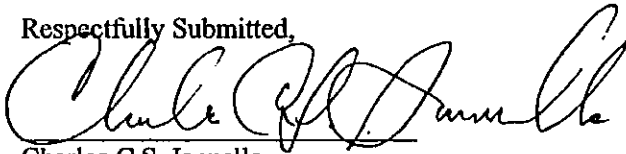
Just Energy has met the requirements set forth in its licensing conditions and respectfully requests that the Commission lift the licensing conditions placed on the Company's NGS license after the expiration of the eighteen month term from the date Just Energy began marketing to

**PUBLIC VERSION**

customers in Pennsylvania, on or about June 9, 2013

Just Energy appreciates the opportunity to inform the Commission of its compliance with the Commission's Final Order in Docket No. A-2009-2098011, as well as other applicable rules and laws.

Respectfully Submitted,



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

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SECRETARY'S BUREAU

**VERIFICATION**

I, Charles C.S. Iannello, Vice President, U.S. Regulatory Affairs, Just Energy Group Inc., hereby verify that the information in the foregoing Status Report of Just Energy Pennsylvania Corp. filed at Docket No. A-2009-2098011, is true and correct to the best of my information, knowledge and belief. I understand that the statements are made subject to the penalties of 18 Pa. C.S. Section 4904, relating to the unsworn falsification to authorities.

  
Signature

Dated: 4/8/13

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Attachment 1

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.

ONGOING MATERIAL CUSTOMER LITIGATION MATTERS

U.S. :

[REDACTED]

[REDACTED]

Canada:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

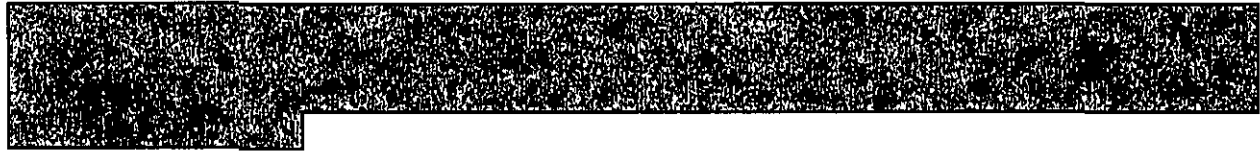
[REDACTED]

[REDACTED]

[REDACTED]

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

[REDACTED]



**Below are resolved regulatory 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 completed the implementation of all audit recommendations.

Just Energy Illinois Corp. formerly known as Illinois Energy Savings Corp. (“IESC”) – Illinois Attorney General (ILAG) – In February 2008, 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.

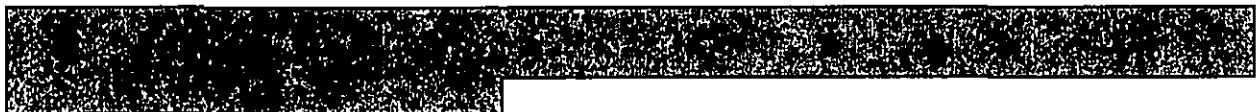
Hudson Energy Services, LLC (“Hudson Energy”) (This matter occurred prior to Just Energy Group Inc.’s acquisition of Hudson Energy Services) – This matter involved allegations of billing errors on the part of Hudson Energy in New Jersey, which caused approximately 2000 of its customers to be overcharged 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) – 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- on 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.

Just Energy Ontario L.P. (“Just Energy”) – Ontario Energy Board (“Board”) EB 2012-0443, on January 2, 2013 Just Energy entered into an Assurance of Voluntary Compliance and paid a \$80,000 administrative penalty. The assurance pertained to two independent contractors who engaged in conduct which breached the Energy Consumer Protection Act, Regulation 389/10 and the Electricity Retailer Code of Conduct. The breaches related to providing false or misleading statements, not immediately stating the name and retailer represented, failing to prominently display a valid identification badge and failing to offer a business card. Both independent contractors were terminated. This matter has been closed.

Hudson Energy Canada Corp. (“Hudson Energy”) – Ontario Energy Board (“Board”) EB 2012-0281– 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 Hudson Energy’s retention of training records, use of Price Comparison forms, and telephone verification of contracts. Hudson Energy received an Order for Compliance and the payment of an Administrative Penalty from the Board on July 31st, 2012 and paid an \$11,000 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 (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 (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 (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.

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